

(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 June 30, 2013, the related consolidated and separate statements of comprehensive income, statements of changes in shareholders' equity and statements of cash flows for the six-month periods ended June 30, 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
August 14, 2013

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT JUNE 30, 2013

Unit : Baht

	Notes	<u>CONSOLIDATED FINANCIAL STATEMENTS</u>		<u>SEPARATE FINANCIAL STATEMENTS</u>	
		<u>Jun 30, 2013</u> (Unaudited but reviewed)	<u>Dec 31, 2012</u>	<u>Jun 30, 2013</u> (Unaudited but reviewed)	<u>Dec 31, 2012</u>
ASSETS					
Current Assets					
Cash and cash equivalents	5.1	34,939,457,532	20,048,374,724	34,815,062,867	19,741,670,550
Temporary investments		50,000,000	1,709,730,474	-	-
Trade accounts receivable	5.2	16,079,900,462	15,738,200,618	16,041,957,262	15,679,356,299
Prepaid expenses and deposits		9,263,000,022	8,951,772,089	9,608,293,617	9,012,036,532
Inventories and supplies		7,888,420,071	7,783,943,974	7,888,420,071	7,780,199,730
Other current assets	5.3	8,829,105,298	9,948,745,997	8,815,831,048	9,713,193,240
Non-current assets classified as held for sale	5.11	7,848,212,152	7,430,210,409	7,848,212,152	7,430,210,409
Total Current Assets		<u>84,898,095,537</u>	<u>71,610,978,285</u>	<u>85,017,777,017</u>	<u>69,356,666,760</u>
Non-Current Assets					
Investment in associates	5.4.1	4,828,057,098	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	125,683,548	130,160,178	75,521,731	74,585,128
Property, plant and equipment	5.6	222,276,701,890	218,567,945,045	222,268,290,054	218,477,941,563
Goodwill		-	1,390,549,247	-	-
Intangible assets	5.7	768,876,991	1,337,499,242	764,054,511	772,954,356
Deferred tax assets	5.8	5,721,255,680	4,966,453,549	5,708,884,669	4,939,492,971
Other non-current assets	5.10	5,483,962,647	4,662,685,173	5,478,293,172	4,640,196,663
Total Non-Current Assets		<u>239,204,537,854</u>	<u>232,484,903,323</u>	<u>235,388,774,537</u>	<u>229,998,901,081</u>
Total Assets		<u>324,102,633,391</u>	<u>304,095,881,608</u>	<u>320,406,551,554</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 JUNE 30, 2013

Unit : Baht

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		Jun 30, 2013 (Unaudited but reviewed)	Dec 31, 2012	Jun 30, 2013 (Unaudited but reviewed)	Dec 31, 2012
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Liabilities					
Trade accounts payable		6,135,049,365	4,621,570,981	6,127,547,657	4,287,281,811
Accrued expenses		19,872,141,424	18,726,829,882	20,142,528,901	18,497,737,175
Current portion of long-term liabilities					
Long-term loans from related parties	5.5.1.1	3,072,700,000	3,297,264,000	3,072,700,000	3,297,264,000
Long-term loans from other parties		9,094,105,263	8,151,368,421	9,094,105,263	8,151,368,421
Liabilities under finance leases		10,307,059,878	9,938,493,819	10,307,059,878	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		20,070,173	16,956,305	-	-
Other current liabilities					
Accrued dividends		56,396,335	51,794,664	56,350,770	51,692,971
Unearned transportation revenues		22,057,536,085	23,789,156,859	22,057,536,085	23,380,604,242
Others		11,110,510,410	11,532,444,154	11,146,952,645	11,470,031,663
Total Current Liabilities		85,002,358,933	82,682,669,085	85,281,571,199	81,631,264,102
Non-Current Liabilities					
Long-term liabilities					
Long-term loans from related parties	5.5.1.1	16,786,640,699	1,890,000,000	16,786,640,699	1,890,000,000
Long-term loans from other parties		34,329,894,737	39,120,631,579	34,329,894,737	39,120,631,579
Liabilities under finance leases		66,312,416,950	61,610,827,672	66,312,416,950	61,610,827,672
Debentures		36,400,000,000	32,120,000,000	36,400,000,000	32,120,000,000
Deferred tax liabilities	5.9	91,887,107	83,351,796	91,887,107	83,351,796
Staff pension fund	5.22	4,925,971,124	4,670,104,407	4,925,971,124	4,670,104,407
Employee benefits obligation	5.12	11,450,602,609	11,082,178,755	11,424,975,983	10,970,895,026
Long-term provisions		774,218,598	831,594,427	771,814,922	829,190,752
Other non-current liabilities		285,673,209	186,085,924	285,558,503	185,856,512
Total Non-Current Liabilities		171,357,305,033	151,594,774,560	171,329,160,025	151,480,857,744
Total Liabilities		256,359,663,966	234,277,443,645	256,610,731,224	233,112,121,846
Shareholders' Equity					
Share capital	5.14				
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		17,608,411,153	18,852,734,438	13,728,601,641	16,176,227,306
Total Company Shareholders' Equity		67,675,629,842	68,919,953,127	63,795,820,330	66,243,445,995
Non-controlling Interests		67,339,583	898,484,836	-	-
Total Shareholders' Equity		67,742,969,425	69,818,437,963	63,795,820,330	66,243,445,995
Total Liabilities and Shareholders' Equity		324,102,633,391	304,095,881,608	320,406,551,554	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 JUNE 30, 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		38,791,775,234	39,145,984,736	38,791,775,234	37,322,171,829
Freight		5,645,661,476	6,478,156,706	5,645,661,476	6,473,924,334
Mail		257,624,443	209,670,828	257,624,443	209,670,828
Other activities		2,397,983,596	2,098,177,944	2,312,157,038	2,118,368,231
Total Revenues from Sales or Revenues from Services		47,093,044,749	47,931,990,214	47,007,218,191	46,124,135,222
Other Income					
Interest income		138,041,991	114,619,396	136,222,017	102,608,662
Gain (loss) on foreign currency exchange		(4,202,601,067)	1,315,763,413	(4,204,709,310)	1,311,556,071
Other income - Others	5.16	453,116,309	459,508,614	714,541,337	737,391,667
Gain on deemed disposal	5.29	722,299,368	-	-	-
Total Other Income		(2,889,143,399)	1,889,891,423	(3,353,945,956)	2,151,556,400
Total Revenues		44,203,901,350	49,821,881,637	43,653,272,235	48,275,691,622
Expenses					
Fuel and oil		18,452,551,931	19,678,801,508	18,452,551,931	19,020,698,347
Employee benefits expenses	5.15	8,742,429,368	7,787,046,969	8,731,449,506	7,656,313,859
Flight service expenses		5,227,103,525	4,997,946,771	5,227,103,525	4,849,285,245
Crew expenses		1,459,401,886	1,312,228,172	1,459,401,886	1,278,113,615
Aircraft maintenance and overhaul costs		3,236,865,654	3,312,130,623	3,236,865,654	3,069,271,824
Depreciation and amortisation expenses		4,986,892,417	5,056,234,147	4,985,438,983	5,031,192,179
Lease of aircraft and spare parts		1,188,672,281	919,992,686	1,188,672,281	724,484,678
Inventories and supplies		2,245,451,083	2,237,096,994	2,245,451,083	2,210,614,291
Selling and advertising expenses		2,183,427,196	1,651,293,614	2,169,630,667	1,580,503,763
Insurance expenses		169,034,687	351,378,565	169,034,687	319,836,771
Impairment loss of assets		72,354,555	113,016,255	72,354,555	113,016,255
Impairment loss of aircraft	5.18	1,332,096,784	-	1,332,096,784	-
Other expenses	5.17	2,433,592,198	2,404,741,449	2,412,957,443	2,281,249,191
Finance costs		1,523,003,150	1,437,049,948	1,523,003,150	1,437,681,939
Share of profits of associates		(166,115,032)	(15,190,060)	-	-
Total Expenses		53,086,761,683	51,243,767,641	53,206,012,135	49,572,261,957
Loss before Income Tax Expense		(8,882,860,333)	(1,421,886,004)	(9,552,739,900)	(1,296,570,335)
Net tax expense (income)	5.19	(456,560,174)	47,324,121	(465,513,396)	26,882,439
Loss for the period		(8,426,300,159)	(1,469,210,125)	(9,087,226,504)	(1,323,452,774)
Other comprehensive income (loss)		-	-	-	-
Net comprehensive loss for the period		(8,426,300,159)	(1,469,210,125)	(9,087,226,504)	(1,323,452,774)
Profit (loss) Attributable to:					
Owners of the parent		(8,438,926,161)	(1,531,895,297)	(9,087,226,504)	(1,323,452,774)
Non-controlling interests		12,626,002	62,685,172	-	-
		(8,426,300,159)	(1,469,210,125)	(9,087,226,504)	(1,323,452,774)
Total Comprehensive Income (loss) Attributable to:					
Owners of the parent		(8,438,926,161)	(1,531,895,297)	(9,087,226,504)	(1,323,452,774)
Non-controlling interests		12,626,002	62,685,172	-	-
		(8,426,300,159)	(1,469,210,125)	(9,087,226,504)	(1,323,452,774)
Loss per Share					
Basic loss per share	5.20	(3.87)	(0.70)	(4.16)	(0.61)

