

NO. 0024/0503

**OFFICE OF THE AUDITOR GENERAL
OF THAILAND,**

Rama VI Road, Phayathai,
Bangkok 10400, Thailand
Tel : 66 2271 8053 ; Fax : 66 2618 5783
E-mail : audit4@oag.go.th

This letter is given to confirm that the English version of the auditor's report together with the consolidated financial statements for the year ended December 31, 2013 of Thai Airways International Public Company Limited and its subsidiaries and separate financial statements for the year ended December 31, 2013 of Thai Airways International Public Company Limited was translated by Thai Airways International Public Company Limited. The Office of the Auditor General of Thailand has reviewed the aforementioned English version of the auditor's report and the consolidated and separate financial statements and found that it is in agreement, as to form and content, with the Thai version of the auditor's report and the consolidated and separate financial statements for the same period.

Given on March 5, 2014

(Signed)

Prapee Ankinandana

(Prapee Ankinandana)
Deputy Auditor General
Acting Auditor General

(TRANSLATION)



AUDITOR'S REPORT

TO: THE SHAREHOLDERS OF THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED

The Office of the Auditor General of Thailand has audited the consolidated and separate financial statements of Thai Airways International Public Company Limited and its subsidiaries and of Thai Airways International Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at December 31, 2013, and the consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in shareholders' equity, and consolidated and separate statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the consolidated and separate financial statements

Management is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with Thai Financial Reporting Standard, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud and error.

Auditor's Responsibility

The Office of the Auditor General of Thailand's responsibility is to express an opinion on these consolidated and separate financial statements based on the audit. The Office of the Auditor General of Thailand conducted the audit in accordance with Thai Standards on Auditing. Those Standards require that the Office of the Auditor General of Thailand comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated and separate financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated and separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated and separate financial statements.

The Office of the Auditor General of Thailand believes that the audit evidence the Office of the Auditor General of Thailand has obtained is sufficient and appropriate to provide a basis for the Office of the Auditor General of Thailand's audit opinion.

Office of the Auditor General



Opinion

In the Office of the Auditor General of Thailand's opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the consolidated and separate financial position of Thai Airways International Public Company Limited and its subsidiaries and of Thai Airways International Public Company Limited, respectively, as at December 31, 2013 and their consolidated and separate financial performance and their consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

(Signed) *Poungchomnad Jariyajinda*
(Poungchomnad Jariyajinda)
Deputy Auditor General

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

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

Unit : Baht

	<u>Notes</u>	<u>CONSOLIDATED FINANCIAL STATEMENTS</u>		<u>SEPARATE FINANCIAL STATEMENTS</u>	
		<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
ASSETS					
Current Assets					
Cash and cash equivalents	5.1	11,757,473,084	20,048,374,724	11,649,734,484	19,741,670,550
Temporary investments		100,000,000	1,709,730,474	-	-
Trade receivables	5.2	13,640,040,697	15,738,200,618	13,602,738,159	15,679,356,299
Prepaid expenses and deposits		8,759,218,393	8,951,772,089	9,117,676,555	9,012,036,532
Inventories and supplies	5.3	7,521,371,974	7,783,943,974	7,521,371,974	7,780,199,730
Other current assets	5.4	9,510,098,148	9,948,745,997	9,508,020,384	9,713,193,240
Non-current assets classified as held for sale	5.12	7,196,723,980	7,430,210,409	7,196,723,980	7,430,210,409
Total Current Assets		58,484,926,276	71,610,978,285	58,596,265,536	69,356,666,760
Non-Current Assets					
Investments in associates	5.5.1	4,982,298,757	1,429,610,889	1,083,520,500	723,520,500
Investments in subsidiaries	5.5.1	-	-	460,209,893	370,209,900
Other long-term investments	5.5.2	129,255,558	130,160,178	79,195,065	74,585,128
Property, plant and equipment	5.7	231,448,732,868	218,567,945,045	231,440,806,539	218,477,941,563
Goodwill		-	1,390,549,247	-	-
Intangible assets	5.8	861,265,669	1,337,499,242	856,777,952	772,954,356
Deferred tax assets	5.9	5,741,159,508	4,966,453,549	5,727,973,315	4,939,492,971
Other non-current assets	5.11	5,437,095,760	4,662,685,173	5,431,405,823	4,640,196,663
Total Non-Current Assets		248,599,808,120	232,484,903,323	245,079,889,087	229,998,901,081
Total Assets		307,084,734,396	304,095,881,608	303,676,154,623	299,355,567,841

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 DECEMBER 31, 2013

Unit : Baht

	<u>CONSOLIDATED FINANCIAL STATEMENTS</u>		<u>SEPARATE FINANCIAL STATEMENTS</u>		
	<u>Notes</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Liabilities					
Trade payables		6,186,377,742	4,621,570,981	6,179,081,198	4,287,281,811
Accrued expenses		20,395,460,571	18,726,829,882	20,653,985,311	18,497,737,175
Current portion of long-term liabilities					
Long-term borrowings from related parties	5.13	1,322,000,000	3,297,264,000	1,322,000,000	3,297,264,000
Long-term borrowings from other parties	5.13	9,445,117,378	8,151,368,421	9,445,117,378	8,151,368,421
Liabilities under finance leases	5.14	10,313,020,136	9,938,493,819	10,313,020,136	9,938,493,819
Debentures	5.15	3,720,000,000	2,556,790,000	3,720,000,000	2,556,790,000
Current income tax payable		11,369,045	16,956,305	-	-
Other current liabilities					
Accrued dividends		55,099,476	51,794,664	55,007,676	51,692,971
Unearned transportation revenues		20,546,445,629	23,789,156,859	20,546,445,629	23,380,604,242
Others	5.16	10,373,688,613	11,532,444,154	10,920,292,838	11,470,031,663
Total Current Liabilities		82,368,578,590	82,682,669,085	83,154,950,166	81,631,264,102
Non-Current Liabilities					
Long-term liabilities					
Long-term borrowings from related parties	5.13	17,943,517,559	1,890,000,000	17,943,517,559	1,890,000,000
Long-term borrowings from other parties	5.13	32,887,321,733	39,120,631,579	32,887,321,733	39,120,631,579
Liabilities under finance leases	5.14	63,318,861,181	61,610,827,672	63,318,861,181	61,610,827,672
Debentures	5.15	37,400,000,000	32,120,000,000	37,400,000,000	32,120,000,000
Deferred tax liabilities	5.10	105,336,022	83,351,796	105,336,022	83,351,796
Staff pension fund	5.32	4,874,412,373	4,670,104,407	4,874,412,373	4,670,104,407
Employee benefits obligation	5.18	10,545,974,865	11,082,178,755	10,511,745,306	10,970,895,026
Long-term provisions	5.17	488,522,824	831,594,427	486,082,020	829,190,752
Other non-current liabilities		233,470,172	186,085,924	233,470,172	185,856,512
Total Non-Current Liabilities		167,797,416,729	151,594,774,560	167,760,746,366	151,480,857,744
Total Liabilities		250,165,995,319	234,277,443,645	250,915,696,532	233,112,121,846
Shareholders' Equity					
Share capital	5.20				
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
Premium on ordinary shares		25,548,223,951	25,548,223,951	25,548,223,951	25,548,223,951
Retained earnings					
Appropriated					
Legal reserve	5.21	2,691,275,568	2,691,275,568	2,691,275,568	2,691,275,568
Unappropriated		5,717,014,126	18,852,734,438	1,646,898,875	16,176,227,306
Other Components of Equity	5.22	1,045,411,398	-	1,046,340,527	-
Total Company Shareholders' Equity		56,829,644,213	68,919,953,127	52,760,458,091	66,243,445,995
Non-controlling Interests		89,094,864	898,484,836	-	-
Total Shareholders' Equity		56,918,739,077	69,818,437,963	52,760,458,091	66,243,445,995
Total Liabilities and Shareholders' Equity		307,084,734,396	304,095,881,608	303,676,154,623	299,355,567,841

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

(Signed) *Chokchai Panyayong*
(Chokchai Panyayong)
Senior Executive Vice President, Commercial
Acting President

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

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2013

Unit : Baht

	Notes	<u>CONSOLIDATED FINANCIAL STATEMENTS</u>		<u>SEPARATE FINANCIAL STATEMENTS</u>	
		<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenues					
Revenues from Sales or Revenues from Services					
Passenger and excess baggage	5.23	172,334,807,613	173,458,421,392	172,334,807,613	165,485,878,390
Freight		23,553,974,470	25,856,434,138	23,553,974,470	25,838,723,744
Mail		960,880,422	906,912,641	960,880,422	906,912,641
Other activities		9,486,581,292	8,900,740,869	9,126,217,355	8,826,571,593
Total Revenues from Sales or Revenues from Services		206,336,243,797	209,122,509,040	205,975,879,860	201,058,086,368
Other Income					
Interest income		515,761,906	496,588,347	510,771,156	442,687,520
Other income - Others	5.24	3,733,127,668	2,326,261,513	4,282,173,605	2,753,902,024
Gain on deemed disposal		722,299,368	-	-	-
Profitability on business acquisition		-	1,584,397,482	-	-
Gain on disposal of the controlling interest		298,158,621	-	-	-
Total Other Income		5,269,347,563	4,407,247,342	4,792,944,761	3,196,589,544
Total Revenues		211,605,591,360	213,529,756,382	210,768,824,621	204,254,675,912
Expenses					
Fuel and oil		80,525,255,227	80,178,542,248	80,525,255,227	77,480,576,480
Employee benefits expenses	5.25	33,108,710,969	32,086,696,769	33,091,975,460	31,543,539,495
Flight service expenses		21,726,825,135	21,321,411,821	21,726,825,135	20,693,196,467
Crew expenses		6,008,593,154	5,707,044,146	6,008,593,154	5,546,598,602
Aircraft maintenance and overhaul costs		13,446,842,295	12,600,010,809	13,446,842,295	11,288,227,430
Depreciation and amortisation expenses		20,025,665,524	20,523,682,320	20,019,984,082	20,424,026,088
Lease of aircraft and spare parts		4,699,434,859	4,552,173,807	4,699,434,859	3,683,317,045
Inventories and supplies		9,624,613,734	9,530,335,512	9,624,613,734	9,415,467,950
Selling and advertising expenses	5.23	9,495,908,441	6,833,250,736	9,407,838,251	6,466,595,641
Insurance expenses		628,580,377	892,691,125	628,580,377	760,285,940
Impairment loss of assets		333,663,737	589,772,919	333,663,737	589,772,919
Impairment loss of aircraft	5.26	5,092,536,008	181,143,438	5,092,536,008	181,143,438
Other expenses	5.27	10,702,486,673	9,169,444,038	10,614,233,954	8,593,446,506
Losses (gains) on foreign currency exchange		3,894,648,120	(3,212,965,948)	3,897,221,771	(3,207,273,109)
Finance costs		6,057,267,666	5,836,287,785	6,057,264,324	5,838,536,325
Share of profit of associates		(836,089,566)	(363,432,320)	-	-
Total Expenses		224,534,942,353	206,426,089,205	225,174,862,368	199,297,457,217
Profit (Loss) before Income Tax Expense		(12,929,350,993)	7,103,667,177	(14,406,037,747)	4,957,218,695
Income tax expense (income)	5.28	(929,404,056)	593,442,669	(968,045,697)	527,564,618
Profit (Loss) for the Year		(11,999,946,937)	6,510,224,508	(13,437,992,050)	4,429,654,077
Other Comprehensive Income					
Actuarial gains on employee benefit obligation		1,305,814,003	-	1,307,925,659	-
Income tax relating to components of other comprehensive income		(261,162,801)	-	(261,585,132)	-
Other Comprehensive Income (Expenses) for the Year-Net of Tax		1,044,651,202	-	1,046,340,527	-
Total Comprehensive Income (Expense) for the Year		(10,955,295,735)	6,510,224,508	(12,391,651,523)	4,429,654,077
Profit (Loss) Attributable to:					
Owners of the Parent		(12,047,374,024)	6,228,972,723	(13,437,992,050)	4,429,654,077
Non-controlling interests		47,427,087	281,251,785	-	-
		(11,999,946,937)	6,510,224,508	(13,437,992,050)	4,429,654,077
Total Comprehensive Income (Expense) Attributable to:					
Owners of the Parent		(11,001,962,626)	6,228,972,723	(12,391,651,523)	4,429,654,077
Non-controlling interests		46,666,891	281,251,785	-	-
		(10,955,295,735)	6,510,224,508	(12,391,651,523)	4,429,654,077
Earnings (Losses) per Share					
Basic earnings (losses) per share	5.30	(5.52)	2.85	(6.16)	2.03

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

(Signed) *Chokchai Panyayong*
(Chokchai Panyayong)
Senior Executive Vice President, Commercial
Acting President

