

# AERONAUTICAL RADIO OF THAILAND LTD.



Annual Report 2011







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# Message from the Chairman

Aeronautical Radio of Thailand Ltd. (AEROTHAI), as Thailand's air navigation service provider, plays an important role in air transportation that allows global community to link easily and rapidly. The Company performs its duty with the aim to provide safety to all users and puts emphasis on personnel's quality development to enable them to provide international standard services which is finally being accepted by airline companies around the world. Modern technology has been utilized with personnel performing their duties with the realization of stakeholders' benefits and strategic management in order to create a sustainable strength leading to the excellence organization.


The Company adheres to implementing service development and giving precedence to good corporate governance practices together with social and environmental responsibilities that have been implemented through all activities and projects with the coordination of both government units and private sector. The Company also focuses on information technology network development in order to support development of services continually.

This year, the Company has invested in the Air Navigation Services Infrastructure Development Project. This will be the operational centre of air traffic control which will be notable for efficiency, safety, convenience, expedition, and cost saving. This is one of the Company's major projects that will upgrade the air transportation system standard to support the flight volumes in Asia Pacific region which have a tendency to increase

continuously. Apart from that, this Project will support the development of logistic system as well as enhancing the country's competitiveness. The Company, meanwhile, has developed itself and invested in many projects in order to overtake the significant changes. The Company has continued to form alliance in aviation for the cooperation both bilateral and multilateral that leads to knowledge development, tightening of good relationship and co-benefits to the overall aviation business.

In addition, the Company has continued to encourage its staff to increase their capability to support the innovation development that will be helpful to the Company's main function and to enhance the service quality including the community innovation development that will extensively bring more income and profit to community. Regarding AEROTHAI Foundation, the Company still carries on this project in order to give the disabled children an opportunity to have education which is an essential fundamental factor to live their lives so that they will be able to be a power of society in the future.

The Company's past achievements came from shareholders' support, trust by airlines, dedication of all levels of management and staff who play a part in the Company's development and prosperity. On behalf of the Board of Directors, I would like to thank all parties and assure that we will professionally perform our duty under a good corporate governance practices together with a social care to sustain the international standards of services for the benefits of all shareholders and stakeholders.



(Mr. Vichan Kunagulswat)  
Chairman of the Board of Directors  
Aeronautical Radio of Thailand Ltd.





# Message from the President

Following the vision of “Benchmarking & Partnering for Success” and the managerial concept of being the “Organization of Safety Excellence”, the Company has implemented many projects in response to the airlines’ needs both in safety and service quality. A significant project is the development of infrastructure for air navigation services, based on practical concept of new global air navigation system, which is applicable to a vision established by the International Civil Aviation Organization (ICAO) requiring the aviation industry to evolve towards harmonization. Moreover, it is to ensure that the new global air navigation system is able to accommodate the multiple increases of traffic volumes both in the short and long term.

In addition, there are other technology development projects such as Performance-Based Navigation (PBN) which is the new air navigation technology using global navigation satellite system to enhance the safety and accuracy of aircraft navigation to airlines by providing straight-in approach paths to the airports. The Bay of Bengal Cooperative Air Traffic Flow Management Advisory System (BOBCAT), which increases the efficiency of air traffic management for aircraft flying to Europe, improves the flow and minimizes fuel consumption in the high fuel price situation as well as reducing carbon emission. The Asia and Pacific Initiative to Reduce Emissions (ASPIRE), mutual international collaboration between air navigation service providers, aims at reducing carbon emission for all phases of flights. The Company also focuses on integration of advanced technologies in line with the policy of the Ministry of Transport for all dimensions collaboration of organizations for land, rail, water and air transport leading to the multimodal transport Centre.

As we have known that 2011 was the Auspicious Year of His Majesty the King’s 7<sup>th</sup> Cycle Birthday on the 5<sup>th</sup> December 2011. On this occasion, the Company, proudly, hosted the 15<sup>th</sup> CANSO Asia Pacific Conference and CANSO Global ATM Summit & 15<sup>th</sup> Annual General Meeting (AGM), which were one of the world biggest aviation summits that Thailand was honored to be the host. The construction of Don Mueang Air Traffic Control Tower was carried out to accommodate the new technology whilst the THAI ASPIRE Flight was also launched as a demonstration of a perfect flight displaying modernity, convenience, energy-saving and environmental friendliness. These activities were organized to honour His Majesty the beloved King.

Taking part in aviation industry development in the region is one of the management policies. The Company plays an important role in Seamless ASEAN Sky development to further the mutual collaboration, plan and operation amongst the organizations in the region for the same standard of technology and procedures in air traffic management as ICAO recommended in the Global Air Navigation Plan in response to the increase of traffic volumes in the future.

The Company has placed Good Corporate Governance Policy (GCG) as an essential key of organization management to be in line with its vision, mission, values and context. GCG guidelines have been put into concrete practice and integrated with total quality management implementation throughout the organization. This can be seen from the last economic crisis when the Company executed the cost control plan throughout the organization by decreasing the expenses that have no effects on the safety of air navigation services. Even though the situation is recovering, the cost control measures have been continued to give immunity to the organization against any impact from crises. The other essential matter is the cost saving for the Company’s member airlines and users.

On behalf of Aeronautical Radio of Thailand Ltd., I would like to thank all shareholders for the support given as well as the management team and employees for all contribution and great dedication of consistent achievement to the national and regional aviation.

Air Chief Marshal



(Somchai Thean-anant)

President

Aeronautical Radio of Thailand Ltd.





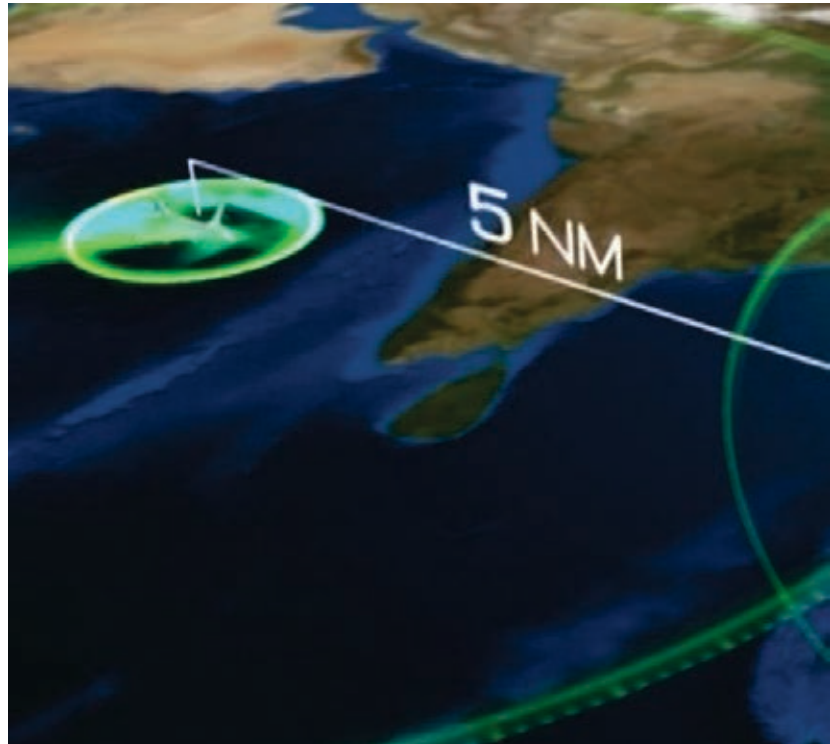
# Highlight of Activities

The Company carries out its operations according to the Government's policies under the supervision of the Ministry of Transport by putting emphasis on giving benefits to domestic and international aviation in line with the Corporate Social Responsibility (CSR) concept.

## 1. Air Navigation Service System Infrastructure Development (Project period: 2011-2013)

According to the air navigation operational concept of the new international navigation system that the International Civil Aviation Organization (ICAO) has set to be the vision for the world aviation industry development towards the unified goal, it is the commitment of member states of the International Civil Aviation Convention to jointly operate according to the specified strategies and plans and conclude by 2025. The main point relates to technology changes and the procedures of implementing satellite system for the flight operation and navigation service for better efficiency. Furthermore, airspace development and administration is to be more flexible with maximum usage efficiency such as Airspace Reorganization, Flexible Use of Airspace: FUA, etc. The new techniques are to be implemented for higher efficiency of air traffic service that takes the harmonization of Avionics System technology development into consideration to eliminate the limitations of previous technology and to ensure that the new navigation system is able to support the increasing traffic volume at multiplying rate in the near and far future.