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 COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 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		86,344,215,790	84,103,255,934	86,344,215,790	80,462,689,634
Freight		11,494,663,370	12,978,271,669	11,494,663,370	12,971,948,914
Mail		479,188,230	432,408,925	479,188,230	432,408,925
Other activities		4,787,382,843	4,416,938,018	4,607,161,953	4,461,542,484
Total Revenues from Sales or Revenues from Services		103,105,450,233	101,930,874,546	102,925,229,343	98,328,589,957
Other Income					
Interest income		257,476,672	233,723,599	254,046,323	207,555,973
Gain on foreign currency exchange		1,926,707,612	1,843,178,099	1,927,350,616	1,839,347,450
Other income - Others	5.16	1,164,747,671	846,357,731	1,548,298,162	1,116,049,156
Gain on deemed disposal	5.29	722,299,368	-	-	-
Profitability on business acquisition		-	1,584,397,482	-	-
Gain on reclassified investment		298,158,621	-	-	-
Total Other Income		4,369,389,944	4,507,656,911	3,729,695,101	3,162,952,579
Total Revenues		107,474,840,177	106,438,531,457	106,654,924,444	101,491,542,536
Expenses					
Fuel and oil		38,766,097,667	40,004,974,153	38,766,097,667	38,654,371,505
Employee benefits expenses	5.15	17,123,206,528	14,881,359,058	17,112,545,267	14,634,012,326
Flight service expenses		10,489,446,444	10,109,250,599	10,489,446,444	9,796,866,795
Crew expenses		2,917,055,824	2,777,920,614	2,917,055,824	2,706,901,397
Aircraft maintenance and overhaul costs		6,491,478,676	6,289,442,175	6,491,478,676	5,744,906,834
Depreciation and amortisation expenses		9,765,829,763	10,214,246,819	9,762,901,576	10,164,948,028
Lease of aircraft and spare parts		2,233,049,041	2,105,095,316	2,233,049,041	1,728,967,766
Inventories and supplies		4,667,414,909	4,589,432,664	4,667,414,909	4,548,556,814
Selling and advertising expenses		4,439,319,370	3,185,293,558	4,406,739,828	3,040,740,326
Insurance expenses		292,734,680	480,389,365	292,734,680	416,053,695
Impairment loss of assets		180,265,981	132,233,524	180,265,981	132,233,524
Impairment loss of aircraft	5.18	3,592,578,829	181,143,438	3,592,578,829	181,143,438
Other expenses	5.17	4,949,998,709	4,658,867,207	4,910,564,291	4,419,426,367
Finance costs		2,932,065,810	2,917,658,339	2,932,062,469	2,918,916,887
Share of profits of associates		(514,991,958)	(107,999,433)	-	-
Total Expenses		108,325,550,273	102,419,307,396	108,754,935,482	99,088,045,702
Profit (loss) before Income Tax Expense		(850,710,096)	4,019,224,061	(2,100,011,038)	2,403,496,834
Net tax expense (income)	5.19	(719,598,482)	247,257,035	(743,721,754)	210,330,098
Profit (loss) for the period		(131,111,614)	3,771,967,026	(1,356,289,284)	2,193,166,736
Other comprehensive income (loss)		-	-	-	-
Net comprehensive profit (loss) for the period		(131,111,614)	3,771,967,026	(1,356,289,284)	2,193,166,736
Profit (loss) Attributable to:					
Owners of the parent		(155,976,997)	3,691,870,336	(1,356,289,284)	2,193,166,736
Non-controlling interests		24,865,383	80,096,690	-	-
		(131,111,614)	3,771,967,026	(1,356,289,284)	2,193,166,736
Total Comprehensive Income (loss) Attributable to:					
Owners of the parent		(155,976,997)	3,691,870,336	(1,356,289,284)	2,193,166,736
Non-controlling interests		24,865,383	80,096,690	-	-
		(131,111,614)	3,771,967,026	(1,356,289,284)	2,193,166,736
Earnings (loss) per Share					
Basic earnings (loss) per share	5.20	(0.07)	1.69	(0.62)	1.00

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 SIX-MONTH PERIODS ENDED JUNE 30, 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		
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> Dividend paid to preference shares	-	-	-	-	(45,644)	(45,644)
<u>Less</u> Dividend payment	-	-	-	-	(193,140,004)	(193,140,004)
<u>Add</u> Comprehensive income for the period	-	-	3,691,870,336	3,691,870,336	80,096,690	3,771,967,026
Balance as at June 30, 2012	21,827,719,170	25,548,223,951	19,006,907,619	66,382,850,740	850,375,897	67,233,226,637
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> Dividend payment	-	-	(1,091,385,959)	(1,091,385,959)	(135,000,005)	(1,226,385,964)
<u>Add</u> Dividend return	-	-	49,578	49,578	-	49,578
<u>Less</u> Dividend paid to cumulative preference shares	-	-	-	-	(45,565)	(45,565)
<u>Add</u> Comprehensive income for the period	-	-	(155,976,997)	(155,976,997)	24,865,383	(131,111,614)
Balance as at June 30, 2013	21,827,719,170	25,548,223,951	20,299,686,721	67,675,629,842	67,339,583	67,742,969,425

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 SIX-MONTH PERIODS ENDED JUNE 30, 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 for the period	-	-	2,193,166,736	2,193,166,736
Balance as at June 30, 2012	21,827,719,170	25,548,223,951	16,631,015,533	64,006,958,654
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>Less</u> Dividend payment	-	-	(1,091,385,959)	(1,091,385,959)
<u>Add</u> Dividend return	-	-	49,578	49,578
<u>Less</u> Comprehensive loss for the period	-	-	(1,356,289,284)	(1,356,289,284)
Balance as at June 30, 2013	21,827,719,170	25,548,223,951	16,419,877,209	63,795,820,330

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 SIX-MONTH PERIODS ENDED JUNE 30, 2013