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

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2013

CONSOLIDATED FINANCIAL STATEMENTS

Unit : Baht

	Note	Owners of the Parent						Total Owners of the Parent	Non-controlling Interests	Total Shareholders' Equity
		Issued and Paid-up Capital	Premium on Ordinary Shares	Retained Earnings	Other Components of Equity					
					Other comprehensive income					
					Actuarial Gains on Employee Benefit Obligation	Income Tax Relating to Components of Other Comprehensive Income	Total Other Components of Equity			
Balance as at January 1, 2012 before Adjustment		21,827,719,170	25,548,223,951	15,304,700,919	-	-	-	62,680,644,040	266,273,256	62,946,917,296
<u>Add</u> The effect of business acquisition		-	-	-	-	-	-	-	683,605,026	683,605,026
<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 cumulative preferred shares		-	-	-	-	-	-	-	(91,800)	(91,800)
<u>Less</u> Dividends paid		-	-	-	-	-	-	-	(346,140,004)	(346,140,004)
<u>Add</u> Total comprehensive income for the year 2012		-	-	6,228,972,723	-	-	-	6,228,972,723	281,251,785	6,510,224,508
Balance as at December 31, 2012		21,827,719,170	25,548,223,951	21,544,010,006	-	-	-	68,919,953,127	898,484,836	69,818,437,963
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 from loss of 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	5.19	-	-	(1,091,385,959)	-	-	-	(1,091,385,959)	(135,000,005)	(1,226,385,964)
<u>Add</u> Dividends returned		-	-	49,578	-	-	-	49,578	-	49,578
<u>Less</u> Dividend paid to cumulative preferred shares		-	-	-	-	-	-	-	(91,800)	(91,800)
<u>Add</u> Issured share capital		-	-	-	-	-	-	-	8	8
<u>Add</u> Total comprehensive income (expense) for the year 2013		-	-	(12,047,374,024)	1,306,764,248	(261,352,850)	1,045,411,398	(11,001,962,626)	46,666,891	(10,955,295,735)
Balance as at December 31, 2013		21,827,719,170	25,548,223,951	8,408,289,694	1,306,764,248	(261,352,850)	1,045,411,398	56,829,644,213	89,094,864	56,918,739,077

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

(Signed) *Chokchai Panyayong*
(Chokchai Panyayong)
Senior Executive Vice President, Commercial
Acting President

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

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2013

SEPARATE FINANCIAL STATEMENTS

Unit : Baht

	Note	Issued and Paid-up Capital	Premium on Ordinary Shares	Retained Earnings	Other Components of Equity			Total Shareholders' Equity
					Other comprehensive income			
					Actuarial Gains on Employee Benefit Obligation	Income Tax Relating to Components of Other Comprehensive Income	Total Other Components of Equity	
Balance as at January 1, 2012		21,827,719,170	25,548,223,951	14,437,848,797	-	-	-	61,813,791,918
Changes in Shareholders' Equity								
<u>Add</u> Total comprehensive income for the year 2012		-	-	4,429,654,077	-	-	-	4,429,654,077
Balance as at December 31, 2012		21,827,719,170	25,548,223,951	18,867,502,874	-	-	-	66,243,445,995
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 paid	5.19	-	-	(1,091,385,959)	-	-	-	(1,091,385,959)
<u>Add</u> Dividend returned		-	-	49,578	-	-	-	49,578
<u>Less</u> Total comprehensive income (expense) for the year 2013		-	-	(13,437,992,050)	1,307,925,659	(261,585,132)	1,046,340,527	(12,391,651,523)
Balance as at December 31, 2013		21,827,719,170	25,548,223,951	4,338,174,443	1,307,925,659	(261,585,132)	1,046,340,527	52,760,458,091

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

(Signed) *Chokchai Panyayong*
(Chokchai Panyayong)
Senior Executive Vice President, Commercial
Acting President

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

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2013

Unit : Baht

	<u>CONSOLIDATED FINANCIAL STATEMENTS</u>		<u>SEPARATE FINANCIAL STATEMENTS</u>		
	<u>Notes</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Cash Flows from Operating Activities					
Profits (losses) before income tax expenses		(12,929,350,993)	7,103,667,177	(14,406,037,747)	4,957,218,695
Adjustment to reconcile profit (loss) before income tax expense to cash received (paid) from operating activities :					
Depreciation and amortization expenses		20,025,665,524	20,523,682,320	20,019,984,082	20,424,026,088
Aircraft lease fee		93,097,956	11,148,901	93,097,956	11,148,901
Dividends received		(633,150)	(288,750)	(552,793,011)	(466,382,501)
Share of profits of investments by equity method		(836,089,566)	(363,432,320)	-	-
Profitability on business acquisition		-	(1,584,397,482)	-	-
Gain on disposal of the controlling interest		(298,158,621)	-	-	-
Gain on deemed disposal		(722,299,368)	-	-	-
Interest income		(515,761,906)	(496,588,347)	(510,771,156)	(442,687,520)
Interest expenses		6,057,267,666	5,836,287,785	6,057,264,324	5,838,536,325
Gains on sales of assets		(87,583,013)	(132,934,659)	(87,771,672)	(133,874,978)
Loss (gain) on foreign currency exchange		6,844,522,988	(1,975,226,719)	6,845,438,501	(1,981,728,560)
Employee benefits obligation		860,823,639	377,007,166	848,775,939	343,741,955
Provision for obsolete inventories and supplies		716,570,111	365,155,393	716,570,111	365,155,393
Doubtful accounts		163,572,394	258,087,455	158,935,445	257,922,073
Impairment loss of aircraft		5,092,536,008	181,143,438	5,092,536,008	181,143,438
Impairment loss of assets		333,663,737	589,772,919	333,663,737	589,772,919
Operating profits before changes in operating assets and liabilities		24,797,843,406	30,693,084,277	24,608,892,517	29,943,992,228
Decrease (increase) in operating assets :					
Trade receivables		2,531,399,710	208,450,437	2,541,521,171	221,021,277
Inventories and supplies		(457,742,355)	(434,635,774)	(457,742,355)	(435,348,020)
Prepaid expenses and deposits		799,957,276	1,351,717,019	581,816,051	1,180,803,847
Tax refund	A	223,591,214	57,610,199	223,591,214	57,610,199
Other current assets		312,191,449	(2,224,428,380)	302,418,111	(2,248,439,481)
Assets for sales		(521,914,995)	(302,350,067)	(521,914,995)	(302,350,067)
Other assets		(135,366,166)	(571,757,504)	(135,347,845)	(570,153,327)
Deferred charges		(1,186,332,285)	(2,065,788,839)	(1,186,332,285)	(2,065,788,839)
Increase (decrease) in operating liabilities :					
Trade payables		2,158,904,891	(4,247,685,559)	2,160,283,610	(4,252,069,719)
Accrued expenses and other current liabilities		412,684,026	10,533,631,336	613,809,800	10,574,802,269
Staff pension fund		204,307,966	108,899,394	204,307,966	108,899,394
Unearned transportation revenues		(2,781,225,301)	(1,047,200,771)	(2,781,225,301)	(1,177,992,934)
Other non-current liabilities		(315,168,048)	(562,440,128)	(315,205,177)	(562,443,872)
Proceeds from operations		26,043,130,788	31,497,105,640	25,838,872,482	30,472,542,955
Payment of income tax		(309,160,380)	(334,407,984)	(250,582,127)	(248,918,942)
Net Cash from Operating Activities		25,733,970,408	31,162,697,656	25,588,290,355	30,223,624,013

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

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2013

Unit : Baht

	Notes	<u>CONSOLIDATED FINANCIAL STATEMENTS</u>		<u>SEPARATE FINANCIAL STATEMENTS</u>	
		<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Cash Flows from Investing Activities					
Cash paid for acquisition of fixed assets	B	(28,803,209,428)	(18,388,039,756)	(28,800,658,531)	(18,335,651,905)
Cash paid for intangible assets		(360,467,215)	(208,711,542)	(359,717,415)	(197,496,265)
Proceeds from transferring the rights for advance payment of aircraft and aircraft equipment		1,226,032,229	2,959,189,106	1,226,032,229	2,959,189,106
Proceeds from sales of assets		556,891,855	183,206,186	556,891,855	182,657,698
Interest income		268,619,048	532,178,435	263,344,110	481,036,021
Dividend received		387,734,216	98,489,359	552,793,011	466,382,501
Investment decrease (increase)		(449,178,594)	101,633,768	(449,178,594)	3,272,721
Temporary investment decrease (increase)		200,000,000	(238,906,111)	-	-
Cash decreased from loss of control		(246,456,042)	-	-	-
Proceeds from investment in subsidiaries		-	197,098,689	-	-
Net Cash used in Investing Activities		<u>(27,220,033,931)</u>	<u>(14,763,861,866)</u>	<u>(27,010,493,335)</u>	<u>(14,440,610,123)</u>
Cash Flows from Financing Activities					
Proceeds from debentures		9,000,000,000	11,500,000,000	9,000,000,000	11,500,000,000
Proceeds from long-term borrowings		22,762,434,571	1,871,814,789	22,762,434,571	1,871,814,789
Proceeds from issued share capital		8	-	-	-
Cash paid for repayment of debentures		(2,556,790,000)	(4,670,000,000)	(2,556,790,000)	(4,670,000,000)
Cash paid for repayment of long-term borrowings		(30,161,446,441)	(15,152,014,411)	(30,161,446,441)	(15,152,014,411)
Cash paid for borrowings interest		(5,184,712,670)	(5,628,842,431)	(5,184,709,328)	(5,630,108,587)
Dividends paid		(1,088,021,876)	(267,974)	(1,088,021,676)	(267,974)
Dividends paid to non-controlling interests		(135,101,497)	(346,226,858)	-	-
Net Cash used in Financing Activities		<u>(7,363,637,905)</u>	<u>(12,425,536,885)</u>	<u>(7,228,532,874)</u>	<u>(12,080,576,183)</u>
Net increase (decrease) in cash and cash equivalents		(8,849,701,428)	3,973,298,905	(8,650,735,854)	3,702,437,707
Effect from changing in exchange rate on cash and cash equivalents increase (decrease)		558,799,788	(590,949,197)	558,799,788	(590,708,079)
Cash and cash equivalents at the beginning of the periods		<u>20,048,374,724</u>	<u>16,666,025,016</u>	<u>19,741,670,550</u>	<u>16,629,940,922</u>
Cash and Cash Equivalents at the End of the Periods	C	<u>11,757,473,084</u>	<u>20,048,374,724</u>	<u>11,649,734,484</u>	<u>19,741,670,550</u>

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

(Signed) *Chokchai Panyayong*
(Chokchai Panyayong)
Senior Executive Vice President, Commercial
Acting President

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

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013

Note to Statements of Cash Flows

A. Tax Refund - Consolidated and Separate Financial Statements

	Unit : Million Baht
	<u>2013</u>
Proceeds from P.N.D.50 for the year 2011	244.04
Proceeds from P.N.D.50 for the year 2007	19.60
Adjustment of tax refund for the year 2012	(40.05)
	<u>223.59</u>
	<u>2012</u>
Proceeds from P.N.D.50 for the year 2010	61.15
Adjustment of tax refund for the year 2011	(3.54)
	<u>57.61</u>

B. Property, Plant and Equipment

Consolidated financial statements

During the year 2013, the Company bought property, plant and equipment under finance leases amount of THB 9,285.22 million and cash payment amount of THB 28,803.21 million, total cost amount of THB 38,088.43 million.

During the year 2012, the Company bought property, plant and equipment under finance leases amount of THB 22,187.80 million and cash payment amount of THB 18,388.04 million, total cost amount of THB 40,575.84 million.

Separate financial statements

During the year 2013, the Company bought property, plant and equipment under finance leases amount of THB 9,285.22 million and cash payment amount of THB 28,800.66 million, total cost amount of THB 38,085.88 million.

During the year 2012, the Company bought property, plant and equipment under finance leases amount of THB 22,187.80 million and cash payment amount of THB 18,335.65 million, total cost amount of THB 40,523.45 million.

C. Cash and Cash Equivalents

	Unit : Million Baht			
	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Cash on hand and outstanding bank balances	10,198.67	20,639.32	10,090.93	20,332.38
Short-term investments	1,000.00	-	1,000.00	-
Cash and cash equivalents as previously reported	11,198.67	20,639.32	11,090.93	20,332.38
Effect of exchange rate changes	558.80	(590.95)	558.80	(590.71)
Cash and cash equivalents as reported	<u>11,757.47</u>	<u>20,048.37</u>	<u>11,649.73</u>	<u>19,741.67</u>

(Signed) *Chokchai Panyayong*
(Chokchai Panyayong)
Senior Executive Vice President, Commercial
Acting 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 YEAR ENDED DECEMBER 31, 2013

1. GENERAL INFORMATION AND BASIS OF FINANCIAL STATEMENT PREPARATION

1.1 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 December 31, 2013, the Company has the routes servicing to 78 destinations in 34 countries all over the world, whereas 10 routes are domestic (excluding Bangkok).

1.2 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 “the Company” 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>2013</u>	<u>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. Thai Smile Airways Company Limited	Air transportation services	Thailand	100%	-
Held by the Subsidiary of the Company				
A subsidiary held by WingSpan Services Company Limited				
- Tour Eurng Luang Company Limited	Tourism Business	Thailand	49%	49%

As at December 31, 2013, Thai Smile Airways Co., Ltd. does not operate a business because it is in the process of obtaining Airline Operator License (AOL), Airline Operator Certificate (AOC) as well as Airline Designator Code from IATA.

An English language version of the financial statements has been translated 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.

