

Appendix I: AirAsiaBerhad's Balance Sheet 2005 – 2010

(RM'000)	12M ended 31/6/2005	12M ended 31/6/2006	12M ended 31/6/2007	6M ended 31/12/2007	12M ended 31/12/2008	12M ended 31/12/2009	12M ended 31/12/2010
NON-CURRENT ASSETS							
Property, plant and equipment	231,486	1,261,993	2,959,817	4,352,770	6,594,299	7,942,188	9,318,041
Investment in a jointly controlled entity	6,719	13,299	-	-	-	-	-
Investment in associates	-	29	29	29	29	29	29
Available-for-sale financial assets	-	-	-	-	-	-	152,942
Other investments	90	78	67	26,728	26,715	26,704	25
Goodwill	7,334	8,738	8,738	8,738	8,738	8,738	8,738
Deferred expenditure	3,221	1,278	-	-	-	-	-
Deferred tax assets	-	0	329,216	479,705	856,109	751,274	719,260
Receivables and prepayments	-	35,110	46,484	65,405	24,258	23,593	23,593
Derivative financial instruments	-	-	-	-	-	-	25,544
Amount due from a jointly controlled entity	-	-	-	-	-	171,885	-
Amount due from an associate	-	-	-	-	-	253,037	117,964
	<u>248,850</u>	<u>1,320,525</u>	<u>3,344,351</u>	<u>4,933,375</u>	<u>7,510,148</u>	<u>9,177,448</u>	<u>10,366,136</u>
CURRENT ASSETS							
Inventories	4,680	10,578	9,512	17,567	20,684	20,864	17,553
Other investments	7,717	30,696	34,136	30,892	-	-	-
Receivables and prepayments	278,849	276,838	308,950	539,201	689,381	721,082	841,122
Deposits on aircraft purchase	182,414	268,634	317,296	318,251	334,628	330,978	248,684
Amount due from a jointly controlled entity	30,511	26,750	92,182	95,622	309,683	194,503	99,802
Amount due from associates	40,634	52,938	77,432	88,168	387,647	207,233	162,386
Deposits, cash and bank balances	329,289	425,641	595,243	425,195	153,762	746,312	1,504,617
	<u>874,094</u>	<u>1,092,075</u>	<u>1,434,751</u>	<u>1,514,896</u>	<u>1,895,785</u>	<u>2,220,972</u>	<u>2,874,164</u>

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(RM'000)	12M ended 31/6/2005	12M ended 31/6/2006	12M ended 31/6/2007	6M ended 31/12/2007	12M ended 31/12/2008	12M ended 31/12/2009	12M ended 31/12/2010
LESS: CURRENT LIABILITIES							
Trade and other payables	155,010	267,081	557,796	620,881	774,250	872,990	912,943
Sales in advance	-	-	-	-	255,517	283,224	328,549
Provision for loss on unwinding of derivatives	-	-	-	-	151,713	-	-
Amount due to an associate	202	-	-	3,761	4,359	3,382	5,223
Amount due to a related company	-	-	-	21,337	3,634	-	41,262
Hire-purchase payables	167	153	77	77	77	56	15
Borrowings (secured)	-	265,360	251,097	278,550	538,934	540,212	553,967
Current tax liabilities	798	1,295	4,575	5,178	4,216	9,824	1,632
	<u>156,177</u>	<u>533,889</u>	<u>813,545</u>	<u>929,784</u>	<u>1,732,700</u>	<u>1,709,688</u>	<u>1,843,591</u>
NET CURRENT ASSETS	717,917	558,186	621,206	585,112	163,085	511,284	1,030,573
NON-CURRENT LIABILITIES							
Deferred tax liabilities	13,613	38,529	-	-	-	-	-
Hire-purchase payables	283	288	188	149	72	16	-
Derivative financial instruments	-	-	-	-	-	-	452,865
Borrowings (secured)	-	787,276	2,303,488	3,419,121	6,067,625	7,067,696	7,302,884
	<u>13,896</u>	<u>826,093</u>	<u>2,303,676</u>	<u>3,419,270</u>	<u>6,067,697</u>	<u>7,067,712</u>	<u>7,755,749</u>
TOTAL ASSETS - TOTAL LIABILITIES	<u>952,871</u>	<u>1,052,618</u>	<u>1,661,881</u>	<u>2,099,217</u>	<u>1,605,536</u>	<u>2,621,020</u>	<u>3,640,960</u>