By the aforementioned reasons, AEROTHAI has launched the Air Navigation Service Infrastructure Development Project to improve airspace system, air navigation routes, technology and techniques for the provision of services as well as to develop systems/equipment and flight inspection. It is to ensure that the Nation's Air Navigation Services can support the increasing traffic volume in the future with highest efficiency and safety that is the main driving force supporting the strategy of advancing Thailand to be the regional aviation and transportation hub.





## Air Navigation Service System Infrastructure Development consists of 3 projects as follows:

1.1 Air Traffic Management Centre Establishment to be the national Air Traffic Management Centre and to maximize the efficiency of the national airspace management of both domestic and international flights for safety, convenience and cost saving to airlines/airspace users. The Air Traffic Management Centre is the main part of the national Air Navigation Service System Infrastructure Development.

1.2 Increase the capacity of air traffic system/technology and develop the air traffic management network system (Communication, Navigation, Surveillance/Air Traffic Management: CNS/ATM) to develop the infrastructure of air traffic technology for competitive capability and to support the operations according to the new air navigation plan regulations consisting of communication technology and navigation technology (Navigation and Landing Systems) and Surveillance System. The project includes development of the information network and connection between central and regional areas for air traffic management to be a single system with high efficiency simultaneously throughout the country in order to develop the infrastructure of the national air navigation service for safety, convenience, time saving for the people, airlines/air space users.

1.3 Procurement of high performance inspection aircraft for flight inspection to keep the standards of air navigation aids systems and aviation facilities of the current CNS Infrastructure. The aircraft with flight inspection capability is needed for new air navigation system of the country. The high performance inspection aircraft is for the Company's main responsibilities and can be used further during off duty period for additional revenue by providing flight inspection services in Asia Pacific countries such as Cambodia, Vietnam, Laos, Brunei, Myanmar, Singapore, Philippines, Nepal, Sri Lanka, Bangladesh, Mongolia, Bhutan and Taiwan.

On 3 May 2011, the Cabinet passed a resolution agreeing in principle of the Project by assigning the Ministry of Transport and AEROTHAI to proceed as suggested by the Office of National Economic and Social Development Board. AEROTHAI has revised the operational and budget withdrawal plan of the project from 3 years (Fiscal Years 2011-2013) to be 4 years (Fiscal Years 2012-2015) with the same amount of capital expenditure budget (Baht 4,460.31 million) so that the planning procedures are complete. The Board of Directors of AEROTHAI agreed to the implementation of the Project on 8 July 2011. Currently, the specifications of systems/equipment and bidding documents are being integrated.



## 2. Performance-Based Navigation (PBN)

To enhance the efficiency and safety of air navigation and to support the continuing growth of air traffic, AEROTHAI has implemented new air navigation technologies, Performance-Based Navigation (PBN) and Global Navigation Satellite System (GNSS). AEROTHAI has coordinated with the Department of Civil Aviation, Thai Airways International Public Company Limited, Bangkok Airways, Airports of Thailand Public Company Limited, and Thai Pilot Association to establish the National Working Group on Performance-Based Navigation (PBN) and Global Navigation Satellite System (GNSS). This National Working Group is tasked to determine the policies, plans, and criteria for the deployment of PBN and GNSS, all of which are in compliance with the International Civil Aviation Organization (ICAO) implementation targets and the requirements from airlines and airspace users.

### Implementation

2.1 Development of the Asia-Pacific Regional PBN Implementation Plan and the Thailand PBN Implementation Plan: Serving as the Rapporteur of the ICAO Asia-Pacific PBN Task Force, the Company has cooperated with ICAO Asia-Pacific PBN Task Force to develop the Asia-Pacific Regional PBN Implementation Plan to set target and to provide guidelines for aviation stakeholders within the Asia-Pacific region during their PBN deployment. This Asia-Pacific Regional PBN Implementation Plan has been approved by ICAO Asia-Pacific Regional Planning and Implementation Group (APANPIRG) in September 2009.

The Company has also cooperated with the National Working Group on PBN and GNSS to define the Thailand PBN Implementation Plan. The Plan was approved in June 2009 and is in compliance with ICAO Assembly Resolution requiring member States to develop their State PBN Implementation Plans within 2009. In September 2010, the Plan was assessed by the ICAO Asia-Pacific PBN Task Force and received the highest rank "Robust." Thereafter the National Working Group on PBN and GNSS has developed the Thailand PBN Implementation Plan Version 2.0.

2.2 Full Operations of PBN Procedures at Phuket, Hat Yai, Samui, and Chiang Mai International Airports

During 2009-2011, the Department of Civil Aviation has given approval to full operation of RNP Approach Procedures for Phuket, Hat Yai, Samui and Chiang Mai International Airports. These procedures enhance safety and efficiency in the approach operation and resolve the offset problems caused by the limitation of installation sites of conventional navigation aids.

Additionally, the conclusion from an IATA study shows that RNP APCH Procedure in conjunction with Continuous Descent Approach (CDA) techniques helps reduce the aircraft fuel consumption by 50-200 kilograms per landing. This results in enhancing aircraft operational efficiency and reduction of emission of greenhouse gases.







### 2.3 Implementation Progress of PBN Procedures for Krabi, Chiang Rai, Lampang, Udon Thani and Khon Kaen Airports

The Company has been designing RNP APCH procedures for Krabi, Chiang Rai, Lampang, Udon Thani and Khon Kaen Airports. Following the completion of the design, the procedures will be submitted to the Thai DCA for its consideration, prior to the final flight validation by the Company. Then the Thai DCA will be notified of the result before official implementation announcement.

### 2.4 PBN Implementation in En-route Airspace

The Company, in cooperation with the Ministry of Transport, the Department of Civil Aviation, the Royal Thai Air Force, the Royal Thai Navy and Thai Airways, has established M904 Route in honour of HRH Crown Prince of Thailand. M904 is a RNAV 5 route joining Thailand to Australia.

Establishment of M502 Route: The Company, in cooperation with the Department of Civil Aviation

and the Royal Thai Air Force, has established M502 Route as Conditional RNAV 5 route joining Thailand to South Asia and Africa. This is an example of the joint utilization of airspace between the military and civilian.

### 2.5 Certification of Procedure Design and Flight Validation of PBN Procedures

The Company has coordinated with Jeppesen from the United States to certify the Company's PBN Procedure Design and Flight Validation processes. Currently, AEROTHAI has been successfully certified for PBN Procedure Design and Flight Validation for RNAV SID, RNAV STAR, and RNP APCH with Baro-VNAV procedures.

Additionally, the Company has continued enhancing its personnel's capability to design Conventional and PBN Procedures as well as to design and analyse airspace by sending its personnel to attend Instrument Flight Procedure Design and Airspace Design Courses under ICAO Asia-Pacific Programme.

## 2.6 International Activities

The Company plays a crucial role in the development of PBN in Asia-Pacific Region. During 2009-2011, a representative from the Company has been entrusted to serve as the Rapporteur of the ICAO Asia-Pacific PBN Task Force who took part in the setting up of policy and standards for implementation of PBN in the Asia-Pacific Region. Thailand, by the Company, is also honored to serve as a Steering Committee Member of the ICAO Flight Procedure Program Office and Thailand has become the first country globally to welcome the ICAO-IATA Go-Team Visit, conducted by the ICAO Global PBN Task Force.

Regarding the cooperation with Asia-Pacific Economic Cooperation (APEC), a representative from the Company has been entrusted to serve as the Co-Chair of APEC GNSS Implementation Team. Furthermore, the Company has been entrusted by both ICAO and APEC to serve as the focal point for Regional RAIM Prediction System to support the implementation of PBN and GNSS.

## 2.7 Flight Inspection/Validation and Relevant Training Services

The Company has been awarded contracts by its international customers (Taiwan, Bhutan and Nepal) to provide flight validation and inspection services for PBN, GNSS, Instrument Flight Procedures (IFP), Automatic Dependent Surveillance-Broadcast (ADS-B) and conventional navigation aids. These international projects include:

- Flight Inspection for GNSS and ADS-B for Taipei Flight Information Region (FIR)
- Flight Validation for 16 PBN Procedures for RCTP, RCSS, RCKH, RCFN airports in Taiwan
- Flight Inspection for NDBs & VHF Commissioning and Design and Flight Validation for Domestic ATS/RNAV En-route in Bhutan
- Flight Inspection for VOR and PAPI Commissioning, GNSS Interference Assessment and Flight Validation for 23 Instrument Flight Procedures in Nepal

The design and flight validation/inspection services have been accomplished successfully and have received excellent feedbacks and recognitions from the international customers.

Apart from the flight inspection/validation services, the Company has provided training services on PBN and GNSS technologies to Airlines' officers from Thai Airways, Bangkok Airways, Thai Air Asia, and officers from international Air Navigation Service Providers, such as Mongolia, Nepal, Bhutan, Vietnam, Myanmar, Bangladesh, Cambodia and Laos.

