

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

TO: THE SHAREHOLDERS OF THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED

The Office of the Auditor General of Thailand has reviewed the accompanying consolidated and separate statements of financial position as at March 31, 2014, the related consolidated and separate statements of comprehensive income, statements of changes in shareholders' equity and statements of cash flows for the three-month periods then ended and condensed notes to interim financial statements of Thai Airways International Public Company Limited and its subsidiaries and of Thai Airways International Public Company Limited, respectively. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". The responsibility of the Office of the Auditor General of Thailand is to express a conclusion on this interim financial information based on the review.

Scope of the Review

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

Conclusion

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

(Signed)

Poungchomnad Jariyajinda
(Poungchomnad Jariyajinda)
Deputy Auditor General

(Signed)

Roongnapa Charoenkunwiwat
(Roongnapa Charoenkunwiwat)
Director of Audit Office No.4

Office of the Auditor General
May 14, 2014

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31, 2014

Unit : Baht

	<u>Notes</u>	<u>CONSOLIDATED FINANCIAL STATEMENTS</u>		<u>SEPARATE FINANCIAL STATEMENTS</u>	
		<u>Mar 31, 2014</u> (Unaudited but reviewed)	<u>Dec 31, 2013</u>	<u>Mar 31, 2014</u> (Unaudited but reviewed)	<u>Dec 31, 2013</u>
ASSETS					
Current Assets					
Cash and cash equivalents	5.1	9,791,256,424	11,757,473,084	9,151,676,497	11,649,734,484
Temporary investments		100,000,000	100,000,000	-	-
Trade receivables	5.2	14,340,343,718	13,640,040,697	14,214,742,769	13,602,738,159
Prepaid expenses and deposits		8,890,301,257	8,759,218,393	9,262,484,714	9,117,676,555
Inventories and supplies		7,539,021,729	7,521,371,974	7,539,021,729	7,521,371,974
Other current assets	5.3	9,527,059,040	9,510,098,148	9,526,318,756	9,508,020,384
Non-current assets classified as held for sale	5.11	8,213,073,862	7,196,723,980	8,213,073,862	7,196,723,980
Total Current Assets		58,401,056,030	58,484,926,276	57,907,318,327	58,596,265,536
Non-Current Assets					
Investments in associates	5.4.1	5,020,321,138	4,982,298,757	1,083,520,500	1,083,520,500
Investments in subsidiaries	5.4.1	-	-	460,209,893	460,209,893
Other long-term investments	5.4.2	78,488,492	129,255,558	78,488,492	79,195,065
Property, plant and equipment	5.6	231,261,118,593	231,448,732,868	231,253,466,963	231,440,806,539
Intangible assets	5.7	983,661,454	861,265,669	979,414,471	856,777,952
Deferred tax assets	5.8	5,532,240,089	5,741,159,508	5,518,128,554	5,727,973,315
Other non-current assets	5.10	5,398,495,390	5,437,095,760	5,392,805,453	5,431,405,823
Total Non-Current Assets		248,274,325,156	248,599,808,120	244,766,034,326	245,079,889,087
Total Assets		306,675,381,186	307,084,734,396	302,673,352,653	303,676,154,623

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

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31, 2014

Unit : Baht

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		Mar 31, 2014 (Unaudited but reviewed)	Dec 31, 2013	Mar 31, 2014 (Unaudited but reviewed)	Dec 31, 2013
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Liabilities					
Trade payables		6,486,969,388	6,186,377,742	6,474,820,765	6,179,081,198
Accrued expenses		19,159,981,732	20,395,460,571	19,455,178,720	20,653,985,311
Current portion of long-term liabilities					
Long-term borrowings from related parties	5.5.1.2	1,072,000,000	1,322,000,000	1,072,000,000	1,322,000,000
Long-term borrowings from other parties		9,596,784,421	9,445,117,378	9,596,784,421	9,445,117,378
Liabilities under finance leases		10,722,370,741	10,313,020,136	10,722,370,741	10,313,020,136
Debentures		3,000,000,000	3,720,000,000	3,000,000,000	3,720,000,000
Short-term borrowings from related parties	5.5.1.1	4,000,000,000	-	4,000,000,000	-
Current income tax payable		19,979,846	11,369,045	-	-
Other current liabilities					
Accrued dividends		55,037,324	55,099,476	54,922,825	55,007,676
Unearned transportation revenues		19,345,733,324	20,546,445,629	19,345,733,324	20,546,445,629
Others		8,643,928,427	10,373,688,613	8,661,091,431	10,920,292,838
Total Current Liabilities		82,102,785,203	82,368,578,590	82,382,902,227	83,154,950,166
Non-Current Liabilities					
Long-term liabilities					
Long-term borrowings from related parties	5.5.1.2	17,643,601,442	17,943,517,559	17,643,601,442	17,943,517,559
Long-term borrowings from other parties		30,778,377,041	32,887,321,733	30,778,377,041	32,887,321,733
Liabilities under finance leases		64,700,717,161	63,318,861,181	64,700,717,161	63,318,861,181
Debentures		40,600,000,000	37,400,000,000	40,600,000,000	37,400,000,000
Deferred tax liabilities	5.9	111,576,256	105,336,022	111,576,256	105,336,022
Staff pension fund	5.20	4,907,678,703	4,874,412,373	4,907,678,703	4,874,412,373
Employee benefits obligation	5.12	10,783,501,953	10,545,974,865	10,744,634,687	10,511,745,306
Long-term provisions		486,172,224	488,522,824	483,731,420	486,082,020
Other non-current liabilities		259,193,832	233,470,172	259,193,832	233,470,172
Total Non-Current Liabilities		170,270,818,612	167,797,416,729	170,229,510,542	167,760,746,366
Total Liabilities		252,373,603,815	250,165,995,319	252,612,412,769	250,915,696,532
Shareholders' Equity					
Share capital	5.13				
Authorized share capital					
2,698.90 million ordinary shares par value of Baht 10 each		26,989,009,500	26,989,009,500	26,989,009,500	26,989,009,500
Issued and paid-up share capital					
2,182.77 million ordinary shares par value of Baht 10 each		21,827,719,170	21,827,719,170	21,827,719,170	21,827,719,170
Premium on ordinary shares		25,550,549,021	25,548,223,951	25,550,549,021	25,548,223,951
Retained earnings					
Appropriated					
Legal reserve		2,691,275,568	2,691,275,568	2,691,275,568	2,691,275,568
Unappropriated	5.29	4,128,314,782	6,762,425,524	(8,603,875)	2,693,239,402
Total Company Shareholders' Equity		54,197,858,541	56,829,644,213	50,060,939,884	52,760,458,091
Non-controlling Interests		103,918,830	89,094,864	-	-
Total Shareholders' Equity		54,301,777,371	56,918,739,077	50,060,939,884	52,760,458,091
Total Liabilities and Shareholders' Equity		306,675,381,186	307,084,734,396	302,673,352,653	303,676,154,623

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

(Signed) *Chokchai Panyayong*
(Chokchai Panyayong)
Senior Executive Vice President
Corporate Strategy and Sustainable Development
Acting President

(Signed) *Thongchai Singhakul*
(Thongchai Singhakul)
Vice President, Financial Accounting Department
Acting Executive Vice President, Finance and Accounting