Appendix I: AirAsiaBerhad's Balance Sheet 2005 – 2010

(RM'000)	12M ended 31/6/2005	12M ended 31/6/2006	12M ended 31/6/2007	6M ended 31/12/2007	12M ended 31/12/2008	12M ended 31/12/2009	12M ended 31/12/2010
CAPITAL AND RESERVES							
Share capital	233,503	234,649	236,077	237,154	237,421	275,774	277,344
Share premium	698,602	708,185	722,178	732,737	735,352	1,206,216	1,221,594
Foreign exchange reserve	-	592	592	592	592	592	485
Other reserves	-	-	-	-	-	-	38,966
Retained earnings	20,751	109,165	702,995	1,128,734	632,171	1,138,438	2,102,571
Shareholders' equity	952,856	1,052,591	1,661,842	2,099,217	1,605,536	2,621,020	3,640,960
Minority interest	15	27	39	-	-	-	-
	952,871	1,052,618	1,661,881	2,099,217	1,605,536	2,621,020	3,640,960

Appendix II: AirAsiaBerhad's Income Statement 2005 – 2010

(RM'000)	12M ended 31/6/2005	12M ended 31/6/2006	12M ended 31/6/2007	6M ended 31/12/2007	12M ended 31/12/2008	12M ended 31/12/2009	12M ended 31/12/2010
Revenue	666,036	862,880	1,603,261	1,094,377	2,854,970	3,132,901	3,948,095
Staff costs	(83,539)	(115,695)	(155,215)	(111,682)	(236,793)	(306,002)	(360,785)
Aircraft fuel expenses	(267,536)	(323,775)	(699,640)	(443,831)	(1,389,841)	(927,795)	(1,210,108)
Maintenance, overhaul, user charges and other related expenses	(65,200)	(110,913)	(271,684)	(148,641)	(307,205)	(410,583)	(476,077)
Aircraft operating lease expenses	(51,350)	(53,214)	(34,109)	-	(92,649)	(107,251)	(65,692)
Gross profit	198,411	259,283	442,613	390,223	828,482	1,381,270	1,835,433
Operating expenses							
Depreciation of property, plant and equipment	(34,100)	(71,066)	(175,366)	(120,031)	(346,954)	(447,644)	(519,984)
Gain/(loss) on unwinding of derivatives	-	-	-	-	(678,503)	22,457	-
Provision for loss on unwinding of derivatives	-	-	-	-	(151,713)	-	-
Other operating expenses	(41,909)	(95,895)	(74,961)	(73,403)	(84,515)	(145,712)	(262,015)
Other income	1,699	4,587	86,565	11,393	81,545	102,383	13,527
Operating profit/(loss)	124,101	96,909	278,851	208,182	(351,658)	912,754	1,066,961
Finance income	6,720	12,602	3,108	148,251	35,245	84,505	808,033
Finance costs	-	-	-	(79,718)	(552,785)	(374,971)	(776,138)
Share of results of related companies	(5,421)	6,006	(3,910)	-	-	-	-
Profit before taxation	125,400	115,517	278,049	276,715	(869,198)	622,288	1,098,856

Appendix II: AirAsiaBerhad's Income Statement 2005 – 2010

(RM'000)	12M ended 31/6/2005	12M ended 31/6/2006	12M ended 31/6/2007	6M ended 31/12/2007	12M ended 31/12/2008	12M ended 31/12/2009	12M ended 31/12/2010
Taxation							
Current taxation	(1,804)	(2,175)	(5,118)	(1,504)	(3,769)	(11,186)	(5,431)
Deferred taxation	(12,500)	(24,916)	225,126	150,489	376,404	(104,835)	(32,014)
	(14,304)	(27,091)	220,008	148,985	372,635	(116,021)	(37,445)
Profit after taxation	111,096	88,426	498,057	425,700	(496,563)	506,267	1,061,411
Minority interests	461	(12)	-	-	-	-	-
Net profit for the financial period/year	111,557	88,414	498,057	425,700	(496,563)	506,267	1,061,411