These financial statements are prepared by the historical cost basis except for the other disclosures in the accounting policies.

2. ACCOUNTING STANDARDS, FINANCIAL REPORTING STANDARDS, FINANCIAL REPORTING INTERPRETATIONS COMMITTEE AND ACCOUNTING STANDARD INTERPRETATIONS WHICH ARE NOT CURRENTLY EFFECTIVE ARE AS FOLLOWS:

- Effective for fiscal years beginning on or after January 1, 2014 :

TAS No. 1 (Revised 2012)	Presentation of Financial Statements
TAS No. 7 (Revised 2012)	Statement of Cash Flows
TAS No. 12 (Revised 2012)	Income Taxes
TAS No. 17 (Revised 2012)	Leases
TAS No. 18 (Revised 2012)	Revenues
TAS No. 19 (Revised 2012)	Employee Benefits
TAS No. 21 (Revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS No. 24 (Revised 2012)	Related Party Disclosures
TAS No. 28 (Revised 2012)	Investment in Associates
TAS No. 31 (Revised 2012)	Interests in Joint Ventures
TAS No. 34 (Revised 2012)	Interim Financial Reporting
TAS No. 36 (Revised 2012)	Impairment of Assets
(Not announce in the Gazette)	
TAS No. 38 (Revised 2012)	Intangible Assets
TFRS No. 2 (Revised 2012)	Share - based Payment
TFRS No. 3 (Revised 2012)	Business Combinations
TFRS No. 5 (Revised 2012)	Non - current Assets Held for Sale and Discontinued Operations
TFRS No. 8 (Revised 2012)	Operating Segments
TFRIC No. 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC No. 4	Determining whether an Arrangement Contains a Lease
TFRIC No. 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC No. 7	Applying the Restatement Approach under TAS 29 <i>Financial Reporting in Hyper-Inflationary Economies</i>
TFRIC No. 10	Interim Financial Reporting and Impairment
TFRIC No. 12	Service Concession Arrangements
TFRIC No. 13	Customer Loyalty Programmes
TFRIC No. 17	Distributions of Non-cash Assets to Owners
TFRIC No. 18	Transfers of Assets from Customers
TSIC No. 15	Operating Leases - Incentives
TSIC No. 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC No. 29	Service Concession Arrangements : Disclosure
TSIC No. 32	Intangible Assets - Web Site Costs

- Effective for fiscal years beginning on or after January 1, 2016 :

TFRS No. 4	Insurance Contracts
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For adopting of Accounting Standard, 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 to the consolidated and the separate financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Allowance for Doubtful Accounts

Trade receivables, not government agencies and state enterprises, are set an allowance for doubtful accounts by analysing a payment history and connection data together with aging analysis of each trade receivables as a criteria at the following rates:

Aging Periods:	Allowance for doubtful accounts (%)
over 6 months to 1 year	50
over 1 year to 2 years	75
over 2 years	100

3.2 Inventories and Supplies

Inventories and supplies at the year-end, consisting of aircraft spare parts, fuel and oil for aircraft, cabin supplies, goods for sales as well as stationery and office supplies, are stated at the lower of moving average cost or net realizable value, except inventories in transit are stated at purchased date cost.

- Provision for obsolescence of aircraft spare parts is made at an annual rate of 10% of the year-end balance.

- Slow moving aircraft spare parts and spare parts for sales are spare parts not moving over two years or spare parts for aircraft not represented in the fleet. Provision for obsolescence is made at an annual rate of 33.33% of the incurred balance during the year.

- Provision for obsolete and damaged inventories is made at the full amount.

3.3 Investments

3.3.1 Investments in subsidiary and associated companies are recorded by the equity method in the consolidated financial statements but by cost method in the separate financial statements.

3.3.2 Current investments in debt securities held-to-1 year maturity are stated by the amortized cost method. A premium or discount on debt securities is amortized according to an effective interest rate. The amortized amount will be taken to adjust to an interest income.

3.3.3 Long-term investments in non-marketable equity securities are recorded at cost net of a provision for impairment. An impairment loss is recognized in the income statement.

3.4 Property, Plant and Equipment and Depreciation

3.4.1 Aircraft and aircraft under finance leases

3.4.1.1 Aircraft and aircraft under finance leases are stated at cost, including where applicable (engines and other flight equipment), as well as cost of decoration incurred prior to the aircraft being placed into service but excluding passenger seats and the first estimated overhaul cost, less any concessions for the acquisition of aircraft. Depreciation is calculated on a straight-line basis over an estimated useful life of 20 years with a residual value of 10% of cost.

3.4.1.2 Aircraft overhaul (D-check) costs, the first estimated overhaul costs, are presented as separate assets from the aircraft cost and depreciated over the period of the next scheduled overhaul 4-7 years depending on type of aircraft. When these costs incur, the asserted assets will be expensed and replaced by the incurred overhaul cost.

3.4.1.3 Passenger seats are presented as separate assets from the aircraft cost and depreciated on a straight-line basis over an estimated useful life of 5 years. When the replacement costs incur, they are accounted for as the separate assets and the replaced assets will be written off.

3.4.2 Aircraft spare parts are stated at cost on the acquisition date and depreciated on a straight-line basis over an estimated useful life of 5-20 years.

3.4.3 Other fixed assets are stated at cost on the acquisition date or on the date of completion of construction and depreciated on a straight-line basis over an estimated useful life of 3-30 years.

3.4.4 Leasehold buildings are amortized as expense over a lease term of 10-30 years.

3.4.5 Gain or loss on sale of aircraft is calculated from the difference between the net benefit from aircraft selling and the carrying amount of the aircraft, including D-check, improvements to passenger seats, and sales expense. Gain or loss on sale of other assets is calculated from the difference between the net benefit and net book value of sold assets and recognized as revenue or expense in the income statement.

3.5 Non-Current Assets Classified as Held for Sale

Non-current assets classified as held for sale are stated at the lower of carrying amount or fair value less costs to sell.

Losses on impairment are recognized in an income statement. Gains or losses on sales of assets are recognized as other income or expense at sales.

3.6 Intangible Assets

Computer Software

Software license and cost that are directly with identifiable and unique software product, which can be separated, identified costs and have an economic useful life over the accounting period, will be recognized as an intangible asset and amortized as expenses on a straight-line basis over an useful life of 5 years.

Expenses arising from developing or maintaining computers are recognized as expenses when incurred.

3.7 Impairment of Assets

Assets may be impaired whenever there is an indicator that the book value of the asset exceeds its recoverable amount. A recoverable amount is the higher of the asset's fair value less costs to sell and its value in use.

The Company will recognize an impairment loss in an income statement whenever the book value of the asset exceeds its recoverable amount. Also, the Company will reverse the impairment loss when there is an indicator that the impairment has no longer existed or amount of impairment has decreased.

3.8 Deferred Charges

3.8.1 Aircraft overhaul costs (D-check) for aircraft under operating lease are presented as deferred charges and amortized as expenses over an estimated useful life of 4-7 years but not over the lease term.

3.8.2 Loan guarantee premiums are recorded as deferred charge and amortized as expenses over the period of loans in each accounting period.

3.9 Liabilities under Finance leases

Liabilities under finance leases are liabilities from the purchase of aircraft under long-term finance leases with financial institutions and are stated at obligation value less aggregate repayments.

3.10 Revenue Recognition

3.10.1 Passenger and excess baggage revenues:

3.10.1.1 Revenue from ticket sales and service orders is recognized as revenue when transportation is provided. For passengers using the services of other airlines, the difference between the selling price charged by the Company and the amount billed to the Company by those airline performing the services is recognized as revenue.

3.10.1.2 Unused tickets and service orders are recognized as revenue after 2 years.

3.10.1.3 Deferred revenues for war risk insurance and fuel surcharges are recognized as revenues when the outstanding balances are over 3 years.

3.10.2 Freight revenue is recognized when the Company provides the services and issues its air waybills. For freight carried by other air carriers, the difference between the selling price charged by the Company and the amount billed to the Company by those air carriers performing the services is recognized as revenue.

- Freight with respect to which the Company has issued an air waybill but carried by other air carriers is recognized as revenue if the other air carriers do not bill within 1 year.

3.10.3 The Company has operated a frequent flyer program called “Royal Orchid Plus” since 1993. Members exchange accumulated mileage for services. The Company calculates fair value rate per mile by average of air award redemption fair value and other award redemption fair value.

Both air award and other award redemption fair value calculate using the same concept. Air award redemption fair value calculates from dividing the average net collected fare in each zone by the number of miles redeemed for awards in that zone then weighted by each zonal redemption. Other award redemption fair value calculates the same way using average other award value as a value per mile of the Royal Orchid Plus. Then, the estimated cost is used to reduce passenger revenues and recorded liabilities under “unearned transportation revenues”. Revenues are recognized when numbers redeem awards.

3.10.3.1 Unredeemed awards are recognized as revenue after 3 years.

3.10.3.2 Redemptions with Star Alliance partners involve interline billing arrangements and costs per mile specified in partner agreements. Revenues are recognized when transportation is provided.

3.10.3.3 The Company sells mileage to its members in order to encourage redemptions and recognizes the difference between the sale price and mileage cost as revenue.

3.10.4 Revenues from business units, Aircraft Maintenance Services, Ground Customer Services, Ground Support Equipment Services, and Cargo and Mail Commercial Services are recognized when services are provided. Revenues from Catering Services are recognized at sales. As for revenues from supporting activities such as Sale on Board and Thai Shop are recognized at sales but revenues from Dispatch Services are recognized when services are provided.

3.10.5 Other revenues are recognized on an accrual basis.

3.11 Earnings Per Share

Basic earnings per share is calculated by dividing a profit or loss of owners of the parent by the weighted average number of ordinary shares outstanding during the period.

3.12 Foreign Currency Transactions

Foreign currency transactions incurred during the year are translated into Baht by exchange rates of the Bank of Thailand at transaction date.

Assets and liabilities denominated in foreign currency at year-end are translated into Baht by the closing rate of the average buying and average selling rates of commercial banks announced by the Bank of Thailand at the statements of financial position date, respectively. Gains or losses on currency exchange are recognized as income or expenses in the statements of comprehensive income.

3.13 Employee Benefits

The Company's obligation concerning post-employment benefits under the defined benefit plans and other long-term benefits are recognized in the financial statements using the Projected Unit Credit Method based on calculations by a qualified actuary.

Actuarial gains and losses for the Company's defined benefit plans and other long-term benefits will be recognized in the statements of comprehensive income.

3.14 Staff Provident Fund

On June 26, 1992, the Company established an "Employee of Thai Airways International Public Company Limited Registered Provident Fund" in accordance with the Provident Fund Act B.E. 2530. The fund is managed by a professional fund manager and does not appear on the separate statements of financial position. The Company contributes to the fund on a monthly basis at a rate of 9% of salaries for members having not more than 20 years of service and 10% for members having more than 20 years of service. Contributions are recognized as expenses of the Company.

3.15 Deferred Tax

The Company's income tax is calculated in accordance with the Revenue Code of Thailand.

The deferred tax asset is calculated from temporary differences between the tax base of an asset and liability and its carrying amount in the statements of financial position. The Company recognizes the deferred tax assets to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilized. The Company reviews the carrying amount of deferred tax assets at the end of each reporting period, and will reduce to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of all or part of the deferred tax assets to be utilized.

The deferred tax liability is calculated from temporary differences between the tax base of intangible asset and its carrying amount.

3.16 Accounting Estimates

The Company and its subsidiaries have applied the accounting estimates and many assumptions in preparation financial statements to conform to the generally accepted accounting principles. These will impact on the amounts of revenues, expenses, assets, liabilities as well as the disclosure of contingent assets and liabilities which may be differed from the actualities.

The estimates and assumptions used in the preparation of financial statement are consistently reviewed. Revisions to accounting estimates are recognized in the reviewed accounting periods and affected future periods.

3.17 Financial Instruments

The Company uses financial instruments which are Interest Rate Swap (IRS) and Cross Currency Swap (CCS) to reduce the fluctuation risk from an interest rate and exchange rate by entering into a Swap Confirmation to exchange the principal amount and interest at maturity according to the contract. Each party will pay and receive the principal and/or interest in the agreeing currency and interest. The arising interest difference will be recorded as interest expenses in the statements of comprehensive income and the principal difference will be recognized as gain or loss on foreign currency exchange in the statement of comprehensive income. For the forward foreign exchange contracts, the Company will recognize in its financial statements at maturity. The arising difference will be recorded as gain or loss on foreign currency exchange in the statements of comprehensive income.

In addition, the Company also entered into fuel price hedging agreement in which premium and the difference of the fuel price arising from this agreement will be recorded as expenses in the statements of comprehensive income.

4. EFFECTS FROM ACCOUNT 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 useful life to 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 from January 1, 2013 onwards, when comparing with the depreciation calculated from its old useful life, the depreciation for this fiscal year approximately decreased by THB 2,512.04 million.

