

(UNOFFICIAL TRANSLATION)
AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

TO: THE SHAREHOLDERS OF THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED

The Office of the Auditor General of Thailand has reviewed the accompanying consolidated and separate statements of financial position as at March 31, 2013, the related consolidated and separate statements of comprehensive income, statements of changes in shareholders' equity and statements of cash flows for the three-month periods ended March 31, 2013 and condensed notes to interim financial statements of Thai Airways International Public Company Limited and its subsidiaries and of Thai Airways International Public Company Limited, respectively. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". The responsibility of the Office of the Auditor General of Thailand is to express a conclusion on this interim financial information based on the review.

Scope of the Review

The Office of the Auditor General of Thailand conducted the review in accordance with Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable the Office of the Auditor General of Thailand to obtain assurance that the Office of the Auditor General of Thailand would become aware of all significant matters that might be identified in an audit. Accordingly, the Office of the Auditor General of Thailand does not express an audit opinion.

Conclusion

Based on the review, nothing has come to the attention that causes the Office of the Auditor General of Thailand to believe that the interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

(Signed) *Poungchomnad Jariyajinda*
(Poungchomnad Jariyajinda)
Inspector General

(Signed) *Roongnapa Charoenkunwiwat*
(Roongnapa Charoenkunwiwat)
Director of Financial Audit Office No.4

Office of the Auditor General
May 8, 2013

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31, 2013

Unit : Baht

	Notes	<u>CONSOLIDATED FINANCIAL STATEMENTS</u>		<u>SEPARATE FINANCIAL STATEMENTS</u>	
		<u>Mar 31, 2013</u> (Unaudited but reviewed)	<u>Dec 31, 2012</u>	<u>Mar 31, 2013</u> (Unaudited but reviewed)	<u>Dec 31, 2012</u>
ASSETS					
Current Assets					
Cash and cash equivalents	5.1	18,632,667,601	20,048,374,724	18,390,323,338	19,741,670,550
Temporary investments		150,000,000	1,709,730,474	-	-
Trade accounts receivable	5.2	16,715,986,329	15,738,200,618	16,680,381,115	15,679,356,299
Prepaid expenses and deposits		8,826,622,947	8,951,772,089	9,006,818,916	9,012,036,532
Inventories and supplies		7,871,105,953	7,783,943,974	7,871,105,953	7,780,199,730
Other current assets	5.3	9,182,336,120	9,948,745,997	9,173,908,831	9,713,193,240
Non-current assets classified as held for sale	5.11	8,519,672,061	7,430,210,409	8,519,672,061	7,430,210,409
Total Current Assets		<u>69,898,391,011</u>	<u>71,610,978,285</u>	<u>69,642,210,214</u>	<u>69,356,666,760</u>
Non-Current Assets					
Investment in associates	5.4.1	4,037,387,814	1,429,610,889	1,083,520,500	723,520,500
Investment in subsidiaries	5.4.1	-	-	10,209,900	370,209,900
Other long-term investments	5.4.2	122,274,455	130,160,178	72,053,694	74,585,128
Property, plant and equipment	5.6	222,051,850,584	218,567,945,045	222,043,234,085	218,477,941,563
Goodwill		-	1,390,549,247	-	-
Intangible assets	5.7	765,812,945	1,337,499,242	760,554,139	772,954,356
Deferred tax assets	5.8	5,484,219,798	4,966,453,549	5,472,456,118	4,939,492,971
Other non-current assets	5.10	5,296,998,947	4,662,685,173	5,291,329,473	4,640,196,663
Total Non-Current Assets		<u>237,758,544,543</u>	<u>232,484,903,323</u>	<u>234,733,357,909</u>	<u>229,998,901,081</u>
Total Assets		<u>307,656,935,554</u>	<u>304,095,881,608</u>	<u>304,375,568,123</u>	<u>299,355,567,841</u>

The accompanying notes are an integral part of these financial statements.

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31, 2013

Unit : Baht

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		Mar 31, 2013 (Unaudited but reviewed)	Dec 31, 2012	Mar 31, 2013 (Unaudited but reviewed)	Dec 31, 2012
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Liabilities					
Trade accounts payable		6,280,510,616	4,621,570,981	6,271,492,034	4,287,281,811
Accrued expenses		18,912,813,460	18,726,829,882	19,083,540,732	18,497,737,175
Current portion of long-term liabilities					
Long-term loans from related parties	5.5.1.1	3,124,904,000	3,297,264,000	3,124,904,000	3,297,264,000
Long-term loans from other parties		8,462,736,842	8,151,368,421	8,462,736,842	8,151,368,421
Liabilities under finance leases		9,612,790,068	9,938,493,819	9,612,790,068	9,938,493,819
Debentures		3,276,790,000	2,556,790,000	3,276,790,000	2,556,790,000
Current income tax payable		208,527,034	16,956,305	179,355,413	-
Other current liabilities					
Accrued dividends		51,771,440	51,794,664	51,647,049	51,692,971
Unearned transportation revenues		21,478,992,710	23,789,156,859	21,478,992,710	23,380,604,242
Others		9,722,040,152	11,532,444,154	9,754,550,443	11,470,031,663
Total Current Liabilities		81,131,876,322	82,682,669,085	81,296,799,291	81,631,264,102
Non-Current Liabilities					
Long-term liabilities					
Long-term loans from related parties	5.5.1.1	1,497,000,000	1,890,000,000	1,497,000,000	1,890,000,000
Long-term loans from other parties		37,135,263,158	39,120,631,579	37,135,263,158	39,120,631,579
Liabilities under finance leases		61,970,165,859	61,610,827,672	61,970,165,859	61,610,827,672
Debentures		31,400,000,000	32,120,000,000	31,400,000,000	32,120,000,000
Deferred tax liabilities	5.9	88,155,600	83,351,796	88,155,600	83,351,796
Staff pension fund	5.21	4,756,791,208	4,670,104,407	4,756,791,208	4,670,104,407
Employee benefits obligation	5.12	11,220,461,903	11,082,178,755	11,197,935,505	10,970,895,026
Long-term provisions		810,592,816	831,594,427	808,189,140	829,190,752
Other non - current liabilities		250,999,853	186,085,924	250,885,147	185,856,512
Total Non-Current Liabilities		149,129,430,397	151,594,774,560	149,104,385,617	151,480,857,744
Total Liabilities		230,261,306,719	234,277,443,645	230,401,184,908	233,112,121,846
Shareholders' Equity					
Share capital	5.13				
Authorized share capital					
2,698.90 million ordinary shares par value of Baht 10 each		26,989,009,500	26,989,009,500	26,989,009,500	26,989,009,500
Issued and paid-up share capital					
2,182.77 million ordinary shares par value of Baht 10 each		21,827,719,170	21,827,719,170	21,827,719,170	21,827,719,170
Share premium account - Ordinary shares		25,548,223,951	25,548,223,951	25,548,223,951	25,548,223,951
Retained earnings					
Appropriated					
Legal reserve		2,691,275,568	2,691,275,568	2,691,275,568	2,691,275,568
Unappropriated		27,138,673,694	18,852,734,438	23,907,164,526	16,176,227,306
Total Company Shareholders' Equity		77,205,892,383	68,919,953,127	73,974,383,215	66,243,445,995
Non-controlling Interests		189,736,452	898,484,836	-	-
Total Shareholders' Equity		77,395,628,835	69,818,437,963	73,974,383,215	66,243,445,995
Total Liabilities and Shareholders' Equity		307,656,935,554	304,095,881,608	304,375,568,123	299,355,567,841

The accompanying notes are an integral part of these financial statements.

(Signed) *Sorajak Kasemstuvan*
(Sorajak Kasemstuvan)
President

(Signed) *Wasukarn Visansawatdi*
(Wasukarn Visansawatdi)
Executive Vice President
Finance and Accounting

(Unaudited
but reviewed)

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2013

Unit : Baht

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2013	2012 (Restated)	2013	2012 (Restated)
Revenues					
Revenues from Sales or Revenues from Services					
Passenger and excess baggage		47,552,440,556	44,957,271,198	47,552,440,556	43,140,517,805
Freight		5,849,001,893	6,500,114,963	5,849,001,893	6,498,024,580
Mail		221,563,788	222,738,097	221,563,788	222,738,097
Other activities		2,389,399,247	2,318,760,074	2,295,004,915	2,343,174,253
Total Revenues from Sales or Revenues from Services		56,012,405,484	53,998,884,332	55,918,011,152	52,204,454,735
Other Income					
Interest income		119,434,681	119,104,203	117,824,305	104,947,311
Profitability on foreign currency exchange		6,129,308,680	527,414,686	6,132,059,925	527,791,379
Other income - Others	5.15	711,631,362	386,849,117	833,756,825	378,657,489
Profitability on business acquisition		-	1,584,397,482	-	-
Gain on reclassified investment		298,158,621	-	-	-
Total Other Income		7,258,533,344	2,617,765,488	7,083,641,055	1,011,396,179
Total Revenues		63,270,938,828	56,616,649,820	63,001,652,207	53,215,850,914
Expenses					
Fuel and oil		20,313,545,735	20,326,172,645	20,313,545,735	19,633,673,158
Employee benefits expenses	5.14	8,380,777,160	7,094,312,089	8,381,095,761	6,977,698,467
Flight service expenses		5,262,342,919	5,111,303,828	5,262,342,919	4,947,581,550
Crew expenses		1,457,653,939	1,465,692,442	1,457,653,939	1,428,787,782
Aircraft maintenance and overhaul costs		3,254,613,022	2,977,311,552	3,254,613,022	2,675,635,010
Depreciation and amortisation expenses		4,778,937,346	5,158,012,672	4,777,462,593	5,133,755,849
Lease of aircraft and spare parts		1,044,376,761	1,185,102,631	1,044,376,761	1,004,483,088
Inventories and supplies		2,421,963,825	2,352,335,670	2,421,963,825	2,337,942,523
Selling and advertising expenses		2,255,892,174	1,533,999,945	2,237,109,161	1,460,236,563
Insurance expenses		123,699,992	129,010,800	123,699,992	96,216,925
Impairment loss of assets		107,911,426	19,217,269	107,911,426	19,217,269
Impairment loss of aircraft	5.17	2,260,482,045	181,143,438	2,260,482,045	181,143,438
Other expenses	5.16	2,516,406,512	2,254,125,757	2,497,606,847	2,138,177,177
Finance costs		1,409,062,661	1,480,608,390	1,409,059,319	1,481,234,947
Share of profits of associates		(348,876,925)	(92,809,373)	-	-
Total Expenses		55,238,788,592	51,175,539,755	55,548,923,345	49,515,783,746
Profit before Income Tax Expense		8,032,150,236	5,441,110,065	7,452,728,862	3,700,067,168
Net tax expense (income)	5.18	(263,038,308)	199,932,913	(278,208,358)	183,447,658
Profit for the period		8,295,188,544	5,241,177,152	7,730,937,220	3,516,619,510
Other comprehensive income (loss)		-	-	-	-
Net comprehensive income for the period		8,295,188,544	5,241,177,152	7,730,937,220	3,516,619,510
Profit Attributable to:					
Owners of the parent		8,282,949,163	5,223,765,633	7,730,937,220	3,516,619,510
Non-controlling interests		12,239,381	17,411,519	-	-
		8,295,188,544	5,241,177,152	7,730,937,220	3,516,619,510
Total Comprehensive Income Attributable to:					
Owners of the parent		8,282,949,163	5,223,765,633	7,730,937,220	3,516,619,510
Non-controlling interests		12,239,381	17,411,519	-	-
		8,295,188,544	5,241,177,152	7,730,937,220	3,516,619,510
Earnings per Share					
Basic earnings per share	5.19	3.79	2.39	3.54	1.61