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2014

Unit : Baht

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2014	2013	2014	2013
Revenues					
Revenues from Sales or Revenues from Services					
Passenger and excess baggage		41,034,719,181	47,552,440,556	41,034,719,181	47,552,440,556
Freight		5,824,417,641	5,849,001,893	5,824,417,641	5,849,001,893
Mail		199,038,367	221,563,788	199,038,367	221,563,788
Other activities		2,474,668,762	2,389,399,247	2,373,842,375	2,295,004,915
Total Revenues from Sales or Revenues from Services		49,532,843,951	56,012,405,484	49,432,017,564	55,918,011,152
Other Income					
Interest income		71,600,831	119,434,681	68,739,000	117,824,305
Profitability on foreign currency exchange		989,983,120	6,129,308,680	989,773,683	6,132,059,925
Other income - Others	5.15	377,176,769	711,631,362	497,338,266	833,756,825
Gain on reclassified investment		-	298,158,621	-	-
Total Other Income		1,438,760,720	7,258,533,344	1,555,850,949	7,083,641,055
Total Revenues		50,971,604,671	63,270,938,828	50,987,868,513	63,001,652,207
Expenses					
Fuel and oil		20,742,243,601	20,313,545,735	20,742,243,601	20,313,545,735
Employee benefits expenses	5.14	7,675,426,287	8,380,777,160	7,684,572,035	8,381,095,761
Flight service expenses		5,621,719,464	5,262,342,919	5,621,719,464	5,262,342,919
Crew expenses		1,470,284,092	1,457,653,939	1,470,284,092	1,457,653,939
Aircraft maintenance and overhaul costs		3,361,463,316	3,254,613,022	3,361,463,316	3,254,613,022
Depreciation and amortisation expenses		5,105,773,144	4,778,937,346	5,104,713,236	4,777,462,593
Lease of aircraft and spare parts		1,418,357,343	1,044,376,761	1,414,183,653	1,044,376,761
Inventories and supplies		2,170,380,414	2,421,963,825	2,170,345,557	2,421,963,825
Selling and advertising expenses		1,998,360,983	2,255,892,174	1,977,251,281	2,237,109,161
Insurance expenses		117,906,267	123,699,992	117,906,267	123,699,992
Impairment loss of assets		40,428,402	107,911,426	40,428,402	107,911,426
Impairment loss of aircraft		43,273,541	2,260,482,045	43,273,541	2,260,482,045
Other expenses	5.16	2,322,220,585	2,516,406,512	2,293,791,823	2,497,606,847
Finance costs		1,423,081,623	1,409,062,661	1,423,081,623	1,409,059,319
Share of profits of associates		(158,072,381)	(348,876,925)	-	-
Total Expenses		53,352,846,681	55,238,788,592	53,465,257,891	55,548,923,345
Profit (Loss) before Income Tax Expense		(2,381,242,010)	8,032,150,236	(2,477,389,378)	7,452,728,862
Net tax expense (income)	5.17	238,022,067	(263,038,308)	224,453,899	(278,208,358)
Profit (Loss) for the period		(2,619,264,077)	8,295,188,544	(2,701,843,277)	7,730,937,220
Other comprehensive income (loss)		-	-	-	-
Net Comprehensive Income for the Period		(2,619,264,077)	8,295,188,544	(2,701,843,277)	7,730,937,220
Profit (Loss) Attributable to:					
Owners of the Parent		(2,634,110,742)	8,282,949,163	(2,701,843,277)	7,730,937,220
Non-controlling interests		14,846,665	12,239,381	-	-
		(2,619,264,077)	8,295,188,544	(2,701,843,277)	7,730,937,220
Total Comprehensive Income (Loss) Attributable to:					
Owners of the Parent		(2,634,110,742)	8,282,949,163	(2,701,843,277)	7,730,937,220
Non-controlling interests		14,846,665	12,239,381	-	-
		(2,619,264,077)	8,295,188,544	(2,701,843,277)	7,730,937,220
Earnings (Loss) per Share					
Basic earnings (loss) per share	5.18	(1.21)	3.79	(1.24)	3.54

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

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

(Signed) *Thongchai Singhakul*
(Thongchai Singhakul)
Vice President, Financial Accounting Department
Acting Executive Vice President, Finance and Accounting

Unaudited
but reviewed

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2014

Unit : Baht

CONSOLIDATED FINANCIAL STATEMENTS

	Owners of the parent							Non-controlling Interests	Total Shareholders' Equity
	Issued and Paid-up Share Capital	Share Premium Account - Ordinary Shares	Retained Earnings	Other Components of Equity			Total Owners of the parent		
				Other comprehensive income					
				Actuarial Gains on Employee Benefit Obligation	Income Tax Relating to Components of Other Comprehensive Income	Total Other Components of Equity			
<i>Notes</i>									
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>Add</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 to preference shares	-	-	-	-	-	-	-	(22,699)	(22,699)
<u>Add</u> Comprehensive income for the period	-	-	8,282,949,163	-	-	-	8,282,949,163	12,239,381	8,295,188,544
Balance as at March 31, 2013	21,827,719,170	25,548,223,951	29,829,949,262	-	-	-	77,205,892,383	189,736,452	77,395,628,835
Balance as at January 1, 2014	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
Reclassification									
Actuarial gains on employee benefit and income tax	-	-	1,045,411,398	(1,306,764,248)	261,352,850	(1,045,411,398)	-	-	-
Changes in Shareholders' Equity									
<u>Less</u> Dividends paid to cumulative preference shares	-	-	-	-	-	-	-	(22,699)	(22,699)
<u>Add</u> Adjustment of share offering expense	-	2,325,070	-	-	-	-	2,325,070	-	2,325,070
<u>Add</u> Comprehensive income	-	-	(2,634,110,742)	-	-	-	(2,634,110,742)	14,846,665	(2,619,264,077)
Balance as at March 31, 2014	21,827,719,170	25,550,549,021	6,819,590,350	-	-	-	54,197,858,541	103,918,830	54,301,777,371

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

(Signed) *Chokchai Panyayong*
(Chokchai Panyayong)
Senior Executive Vice President
Corporate Strategy and Sustainable Development
Acting President

(Signed) *Thongchai Singhakul*
(Thongchai Singhakul)
Vice President, Financial Accounting Department
Acting Executive Vice President, Finance and Accounting

Unaudited
but reviewed

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2014

Unit : Baht

SEPARATE FINANCIAL STATEMENTS								
	Notes	Issued and Paid-up Share Capital	Share Premium Account - Ordinary Shares	Retained Earnings	Other Components of Equity			Total
					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, 2013		21,827,719,170	25,548,223,951	18,867,502,874	-	-	-	66,243,445,995
Changes in Shareholders' Equity								
<u>Add</u> Comprehensive income for the period		-	-	7,730,937,220	-	-	-	7,730,937,220
Balance as at March 31, 2013		21,827,719,170	25,548,223,951	26,598,440,094	-	-	-	73,974,383,215
Balance as at January 1, 2014		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
Reclassification	5.29							
Actuarial gains on employee benefit and income tax		-	-	1,046,340,527	(1,307,925,659)	261,585,132	(1,046,340,527)	-
Changes in Shareholders' Equity								
<u>Add</u> Adjustment of share offering expense		-	2,325,070	-	-	-	-	2,325,070
<u>Less</u> Comprehensive loss for the period		-	-	(2,701,843,277)	-	-	-	(2,701,843,277)
Balance as at March 31, 2014		21,827,719,170	25,550,549,021	2,682,671,693	-	-	-	50,060,939,884

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

(Signed) *Chokchai Panyayong*
(Chokchai Panyayong)
Senior Executive Vice President
Corporate Strategy and Sustainable Developer
Acting President

(Signed) *Thongchai Singhakul*
(Thongchai Singhakul)
Vice President, Financial Accounting Department
Acting Executive Vice President, Finance and Accounting