Unit : Baht

	<u>CONSOLIDATED FINANCIAL STATEMENTS</u>		<u>SEPARATE FINANCIAL STATEMENTS</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	(850,710,096)	4,019,224,061	(2,100,011,038)	2,403,496,834
Adjustment to reconcile profit before tax to cash provided by (paid from) operating activities :				
Depreciation and amortisation expenses	9,765,829,763	10,214,246,819	9,762,901,576	10,164,948,028
Aircraft lease fees	28,779,590	-	28,779,590	-
Dividends received	(423,150)	(43,750)	(385,727,061)	(288,037,146)
Share of profits of investments by equity method	(514,991,958)	(107,999,433)	-	-
Profitability on business acquisition	-	(1,584,397,482)	-	-
Gain on reclassified investment	(298,158,621)	-	-	-
Gain on deemed disposal	(722,299,368)	-	-	-
Interest income	(257,476,672)	(233,723,599)	(254,046,323)	(207,555,973)
Interest expenses	2,932,065,810	2,917,658,339	2,932,062,469	2,918,916,887
Gains on sales of assets	(19,487,720)	(33,302,789)	(19,672,831)	(34,051,423)
Gain on foreign currency exchange	(635,977,515)	(1,482,234,132)	(636,019,470)	(1,478,391,645)
Employee benefits obligation	459,637,380	455,939,311	454,080,957	445,600,728
Provision for obsolete inventories and supplies	324,622,711	195,133,113	324,622,711	195,133,113
Doubtful accounts	15,383,213	48,426,004	15,381,223	50,436,542
Impairment loss of aircrafts	3,592,578,829	181,143,438	3,592,578,829	181,143,438
Impairment loss of assets	180,265,981	132,233,524	180,265,981	132,233,524
Operating profits before changes in operating assets and liabilities	13,999,638,177	14,722,303,424	13,895,196,613	14,483,872,907
Decrease (increase) in operating assets :				
Trade accounts receivable	(154,615,785)	929,737,691	(147,542,094)	951,594,599
Inventories and supplies	(432,843,052)	(196,428,662)	(432,843,052)	(196,417,866)
Prepaid expenses and deposits	(118,149,585)	(124,523,986)	(325,998,091)	(167,880,265)
Tax refund	226,673,591	(3,539,532)	226,673,591	(3,539,532)
Other current assets	865,380,612	(665,842,713)	873,891,008	(647,935,112)
Assets for sales	(45,992,397)	(283,489,747)	(45,992,397)	(283,489,747)
Other assets	(22,189,961)	62,244,276	(22,192,101)	64,515,341
Deferred charges	(1,040,665,180)	(418,311,258)	(1,040,665,180)	(418,311,258)
Increase (decrease) in operating liabilities :				
Trade accounts payable	595,933,191	(813,544,469)	596,965,697	(692,628,593)
Accrued expenses and other current liabilities	926,197,622	(646,966,306)	1,081,570,229	(669,695,330)
Staff pension fund	255,866,717	165,147,619	255,866,717	165,147,619
Unearned transportation revenues	(1,250,201,001)	(281,761,269)	(1,250,201,001)	(267,852,137)
Other non-current liabilities	34,411,361	(26,139,991)	34,411,361	(26,143,736)
Cash received from operations	13,839,444,310	12,418,885,077	13,699,141,300	12,291,236,890
Payment of income tax	(144,835,505)	(173,185,101)	(116,345,114)	(125,944,048)
Net Cash from Operating Activities	13,694,608,805	12,245,699,976	13,582,796,186	12,165,292,842

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 SIX-MONTH PERIODS ENDED JUNE 30, 2013

Unit : Baht

	<u>CONSOLIDATED FINANCIAL STATEMENTS</u>		<u>SEPARATE FINANCIAL STATEMENTS</u>	
	<u>2013</u>	<u>2012</u> (Restated)	<u>2013</u>	<u>2012</u>
Cash Flows from Investing Activities				
Cash paid for acquisition of fixed assets	(7,596,269,314)	(7,692,875,536)	(7,595,299,519)	(7,653,487,468)
Cash paid for intangible assets	(95,287,518)	(5,523,781)	(94,893,150)	(329,520)
Cash received from transferring the rights for advance payment of aircraft and aircraft equipment	1,226,032,229	282,771,249	1,226,032,229	282,771,249
Cash received from sales of assets	543,564,253	78,368,754	543,564,253	77,820,266
Interest income	107,793,471	159,924,134	103,931,561	138,282,133
Dividend received	220,668,266	67,144,004	385,727,061	255,037,146
Investment decrease	1,226,496	99,808,378	1,226,496	-
Temporary investment decrease	250,000,000	331,093,889	-	-
Cash decreased from loss of controlling interests	(246,456,042)	-	-	-
Cash received from investment in subsidiaries	-	197,098,689	-	-
Net Cash used in Investing Activities	(5,588,728,159)	(6,482,190,220)	(5,429,711,069)	(6,899,906,194)
Cash Flows from Financing Activities				
Cash received from debentures	5,000,000,000	4,500,000,000	5,000,000,000	4,500,000,000
Cash received from long-term loans	16,393,967,528	311,563,023	16,393,967,528	311,563,023
Cash paid for repayment of debentures	-	(170,000,000)	-	(170,000,000)
Cash paid for repayment of long-term loans	(10,346,886,935)	(6,345,622,659)	(10,346,886,935)	(6,345,622,659)
Cash paid for loan interest	(2,635,294,730)	(2,785,998,645)	(2,635,291,389)	(2,787,255,193)
Dividends paid for non-controlling interests	(1,086,678,783)	(161,302)	(1,086,678,583)	(161,102)
Dividends paid	(135,101,497)	(166,226,658)	-	-
Net Cash received from (used in) Financing Activities	7,190,005,583	(4,656,446,241)	7,325,110,621	(4,491,475,931)
Net increase in cash and cash equivalents	15,295,886,229	1,107,063,515	15,478,195,738	773,910,717
Effect from changing in exchange rate on cash and cash at bank decrease	(404,803,421)	(71,249,358)	(404,803,421)	(71,983,642)
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	34,939,457,532	17,701,839,173	34,815,062,867	17,331,867,997
Additional information for cash flow				
Non-cash transactions				
Fixed assets unpaid	213,505,259	658,389,485	213,505,259	658,389,485
Assets under finance leases	9,285,229,781	1,986,577,191	9,285,229,781	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 and six-month periods ended June 30, 2013 (unaudited)

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 June 30, 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	
			<u>Jun 30, 2013</u>	<u>Dec 31, 2012</u>
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 5.29)	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. Accounting Standards, Financial Reporting Standards, 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 1,353.21 million.

5. Supplementary Information

5.1 Cash and Cash Equivalents

	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	Units : Million Baht			
	<u>Jun 30, 2013</u>	<u>Dec 31, 2012</u>	<u>Jun 30, 2013</u>	<u>Dec 31, 2012</u>
Cash - Domestic	20.28	22.29	20.28	22.29
Cash – Abroad	27.68	30.63	27.68	30.63
Bank Deposits - Domestic	2,622.83	4,024.28	2,498.43	3,717.58
Bank Deposits - Abroad	<u>32,268.67</u>	<u>15,971.17</u>	<u>32,268.67</u>	<u>15,971.17</u>
Total	<u>34,939.46</u>	<u>20,048.37</u>	<u>34,815.06</u>	<u>19,741.67</u>

5.2 Trade Accounts Receivable - Net

	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	Units : Million Baht			
	<u>Jun 30, 2013</u>	<u>Dec 31, 2012</u>	<u>Jun 30, 2013</u>	<u>Dec 31, 2012</u>
Period overdue				
Not over 6 months	15,804.74	15,525.06	15,766.79	15,466.22
Over 6 months to 1 year	492.19	397.86	492.19	397.86
Over 1 year to 2 years	214.91	156.67	214.91	156.66
Over 2 years	<u>1,355.81</u>	<u>1,451.27</u>	<u>1,332.94</u>	<u>1,426.04</u>
	17,867.65	17,530.86	17,806.83	17,446.78
<u>Less</u> Allowance for doubtful accounts	<u>(1,787.75)</u>	<u>(1,792.66)</u>	<u>(1,764.87)</u>	<u>(1,767.42)</u>
Trade accounts receivable - net	<u>16,079.90</u>	<u>15,738.20</u>	<u>16,041.96</u>	<u>15,679.36</u>