5. SUPPLEMENTARY INFORMATION

5.1 Cash and Cash Equivalents

	<u>Consolidated Financial Statements</u>		<u>Unit : Million Baht</u> <u>Separate Financial Statements</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Cash - Domestic	13.99	22.29	13.99	22.29
Cash - Abroad	65.57	30.63	65.57	30.63
Cash at Banks - Domestic	898.84	4,024.28	791.10	3,717.58
Cash at Banks - Abroad	<u>10,779.07</u>	<u>15,971.17</u>	<u>10,779.07</u>	<u>15,971.17</u>
Total	<u>11,757.47</u>	<u>20,048.37</u>	<u>11,649.73</u>	<u>19,741.67</u>

5.2 Trade Receivables aging analysis is as follows:

	<u>Consolidated Financial Statements</u>		<u>Unit : Million Baht</u> <u>Separate Financial Statements</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Aging Periods:				
Not over 6 months	13,512.16	15,525.06	13,476.30	15,466.22
Over 6 months to 1 year	357.67	397.86	354.75	397.86
Over 1 year to 2 years	350.20	156.67	350.20	156.66
Over 2 years	<u>1,309.26</u>	<u>1,451.27</u>	<u>1,284.91</u>	<u>1,426.04</u>
	15,529.29	17,530.86	15,466.16	17,446.78
<u>Less</u> Allowance for doubtful accounts	<u>(1,889.25)</u>	<u>(1,792.66)</u>	<u>(1,863.42)</u>	<u>(1,767.42)</u>
Trade receivables - net	<u>13,640.04</u>	<u>15,738.20</u>	<u>13,602.74</u>	<u>15,679.36</u>

5.3 Inventories and Supplies

	Unit : Million Baht			
	<u>Consolidated</u>		<u>Separate</u>	
	<u>Financial Statements</u>	<u>Financial Statements</u>	<u>Financial Statements</u>	<u>Financial Statements</u>
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Aircraft spare parts	5,075.35	5,358.98	5,075.35	5,358.98
<u>Less</u> Allowance for obsolescence (10% of the year-end balance)	(507.53)	(535.90)	(507.53)	(535.90)
<u>Less</u> Allowance for spare part damages from flood disaster	-	(7.83)	-	(7.83)
Aircraft spare parts - Net	<u>4,567.82</u>	<u>4,815.25</u>	<u>4,567.82</u>	<u>4,815.25</u>
Vehicle spare parts and ground support equipments	<u>313.59</u>	<u>299.41</u>	<u>313.59</u>	<u>299.41</u>
Slow moving aircraft spare parts and spare parts for sale	3,141.99	2,799.31	3,141.99	2,799.31
<u>Less</u> Allowance for obsolescence (33.33% of incurred balance during the period)	(1,824.83)	(1,317.21)	(1,824.83)	(1,317.21)
Slow moving aircraft spare parts and spare parts for sale - Net	<u>1,317.16</u>	<u>1,482.10</u>	<u>1,317.16</u>	<u>1,482.10</u>
Fuel and oil for aircraft	740.75	576.06	740.75	576.06
Goods for sales	233.27	255.32	233.27	251.58
Cabin supplies	175.61	219.80	175.61	219.80
Supplies and other consumables	30.63	23.38	30.63	23.38
Stationery and office supplies	90.08	87.26	90.08	87.26
Inventories and spare parts in transit	52.46	25.36	52.46	25.36
Total inventories and supplies	<u>1,322.80</u>	<u>1,187.18</u>	<u>1,322.80</u>	<u>1,183.44</u>
Obsolete and damaged inventories for disposal	32.65	13.72	32.65	13.72
<u>Less</u> Allowance for obsolescence (100%)	(32.65)	(13.72)	(32.65)	(13.72)
Obsolete and damaged inventories for disposal - Net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total inventories and supplies - Net	<u>7,521.37</u>	<u>7,783.94</u>	<u>7,521.37</u>	<u>7,780.20</u>
Total inventories and supplies at year-end	9,886.38	9,658.60	9,886.38	9,654.86
<u>Less</u> Total allowance for obsolete inventories and supplies	(2,365.01)	(1,866.83)	(2,365.01)	(1,866.83)
<u>Less</u> Allowance for spare part damages from flood disaster	-	(7.83)	-	(7.83)
Total inventories and supplies - Net	<u>7,521.37</u>	<u>7,783.94</u>	<u>7,521.37</u>	<u>7,780.20</u>

5.4 Other Current Assets

	Unit : Million Baht			
	<u>Consolidated</u>		<u>Separate</u>	
	<u>Financial Statements</u>	<u>Financial Statements</u>	<u>Financial Statements</u>	<u>Financial Statements</u>
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Tax refund	441.69	474.73	441.69	474.73
Cash and cash at bank of pension fund	4,796.92	4,648.65	4,796.92	4,648.65
Others	4,271.49	4,825.36	4,269.41	4,589.81
Total	<u>9,510.10</u>	<u>9,948.74</u>	<u>9,508.02</u>	<u>9,713.19</u>

5.5 Investments

Consolidated Financial Statements

Unit : Million Baht

Name of Company	Percentage of Shareholding		Investments				Income on Investments	
			Cost Method		Equity Method		2013	2012
	2013	2012	2013	2012	2013	2012		
5.5.1 Investments in associated companies recorded by equity method								
Royal Orchid Hotel (Thailand) Public Company Limited (Fair value for the year 2013 amount of THB 427.50 million and for the year 2012 amount of THB 416.25 million)	24.00	24.00	225.00	225.00	286.73	262.21	38.02	148.50
Donmuang International Airport Hotel Company Limited	40.00	40.00	48.00	48.00	102.88	93.14	21.74	0.24
Bangkok Aviation Fuel Services Public Company Limited (Fair value for the year 2013 amount of THB 3,167.63 million and for the year 2012 amount of THB 2,371.91 million)	22.59	22.59	115.19	115.19	878.05	782.45	188.90	161.21
Phuket Air Catering Company Limited	30.00	30.00	30.00	30.00	246.13	175.12	84.51	51.60
Suvarnabhumi Airport Hotel Company Limited	30.00	30.00	305.33	305.33	130.51	116.69	13.82	1.88
Nok Airlines Public Company Limited	39.20	-	360.00	-	3,338.00	-	489.10	-
Total investments recorded by equity method					4,982.30	1,429.61	836.09	363.43
5.5.2 Other long-term investments recorded by cost method								
Fuel Pipeline Transportation Limited*	0.00048	8.40	0.00067	133.00			-	-
Aeronautical Radio of Thailand Limited	1.90	2.00	12.56	13.19			-	-
SITA Investment Certificate	-	-	31.12	29.00			-	-
Trade Siam Company Limited (paid 25% of authorized share capital)	3.50	3.50	1.75	1.75			0.13	-
SITA Information Networking Computing	-	-	29.88	27.87			-	-
Other Shares	-	-	2.89	2.78			0.50	0.29
Investment in Debentures	-	-	50.06	50.29			-	-
Other long-term Investments	-	-	-	5.28			-	-
Investment in Vayupak Fund	-	-	1.00	-			-	-
<u>Less</u> Allowance for impairment of investment in Fuel Pipeline Transportation Ltd.			-	(133.00)			-	-
Total other long-term investments			129.26	130.16			0.63	0.29

* As at December 31, 2013, the proportion of the investment is 0.00048%, 133 shares of THB 665.

Separate Financial Statements

Unit : Million Baht

Name of Company	Percentage of Shareholding		Investments		Dividend Income	
	2013	2012	Cost Method		2013	2012
			2013	2012		
5.5.1 Investments recorded by cost method						
Subsidiary Companies						
Thai-Amadeus Southeast Asia Company Limited	55.00	55.00	8.25	8.25	165.00	165.00
Wing Span Services Company Limited	49.00	49.00	0.98	0.98	0.06	0.06
Thai Flight Training Company Limited	49.00	49.00	0.98	0.98	-	-
Nok Airlines Public Company Limited	-	49.00	-	360.00	-	202.86
Thai Smile Airways Company Limited	100.00	-	450.00	-	-	-
Total			460.21	370.21	165.06	367.92
Associated Companies						
Royal Orchid Hotel (Thailand) Public Company Limited (Fair value for the year 2013 amount of THB 427.50 million and for the year 2012 amount of THB 416.25 million)	24.00	24.00	225.00	225.00	13.50	-
Donmuang International Airport Hotel Company Limited	40.00	40.00	48.00	48.00	12.00	-
Bangkok Aviation Fuel Services Public Company Limited (Fair value for the year 2013 amount of THB 3,167.63 million and for the year 2012 amount of THB 2,371.91 million)	22.59	22.59	115.19	115.19	93.30	77.17
Phuket Air Catering Company Limited	30.00	30.00	30.00	30.00	13.50	21.00
Suvarnabhumi Airport Hotel Company Limited	30.00	30.00	305.33	305.33	-	-
Nok Airlines Public Company Limited	39.20	-	360.00	-	254.80	-
Total			1,083.52	723.52	387.10	98.17
Total investments recorded by cost method			1,543.73	1,093.73	552.16	466.09
5.5.2 Other long-term investments recorded by cost method						
Fuel Pipeline Transportation Limited*	0.00048	8.40	0.00067	133.00	-	-
Aeronautical Radio of Thailand Limited	1.90	2.00	12.56	13.19	-	-
SITA Investment Certificate	-	-	31.12	29.00	-	-
TRADESIAM Company Limited (paid 25% of authorized share capital)	3.50	3.50	1.75	1.75	0.13	-
SITA Information Networking Computing	-	-	29.88	27.87	-	-
Other Shares	-	-	2.89	2.78	0.50	0.29
Investment in Vayupak Fund	-	-	1.00	-	-	-
<u>Less</u> Allowance for impairment of investment in Fuel Pipeline Transportation Limited			-	(133.00)	-	-
Total other long-term investments			79.20	74.59	0.63	0.29

* As at December 31, 2013, the proportion of the investment is 0.00048%, 133 shares of THB 665.

5.5.3 Financial Information Summary of Subsidiaries

Unit : Million Baht

Name of Company	Assets	Liabilities	Income	Gains (Losses)
Subsidiary Companies				
Thai-Amadeus Southeast Asia Company Limited	282.52	87.94	353.99	103.49
WingSpan Services Company Limited	523.95	445.51	811.57	33.74
Thai Flight Training Company Limited	13.90	15.24	30.75	(3.50)
Tour Eurng Luang Company Limited	13.07	10.50	2.97	1.35
Thai Smile Airways Company Limited	450.00	3.13	-	(3.13)

The Company used the financial statements of subsidiary and associated companies, some of which are unaudited by the CPA, as at December 31, 2013 to record the investment by equity method in the consolidated financial statement and by cost method in the separate financial statement.

5.6 Significant Transactions with Related Parties

5.6.1 Related Transactions with Major Shareholders

5.6.1.1 Long-term borrowings from related parties

Unit : Million Baht

	2013	2012
Foreign borrowings via the Ministry of Finance	17,375.52	1,225.26
Government Saving Bank	1,890.00	3,462.00
Islamic Bank of Thailand	-	500.00
Total	<u>19,265.52</u>	<u>5,187.26</u>

5.6.2 Related Transactions with Subsidiary Companies

5.6.2.1 Loans to Subsidiary

Unit : Million Baht

	2013	2012
WingSpan Services Company Limited	<u>20.00</u>	<u>20.00</u>
Total	<u>20.00</u>	<u>20.00</u>

5.6.2.2 Sales and Purchases

Unit : Million Baht

	2013		2012	
	Sales	Purchases	Sales	Purchases
Thai-Amadeus Southeast Asia Company Limited	2.67	-	2.51	-
WingSpan Services Company Limited	4.76	913.68	21.30	515.02
Thai Flight Training Company Limited	5.16	-	13.44	-
Nok Airlines Company Limited	-	-	532.88	8.39
Tour Eurng Luang Company Limited	59.87	22.53	10.01	0.50
Thai Smile Airways Company Limited	-	-	-	-

5.6.2.3 Account Receivables and Account Payables

Unit : Million Baht

	2013		2012	
	Account Receivables	Account Payables	Account Receivables	Account Payables
Thai-Amadeus Southeast Asia Company Limited	0.42	0.13	0.37	0.13
WingSpan Services Company Limited	404.04	423.08	169.13	0.01
Thai Flight Training Company Limited	2.23	-	6.48	-
Nok Airlines Public Company Limited	-	-	75.05	0.57
Tour Eurng Luang Company Limited	2.37	-	0.96	-
Thai Smile Airways Company Limited	-	449.99	-	-

In this fiscal year, WingSpan Service Co., Ltd. has prepaid and accrued expenses amount of THB 401.95 million and THB 419.51 million, presenting in account receivables and account payables, respectively.

5.6.3 Related Transactions with Associated Companies

5.6.3.1 Sales and Purchases

Unit : Million Baht

	2013		2012	
	Sales	Purchases	Sales	Purchases
Royal Orchid Hotel (Thailand) Public Company Limited	-	4.91	0.15	2.63
Donmuang International Airport Hotel Company Limited	-	0.15	-	-
Bangkok Aviation Fuel Services Public Company Limited	0.03	363.70	0.05	316.41
Phuket Air Catering Company Limited	2.57	46.97	3.45	15.55
Suvarnabhumi Airport Hotel Company Limited	-	17.56	0.02	19.76
Nok Airlines Public Company Limited	171.26	13.27	-	-

5.6.3.2 Account Receivables and Account Payables

Unit : Million Baht

	2013		2012	
	Account Receivables	Account Payables	Account Receivables	Account Payables
Royal Orchid Hotel (Thailand) Public Company Limited	-	0.36	-	-
Donmuang International Airport Hotel Company Limited	-	0.01	-	-
Bangkok Aviation Fuel Services Public Company Limited	0.01	33.48	0.04	-
Phuket Air Catering Company Limited	0.24	2.74	0.01	-
Suvarnabhumi Airport Hotel Company Limited	-	1.04	-	0.11
Nok Airlines Public Company Limited	49.44	0.03	-	-

The Company's pricing policy is to purchases goods and services at 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.