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2014

Unit : Baht

	<u>CONSOLIDATED FINANCIAL STATEMENTS</u>		<u>SEPARATE FINANCIAL STATEMENTS</u>		
	<u>Notes</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Cash Flows from Operating Activities					
Profits (losses) before income tax expenses		(2,381,242,010)	8,032,150,236	(2,477,389,378)	7,452,728,862
Adjustment to reconcile profit (loss) before income tax expense to cash received (paid) from operating activities :					
Depreciation and amortization expenses		5,105,773,144	4,778,937,346	5,104,713,236	4,777,462,593
Aircraft lease fee		35,145,806	9,931,853	35,145,806	9,931,853
Dividends received		-	-	(120,050,000)	(122,500,000)
Share of profits of investments by equity method		(158,072,381)	(348,876,925)	-	-
Gain on reclassified investment		-	(298,158,621)	-	-
Interest income		(71,600,831)	(119,434,681)	(68,739,000)	(117,824,305)
Interest expenses		1,423,081,623	1,409,062,661	1,423,081,623	1,409,059,319
Gains on sales of assets		(3,626,716)	(4,039,127)	(3,626,716)	(4,039,127)
Gain on foreign currency exchange		(766,777,664)	(4,925,042,471)	(766,911,118)	(4,926,018,488)
Employee benefits obligation		237,527,088	229,496,674	232,889,381	227,040,479
Provision for obsolete inventories and supplies		173,314,388	158,604,774	173,314,388	158,604,774
Doubtful accounts		26,529,819	112,549,438	25,408,475	112,570,837
Impairment loss of aircraft		43,273,541	2,260,482,045	43,273,541	2,260,482,045
Impairment loss of assets		40,428,402	107,911,426	40,428,402	107,911,426
Operating profits before changes in operating assets and liabilities		3,703,754,209	11,403,574,628	3,641,538,640	11,345,410,268
Decrease (increase) in operating assets :					
Trade receivables		(717,795,727)	(1,473,290,839)	(628,220,796)	(1,467,443,466)
Inventories and supplies		(190,964,142)	(249,510,998)	(190,964,142)	(249,510,998)
Prepaid expenses and deposits		(218,012,576)	(213,874,822)	(231,737,871)	(256,625,702)
Tax refund		-	244,040,561	-	244,040,561
Other current assets		(199,893,562)	645,033,347	246,384,404	652,051,037
Assets for sales		(43,733,062)	274,335,733	(43,733,062)	274,335,733
Other assets		53,750,267	100,523,639	53,750,266	100,521,499
Deferred charges		(158,016,498)	(861,945,901)	(158,016,498)	(861,945,901)
Increase (decrease) in operating liabilities :					
Trade payables		(178,761,213)	632,707,183	(183,615,358)	632,195,374
Accrued expenses and other current liabilities		(2,897,745,010)	(1,165,226,228)	(3,390,518,547)	(1,113,734,511)
Staff pension fund		33,266,330	86,686,801	33,266,330	86,686,801
Unearned transportation revenues		(1,227,754,852)	(1,861,737,283)	(1,227,754,852)	(1,861,737,283)
Other non-current liabilities		26,942,661	72,720,823	26,942,661	72,720,823
Proceeds from operations		(2,014,963,175)	7,634,036,644	(2,052,678,825)	7,596,964,235
Payment of income tax		(60,056,271)	(74,669,981)	(52,699,996)	(70,595,571)
Net Cash from (used in) Operating Activities		(2,075,019,446)	7,559,366,663	(2,105,378,821)	7,526,368,664

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 THREE-MONTH PERIODS ENDED MARCH 31, 2014

	<u>CONSOLIDATED FINANCIAL STATEMENTS</u>		<u>SEPARATE FINANCIAL STATEMENTS</u>	
<u>Notes</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Unit : Baht				
Cash Flows from Investing Activities				
Cash paid for acquisition of fixed assets	(2,441,342,521)	(3,654,544,381)	(2,440,798,045)	(3,654,232,895)
Cash paid for intangible assets	(113,069,991)	(16,962,782)	(113,069,991)	(16,724,782)
Proceeds from transferring the rights for advance payment of aircraft and aircraft equipment	475,408,381	962,312,766	475,408,381	962,312,766
Proceeds from sales of assets	7,388,111	257,678,798	7,388,111	257,678,798
Interest income	71,703,455	71,812,921	69,677,020	72,161,962
Investment decrease	50,000,000	1,226,496	-	1,226,496
Temporary investment decrease	-	150,000,000	-	-
Cash decreased from loss of control	-	(246,456,042)	-	-
Net Cash used in Investing Activities	(1,949,912,565)	(2,474,932,224)	(2,001,394,524)	(2,377,577,655)
Cash Flows from Financing Activities				
Proceeds from debentures	3,200,000,000	-	3,200,000,000	-
Proceeds from short-term borrowings	6,000,000,000	-	6,000,000,000	-
Proceeds from long-term borrowings	1,339,099,035	470,533,073	1,339,099,035	470,533,073
Proceeds from issued share capital	449,999,993	-	-	-
Cash paid for repayment of short-term borrowings	(2,000,000,000)	-	(2,000,000,000)	-
Cash paid for repayment of debentures	(720,000,000)	-	(720,000,000)	-
Cash paid for repayment of long-term borrowings	(4,760,507,326)	(5,144,848,001)	(4,760,507,326)	(5,144,848,001)
Cash paid for borrowings interest	(1,283,466,901)	(1,069,766,263)	(1,283,466,901)	(1,069,762,922)
Dividends paid	(84,851)	(45,923)	(84,851)	(45,923)
Net Cash from (used in) Financing Activities	2,225,039,950	(5,744,127,114)	1,775,039,957	(5,744,123,773)
Net decrease in cash and cash equivalents	(1,799,892,061)	(659,692,675)	(2,331,733,388)	(595,332,764)
Effect from changing in exchange rate on cash and cash equivalents	(166,324,599)	(756,014,448)	(166,324,599)	(756,014,448)
Cash and cash equivalents at the beginning of the periods	11,757,473,084	20,048,374,724	11,649,734,484	19,741,670,550
Cash and Cash Equivalents at the End of the Periods	9,791,256,424	18,632,667,601	9,151,676,497	18,390,323,338
Additional Information for Cash Flow				
Non-cash Transactions				
Fixed assets unpaid	236,391,192	152,409,484	236,391,192	152,409,484
Assets under finance leases	2,998,330,131	7,346,675,950	2,998,330,131	7,346,675,950

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

(Signed) *Chokchai Panyayong*
(Chokchai Panyayong)
Senior Executive Vice President
Corporate Strategy and Sustainable Development
Acting President

(Signed) *Thongchai Singhakul*
(Thongchai Singhakul)
Vice President, Financial Accounting Department
Acting Executive Vice President, Finance and Accounting

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CONDENSED NOTES TO INTERIM FINANCIAL STATEMENTS
For the three-month periods ended March 31, 2014 (unaudited but reviewed)

1. GENERAL INFORMATION

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

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

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

As at March 31, 2014, the Company has the routes servicing to 73 destinations in 34 countries all over the world, whereas 10 routes are domestic (excluding Bangkok).

2. BASIS OF FINANCIAL STATEMENT PREPARATION

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

The Company’s financial statements consist of Thai Airways International Public Company Limited “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	
			2014	2013
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%	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%

Thai Smile Airways Co., Ltd. received the Airline Operator License (AOL), Airline Operator Certificate (AOC) as well as Airline Designator Code on January 10, March 31 and April 1, 2014, respectively. So, Thai Smile Airways Co., Ltd. will operate its business on April 10, 2014.

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

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

Interim Financial Statement Preparation

The interim financial statements are prepared in accordance with Thai Accounting Standard No.34 Interim Financial Statements (revised in 2012). The Company presents items in the statements of financial position, statements of comprehensive income, statements of changes in shareholders' equity and statements of cash flows which complied with TAS 1 (revised 2012) Presentation of Financial Statements, which is effective on January 1, 2014 onwards, and discloses only significant additional information in the note to financial statements.

The preparation of these interim financial statements are intended to provide additional information to that included in the latest annual financial statements for the year ended December 31, 2013. Accordingly, the interim financial statements focus on supporting of new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the financial statements for the year ended December 31, 2013.

3. FINANCIAL REPORTING STANDARD EFFECTIVE IN THE FUTURE

The Financial Reporting Standard which will be effective for the fiscal years beginning on or after January 1, 2016 :

TFRS No. 4	Insurance Contracts
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For early adopting of Financial Reporting Standards, the management of the Company has assessed that the above standards have no significant impact to the consolidated and the separate financial statements.

4. GOING CONCERN

The Company's Board of Directors Meeting No. 2/2557 (2014) held on February 21, 2014 had approved the Business Plan 2014. The main objectives are to increasing revenue, cost control management, and improve the business process efficiency in order to achieve the target within the definite time frame. The action plan will reduce the impact of decreasing passenger demand from the political unrest and response to the financial situation of the Company in order to obtain the acceptable operating result and long term business continuity.

Due to the political turmoil in the first quarter of 2014, The Company ought to cancel flights to response to the lower traffic and focus on enhancing the quality revenue simultaneous with consciously cost control. The Company expected that the political situation would be recovery in the second quarter whilst it is the low season which the Company normally tune down the production to match with seasonality demand and try to maintain its customers. In the third and fourth quarter, the Company expects that the demand will pick up to the normal situation and will expand the flights to its high season level. If the situation is as expected, the management of the Company is confident that the Company as a state enterprise will be able to conduct the business continuity.