5.3 Other Current Assets

	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	Units : Million Baht			
	<u>Jun 30, 2013</u>	<u>Dec 31, 2012</u>	<u>Jun 30, 2013</u>	<u>Dec 31, 2012</u>
Tax refund	347.27	474.73	347.27	474.73
Cash and bank deposits of pension fund	4,743.51	4,648.65	4,743.51	4,648.65
Others	<u>3,738.33</u>	<u>4,825.36</u>	<u>3,725.05</u>	<u>4,589.81</u>
Total	<u>8,829.11</u>	<u>9,948.74</u>	<u>8,815.83</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	
	Jun 30, 2013	Dec 31, 2012	Cost method		Equity method		Jun 30, 2013	Jun 30, 2012
			Jun 30, 2013	Dec 31, 2012	Jun 30, 2013	Dec 31, 2012		
5.4.1 Investments using the equity method								
Royal Orchid Hotel (Thailand) Public Company Limited (Fair value as at June 30, 2013 amount of THB 585.00 million and as at December 31, 2012 amount of THB 416.25 million)	24	24	225.00	225.00	279.35	262.21	30.64	(17.07)
Donmuang International Airport Hotel Company Limited	40	40	48.00	48.00	85.48	93.14	4.34	(1.60)
Bangkok Aviation Fuel Services Public Company Limited (Fair value as at June 30, 2013 amount of THB 2,729.92 million and as at December 31, 2012 amount of THB 2,372.84 million)	22.6	22.6	115.19	115.19	811.60	782.45	87.89	84.14
Phuket Air Catering Company Limited	30	30	30.00	30.00	214.80	175.12	53.18	43.52
Suvarnabhumi Airport Hotel Company Limited	30	30	305.33	305.33	119.37	116.69	2.68	(0.99)
Nok Airlines Public Company Limited (Notes 5.29)	39.2	-	360.00	-	<u>3,317.46</u>	<u>-</u>	<u>336.26</u>	<u>-</u>
Total investments using the equity Method					<u>4,828.06</u>	<u>1,429.61</u>	<u>514.99</u>	<u>108.00</u>
5.4.2 Other long-term investments stated at cost								
Fuel Pipeline Transportation Limited	0.00048	8.4	133.00	133.00			-	-
Aeronautical Radio of Thailand Limited	2.0	2.0	13.19	13.19			-	-
SITA Investment Certificate	-	-	29.48	29.00			-	-
Trade Siam Company Limited (paid 25% of authorized share capital)	3.5	3.5	1.75	1.75			0.13	-
SITA Information Networking Computing	-	-	28.33	27.87			-	-
Other Shares	-	-	2.77	2.78			0.29	0.04
Investment in Debentures	-	-	50.16	50.29			-	-
Other long-term Investment	-	-	-	5.28			-	-
<u>Less</u> Allowance for impairment of Fuel Pipeline Transportation Ltd.			<u>(133.00)</u>	<u>(133.00)</u>			<u>-</u>	<u>-</u>
Total other long-term investments			<u>125.68</u>	<u>130.16</u>			<u>0.42</u>	<u>0.04</u>

Separate Financial Statements

Units : Million Baht

Name of Company	Percentage of Shareholding		Investments		Dividend Income	
	Jun 30, 2013	Dec 31, 2012	Cost method		Jun 30, 2013	Jun 30, 2012
			Jun 30, 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	165.00	165.00
Wing Span Services Company Limited	49	49	0.98	0.98	0.06	0.06
Thai Flight Training Company Limited	49	49	0.98	0.98	-	-
Nok Airlines Public Company Limited (Notes 5.29)	-	49	-	<u>360.00</u>	-	<u>55.86</u>
Total			<u>10.21</u>	<u>370.21</u>	<u>165.06</u>	<u>220.92</u>
Associated Companies						
Royal Orchid Hotel (Thailand) Public Company Limited (Market value as at June 30, 2013 amount of THB 585.00 million and as at December 31, 2012 amount of THB 416.25 million)	24	24	225.00	225.00	13.50	-
Donmuang International Airport Hotel Company Limited	40	40	48.00	48.00	12.00	-
Bangkok Aviation Fuel Services Public Company Limited (Market value as at June 30, 2013 amount of THB 2,729.92 million and as at December 31, 2012 amount of THB 2,372.91 million)	22.6	22.6	115.19	115.19	58.74	46.07
Phuket Air Catering Company Limited	30	30	30.00	30.00	13.50	21.00
Suvarnabhumi Airport Hotel Company Limited	30	30	305.33	305.33	-	-
Nok Airlines Public Company Limited	39.2	-	<u>360.00</u>	-	<u>122.50</u>	-
Total			<u>1,083.52</u>	<u>723.52</u>	<u>220.24</u>	<u>67.07</u>
Total investments using the cost method			<u>1,093.73</u>	<u>1,093.73</u>	<u>385.30</u>	<u>287.99</u>
5.4.2 Other long-term investments stated at cost						
Fuel Pipeline Transportation Limited	0.00048	8.4	133.00	133.00	-	-
Aeronautical Radio of Thailand Limited	2.0	2.0	13.19	13.19	-	-
SITA Investment Certificate	-	-	29.48	29.00	-	-
TRADESIAM Company Limited (paid 25% of authorized share capital)	3.5	3.5	1.75	1.75	0.13	-
SITA Information Networking Computing	-	-	28.33	27.87	-	-
Other Shares	-	-	2.77	2.78	0.29	0.04
<u>Less</u> Allowance for impairment of Fuel Pipeline Transportation Limited			<u>(133.00)</u>	<u>(133.00)</u>	-	-
Total other long-term investments			<u>75.52</u>	<u>74.59</u>	<u>0.42</u>	<u>0.04</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	261.02	114.79	171.89	55.15
WingSpan Services Company Limited	477.23	417.19	366.36	15.32
Thai Flight Training Company Limited	20.96	14.77	18.71	3.99
Tour Eurng Luang Company Limited	6.57	4.70	1.33	0.63
<u>Associated Companies</u>				
Royal Orchid Hotel (Thailand) Public Company Limited	1,889.11	725.16	459.83	(13.23)
Donmuang International Airport Hotel Company Limited	301.34	87.29	129.69	10.85
Bangkok Aviation Fuel Services Public Company Limited	6,269.39	2,712.62	1,082.06	353.16
Phuket Air Catering Company Limited	776.85	59.33	400.52	177.28
Suvarnabhumi Airport Hotel Company Limited	1,689.92	1,292.04	421.31	8.91
Nok Airlines Public Company Limited	5,926.13	1,435.09	5,444.49	685.43

The Company used the financial statements of subsidiary and associated companies, some of which are unviewed by the CPA, as at June 30, 2013 to record the investment by equity method in the consolidated financial statement and by cost method in the separate financial statement.

5.5 Related Parties

5.5.1 Major Shareholders

5.5.1.1 Long-term loans from related parties

Units : Million Baht

	Jun 30, 2013	Dec 31, 2012
Foreign loans via the Ministry of Finance	16,933.34	1,225.26
Government Saving Bank	2,676.00	3,462.00
Islamic Bank of Thailand	<u>250.00</u>	<u>500.00</u>
Total	<u>19,859.34</u>	<u>5,187.26</u>

On June 28, 2013, the Company received the foreign loan via Ministry of Finance amount of USD 500 million or approximately THB 15,633.75 million, to pay for 2 A380-800 aircraft which are scheduled to deliver in October and November 2013.

5.5.2 Subsidiary Company

5.5.2.1 Loans to Subsidiary

Units : Million Baht

	Jun 30, 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

	Three-month periods				Six-month periods			
	Apr – Jun 2013		Apr – Jun 2012		Jan – Jun 2013		Jan – Jun 2012	
	Sales	Purchase	Sales	Purchase	Sales	Purchase	Sales	Purchase
Thai-Amadeus Southeast Asia Company Limited	0.57	-	0.57	-	1.31	-	1.21	-
WingSpan Services Company Limited	1.82	257.46	0.10	92.73	3.53	417.87	0.21	172.40
Thai Flight Training Company Limited	1.01	-	2.10	-	2.84	-	5.21	-
Nok Airlines Public Company Limited	-	-	111.71	4.24	-	-	378.55	5.52
Tour Eurng Luang Company Limited	5.96	0.41	-	-	32.49	1.35	-	-

5.5.2.3 Account Receivables and Account Payables

Units : Million Baht

	Jun 30, 2013		Dec 31, 2012	
	Account Receivables	Account Payables	Account Receivables	Account Payables
	Thai-Amadeus Southeast Asia Company Limited	0.26	0.13	0.37
WingSpan Services Company Limited	22.25	378.91	169.13	0.01
Thai Flight Training Company Limited	6.26	-	6.48	-
Nok Airlines Public Company Limited	-	-	75.05	0.57
Tour Eurng Luang Company Limited	2.89	-	0.96	-

5.5.3 Associated Companies

5.5.3.1 Sales and Purchase

Units : Million Baht

	Three-month periods				Six-month periods			
	Apr – Jun 2013		Apr – Jun 2012		Jan – Jun 2013		Jan – Jun 2012	
	Sales	Purchase	Sales	Purchase	Sales	Purchase	Sales	Purchase
Royal Orchid Hotel (Thailand) Public Company Limited	-	0.97	0.01	0.53	-	3.34	0.05	1.50
Donmuang International Airport Hotel Company Limited	-	0.04	-	-	-	0.10	-	-
Bangkok Aviation Fuel Services Public Company Limited	0.01	96.67	0.01	77.18	0.02	209.23	0.01	174.63
Phuket Air Catering Company Limited	0.51	3.09	1.38	3.27	2.71	3.87	2.63	7.28
Suvarnabhumi Airport Hotel Company Limited	-	5.72	-	6.03	-	10.98	-	6.35
Nok Airlines Public Company Limited	69.57	0.11	-	-	192.52	1.92	-	-

5.5.3.2 Account Receivables and Account Payables

Units : Million Baht

	Jun 30, 2013		Dec 31, 2012	
	Account Receivables	Account Payables	Account Receivables	Account Payables
Royal Orchid Hotel (Thailand) Public Company Limited	-	0.08	-	-
Donmuang International Airport Hotel Company Limited	-	-	-	-
Bangkok Aviation Fuel Services Public Company Limited	0.01	33.13	0.04	-
Phuket Air Catering Company Limited	0.28	3.41	0.01	-
Suvarnabhumi Airport Hotel Company Limited	-	0.81	-	0.11
Nok Airlines Public Company Limited	85.49	0.83	-	-

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 2011 – 2012.