5.6.4 Key Executives Separate financial statements

	Unit : Million Baht	
	2013	2012
Remuneration for Management Executives	73.45	66.48
Remuneration for Board of Directors	<u>22.79</u>	<u>15.98</u>
Total	<u>96.24</u>	<u>82.46</u>

The Company's Executives are the same criteria as Note No. 5.25, employee benefits expenses.

5.7 Property, Plant and Equipment

Consolidated Financial Statements As at December 31, 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	29,784.42	425,499.57
- Assets decreased from loss of control	-	-	-	-	-	-	-	-	-	(268.74)	(268.74)
- Adjust/Transfers	(30,929.40)	(16,642.27)	(14,110.94)	(766.04)	-	0.30	0.27	-	0.01	(61.36)	(62,509.43)
- Additions	31,298.65	17,938.58	17,124.66	2,930.44	(1,375.52)	-	-	2.60	125.72	1,814.24	69,859.37
- Disposals/Amortized	-	(1,040.00)	(257.80)	(329.19)	-	(0.30)	(0.27)	-	(12.39)	(611.09)	(2,251.04)
As at December 31, 2013	17,986.26	157,455.89	169,334.64	34,878.89	1,112.72	935.74	2,513.10	10,791.51	4,663.51	30,657.47	430,329.73
Impairment Allowance	-	-	-	-	-	-	-	-	-	-	-
Accumulated Depreciation											
As at January 1, 2013	-	105,538.72	43,872.20	20,537.53	-	-	2,324.00	5,323.81	4,120.17	25,215.20	206,931.63
- Disposal from loss of control	-	-	-	-	-	-	-	-	-	(188.05)	(188.05)
- Depreciation	-	7,366.41	8,502.35	2,037.73	-	-	44.20	230.14	162.29	1,353.74	19,696.86
- Adjust/Transfers	-	(18,499.96)	(6,896.73)	(50.30)	-	-	0.27	-	(0.03)	(77.52)	(25,524.27)
- Disposals/Amortized	-	(1,040.00)	(234.47)	(149.79)	-	-	(0.27)	-	(12.17)	(598.47)	(2,035.17)
Provision for flood damages	-	-	-	-	-	-	-	-	-	-	-
As at December 31, 2013	-	93,365.17	45,243.35	22,375.17	-	-	2,368.20	5,553.95	4,270.26	25,704.90	198,881.00
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 December 31, 2013	17,986.26	64,090.72	124,091.29	12,503.72	1,112.72	935.74	144.90	5,237.56	393.25	4,952.57	231,448.73

Consolidated Financial Statements
As at December 31, 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
- Business Acquisition	-	-	-	-	-	-	-	-	-	221.66	221.66
- Adjust/Transfers	(8,009.14)	11,702.70	(32,857.60)	(208.20)	-	(0.85)	(1.69)	(4.19)	(67.83)	49.09	(29,397.71)
- Additions	4,347.17	4,031.59	34,421.32	5,008.07	(349.97)	-	-	-	31.24	711.39	48,200.81
- Disposals/Amortized	-	(2,116.62)	(305.53)	(852.78)	-	(1.82)	(9.51)	(0.10)	(53.08)	(700.27)	(4,039.71)
As at December 31, 2012	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	29,784.42	425,499.57
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
- Business Acquisition	-	-	-	-	-	-	-	-	-	151.08	151.08
- Depreciation	-	6,750.88	9,514.89	1,940.54	-	-	67.36	230.07	173.27	1,380.36	20,057.37
- Adjust/Transfers	-	3,421.02	(18,611.11)	429.18	-	-	(1.69)	(4.19)	(69.23)	(249.69)	(15,085.71)
- Disposals/Amortized	-	(2,110.78)	(301.50)	(562.22)	-	-	(8.05)	(0.10)	(51.75)	(687.31)	(3,721.71)
Provision for flood damages	-	-	-	-	-	-	-	-	-	10.75	10.75
As at December 31, 2012	-	105,538.72	43,872.20	20,537.53	-	-	2,324.00	5,323.81	4,120.17	25,215.20	206,931.63
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 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

**Separate Financial Statements
As at December 31, 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	(30,929.40)	(16,642.27)	(14,110.94)	(766.04)	-	0.30	0.27	-	0.01	(61.36)	(62,509.43)
- Additions	31,298.65	17,938.58	17,124.66	2,930.44	(1,375.52)	-	-	2.60	125.72	1,811.69	69,856.82
- Disposals/Amortized	-	(1,040.00)	(257.80)	(329.19)	-	(0.30)	(0.27)	-	(12.39)	(611.09)	(2,251.04)
As at December 31, 2013	17,986.26	157,455.89	169,334.64	34,878.89	1,112.72	935.74	2,513.10	10,791.51	4,663.51	30,467.53	430,139.79
Impairment Allowance	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation											
As at January 1, 2013	-	105,538.72	43,872.20	20,537.53	-	-	2,324.00	5,323.81	4,120.17	24,849.07	206,565.50
- Depreciation	-	7,366.41	8,502.35	2,037.73	-	-	44.20	230.14	162.29	1,349.80	19,692.92
- Adjust/Transfers	-	(18,499.96)	(6,896.73)	(50.30)	-	-	0.27	-	(0.03)	(77.52)	(25,524.27)
- Disposals/Amortized	-	(1,040.00)	(234.47)	(149.79)	-	-	(0.27)	-	(12.17)	(598.47)	(2,035.17)
Provision for flood damages	-	-	-	-	-	-	-	-	-	-	-
As at December 31, 2013	-	93,365.17	45,243.35	22,375.17	-	-	2,368.20	5,553.95	4,270.26	25,522.88	198,698.98
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 December 31, 2013	17,986.26	64,090.72	124,091.29	12,503.72	1,112.72	935.74	144.90	5,237.56	393.25	4,944.65	231,440.81

**Separate Financial Statements
As at December 31, 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	(8,009.14)	11,702.70	(32,857.60)	(208.20)	-	(0.85)	(1.69)	(4.19)	(67.83)	49.09	(29,397.71)
- Additions	4,347.17	4,031.59	34,421.32	5,008.07	(349.97)	-	-	-	31.24	655.19	48,144.61
- Disposals/Amortized	-	(2,116.62)	(305.53)	(852.78)	-	(1.82)	(9.51)	(0.10)	(53.08)	(660.27)	(3,999.71)
As at December 31, 2012	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
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	-	6,750.88	9,514.89	1,940.54	-	-	67.36	230.07	173.27	1,338.66	20,015.67
- Adjust/Transfers	-	3,421.02	(18,611.11)	429.18	-	-	(1.69)	(4.19)	(69.23)	(249.69)	(15,085.71)
- Disposals/Amortized	-	(2,110.78)	(301.50)	(562.22)	-	-	(8.05)	(0.10)	(51.75)	(649.75)	(3,684.15)
Provision for flood damages	-	-	-	-	-	-	-	-	-	10.75	10.75
As at December 31, 2012	-	105,538.72	43,872.20	20,537.53	-	-	2,324.00	5,323.81	4,120.17	24,849.07	206,565.50
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 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

In this fiscal year, there are 101 aircraft represented in the Company's fleet consisting of 43 own aircraft, 33 aircraft under finance leases, and 25 aircraft under operating leases which excluded 18 aircraft for sales with a carrying amount of THB 7,195.59 million.

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 59,219.01 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 Airport with a lease term of 30 years starting from September 28, 2006 to September 29, 2036 and at Donmuang Airport 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 4,215.33 million consisting of land in Bangkok amount of THB 3,981.09 million and land in provinces amount of THB 234.24 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.

5.8 Intangible Assets

	Unit : Million Baht	
	Consolidated Financial Statements	Separate Financial Statements
Cost		
As at January 1, 2013	2,939.40	2,249.02
- Assets decreased from loss of control	(679.37)	-
- Additions	329.17	328.42
As at December 31, 2013	2,589.20	2,577.44
Accumulated amortization		
As at January 1, 2013	1,601.90	1,476.07
- Disposal from loss of control	(120.30)	-
- Amortization	246.34	244.59
As at December 31, 2013	1,727.94	1,720.66
Net book value		
As at December 31, 2012	1,337.50	772.95
As at December 31, 2013	861.26	856.78

5.9 Deferred Tax Assets

Deferred tax assets arising from the temporary differences between the book values and tax base of assets and liabilities in statement of financial position are as follows:

	Unit : Million Baht			
	Consolidated		Separate	
	Financial Statements	Financial Statements	Financial Statements	Financial Statements
	2013	2012	2013	2012
Contribution to staff provident fund	74.16	79.92	74.16	79.92
Contribution to staff pension fund	479.63	466.18	479.63	466.18
Allowance for obsolete inventories	473.00	373.36	473.00	373.36
Allowance for doubtful accounts	431.12	409.23	426.88	404.18
Allowance for impairment in value of assets	1,590.39	808.89	1,590.39	808.89
Estimated accrual expenses	498.89	509.03	498.40	502.33
Intangible assets	83.17	102.78	83.17	102.78
Employee benefits obligation	2,109.18	2,207.18	2,102.34	2,194.18
Others	<u>1.62</u>	<u>9.88</u>	<u>-</u>	<u>7.67</u>
Total	<u>5,741.16</u>	<u>4,966.45</u>	<u>5,727.97</u>	<u>4,939.49</u>

5.10 Deferred Tax Liabilities

	Unit : Million Baht			
	<u>Consolidated</u>		<u>Separate</u>	
	<u>Financial Statements</u>		<u>Financial Statements</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Intangible assets	105.34	83.35	105.34	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.

5.11 Other Non-Current Assets

	Unit : Million Baht			
	<u>Consolidated</u>		<u>Separate</u>	
	<u>Financial Statements</u>		<u>Financial Statements</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Deferred charges	4,429.67	3,771.50	4,429.67	3,771.50
Others	<u>1,007.43</u>	<u>891.19</u>	<u>1,001.74</u>	<u>868.70</u>
Total	<u>5,437.10</u>	<u>4,662.69</u>	<u>5,431.41</u>	<u>4,640.20</u>

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

5.12 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, 4 B747-400, and 2 ATR 72 aircraft, totaling of THB 7,195.59 million, as well as other fixed assets, totaling of THB 1.13 million, which made a grand total of THB 7,196.72 million.

At present, the Company is under the negotiation process for sales A340-500 aircraft with many offering purchasers. On June 12, 2013, the Company received the aircraft deposit amount of USD 2.5 million from one of the offering purchasers. After that, the negotiation did not achieve for the suitable selling price as well as the Company's Board of Directors did not approve to sell of the aircraft. Therefore, the Company had already notified and returned the whole amount of the deposit to such offering purchaser on October 25, 2013. The Company has a plan to sell 14 aircraft which were phased out in the year 2013.

5.13 Long-Term Borrowings Consolidated and separate financial statements

<u>Currency</u>	<u>Loan Currency</u>		<u>Baht Equivalent (Million)</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
USD	-	40,000,000	-	1,225.26
EUR	526,502,960	-	23,862.33	-
THB	37,735,631,579	51,234,000,000	<u>37,735.63</u>	<u>51,234.00</u>
Total long-term borrowings			61,597.96	52,459.26
<u>Less</u> Current portion of long-term borrowings			<u>10,767.12</u>	<u>11,448.63</u>
Net long-term borrowings			<u>50,830.84</u>	<u>41,010.63</u>

As a December 31, 2013, long-term borrowings of the Company consisted of the foreign loans borrowed via the Ministry of Finance amount of THB 17,375.52 million and loans from the commercial banks as well as Government Saving Bank amount of THB 44,222.44 million. The total of long-term borrowings amounted to THB 61,597.96 million and have been transferred to be a current portion of long-term borrowing amount of THB 10,767.12 million, leaving the balance of long-term borrowings amount of THB 50,830.84 million.

5.14 Liabilities under Finance leases Consolidated and separate financial statements

Unit : Million Baht

Liabilities under Finance Leases	2013		2012	
	Book Value	Present Value	Book Value	Present Value
Within 1 year	10,313.02	9,485.65	9,938.49	9,531.50
More than 1 year – 5 years	37,381.28	31,163.91	37,004.30	32,070.78
More than 5 years	<u>25,937.58</u>	<u>17,751.54</u>	<u>24,606.53</u>	<u>17,388.96</u>
Total	<u>73,631.88</u>	<u>58,401.10</u>	<u>71,549.32</u>	<u>58,991.24</u>

The Company has exercised purchase options at the end of term financial lease of aircraft, with 13 foreign and domestic financial institutions, which presented the value regarding to the accounting policy described in Note 3.9. For the fiscal year 2013, the outstanding balance of obligations under finance leases for 33 aircraft is THB 80,836.63 million with maturities ranging from 2014 to 2028. After deducting interest expenses due amount of THB 7,204.75 million, the principal balance of obligations under the Company's finance leases is THB 73,631.88 million. As at December 31, 2013, the amount of THB 10,313.02 million has been transferred to a current portion of finance lease, leaving the balance of long-term liabilities under finance lease amount of THB 63,318.86 million.