5. SUPPLEMENTARY INFORMATION

5.1 Cash and Cash Equivalents

	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	<u>Mar 31, 2014</u>	<u>Dec 31, 2013</u>	<u>Mar 31, 2014</u>	<u>Dec 31, 2013</u>
	Units : Million Baht			
Cash - Domestic	15.04	13.99	15.04	13.99
Cash - Abroad	54.68	65.57	54.68	65.57
Cash at Banks - Domestic	4,821.14	898.84	4,181.56	791.10
Cash at Banks - Abroad	<u>4,900.40</u>	<u>10,779.07</u>	<u>4,900.40</u>	<u>10,779.07</u>
Total	<u>9,791.26</u>	<u>11,757.47</u>	<u>9,151.68</u>	<u>11,649.73</u>

5.2 Trade Accounts Receivable - Net

	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	<u>Mar 31, 2014</u>	<u>Dec 31, 2013</u>	<u>Mar 31, 2014</u>	<u>Dec 31, 2013</u>
	Units : Million Baht			
Period overdue				
Not over 6 months	14,257.58	13,512.16	14,133.87	13,476.30
Over 6 months to 1 year	298.46	357.67	293.92	354.75
Over 1 year to 2 years	356.50	350.20	356.50	350.20
Over 2 years	<u>669.51</u>	<u>1,309.26</u>	<u>645.21</u>	<u>1,284.91</u>
	15,582.05	15,529.29	15,429.50	15,466.16
<u>Less</u> Allowance for doubtful accounts	<u>(1,241.71)</u>	<u>(1,889.25)</u>	<u>(1,214.76)</u>	<u>(1,863.42)</u>
Trade accounts receivable - net	<u>14,340.34</u>	<u>13,640.04</u>	<u>14,214.74</u>	<u>13,602.74</u>

5.3 Other Current Assets

	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	<u>Mar 31, 2014</u>	<u>Dec 31, 2013</u>	<u>Mar 31, 2014</u>	<u>Dec 31, 2013</u>
	Units : Million Baht			
Tax refund	486.02	441.69	486.02	441.69
Cash and bank deposits of pension fund	4,860.68	4,796.92	4,860.68	4,796.92
Others	<u>4,180.36</u>	<u>4,271.49</u>	<u>4,179.62</u>	<u>4,269.41</u>
Total	<u>9,527.06</u>	<u>9,510.10</u>	<u>9,526.32</u>	<u>9,508.02</u>

5.4 Investments

Consolidated Financial Statements

Units : Million Baht

Name of Company	Percentage of Shareholding		Investments				Income on Investments	
	Mar 31, 2014	Dec 31, 2013	Cost Method		Equity Method		Mar 31, 2014	Dec 31, 2013
			Mar 31, 2014	Dec 31, 2013	Mar 31, 2014	Dec 31, 2013		
5.4.1 Investments in associated companies recorded by equity method								
Royal Orchid Hotel (Thailand) Public Company Limited (Fair value as at March 31, 2014 amount of THB 658.13 million and as at December 31, 2013 amount of THB 427.50 million)	24.00	24.00	225.00	225.00	276.40	286.73	(10.33)	33.38
Donmuang International Airport Hotel Company Limited	40.00	40.00	48.00	48.00	110.29	102.88	7.41	2.99
Bangkok Aviation Fuel Services Public Company Limited (Fair value as at March 31, 2014 amount of THB 3,513.19 million and as at December 31, 2013 amount of THB 3,167.63 million)	22.59	22.59	115.19	115.19	958.41	878.05	80.37	56.95
Phuket Air Catering Company Limited	30.00	30.00	30.00	30.00	288.50	246.13	42.36	39.59
Suvarnabhumi Airport Hotel Company Limited	30.00	30.00	305.33	305.33	152.63	130.51	22.12	7.58
Nok Airlines Public Company Limited (Fair value as at March 31, 2014 amount of THB 4,606.00 million and as at December 31, 2013 amount of THB 4,655.00 million)	39.20	39.20	360.00	360.00	<u>3,234.09</u>	<u>3,338.00</u>	<u>16.14</u>	<u>208.39</u>
Total investments recorded by equity method					<u>5,020.32</u>	<u>4,982.30</u>	<u>158.07</u>	<u>348.88</u>
5.4.2 Other long-term investments recorded by cost method								
Fuel Pipeline Transportation Limited	0.00048	0.00048	0.00067	0.00067			-	-
Aeronautical Radio of Thailand Limited	1.90	1.90	12.56	12.56			-	-
SITA Investment Certificate	-	-	30.77	31.12			-	-
Trade Siam Company Limited (paid 25% of authorized share capital)	3.50	3.50	1.75	1.75			-	-
SITA Information Networking Computing	-	-	29.54	29.88			-	-
Other Shares	-	-	2.87	2.89			-	-
Investment in Debentures	-	-	-	50.06			-	-
Investment in Vayupak Fund	-	-	<u>1.00</u>	<u>1.00</u>			<u>-</u>	<u>-</u>
Total other long-term investments			<u>78.49</u>	<u>129.26</u>			<u>-</u>	<u>-</u>

Separate Financial Statements

Unit : Million Baht

Name of Company	Percentage of Shareholding		Investments		Dividend Income	
			Cost Method			
	Mar 31, 2014	Dec 31, 2013	Mar 31, 2014	Dec 31, 2013	Mar 31, 2014	Dec 31, 2013
5.4.1 Investments recorded by cost method						
Subsidiary Companies						
Thai-Amadeus Southeast Asia Company Limited	55.00	55.00	8.25	8.25	-	-
Wing Span Services Company Limited	49.00	49.00	0.98	0.98	-	-
Thai Flight Training Company Limited	49.00	49.00	0.98	0.98	-	-
Thai Smile Airways Company Limited	100.00	100.00	<u>450.00</u>	<u>450.00</u>	-	-
Total			<u>460.21</u>	<u>460.21</u>	-	-
Associated Companies						
Royal Orchid Hotel (Thailand) Public Company Limited (Fair value as at March 31, 2014 amount of THB 658.13 million and as at December 31, 2013 amount of THB 427.50 million)	24.00	24.00	225.00	225.00	-	-
Donmuang International Airport Hotel Company Limited	40.00	40.00	48.00	48.00	-	-
Bangkok Aviation Fuel Services Public Company Limited (Fair value as at March 31, 2014 amount of THB 3,513.19 million and as at December 31, 2013 amount of THB 3,167.63 million)	22.59	22.59	115.19	115.19	-	-
Phuket Air Catering Company Limited	30.00	30.00	30.00	30.00	-	-
Suvarnabhumi Airport Hotel Company Limited	30.00	30.00	305.33	305.33	-	-
Nok Airlines Public Company Limited (Fair value as at March 31, 2014 amount of THB 4,606.00 million and as at December 31, 2013 amount of THB 4,655.00 million)	39.20	39.20	<u>360.00</u>	<u>360.00</u>	<u>120.05</u>	<u>122.50</u>
Total			<u>1,083.52</u>	<u>1,083.52</u>	<u>120.05</u>	<u>122.50</u>
Total investments recorded by cost method			<u>1,543.73</u>	<u>1,543.73</u>	<u>120.05</u>	<u>122.50</u>
5.4.2 Other long-term investments recorded by cost method						
Fuel Pipeline Transportation Limited	0.00048	0.00048	0.00067	0.00067	-	-
Aeronautical Radio of Thailand Limited	1.90	1.90	12.56	12.56	-	-
SITA Investment Certificate	-	-	30.77	31.12	-	-
TRADESIAM Company Limited (paid 25% of authorized share capital)	3.50	3.50	1.75	1.75	-	-
SITA Information Networking Computing	-	-	29.54	29.88	-	-
Other Shares	-	-	2.87	2.89	-	-
Investment in Vayupak Fund	-	-	<u>1.00</u>	<u>1.00</u>	-	-
Total other long-term investments			<u>78.49</u>	<u>79.20</u>	-	-

5.4.3 Financial Data Summary of Subsidiary and Associated Companies

Unit : Million Baht

Name of Company	Assets	Liabilities	Income	Gains (Losses)
<u>Subsidiary Companies</u>				
Thai-Amadeus Southeast Asia Company Limited	323.68	96.16	96.38	32.94
WingSpan Services Company Limited	617.69	520.15	245.65	19.12
Thai Flight Training Company Limited	16.56	17.60	9.73	0.30
Tour Eurng Luang Company Limited	11.12	8.35	0.66	0.21
Thai Smile Airways Company Limited	450.00	11.13	1.78	(8.00)

The Company used the financial statements of subsidiary and associated companies, some of financial statements of associated companies are unreviewed by the CPA, as at March 31, 2014 to record the investment by equity method in the consolidated financial statement and by cost method in the separate financial statement.