## 3. Departure Clearance Data Link System Development Project (Project Period: 2010-2011)

This Project is to support and increase the efficiency of air traffic services provision of AEROTHAI and Airspace Users. The increase of the request for Departure Clearance by airlines through Data Link system and the reduction of voice communication between pilots and air traffic controllers results in reduction of workload, operational and flight errors. AEROTHAI has presented the information to the Department of Civil Aviation in AIP-Supplement document and it is in the process of issuing the announcement in AIP-Thailand for aviation related users.





#### 4. Seamless ASEAN Sky (Project Period: 2008-2015)

The Project is for the cooperation to promote ASEAN group to create the better future in the region to meet the purposes of peace, stability in politics, economics, society and culture. Seamless ASEAN Sky is one of the purposes to push forward the planning and cooperation for harmonization in system, technology and operation procedures of air traffic management in ASEAN region with the goal of the regional aviation industry development to head in the same direction with same goal of capabilities as ICAO has set the new Global Air Navigation Plan. The plan is to support the air traffic volume that is expected to be double within the next 15 years (2025).

AEROTHAI has jointly worked with the Ministry of Transport and the Department of Civil Aviation to operate in the name of Thailand. AEROTHAI has proposed the technical part of the aforementioned plan under the Asian Single Aviation Market-ASAM) that was agreeably cooperated with positive feedbacks from member states. Currently, the cooperation is being developed to be ASEAN Community in 2015.





## 5. Construction of Don Mueang Aerodrome Control Tower

AEROTHAI has constructed a new Aerodrome Control Tower at Don Mueang Airport, a replacement of the existing one, to set advanced system, equipment and technology for air navigation services which aim to increase efficiency of air traffic controllers and to ensure effectiveness and safety in accordance with ICAO standards. AEROTHAI organized the foundation laying ceremony of Don Mueang Aerodrome Control Tower on 6 May 2011. The most important thing is that this Project is implemented to celebrate His Majesty the King's 7<sup>th</sup> Cycle Birthday Anniversary.



## 6. A Signing Ceremony of Cooperation Agreement between AEROTHAI and Thai Airways International Public Company Limited to launch THAI ASPIRE\* Flight

AEROTHAI cooperated with Thai Airways International Public Company Limited to launch a demonstration of "THAI ASPIRE\* Flight" that flew from Bangkok to Auckland and then back to Bangkok on 5 and 8 May 2011, respectively. It was a Perfect Flight equipped with facility and advanced technology. THAI ASPIRE\* reduced fuel consumption and brought less impact on the environment. AEROTHAI provided air navigation services and air traffic planning by assigning the optimal route and coordinating with other air navigation service providers including other related organizations to facilitate the flying at the most appropriate altitudes to save cost. THAI ASPIRE Flight yielded 2,100 kg. of fuel saving equivalent to 1.3% and 6,615 kg of CO<sub>2</sub> reduction.

THAI ASPIRE flight demonstrated the cooperation between two organizations focusing on corporate social responsibility. Moreover this activity aimed to commemorate His Majesty the King's 84<sup>th</sup> Birthday and the 100<sup>th</sup> Anniversary of the Ministry of Transport.

\* Asia and South Pacific Initiative to Reduce Emissions (ASPIRE)



## 7. AEROTHAI delivered Vessel Traffic Management and Information System (VTMIS) to the Marine Department

AEROTHAI and the Marine Department jointly organized a ceremony to deliver-accept the Vessel Traffic Management and Information System (VTMIS) on 30 May 2011. VTMIS is a system for providing speedy, convenient, safe and efficient marine transport management to meet global standards. AEROTHAI developed and designed VTMIS to display data and positions of vessels from signals received from the equipment installed in the vessels such as radar systems (RADAR), automatic information system (AIS) and CCTV on electronics map. The system can transmit related data to various units to get the data and vessels situation on a real time basis which increases the efficiency of water transport management, decreases travel delay and prevents accidents.



## 8. New International Routes

AEROTHAI cooperated with other organizations in Thailand and abroad to create international routes joining with other regions and jointly managing the airspace for the benefit of Thailand's aviation. They are:

### 8.1 M904 Route

AEROTHAI, Royal Thai Air Force, Royal Thai Navy, Department of Civil Aviation, and Thai Airways International Public Company Limited jointly designed the new route, M904, from Suvarnabhumi Airport to Australia. This RNAV 5 route is the first route established in ASEAN countries. Performance-Based Navigation (PBN) is applied to increase airspace capacity and strengthen the capability of Suvarnabhumi Airport to be regional aviation hub and to accommodate the air transportation strategy of Thailand. The new route is established to commemorate His Royal Highness Crown Prince Maha Vajiralongkorn.

### 8.2 M502 Route

AEROTHAI in cooperation with the Royal Thai Air Force, Department of Civil Aviation of Thailand and Department of Civil Aviation of Myanmar created a new international route connecting Thailand to the Republic of the Union of Myanmar and linking to the South Asia and Africa. The new route shortens distance by 10 nautical miles and provides optimum altitudes for aircraft which reduces fuel consumption and enables the airlines to save costs.

## 9. Community Innovation Project

AEROTHAI has carried out Community Innovation Project since 2009 in which AEROTHAI staff and the nearby communities cooperate to create innovations for enhancing wellbeing and capacity of the communities. It is in accordance with the government's guidelines on sufficiency economy. This project supports community relations and corporate social responsibility (CSR).

AEROTHAI regional Air Traffic Control Centres and Air Traffic Engineering Centre, in 8 provinces, coordinated with the communities to select, invent and propose their innovation for the competition which can be categorized into 3 areas: engineering and technology, community agriculture, and local products. The competition result was decided in March 2011 and awards ceremony was arranged in April 2011. The followings are the innovations that won the competition:

### Engineering and Technology

**Winner:** No award was given.

**Runner-up:** Bicycle Powered Water Pump submitted by Udon Thani Air Traffic Control Centre in cooperation with Sub-district Administrative Organization of Ban Chan, Mueang District, Udon Thani Province.

### Community Agriculture

**Winner:** Draining and Cleaning Tool for a Fighting Fish Tank, submitted by Phitsanulok Air Traffic Control Centre in cooperation with the Faculty of Science and Agricultural Technology, Rajamangala University of Technology Lanna, Phitsanulok Campus.

**Runner-up:** No award was given.

### Local Products

**Winner:** Oyster Opening Tool, submitted by Surat Thani Air Traffic Control Centre in cooperation with Ban Laem Pho Community, Phumriang Sub-district, Chaiya District, Surat Thani Province.

**Runner-up:** Automatic Spinning Machine submitted by Hua Hin Air Traffic Control Centre in cooperation with Khao Tao fabric and handicraft cluster, Hua Hin District, Prachuap Khiri Khan.

Magic Hands or Fruit Wrapping Tool, submitted by Nakhon Ratchasima Air Traffic Services Engineering Operations Centre in cooperation with Rungrueng-Boonrueng Community, Nai Mueang Sub-district, Nakhon Ratchasima.

**Consolation Prizes:** Fish Drying Machine, submitted by Phuket Air Traffic Control Centre in cooperation with Tanoon Community, Phuket.

Hydrotherapy 2010, submitted by Chiang Mai Air Traffic Control Centre in cooperation with Ratchanakarin Institute of Children Development, Department of Mental Health, Chiang Mai.

Cockroach Trap, submitted by Nakhon Ratchasima Air Traffic Services Engineering Operations Centre in cooperation with Ban Boonrueng Community, Nakhon Ratchasima.



## 10. AEROTHAI-OBEC Mini Volleyball Competition for HRH Princess Maha Chakri Sirindhorn's Cup

To strengthen national sport development, AEROTHAI has organized a volleyball competition for primary pupils of the age under 12 years old since 2000. In 2011, it is the twelfth years of the competition and the third year that the Office of Basic Education Commission (OBEC) becomes a co-host of the competition named AEROTHAI-OBEC Mini Volleyball Competition. The objective is to expand the competitive opportunities for children between the age of 14 and 16 nationwide and to make a contribution to the society.