Appendix III: AirAsiaBerhad's Statement of Cash Flows 2005 – 2010

(RM '000)	12M ended 31/6/2005	12M ended 31/6/2006	12M ended 31/6/2007	6M ended 31/12/2007	12M ended 31/12/2008	12M ended 31/12/2009	12M ended 31/12/2010
CASH FLOWS FROM OPERATING ACTIVITIES							
Profit/(loss) before taxation	125,400	115,517	278,049	276,715	(869,198)	622,288	1,098,856
Adjustments:							
Share of results of related companies	5,421	(6,006)	3,910	-	-	-	-
Property, plant and equipment							
Depreciation	34,100	71,066	175,366	129,761	346,954	447,644	519,984
Impairment	-	-	-	-	-	-	6,996
Write off	-	877	-	476	29	388	-
Gain/(Loss) on disposals	74	111	299	5	(15,554)	(30,696)	(1,311)
Gain/(Loss) on disposal of other investments	-	-	-	-	4,217	-	-
Amortisation of deferred expenditure	1,147	1,943	-	-	-	-	-
Amortisation of long term prepayments	-	990	3,115	4,628	10,261	9,645	24,741
Amortisation of other investments	-	-	11	6	13	11	12
Write-off of receivables							
Unwinding of discount on intercompany receivables							(9,647)
Provision for loss on unwinding of derivatives	-	-	-	-	151,713	-	295,028
(Reversal of)/allowance for doubtful debts	-	-	-	(2,467)	-	-	-
Net unrealised foreign exchange (gain)/loss	-	-	-	(108,340)	227,994	(39,742)	(586,755)
Interest expense	2,191	21,374	104,038	88,292	297,533	371,153	374,364
Interest income	(9,331)	(12,148)	(27,012)	(13,820)	(20,990)	(6,300)	(66,699)
	159,002	193,724	537,776	375,256	133,709	1,374,391	1,655,569

Appendix III: AirAsiaBerhad's Statement of Cash Flows 2005 – 2010

(RM '000)	12M ended 31/6/2005	12M ended 31/6/2006	12M ended 31/6/2007	6M ended 31/12/2007	12M ended 31/12/2008	12M ended 31/12/2009	12M ended 31/12/2010
Changes in working capital:							
Inventories	(733)	(5,898)	1,066	(8,055)	(3,117)	(180)	3,311
Receivables and prepayments	(184,262)	2,029	(32,112)	(218,409)	(148,520)	(28,438)	(162,883)
Trade and other payables	53,409	112,083	186,176	140,630	390,480	77,701	63,453
Intercompany balances	(70,943)	(8,745)	(18,922)	10,922	(565,117)	(166,457)	393,568
Cash generated from/(used in) operations	(43,527)	293,193	673,984	300,344	(192,565)	1,257,017	1,953,018
Utilisation of provision for loss on unwinding of derivatives	-	-	-	-	-	(151,713)	-
Interest paid	(2,191)	(21,374)	(104,038)	(57,497)	(239,755)	(322,407)	(379,099)
Interest received	9,331	12,148	27,012	13,820	20,990	6,300	57,052
Tax paid	(1,520)	(1,678)	(1,838)	(901)	(4,731)	(5,578)	(11,808)
Net cash from operating activities	(37,907)	282,289	595,120	255,766	(416,061)	783,619	1,619,163
CASH FLOWS FROM INVESTING ACTIVITIES							
Property, plant and equipment							
Additions	(107,078)	(982,226)	(1,878,510)	(1,532,571)	(2,623,001)	(1,947,763)	(1,902,833)
Proceeds from disposals	71	133	5,021	1	50,043	182,538	-
Deposit on aircraft purchase	(182,414)	(206,500)	(48,662)	(955)	(7,448)	(12,243)	-
Long term prepayments	-	(36,100)	(13,211)	(23,549)	(48,197)	-	-
Proceeds from disposal of other investments	-	-	-	-	26,675	-	-
Purchases of available-for-sale financial assets	-	-	-	-	-	-	(16,000)
Additional other investments	(7,717)	(22,979)	(3,440)	(23,423)	-	-	50,808
Additional investment in a subsidiary	-	(1,404)	-	-	-	-	-
Additional investment in an associates	-	(29)	(3,910)	-	-	-	-
Net cash used in investing activities	(297,138)	(1,249,105)	(1,942,712)	(1,580,497)	(2,601,928)	(1,777,468)	(1,868,025)