5.5 Significant Transactions with Related Parties

5.5.1 Related Transactions with Major Shareholders

5.5.1.1 Short-term borrowings from related parties

Unit : Million Baht

	Mar 31, 2014	Dec 31, 2013
Government Saving Bank	<u>4,000.00</u>	-
Total	<u>4,000.00</u>	<u>-</u>

5.5.1.2 Long-term borrowings from related parties

Unit : Million Baht

	Mar 31, 2014	Dec 31, 2013
Foreign borrowings via the Ministry of Finance	17,218.60	17,375.52
Government Saving Bank	<u>1,497.00</u>	<u>1,890.00</u>
Total	<u>18,715.60</u>	<u>19,265.52</u>

5.5.2 Related Transactions with Subsidiary Companies

5.5.2.1 Loans to Subsidiary

Unit : Million Baht

	Mar 31, 2014	Dec 31, 2013
WingSpan Services Company Limited	<u>20.00</u>	<u>20.00</u>
Total	<u>20.00</u>	<u>20.00</u>

5.5.2.2 Sales and Purchases

	Unit : Million Baht			
	Mar 31, 2014		Mar 31, 2013	
	Sales	Purchases	Sales	Purchases
Thai-Amadeus Southeast Asia Company Limited	0.67	-	0.74	-
WingSpan Services Company Limited	2.90	253.05	1.71	160.41
Thai Flight Training Company Limited	6.70	-	1.83	-
Tour Eurng Luang Company Limited	18.36	8.24	26.54	0.94
Thai Smile Airways Company Limited	-	-	-	-

5.5.2.3 Account Receivables and Account Payables

	Unit : Million Baht			
	Mar 31, 2014		Dec 31, 2013	
	Account Receivables	Account Payables	Account Receivables	Account Payables
Thai-Amadeus Southeast Asia Company Limited	0.33	0.13	0.42	0.13
WingSpan Services Company Limited	407.84	395.54	404.04	423.08
Thai Flight Training Company Limited	9.20	-	2.23	-
Tour Eurng Luang Company Limited	10.04	-	2.37	-
Thai Smile Airways Company Limited	10.94	57.78	-	449.99

In this period, WingSpan Service Co., Ltd. has prepaid and accrued expenses amount of THB 406.74 million and THB 394.72 million, presenting in account receivables and account payables, respectively.

5.5.3 Related Transactions with Associated Companies

5.5.3.1 Sales and Purchases

	Unit : Million Baht			
	Mar 31, 2014		Mar 31, 2013	
	Sales	Purchases	Sales	Purchases
Royal Orchid Hotel (Thailand) Public Company Limited	-	0.78	-	2.37
Donmuang International Airport Hotel Company Limited	-	0.01	-	0.06
Bangkok Aviation Fuel Services Public Company Limited	0.01	83.94	0.01	112.56
Phuket Air Catering Company Limited	0.35	8.74	2.20	0.78
Suvarnabhumi Airport Hotel Company Limited	-	3.79	-	5.26
Nok Airlines Public Company Limited	20.03	4.12	122.95	1.81

5.5.3.2 Account Receivables and Account Payables

Unit : Million Baht

	Mar 31, 2014		Dec 31, 2013	
	Account Receivables	Account Payables	Account Receivables	Account Payables
Royal Orchid Hotel (Thailand) Public Company Limited	-	0.06	-	0.36
Donmuang International Airport Hotel Company Limited	-	-	-	0.01
Bangkok Aviation Fuel Services Public Company Limited	-	29.85	0.01	33.48
Phuket Air Catering Company Limited	0.35	-	0.24	2.74
Suvarnabhumi Airport Hotel Company Limited	-	1.23	-	1.04
Nok Airlines Public Company Limited	55.76	1.31	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.

5.5.4 Key Executives Separate financial statements

Unit : Million Baht

	Mar 31, 2014	Mar 31, 2013
Remuneration for Management Executives	16.40	21.65
Remuneration for Board of Directors	<u>3.59</u>	<u>4.34</u>
Total	<u>19.99</u>	<u>25.99</u>

The Company's Executives are the same criteria as Note No. 5.14, employee benefits expenses.

5.6 Property, Plant and Equipment

Consolidated Financial Statements As at March 31, 2014

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, 2014	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
- Adjust/Transfers	(2,209.83)	(7,093.49)	2,209.83	(172.84)	-	0.56	1.42	-	62.80	40.90	(7,160.65)
- Additions	1,535.04	329.32	3,419.56	642.60	(228.04)	-	-	-	17.18	238.32	5,953.98
- Disposals /Amortized	-	-	-	(206.48)	-	-	-	-	(72.61)	(244.67)	(523.76)
As at March 31, 2014	17,311.47	150,691.72	174,964.03	35,142.17	884.68	936.30	2,514.52	10,791.51	4,670.88	30,692.02	428,599.30
Accumulated depreciation											
As at January 1, 2014	-	93,365.17	45,243.35	22,375.17	-	-	2,368.20	5,553.95	4,270.26	25,704.90	198,881.00
- Depreciation	-	1,950.07	2,132.71	505.88	-	-	10.24	56.75	36.32	328.54	5,020.51
- Adjust/Transfers	-	(6,034.32)	-	(124.42)	-	-	1.42	-	62.65	42.09	(6,052.58)
- Disposals /Amortized	-	-	-	(193.74)	-	-	-	-	(72.46)	(244.55)	(510.75)
As at March 31, 2014	-	89,280.92	47,376.06	22,562.89	-	-	2,379.86	5,610.70	4,296.77	25,830.98	197,338.18
Net book value											
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
As at March 31, 2014	17,311.47	61,410.80	127,587.97	12,579.28	884.68	936.30	134.66	5,180.81	374.11	4,861.04	231,261.12

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

**Separate Financial Statements
As at March 31, 2014**

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, 2014	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
- Adjust/Transfers	(2,209.83)	(7,093.49)	2,209.83	(172.84)	-	0.56	1.42	-	62.80	40.90	(7,160.65)
- Additions	1,535.04	329.32	3,419.56	642.60	(228.04)	-	-	-	17.18	237.77	5,953.43
- Disposals /Amortized	-	-	-	(206.48)	-	-	-	-	(72.61)	(244.67)	(523.76)
As at March 31, 2014	17,311.47	150,691.72	174,964.03	35,142.17	884.68	936.30	2,514.52	10,791.51	4,670.88	30,501.53	428,408.81
Accumulated depreciation											
As at January 1, 2014	-	93,365.17	45,243.35	22,375.17	-	-	2,368.20	5,553.95	4,270.26	25,522.88	198,698.98
- Depreciation	-	1,950.07	2,132.71	505.88	-	-	10.24	56.75	36.32	327.72	5,019.69
- Adjust/Transfers	-	(6,034.32)	-	(124.42)	-	-	1.42	-	62.65	42.09	(6,052.58)
- Disposals /Amortized	-	-	-	(193.74)	-	-	-	-	(72.46)	(244.55)	(510.75)
As at March 31, 2014	-	89,280.92	47,376.06	22,562.89	-	-	2,379.86	5,610.70	4,296.77	25,648.14	197,155.34
Net book value											
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
As at March 31, 2014	17,311.47	61,410.80	127,587.97	12,579.28	884.68	936.30	134.66	5,180.81	374.11	4,853.39	231,253.47