Each year, primary pupils throughout the country join the competition. Many of them have been given educational opportunities by many institutions. They were encouraged to develop their competence for competing at national level and further. The competition result was as follows:

### Male Teams

- Winner: Ramraj School, Nakhon Phanom Province
- 1<sup>st</sup> Runner-up: Wat Chernglane School, Ayutthaya Province
- 2<sup>nd</sup> Runner-up: Anuban Lamplaimat School, Buri Ram Province
- 3<sup>rd</sup> Runner-up: Wat Donthong School, Chachoengsao Province

### Female Teams

- Winner: Anuban Lamplaimat School, Buri Ram Province
- 1<sup>st</sup> Runner-up: Ban Khornhaad School, Nakhon Si Thammarat Province
- 2<sup>nd</sup> Runner-up: Ban Koh Yai, Songkhla Province
- 3<sup>rd</sup> Runner-up: Ban Sam Reun School, Phetchaburi Province



## 11. Aeronautical Radio of Thailand Foundation

Since 2006, AEROTHAI founded the Aeronautical Radio of Thailand Foundation with the aims to provide educational opportunities to disabled children and to support their wellbeing and future careers. In 2011, the scholarships of Aeronautical Radio of Thailand Foundation were granted to 226 disabled pupils throughout the country. The scholarship is Baht 5,500.- each and given to the following 5 categories: physically disabled, visually disabled, hearing disabled, mentally disabled and Autism.





## 12. Information Technology for AEROTHAI Development

The Company has followed the Information and Communications Technology Master Plan so as to bring information and communications technology to increase efficiency and effectiveness of management of the organization and to support the core business and principles of good corporate governance.

### 1. To improve the quality and performance in Information systems:

Communications and Information technology have provided services according to users and stakeholders requirements from all sectors such as Bangkok FIR Air Traffic management system and Information system to provide the Company's information to the public.

2. To develop information structure/information systems to enhance management effectiveness: Its aim is to develop significant information systems to support the administration function and the core business for the management and the staff's operations such as Management Information System, MIS/Executive Information System (EIS), Human Resource Management System, Knowledge Management System, Information System for Financing and Budgeting and Procurement Management System, Aeronautical Information Management (AIM).

3. To develop ICT Infrastructure for effectiveness, security and safety with computing management/information systems and security network. This ICT network will support the administration and engineering functions which support the core function, for example, Safety information systems in Air Traffic Services Engineering (ISO/IEC 27001) and a review of the IT Emergency Plan process etc.

In the Fiscal Year 2011, the Company has developed and improved information system plans and projects as included in the Information and Communications Technology Master Plan (Revision in 2010) and can be carried out and used as planned in the year 2011 as follows:

1. Individual Development Plan (IDP) System: It is developed to support the administration and development of human resources in order to improve their knowledge and competencies as set by the Company and in line with ICAO's standards. It is also linked to the planning and administrating of training budget for efficiency.

2. Database System: It is developed for benchmarking with leading organizations in the same business. The Company has a policy to develop indicators and database for benchmarking with national organizations or leading organizations in the same business. Indicators have already been concluded for benchmarking.

3. Flight Data Strip Printing System (FDSS): This is developed for Bangkok Approach Control Centre. It is the system that supports the work of air traffic controllers to prepare flight strips for aircraft under their responsibility. Formerly, the flight strips were prepared manually so a system has been developed to prepare paper flight strips for air traffic controllers by using RPL flight plan and individual flight plan. The system will automatically print out paper flight strip at a suitable time frame for the real flights. It will be convenient and reduce the workload for the controllers. In addition, the information accumulated in the system can be used for other purposes such as statistics data.

4. Air Traffic Services Engineering System: The system will prepare accurate and updated data for maintenance, spare parts and inventory control and systems/equipment and radio frequencies records so the air traffic services engineering units can perform their work effectively, rapidly, accurately and cost savings according to ISO 9001:2008

## 13. Key Meetings/Conferences in 2011

### 13.1 The First India-Myanmar-Thailand Air Traffic Management Coordination Meeting (IMT-ATM/CM/1)

AEROTHAI hosted the First India-Myanmar-Thailand Air Traffic Management Coordination Meeting (IMT-ATM/CM/1) between the Department of Civil Aviation of Myanmar (DCA Myanmar), the Airport Authority of India (AAI) and AEROTHAI on 13-14 January 2011 at Pantip Suites, Bangkok. The meeting topics were as follows:

- Airspace Management (ASM)
  - ATS Route Parallel to L301
  - Realignment of L507, N895 and P646
  - Air Traffic Flow Management (ATFM)
  - BOBCAT Software Update Plan
- Air Traffic Services (ATS) Coordination
  - Reduced Horizontal Separation in the Bay of Bengal
  - Traffic congestion on route L507 and P646 during winter period
  - Contingency Arrangement
- Future plan

#### Progress/Achievement

The Meeting was conducted smoothly and successfully as anticipated so with the purpose of air traffic management cooperation and enhancement of good relationship amongst organizations of these 3 countries, the meeting agreed to hold an annual meeting by taking turn to host the meeting. The next meeting in 2012 will be held in India and Bangladesh will be invited to attend the meeting.

### 13.2 The Sixth Global Air Traffic Flow Management (ATFM) Conference

The Global Air Traffic Flow Management Conference (ATFM) initially started as Air Traffic Flow Management dialogue between the ATC System Command Centre (ATCSCC) of Federal Aviation Administration (FAA), United States of America and Central Flow Management Unit (CFMU) of EUROCONTROL to exchange ideas, experiences and solutions. The conference was initiated by the 2 leading aviation organizations from 2 continents with the most congested air traffic of the world. The conference aims at reducing congestion of air traffic and to showcase ATFM contribution towards a seamless and harmonized ATM services delivery while increasing awareness of ATFM practices along initial guidelines for States interested in implementing ATFM.

The Conferences were previously held in USA (2000), Belgium (2002), Canada (2005), South Africa (2007) and Australia (2009). AEROTHAI was honored to host the Sixth Global AFTM Conference, "ATFM Contribution towards Seamless ATM Services", during 28 February-2 March 2011 at the Renaissance Resort and Spa, Phuket, Thailand.

#### Progress/Achievement

The updated information and reports on Air Traffic Flow Management were presented, shared and brought up for discussion in this conference amongst states who have implemented the system and those who have yet started the system. AEROTHAI's representatives had an opportunity to share the expertise on BOBCAT and ATFM system in order to provide a coherence view on how BOBCAT operates and how it manages airspace beyond Bay of Bengal region. The issues on reducing cost and increasing efficiency benefiting from implementing BOBCAT were also introduced. Moreover, each state informatively exchanged its view on Air Traffic Management which was valuable for the future development of Aviation industry in Thailand and worldwide.







### 13.3 The 5<sup>th</sup> CANSO Asia Pacific ANSP Conference and CANSO Global ATM Summit & 15<sup>th</sup> Annual General Meeting (AGM)

The CANSO Asia Pacific ANSP Conference is an important conference held annually for CANSO (Civil Air Navigation Services Organization) members and ANSP organizations within the Asia-Pacific region, whereas CANSO Global ATM Summit & 15<sup>th</sup> Annual General Meeting (AGM) is an annual general meeting of CANSO members globally.

AEROTHAI, together with CANSO, hosted 12 conferences; the two above-mentioned conferences included, at the Renaissance Rachaprasong Hotel, Bangkok during 8-15 June 2011. CANSO is the international organization of air navigation service providers (ANSP) with the goal to support the performance growth and prepare ANSP's for the changes in the aviation industry. AEROTHAI co-founded CANSO in 1996. Although most of the members are based in Europe, it has expanded its member territories to Asia Pacific Region and continued to develop its influence. A celebration was also held to commemorate CANSO 15<sup>th</sup> Anniversary in 2011 and the Ministry of Transport 100<sup>th</sup> Anniversary in 2012.

#### Progress/Achievement

This year CANSO Asia Pacific ANSP Conference allowed the delegates to exchange ideas and experiences under the topic "Transforming ATM Performance" which would lead to the ATM excellence and benchmarking.

Top-ranking members and representatives of 86 organizations from 46 countries in the aviation industry participated in the conference. Mr. Roberto Kobeh Gonzalez, President of the ICAO Council, accepted the invitation to attend the conference. This was the first time that the President of the ICAO Council participated in the CANSO meeting.

The conference addressed CANSO's fifteen year operations, its vision for 2020; from the point of view of the aircraft manufacturers, airlines, airport authorities, air navigation service providers and regulators, introducing the new technologies of the ANSP's, reporting the operation results of CANSO members worldwide and the progress of the implementation of the Workgroups and Committees of CANSO. Members have also endorsed the policy, direction, activities and annual budget. It also provided the floor in which all members could share and conclude their opinions on aviation management with CANSO goal and vision in mind.





### 13.4 ATS Coordination Meeting

AEROTHAI hosted the ATS Coordination Meeting on 24-26 April 2011 at the Tide Resort, Bangsaen, Chon Buri. This Meeting was the joint operation of 5 countries in the East Asia Region: Vietnam, Laos, Cambodia, Hong Kong, China and Thailand. The purposes of this Meeting were to discuss and exchange ideas on the issues of air traffic management, new flight route creation, finding agreement regarding flight route realignment in order to increase air traffic flow in the East Asia territorial sky and to coordinate good cooperation among organizations which brought about continuation of operation in Air Traffic Management and led to airspace development. Moreover, the Meeting's purpose was consistent with the implementation plan of AEROTHAI's President to develop cooperative approach between AEROTHAI and ANSP's in the region and strengthen relationship amongst ANSP's to create understanding and enhance efficient operation in the future.

