

(Translation)

TG. 07/074

May 15, 2014

Subject Submission of financial statements for the three-month period ended March 31, 2014

To President of the Stock Exchange of Thailand

Enclosed 1. Thai Airways International Public Company Limited and its subsidiaries' financial statements for the three-month period ended March 31, 2014
2. Management's Discussion and Analysis (MD&A) for the three-month period ended March 31, 2014 of Thai Airways International Public Company Limited and its subsidiaries
3. Report Summarizing Operating Results of the Company (F45-3)

Thai Airways International Public Company Limited is pleased to submit the Company's consolidated financial statements and its subsidiaries for the three month period ended March 31, 2014 which has been reviewed by the Office of the Auditor General of Thailand and also Management's Discussion and Analysis (MD&A) for the three-month period ended March 31, 2014. Details have been enclosed and can be summarized as follows:

The consolidated financial statements for the first quarter of 2014 consists of THAI's financial statement and 5 subsidiary companies which are 1) THAI-Amadeus Southeast Asia Co.,Ltd., 2)Wingspan Services Co., Ltd., 3) THAI Flight Training Co., Ltd, 4) Tour Eurng Luang Co., Ltd., and 5) THAI Smile Airways Co., Ltd which was incorporated on October 17, 2013 with 100% holding by THAI but not operates under its own airline code during this quarter.

Thai aviation industry was highly impacted by the domestically political situation and the announcement of state of emergency for Bangkok and some parts of nearby provinces which compromised the confidence of tourists' safety resulting the lower number of both inbound and outbound tourists, especially the Asian tourists.

The political unrest in Bangkok prominently impacts THAI's performance in the first quarter which normally is the high season but this year the number of passengers reduced obviously from the same period last year by 15.3% due to the reduction of passengers in Asian market, especially in the major markets which are China, Japan, and Korea. Theses caused lower passenger traffic (Revenue Passenger Kilometers: RPK) decreased 12.6%. To deal with the situation, THAI, decreased production traffic (Available Seat Kilometers: ASK) by 0.6% from the same period last year and reduced the flight frequency, to be in line with the passenger traffic resulting the average cabin factor was 70.1% as compared to last year's 79.8%. Thus, the operating revenues decreased 11.6% from the same period last year. However, THAI has adjusted its business plan in order to respond to the current financial situation and reduce the impact caused by the decrease in the volume of passenger travel with a concentration on revenue coupled with cost control for acceptable financial performance to support the ongoing business operation.

THAI and its subsidiaries' financial performance for the first quarter of 2014 indicated a loss before foreign currency exchange and income tax(exclude impairment loss of assets and aircraft) of THB 3,287 million when compared to last year where reported profit of THB 4,271 million. Combined with the impairment loss of assets and aircraft amount of THB 84 million, a decrease of THB 2,284 million from last year's and gain on foreign currency exchange amount of THB 990, a decrease of THB 5,139 million from last year, these results THAI and its subsidiaries facing a net loss of THB 2,619 million while last year's result reported a net profit of 8,295 million. [Loss attributable to owners of the parent was THB 2,634 million.](#) [THAI and its subsidiaries reported loss of 1.21 baht per share when compared to last year's gain of 3.79 baht per share.](#)

As of March 31, 2014, total assets were THB 306,675 million, a decrease of THB 410 million or 0.1% from as at December 31, 2013. Total liabilities totaled THB 252,374 million, which was an increase of THB 2,208 million or 0.9% from as of December 31, 2013. shareholders' equity totaled THB 54,302 million, a decrease of THB 2,617 million from December 31, 2013.

Please be informed accordingly.

Yours faithfully,

Mr.Thongchai Singhakul
Vice President, Financial Accounting Department
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Management Accounting Department
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