**Separate Financial Statements
As at March 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	(11,252.22)	(11,325.54)	-	(197.32)	-	0.30	0.27	-	1.36	(44.80)	(22,817.95)
- Additions	8,798.07	117.74	12,399.98	1,314.17	99.11	-	-	-	17.08	657.49	23,403.64
- Disposals /Amortized	-	(4,658.38)	(61.89)	(30.92)	-	(0.30)	(0.27)	-	(2.07)	(137.50)	(4,891.33)
As at March 31, 2013	15,162.86	141,333.40	178,916.81	34,129.61	2,587.35	935.74	2,513.10	10,788.91	4,566.54	29,803.48	420,737.80
Accumulated depreciation											
As at January 1, 2013	-	104,588.32	43,872.20	20,537.53	-	-	2,324.00	5,323.81	4,120.17	24,849.07	205,615.10
- Depreciation	-	1,715.99	2,058.71	494.98	-	-	11.45	56.73	38.82	319.03	4,695.71
- Adjust/Transfers	-	(7,191.90)	-	59.10	-	-	0.27	-	1.24	(55.74)	(7,187.03)
- Disposals /Amortized	-	(4,217.30)	(61.89)	(15.45)	-	-	(0.27)	-	(2.04)	(137.38)	(4,434.33)
Provision for flood damages	-	-	-	-	-	-	-	-	-	5.12	5.12
As at March 31, 2013	-	94,895.11	45,869.02	21,076.16	-	-	2,335.45	5,380.54	4,158.19	24,980.10	198,694.57
Net book value											
As at December 31, 2012	17,617.01	51,660.86	122,706.52	12,506.15	2,488.24	935.74	189.10	5,465.10	430.00	4,479.22	218,477.94
As at March 31, 2013	15,162.86	46,438.29	133,047.79	13,053.45	2,587.35	935.74	177.65	5,408.37	408.35	4,823.38	222,043.23

In this period, there are 101 aircraft represented in the Company's fleet consisting of 40 own aircraft, 34 aircraft under finance leases, and 27 aircraft under operating leases which excluded 21 aircraft for sales with a carrying amount of THB 8,211.48 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 58,871.29 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.

5.7 Intangible Assets

	Unit : Million Baht	
	Consolidated Financial Statements	Separate Financial Statements
Cost		
As at January 1, 2014	2,589.20	2,577.44
- Additions	189.64	189.64
As at March 31, 2014	2,778.84	2,767.08
Accumulated amortization		
As at January 1, 2014	1,727.94	1,720.66
- Amortization	67.24	67.01
As at March 31, 2014	1,795.18	1,787.67
Net book value		
As at December 31, 2013	861.26	856.78
As at March 31, 2014	983.66	979.41

5.8 Deferred Income Tax Assets

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

	<u>Consolidated</u> <u>Financial Statements</u>		Units : Million Baht <u>Separate</u> <u>Financial Statements</u>	
	<u>Mar 31, 2014</u>	<u>Dec 31, 2013</u>	<u>Mar 31, 2014</u>	<u>Dec 31, 2013</u>
Contribution to staff provident fund	74.04	74.16	74.04	74.16
Contribution to staff pension fund	479.58	479.63	479.58	479.63
Allowance for obsolete inventories	492.85	473.00	492.85	473.00
Allowance for doubtful accounts	281.65	431.12	277.41	426.88
Allowance for impairment in value of assets	1,537.94	1,590.39	1,537.94	1,590.39
Estimated accrual expenses	430.27	498.89	429.78	498.40
Intangible assets	77.60	83.17	77.60	83.17
Employee benefits obligation	2,156.69	2,109.18	2,148.93	2,102.34
Others	<u>1.62</u>	<u>1.62</u>	<u>-</u>	<u>-</u>
Total	<u>5,532.24</u>	<u>5,741.16</u>	<u>5,518.13</u>	<u>5,727.97</u>

5.9 Deferred Income Tax Liabilities

	<u>Consolidated</u>		Units : Million Baht	
	<u>Financial Statements</u>		<u>Separate</u>	
	<u>Mar 31, 2014</u>	<u>Dec 31, 2013</u>	<u>Mar 31, 2014</u>	<u>Dec 31, 2013</u>
Intangible assets	111.58	105.34	111.58	105.34

Tax rates used for measuring asset value and deferred tax income are 20%.

5.10 Other Non-Current Assets

	<u>Consolidated</u>		Units : Million Baht	
	<u>Financial Statements</u>		<u>Separate</u>	
	<u>Mar 31, 2014</u>	<u>Dec 31, 2013</u>	<u>Mar 31, 2014</u>	<u>Dec 31, 2013</u>
Deferred charges	4,444.82	4,429.67	4,444.82	4,429.67
Others	<u>953.68</u>	<u>1,007.43</u>	<u>947.99</u>	<u>1,001.74</u>
Total	<u>5,398.50</u>	<u>5,437.10</u>	<u>5,392.81</u>	<u>5,431.41</u>

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

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

As at January 1, 2014, non-current assets classified as held for sale composed of 4 A300-600, 4 A340-500, 4 B737-400, 4 B747-400, and 2 ATR72, totaling 18 aircraft in an aggregate of THB 7,195.59 million, as well as other fixed assets amount of THB 1.13 million, which made a grand total of THB 7,196.72 million. In the three - month periods and March 31, 2014, such non-current assets, composed of 3 A330-300 and other fixed assets, increased by THB 1,015.89 million and THB 0.46 million, respectively. The Total increase in this period is THB 1,016.35 million.

As at March 31, 2014, non-current assets classified as held for sale composed of 4 A300-600, 4 A340-500, 4 B737-400, 4 B747-400, 2 ATR 72, and 3 A330-300 aircraft, totaling 21 aircraft in an aggregate of THB 8,211.48 million, as well as other fixed assets amount of THB 1.59 million, which made a grand total of THB 8,213.07 million.

5.12 Employee Benefits Obligation

	Consolidated		Units : Million Baht	
	Financial Statements		Separate	
	Mar 31, 2014	Dec 31, 2013	Mar 31, 2014	Dec 31, 2013
Beginning Balance - Employee Benefits Obligation	10,545.97	11,082.18	10,511.75	10,970.90
Adjustment of Employee Benefits Obligation for subsidiaries	-	(91.21)	-	-
Employee benefits for the period	237.53	922.01	232.88	908.16
Benefits paid during the period	-	(61.20)	-	(59.38)
Actuarial loss	-	(1,305.81)	-	(1,307.93)
Ending Balance - Employee Benefits Obligation	<u>10,783.50</u>	<u>10,545.97</u>	<u>10,744.63</u>	<u>10,511.75</u>

5.13 Share Capital

As at March 31, 2014, the Company has authorized ordinary shares amount of 2,698.90 million shares at par value THB 10 each for an aggregate of THB 26,989.01 million, issued and paid-up ordinary shares amount of THB 21,827.72 million.

5.14 Employee Benefit Expenses

	Units : Million Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	Mar 31, 2014	Mar 31, 2013	Mar 31, 2014	Mar 31, 2013
Personnel Expenses	7,416.33	8,124.01	7,431.70	8,128.07
Employee Benefit Expenses	237.53	229.50	232.88	227.04
Executive benefit expenses	17.34	22.65	16.40	21.65
Board of Directors benefit expenses	4.23	4.62	3.59	4.34
Total	7,675.43	8,380.78	7,684.57	8,381.10

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

Moreover, the Directors of the Company obtain the ticket benefits. For the three-month periods ended March 31, 2014 and 2013, they issued the tickets for themselves and their related parties amount of 66 and 69 tickets with the value of THB 6.07 million and THB 9.32 million, respectively, calculating from the full fare tickets in those traveling classes.