5.6 Property, Plant and Equipment

Consolidated Financial Statements As at June 30, 2013

Unit : Million Baht

	Prepaid Aircraft and Spare Engines	Aircraft	Aircraft under finance 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	(14,656.09)	(605.52)	(14,176.35)	(543.49)	-	0.30	0.27	-	(0.17)	(192.10)	(30,173.15)
- Additions	13,433.52	703.23	16,668.72	1,856.18	(298.13)	-	-	2.60	54.73	867.72	33,288.57
- Disposals	-	(9,589.69)	(172.88)	(271.65)	-	(0.30)	(0.27)	-	(3.67)	(239.14)	(10,277.60)
As at June 30, 2013	16,394.44	147,707.60	168,898.21	34,084.72	2,190.11	935.74	2,513.10	10,791.51	4,601.06	29,952.16	418,068.65
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	-	3,455.05	4,270.86	1,004.15	-	-	23.03	114.12	80.40	659.76	9,607.37
- Adjust/Transfers	-	(3,287.19)	(6,896.73)	3.11	-	-	0.27	-	(0.21)	(207.04)	(10,387.79)
- Disposals	-	(8,679.63)	(172.88)	(127.62)	-	-	(0.27)	-	(3.60)	(236.81)	(9,220.81)
Provision for flood damages	-	-	-	-	-	-	-	-	-	-	-
As at June 30, 2013	-	96,076.55	41,073.45	21,417.17	-	-	2,347.03	5,437.93	4,196.76	25,243.06	195,791.95
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 June 30, 2013	16,394.44	51,631.05	127,824.76	12,667.55	2,190.11	935.74	166.07	5,353.58	404.30	4,709.10	222,276.70

**Consolidated Financial Statements
As at June 30, 2012**

Unit : Million Baht

	Prepaid Aircraft and Spare Engines	Aircraft	Aircraft under finance 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)	717.46	(19,238.76)	(220.29)	-	(2.11)	(9.78)	-	(2.92)	345.33	(19,763.74)
- Additions	5,071.42	2,747.00	1,966.32	1,707.52	(661.46)	-	-	-	12.55	123.68	10,967.03
- Disposals	-	(1,225.95)	(194.39)	(566.17)	-	-	-	(0.10)	(34.10)	(459.14)	(2,479.85)
As at June 30, 2012	24,997.73	145,820.42	147,853.70	30,017.65	2,176.75	936.30	2,514.52	10,793.10	4,615.37	29,734.08	399,459.62
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	-	3,342.73	4,733.52	935.25	-	-	33.87	114.64	90.61	710.73	9,961.35
- Adjust/Transfers	-	(1,262.21)	(11,581.11)	(138.93)	-	-	(8.32)	-	(3.59)	(53.61)	(13,047.77)
- Disposals	-	(1,220.12)	(194.39)	(363.08)	-	-	-	(0.10)	(32.79)	(447.28)	(2,257.76)
Provision for flood damages	-	-	-	-	-	-	-	-	-	39.92	39.92
As at June 30, 2012	-	98,338.00	46,227.94	19,163.27	-	-	2,291.93	5,212.57	4,122.11	25,010.85	200,366.67
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 June 30, 2012	22,997.73	47,482.42	101,625.76	10,854.38	2,176.75	936.30	222.59	5,580.53	493.26	4,723.23	199,092.95

**Separate Financial Statements
As at June 30, 2013**

Unit : Million Baht

	Prepaid Aircraft and Spare Engines	Aircraft	Aircraft under finance 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	(14,656.09)	(605.52)	(14,176.35)	(543.49)	-	0.30	0.27	-	(0.17)	(192.10)	(30,173.15)
- Additions	13,433.52	703.23	16,668.72	1,856.18	(298.13)	-	-	2.60	54.73	866.60	33,287.45
- Disposals	-	(9,589.69)	(172.88)	(271.65)	-	(0.30)	(0.27)	-	(3.67)	(239.14)	(10,277.60)
As at June 30, 2013	16,394.44	147,707.60	168,898.21	34,084.72	2,190.11	935.74	2,513.10	10,791.51	4,601.06	29,763.65	417,880.14
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	-	3,455.05	4,270.86	1,004.15	-	-	23.03	114.12	80.40	657.74	9,605.35
- Adjust/Transfers	-	(3,287.19)	(6,896.73)	3.11	-	-	0.27	-	(0.21)	(207.04)	(10,387.79)
- Disposals	-	(8,679.63)	(172.88)	(127.62)	-	-	(0.27)	-	(3.60)	(236.81)	(9,220.81)
Provision for flood damages	-	-	-	-	-	-	-	-	-	-	-
As at June 30, 2013	-	96,076.55	41,073.45	21,471.17	-	-	2,347.03	5,437.93	4,196.76	25,062.96	195,611.85
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 June 30, 2013	16,394.44	51,631.05	127,824.76	12,667.55	2,190.11	935.74	166.07	5,353.58	404.30	4,700.69	222,268.29

**Separate Financial Statements
As at June 30, 2012**

Unit : Million Baht

	Prepaid Aircraft and Spare Engines	Aircraft	Aircraft under finance 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)	717.46	(19,238.76)	(220.29)	-	(2.11)	(9.78)	-	(2.92)	244.63	(19,864.44)
- Additions	5,071.42	2,747.00	1,966.32	1,707.52	(661.46)	-	-	-	12.55	83.30	10,926.65
- Disposals	-	(1,225.95)	(194.39)	(566.17)	-	-	-	(0.10)	(34.10)	(455.58)	(2,476.29)
As at June 30, 2012	24,997.73	145,820.42	147,853.70	30,017.65	2,176.75	936.30	2,514.52	10,793.10	4,615.37	29,156.63	398,882.17
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	-	3,342.73	4,733.52	935.25	-	-	33.87	114.64	90.61	690.64	9,941.26
- Adjust/Transfers	-	(1,262.21)	(11,581.11)	(138.93)	-	-	(8.32)	-	(3.59)	(53.61)	(13,047.77)
- Disposals	-	(1,220.12)	(194.39)	(363.08)	-	-	-	(0.10)	(32.79)	(445.92)	(2,256.40)
Provision for flood damages	-	-	-	-	-	-	-	-	-	39.92	39.92
As at June 30, 2012	-	98,338.00	46,227.94	19,163.27	-	-	2,291.93	5,212.57	4,122.11	24,630.13	199,985.95
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 June 30, 2012	24,997.73	47,482.42	101,625.76	10,854.38	2,176.75	936.30	222.59	5,580.53	493.26	4,526.50	198,896.22

In this period, there are 96 aircraft represented in the Company's fleet consisting of 43 own aircraft, 33 aircraft under finance leases, and 20 aircraft under operating leases which excluded 16 aircraft for sales, with a carrying amount of THB 7,831.22 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 61,907.26 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 intent 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	107.75	107.49
As at June 30, 2013	2,367.78	2,356.51
Accumulated amortisation		
As at January 1, 2013	1,601.90	1,476.07
- Business acquisition	(120.30)	-
- Amortisation	117.31	116.39
As at June 30, 2013	1,598.91	1,592.46
Net book value		
As at December 31, 2012	1,337.50	772.95
As at June 30, 2013	768.87	764.05

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.