Appendix III: AirAsiaBerhad'sStatement of Cash Flows 2005 – 2010

(RM '000)	12M ended 31/6/2005	12M ended 31/6/2006	12M ended 31/6/2007	6M ended 31/12/2007	12M ended 31/12/2008	12M ended 31/12/2009	12M ended 31/12/2010
CASH FLOWS FROM FINANCING ACTIVITIES							
Proceeds from allotment of shares (net)	693,759	10,729	15,421	11,636	2,882	509,217	16,948
Hire-purchase instalments paid	(116)	(197)	(176)	(39)	(77)	(77)	(57)
Proceeds from borrowings	-	1,170,932	1,803,306	1,273,434	3,044,531	1,670,390	1,562,856
Repayment of borrowings	(95,456)	(118,296)	(301,357)	(130,348)	(300,780)	(593,131)	(572,580)
Deposits pledged as securities	(9,183)	4,007	(8,162)	(14,082)	2,019	5,112	(942)
Net cash from financing activities	<u>589,004</u>	<u>1,067,175</u>	<u>1,509,032</u>	<u>1,140,601</u>	<u>2,748,575</u>	<u>1,591,511</u>	<u>1,006,225</u>
NET (DECREASE)/INCREASE FOR THE FINANCIAL PERIOD	253,959	100,359	161,440	(184,130)	(269,414)	597,662	757,363
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	58,589	312,548	412,907	574,347	390,217	120,803	718,465
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	312,548	412,907	574,347	390,217	120,803	718,465	1,475,828

Appendix IV: AirAsiaBerhad's Unaudited Condensed Consolidated Statement of Financial Position for the Quarter Ended 31 March 2011

(RM '000)	As at 31/03/2011	As at 31/03/2010
Non Current Assets		
Property, plant & equipment	9,403,233	9,318,041
Investment in associates	29	29
Derivative Financial Instruments	22,153	25,544
Other investments	25	25
AFS Financial Assets	152,942	152,942
Goodwill	8,738	8,738
Deferred tax asset	691,972	719,260
Long term prepayments	22,762	23,593
Amount due from associates	117,964	117,964
	<u>10,419,818</u>	<u>10,366,136</u>
Current Assets		
Inventories (at cost)	18,321	17,553
Derivative Financial Instruments	2,575	0
Trade receivables	69,063	130,098
Prepayment, deposits and other receivables	528,062	711,024
Deposit on aircraft purchase	245,129	248,684
Amount due from a jointly controlled entity	31,134	99,802
Amount due from associates	114,164	162,386
Deposits, bank and cash balances	1,793,881	1,504,617
Tax recoverable	75	0
	<u>2,802,404</u>	<u>2,874,164</u>
Total Asset	13,222,222	13,240,300

Appendix IV: AirAsiaBerhad's Unaudited Condensed Consolidated Statement of Financial Position for the Quarter Ended 31 March 2011

(RM '000)	As at 31/03/2011	As at 31/03/2010
Current Liabilities		
Trade and other payables	735,246	912,943
Sales in advance	329,114	328,549
Borrowings	556,231	553,967
Hire-purchase payables	6	15
Current tax liabilities	0	1,632
Amount due to associates	0	5,223
Amount due to a related company	74,705	41,262
	<u>1,695,302</u>	<u>1,843,591</u>
Net Current Assets	1,107,102	1,030,573
Non Current Liabilities		
Borrowings	7,213,519	7,302,884
Derivative Financial Instruments	496,862	452,865
	<u>7,710,381</u>	<u>7,755,749</u>
Total Liabilities	9,405,683	9,599,340
Capital and Reserves		
Share capital	277,552	277,344
Share premium	1,223,632	1,221,594
Retained earnings b/f	2,102,571	1,041,160
Profit/(Losses) for the year	171,928	1,061,411
Other reserves	40,856	39,451
Shareholders' funds	<u>3,816,539</u>	<u>3,640,960</u>
Total Liabilities and Equity	13,222,222	13,240,300

This condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

Appendix V: AirAsiaBerhad's Unaudited Condensed Consolidated Income Statement for the Quarter Ended 31 March 2011

(RM '000)	Quarter ended 31/03/2011	Quarter ended 31/03/2010
Revenue	1,047,941	870,605
Operating expenses:		
Staff costs	(118,532)	(90,429)
Depreciation of property, plant and equipment	(141,136)	(116,738)
Aircraft fuel expenses	(376,547)	(308,834)
Maintenance, overhaul, user charges and other related expenses	(146,733)	(110,632)
Aircraft operating lease expenses	(15,795)	(21,832)
Travel and tour operating expenses	(17,933)	(15,195)
Other operating expenses	(35,478)	(28,132)
Other (losses)/gains - net	13,862	(21,195)
Other income	32,070	7,436
Operating Profit	<u>241,719</u>	<u>165,054</u>
Finance Income	115,724	306,478
Finance Costs	(154,569)	(215,350)
Share of results of a jointly controlled entity	0	0
Share of results of associates	0	0
Profit before tax	<u>202,874</u>	<u>256,182</u>
Current Taxation	(3,658)	(4,366)
Deferred Taxation	(27,288)	(27,706)
Profit after tax	<u>171,928</u>	<u>224,110</u>
Attributable to:		
Equity holders of the company	171,928	224,110
Minority interests	0	0
Profit/(Loss) for the period	<u>171,928</u>	<u>224,110</u>
Other comprehensive income/(loss)	1,405	(11,150)
Total comprehensive income/(loss) for the period	<u>173,333</u>	<u>212,960</u>