5.15 Debentures

Unit : Million Baht

Issuing								Redemption					Balance as at December 31, 2013.
Resolutions of Shareholders' Meeting /No./Date	Amount Issued	Time Issued	Year Issued	Due Date	Age (Year)	Interest Rate Paid Every 6 Months (Percentage)	Amount	2009	2010	2011	2012	2013	
Extraordinary/1/2546 September 2, 2003	40,000	1 (Tranche2)	2003	October 8, 2010	7	3.70	4,500.00		October 8				-
							4,500.00						-
		2 (Tranche1)	2004	October 20, 2009	5	4.65	7,500.00		October 20				-
							4,500.00						-
		2 (Tranche2)	2004	October 20, 2011	7	5.20	4,500.00		October 20				-
		2 (Tranche3)	2004	October 20, 2014	10	5.80	3,000.00						3,000.00
							15,000.00						
		3 (Tranche2)	2005	May 12, 2011	6	4.67	6,000.00		May 12				-
		3 (Tranche3)	2005	May 12, 2015	10	5.19	3,000.00						3,000.00
							9,000.00						
Ordinary /2548 December 23, 2005	60,000	1 (Tranche1)	2007	November 22, 2010	3	4.51	3,000.00	November 22	-				
		1 (Tranche2)	2007	November 22, 2012	5	5.04	4,500.00		November 22	-			
							7,500.00						
		1 (Tranche1)	2008	April 2, 2010	1.5	4.77	3,455.29	April 2	-				
		1 (Tranche2)	2008	October 2, 2011	3	5.05	987.92	October 2	-				
		1 (Tranche3)	2008	October 2, 2013	5	5.50	2,556.79		October 2	-			
							7,000.00						
		1 (Tranche1)	2009	January 20, 2012	3	5.30	170.00		January 20	-			
		1 (Tranche2)	2009	January 20, 2014	5	5.45	720.00			720.00			
		1 (Tranche3)	2009	January 20, 2016	7	5.60	300.00			300.00			
1 (Tranche4)	2009	January 20, 2019	10	6.00	3,600.00			3,600.00					
					4,790.00								

Unit : Million Baht

Issuing								Redemption					Balance as at December 31, 2013	
Resolutions of Shareholders' Meeting /No./Date	Amount Issued	Time Issued	Year Issued	Due Date	Age (Year)	Interest Rate Paid Every 6 Months (Percentage)	Amount	2009	2010	2011	2012	2013		
Ordinary /2553 April 28, 2010	40,000	1 (Tranche1)	2011	May 13, 2018	7	Year 1-3 4%	1,555.00						1,555.00	
		1 (Tranche2)	2011	May 13, 2021	10	Year 4-6 4.5%	833.00						833.00	
								Year 7 5.25%						
								Year 1-4 4.25%						
								Year 5-8 4.75%						
								Year 9-10 5.35%						
		1 (Tranche3)	2011	May 13, 2016	5	3.91	2,000.00							2,000.00
		1 (Tranche4)	2011	May 13, 2018	7	4.36	1,445.00							1,445.00
		1 (Tranche5)	2011	May 13, 2021	10	4.62	2,167.00							2,167.00
								8,000.00						
		2	2011	December 28, 2016	5	4.30	2,000.00							2,000.00
								2,000.00						
		1 (Tranche1)	2012	February 16, 2019	7	4.41	1,000.00							1,000.00
		1 (Tranche2)	2012	February 16, 2022	10	4.75	2,000.00							2,000.00
								3,000.00						
		2	2012	March 23, 2024	12	4.98	1,500.00							1,500.00
						1,500.00								
3 (Tranche1)	2012	October 11, 2017	5	4.51	4,000.00							4,000.00		
3 (Tranche2)	2012	October 11, 2019	7	4.70	1,500.00							1,500.00		
3 (Tranche3)	2012	October 11, 2022	10	4.90	1,500.00							1,500.00		
						7,000.00								

Unit : Million Baht

Issuing								Redemption					Balance as at December 31, 2013
Resolutions of Shareholders' Meeting /No./Date	Amount Issued	Time Issued	Year Issued	Due Date	Age (Year)	Interest Rate Paid Every 6 Months (Percentage)	Amount	2009	2010	2011	2012	2013	
During the year 2013													
May 16, 2013		1	2013	May 16, 2018	5	4.18	*5,000.00						5,000.00
							5,000.00						
August 30, 2013		2	2013				**4,000.00						
		2 (Tranche 1)	2013	August 30, 2018	5	4.58	1,250.00						1,250.00
		2 (Tranche 2)	2013	August 30, 2020	7	4.88	1,250.00						1,250.00
		2 (Tranche 3)	2013	August 30, 2023	10	5.16	1,500.00						1,500.00
							4,000.00						
Total													41,120.00

As at December 31, 2013, the balance of debentures was THB 41,120 million, which the amount of THB 3,720 million was transferred to be a current portion of long-term liabilities, leaving the balance of long-term liabilities amount of THB 37,400.00 million.

* During May 13-16, 2013, the Company has entered into the Cross Currency Swap for swapping THB debentures amount of THB 5,000 million to EUR currency amount of EUR 130.00 million with the interest rate of 3.15% per annum.

** The Company has entered into Cross Currency Swap for swapping THB debentures amount of THB 4,000 million to EUR currency amount of EUR 93.31 million with the interest rate of 2.85%, 3.35% and 3.85% per annum, respectively.

The Company has registered these debentures with the Thai Bond Market Association (Thai BMA) in the bond electronic exchange of the Stock Exchange of Thailand except for the issuing of debentures No. 1/2552 which were offered to specific investors (not more than 10 investors).

5.16 Other Current Liabilities - Others

	<u>Consolidated</u>		<u>Unit : Million Baht</u>	
	<u>Financial Statements</u>		<u>Separate</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Payable - airport fees	5,901.77	5,330.79	5,901.77	5,310.12
Deferred revenue	4.39	4.39	4.14	4.13
Tax payables	144.37	403.50	141.82	380.41
Payable - fringe benefits (field office staff)	564.44	606.39	564.44	606.39
Cash received from insurance company	-	1,047.58	-	1,047.58
Deposit received	917.41	1,461.86	909.33	1,450.82
Payable - employee	161.42	12.82	161.42	12.82
Accrued income	347.55	43.71	347.55	43.71
Payable - collected assets	518.59	241.48	518.59	241.48
Other payables	<u>1,813.75</u>	<u>2,379.92</u>	<u>2,371.23</u>	<u>2,372.57</u>
Total	<u>10,373.69</u>	<u>11,532.44</u>	<u>10,920.29</u>	<u>11,470.03</u>

5.17 Long-Term Provision Separate financial statements

Changes in the present value of long-term provision

	<u>Unit : Million Baht</u>	
	<u>2013</u>	<u>2012</u>
Long-term provision at the beginning balance	829.19	1,524.22
Long-term provision for the period	<u>(343.11)</u>	<u>(695.03)</u>
Long-term provision at the ending balance	<u>486.08</u>	<u>829.19</u>

Long-term provision as at December 31, 2013 consisted of:

5.17.1 The Court of First Instance has rendered a judgment ordering the Company to pay for damages claimed by employees in the amount of THB 29.11 million. At present, the case is under the Supreme Court's consideration.

5.17.2 The Court of First Instance has rendered a judgment ordering the Company to pay for damages arising from suspending the purchase of wine from Ming Yerng International Company which claimed against the Company in the amount of THB 27.63 million. At present, the case is under the Court of Appeal's consideration.

5.17.3 The Court of Appeal has rendered a judgment ordering the Company to pay for damages to other companies in the amount of Baht 6.41 million. At present, the case is under the Supreme Court's consideration.

5.17.4 The Department of Civil Dispute Settlement and Arbitration has made a decision ordering the Company to be liable for half of damages totaling Baht 5.47 million to the Royal Thai Police.

5.17.5 The Court of First Instance has rendered a judgment ordering the Company to pay for damages to other companies in the amount of Baht 20.40 million. At present, the case is under the Court of Appeal's consideration.

5.17.6 The Company had estimated damages and fines and had acknowledged such damages and fines in the financial statement of 2008 in the amount of Baht 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 2013, the Company has further decreased an amount of the reserve for damages and fines totaling THB 372.11 million, leaving the balance of THB 397.06 million.

5.17.7 In the year 2012, the Company had decreased an amount of damages and fines regarding Antitrust cases in the United States from USD 41 million to USD 20 million which is only for the Passenger Civil Class Action Case. After that, at the Company's Board of Directors Meeting No.11/2556 dated November 13, 2013, the meeting resolved to approve the settlement in the U.S. Passenger Civil Class Action Case in the range of USD 10 million according to the legal board's opinion. Cravath, Swaine & Moore LLP, the Company's lawyer was then able to negotiate with the plaintiffs about the settlement amount in the amount of USD 9.7 million which is lower than the amount approved by the Board of Directors. In addition, the Company can pay for the settlement amount for 2 installments i.e. the Company has to pay for the first installment amounting to USD 4.85 million by 10 business days after the execution date of the settlement agreement and pay for the second installment amounting to USD 4.85 million by August 31, 2014. In this regard, Cravath, Swaine & Moore LLP, the Company's lawyer has already executed the settlement agreement on December 23, 2013 and was allowed by the plaintiffs to extend the period of the first installment payment from 10 business days to 20 business days after the execution date of the settlement agreement.

However, the settlement agreement has to be approved by the Federal Court of San Francisco, California, the United States before the settlement can be legally enforced. Cravath, Swaine & Moore LLP, the Company's lawyer expected that there will be a hearing and the Court will render a judgment as per the settlement agreement within the next 6-8 months. With respect to the payment of the settlement amount according to the settlement agreement, the payment shall be made to an escrow account in which an escrow agent will transfer the settlement amount to the plaintiffs once the Court renders a judgment as per the settlement agreement. In case that the Court does not do so, the settlement amount shall be transferred back to the Company.

In this regard, at the Company's Board of Directors Meeting No.10/2554 dated August 19, 2011, the meeting resolved to apply the local currency of each foreign country which the Company has the obligation to pay in the future for the accounting record instead of applying the Baht currency by applying the current exchange rate of Bank of Thailand at the end of the fiscal year.

Correspondingly, the Department of Legal Affairs and Business Administration has set 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 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, 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 need 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.

5.18 Employee Benefits Obligation Separate financial statements

Employee benefits obligations are classified into 5 projects as follows:

5.18.1 Legal Severance Payments are paid to the retired employees who work with the Company from 5 to less than 15 years, receiving 180 days of the latest salary rate. For the retired employees who work with the Company from 15 years onwards will receive for 300 days of the latest salary rate.

5.18.2 Post-Retirement Medical Benefits are provided to the retired and early retired employees together with their spouses and unmarried children less than 20 years of age with no expenses at all medical centers of the Company.

5.18.3 Encashment of Unutilized Holiday Leaves is paid to the employees who have outstanding holiday leaves, which can be accumulated not more than 3 consecutive years.

5.18.4 Long Service Awards (Pin/Ring) will be rewarded to the employees who have been working with the Company for 15, 25 and 35 years.

5.18.5 Long Service Awards (Air ticket) is provided to the employees who have been working with the Company for 15 years will get rewards for 1 free confirmed ticket on the Company's routes, and every next 5 years from the latest reward if continue working with the Company. The employees can accumulate and use these awards whenever they desire.

Principal actuarial assumptions :

Discount rate	4.4%
Price inflation	3.0%
Average salary increase rates	
Domestic staff	3.0% - 7.0%
Oversea staff	5.0%
Staff turnover rate	
Domestic staff	0.0% - 2.0%
Oversea staff	0.0% - 9.0%
Medical cost inflation	6.0%
Mortality rate	TMO08

Changes in Present Value of the Employee Benefits Obligation

	Unit : Million Baht			
	<u>Consolidated</u>		<u>Separate</u>	
	<u>Financial Statements</u>		<u>Financial Statements</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Beginning Balance – Employee Benefits Obligation	11,082.18	10,631.62	10,970.90	10,627.15
Adjustment of Employee benefits obligation for subsidiaries	(91.21)	73.69	-	-
Current service cost	489.01	502.74	475.63	482.81
Interest cost	433.00	411.23	432.53	408.39
Benefits paid	(61.20)	(264.31)	(59.38)	(260.62)
Actuarial loss (gain)	<u>(1,305.81)</u>	<u>(272.79)</u>	<u>(1,307.93)</u>	<u>(286.83)</u>
Ending Balance - Employee Benefits Obligation	<u>10,545.97</u>	<u>11,082.18</u>	<u>10,511.75</u>	<u>10,970.90</u>

5.19 Dividend Payment Separate financial statements

The resolution of the 2556 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.

5.20 Share Capital

As at December 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.

5.21 Legal Reserve

As at December 31, 2013, the Company's legal reserve balance was THB 2,691.27 million.