The accompanying notes are an integral part of these financial statements.

(Signed) Sorajak Kasemsuvan
(Sorajak Kasemsuvan)
President

(Signed) Wasukarn Visansawatdi
(Wasukarn Visansawatdi)
Executive Vice President
Finance and Accounting

(Unaudited
but reviewed)

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2013

Unit : Baht

CONSOLIDATED FINANCIAL STATEMENTS

	Owners of the parent				Non-controlling Interests	Total Shareholders' Equity
	Issued and Paid-up Share Capital	Share Premium Account Ordinary Shares	Retained Earnings	Total Owners of the parent		
<i>Notes</i>						
Balance as at January 1, 2012 before Adjustment	21,827,719,170	25,548,223,951	15,793,000,243	63,168,943,364	266,273,256	63,435,216,620
<u>Add</u> The effect of business acquisition	-	-	-	-	683,605,026	683,605,026
<u>Less</u> Accumulation from accounting error correction	-	-	(488,299,324)	(488,299,324)	-	(488,299,324)
<u>Add</u> The effect of changes in accounting policy	-	-	10,336,364	10,336,364	13,586,573	23,922,937
Balance after Adjustment	21,827,719,170	25,548,223,951	15,315,037,283	62,690,980,404	963,464,855	63,654,445,259
Changes in Shareholders' Equity						
<u>Less</u> Dividends paid to preference shares	-	-	-	-	(22,866)	(22,866)
<u>Add</u> Comprehensive income	-	-	5,223,765,633	5,223,765,633	17,411,519	5,241,177,152
Balance as at March 31, 2012	21,827,719,170	25,548,223,951	20,538,802,916	67,914,746,037	980,853,508	68,895,599,545
Balance as at January 1, 2013 before Adjustment	21,827,719,170	25,548,223,951	21,544,010,006	68,919,953,127	898,484,836	69,818,437,963
<u>Less</u> The effect of losing control in subsidiary	-	-	-	-	(720,965,280)	(720,965,280)
<u>Add</u> The effect of changes in accounting policy	-	-	2,990,093	2,990,093	214	2,990,307
Balance after Adjustment	21,827,719,170	25,548,223,951	21,547,000,099	68,922,943,220	177,519,770	69,100,462,990
Changes in Shareholders' Equity						
<u>Less</u> Dividends paid to cumulative preference shares	-	-	-	-	(22,699)	(22,699)
<u>Add</u> Comprehensive income	-	-	8,282,949,163	8,282,949,163	12,239,381	8,295,188,544
Balance as at March 31, 2013	21,827,719,170	25,548,223,951	29,829,949,262	77,205,892,383	189,736,452	77,395,628,835

The accompanying notes are an integral part of these financial statements.

(Signed) *Sorajak Kasemsuvan*
(Sorajak Kasemsuvan)
President

(Signed) *Wasukarn Visansawatdi*
(Wasukarn Visansawatdi)
Executive Vice President
Finance and Accounting

(Unaudited
but reviewed)

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2013

Unit : Baht

SEPARATE FINANCIAL STATEMENTS

<i>Notes</i>	Issued and Paid-up Share Capital	Share Premium Account - Ordinary Shares	Retained Earnings	Total
Balance as at January 1, 2012 before Adjustment	21,827,719,170	25,548,223,951	14,926,148,121	62,302,091,242
<u>Less</u> Accumulation from accounting error correction	-	-	(488,299,324)	(488,299,324)
Balance after Adjustment	21,827,719,170	25,548,223,951	14,437,848,797	61,813,791,918
Changes in Shareholders' Equity				
<u>Add</u> Comprehensive income	-	-	3,516,619,510	3,516,619,510
Balance as at March 31, 2012	21,827,719,170	25,548,223,951	17,954,468,307	65,330,411,428
Balance as at January 1, 2013	21,827,719,170	25,548,223,951	18,867,502,874	66,243,445,995
Changes in Shareholders' Equity				
<u>Add</u> Comprehensive income	-	-	7,730,937,220	7,730,937,220
Balance as at March 31, 2013	21,827,719,170	25,548,223,951	26,598,440,094	73,974,383,215

The accompanying notes are an integral part of these financial statements.

(Signed) *Sorajak Kasemsuvan*
(Sorajak Kasemsuvan)
President

(Signed) *Wasukarn Visansawatdi*
(Wasukarn Visansawatdi)
Executive Vice President
Finance and Accounting

(Unaudited
but reviewed)

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2013

Unit : Baht

	<u>CONSOLIDATED FINANCIAL STATEMENTS</u>		<u>SEPARATE FINANCIAL STATEMENTS</u>		
	<u>Notes</u>	<u>2013</u>	<u>2012</u> (Restated)	<u>2013</u>	<u>2012</u>
Cash Flows from Operating Activities					
Profits (losses) before income tax expenses		8,032,150,236	5,441,110,065	7,452,728,862	3,700,067,168
Adjustment to reconcile profit before tax to cash provided by (paid from) operating activities :					
Depreciation and amortisation expenses		4,778,937,346	5,158,012,672	4,777,462,593	5,133,755,849
Aircraft lease fees		9,931,853	-	9,931,853	-
Dividends received		-	-	(122,500,000)	(58,796)
Share of profits of investments by equity method		(348,876,925)	(92,809,373)	-	-
Profitability on business acquisition		-	(1,584,397,482)	-	-
Gain on reclassified investment		(298,158,621)	-	-	-
Interest income		(119,434,681)	(119,104,203)	(117,824,305)	(104,947,311)
Interest expenses		1,409,062,661	1,480,608,390	1,409,059,319	1,481,234,947
Gains on sales of assets		(4,039,127)	(5,304,474)	(4,039,127)	(6,382,848)
Gain on foreign currency exchange		(4,925,042,471)	(683,612,279)	(4,926,018,488)	(685,229,038)
Employee benefits obligation		229,496,674	228,579,091	227,040,479	222,800,364
Provision for obsolete inventories and supplies		158,604,774	92,131,573	158,604,774	92,131,573
Doubtful accounts		112,549,438	47,920,364	112,570,837	47,914,873
Impairment loss of aircrafts		2,260,482,045	181,143,438	2,260,482,045	181,143,438
Impairment loss of assets		107,911,426	19,217,269	107,911,426	19,217,269
Operating profits before changes in operating assets and liabilities		11,403,574,628	10,163,495,051	11,345,410,268	10,081,647,488
Decrease (increase) in operating assets :					
Trade accounts receivable		(1,473,290,839)	78,758,749	(1,467,443,466)	94,107,813
Inventories and supplies		(249,510,998)	(401,907,322)	(249,510,998)	(401,582,375)
Prepaid expenses and deposits		(213,874,822)	(360,975,753)	(256,625,702)	(386,407,826)
Tax refund		244,040,561	(3,578,276)	244,040,561	(3,578,276)
Other current assets		645,033,347	(500,978,854)	652,051,037	(454,103,129)
Assets for sales		274,335,733	(279,917,632)	274,335,733	(279,917,632)
Other assets		100,523,639	36,055,716	100,521,499	38,359,751
Deferred charges		(861,945,901)	(183,988,178)	(861,945,901)	(183,988,178)
Increase (decrease) in operating liabilities :					
Trade accounts payable		632,707,183	(1,946,077,893)	632,195,374	(1,827,256,467)
Accrued expenses and other current liabilities		(1,165,226,228)	841,280,113	(1,113,734,511)	657,669,568
Staff pension fund		86,686,801	48,506,471	86,686,801	48,506,471
Unearned transportation revenues		(1,861,737,283)	(2,295,647,759)	(1,861,737,283)	(2,283,400,249)
Other non-current liabilities		72,720,823	(26,195,541)	72,720,823	(26,199,286)
Cash received from operations		7,634,036,644	5,168,828,892	7,596,964,235	5,073,857,673
Payment of income tax		(74,669,981)	(62,770,820)	(70,595,571)	(60,264,597)
Net Cash from Operating Activities		7,559,366,663	5,106,058,072	7,526,368,664	5,013,593,076

The accompanying notes are an integral part of these financial statements.