	Units : Million Baht			
	<u>Consolidated</u> Financial Statements		<u>Separate</u> Financial Statements	
	<u>Jun 30, 2013</u>	<u>Dec 31, 2012</u>	<u>Jun 30, 2013</u>	<u>Dec 31, 2012</u>
Contribution to staff provident fund	79.62	79.92	79.62	79.92
Contribution to staff pension fund	503.65	466.18	503.65	466.18
Allowance for obsolete inventories	394.61	373.36	394.61	373.36
Allowance for doubtful accounts	406.19	409.23	401.62	404.18
Allowance for impairment in value of assets	1,414.59	808.89	1,414.59	808.89
Estimated accrual expenses	532.97	509.03	532.48	502.33
Intangible assets	94.14	102.78	94.14	102.78
Employee benefits obligation	2,290.12	2,207.18	2,285.00	2,194.18
Others	<u>5.37</u>	<u>9.88</u>	<u>3.18</u>	<u>7.67</u>
Total	<u>5,721.26</u>	<u>4,966.45</u>	<u>5,708.89</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>Jun 30, 2013</u>	<u>Dec 31, 2012</u>	<u>Jun 30, 2013</u>	<u>Dec 31, 2012</u>
Intangible assets	91.89	83.35	91.89	83.35

Tax rates used for measuring asset value and deferred tax income are 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>Jun 30, 2013</u>	<u>Dec 31, 2012</u>	<u>Jun 30, 2013</u>	<u>Dec 31, 2012</u>
Deferred charges	4,570.99	3,771.50	4,570.99	3,771.50
Others	<u>912.97</u>	<u>891.19</u>	<u>907.30</u>	<u>868.70</u>
Total	<u>5,483.96</u>	<u>4,662.69</u>	<u>5,478.29</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 4 A300-600, 4 A340-500, 4 B737-400 aircraft, 2 B747-400, and 2 ATR 72 aircraft totaling of THB 7,831.22 million, 4 spare engines and 1 spare part totaling of THB 14.92 million, and other fixed assets totaling of THB 2.07 million, which made grand total of THB 7,848.21 million.

5.12 Employee Benefits Obligation

	Consolidated Financial Statements		Units : Million Baht Separate Financial Statements	
	Jun 30, 2013	Dec 31, 2012	Jun 30, 2013	Dec 31, 2012
	Beginning Balance – Employee Benefits Obligation	11,082.18	10,631.62	10,970.90
Adjustment of Employee Benefits Obligation for associated companies	(91.22)	73.69	-	-
Employee benefits for the period	459.64	913.97	454.08	891.20
Benefits paid during the period	-	(264.31)	-	(260.62)
Actuarial loss	-	(272.79)	-	(286.83)
Ending Balance – Employee Benefits Obligation	<u>11,450.60</u>	<u>11,082.18</u>	<u>11,424.98</u>	<u>10,970.90</u>

5.13 Dividend Payment Separate financial statements

The resolution of the 2013 Annual General Shareholders' Meeting held on April 24, 2013 approved a dividend payment from the Company's operation for the year 2012 to the shareholders representing 2,182.77 million shares at THB 0.50 per share, totaling to THB 1,091.39 million. But the Company paid the dividend amount of THB 1,091.34 million because there are 99,155 nominee shares having no rights to receive the dividend amount of THB 0.05 million.

5.14 Share Capital

As at June 30, 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.

5.15 Employee Benefit Expenses

	Units : Million Baht Consolidated Financial Statements			
	Three-month Periods		Six-month Periods	
	Apr-Jun 2013	Apr-Jun 2012	Jan-Jun 2013	Jan-Jun 2012
Personnel Expenses	8,483.75	7,536.22	16,607.77	14,379.70
Employee Benefit Expenses	230.14	228.62	459.64	457.20
Executive benefit expenses	17.34	16.26	39.99	33.89
Board of Directors benefit expenses	11.20	5.95	15.81	10.57
Total	8,742.43	7,787.05	17,123.21	14,881.36

	Units : Million Baht Separate Financial Statements			
	Three-month Periods		Six-month Periods	
	Apr-Jun 2013	Apr-Jun 2012	Jan-Jun 2013	Jan-Jun 2012
Personnel Expenses	8,477.24	7,413.97	16,605.31	14,148.89
Employee Benefit Expenses	227.04	222.80	454.08	445.60
Executive benefit expenses	16.72	15.71	38.37	31.81
Board of Directors benefit expenses	10.45	3.83	14.79	7.71
Total	8,731.45	7,656.31	17,112.55	14,634.01

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 six-month periods ended June 30, 2013 and 2012, they issued the tickets for themselves and their related parties amount of 198 and 180 tickets with the value of THB 19.92 million and THB 20.59 million, respectively, calculating from the full fare tickets in those traveling classes.

5.16 Other Incomes

Units : Million Baht

	Consolidated Financial Statements			
	Three-month Periods		Six-month Periods	
	Apr-Jun 2013	Apr-Jun 2012	Jan-Jun 2013	Jan-Jun 2012
Gains on sales of assets	15.64	27.67	19.68	34.05
Revenue from other services of Aircraft Maintenance Department	108.04	123.32	319.43	231.51
Revenue from airport fees collected from passengers	157.72	78.32	315.44	156.63
Compensation revenue from the delay delivery of aircraft	-	-	205.98	-
Insurance compensation from the flood disaster	(5.18)	97.93	7.03	167.68
Others	176.90	132.27	297.19	256.49
Total	453.12	459.51	1,164.75	846.36

Units : Million Baht

	Separate Financial Statements			
	Three-month Periods		Six-month Periods	
	Apr-Jun 2013	Apr-Jun 2012	Jan-Jun 2013	Jan-Jun 2012
Gains on sales of assets	15.64	27.67	19.68	34.05
Dividend from associated companies and subsidiary companies	262.80	287.93	385.30	287.99
Revenue from other services of Aircraft Maintenance Department	108.04	123.32	319.43	231.51
Revenue from airport fees collected from passengers	157.72	78.32	315.44	156.63
Compensation revenue from the delay delivery of aircraft	-	-	205.98	-
Insurance compensation from the flood disaster	(5.18)	97.93	7.03	167.68
Others	175.52	122.22	295.44	238.19
Total	714.54	737.39	1,548.30	1,116.05

5.17 Other Expenses

Units : Million Baht

	Consolidated Financial Statements			
	Three-month Periods		Six-month Periods	
	Apr-Jun 2013	Apr-Jun 2012	Jan-Jun 2013	Jan-Jun 2012
Rentals and utilities	668.70	673.64	1,346.74	1,344.22
Office supplies	54.96	64.27	121.92	121.37
Repair of building and equipment	282.50	136.51	426.51	283.69
Outsource services	349.18	262.77	743.88	486.27
Consultant and service fees	143.24	149.48	278.99	250.63
Legal fee for Antitrust/ Competition Law	3.60	65.06	21.12	109.37
Computer service expenses	105.84	95.39	251.54	191.33
Travelling and transportation expenses	150.65	137.72	281.31	299.93
Concession fees	92.92	90.96	191.19	166.91
Passenger claim expenses	77.47	69.39	152.51	125.19
Damages from flood disaster	(5.18)	97.93	7.03	167.68
Others	509.71	561.62	1,127.26	1,112.28
Total	2,433.59	2,404.74	4,950.00	4,658.87

Units : Million Baht

	Separate Financial Statements			
	Three-month Periods		Six-month Periods	
	Apr-Jun 2013	Apr-Jun 2012	Jan-Jun 2013	Jan-Jun 2012
Rentals and utilities	668.70	673.64	1,346.74	1,344.22
Office supplies	54.96	64.27	121.92	121.37
Repair of building and equipment	282.50	136.51	426.51	283.69
Outsource services	349.18	262.77	743.88	486.27
Consultant and service fees	143.24	149.48	278.99	250.63
Legal fee for Antitrust/ Competition Law	3.60	65.06	21.12	109.37
Computer service expenses	105.84	95.39	251.54	191.33
Travelling and transportation expenses	150.65	137.72	281.31	299.93
Concession fees	92.92	90.96	191.19	166.91
Passenger claim expenses	77.47	69.39	152.51	125.19
Damages from flood disaster	(5.18)	97.93	7.03	167.68
Others	489.08	438.13	1,087.82	872.84
Total	2,412.96	2,281.25	4,910.56	4,419.43

5.18 Impairment Loss of Aircraft

As the Company has phased out 16 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 of 3 A300-600 and 4 A340-500 aircraft, therefore the Company recognized the impairment loss of such aircraft for the six-month periods ended June 30, 2013, amount of THB 3,592.58 million.