#### Progress/Achievement

In the mentioned meeting, there were discussions and exchange of ideas on the issues of air traffic management, new flight route creation, finding agreement regarding flight route structure adjustment in order to increase air traffic flow in the East Asia territorial sky for better coordination amongst organizations. AEROTHAI invited related organizations which would gain benefits from participating in the meeting to attend the meeting to cooperate in the integration of air navigation management to achieve utmost flexibility and efficiency.

### 13.5 Airspace Users-ANSP Meeting

AEROTHAI hosted the Airspace Users-ANSP Meeting at Meeting Room 5/1 on the 5<sup>th</sup> floor of the 60<sup>th</sup> Anniversary Building, AEROTHAI Headquarters on 4 August 2011. The Meeting provided a floor for airspace users to have the opportunity to meet with ANSP staff to mutually discuss, voice opinions and share critical operational information for improvements of air navigation services. Information from the Meeting was recorded as action items for further improvements of the services provided.

#### Progress/Achievement

The Meeting provided the opportunity for airspace users or airlines to provide advice and comments in topics relating to air navigation services directly to the ANSP. To meet our users' expectations, operational issues were discussed during the meeting and clarified by the ANSP, which provided an opportunity to improve and develop a better service. In addition, other benefits included increased understandings and improved relationship both at personal and organizational levels.



### 13.6 Collaborative Decision Making (CDM)

The CDM Meeting was organized under the work plan of Civil Air Navigation Services Organization (CANSO) as a cooperative project hosted by Thailand and Singapore in turns. The Meeting assembles Air Navigation Service providers (ANSPs), Airport Authorities and Airlines in the Asia and Pacific Region to discuss the improvements and increased cooperation effort between organizations, which will result in increased flexibility of air navigation service amongst the states in the region. Major organizations participating in the meeting were Thai Airways International Public Company Limited, Airports of Thailand Public Company Limited as well as Airport Authorities of Singapore and Malaysia.

#### Progress/Achievement

The Meeting resulted in collaboration to improve organization cooperation, which will result in increased flexibility of air navigation service amongst the states in the region. Initially, the Meeting agreed to implement CDM in city pairs between Thailand and Singapore and the future CDM will expand to city pairs between Thailand and Hong Kong, China.

### 13.7 The 16<sup>th</sup> Meeting of the Aviation Consultative Committee (Malaysia-Thailand)

The 16<sup>th</sup> Meeting of the Aviation Consultative Committee was hosted by AEROTHAI at Pattaya, Chon Buri Province during 21-23 September 2011. This Meeting was attended by delegates from 11 Organizations: Department of Civil Aviation Thailand, Royal Thai Air Force, AEROTHAI, Thai Airways International Public Company Limited, ATM Sector Department of Civil Aviation Malaysia, Kuala Lumpur ATCC, Royal Malaysian Air Force, Malaysia Airlines, Advanced Air Traffic Systems, Telekom Malaysia and International Aeradio (M) Sdn Bhd. The purpose of the Meeting was to consider the design of air navigation diagram, the Collaborative Decision Making (CDM), M904 Route and Instrument Procedure Design. Another topic of discussion was the realignment of routes for the flights between Malaysia and Thailand. The new routes are expected to be established shortly.

#### Progress/Achievement

The Meeting provided knowledge sharing opportunity for air traffic control management between Thailand and Malaysia, developing the new routes and reducing airspace separation between the two countries. AEROTHAI made an agreement with Malaysia for development the flight procedures that would strengthen collaboration between the two organizations, to enhance the efficiency of air navigation for the air traffic flow management.



### 13.8 Honorary Wing Decoration Ceremony

The honorary wing for air traffic control decoration ceremony was held to convey appreciation to AEROTHAI's supporters. Also, the certificates were awarded to AEROTHAI's benefactors. This ceremony was initiated in 2010, 51 people were awarded the honorary wings.

#### Progress/Achievement

In 2011, on the occasion of AEROTHAI 63<sup>rd</sup> Anniversary of establishment, the honorary wing decoration ceremony was held on 18 April 2011. Twelve supporters chosen from the related organizations were presented with honorary wings; i.e. Mr. Areepong Bhoocha-um, Permanent Secretary of the Ministry of Finance and Mr. Brian Sinclair Thompson, Board of Airline Representatives. Also, on the occasion that AEROTHAI hosted the 5<sup>th</sup> CANSO Asia Pacific ANSP Conference, CANSO Global ATM Summit during 9-13 June 2011 at the Renaissance Hotel, Bangkok, the honorary wing decoration ceremony was held on 11 June 2011. There were 19 people awarded with this honorary wings including Mr. Roberto Kobeh Gonzalez, President of ICAO Council and Mr. Graham Lake, Director General of CANSO.









## 14. Major Awards

### 14.1 Jane's ATC Awards

With the Company's outstanding performance in airspace capacity management and safety development, the Jane's ATC Awards, Enabling Technology Category, was given by Jane's Airport Review Magazine to the Company on 7 March 2011 in Amsterdam, Netherlands. The Jane's ATC Awards is granted to the outstanding organizations from over 100 countries which make a great contribution to the air traffic management industry (ATM industry). For AEROTHAI, Bay of Bengal Cooperative Air Traffic Flow Management System (BOBCAT) was awarded.

### 14.2 The Outstanding Safety, Occupational Health and Working Environment Award

AEROTHAI has continually maintained safety standards in accordance with labor law. For six consecutive years, 2006-2011, the Company received the Outstanding Safety, Occupational Health and Working Environment Award given by the Ministry of Labor to increase awareness of safety standards, occupational health and working environment and raise them to meet international standards. In 2011, the Outstanding Award for Safety, Occupational Health and Working Environment Award was given to ten departments of AEROTHAI as follows:

- Tungmahamek Headquarters and Phitsanulok Air Traffic Control Centre for the sixth consecutive year.
- Surat Thani, Hat Yai and Udon Thani Air Traffic Control Centres for the fifth consecutive year.
- Phuket, Chiang Mai, Ubon Ratchathani and Nakhon Ratchasima Air Traffic Control Centres for the fourth consecutive year.
- Suvarnabhumi Airport Air Traffic Control Centre for the third consecutive year. This award proved that AEROTHAI has continually considered the significance of safety, occupational health and working environment for the employees.



## 15. Performance Evaluation in the Fiscal Year 2011

In the Fiscal Year 2011, the Company's performance was evaluated by the TRIS Rating Company Limited, which affirmed the rating "AA" (Stable) to the Company which was the same as in 2010. The rating indicates a Company or a debt instrument with a very low degree of credit risk. The Company has very strong capacity to pay interest and repay principal on time, but is somewhat more susceptible to adverse changes in business, economic or other external conditions than AAA Rating.

## 16. Performance Appraisal for the Fiscal Year 2011

The Company was selected by the State Enterprise Policy Office to be the pilot organization for self-assessment according to the State Enterprise Performance Appraisal (SEPA) practices, in compelling to the previous performance appraisal for the Fiscal Years 2009-2010. The SEPA performance appraisal as the only appraisal system was formally implemented since the Fiscal Year 2011.