(Unaudited
but reviewed)

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2013

Unit : Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS		
	Notes	2013	2012 (Restated)	2013	2012
Cash Flows from Investing Activities					
Cash paid for acquisition of fixed assets		(3,654,544,381)	(3,207,435,459)	(3,654,232,895)	(3,186,656,646)
Cash paid for intangible assets		(16,962,782)	(2,917,001)	(16,724,782)	(329,520)
Cash received from transferring the rights for advance payment of aircraft and aircraft equipment		962,312,766	282,771,249	962,312,766	282,771,249
Cash received from sales of assets		257,678,798	5,435,784	257,678,798	4,903,184
Interest income		71,812,921	64,215,569	72,161,962	56,243,422
Investment decrease		1,226,496	-	1,226,496	-
Temporary Investment decrease		150,000,000	-	-	-
Cash received from investment in subsidiaries		-	197,098,688	-	-
Cash decreased from loss of controlling interest		(246,456,042)	-	-	-
Cash received from temporary investment		-	100,000,000	-	-
Net Cash used in Investing Activities		(2,474,932,224)	(2,560,831,170)	(2,377,577,655)	(2,843,068,311)
Cash Flows from Financing Activities					
Cash received from debentures		-	4,500,000,000	-	4,500,000,000
Cash received from long-term loans		470,533,073	311,563,023	470,533,073	311,563,023
Cash paid for repayment of debentures		-	(170,000,000)	-	(170,000,000)
Cash paid for repayment of long-term loans		(5,144,848,001)	(3,448,835,507)	(5,144,848,001)	(3,448,835,507)
Cash paid for loan interest		(1,069,766,263)	(1,144,201,073)	(1,069,762,922)	(1,144,201,073)
Dividends paid		(45,923)	(87,132)	(45,923)	(87,132)
Net Cash received from (used in) Financing Activities		(5,744,127,114)	48,439,311	(5,744,123,773)	48,439,311
Net increase (decrease) in cash and cash equivalents		(659,692,675)	2,593,666,213	(595,332,764)	2,218,964,076
Effect from changing in exchange rate on cash and cash equivalents increase (decrease)		(756,014,448)	18,739,634	(756,014,448)	18,663,877
Cash and cash equivalents at the beginning of the periods		20,048,374,724	16,666,025,016	19,741,670,550	16,629,940,922
Cash and Cash Equivalents at the End of the Periods		18,632,667,601	19,278,430,863	18,390,323,338	18,867,568,875
Additional information for cash flow					
Non-cash transactions					
Fixed assets unpaid		152,409,484	326,533,846	152,409,484	326,533,846
Assets under finance leases		7,346,675,950	1,986,577,191	7,346,675,950	1,986,577,191

The accompanying notes are an integral part of these financial statements.

(Signed) *Sorajak Kasemsuvan*
(Sorajak Kasemsuvan)
President

(Signed) *Wasukarn Visansawatdi*
(Wasukarn Visansawatdi)
Executive Vice President
Finance and Accounting

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
For the three-month periods ended March 31, 2013 (unaudited but reviewed)

1. GENERAL INFORMATION

Thai Airways International Public Company Limited (“the Company”) is incorporated as a public limited company in Thailand and is listed on the Stock Exchange of Thailand. The address of its incorporated and registered office is as follow:

The head office of the Company is located at 89 Vibhavadee Rungsit Road, Chom Phon, Chatuchak, Bangkok, Thailand

The Company’s principal activity is the operation of airline business and business units which concern directly with transportation.

As at March 31, 2013, the Company has the routes servicing to 73 destinations in 34 countries all over the world, whereas 10 routes are domestic (excluding Bangkok).

2. BASIS OF FINANCIAL STATEMENT PREPARATION

The consolidated and the separate financial statements have been prepared in accordance with generally accepted accounting principles under the Accounting Act B.E. 2543 (2000) being those Thai Accounting Standards which issued by the Accounting Profession Act B.E. 2547 (2004) and the Financial Reporting Requirements of the Securities and Exchange Commission, Thailand under the Securities and Exchange Act B.E. 2535 (1992).

The Company’s financial statements consist of Thai Airways International Public Company Limited and the Company’s staff pension fund.

The consolidated financial statements consist of the Company and its subsidiaries as follows:

Company’s Name	Type of Business	Located Country	Percentage of Share Holding	
			Mar 31, 2013	Dec 31, 2012
Held by the Company:				
1. Thai-Amadeus Southeast Asia Company Limited	Information technology Company for travel services	Thailand	55%	55%
2. WingSpan Services Company Limited	Providing special personnel services to the Company	Thailand	49%	49%
3. Thai Flight Training Company Limited	Aviation training services	Thailand	49%	49%
4. Nok Airlines Public Company Limited (Notes 5.28)	Passenger transportation services	Thailand	-	49%
Held by a subsidiary of the Company				
A subsidiary held by WingSpan Services Company Limited - Tour Eurng Luang Company Limited	Tourism Business	Thailand	49%	49%

The subsidiaries are controlled by the Company, directly or indirectly, in determining the financial policies and operations of such subsidiaries. Significant accounting transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.

An English language version of the financial statements has been prepared from the statutory financial statements that were issued in Thai language. In case of conflict or difference in understanding, the financial statements in Thai language shall prevail.

Interim Financial Statement Preparation

The interim financial statements are prepared in accordance with Thai Accounting Standard No.34 Interim Financial Statements (revised in 2009). The Company presents items in the statements of financial position, statements of comprehensive income, statements of changes in shareholders' equity and statements of cash flows which complied with TAS 1 (revised 2009) Presentation of Financial Statements, which is effective on January 1, 2011 onwards, and discloses only significant additional information in the note to financial statements.

The preparation of these interim financial statements are intended to provide additional information to that included in the latest annual financial statements for the year ended December 31, 2012. Accordingly, the interim financial statements focus on supporting of new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the financial statements for the year ended December 31, 2012.

3. To Comply with Accounting Standards, Financial Reporting Standards, and Accounting Standard Interpretation

3.1 In the first quarter of 2013, the Company complied with the new/revised accounting standards, financial reporting standards, and accounting standard interpretation issued by The Federation of Accounting Professions (FAP), which are effective on or after January 1, 2013, as follows:

TAS	12	Income Taxes
TAS	20(revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS	21(revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS	8	Operating Segments
SIC	10	Government Assistance – No Specific Relation to Operating Activities
SIC	21	Income Taxes – Recovery of Revalued Non-Depreciable Assets
SIC	25	Income Taxes – Changes in the Tax Status of an Entity or its Shareholders

3.2 Financial Reporting Standards, Financial Reporting Standard Interpretation, and Accounting Standard Interpretation which are not currently effective are as follows:

- effective for fiscal years beginning on or after January 1, 2014.

TFRIC	1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC	4	Determining Whether an Arrangement Contains a Lease
TFRIC	5	Rights to Interests Arising from Decommissioning, Restoration and Environmental Funds
TFRIC	7	Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies
TFRIC	10	Interim Financial Reporting and Impairment
TFRIC	12	Service Concession Arrangements
TFRIC	13	Customer Loyalty Programmes
SIC	29	Disclosure - Service Concession Arrangements

- effective for fiscal years beginning on or after January 1, 2016.

TFRS	4	Insurance Contracts
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For Financial Reporting Standards and Financial Reporting Standard Interpretation which will be effective for fiscal years beginning on or after January 1, 2014, The management of the Company has assessed that the above standards have no significant impact on the consolidated and the separate financial statements for the current year.

4. Effects from Accounting Estimation Changes

The Company has reviewed the aircraft and engine's useful life estimation policy, by considering the time to phase out the Company's old aircraft, which is normally over 20 years, together with new technology that will cause the aircraft capacity to last for 20-23 years. Moreover, the aircraft manufacturer also confirmed that the capacity of aircraft remains at 20-30 years under consistent maintenance of such aircraft and engines. On November 13, 2012, the Company's Board of Directors approved to change the useful life of aircraft and engines from 15 years to 20 years with salvage value of 10% of its cost. Such changes are effective on January 1, 2013, when comparing with the depreciation calculated from its old useful life, the depreciation for this period will be decreased approximately by THB 683.73 million.

5. Supplementary Information

5.1 Cash and Cash Equivalents

	<u>Consolidated Financial Statements</u>		Units : Million Baht <u>Separate Financial Statements</u>	
	<u>Mar 31, 2013</u>	<u>Dec 31, 2012</u>	<u>Mar 31, 2013</u>	<u>Dec 31, 2012</u>
	Cash - Domestic	20.94	22.29	20.94
Cash – Abroad	23.99	30.63	23.99	30.63
Bank Deposits - Domestic	3,164.99	4,024.28	2,922.64	3,717.58
Bank Deposits - Abroad	<u>15,422.75</u>	<u>15,971.17</u>	<u>15,422.75</u>	<u>15,971.17</u>
Total	<u>18,632.67</u>	<u>20,048.37</u>	<u>18,390.32</u>	<u>19,741.67</u>

5.2 Trade Accounts Receivable - Net

	<u>Consolidated Financial Statements</u>		Units : Million Baht <u>Separate Financial Statements</u>	
	<u>Mar 31, 2013</u>	<u>Dec 31, 2012</u>	<u>Mar 31, 2013</u>	<u>Dec 31, 2012</u>
	Period overdue			
Not over 6 months	16,228.50	15,525.06	16,192.87	15,466.22
Over 6 months to 1 year	724.70	397.86	724.70	397.86
Over 1 year to 2 years	193.84	156.67	193.84	156.66
Over 2 years	<u>1,471.87</u>	<u>1,451.27</u>	<u>1,448.99</u>	<u>1,426.04</u>
	18,618.91	17,530.86	18,560.40	17,446.78
<u>Less Allowance for doubtful accounts</u>	<u>(1,902.92)</u>	<u>(1,792.66)</u>	<u>(1,880.02)</u>	<u>(1,767.42)</u>
Trade accounts receivable - net	<u>16,715.99</u>	<u>15,738.20</u>	<u>16,880.38</u>	<u>15,679.36</u>