5.19 Net Tax Expenses

Units : Million Baht

	Consolidated Financial Statements			
	Three-month Periods		Six-month Periods	
	Apr-Jun 2013	Apr-Jun 2012	Jan-Jun 2013	Jan-Jun 2012
Tax expense from taxable profit for the period	(222.78)	26.18	42.35	66.01
Add(less): deferred tax asset/ liability from temporary different increase/ decrease	(233.78)	21.14	(761.95)	181.25
Net tax expenses (income)	(456.56)	47.32	(719.60)	247.26

Units : Million Baht

	Separate Financial Statements			
	Three-month Periods		Six-month Periods	
	Apr-Jun 2013	Apr-Jun 2012	Jan-Jun 2013	Jan-Jun 2012
Tax expense from taxable profit for the period	(232.81)	10.31	17.13	20.57
Add(less): deferred tax asset/ liability from temporary different increase/ decrease	(232.70)	16.57	(760.85)	189.76
Net tax expenses (income)	(465.51)	26.88	(743.72)	210.33

5.20 Earnings (Loss) 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 June 30, 2013 and 2012

	Profit		Number of Shares		Earnings Per Share	
	Jun 30, 2013	Jun 30, 2012	Jun 30, 2013	Jun 30, 2012	Jun 30, 2013	Jun 30, 2012
	Million Baht	Million Baht	Million Shares	Million Shares	Baht	Baht
Basic loss per share						
Net loss attributable to owners of the parent	(8,438.93)	(1,531.90)	2,182.77	2,182.77	(3.87)	(0.70)

Separate Financial Statements For the three-month periods ended June 30, 2013 and 2012

	Profit		Number of Shares		Earnings Per Share	
	Jun 30, 2013	Jun 30, 2012	Jun 30, 2013	Jun 30, 2012	Jun 30, 2013	Jun 30, 2012
	Million Baht	Million Baht	Million Share	Million Share	Baht	Baht
Basic loss per share						
Net loss attributable to owners of the parent	(9,087.23)	(1,323.45)	2,182.77	2,182.77	(4.16)	(0.61)

Consolidated Financial Statements
For the six-month periods ended June 30, 2013 and 2012

	<u>Profit</u>		<u>Number of Shares</u>		<u>Earnings Per Share</u>	
	<u>Jun 30, 2013</u>	<u>Jun 30, 2012</u>	<u>Jun 30, 2013</u>	<u>Jun 30, 2012</u>	<u>Jun 30, 2013</u>	<u>Jun 30, 2012</u>
	Million Baht	Million Baht	Million Shares	Million Shares	Baht	Baht
Basic earnings (loss) per share						
Net profit (loss) attributable to owners of the parent	(155.98)	3,691.87	2,182.77	2,182.77	(0.07)	1.69

Separate Financial Statements
For the six-month periods ended June 30, 2013 and 2012

	<u>Profit</u>		<u>Number of Shares</u>		<u>Earnings Per Share</u>	
	<u>Jun 30, 2013</u>	<u>Jun 30, 2012</u>	<u>Jun 30, 2013</u>	<u>Jun 30, 2012</u>	<u>Jun 30, 2013</u>	<u>Jun 30, 2012</u>
	Million Baht	Million Baht	Million Shares	Million Shares	Baht	Baht
Basic earnings (loss) per share						
Net profit (loss) attributable to owners of the parent	(1,356.29)	2,193.17	2,182.77	2,182.77	(0.62)	1.00

5.21 Financial Information by Segment Consolidated

5.21.1 Business Segments

Statements of Income
For the three-month periods ended June 30, 2013 and 2012

	<u>Air transportation</u>		<u>Business Units</u>		<u>Other activities</u>		<u>Units : Million Baht</u> <u>Total</u>	
	<u>Jun 30, 2013</u>	<u>Jun 30, 2012</u>	<u>Jun 30, 2013</u>	<u>Jun 30, 2012</u>	<u>Jun 30, 2013</u>	<u>Jun 30, 2012</u>	<u>Jun 30, 2013</u>	<u>Jun 30, 2012</u>
External Revenues	44,695.06	45,833.81	1,735.89	1,631.84	662.09	466.34	47,093.04	47,931.99
Inter - segment revenues	-	-	2,505.69	2,463.03	1,506.95	1,198.77	4,012.64	3,661.80
Interest income	136.22	111.16	-	-	1.82	3.46	138.04	114.62
Finance costs	<u>(1,523.00)</u>	<u>(1,437.68)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.63</u>	<u>(1,523.00)</u>	<u>(1,437.05)</u>
Finance costs - net	<u>(1,386.78)</u>	<u>(1,326.52)</u>	<u>-</u>	<u>-</u>	<u>1.82</u>	<u>4.09</u>	<u>(1,384.96)</u>	<u>(1,322.43)</u>
Depreciation and amortization expenses	(4,592.13)	(4,643.30)	(203.16)	(231.39)	(191.61)	(181.55)	(4,986.90)	(5,056.24)
Fuel and oil	(18,452.55)	(19,678.80)	-	-	-	-	(18,452.55)	(19,678.80)
Employee benefits expenses	(4,868.72)	(4,682.20)	(2,185.16)	(1,731.28)	(1,688.55)	(1,373.57)	(8,742.43)	(7,787.05)
Tax income (expenses)	465.51	(38.96)	-	-	(8.95)	(8.36)	456.56	(47.32)
Profit on investment in associates	166.12	15.19	-	-	-	-	166.12	15.19
Gain (loss) on foreign currency exchange	(4,204.71)	1,315.44	-	-	2.11	0.33	(4,202.60)	1,315.77
Impairment loss of aircraft	(1,404.45)	(113.02)	-	-	-	-	(1,404.45)	(113.02)
Profitability on business acquisition	-	-	-	-	-	-	-	-
Gain on reclassified investment	-	-	-	-	-	-	-	-
Gain (loss) by segments	(7,773.81)	277.87	330.98	70.97	(83.14)	(348.86)	(7,525.97)	(0.02)
Non-controlling interests	-	(50.58)	-	-	(12.63)	(12.10)	(12.63)	(62.68)
Gain on redeemed disposal	722.30	-	-	-	-	-	722.30	-

Statements of Income
For the six-month periods ended June 30, 2013 and 2012

	Units : Million Baht							
	<u>Air transportation</u>		<u>Business Units</u>		<u>Other activities</u>		<u>Total</u>	
	<u>Jun 30, 2013</u>	<u>Jun 30, 2012</u>	<u>Jun 30, 2013</u>	<u>Jun 30, 2012</u>	<u>Jun 30, 2013</u>	<u>Jun 30, 2012</u>	<u>Jun 30, 2013</u>	<u>Jun 30, 2012</u>
External Revenues	98,318.07	97,513.94	3,576.18	3,496.66	1,211.20	920.27	103,105.45	101,930.87
Inter - segment revenues	-	-	5,096.57	5,039.70	3,060.89	2,613.69	8,157.46	7,653.39
Interest income	254.05	225.39	-	-	3.43	8.33	257.48	233.72
Finance costs	<u>(2,932.06)</u>	<u>(2,918.92)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1.26</u>	<u>(2,932.06)</u>	<u>(2,917.66)</u>
Finance costs - net	<u>(2,678.01)</u>	<u>(2,693.53)</u>	<u>-</u>	<u>-</u>	<u>3.43</u>	<u>9.59</u>	<u>(2,674.58)</u>	<u>(2,683.94)</u>
Depreciation and amortization expenses	(8,994.60)	(9,361.00)	(405.88)	(485.65)	(365.35)	(367.60)	(9,765.83)	(10,214.25)
Fuel and oil	(38,766.10)	(40,004.97)	-	-	-	-	(38,766.10)	(40,004.97)
Employee benefits expenses	(9,768.61)	(8,916.20)	(4,132.81)	(3,347.10)	(3,221.78)	(2,618.06)	(17,123.20)	(14,881.36)
Tax income (expenses)	743.72	(222.31)	-	-	(24.12)	(24.95)	719.60	(247.26)
Profit on investment in associates	514.99	108.00	-	-	-	-	514.99	108.00
Gain (loss) on foreign currency exchange	1,927.35	1,841.83	-	-	(0.64)	1.35	1,926.71	1,843.18
Impairment loss of aircraft	(3,772.84)	(313.38)	-	-	-	-	(3,772.84)	(313.38)
Profitability on business acquisition	-	1,584.40	-	-	-	-	-	1,584.40
Gain on reclassified investment	298.16	-	-	-	-	-	298.16	-
Gain (loss) by segments	484.56	6,220.09	1,002.40	932.72	79.40	(323.93)	1,566.36	6,828.88
Non-controlling interests	-	(49.73)	-	-	(24.87)	(30.37)	(24.87)	(80.10)
Gain on redeemed disposal	722.30	-	-	-	-	-	722.30	-