5.15 Other Incomes

Unit : Million Baht

	Consolidated Financial Statements		Separate Financial Statements	
	Mar 31, 2014	Mar 31, 2013	Mar 31, 2014	Mar 31, 2013
Gains on sales of assets	3.63	4.04	3.63	4.04
Dividends from associated and subsidiary companies	-	-	120.05	122.50
Revenue from other services of Aircraft Maintenance Department	194.16	211.39	194.16	211.39
Revenue from airport fees collected from passengers	-	157.72	-	157.72
Compensation revenue from the delay delivery of aircraft	-	205.98	-	205.98
Other fine revenues	28.45	15.27	28.45	15.27
Insurance compensation from the flood disaster	34.15	12.21	34.15	12.21
Revenue from Royal Orchid Lounge service	20.57	16.74	20.57	16.74
Others	96.22	88.28	96.33	87.91
Total	377.18	711.63	497.34	833.76

5.16 Other Expenses

Unit : Million Baht

	Consolidated Financial Statements		Separate Financial Statements	
	Mar 31, 2014	Mar 31, 2013	Mar 31, 2014	Mar 31, 2013
Rentals and utilities	720.05	678.04	720.05	678.04
Office supplies	41.73	66.96	41.73	66.96
Repair of building and equipment	154.00	144.01	154.00	144.01
Outsource services	315.19	394.71	315.19	394.71
Consultant and service fees	163.94	135.75	163.94	135.75
Legal fee for Antitrust/ Competition Law	17.27	17.52	17.27	17.52
Computer service expenses	75.04	145.70	75.04	145.70
Rental of communication devices and office equipment	109.86	91.99	109.86	91.99
Travelling and transportation expenses	149.60	130.66	149.60	130.66
Concession fees	105.82	98.26	105.82	98.26
Passenger claim expenses	50.51	75.04	50.51	75.04
Damages from flood disaster	34.15	12.21	34.15	12.21
Provision for disposal and unused spare parts	173.35	157.06	173.35	157.06
Service cargo expenses	38.82	60.88	38.82	60.88
Joint venture expenses in STAR Alliance	9.99	3.41	9.99	3.41
Company business and municipal taxes	41.68	67.49	41.68	67.49
Bad debts and provision for bad debts	26.53	112.57	25.41	112.57
Others	94.69	124.15	67.38	105.35
Total	2,322.22	2,516.41	2,293.79	2,497.61

5.17 Income Tax Expenses (Income)

Units : Million Baht

	Consolidated Financial Statements		Separate Financial Statements	
	Mar 31, 2014	Mar 31, 2013	Mar 31, 2014	Mar 31, 2013
Tax expense from taxable profit for the period	22.86	265.13	8.37	249.95
Add(less): deferred tax asset/ liability from temporary different increase/ decrease	215.16	(528.17)	216.08	(528.16)
Net tax expenses (income)	238.02	(263.04)	224.45	(278.21)

5.18 Earnings (Loss) Per Share

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

Consolidated Financial Statements For the three-month periods ended March 31, 2014

	<u>Profit (Loss)</u>		<u>Number of Shares</u>		<u>Earnings(Loss) Per Share</u>	
	<u>Mar 31, 2014</u>	<u>Mar 31, 2013</u>	<u>Mar 31, 2014</u>	<u>Mar 31, 2013</u>	<u>Mar 31, 2014</u>	<u>Mar 31, 2013</u>
	Million Baht	Million Baht	Million Share	Million Share	Baht	Baht
Basic earnings (loss) per share						
Profits (loss) attributable to owners of the parent	(2,634.11)	8,282.95	2,182.77	2,182.77	(1.21)	3.79

Separate Financial Statements For the three-month periods ended March 31, 2014

	<u>Profit (Loss)</u>		<u>Number of Shares</u>		<u>Earnings(Loss) Per Share</u>	
	<u>Mar 31, 2014</u>	<u>Mar 31, 2013</u>	<u>Mar 31, 2014</u>	<u>Mar 31, 2013</u>	<u>Mar 31, 2014</u>	<u>Mar 31, 2013</u>
	Million Baht	Million Baht	Million Share	Million Share	Baht	Baht
Basic earnings (loss) per share						
Profits (loss) attributable to owners of the parent	(2,701.84)	7,730.94	2,182.77	2,182.77	(1.24)	3.54

5.19 Financial Information by Segment Consolidated

5.19.1 Business Segments

Statements of Income For the three-month periods ended March 31, 2014

	Unit : Million Baht							
	<u>Air Transportation</u>		<u>Business Units</u>		<u>Other Activities</u>		<u>Total</u>	
	<u>Mar 31, 2014</u>	<u>Mar 31, 2013</u>	<u>Mar 31, 2014</u>	<u>Mar 31, 2013</u>	<u>Mar 31, 2014</u>	<u>Mar 31, 2013</u>	<u>Mar 31, 2014</u>	<u>Mar 31, 2013</u>
External Revenues	47,058.18	53,623.01	1,887.77	1,840.29	586.88	549.11	49,532.83	56,012.41
Inter - segment revenues	-	-	2,371.62	2,590.88	1,475.25	1,553.93	3,846.87	4,144.81
Interest income	68.74	117.82	-	-	2.86	1.61	71.60	119.43
Finance costs	(1,423.08)	(1,409.06)	-	-	-	-	(1,423.08)	(1,409.06)
Finance costs - net	(1,354.34)	(1,291.24)	-	-	2.86	1.61	(1,351.48)	(1,289.63)
Depreciation and amortization expenses	(4,727.50)	(4,402.47)	(187.18)	(202.73)	(191.09)	(173.74)	(5,105.77)	(4,778.94)
Fuel and oil	(20,742.24)	(20,313.55)	-	-	-	-	(20,742.24)	(20,313.55)
Employee benefits expenses	(4,585.66)	(4,899.89)	(1,851.40)	(1,947.65)	(1,238.36)	(1,533.24)	(7,675.42)	(8,380.78)
Tax income (expenses)	(224.45)	278.21	-	-	(13.57)	(15.17)	(238.02)	263.04
Profit on investment in associates	158.07	348.88	-	-	-	-	158.07	348.88
Gain (loss) on foreign currency exchange	989.77	6,132.06	-	-	0.21	(2.75)	903.84	6,129.31
Impairment loss of aircraft	(83.70)	(2,368.39)	-	-	-	-	(83.70)	(2,368.39)
Gain on deemed disposal	-	298.16	-	-	-	-	-	298.16
Gain (loss) by segments	(3,428.67)	7,198.19	616.22	671.42	431.21	162.54	(2,381.24)	8,032.15

Assets and Liabilities As at March 31, 2014

	Unit : Million Baht							
	<u>Air Transportation</u>		<u>Business Units</u>		<u>Other Activities</u>		<u>Total</u>	
	<u>Mar 31, 2014</u>	<u>Dec 31, 2013</u>	<u>Mar 31, 2014</u>	<u>Dec 31, 2013</u>	<u>Mar 31, 2014</u>	<u>Dec 31, 2013</u>	<u>Mar 31, 2014</u>	<u>Dec 31, 2013</u>
Current assets	53,994.30	53,927.76	609.19	756.56	1,426.39	1,266.18	56,029.88	55,950.50
Investments	5,097.79	5,060.47	-	-	1.02	51.08	5,098.81	5,111.55
Property, plant and equipment	222,682.59	222,732.50	5,092.59	5,268.08	3,485.94	3,448.15	231,261.12	231,448.73
Other non-current assets	11,873.34	11,997.27	2.91	3.31	38.14	38.94	11,914.39	12,039.52
Non-allocated assets	-	-	-	-	-	-	<u>2,371.18</u>	<u>2,534.43</u>
Total assets							<u>306,675.38</u>	<u>307,084.73</u>
Current liabilities	79,585.64	79,589.35	225.81	860.61	686.43	637.70	80,497.88	81,087.66
Non-current liabilities	170,220.23	167,740.77	5.38	11.66	45.21	44.99	170,270.82	167,797.42
Non-allocated liabilities	-	-	-	-	-	-	<u>1,604.90</u>	<u>1,280.92</u>
Total Liabilities							<u>252,373.60</u>	<u>250,166.00</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.

Total gain (loss) before income tax of each segment was derived from total revenues net of costs and operating expenses

The Company records inter-segment revenue transfers at market price charged to its unaffiliated customer net of discount, for ground customer services 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.

5.19.2 Geographical Segment Revenues as follows:

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		Interest income	Other income	Gain on deemed disposal	Gain on disposal of the controlling interest	
For the the three-month periods														
Jan-Mar 2014	3,716.92	1,887.77	586.90	21,676.44	15,770.65	708.17	4,425.98	283.25	476.76	71.60	377.18	-	989.98	50,971.60
Jan-Mar 2013	4,429.77	1,840.29	549.11	26,182.12	15,864.90	865.64	5,525.26	336.60	418.72	119.43	711.63	298.16	6,129.31	63,270.94

Revenues from fuel and insurance surcharge are included in the geographical segment revenues and also reclassified such items in the three- month period of the year 2013 for comparative purpose.