# Outlook and Trends in Air Transport

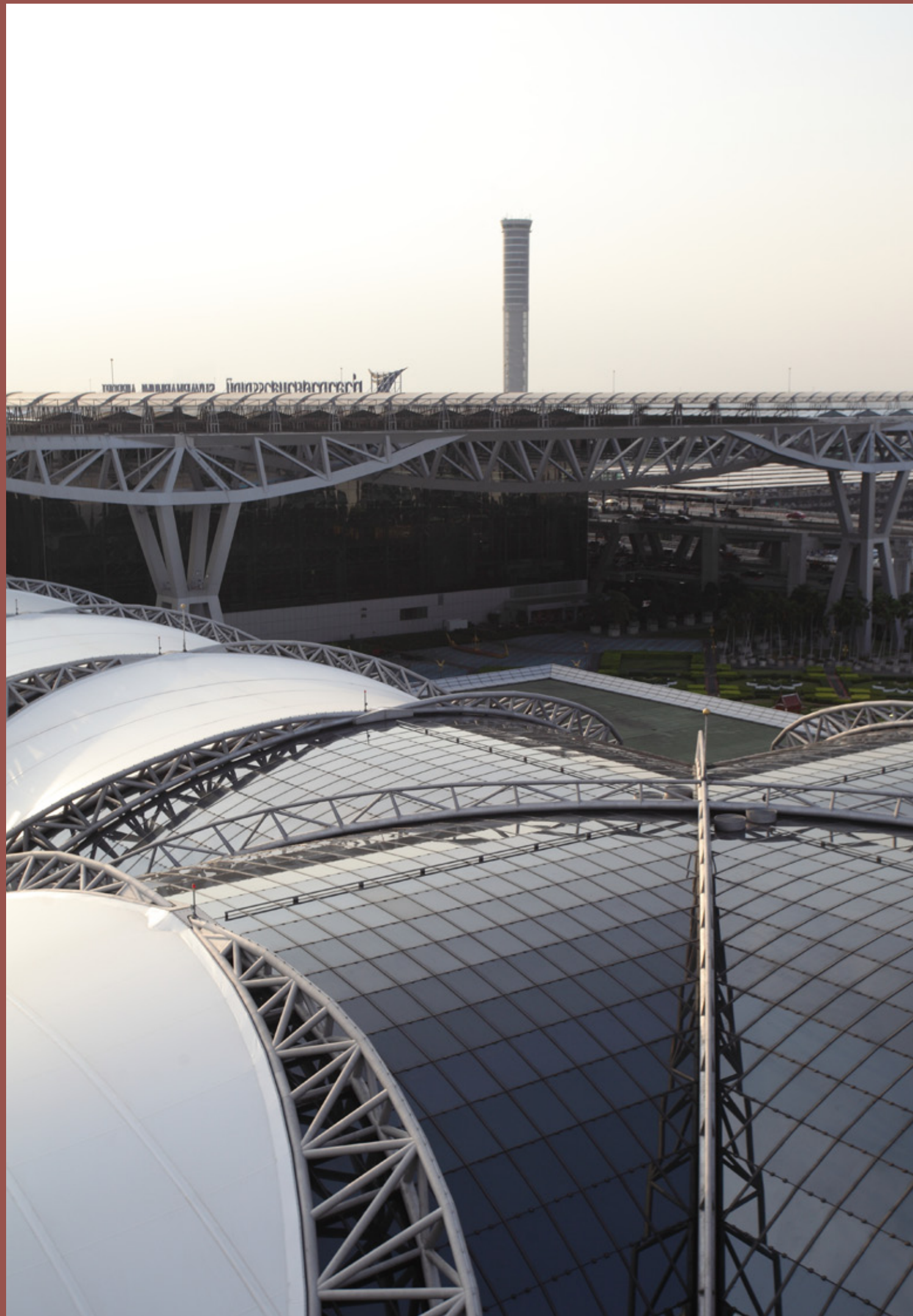
Compared to traffic volume last year, the Company experienced a traffic growth of 14.53%, a continuous increase from last year. The significant growth is mainly the result of the country's positive political outlook, as evidenced by the return of tourists from countries such as China, Korea, India, Japan and Malaysia. Growing popularity of domestic tourism also helped stimulate Low-Cost Airlines operations within Thailand which also contributed to the overall growth. Air traffic volume categorized by different types of operations is summarized below:

Fiscal Year	Aircraft Operation					Total	(Change) (%)
	International		Domestic	Overfly	Military		
	Scheduled	Non-Scheduled					
2004	157,280	12,418	86,626	37,291	13,665	307,280	17.20
2005	168,800	15,931	96,847	40,360	15,297	337,235	9.75
2006	178,807	14,656	102,610	42,120	11,832	350,025	3.79
2007	198,068	15,087	110,754	46,741	12,507	383,157	9.47
2008	204,924	16,615	112,067	50,062	14,720	398,388	3.98
2009	186,811	10,865	105,059	46,205	15,951	364,891	-8.41
2010	202,426	13,700	118,081	50,105	14,087	398,399	9.18
2011	228,050	20,475	137,760	57,310	12,672	456,267	14.53

## Traffic Trend

The Company has reviewed the growth tendency of air traffic in the Bangkok Flight Information Region for a short-term period and concluded that it will continue to grow as a result of the government's effort to promote tourism industry with the goal of reaching 30 million tourists from overseas or Baht 2 trillion in revenue by the year 2015. Looking ahead in the long run for the next 10-15 years, however, the Company is still expecting a 6-7% growth, which is consistent with the forecast by other international organizations such as International Civil Aviation Organization (ICAO), International Air Transport Association (IATA) and EUROCONTROL.





## Company's Background

In 1948, Aeronautical Radio Inc. (ARINC) of the United States of America, International Aeradio Ltd. (IAL) of the United Kingdom and various airlines operating services to Thailand jointly founded Aeronautical Radio of Siam Ltd. (AEROSIAM) with the consent of the Royal Thai Government to provide air traffic control services and aeronautical communication services in accordance with the International Civil Aviation Organization's (ICAO) standards and recommended practices.

Later, the Thai government recognized its capability and the importance of the Company's responsibility concerned the national securities and aviation development. Therefore, the government acquired the majority of share capital from the founding airlines and changed its name to Aeronautical Radio of Thailand Ltd. (AEROTHAI) on 6 November 1963. International airlines operating services to Thailand were also welcomed as the shareholders. The Company's status has then become a state enterprise under the Ministry of Transport, operating as a limited company on a non-profit basis under the contract between the Company and the Ministry of Transport with the commitment to perform the task on behalf of the government as a contracting member state of ICAO.

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# Corporate Vision, Corporate Values and Corporate Mission

## Corporate Vision

"Providing safety in air navigation services with modern management, good corporate governance and a concern for carbon emission reduction in aviation"

## Corporate Values

Safety conscious, service mind and teamwork.

## Corporate Mission

1. To provide air navigation services safely and efficiently in order to handle the growing air traffic needs and national and regional competitions.
2. To develop air navigation systems and using state-of-the-art technology to ensure safety.
3. To provide timely services to customers and to reinforce customers involvement.
4. To continuously reinforce the safety culture within the organization.
5. To cooperate with allies/partners to increase service capability and gain international recognition.
6. To reinforce the self-improvement culture for the employees.
7. To stimulate research and development in the organization and put for concrete innovation.
8. To manage the organization using Total Quality Management (TQM).
9. To manage the organization using Good Corporate Governance (GCG).
10. To give back to the community and concern for aviation's environmental impacts.



# Statement of Directions: SODs



## State Enterprise Policy

To be the machinery driving economic and social strategies on the basis of effective operation in line with good corporate governance.

## State Enterprise in Transportation Field Policy

To develop standard infrastructure and transporting systems connecting networks and to provide services in order to support logistics system development that will increase the country's competitive capability as well as to revise the role, improve management and service and promote private sectors' role.

## Corporate Policies

- To provide the infrastructure, networks, equipment and working systems with quality and sufficiency for customers' needs and also to increase the country's competitive capability.
- To provide air navigation services with safety, rapidity, punctuality, meeting international standards and increasing customers' satisfaction.
- To develop the service with innovation and state-of-the-art technology to increase quality of service with suitable and competitive costs as well as to expand the role in the region.
- To develop the work procedures by emphasizing quality and productivity.



# Corporate Plan

## Corporate Plan

The Company's Corporate Plan has been drafted to show the Company's direction and operation objective. It is a 5-year rolling plan (2011-2015). The Corporate Plan is the reference for Initiative Projects and Sustainability Activities of the Company including reason (Why), outcome, responsible units (Who), time (When), required budget and action plans. The Corporate Plan is to assist the management of the Board of Directors and management team. Moreover, the stakeholders can learn about the important issues and the corporate developing strategy under the changing environment that affects the Company's operation.

**Strategic Issue 1:** To Enhance Excellent Services Delivery Outcomes

### Goals:

1.1 To ensure safety in all phases of flights of air navigation services with stable air navigation systems.

1.2 To increase service capacity in order to meet operations' needs by enhancing airspace management and minimizing the limitations on air traffic flow.

1.3 To manage aviation's environmental impacts within area of services and to control environmental impacts when increasing the service abilities.

**Strategic Issue 2:** To Develop a Performance-Based Air Traffic Management System

### Goals:

1.1 To gain state-of-the-art air navigation service infrastructure in order to handle the growing in future air traffic.

1.2 To develop National Air Traffic Management System complying with the international standards and to make preparation in all aspects to accommodate the development.

**Strategic Issue 3:** To Build a Total Quality Management Organization

### Goals:

3.1 To employ Total Quality Management (TQM) and State Enterprise Performance Appraisal (SEPA)'s management tools.

3.2 To manage people and changes according to continuously changing environment.

3.3 To develop the information technology within the organization by efficiently manage the quality and availability of necessary information and knowledge.

3.4 To manage the innovation within the organization.

**Strategic Issue 4:** To Achieve a Good Corporate Governance and Stakeholders Engagement

### Goals:

4.1 To implement the organization's governance system complying with the 2009 Good Corporate Governance Principle and Guidelines.