This condensed consolidated income statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

Appendix VI: AirAsiaBerhad's Unaudited Condensed Consolidated Statement of Cash Flows for the Quarter Ended 31 March 2011

(RM '000)	Quarter ended 31/03/2011	Quarter ended 31/03/2010
Cash Flows from Operating Activities		
Profit/(Loss) before taxation	202,874	1,098,856
Adjustments:		
Property, plant and equipment		
Depreciation	141,136	519,984
Impairment	0	6,996
Gain on disposal	(20,744)	(1,311)
Amortisation of long term prepayments	4,936	24,741
Amortisation of other investments	3	12
Unwinding of discount on intercompany receivables	(2,832)	(9,647)
Fair value losses on derivative financial instruments	46,218	295,028
Net unrealised foreign exchange (gain)/loss	(111,477)	(586,755)
Interest expense	92,088	374,364
Interest income	(14,670)	(66,699)
	<u>337,532</u>	<u>1,655,569</u>
Changes in working capital		
Inventories	(768)	3,311
Receivables and prepayments	229,131	(162,883)
Trade and other payables	(232,923)	63,453
Intercompany balances	148,561	393,568
Cash generated from/(used) in operations	<u>481,533</u>	<u>1,953,018</u>
Interest paid	(33,820)	(379,099)
Interest received	11,838	57,052
Tax paid	(5,365)	(11,808)
Net cash from/(used in) operating activities	<u>454,186</u>	<u>1,619,163</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment		
Additions	(226,473)	(1,902,833)
Proceeds from disposal	21,256	0
Purchase of AFS Financial Asset	0	(16,000)
Deposit on aircraft purchase	(1,111)	50,808
Long term prepayments	(4,105)	0
Net cash used in investing activities	<u>(210,433)</u>	<u>(1,868,025)</u>

Appendix VI: AirAsiaBerhad's Unaudited Condensed Consolidated Statement of Cash Flows for the Quarter Ended 31 March 2011

(RM '000)	Quarter ended 31/03/2011	Quarter ended 31/03/2010
CASH FLOWS FROM FINANCING FACILITIES		
Proceeds from allotment of shares	2,247	16,948
Hire purchase from instalments paid	(9)	(57)
Proceeds from borrowings	184,235	1,562,856
Repayment of borrowings	(140,963)	(572,580)
Deposits pledged as securities	(559)	(942)
Net cash from financing activities	44,951	1,006,225
NET INCREASE/(DECREASE) FOR THE FINANCIAL YEAR		
	288,704	757,363
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		
	1,475,828	718,465
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR		
	1,764,532	1,475,828

The balance at end of financial period excludes fixed deposits of RM29.348 million (31/12/10: RM28.789 million) pledged with licensed bank as securities for banking facilities granted to AirAsia.

This condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

Appendix VII: Analysts' Survey Questionnaire

Name: _____

Bank/Brokerage: _____

1. What is the valuation method that you most frequently use to calculate the target share price of an air transportation firm such as AirAsia, MAS and RyanAir? Why?

- P/E ratio
- P/E-based (PEG or combine P/E with P/B or EV/EBITDA)
- EV-based (EV/EBITDA, EV/Fleet Value)
- BV-based (BV or P/BV)
- Asset-based (RNAV, NTA, P/NTA)
- Others (DCF, Gordon's Dividend Growth Model, others)

Comments:

2. Regardless of your answer to Question 1, on the occasion that you use a P/E ratio to value the shares of a firm in the aviation industry, how do you determine the target forward P/E ratio?

3. Before issuing a new analyst report, do you refer to your previous report to determine whether the valuation method you used then is still appropriate? What reasons would compel you to switch valuation methods?

4. Do you provide Beta in your analyst reports for investors? If yes, how do you obtain Beta? If no, why not?

5. What factors influence your bank's decision to initiate coverage on a firm's shares?