5.20 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>Mar 31, 2014</u>	<u>Dec 31, 2013</u>
Current assets	4,874.82	4,844.51
Others	<u>91.53</u>	<u>75.19</u>
Total	<u>4,966.35</u>	<u>4,919.70</u>
Other current liabilities	58.67	45.29
Pension fund	<u>4,907.68</u>	<u>4,874.41</u>
Total	<u>4,966.35</u>	<u>4,919.70</u>

As at March 31, 2014, the fund balance was THB 4,907.68 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 20.91 million, which comes from contributions at a rate equivalent to 10% of employee salaries in the amount of THB 54.37 million less the amount to match the Company's obligation of THB 33.46 million.)

5.21 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 312.19 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).

5.22 The Progress of 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.

5.23 The Progress of 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. The court is hearing date on January 26 to February 13, 2015.

5.24 Contingent Liabilities

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

	Unit : Million Baht	
	<u>Mar 31, 2014</u>	<u>Dec 31, 2013</u>
Letters of guarantee issued by banks - Domestic	225.20	231.09
Letters of guarantee issued by banks - Abroad	285.34	457.22
The Company as defendant in		
Labor dispute cases	1,311.20	1,299.87
Damage claims cases	<u>2,330.64</u>	<u>2,588.15</u>
Total	<u>4,152.38</u>	<u>4,576.33</u>

5.24.2 The progress of antitrust cases is detailed as follows:

1. There were investigations conducted by the United States' Department of Justice (DOJ). These could 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: At present, 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 had subsequently filed a lawsuit against the Company for violating Trade Practices Act 1974. Yet, the amount of fines and expenses had 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 7,500,000 including the legal fees of ACCC in the amount of AUD 500,000, the total amount is AUD 8,000,000. 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 the fine in respect 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 2,877,000,000 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 2,198,000,000 for ex Korea route and an amount of KRW 679,000,000 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. There was a case filed by the New Zealand Commerce Commission (NZCC) against the Company and other 13 airlines at the Auckland High Court 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 the lawsuit being filed.

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 the fine in respect of the first and second installments as per the settlement agreement.

5. There were lawsuits 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. Later, the Judicial Panel on Multi-district Litigation had ordered to combine the cases to be considered by the court at San Francisco as a single case, however, the disputed amount of claims had not yet been determined until the court would make a final decision that the Company be 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 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. With respect to the payment of the settlement amount according to the settlement agreement, the payment shall be made into 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 the first installment of the settlement amount into the escrow account as per the settlement agreement.

In addition to the 5 cases above, at present, there are further 3 antitrust cases filed against the Company i.e.

(1) The case where the respondents in Cargo Civil Class Action Case in Australia have filed cross claim application against the Company:

British Airways, Singapore Airlines (together with Singapore Airlines Cargo), Cathay Pacific Airways and Lufthansa Cargo have filed an application to the court in order to join the Company to the Class Action as a cross-respondent. On September 18, 2013, the court made the order granting those respondents to file cross claim application against the Company and other airlines for proportional contribution in the event that damages are awarded by the court against the respondents.

Presently, it is in the process of settlement negotiation among the applicant group members, respondents and cross-respondents (including the Company). However, the settlement agreement has to be approved by the court before the settlement would be effective. With respect to the payment of the settlement amount according to the settlement agreement, the payment shall be made into an escrow account in which an escrow agent will transfer the settlement amount to the applicants 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.

(2) The case where British Airways, which is a defendant in Cargo Civil Class Action Case in the UK, issued a cross claim against the Company:

The Company has received a notice from an English lawyer representing British Airways on February 4, 2014 that British Airways, the defendant in the Cargo Civil Class Action Case in the UK and being claimed for damages arisen from fuel and security surcharges fixing during 1999-2007 under such case, has issued a cross claim against 18 airlines, including the Company on November 28, 2013. The Company is not the main party to the proceedings. The case is currently undergoing the court procedures.

(3) The Cargo Civil Case filed against the Company in Korea:

The Company has been informed by the branch office in Seoul on January 22, 2014 that LG Group Companies, including LG Chemical, LG Electronics, LG Display and LG Life Science, have filed a civil lawsuit against 12 airlines, including the Company, on November 27, 2013 in order to claim damages arisen from the conduct of conspiracy to fix fuel and security surcharges during 2003-2007. LG Group Companies have asserted the amount of claim at KRW 404,000,000 with interest (approximately THB 12.28) and reserved their rights to amend the Plaint to increase the amount of claim if they can prove their claims to the court later on. The case is currently undergoing the court procedures.

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 using the exchange rate of the Bank of Thailand at the end of accounting period.

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

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

2. The above estimated 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.

5.25 Contractual Obligations

5.25.1 Obligation to Purchase Aircraft

The Company has a payment obligation to purchase 5 A320-200, 4 A350-900XWB, and 5 B777-300ER aircraft amount of THB 43,259.62 million, expected to take delivery during the year 2014-2018 which consisted of:

Obligation	Unit : Million Baht	
	Within 1 year	Over 1 year – 5 years
Purchase of aircraft	14,010.78	29,248.48

5.25.2 Leases and Obligations of Aircraft

The Company has obligations from entering into operating leases for 46 aircraft amount of USD 4,770.42 million or approximately to THB 155,427.10 million consisting of 15 A320-200, 2 A330-300, 8 A350-900, 3 B737-400, 2 B777-200, 8 B777-300ER, 6 B787-8, and 2 B787-9 aircraft.

There are 27 aircraft which have been already taken the delivery at the end of March 31, 2014, including the delivered aircraft in the first quarter 2014. Such aircraft are 2 A320-200 aircraft which the Company signed the operating lease with AWAS Aviation Trading Limited with 6-year lease terms. In addition, there are the 19 aircraft which have not been taken deliver yet. The last aircraft is scheduled for delivery in 2018.

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	6,885.17	43,123.69	105,418.24

5.26 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 2 Airbus A300-600 aircraft, consumable parts and supplies of Technical Department, tool repairment of Technical Department and raw material of Catering. As at March 31, 2014, the Company received the insurance compensation amount of THB 1,757.40 million and after the reporting period amount of THB 1.62 million. The Company recognized the insurance compensation from the flood disaster as an income amount of THB 1,628.47 million. Such compensation has been recognized in the statements of comprehensive income for the year 2011, 2012, 2013 and for the three-month periods March 31, 2014 at the amount of THB 175 million, THB 284.23 million, THB 1,135.09 million and THB 34.15 million, respectively. However, all the damaged assets which are covered by the insurance policy are under claiming process with the insurance company.

5.27 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 these cases, the Company's Aviation Insurers are fully aware of the matter and already appointed Lawyers and Loss Adjusters to coordinate and work with the Company in respect of the assessment of the damage of aircraft and all legal liability claims arising out from this case. On September 18, 2013, the Company has requested from Aviation Insurers for first interim payment in the amount of USD 250,000 or approximately to THB 7.92 million for miscellaneous expenses arising out from this case.

At the present, the Team from aircraft manufacturer, Airbus Industrie, is in the process of inspection and assessment of the damage of the aircraft. After completion of this part, Airbus Industrie shall submit their Report to the Company for consideration. Such Report will be passed to Loss Adjusters and Aviation Insurers for further discussion with the Company for the settlement of claims arising out from the damage of the aircraft.

Till date, the Company has received more than 30 claims from Thai and Chinese passengers including claims from Airport Authority of Thailand. All claims are being handled by the Company with close coordination with the Lawyers appointed by Aviation Insurers. Costs and expenses in this respect will be absorbed by Aviation Insurers.

5.28 Events after the Reporting Period

5.28.1 The 2014 Annual General Shareholder's Meeting held on April 29, 2014 resolved to approve the suspension of the dividend payment for the Company's 2013 operation result to shareholders.

5.28.2 On April 28 and 29, 2014, the Company issued the 3- month promissory notes amount of THB 2,000 million and THB 1,000 million, respectively in order to pay the advance payment of the aircraft and to reserve as a working capital of the Company.

5.29 Reclassification

The Company has reclassified unrealized actuarial gain which was previously presented under other component of equity to be presented under unappropriated retained earnings for appropriate presentation according to Thai Accounting standard No. 19 (revised 2009), Employee Benefits. The reclassification has not been made in the consolidate and separate financial statements as at December 31, 2013 because the impact is not material.

5.30 Approval of Financial Statements

These financial statements were approved by the Audit Committee, the Authorized Board of Directors, on May 14, 2014.