4.2 To be responsible for social development.

4.3 To promote the activities in order to decrease aviation's environmental impacts.

4.4 To support the government policies and live up to customers' and stakeholders' expectations equally.

**Strategic Issue 5:** To Enhance the Organization's Financial Management

### Goals:

5.1 To improve the organization's financial structure.

5.2 To efficiently increase financial management while maintaining quality of services and safety in air navigation service.

5.3 To increase the related services' revenues.

# Shareholders

A list of A Shareholders (the Government), and B Shareholders (Member Airlines), together with the number of shares held in the Fiscal Year 2011 is given below:

## A Shareholders

	No. of Shares
Ministry of Finance	5,770,000
Ministry of Transport	230,000
<b>Total</b>	<b>6,000,000</b>

## B Shareholders

	No. of Shares
1. Asiana Airlines	3,483
2. Aeroflot Russian Airlines	733
3. Air France	1,833
4. Air Hong Kong	2,017
5. Air India	2,566
6. Thai AirAsia Co., Ltd.	69,295
7. SriLankan Airlines Ltd.	2,383
8. Air Macau	2,017
9. All Nippon Airways	5,133
10. Austrian Airlines AG	1,283
11. Indonesia Air Asia	3,300
12. Air Asia Sdn Bhd	11,549
13. British Airways	2,566
14. Biman Bangladesh Airlines	1,100
15. Air Berlin	1,283
16. Bangkok Airways Co., Ltd.	68,745
17. China Airlines Ltd.	7,149
18. Air China	1,283
19. Cebu Pacific Air	2,200

## B Shareholders

	No. of Shares
20. China Eastern Airlines	5,133
21. China Cargo Airlines	1,283
22. Cargolux Airlines Int'l S.A.	917
23. Cathay Pacific Airways	10,816
24. Hong Kong Airlines	3,116
25. Shanghai Airlines	3,850
26. China Southern Airlines	4,583
27. Delta Airlines	1,283
28. Lufthansa German Airlines	2,933
29. Druk Air	1,467
30. Etihad Airways	2,566
31. Ethiopian Airlines	4,033
32. EVA Airways Corp.	4,400
33. Federal Express Corp.	2,200
34. Finnair Oyj	1,283
35. Gulf Air Company G.S.C.	1,467
36. Garuda Indonesia	1,283
37. GMG Airlines	733
38. Hong Kong Dragon Airlines Ltd.	1,833
39. Happy Air Travellers Co., Ltd.	3,116
40. Vietnam Airlines	3,850
41. Mahan Air	1,650
42. Jet Airways (India) Ltd.	5,133
43. Japan Airlines Int'l Co., Ltd.	5,133





#### B Shareholders

#### No. of Shares

44. Jeju Air	1,283
45. Jin Air	1,283
46. Jetstar Asia Airways Pte Ltd.	5,133
47. Jetstar Airways Pty Ltd.	1,100
48. Kuwait Airways	2,200
49. Korean Air	8,249
50. Kingfisher Airlines	3,483
51. KLM Royal Dutch Airlines	2,566
52. K-Mile Air	2,750
53. Air Koryo	183
54. Kenya Airways Ltd.	2,566
55. Air Astana	550
56. Lao Airlines	5,500
57. Malaysian Airlines System Berhad	7,883
58. Air Madagascar	733
59. Martinair Holland NV	733
60. Egypt Air	1,283
61. Nippon Cargo Airlines Co., Ltd.	1,100
62. Nok Airlines Co., Ltd.	44,730
63. Orient Thai Airlines Co., Ltd.	19,249
64. Oman Air	1,467
65. Philippine Airlines	3,116
66. Pakistan Int'l Airlines	733
67. Qantas Airways	2,200

#### B Shareholders

#### No. of Shares

68. Qatar Airways	5,133
69. Royal Brunei Airlines Sdn Bhd	1,283
70. Air Austral	366
71. ALIA - The Royal Jordanian Airlines	2,566
72. Nepal Airlines Corporation	550
73. Scandinavian Airlines System	1,100
74. Siberia Airlines	366
75. Siam General Aviation	7,699
76. Singapore Airlines	5,133
77. Silk Air Private Ltd.	5,866
78. Singapore Airlines Cargo Pte Ltd.	1,467
79. Saudi Arabian Airlines	1,100
80. Swiss Int'l Air Lines Ltd.	1,283
81. Tiger Airways	10,266
82. Thai Airways International Plc.	153,622
83. Turkish Airlines Inc.	2,750
84. Transaero Airlines	1,283
85. Emirates	7,699
86. United Airlines	1,283
87. Myanmar Airways International	3,850
88. United Parcel Service Co., Ltd.	917
89. Uzbekistan Airways	366
<b>Total</b>	<b>600,000</b>

**Remark:** Member Airlines had been allocated the shares on 1 August 2011.



ท่าอากาศยานสุวรรณภูมิ SUVARNABHUMI AIRPORT







# Board of Directors

Article 33 of the Company's Articles of Association stipulates that the Company's Board of Directors consists of not less than three Directors and Article 39 stipulates the nomination of Directors by both A and B shareholders as follows:

(1) The Thai Government shall be entitled to nominate Directors of the Company and the Government's nominees shall be appointed Directors. One of these Directors, as nominated by the Government, shall be the Chairman of the Board of Directors of the Company.

(2) The holders of B shares shall be entitled to nominate two Directors and these nominees shall be appointed Directors.

At the ordinary general meeting in every subsequent year, one third of the Directors must retire from office. A retiring Director is eligible for re-election. A Director can be appointed only by a general meeting. If a vacancy occurs in the Board of Directors otherwise than by rotation it may be filled by the remaining Directors, but any person so appointed shall retain his office during such time only as the vacating Director was entitled to retain the same.





## The Board of Directors in the Fiscal Year 2011

In the Fiscal Year 2011, the Board of Directors consisted of the following Directors:



Mr. Vichan Kunagulsawat  
(Appointed as the Chairman on 17 January 2011)

### Chairman

#### Mr. Vichan Kunagulsawat

(Appointed as the Chairman on 17 January 2011 and resigned on 23 September 2011)

Age: 60

#### Position:

Director General, Department of Rural Roads

#### Education:

- Bachelor's Degree in Engineering, Kasetsart University
- Master's Degree in Public Administration, National Institute of Development Administration
- National Defence College (Class of 47)

#### Training:

- Senior Executive Development Programme (Class of 41), Office of the Civil Service Commission

#### Work Experiences:

- October 2008–September 2011  
Director General, Department of Rural Roads
- Years 2004–2008  
Deputy Director General, Department of Rural Roads

#### Fields of Competence:

- Administration & Politics
- Strategy and development planning for transportation

#### Other Positions:

- Member of the Board of Directors, Mass Rapid Transit Authority of Thailand
- Member of the Board of Directors, Provincial Electricity Authority
- Name listed in Directors' Pool of State Owned Enterprise in Politics, Planning and Development Strategy and Transport (Land Transport)



**Air Chief Marshal Raden Puengpak**  
(Appointed as the Director and Vice Chairman  
on 18 March 2009)

## **Vice Chairman**

### **Air Chief Marshal Raden Puengpak**

(Appointed as the Director for two consecutive periods as follows:

- First Period

Appointed as the Director and Vice Chairman on 18 March 2009 and 1 December 2009 respectively and retired on 20 April 2011.

- Second Period

Reappointed as the Director and Vice Chairman on 20 April 2011 and 21 April 2011 respectively and resigned on 23 September 2011.)

Age: 64

#### **Position:**

Retired Officer, Office of the Permanent Secretary, Ministry of Defence

#### **Education:**

- Bachelor of Science, Royal Thai Air Force Academy
- Master of Business Administration, Kasetsart University
- National Defence College (Class of 39)

#### **Training:**

- Air War College (Class of 26)
- Director Certification Programme (DCP class of 107), Thai Institute of Directors
- Director Accreditation Programme (DAP class of 73), Thai Institute of Directors
- Audit Committee Programme (ACP class of 29), Thai Institute of Directors
- Public Director Certification Programme (PDI class of 4), King Prajadhipok's Institute

#### **Work Experiences:**

- Years 2005-2007 Deputy Supreme Commander
- Years 2002-2005 Assistant Commander-in-Chief, Royal Thai Air Force
- Years 2000-2001 Commander, Air Combat Command, Royal Thai Air Force

#### **Fields of Competence:**

- Management and Business Administration, Strategy and Development Planning, Aviation, Air Traffic Control, Engineering and Security

#### **Other Positions:**

- Member of the Board of Directors, Airports of Thailand Public Company Limited
- Name listed in Directors' Pool of State Owned Enterprise in Management, Business Administration, Engineering and Security





**General Kamon Saen-Issara**  
(Appointed as the Director and Vice Chairman  
on 18 March 2009)

## VICE CHAIRMAN

### GENERAL KAMON SAEN-ISSARA

(Appointed as the Director for two consecutive periods as follows:

#### - First Period

Appointed as the Director and Vice Chairman on 18 March 2009 and 23 March 2010 respectively and retired on 20 April 2011.