5.3 Other Current Assets

	<u>Consolidated Financial Statements</u>		Units : Million Baht <u>Separate Financial Statements</u>	
	<u>Mar 31, 2013</u>	<u>Dec 31, 2012</u>	<u>Mar 31, 2013</u>	<u>Dec 31, 2012</u>
	Tax refund	230.69	474.73	230.69
Cash and bank deposits of pension fund	4,702.20	4,648.65	4,702.20	4,648.65
Others	<u>4,249.45</u>	<u>4,825.36</u>	<u>4,241.02</u>	<u>4,589.81</u>
Total	<u>9,182.34</u>	<u>9,948.74</u>	<u>9,173.91</u>	<u>9,713.19</u>

5.4 Investments

Consolidated Financial Statements

Units : Million Baht

Name of Company	Percentage of Shareholding		Investments				Income on investments	
	Mar 31, 2013	Dec 31, 2012	Cost method		Equity method		Mar 31, 2013	Mar 31, 2012
			Mar 31, 2013	Dec 31, 2012	Mar 31, 2013	Dec 31, 2012		
5.4.1 Investments using the equity method								
Royal Orchid Hotel (Thailand) Public Company Limited (Fair value as at March 31, 2013 amount of THB 450.00 million and as at December 31, 2012 amount of THB 416.25 million)	24	24	225.00	225.00	295.59	262.21	33.38	(12.70)
Donmuang International Airport Hotel Company Limited	40	40	48.00	48.00	96.13	93.14	2.99	(0.78)
Bangkok Aviation Fuel Services Public Company Limited (Fair value as at March 31, 2013 amount of THB 2,879.66 million and as at December 31, 2012 amount of THB 2,372.84 million)	22.6	22.6	115.19	115.19	839.40	782.45	56.95	65.33
Phuket Air Catering Company Limited	30	30	30.00	30.00	214.71	175.12	39.59	36.83
Suvarnabhumi Airport Hotel Company Limited	30	30	305.33	305.33	124.27	116.69	7.58	4.13
Nok Airlines Public Company Limited	49	-	360.00	-	2,467.29	-	208.39	-
Total investments using the equity Method					4,037.39	1,429.61	348.88	92.81
5.4.2 Other long-term investments stated at cost								
Fuel Pipeline Transportation Limited	8.4	8.4	133.00	133.00			-	-
Aeronautical Radio of Thailand Limited	2.0	2.0	13.19	13.19			-	-
SITA Investment Certificate	-	-	27.75	29.00			-	-
Trade Siam Company Limited (paid 25% of authorized share capital)	3.5	3.5	1.75	1.75			-	-
SITA Information Networking Computing	-	-	26.67	27.87			-	-
Other Shares	-	-	2.69	2.78			-	-
Investment in Debentures	-	-	50.22	50.29			-	-
Other long-term Investment	-	-	-	5.28			-	-
<u>Less</u> Allowance for impairment of Fuel Pipeline Transportation Ltd.			(133.00)	(133.00)			-	-
Total other long-term investments			122.27	130.16			-	-

Separate Financial Statements

Units : Million Baht

Name of Company	Percentage of Shareholding		Investments		Dividend Income	
	Mar 31, 2013	Dec 31, 2012	Cost method		Mar 31, 2013	Mar 31, 2012
			Mar 31, 2013	Dec 31, 2012		
5.4.1 Investments using the cost method						
Subsidiary Companies						
Thai-Amadeus Southeast Asia Company Limited	55	55	8.25	8.25	-	-
Wing Span Services Company Limited	49	49	0.98	0.98	-	0.06
Thai Flight Training Company Limited	49	49	0.98	0.98	-	-
Nok Airlines Public Company Limited	-	49	-	<u>360.00</u>	-	-
Total			<u>10.21</u>	<u>370.21</u>	<u>-</u>	<u>0.06</u>
Associated Companies						
Royal Orchid Hotel (Thailand) Public Company Limited (Market value as at March 31, 2013 amount of THB 450.00 million and as at December 31, 2012 amount of THB 416.25 million)	24	24	225.00	225.00	-	-
Donmuang International Airport Hotel Company Limited	40	40	48.00	48.00	-	-
Bangkok Aviation Fuel Services Public Company Limited (Market value as at March 31, 2013 amount of THB 2,879.66 million and as at December 31, 2012 amount of THB 2,372.91 million)	22.6	22.6	115.19	115.19	-	-
Phuket Air Catering Company Limited	30	30	30.00	30.00	-	-
Suvarnabhumi Airport Hotel Company Limited	30	30	305.33	305.33	-	-
Nok Airlines Public Company Limited	49	-	<u>360.00</u>	-	<u>122.50</u>	-
Total			<u>1,083.52</u>	<u>723.52</u>	<u>122.50</u>	<u>-</u>
Total investments using the cost method			<u>1,093.73</u>	<u>1,093.73</u>	<u>122.50</u>	<u>0.06</u>
5.4.2 Other long-term investments stated at cost						
Fuel Pipeline Transportation Limited	8.4	8.4	133.00	133.00	-	-
Aeronautical Radio of Thailand Limited	2.0	2.0	13.19	13.19	-	-
SITA Investment Certificate	-	-	27.75	29.00	-	-
TRADESIAM Company Limited (paid 25% of authorized share capital)	3.5	3.5	1.75	1.75	-	-
SITA Information Networking Computing	-	-	26.67	27.87	-	-
Other Shares	-	-	2.69	2.78	-	-
<u>Less</u> Allowance for impairment of Fuel Pipeline Transportation Limited			<u>(133.00)</u>	<u>(133.00)</u>	<u>-</u>	<u>-</u>
Total other long-term investments			<u>72.05</u>	<u>74.59</u>	<u>-</u>	<u>-</u>

5.4.3 Financial Data Summary of Subsidiary and Associated Companies

Units : Million Baht

Name of Company	Assets	Liabilities	Income	Gains (Losses)
<u>Subsidiary Companies</u>				
Thai-Amadeus Southeast Asia Company Limited	524.32	106.10	88.83	27.15
WingSpan Services Company Limited	303.65	247.79	160.50	11.07
Thai Flight Training Company Limited	17.05	13.91	8.82	0.92
Tour Eurng Luang Company Limited	8.36	6.50	1.03	0.59
<u>Associated Companies</u>				
Royal Orchid Hotel (Thailand) Public Company Limited	1,935.13	703.51	262.36	15.09
Donmuang International Airport Hotel Company Limited	321.25	80.92	65.71	7.14
Bangkok Aviation Fuel Services Public Company Limited	6,500.60	2,784.80	621.25	252.10
Phuket Air Catering Company Limited	829.72	114.02	269.27	130.45
Suvarnabhumi Airport Hotel Company Limited	1,713.94	1,299.73	240.36	25.25
Nok Airlines Public Company Limited	2,726.59	1,663.17	2,826.21	425.29

The Company used the unaudited financial statements of subsidiary and associated companies as at March 31, 2013 to record the investment by equity method in the consolidated financial statement and by cost method in the Company's financial statement.

5.5 Related Parties

5.5.1 Major Shareholders

5.5.1.1 Long-term loans from related parties

Units : Million Baht

	Mar 31, 2013	Dec 31, 2012
Foreign loans via the Ministry of Finance	1,177.90	1,225.26
Government Saving Bank	3,069.00	3,462.00
Islamic Bank of Thailand	<u>375.00</u>	<u>500.00</u>
Total	<u>4,621.90</u>	<u>5,187.26</u>

5.5.2 Subsidiary Company

5.5.2.1 Loans to Subsidiary

Units : Million Baht

	Mar 31, 2013	Dec 31, 2012
WingSpan Services Company Limited	<u>20.00</u>	<u>20.00</u>
Total	<u>20.00</u>	<u>20.00</u>

5.5.2.2 Sales and Purchase

	Units : Million Baht			
	Mar 31, 2013		Mar 31, 2012	
	Sales	Purchase	Sales	Purchase
Thai-Amadeus Southeast Asia Company Limited	0.74	-	0.64	-
WingSpan Services Company Limited	1.71	160.41	0.11	79.67
Thai Flight Training Company Limited	1.83	-	3.11	-
Nok Airlines Public Company Limited	-	-	266.85	1.28
Tour Eurng Luang Company Limited	26.54	0.94	-	-

5.5.2.3 Account Receivables and Account Payables

	Units : Million Baht			
	Mar 31, 2013		Dec 31, 2012	
	Account Receivables	Account Payables	Account Receivables	Account Payables
Thai-Amadeus Southeast Asia Company Limited	0.65	0.13	0.37	0.13
WingSpan Services Company Limited	1.19	14.80	169.13	0.01
Thai Flight Training Company Limited	5.56	-	6.48	-
Nok Airlines Public Company Limited	-	-	75.05	0.57
Tour Eurng Luang Company Limited	3.31	-	0.96	-

5.5.3 Associated Companies

5.5.3.1 Sales and Purchase

	Units : Million Baht			
	Mar 31, 2013		Mar 31, 2012	
	Sales	Purchase	Sales	Purchase
Royal Orchid Hotel (Thailand) Public Company Limited	-	2.37	0.03	0.97
Donmuang International Airport Hotel Company Limited	-	0.06	-	-
Bangkok Aviation Fuel Services Public Company Limited	0.01	112.56	0.01	97.45
Phuket Air Catering Company Limited	2.20	0.78	1.25	4.01
Suvarnabhumi Airport Hotel Company Limited	-	5.26	-	0.32
Nok Airlines Public Company Limited	122.95	1.81	-	-

5.5.3.2 Account Receivables and Account Payables

	Units : Million Baht			
	Mar 31, 2013		Dec 31, 2012	
	Account Receivables	Account Payables	Account Receivables	Account Payables
Royal Orchid Hotel (Thailand) Public Company Limited	-	0.42	-	-
Donmuang International Airport Hotel Company Limited	-	0.06	-	-
Bangkok Aviation Fuel Services Public Company Limited	0.03	25.99	0.04	-
Phuket Air Catering Company Limited	0.48	3.85	0.01	-
Suvarnabhumi Airport Hotel Company Limited	-	1.21	-	0.11
Nok Airlines Public Company Limited	97.12	0.76	-	-

The Company purchases goods and services at a market price from related parties on normal commercial term as unrelated parties.