5.22 Other Components of Equity

The Company recognized actuarial gains and losses in other comprehensive income and classified as "other components of equity" in the statement of financial position. The actuarial gains and losses consist of :

5.22.1 An update from experience (the effects of differences between the assumptions used in the actuarial estimate and what actually happened

5.22.2 The impact of change in actuarial assumptions

5.23 Passenger and Excess Baggage Revenue

The Company changed its revenue accounting program for recording passenger and excess baggage revenues, which were previously recorded as net amount (passenger revenues net of discount and commission). But after changing such program, the Company separately records the passenger revenues, a discount, and commission as an individual account. As a result, the passenger and excess baggage revenues increased amount of THB 2,678.93 million as well as selling and advertising expenses increased amount of THB 2,678.93 million which did not impact to its operations.

5.24 Other Income - Others

	Unit : Million Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2013	2012	2013	2012
Gains on sales of assets	87.77	133.88	87.77	133.88
Dividends from associated and subsidiary companies	-	-	552.16	466.09
Revenue from other services of Aircraft Maintenance Department	598.49	425.26	598.49	425.26
Revenue from airport fees collected from passengers	630.88	313.27	630.88	313.27
Compensation revenue from the delay delivery of aircraft	651.85	649.39	651.85	649.39
Other fine revenues	73.23	40.49	73.23	40.49
Insurance compensation from the flood disaster	1,135.09	284.23	1,135.09	284.23
Revenue from Royal Orchid Lounge service	79.16	93.65	79.16	93.65
Others	476.66	386.09	473.54	347.64
Total	3,733.13	2,326.26	4,282.17	2,753.90

5.25 Employee Benefits Expenses

	Unit : Million Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2013	2012	2013	2012
Personnel expenses	32,146.12	31,616.12	32,146.96	31,117.34
Employee benefits	858.68	377.01	848.78	343.74
Executive remuneration	79.39	70.58	73.45	66.48
Board of directors remuneration	24.52	22.99	22.79	15.98
Total	33,108.71	32,086.70	33,091.98	31,543.54

Managements refer to the Company's Board of Directors, Chief Executives, persons in the next four executive levels below the chief executives, and in similar position, including accounting or finance department managers or above according to Securities and Exchange Mandate.

Moreover, the Directors of the Company obtain the ticket benefits. For the year 2013 and 2012, they issued the tickets for themselves and their related parties amount of 279 and 240 tickets with the value of THB 28.18 million and THB 24.90 million, respectively, calculating from the full fare tickets in those traveling classes.

5.26 Impairment Loss of Aircraft Separate Financial Statements

As the Company has phased out 18 aircraft from the fleet and are under the selling process (Notes 5.12), 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, 4 A340-500 aircraft and 4 B737-400, therefore the Company recognized the impairment loss of such aircraft for the year ended December 31, 2013, amount of THB 5,092.54 million.

5.27 Other Expenses

	Unit : Million Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2013	2012	2013	2012
Rentals and utilities	2,796.66	2,688.22	2,796.66	2,688.22
Office supplies	251.19	216.34	251.19	216.34
Repair of building and equipment	698.12	615.54	698.12	615.54
Outsource services	1,458.47	1,096.82	1,458.47	1,096.82
Consultant and service fees	680.88	473.43	680.88	473.43
Legal fee for Antitrust/ Competition Law	(277.90)	(167.12)	(277.90)	(167.12)
Computer service expenses	465.05	386.12	465.05	386.12
Rental of communication devices and office equipment	312.00	215.91	312.00	215.91
Travelling and transportation expenses	592.02	623.24	592.02	623.24
Concession fees	482.19	351.05	482.19	351.05
Passenger claim expenses	266.76	246.85	266.76	246.85
Damages from flood disaster	154.25	284.23	154.25	284.23
Provision for disposal and unused spare parts	720.75	368.09	720.75	368.09
Service cargo expenses	175.42	243.20	175.42	243.20
Joint venture expenses in STAR Alliance	148.66	99.70	148.66	99.70
Company business and municipal taxes	298.60	162.16	298.60	162.16
Bad debts and provision for bad debts	158.93	257.92	158.93	257.92
Others	1,320.44	1,007.74	1,232.18	431.75
Total	10,702.49	9,169.44	10,614.23	8,593.45

Legal fee for Antitrust/Competition Law is a contingent liability that the Company has to set the reserve for damages and fines with respect to Antitrust laws allegation. In the fiscal year 2013, the Company has decreased the provision for such damages and fines (according to Note 5.17.7)

5.28 Income Tax Expense (Income)

	Unit : Million Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2013	2012	2013	2012
Tax expense from taxable profit for the period	99.83	97.04	60.04	40.91
<u>Add</u> (less): deferred tax asset/ liability from temporary different increase/ decrease	(1,029.23)	496.40	(1,028.08)	486.65
Net tax expenses (income)	(929.40)	593.44	(968.04)	527.56

5.29 Investment Promotion

The Company received the investment promotion certificates for air transportation operation of aircraft, consisting of passenger and cargo transportation activities, according to the investment promotion certificates as follows :

Investment Promotion Certificates No.	Investment Promotion Certificates Date
1214(2)/2009	March 13, 2009
1874(2)/2009	November 19, 2009
1446(2)/2011	April 21, 2011
1178(2)/2012	February 10, 2012
1627(2)/ 2012	May 22, 2012
2006(2)/2012	July 31, 2012
2576(2)/2012	October 22, 2012
2577(2)/2012	October 22, 2012
1220(2)/2013	February 13, 2013
1221(2)/2013	February 13, 2013
1222(2)/2013	February 13, 2013
1590(2)/2013	May 1, 2013
2355(2)/2013	September 27, 2013
2356(2)/2013	September 27, 2013
2357(2)/2013	September 27, 2013
2358(2)/2013	September 27, 2013
2359(2)/2013	September 27, 2013
2360(2)/2013	September 27, 2013
2361(2)/2013	September 27, 2013
2362(2)/2013	September 27, 2013
2363(2)/2013	September 27, 2013
2364(2)/2013	September 27, 2013
2365(2)/2013	September 27, 2013
2366(2)/2013	September 27, 2013
2367(2)/2013	September 27, 2013

Under the condition, the Company will receive a privilege for exemption from corporate income tax for the net profit, which operated by such aircraft starting from the date of first revenues derived from the promoted activities, up to 8 years.

Revenues from sales or services classified to the promoted and non-promoted activities for the year ended December 31, 2013 and 2012 are as follows:

Text	Unit : Million Baht	
	Separate Financial Statements	
	2013	2012
Revenues from sales or services		
Promoted activities	64,920.92	30,189.88
Non-promoted activities	141,054.96	170,868.21
Total revenues from sales or services	205,975.88	201,058.09

5.30 Earnings (Loss) Per Share

Basic earnings per share is calculated by dividing net profit or loss attributable to owners of the parent for the period by the weighted average number of ordinary shares outstanding during the periods.

	Unit : Million Baht/Million Shares			
	Consolidated Financial Statements		Separate Financial Statements	
	2013	2012	2013	2012
Profits (losses) attributable to owners of the parent	(12,047.37)	6,228.97	(13,437.99)	4,429.65
Number of issued ordinary shares as at January 1	2,182.77	2,182.77	2,182.77	2,182.77
Number of weighted average ordinary shares	<u>2,182.77</u>	<u>2,182.77</u>	<u>2,182.77</u>	<u>2,182.77</u>
Basic earnings (loss) per share (THB)	<u>(5.52)</u>	<u>2.85</u>	<u>(6.16)</u>	<u>2.03</u>

5.31 Financial Information by Segment Consolidated financial statements

5.31.1 Business segments

**Statements of Income
For the year ended December 31, 2013**

	Unit : Million Baht							
	<u>Air Transportation</u>		<u>Business Units</u>		<u>Other Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
External Revenues	196,849.66	200,221.77	7,255.91	6,709.08	2,230.67	2,191.66	206,336.24	209,122.51
Inter - segment revenues	-	-	10,331.24	9,970.65	6,195.13	5,231.60	16,526.37	15,202.25
Interest income	510.77	483.37	-	-	4.99	13.22	515.76	496.59
Finance costs	(6,057.26)	(5,838.54)	-	-	-	2.25	(6,057.26)	(5,836.29)
Finance costs - net	(5,546.49)	(5,355.17)	-	-	4.99	15.47	(5,541.50)	(5,339.70)
Depreciation and amortization expenses	(18,452.35)	(18,902.09)	(799.08)	(914.13)	(774.24)	(707.46)	(20,025.67)	(20,523.68)
Fuel and oil	(80,525.26)	(80,178.54)	-	-	-	-	(80,525.26)	(80,178.54)
Employee benefits expenses	(19,264.96)	(19,332.37)	(7,977.25)	(7,194.80)	(5,866.50)	(5,559.52)	(33,108.71)	(32,086.69)
Tax income (expenses)	968.04	(542.76)	-	-	(38.64)	(50.68)	929.40	(593.44)
Profit on investment in associates	836.09	363.43	-	-	-	-	836.09	363.43
Gain (loss) on foreign currency exchange	(3,897.22)	3,208.54	-	-	2.57	4.42	(3,894.65)	3,212.96
Impairment loss of aircraft	(5,426.20)	(770.92)	-	-	-	-	(5,426.20)	(770.92)
Profitability on business acquisition	-	1,584.40	-	-	-	-	-	1,584.40
Gain on disposal of the controlling interest	298.16	-	-	-	-	-	298.16	-
Gain on deemed disposal	722.30	-	-	-	-	-	722.30	-
Gain (loss) by segments	(10,689.45)	11,800.87	2,261.87	1,392.71	719.41	(617.06)	(7,708.17)	12,576.52

**Assets and Liabilities
As at December 30, 2013**

	Unit : Million Baht							
	<u>Air Transportation</u>		<u>Business Units</u>		<u>Other Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Current assets	53,927.76	64,109.59	756.56	847.53	1,266.18	2,838.45	55,950.50	67,795.57
Investments	5,060.47	1,503.17	-	-	51.08	56.60	5,111.55	1,559.77
Property, plant and equipment	222,732.50	209,590.71	5,268.08	5,822.62	3,448.15	3,154.61	231,448.73	218,567.94
Other non-current assets	11,997.27	12,248.04	3.31	5.03	38.94	104.12	12,039.52	12,357.19
Non-allocated assets	-	-	-	-	-	-	<u>2,534.43</u>	<u>3,815.41</u>
Total assets							<u>307,084.73</u>	<u>304,095.88</u>
Current liabilities	79,589.35	78,837.98	860.61	609.52	637.70	1,598.35	81,087.66	81,045.85
Non-current liabilities	167,740.77	151,479.04	11.66	1.08	44.99	114.65	167,868.16	151,594.77
Non-allocated liabilities	-	-	-	-	-	-	<u>1,280.92</u>	<u>1,636.82</u>
Total Liabilities							<u>250,166.00</u>	<u>234,277.44</u>

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

Gain (loss) by segments was derived from revenues net of costs and operating expenses, which exclude profit on investment in associated companies, finance costs, and tax expenses.

The Company records inter-segment revenue transfers at market price charged to its unaffiliated customer net of discount, for ground customer services segment recorded at cost net of discount, and for other activities segment and technical services recorded at budget cost. Those transferred transaction will be eliminated in consolidated financial statements.

Segment assets are the assets used for the operation or related to such activity.

Segment liabilities are the liabilities used for the operation or related to such activity.

5.31.2 Geographical Segments

Unit : Million Baht

	Domestic Revenues			Foreign Revenues					Other Service Revenues			Other income			Total		
	Transportation	Business units	Others	Regional Asia	Europe	North Pacific	Australia & New Zealand	Africa	Charter revenues and others	Insurance surcharge from passengers	Fuel surcharge collected from passengers	Interest income	Other income	Gain on deemed disposal		Gain on business acquisition	Gain on disposal of the controlling interest
For the year																	
Jan-Dec 2013	14,758.31	7,255.91	2,230.67	75,151.86	39,931.96	2,564.66	18,569.55	938.12	9,329.48	1,875.72	33,730.01	515.76	3,733.12	722.30	-	298.16	211,605.59
Jan-Dec 2012	23,203.19	6,709.08	2,191.66	75,357.86	39,087.60	2,623.17	18,551.83	1,074.59	9,903.55	1,561.94	28,858.04	496.59	2,326.26	-	1,584.40	-	213,529.76

5.32 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 statements of financial position. Interest and expenses arising from fund operations are recognized as income and expenses of the Company. The details are as follows:

	Unit : Million Baht	
	<u>2013</u>	<u>2012</u>
Current assets	4,844.51	4,652.26
Others	<u>75.19</u>	<u>69.24</u>
Total	<u>4,919.70</u>	<u>4,721.50</u>
Other current liabilities	45.29	51.39
Pension fund	<u>4,874.41</u>	<u>4,670.11</u>
Total	<u>4,919.70</u>	<u>4,721.50</u>

As at December 31, 2013, the fund balance was THB 4,874.41 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 263.89 million, which comes from contributions at a rate equivalent to 10% of employee salaries in the amount of THB 219.91 million plus the amount to match the Company's obligation of THB 43.98 million.)

5.33 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 927.72 million for this fiscal year.

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).