Assets and Liabilities
As At June 30, 2013 and 2012

	Units : Million Baht							
	<u>Air transportation</u>		<u>Business Units</u>		<u>Other activities</u>		<u>Total</u>	
	<u>Jun 30, 2013</u>	<u>Dec 31, 2012</u>	<u>Jun 30, 2013</u>	<u>Dec 31, 2012</u>	<u>Jun 30, 2013</u>	<u>Dec 31, 2012</u>	<u>Jun 30, 2013</u>	<u>Dec 31, 2012</u>
Assets by segments	310,934.70	287,451.51	6,326.41	6,675.18	4,001.85	6,153.78	321,262.96	300,280.47
Non-allocated assets	-	-	-	-	-	-	<u>2,839.67</u>	<u>3,815.41</u>
Total assets							<u>324,102.63</u>	<u>304,095.88</u>
Liabilities by segments	252,924.28	230,317.02	936.33	610.60	671.17	1,713.00	254,531.78	232,640.62
Non-allocated liabilities	-	-	-	-	-	-	1,827.88	1,636.82
Total Liabilities							<u>256,359.66</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.

5.21.2 Geographical Segments

	Three-month Periods		Units : Million Baht	
			Six-month Periods	
	<u>Apr-Jun 2013</u>	<u>Apr-Jun 2012</u>	<u>Jan-Jun 2013</u>	<u>Jan-Jun 2012</u>
Domestic Revenues				
Transportation	3,233.68	3,430.14	7,607.31	7,691.54
Business units	1,735.90	1,631.84	3,576.18	3,496.67
Other activities	<u>662.08</u>	<u>2,294.38</u>	<u>1,211.20</u>	<u>4,567.16</u>
Total domestic revenues	<u>5,631.66</u>	<u>7,356.36</u>	<u>12,394.69</u>	<u>15,755.37</u>
Foreign Transportation Revenues				
Regional Asia	17,654.21	17,790.74	38,119.56	36,536.87
Europe	8,521.82	8,411.25	19,940.67	19,378.12
North Pacific	649.56	619.37	1,308.13	1,411.36
Australia & New Zealand	4,240.41	4,056.81	9,337.06	8,678.08
Africa	<u>246.83</u>	<u>261.62</u>	<u>482.09</u>	<u>523.13</u>
Total foreign transportation revenues	<u>31,312.83</u>	<u>31,139.79</u>	<u>69,187.51</u>	<u>66,527.56</u>
Charter revenues and others	2,156.11	2,425.23	4,393.36	4,718.41
Insurance surcharge from passengers	436.58	389.49	912.83	816.38
Fuel surcharge from passengers	7,555.86	6,621.12	16,217.05	14,113.16
Interest income	138.04	114.62	257.48	233.72
Gain (loss) on foreign currency exchange	(4,202.60)	1,315.76	1,926.71	1,843.17
Other income	453.12	459.51	1,164.75	846.36
Gain on redeemed disposal	722.30	-	722.30	-
Gain on business acquisition	-	-	-	1,584.40
Gain on reclassified investment	-	-	298.16	-
Total	<u>44,203.90</u>	<u>49,821.88</u>	<u>107,474.84</u>	<u>106,438.53</u>

5.22 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>Jun 30, 2013</u>	<u>Dec 31, 2012</u>
Current assets	4,852.51	4,652.26
Others	<u>132.54</u>	<u>69.24</u>
Total	<u>4,985.05</u>	<u>4,721.50</u>
Other current liabilities	59.08	51.39
Pension fund	<u>4,925.97</u>	<u>4,670.11</u>
Total	<u>4,985.05</u>	<u>4,721.50</u>

As at June 30, 2013, the fund balance was THB 4,925.97 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 214.82 million, which comes from contributions at a rate equivalent to 10% of employee salaries in the amount of THB 109.42 million plus the amount to match the Company's obligation of THB 105.40 million.)

5.23 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 605.91 million for this period.

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

5.24 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.

5.25 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.

5.26 Contingent Liabilities

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

	Units : Million Baht	
	<u>Jun 30, 2013</u>	<u>Dec 31, 2012</u>
Guarantee by banks (in Thailand)	39.63	220.85
Guarantee by banks (foreign countries)	247.04	399.09
The following lawsuits filed against the Company:		
Labour cases	1,276.10	1,410.71
Damage cases	<u>2,614.50</u>	<u>2,537.81</u>
Total	<u>4,177.27</u>	<u>4,568.46</u>

5.26.2 The Company had estimated damages and fines for the contravention of antitrust laws 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 the second quarter of 2013, the Company has decreased an amount of the reserve for damages and fines totaling THB 66.37 million. Therefore, the amount of such reserve will be THB 702.80 million. The progress of Antitrust/Competition cases has details as follows:

1. Regarding passenger US DOJ investigation conducted by the United States' Department of Justice (DOJ), 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. 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.

3. 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 in the future for the reserve instead of applying the Thai currency.
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.

5.27 Contractual Obligations

5.27.1 Obligation to Purchase Aircraft

The Company has a payment obligation to purchase 2 A380-800, 5 A320-200, 4 A350-900XWB, and 6 B777-300ER aircraft amount of THB 62,576.26 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	14,771.84	47,804.42

5.27.2 Leases and Obligations of Aircraft

The Company has obligations from entering into operating leases for 48 aircraft amount of USD 4,798.88 million or approximately to THB 150,048.85 million consisting of 15 A320-200, 2 A330-300, 8 A350-900, 3 B737-400, 2 B777-200, 10 B777-300ER, 6 B787-8, and 2 B787-9 aircraft.

There are 28 aircraft which have not been scheduled delivery yet. The Company entered into the operating lease of 3 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 1.08 million or approximately to THB 33.80 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 48 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	4,893.80	23,416.21	121,705.04
Commitment Fee	33.80	-	-
Total	4,927.60	23,416.21	121,705.04

5.28 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 June 30, 2013, the Company received THB 1,099.51 million, as the insurance compensation from the insurance company, and additional of

THB 28.50 million on July 25, 2013. The Company recognized the insurance compensation from the flood disaster of THB 466.26 million. Such compensation has been recognized in the statements of comprehensive income for the year 2011 and 2012, and for the six-month periods ended June 30, 2013 at the amount of THB 175 million, THB 284.23 million, and THB 7.03 million, respectively. However, all the damaged assets which are covered by the insurance policy are under claiming process with the insurance company.

5.29 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.

On June 20, 2013, Nok Airlines Public Company Limited offered the increase of 125 million ordinary shares at THB 1 par value with the offering price of THB 26 each. Nok Airlines Public Company Limited has already received an aggregate amount of THB 3,250 million, which caused the decrease of the Company's share portion from 49 to 39.2 percent.

Gain on deemed disposal amount of THB 722.30 million was the recognition of investment portion in Nok Airlines Public Company Limited amount of THB 1,241.65 million or the Company's portion of 39.2 percent, net of the difference from changing in share portion of Nok Airlines Public Company Limited, which decreased from 49 to 39.2 percent, amount of THB 519.35 million.

5.30 Events after the Reporting Period

5.30.1 B777-300ER aircraft is scheduled to deliver on July 17, 2013, which are under operating lease, with the lease term of 12 years.

5.31 Approval of Financial Statements

These financial statements were approved by the Company's Board of Directors, on August 14, 2013.