On June 21, 2011, The Strategy Steering Committee approved to waive the wages for the 4 employees who perform secondment duty at WingSpan Services Company Limited for 2 years since the year 2010 – 2012.

5.6 Property, Plant and Equipment

Consolidated Financial Statements As at March 31, 2013

Unit : Million Baht

	Prepaid Aircraft and Spare Engines	Aircraft	Aircraft under financial leases	Aircraft spare parts	Work In Progress	Land	Buildings	Leasehold Buildings	Building Improvement	Other plant and equipment	Total
Cost											
As at January 1, 2013	17,617.01	157,199.58	166,578.72	33,043.68	2,488.24	935.74	2,513.10	10,788.91	4,550.17	29,515.68	425,230.83
- Adjust/Transfers	(11,252.22)	(11,325.54)	-	(197.32)	-	0.30	0.27	-	1.36	(44.80)	(22,817.95)
- Additions	8,798.07	117.74	12,399.98	1,314.17	99.11	-	-	-	17.08	657.81	23,403.96
- Disposals	-	(4,658.38)	(61.89)	(30.92)	-	(0.30)	(0.27)	-	(2.07)	(137.50)	(4,891.33)
As at March 31, 2013	15,162.86	141,333.40	178,916.81	34,129.61	2,587.35	935.74	2,513.10	10,788.91	4,566.54	29,991.19	420,925.51
Impairment Allowance	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation											
As at January 1, 2013	-	104,588.32	43,872.20	20,537.53	-	-	2,324.00	5,323.81	4,120.17	25,027.15	205,793.18
- Depreciation	-	1,715.99	2,058.71	494.98	-	-	11.45	56.73	38.82	320.04	4,696.72
- Adjust/Transfers	-	(7,191.90)	-	59.10	-	-	0.27	-	1.24	(55.74)	(7,187.03)
- Disposals	-	(4,217.30)	(61.89)	(15.45)	-	-	(0.27)	-	(2.04)	(137.38)	(4,434.33)
Provision for flood damages	-	-	-	-	-	-	-	-	-	5.12	5.12
As at March 31, 2013	-	94,895.11	45,869.02	21,076.16	-	-	2,335.45	5,380.54	4,158.19	25,159.19	198,873.66
Net book value											
As at December 31, 2012	17,617.01	51,660.86	122,706.52	12,506.15	2,488.24	935.74	189.10	5,465.10	430.00	4,569.22	218,567.94
As at March 31, 2013	15,162.86	46,438.29	133,047.79	13,053.45	2,587.35	935.74	177.65	5,408.37	408.35	4,832.00	222,051.85

Consolidated Financial Statements
As at March 31, 2012

Unit : Million Baht

	Prepaid Aircraft and Spare Engines	Aircraft	Aircraft under financial leases	Aircraft spare parts	Work In Progress	Land	Buildings	Leasehold Buildings	Building Improvement	Other plant and equipment	Total
Cost											
As at January 1, 2012	21,278.98	143,581.91	165,320.53	29,096.59	2,838.21	938.41	2,524.30	10,793.20	4,639.84	29,502.55	410,514.52
- Adjust/Transfers	-	-	-	-	-	-	-	-	-	221.66	221.66
- Business Acquisition	(1,352.67)	504.61	(3,953.27)	(122.89)	-	-	-	-	5.91	273.91	(4,644.40)
- Additions	2,671.30	1,679.95	2,123.52	753.07	(151.27)	-	-	-	1.29	48.48	7,126.34
- Disposals	-	(311.97)	(194.39)	(108.43)	-	-	-	-	(10.07)	(130.36)	(755.22)
As at March 31, 2012	22,597.61	145,454.50	163,296.39	29,618.34	2,686.94	938.41	2,524.30	10,793.20	4,636.97	29,916.24	412,462.90
Impairment Allowance	-	950.40	3,475.19	-	-	-	-	-	-	-	4,425.59
Accumulated depreciation											
As at January 1, 2012	-	96,527.20	49,794.73	18,730.03	-	-	2,266.38	5,098.03	4,067.88	24,610.01	201,094.26
- Depreciation	-	-	-	-	-	-	-	-	-	151.08	151.08
- Business Acquisition	-	1,674.22	2,417.24	445.56	-	-	16.94	57.32	48.37	364.21	5,023.86
- Adjust/Transfers	-	(1,475.12)	(2,874.24)	(101.27)	-	-	-	-	-	(52.32)	(4,502.95)
- Disposals	-	(310.78)	(194.39)	(57.87)	-	-	-	-	(8.91)	(127.64)	(699.59)
Provision for flood damages	-	-	-	-	-	-	-	-	-	52.28	52.28
As at March 31, 2012	-	97,365.92	52,618.53	19,016.45	-	-	2,283.32	5,155.35	4,107.34	24,997.62	205,544.53
Net book value											
As at December 31, 2011	21,278.98	46,104.31	112,050.61	10,366.56	2,838.21	938.41	257.92	5,695.17	571.96	4,892.54	204,994.67
As at March 31, 2012	22,597.61	48,088.58	110,677.86	10,601.89	2,686.94	938.41	240.98	5,637.85	529.63	4,918.62	206,918.37

**Separate Financial Statements
As at March 31, 2013**

Unit : Million Baht

	Prepaid Aircraft and Spare Engines	Aircraft	Aircraft under financial leases	Aircraft spare parts	Work In Progress	Land	Buildings	Leasehold Buildings	Building Improvement	Other plant and equipment	Total
Cost											
As at January 1, 2013	17,617.01	157,199.58	166,578.72	33,043.68	2,488.24	935.74	2,513.10	10,788.91	4,550.17	29,328.29	425,043.44
- Adjust/Transfers	(11,252.22)	(11,325.54)	-	(197.32)	-	0.30	0.27	-	1.36	(44.80)	(22,817.95)
- Additions	8,798.07	117.74	12,399.98	1,314.17	99.11	-	-	-	17.08	657.49	23,403.64
- Disposals	-	(4,658.38)	(61.89)	(30.92)	-	(0.30)	(0.27)	-	(2.07)	(137.50)	(4,891.33)
As at March 31, 2013	15,162.86	141,333.40	178,916.81	34,129.61	2,587.35	935.74	2,513.10	10,788.91	4,566.54	29,803.48	420,737.80
Impairment Allowance	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation											
As at January 1, 2013	-	104,588.32	43,872.20	20,537.53	-	-	2,324.00	5,323.81	4,120.17	24,849.07	205,615.10
- Depreciation	-	1,715.99	2,058.71	494.98	-	-	11.45	56.73	38.82	319.03	4,695.71
- Adjust/Transfers	-	(7,191.90)	-	59.10	-	-	0.27	-	1.24	(55.74)	(7,187.03)
- Disposals	-	(4,217.30)	(61.89)	(15.45)	-	-	(0.27)	-	(2.04)	(137.38)	(4,434.33)
Provision for flood damages	-	-	-	-	-	-	-	-	-	5.12	5.12
As at March 31, 2013	-	94,895.11	45,869.02	21,076.16	-	-	2,335.45	5,380.54	4,158.19	24,980.10	198,694.57
Net book value											
As at December 31, 2012	17,617.01	51,660.86	122,706.52	12,506.15	2,488.24	935.74	189.10	5,465.10	430.00	4,479.22	218,477.94
As at March 31, 2013	15,162.86	46,438.29	133,047.79	13,053.45	2,587.35	935.74	177.65	5,408.37	408.35	4,823.38	222,043.23

**Separate Financial Statements
As at March 31, 2012**

Unit : Million Baht

	Prepaid Aircraft and Spare Engines	Aircraft	Aircraft under financial leases	Aircraft spare parts	Work In Progress	Land	Buildings	Leasehold Buildings	Building Improvement	Other plant and equipment	Total
Cost											
As at January 1, 2012	21,278.98	143,581.91	165,320.53	29,096.59	2,838.21	938.41	2,524.30	10,793.20	4,639.84	29,284.28	410,296.25
- Adjust/Transfers	(1,352.67)	504.61	(3,953.27)	(122.89)	-	-	-	-	5.91	173.21	(4,745.10)
- Additions	2,671.30	1,679.95	2,123.52	753.07	(151.27)	-	-	-	1.29	26.77	7,104.63
- Disposals	-	(311.97)	(194.39)	(108.43)	-	-	-	-	(10.07)	(126.83)	(751.69)
As at March 31, 2012	22,597.61	145,454.50	163,296.39	29,618.34	2,686.94	938.41	2,524.30	10,793.20	4,636.97	29,357.43	411,904.09
Impairment Allowance	-	950.40	3,475.19	-	-	-	-	-	-	-	4,425.59
Accumulated depreciation											
As at January 1, 2012	-	96,527.20	49,794.73	18,730.03	-	-	2,266.38	5,098.03	4,067.88	24,399.10	200,883.35
- Depreciation	-	1,674.22	2,417.24	445.56	-	-	16.94	57.32	48.37	354.54	5,014.19
- Adjust/Transfers	-	(1,475.12)	(2,874.24)	(101.27)	-	-	-	-	-	(52.32)	(4,502.95)
- Disposals	-	(310.78)	(194.39)	(57.87)	-	-	-	-	(8.91)	(126.30)	(698.25)
Provision for flood damages	-	-	-	-	-	-	-	-	-	52.28	52.28
As at March 31, 2012	-	97,365.92	52,618.53	19,016.45	-	-	2,283.32	5,155.35	4,107.34	24,627.30	205,174.21
Net book value											
As at December 31, 2011	21,278.98	46,104.31	112,050.61	10,366.56	2,838.21	938.41	257.92	5,695.17	571.96	4,885.18	204,987.31
As at March 31, 2012	22,597.61	48,088.58	110,677.86	10,601.89	2,686.94	938.41	240.98	5,637.85	529.63	4,730.13	206,729.88

In this period, there are 101 aircraft represented in the Company's fleet consisting of 46 own aircraft, 34 aircraft under finance leases, and 21 aircraft under operating leases which excluded 13 aircraft for sales, with a carrying amount of THB 8,504.03 million. Moreover, the engine for sales, CF6-80C2 engine with a carrying amount of THB 3.75 million, is in the process of follow-up payment from TPA Co., Ltd., the purchaser of such engine.