5.34 Contingent Liabilities

5.34.1 The Company has contingent liabilities, not presented in the financial statement, as follows:

	Unit : Million Baht	
	<u>2013</u>	<u>2012</u>
Letters of guarantee issued by banks - Domestic	231.09	220.85
Letters of guarantee issued by banks - Abroad	457.22	399.09
The Company as defendant in		
Labor dispute cases	1,299.87	1,410.71
Damage claims cases	<u>2,588.15</u>	<u>2,537.81</u>
Total	<u>4,576.33</u>	<u>4,568.46</u>

5.34.2 There are antitrust cases and other cases which have been filed alleged and conducted a criminal investigation against the Company as follows:

1. Regarding a Passenger US DOJ 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: The Company has not been contacted by DOJ and therefore it is assumed that DOJ should terminate any proceedings against the Company.

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 including the legal fees of ACCC in the amount of AUD 0.5 million, the total amount is AUD 8 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.

The Company has already paid for the fine of the first, second and third installments as per the settlement agreement.

3. On the subject of an investigation by the Korean Fair Trade Commission (KFTC), the Company received an official decision of the KFTC on November 30, 2010 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 million for ex Korea route and an amount of KRW 679 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. 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 Company has already entered into a settlement with NZCC. On April 22, 2013, the court in New Zealand rendered a judgment as per the settlement agreed between the Company and NZCC. The Company was allowed by the court to pay the fine in the amount of NZD 2.7 million and pay the legal fees of NZCC in the amount of NZD 259,079.18, the total amount is NZD 2,959,079.18 by 4 installments within 18 months period.

The Company has already paid for the fine of the first and second installments as per the settlement agreement.

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.

At present, the Company has agreed to settle with the plaintiffs in the amount of USD 9.7 million including expenses for delivery of notice to class action members and legal fees of the plaintiffs' lawyers. The Company can pay for the settlement amount by 2 installments. However, the settlement agreement has to be approved by the Federal Court of San Francisco, California, the United States before the settlement can be legally enforced. The Company's lawyer expected that there will be a hearing and the Court will render a judgment as per the settlement agreement within the next 6-8 months. With respect to the payment of the settlement amount according to the settlement agreement, the payment shall be made to an escrow account in which an escrow agent will transfer the settlement amount to the plaintiffs once the Court renders a judgment as per the settlement agreement. In case that the Court does not do so, the settlement amount shall be transferred back to the Company.

In this regard, the Company has already paid for the settlement amount of the first installment as per the settlement agreement.

5.35 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.

5.36 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 and Boeing 777-300 aircraft. At present, Koito Industries Limited (KI Holding Limited) and Asia Fleet Services(s) Pte., Ltd. has already files their defence and counter claim. The case is currently undergoing the court's consideration.

5.37 Disclosure of Financial Instruments Separate financial statements

5.37.1 Interest rate risk

Interest rate risk in financial statements arises from changes in market interest rates which have an effect on the Company's operating results at present and in the future.

The following tables show weighted average interest rates and the amount of financial liabilities.

2013

Unit : Million Baht

Financial Liabilities	Weighted Average Interest Rate	Outstanding Balances Floating Interest Rates			Outstanding Balances Fixed Interest Rates			Total
		Less than 1 year	1 to 5 years	Over 5 years	Less than 1 year	1 to 5 years	Over 5 years	
By currency								
USD	-	-	-	-	-	-	-	-
JPY	1.17	1,893.41	5,346.84	5,911.55	-	-	-	13,151.80
EUR	1.83	7,321.63	28,916.64	20,046.29	2,463.62	8,268.16	17,375.52	84,391.86
THB	4.42	9,401.47	28,334.16	-	3,720.00	20,550.00	16,850.00	78,855.63
Total		18,616.51	62,597.64	25,957.84	6,183.62	28,818.16	34,225.52	176,399.29

2012

Unit : Million Baht

Financial Liabilities	Weighted Average Interest Rate	Outstanding Balances Floating Interest Rates			Outstanding Balances Fixed Interest Rates			Total
		Less than 1 year	1 to 5 years	Over 5 years	Less than 1 year	1 to 5 years	Over 5 years	
By currency								
USD	7.07	-	-	-	1,225.26	-	-	1,225.26
JPY	1.15	2,637.29	6,881.77	7,988.01	-	-	-	17,507.07
EUR	1.54	6,017.78	24,974.50	16,617.00	1,283.43	5,149.55	-	54,042.26
THB	4.62	8,823.37	33,680.89	4,054.74	3,956.79	18,295.00	17,100.00	85,910.79
Total		17,478.44	65,537.16	28,659.75	6,465.48	23,444.55	17,100.00	158,685.38

For Interest Rate Risk Management policy, the Company applies a derivative financial instrument, Interest Rate Swap (IRS), to swap the floating interest rates which show high tendency to increase to fixed. As at December 31, 2013, the portion of the Company's debt after swap with floating to fixed interest rate is 46 : 54.

At the moment, the Company has the total of 10 IRS transactions, swapping debt with floating interest rate to fixed interest rate. Seven of these transactions are in EUR and three transactions in THB. As at December 31, 2013, IRS transactions' total notional amount was THB 21,242.20 million of which interest exchange payments are done monthly and quarterly. The three transactions in EUR currency will expire in 2017 and the other four transactions in EUR currency will expire in 2018. One transaction in THB currency will expire in 2016 and two transactions in THB currency will expire in 2017.

5.37.2 Foreign Currency Exchange Rate Risk

The Company generates revenues in THB and more than 50 currencies, mainly in USD, THB, EUR and JPY while incurring liabilities mainly in 3 major currencies : EUR, THB and JPY as well as expenses mainly in USD and THB. Fluctuations in exchange rates affect on long-term liabilities and operating expenses denominated in foreign currencies. Therefore, the Company has adopted "Natural Hedging" strategy to manage this risk by increasing the matching of currency between the revenues and expenses and to arrange for loan and restructure loan to coincide with net operating cash flow, and at the same time, to decrease foreign currency debt risk partially by relying on Thai baht loan in order to decrease the fluctuation of gain or loss from foreign exchange in the financial statements. In addition, the Company has a policy to enter into Cross Currency Swap (CCS) when the financial market benefits to the Company. As at December 31, 2013, the proportion of the Company's debts after swap in each currency i.e. EUR : JPY : THB is 55 : 8 : 37. Gradually, the Company also used hedging strategy named Forward Contracts, by providing various degrees of participation in favorable currency exchange rate movement to hedge the future obligation that has underlying exposures.

At present, the Company has seven CCS transactions. One transaction is that of swapping debt in THB currency with floating interest rate to JPY currency with fixed interest rate, with notional as at December 31, 2013, of JPY 2,026.54 million, or equivalent to THB 836.25 million. The other 6 transactions are of swapping debt in THB currency to EUR currency with fixed interest rate, with notional amount as at December 31, 2013, of EUR 287.78 million, or equivalent to THB 11,740 million of which payments, both principal and interest, are done every 3 and 6 months. These 7 transactions will terminate between the year 2015 and 2023.

Unit : Million Baht

<u>Currency</u>	2013			2012		
	<u>Due within 1 year</u>	<u>Due 1 to 5 years</u>	<u>Due over 5 years</u>	<u>Due within 1 year</u>	<u>Due 1 to 5 years</u>	<u>Due over 5 years</u>
USD	-	-	-	1,225.26	-	-
JPY	1,893.41	5,346.84	5,911.55	2,637.29	6,881.77	7,988.01
EUR	9,785.25	37,184.80	37,421.81	7,301.21	30,124.05	16,617.00

5.37.3 Fuel Price Risk

Fuel price fluctuation depends on supply and demand of global economic situation and political uncertainty worldwide. Fuel price has direct impact on the Company's operating result as fuel plays vital factor in airline industry. The Company has implemented jet fuel price hedging in order to reduce the risk of fuel price volatility, to protect the value of the Company for shareholders and all concerned and is not to be treated as a profit-marking venture.

This was in accordance with the Company's policy, specifying that fuel hedging be conducted on a regular basis at not lower than 20 percent and not more than 80 percent of annual fuel consumption. Whereby the tenor of each contract would be for a period of not more than 18 months. The Company selected a financial tool that was suitable for the market situation by establishing the lowest and highest prices of jet fuel, whereby the Company would incur the difference in USD currency, should the price of jet fuel falls below the lowest price. On the contrary, the Company would be compensated should the price of jet fuel rises higher than the highest price. In this fiscal year 2013, the Company's hedge portion account to 71 percent of its annual fuel consumption. As at December 31, 2013, the Company still has an obligation from fuel price hedging until December 2014 amount of 10,850,000 barrels of Jet fuel whereby the average lowest and the highest jet fuel prices are at USD 105 per barrel and USD 116.63 per barrel, respectively.

5.37.4 Fair Value of Financial Instruments

Fair value is the amount for which the buyer and the seller agree to exchange an asset, or settle a liability, while both parties are knowledgeable, willing, independent with the freedom to bargain.

The methods and assumptions that the Company uses to estimate the fair value of assets and liabilities are as follows:

Cash and cash equivalents, trade payables, loans, and accrued expenses are stated at the carrying value.

Other investments are stated at net book value net of allowance of impairment. Investments in marketable equity securities are stated at market value.

Trade receivables are stated at net book value net of allowances for doubtful accounts.

Financial derivative transaction is a fair value derived from value adjustment of contract between the Company and the bank with market price as at the report release date to more currently reflect the value of the contract.

5.38 Contractual Obligations

5.38.1 Obligation to Purchase Aircraft

The Company has a payment obligation to purchase, 5 A320-200, 4 A350-900XWB, and 6 B777-300ER aircraft amount of THB 49,432.27 million, expected to take delivery during the year 2014-2022 which consisted of:

Obligation	Unit : Million Baht	
	Within 1 year	Over 1 year – 5 years
Purchase of aircraft	13,050.68	36,381.59

5.38.2 Leases and Obligations of Aircraft

The Company has obligations from entering into operating leases for 47 aircraft amount of USD 4,818.35 million or approximately to THB 158,761.77 million consisting of 15 A320-200, 2 A330-300, 8 A350-900, 3 B737-400, 2 B777-200, 9 B777-300ER, 6 B787-8, and 2 B787-9 aircraft. There is 1 B777-300ER which the lease term ended in the fourth quarter 2013. However, such aircraft is under the return process to the leaser in the first quarter 2014. Also, there are 7 and 39 aircraft which the lease will expire in 2014 - 2018 and 2019 - 2029, respectively.

There are 26 aircraft which have been already taken the delivery during the year 2013, including 5 delivered aircraft in the fourth quarter 2013. Such aircraft are 4 A320-200 aircraft which the Company signed the operating lease with AWAS Aviation Trading Limited with 6-year lease terms as well as 1 B777-300ER signed the operating lease with BOC Aviation Pte. Ltd. with 12-year lease terms. In addition, there are the 21 aircraft which have not been taken deliver yet.

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	6,447.87	43,790.29	108,523.61

5.39 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 recorded the damages from flood disaster, which consisted of two Airbus A300-600 aircraft, consumable parts and supplies of Technical Department, tool repairment of Technical Department and raw material of Catering. As at December 31, 2013, the Company received the insurance compensation amount of THB 1,594.32 million and after the reporting period amount of THB 151.15 million. The Company recognized the insurance compensation from the flood disaster as an income amount of THB 1,594.32 million. Such compensation has been recognized in the statements of comprehensive income for the year 2011,

2012 and 2013 at the amount of THB 175 million, THB 284.23 million, and THB 1,135.09 million, respectively. However, all the damaged assets which are covered by the insurance policy are under claiming process with the insurance company.

5.40 Damages from the Aircraft Flights TG679

On September 8, 2013, Flight TG697 (Aircraft Type Airbus A330-300/Registration HS-TEF) skidded off run-way after landing at Suvarnabhumi International Airport. 80 passengers were reported injury and there was no fatality in this incident. Aircraft sustained severe damage. The aircraft is insured with the Agreed Value of USD 32.45 million or approximately to THB 1,014.01 million.

In this cases, the Company's Aviation Insurers are fully aware of the matter and already appointed Lawyers and Loss Adjusters to coordinate and work with THAI in respect of claims, litigation and settlement for passengers. The Team appointed by Insurers shall also make assessment for the damage of the aircraft under these cases. On September 18, 2013, the Company received the first interim payment from Insurers in the amount of USD 250,000 or approximately to THB 7.92 million.

5.41 Events after the Reporting Period

5.41.1 The Company is scheduled to take delivery of 1 B777-300ER No.1 (MSN 42110) on January 21, 2014. This aircraft was acquired by the hire purchase method. The aircraft was used as collateral with the lease term of 12 years.

5.41.2 On February 7, 2014, the Company has issued THB Debentures No.1/2557 for an aggregate of THB 3,200 million which were offered in 3 tranches - the first tranche amount of THB 1,200 million due in 2019, the second tranche amount of THB 1,000 million due in 2021 and the third tranche amount of THB 1,000 million due in 2024. Such debentures were offered to institution investors and high net worth investors.

5.41.3 The Company is scheduled to take delivery of operating lease aircraft, A320-200 with the lease term of 6 years, in the first quarter of 2014.

5.42 Approval of Financial Statements

These financial statements were approved by the Audit Committee, the Authorized Board of Directors, on February 20, 2014.