Aircraft spare parts consist of aircraft engines and other aircraft spare parts.

The Company uses buildings and equipment that are now fully depreciated with historical cost of THB 68,136.57 million including the leasehold buildings amount of THB 3,924.94 million.

Leasehold buildings are leased from Airports of Thailand Public Company Limited at Suvarnabhumi with a lease term of 30 years starting from September 28, 2006 to September 29, 2036 and at Donmuang with a lease term of 3 years starting from September 27, 2009 to September 28, 2012. The title of the buildings and elements will be passed to The Ministry of Finance at the end of the lease term. On August 10, 2012 the Company has issued the letter of interest to Airports of Thailand Public Company Limited for such leasehold buildings with a lease term of 3 years starting from September 28, 2012 to September 27, 2015, and the proposal is under the negotiation.

The Company has provided a land located in Bangkok for security meanwhile the Company is now in the procedure of appealing against the judgement of the court of first instance who has made a decision that compelled the Company to provide compensation in the amount of THB 27.63 million with interest due to ceasing of wine purchase.

At present, the official appraisal value of the Company's domestic land is THB 4,199.13 million consisting of land in Bangkok amount of THB 3,981.10 million and land in provinces amount of THB 218.03 million.

Assets under finance leases are aircraft under finance leases which the purchase contracts were made in USD currency but the finance leases were made in EUR, USD, and JPY currency.

5.7 Intangible Assets-net

	Units : Million Baht	
	Consolidated Financial Statements	Separate Financial Statements
Cost		
As at January 1, 2013	2,939.40	2,249.02
- Business acquisition	(679.37)	-
- Additions	46.58	46.34
As at March 31, 2013	2,306.61	2,295.36
Accumulated amortisation		
As at January 1, 2013	1,601.90	1,476.07
- Business acquisition	(120.30)	-
- Amortisation	59.20	58.74
As at March 31, 2013	1,540.80	1,534.81
Net book value		
As at December 31, 2012	1,337.50	772.95
As at March 31, 2013	765.81	760.55

5.8 Deferred Income Tax Assets

The deferred income tax asset is calculated from temporary differences between the carrying amount and its tax base of assets and liabilities in the statement of financial position.

	Consolidated Financial Statements		Units : Million Baht Separate Financial Statements	
	Mar 31, 2013	Dec 31, 2012	Mar 31, 2013	Dec 31, 2012
Contribution to staff provident fund	79.75	79.92	79.75	79.92
Contribution to staff pension fund	476.71	466.18	476.71	466.18
Allowance for obsolete inventories	359.30	373.36	359.30	373.36
Allowance for doubtful accounts	431.28	409.23	426.69	404.18
Allowance for impairment in value of assets	1,218.61	808.89	1,218.61	808.89
Estimated accrual expenses	568.08	509.03	567.60	502.33
Intangible assets	98.73	102.78	98.73	102.78
Employee benefits obligation	2,244.09	2,207.18	2,239.59	2,194.18
Others	7.67	9.88	5.48	7.67
Total	<u>5,484.22</u>	<u>4,966.45</u>	<u>5,472.46</u>	<u>4,939.49</u>

5.9 Deferred Income Tax Liabilities

	<u>Consolidated</u>		Units : Million Baht	
	<u>Financial Statements</u>		<u>Separate</u>	
	<u>Mar 31, 2013</u>	<u>Dec 31, 2012</u>	<u>Mar 31, 2013</u>	<u>Dec 31, 2012</u>
Intangible assets	88.16	83.35	88.16	83.35

Tax rates used for measuring asset value and deferred tax income are 30% for the year 2011, 23% for the year 2012 and 20% for the year 2013 and forward.

5.10 Other Non-Current Assets

	<u>Consolidated</u>		Units : Million Baht	
	<u>Financial Statements</u>		<u>Separate</u>	
	<u>Mar 31, 2013</u>	<u>Dec 31, 2012</u>	<u>Mar 31, 2013</u>	<u>Dec 31, 2012</u>
Deferred charges	4,524.27	3,771.50	4,524.27	3,771.50
Others	<u>772.73</u>	<u>891.19</u>	<u>767.06</u>	<u>868.70</u>
Total	<u>5,297.00</u>	<u>4,662.69</u>	<u>5,291.33</u>	<u>4,640.20</u>

Deferred charges consisted of aircraft overhaul costs (D-check) for aircraft under operating lease, which are amortised as expenses over an estimated useful life of 4-7 years but not over the lease term, and loan guarantee premiums for purchasing of aircraft are amortised as expenses over the period of due payment loans in each accounting period.

5.11 Non-current assets classified as held for sale Separate financial statements

Non-current assets classified as held for sale composed of 5 A300-600, 4 A340-500, 3 B737-400 aircraft, and 1 B747-400 aircraft totaling of THB 8,504.03 million, 4 spare engines and 1 spare part totaling of THB 14.92 million, and other fixed assets totaling of THB 0.72 million, which made grand total of THB 8,519.67 million.

5.12 Employee Benefits Obligation

	Consolidated		Units : Million Baht	
	Financial Statements		Separate	
	Mar 31, 2013	Dec 31, 2012	Mar 31, 2013	Dec 31, 2012
Beginning Balance – Employee Benefits Obligation	11,082.18	10,631.62	10,970.90	10,627.15
Adjustment of Employee Benefits Obligation for associated companies	(91.22)	73.69	-	-
Employee benefits for the period	229.50	913.97	227.04	891.20
Benefits paid during the period	-	(264.31)	-	(260.62)
Actuarial loss	-	(272.79)	-	(286.83)
Ending Balance – Employee Benefits Obligation	<u>11,220.46</u>	<u>11,082.18</u>	<u>11,197.94</u>	<u>10,970.90</u>

5.13 Share Capital

As at March 31, 2013, the Company has authorized ordinary shares amount of 2,698.90 million shares at par value THB 10 each for an aggregate of THB 26,989.01 million, issued and paid-up ordinary shares amount of THB 21,827.72 million.

5.14 Employee Benefit Expenses

	Units : Million Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	Mar 31, 2013	Mar 31, 2012	Mar 31, 2013	Mar 31, 2012
Personnel Expenses	8,124.01	6,843.47	8,128.07	6,734.92
Employee Benefit Expenses	229.50	228.58	227.04	222.80
Executive benefit expenses	22.65	17.63	21.65	16.10
Board of Directors benefit expenses	4.62	4.63	4.34	3.88
Total	8,380.78	7,094.31	8,381.10	6,977.70

Managements refer to the Company's Board of directors, chief executive, persons in the next four executive levels below the chief executive, and in similar position, and accounting or finance department managers or above according to the regulation of the Stock Exchange of Thailand.

Moreover, the Directors of the Company obtain the ticket benefits. For the three-month periods ended March 31, 2013 and 2012, they issued the tickets for themselves and their related parties amount of 69 and 56 tickets with the value of THB 9.32 million and THB 6.64 million, respectively, calculating from the full fare tickets in those traveling classes.

5.15 Other Incomes

	Units : Million Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	Mar 31, 2013	Mar 31, 2012	Mar 31, 2013	Mar 31, 2012
Gains on sales of assets	4.04	6.38	4.04	6.38
Dividends from associated and subsidiary companies	-	-	122.50	0.06
Revenue from other services of Aircraft Maintenance Department	211.39	108.18	211.39	108.18
Revenue from airport fees collected from passengers	157.72	78.32	157.72	78.32
Compensation revenue from the delay delivery of aircraft	205.98	-	205.98	-
Insurance compensation from the flood disaster	12.21	69.75	12.21	69.75
Others	120.29	124.22	119.92	115.97
Total	711.63	386.85	833.76	378.66

5.16 Other Expenses

	Units : Million Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	Mar 31, 2013	Mar 31, 2012	Mar 31, 2013	Mar 31, 2012
Rentals and utilities	678.04	670.58	678.04	670.58
Office supplies	66.96	57.09	66.96	57.09
Repair of building and equipment	144.01	147.18	144.01	147.18
Outsource services	394.71	223.50	394.71	223.50
Consultant and service fees	135.75	101.15	135.75	101.15
Legal fee for Antitrust/ Competition Law	17.52	44.31	17.52	44.31
Computer service expenses	145.70	95.94	145.70	95.94
Travelling and transportation expenses	130.66	162.22	130.66	162.22
Concession fees	98.26	75.95	98.26	75.95
Passenger claim expenses	75.04	55.79	75.04	55.79
Damages from flood disaster	12.21	69.75	12.21	69.75
Others	617.55	550.67	598.75	434.72
Total	2,516.41	2,254.13	2,497.61	2,138.18

5.17 Impairment Loss of Aircraft

As the Company has phased out 13 aircraft from the fleet and are under the selling process (Notes 5.11), when comparing the net book value with the fair value less cost to sell, it appears that the fair value less cost to sell is lower than the net book value for 2 A300-600 and 4 A340-500 aircraft, therefore the Company recognized the impairment loss of such aircraft amount of THB 2,260.48 million.

5.18 Net Tax Expenses

Units : Million Baht

	Consolidated Financial Statements		Separate Financial Statements	
	Mar 31, 2013	Mar 31, 2012	Mar 31, 2013	Mar 31, 2012
Tax expense from taxable profit for the period	265.13	39.83	249.95	10.26
Add(less): deferred tax asset/ liability from temporary different increase/ decrease	(528.17)	160.10	(528.16)	173.19
Net tax expenses (income)	(263.04)	199.93	(278.21)	183.45

5.19 Earnings Per Share

Basic earnings per share is calculated by dividing net profit for the period by the weighted average number of ordinary shares outstanding during the period.

Consolidated Financial Statements For the three-month periods ended March 31, 2012 and 2011

	Profit		Number of Shares		Earnings Per Share	
	Mar 31, 2013	Mar 31, 2012	Mar 31, 2013	Mar 31, 2012	Mar 31, 2013	Mar 31, 2012
	Million Baht	Million Baht	Million Share	Million Share	Baht	Baht
Basic earnings per share						
Profits attributable to Equity holders	8,282.95	5,223.77	2,182.77	2,182.77	3.79	2.39

Separate Financial Statements For the three-month periods ended March 31, 2012 and 2011

	Profit		Number of Shares		Earnings Per Share	
	Mar 31, 2013	Mar 31, 2012	Mar 31, 2013	Mar 31, 2012	Mar 31, 2013	Mar 31, 2012
	Million Baht	Million Baht	Million Share	Million Share	Baht	Baht
Basic earnings per share						
Profits attributable to Equity holders	7,730.94	3,516.62	2,182.77	2,182.77	3.54	1.61

5.20 Financial Information by Segment Consolidated

5.20.1 Business Segments

Statements of Income For the three-month periods ended March 31, 2013 and 2012

Units : Million Baht

	<u>Air transportation</u>		<u>Business Units</u>		<u>Other activities</u>		<u>Total</u>	
	<u>Mar 31,</u> <u>2013</u>	<u>Mar 31,</u> <u>2012</u>	<u>Mar 31,</u> <u>2013</u>	<u>Mar 31,</u> <u>2012</u>	<u>Mar 31,</u> <u>2013</u>	<u>Mar 31,</u> <u>2012</u>	<u>Mar 31,</u> <u>2013</u>	<u>Mar 31,</u> <u>2012</u>
External Revenues	(54,428.00)	(51,951.79)	(1,845.51)	(1,864.82)	(450.53)	(569.13)	(56,724.04)	(54,385.74)
Inter - segment revenues	-	-	(2,590.88)	(2,576.68)	(1,553.93)	(1,414.91)	(4,144.81)	(3,991.59)
Interest income	(117.82)	(114.23)	-	-	(1.61)	(4.87)	(119.43)	(119.10)
Finance costs	1,409.06	1,481.24	-	-	-	(0.63)	1,409.06	1,480.61
Finance costs - net	1,291.24	1,367.01	-	-	(1.61)	(5.50)	1,289.63	1,361.51
Depreciation and amortization expenses	4,402.47	4,717.70	202.73	254.26	173.74	186.05	4,778.94	5,158.01
Fuel and oil	20,313.55	20,326.17	-	-	-	-	20,313.55	20,326.17
Employee benefits expenses	4,899.89	4,220.61	1,947.65	1,615.82	1,533.24	1,257.88	8,380.78	7,094.31
Tax expenses (income)	(278.21)	183.34	-	-	15.17	16.59	(263.04)	199.93
Loss (profit) on investment in associates	(376.36)	(123.64)	-	-	27.48	30.83	(348.88)	(92.81)
Loss (gain) on foreign currency exchange	(6,132.06)	(526.39)	-	-	2.75	(1.02)	(6,129.31)	(527.41)
Impairment loss of aircraft	2,368.39	200.36	-	-	-	-	2,368.39	200.36
Profitability on business acquisition	-	(1,584.40)	-	-	-	-	-	(1,584.40)
Gain on reclassified investment	(298.16)	-	-	-	-	-	(298.16)	-
Loss (gain) by segments	(7,604.44)	(4,402.12)	(671.42)	(861.76)	(7.09)	40.11	(8,282.95)	(5,223.77)
Non-controlling interests	-	0.85	-	-	(12.24)	(18.26)	(12.24)	(17.41)

Assets and Liabilities
As At March 31, 2013 and 2012

	Units : Million Baht							
	<u>Air transportation</u>		<u>Business Units</u>		<u>Other activities</u>		<u>Total</u>	
	<u>Mar 31,</u> <u>2013</u>	<u>Dec 31,</u> <u>2012</u>	<u>Mar 31,</u> <u>2013</u>	<u>Dec 31,</u> <u>2012</u>	<u>Mar 31,</u> <u>2013</u>	<u>Dec 31,</u> <u>2012</u>	<u>Mar 31,</u> <u>2013</u>	<u>Dec 31,</u> <u>2012</u>
Assets by segments	293,650.54	287,451.51	6,398.77	6,675.18	4,099.55	6,153.78	304,148.86	300,280.47
Non-allocated assets	-	-	-	-	-	-	<u>3,508.08</u>	<u>3,815.41</u>
Total assets							<u>307,656.94</u>	<u>304,095.88</u>
Liabilities by segments	227,167.61	230,317.02	553.85	610.60	434.27	1,713.00	228,155.73	232,640.62
Non-allocated liabilities	-	-	-	-	-	-	2,105.58	1,636.82
Total Liabilities							<u>230,261.31</u>	<u>234,277.44</u>

The Company has 3 reported segments, consisting of air transportation activities, business units, and other activities. Air transportation activities composed of passenger, freight, and mail services. The business units related directly to transportation activities, which include cargo and mail commercial, ground customer services, ground support equipment services, and catering services. Other activities are transportation supporting activities, which include dispatch services, sales on board, THAI shop, technical services and operation of subsidiaries.

Operating profit of each activity was derived from revenues net of costs and operating expenses.

The Company records inter-segment revenue transfers at market price charged to its unaffiliated customer net of discount, for ground customer services at cost net of discount, and for technical services at budget cost. Those transfers will be eliminated in statements of comprehensive income.

Segment current and non-current assets for each activity are those operating assets that result from the operating activities of such activity.

Segment current and non-current liabilities for each activity are those operating liabilities that result from the operating activities of such activity.

5.20.2 Geographical Segments

	Units : Million Baht	
	<u>Jan-Mar 2013</u>	<u>Jan-Mar 2012</u>
Domestic Revenues		
Transportation	4,373.63	4,261.40
Business units	1,840.29	1,864.82
Other activities	<u>549.11</u>	<u>2,272.78</u>
Total domestic revenues	<u>6,763.03</u>	<u>8,399.00</u>
Foreign Transportation Revenues		
Regional Asia	20,465.35	18,746.14
Europe	11,418.85	10,966.88
North Pacific	658.57	791.99
Australia & New Zealand	5,096.65	4,621.26
Africa	<u>235.26</u>	<u>261.51</u>
Total foreign transportation revenues	<u>37,874.68</u>	<u>35,387.78</u>
Charter revenues and others	2,237.25	2,293.18
Insurance surcharge from passengers	476.26	426.89
Fuel surcharge from passengers	8,661.19	7,492.04
Interest income	119.43	119.10
Other income	711.63	386.85
Profitability on business acquisition	-	1,584.40
Gain on reclassified investment	<u>298.16</u>	<u>-</u>
Total	<u>57,141.63</u>	<u>56,089.24</u>

5.21 Staff Pension Fund Consolidated and Separate Financial Statements

The Company has established a staff pension fund, contributing 10% of employee salaries to the fund each month. The fund's assets, liabilities and balance are presented in the Company's balance sheet. Interest and expenses arising from fund operations are recognised as income and expenses of the Company. The details are as follows:

	Units : Million Baht	
	<u>Mar 31, 2013</u>	<u>Dec 31, 2012</u>
Current assets	4,721.31	4,652.26
Others	<u>93.49</u>	<u>69.24</u>
Total	<u>4,814.80</u>	<u>4,721.50</u>
Other current liabilities	58.01	51.39
Pension fund	<u>4,756.79</u>	<u>4,670.11</u>
Total	<u>4,814.80</u>	<u>4,721.50</u>

As at March 31, 2013, the fund balance was THB 4,756.79 million, equal to the Company's obligation to its staff under the fund. (The total Company contribution to the fund in this accounting periods was THB 15.50 million, which comes from contributions at a rate equivalent to 10% of employee salaries in the amount of THB 69.68 million deducted the amounts to match the Company's obligation of THB 54.18 million.)

5.22 Staff Provident Fund

The Company contributes to the provident fund at the rate of 9% for members having not more than 20 years of services and 10% for members having more than 20 years of services, representing amount of THB 299.43 million for this period.

The Company's provident fund is managed by Kasikorn Asset Management Company Limited and Krungthai Asset Management Public Company Limited which are permitted by the Securities and Exchange Commission, Thailand (SEC).

5.23 Actions Taken in Relation to Entering to Block Space Agreement With Southern Air Inc. (SAI)

Since Southern Air Inc. (SAI) has files an application for the rehabilitation (Chapter 11) with the bankruptcy court in Delaware, the United States of America, on November 28, 2012, the Company filed a debt repayment application in the case where Southern Air Inc. (SAI) requested for the rehabilitation by assigning SKADDEN, ARPS, SLATE, MEAGHER & FLOM to be a local lawyer of the Company. The case is currently undergoing the court's consideration.

5.24 Actions Taken in Relation to Claiming For Damages Arising From The Delay of KOITO Economy Class Seats Delivery

On December 9, 2011, Macfarlanes LLP, the Company's lawyer, filed a lawsuit against Koito Industries Limited and Asia Fleet Services(s) Pte., Ltd. at the court in England for breaching of general terms agreements (economy class seats) for Airbus A330-300 and A380-800 type and Boeing B777-300 type. At present, Koito Industries Limited (KI Holding Limited) has already files it defence and counter claim. The case is currently undergoing the court's consideration.

5.25 Contingent Liabilities

5.25.1 The Company has contingent liabilities and not presented in the financial statement as follows:

	Units : Million Baht	
	<u>Mar 31, 2013</u>	<u>Dec 31, 2012</u>
Guarantee by banks (in Thailand)	193.54	220.85
Guarantee by banks (foreign countries)	377.64	399.09
The following lawsuits filed against the Company:		
Labour cases	1,324.80	1,410.71
Damage cases	<u>2,513.59</u>	<u>2,537.81</u>
Total	<u>4,409.57</u>	<u>4,568.46</u>

5.25.2 The Company had estimated damages and fines and had acknowledged such damages and fines in the financial statement of 2008 in the amount of THB 4,290.17 million. The Company had decreased an amount of the reserve with respect to damages and fines to THB 1,783.19 million, THB 1,042.05 million, and THB 695.76 million in the financial statement of 2010, 2011, and 2012, respectively. In quarter 1 of 2013, the Company decreased THB 28.53 million for such reserve to remain the reserve amount at THB 740.64 million. The progress of Antitrust/Competition cases is as follows:

1. Regarding an investigation conducted by the United States' Department of Justice (DOJ), it can be divided into 2 cases.

1.1 Cargo US DOJ Investigation: The Company was unofficially informed that DOJ has already terminated the investigation.

1.2 Passenger US DOJ Investigation: DOJ had started to investigate the Company by sending summon for documents to the Company. It is now in the process of investigation. Correspondingly, the Company has already hired a local attorney to correspond with the DOJ. However, it is still uncertain as to whether an allegation is being sought and when it will occur.

2. With respect to the investigation by the Australian Competition and Consumer Commission (ACCC)

On October 28, 2009, the ACCC has subsequently filed a lawsuit against the Company for violating Trade Practices Act 1974. Yet, the amount of fines and expenses has not yet been specified by the ACCC in the lawsuit.

At present, the Company has already entered into a settlement with ACCC in order to pay a fine in the amount of AUD 7.5 million or approximately THB 240.50 million including the legal fees of ACCC in the amount of AUD 0.5 million or approximately THB 16.03 million, the total amount is AUD 8 million or approximately THB 256.53 million. On December 14, 2012, the court rendered a judgment as per the settlement agreed between the Company and ACCC. The Company can pay the fine by 7 installments within 3 years period. On December 28, 2012, the Company has paid for the fine of the first installment in the amount of AUD 1.1 million or approximately THB 35.79 million and paid for the legal fees of ACCC in the amount of AUD 0.5 million or approximately THB 16.27 million. The total amount is THB 52.06 million.

3. On the subject of an investigation by the Korean Fair Trade Commission (KFTC)

On November 30, 2010, the Company received an official decision of the KFTC which imposed a fine totaling an amount of KRW 2,877 million but dropped the criminal charges against the Company and the relevant staff. The Company has appealed the KFTC Commissioners' decision to the competent court. Then, the appeal of the Company for both ex Korea route and ex Hong Kong route was dismissed i.e. the Company shall pay for the fine totaling an amount of KRW 2,198.00 million for ex Korea route and an amount of KRW 679.00 million for ex Hong Kong route. The Company has already appealed to the Supreme Court and the case is currently undergoing the Supreme Court procedures.

4. On the subject of an investigation by the New Zealand Commerce Commission (NZCC)

As for the case involving the New Zealand Commerce Commission (NZCC) filing a lawsuit against the Company and other 13 airlines at the Auckland High Court and alleging that the Company, jointly with other airlines, fixed the fuel surcharge and security surcharge, constituting a violation against the Commerce Act of New Zealand, the NZCC requested the court to impose a fine and expenses to the Company according to the law. However, these fine and expenses remained unspecified at the time of filing the lawsuit. At present, the case is currently undergoing the court procedures.

At present, the Company has already entered into a settlement with NZCC in order to pay a fine in the amount of NZD 2.7 million or approximately THB 66.81 million, including the legal fees of NZCC in the amount of NZD 259,079.18 or approximately THB 6.41 million. The total amount is NZD 2,959,079.18 or approximately THB 73.22 million which the Company can pay by 4 installments within 18 months period.

5. For the case where lawsuits were filed against the Company at the Superior Court of Los Angeles and the San Francisco County Superior Court alleging that the Company had violated the Antitrust law of the United States by committing fares and surcharges fixing conspiracy. Presently, the Judicial Panel on Multi-district Litigation has ordered to combine the cases to be considered by the court at San Francisco as a single case, however, the disputed amount of claims has not yet been determined until the court makes a final decision that the Company is guilty. The case is currently undergoing the court procedures.

According to the Board of Directors Meeting No. 10/2554 held on August 19, 2011, the meeting has resolved as follows:

1. To apply the local currency of each foreign country which the Company has the obligation to pay for the damages and fines reserve instead of applying the Thai Baht.

2. To decrease the amount of reserve for the antitrust case in the United States of America and Korea since the Company has already made a payment for the fine totaling of KRW 2,877 million or approximately THB 77.45 million according to the Korea Fair Trade Commission (KFTC) official decision.

Correspondingly, the Company's Department of Legal Affairs and Business Administration has modified the estimation guidelines as follows:

1. The above estimated damages and fines are based on the progress and direction of the cases which have become more apparent and the Company also considers the possibility that the Company may be alleged by each authority of the country that conducted investigation against the Company and the lowest fine rates that may be used in case the courts rule or sentence that the Company has committed guiltiness as alleged or claimed. In addition, the Company adjusted the foreign currency exchange rate to be in line with the current rates.

2. The above estimated damages and fine amounts are made in respect of the investigations made by the competent authority in each country including the initial estimate of the compensation in the Civil Class Action cases in the United States of America, though the disputed amount of claims has not yet been set and the plaintiffs still have to prove the damages.

3. The sentence or decision on the cases might be given separately in the next forth coming different fiscal years.

4. The above provision may be substantially deviate from the truth due to:

4.1 In the countries where investigations are initiated and no allegation is filed yet, there is no clear fact as to whether an allegation will be filed against the Company. And if such an allegation is filed against the Company, in which locations that such allegation may cover. The turnover amount of such locations which shall be based for calculation of fine or damages is therefore unaware.

4.2 The determination of fines and damages is dependent on the discretion of the deciding body. Other facts of the cases may require to be considered by such deciding body.

4.3 Before the decision is made, there may be a compromise or settlement of fines or damages amount, depending on the policy of each country and the case aspects.

5.26 Contractual Obligations

5.26.1 Obligation to Purchase Aircraft

The Company has a payment obligation to purchase 2 A380-800, 1 A330-300, 5 A320-200, 4 A350-900XWB, and 6 B777-300ER aircraft amount of THB 64,882.15 million, expected to take delivery during the year 2013-2018 which consisted of:

Obligation	Unit : Million Baht	
	Within 1 year	Over 1 year – 5 years
Purchase of aircraft	16,153.10	48,729.05

5.26.2 Leases and Obligations of Aircraft

The Company has obligations from entering into operating leases for 51 aircraft amount of USD 4,963.15 million or approximately to THB 146,152.88 million consisting of 15 A320-200, 2 A330-300, 8 A350-900, 3 B737-400, 2 B777-200, 13 B777-300ER, 6 B787-8, and 2 B787-9 aircraft.

There are 30 aircraft which have not been scheduled delivery yet. The Company entered into the operating lease of 5 Boeing 777-300ER with the BOC Aviation Pte. Ltd. (BOCA) according to the Predelivery Commitment Agreement and Aircraft Lease Agreement dated October 22, 2010. Therefore, the Company has an obligation for the commitment fee, up to the date of aircraft delivery, amount of USD 4.04 million or approximately to THB 119.01 million, starting from the signing date in the Agreement until the delivery date of such aircraft. When the Company takes the delivery of such aircraft in 2013, the commitment fee will be recognized in the Company's statement of income with a straight-line method over the lease term. The operating leases of those 51 aircraft will be expired during 2013-2029.

Lease obligation and commitment fee can be classified as follows:

Obligation	Unit : Million Baht		
	Within 1 year	Over 1 year – 5 years	Over 5 years
Rent	4,610.19	35,328.25	106,095.43
Commitment Fee	119.01	-	-
Total	4,729.20	35,328.25	106,095.43

5.27 Estimated Damages from the Flood Disaster

On October 26, 2011, the flood reached Don Muang Airport causing the damages to the Company's assets which the insurance will cover for such damages.

The Company has primarily recorded the damages from flood disaster, which consisted of two Airbus A300-600 aircraft phased out from the fleet as aircraft for sales, consumable parts and supplies of Technical Department, tool repairment of Technical Department and raw material of Catering. As at March 31, 2013, the Company received THB 1,059.31 million as the insurance compensation from the insurance company, and the Company recognized the insurance compensation from the flood disaster of THB 471.44 million. Such compensation has been recognized in the statements of comprehensive income for the year 2011 and 2012, and for the first quarter of 2013 at the amount of THB 175 million, THB 284.23 million, and THB 12.21 million, respectively. However, all the damaged assets which are covered by the insurance policy are under claiming process with the insurance company.

5.28 Events during the Reporting Period

On January 18, 2013 Nok Airlines Company Limited has registered to be the Public Company limited and appointed 12 Board of Directors instead of 9 previously. Thus, the Company holds 49% interest in Nok Airlines Public Company Limited and has 5 Directors out of 12 on Nok Airlines Public Company Limited. As a result, the Company lost its control over Nok Airlines Public Company Limited according to TAS 27, Consolidated and Separate Financial Statements. Hence, The Company did not console Nok Airlines Public Company Limited's financial statements to the Company's since then.

5.29 Events after the Reporting Period

5.29.1 One A330-300 aircraft is scheduled to deliver on April 22, 2013. Such aircraft is under finance lease with aircraft guaranteed with the lease term of 15 year.

5.29.2 The Annual General Shareholders' Meeting held on April 24, 2013 approved to abstain from dividend payment for the operation result of the year 2012 to the Company's shareholders of 2,182.77 million shares, at the rate of 0.50 baht per share totaling of THB 1,091.39 million.

5.30 Approval of Financial Statements

These financial statements were approved by the Audit Committee, the Authorized Board of Directors, on May 8, 2013.