#### - Second Period

Reappointed as the Director and Vice Chairman on 20 April 2011 and 21 April 2011 respectively and resigned on 23 September 2011.)

Age: 62

### Position:

Retired Officer

### Education:

- Bachelor of Science, Chulachomklao Royal Military Academy
- Master of Public Administration, Sripatum University (EX-MPA 3)
- National Defence College (Class of 44)

### Training:

- Infantry Officer Advanced Course, FT. Benning, GA, USA
- Command and General Staff College (Class of 61)
- Director Certification Programme (DCP class of 111), Thai Institute of Directors
- Role of Compensation Committee (RCC class of 29), Thai Institute of Directors
- Top Executive Programme (Class of 8), Capital Market Academy (CMA)
- Public Director Certification Programme (PDI class of 3), King Prajadhipok's Institute
- Top Executive Program in Commerce and Trade (TEPCoT), University of Thai Chamber of Commerce

### Work Experiences:

- Years 2008-2009 Chairman of Advisory Board Royal Thai Armed Forces
- Years 2007-2008 Commander, National Defence Studies Institute
- Years 2005-2007 Superintendent, Chulachomklao Royal Military Academy

### Fields of Competence:

- Management and Business Administration, Strategy and Development Planning, Transportation and Communication, Security, Political Science, Education and Good Governance

### Other Positions:

- Senior Aide-de-Camp
- Judge of the Supreme Military Court
- Advisor, National Defence College Alumni Think Tank
- Advisor, National Defence College Association
- Advisor to the Committee on Energy of the Senate
- Name listed in Directors' Pool of State Owned Enterprise in Strategy, Development Planning (Planning), Security (National Security) and Social (Good Governance)



**Mr. Somchai Sujjapongse**  
(Appointed on 22 March 2010)

## **Director**

### **Mr. Somchai Sujjapongse**

(Appointed on 22 March 2010)

Age: 50

#### **Position:**

Director General, State Enterprise Policy office

#### **Education:**

- Bachelor of Economics (Honours), Chulalongkorn University
- Master of Economics, Ohio State University, USA
- Doctorate of Economics, Ohio State University, USA
- The Joint State-Private Sector Regular Course (Class of 20), National Defence College

#### **Training:**

- Top Executive Programme (Class of 2), Capital Market Academy (CMA)
- Director Certification Programme (DCP class of 75), Thai Institute of Directors
- Civil Service Executive Programme: Visionary and Moral Leadership (Class of 44), the Office of the Civil Service Commission (OCSC)

#### **Work Experiences:**

- Years 2009-2010 Director General, Customs Department
- Years 2008-2009 Director General, Fiscal Policy Office, Ministry of Finance
- Years 2007-2008 Fiscal Advisor, Fiscal Policy Office, Ministry of Finance
- Years 2003-2007 Deputy Director General, Fiscal Policy Office, Ministry of Finance

#### **Fields of Competence:**

- Economics, Finance, Fiscal Management, Management and Business Administration and Strategy and Development Planning

#### **Other Positions:**

- Member of the Board of Directors, Metropolitan Electricity Authority
- Member of the Board of Directors, Airports of Thailand Public Company Limited
- Member of the Board of Directors, Bangkok Dusit Medical Services Public Company Limited
- Name listed in Directors' Pool of State Owned Enterprise in Economics, Finance (Fiscal Branch), Management and Business Administration, Strategy and Development Planning





**Mr. Somchai Siriwatanachoke**  
(Appointed on 17 January 2011)

### Director

#### Mr. Somchai Siriwatanachoke

(Appointed on 17 January 2011  
and resigned on 23 September 2011)

Age: 56

#### Position:

Inspector, Ministry of Transport

#### Education:

- Bachelor of Law, Ramkhamhaeng University
- Master of Public and Private Management, National Institute of Development Administration
- National Defence College (Class of 50)

#### Training:

- Senior Executive Development Program (Class 41), the Office of the Civil Service Commission (OCSC)
- Director Certification Programme (DCP class of 146), Thai Institute of Directors
- Financial Statements for Directors (FSD class of 12), Thai Institute of Directors

#### Work Experiences:

- Year 2010 Inspector of Ministry of Transport
- Year 2009 Deputy Director General, Department of Land Transport

#### Fields of Competence:

- Management and Business Administration, Strategy and Development Planning, Law, Political Science and Transport

#### Other Positions:

- Member of the Board of Directors, the Transport Company Limited
- Name listed in the Directors' Pool of State Owned Enterprise in Management and Business Administration (Organization Management), Development and Planning Strategy (Evaluation), and Transport (Land Transport)



**Mr. Srisakdi Wongsongsarn**  
(Appointed on 18 March 2009)

### Director

#### Mr. Srisakdi Wongsongsarn

(Appointed on 18 March 2009 and retired on 5 September 2011  
as he was 65 years old on 4 September 2011)

Age: 65

#### Position:

Board of Advisory, Royal Thai Army Radio and Television

#### Education:

- Bachelor of Electrical Engineering (Distinction), FEATI University, Republic of Philippines

#### Training:

- Director Certification Programme (DCP class of 121), Thai Institute of Directors
- Public Director Certification Programme (PDI class of 4), King Prajadhipok's Institute
- Audit Committee Program (ACP class of 35), Thai Institute of Directors

#### Work Experiences:

- Years 2006-2007 Advisor to the Committee of the Parliament
- Years 2005-2006 1. Aeronautical Radio of Thailand Ltd.
  - Executive Vice President (Administration)
  - Director, the Office of Suvarnabhumi Airport Project Management
  - Chief Financial Officer
- 2. Advisor to the Communications Committee of the Senate

#### Fields of Competence:

- Management and Business Administration, Strategy and Development Planning, Finance, Aviation, Air Traffic Control, Transport, Communication and Telecommunication, Engineering



**Mr. Komkrit Vongsomboon**  
(Appointed on 18 March 2009)

## **Director**

### **Mr. Komkrit Vongsomboon**

(Appointed on 18 March 2009 and retired on 14 November 2011)

Age: 49

### **Position:**

Independent Technical Officer

### **Education:**

- Bachelor of Business Administration, St. John University
- Master of Arts in Social Development, Kasetsart University

### **Training:**

- Financial Statements for Directors (FSD class of 5), Thai Institute of Directors
- Director Certification Programme (DCP class of 118), Thai Institute of Directors
- Audit Committee Programme (ACP class of 28), Thai Institute of Directors
- Role of Compensation Committee (RCC class of 29), Thai Institute of Directors
- Public Director Certification Programme (PDI class of 4), King Prajadhipok's Institute

### **Work Experiences:**

- Year 2008
  - Advisor to the Proactive Public Relations and Customer Relation Management at Suvarnabhumi Airport, Airports of Thailand Public Company Limited
  - Technical Officer of the Communications Committee of the Parliament
  - Subcommittee of the Communications Committee of the Parliament for Screening and Monitoring the Communications Committee's Operation
  - Subcommittee to investigate and evaluate the performances approved by the Communications Committee of the Parliament
  - Advisor to the Subcommittee of the Communications Committee of the Parliament to study the Department of Rural Roads' Operations
  - Advisor to the Subcommittee to Study and Develop Military Industry and Energy
- Years 2006-2007
  - Director of the Corporate Governance Committee, Airports of Thailand Public Company Limited

### **Fields of Competence:**

- Management and Business Administration, Strategy and Development Planning, Aviation, Air Traffic Control, Transport and Communication, Social and Good Governance





**Mr. Pravech Rattanapian**  
(Appointed on 22 March 2010)

### Director

#### Mr. Pravech Rattanapian

(Appointed on 22 March 2010  
and resigned on 16 May 2011)

Age: 53

#### Position:

President, Rattana Bundit University

#### Education:

- Bachelor of Commerce and Accountancy, Chulalongkorn University
- Master of Business Administration (Finance), Marymount College of Virginia, USA
- Doctorate in Education (Educational Administration), Kensington University, USA
- The Joint State-Private Sector Regular Course (Class of 46), National Defence College

#### Fields of Competence:

- Economics, Finance, Fiscal Management and Accounting, Management and Business Administration, Strategy and Development Planning and Education



**Squadron Leader Asdavut Watanangura**  
(Appointed on 20 October 2010)

### Director

#### Squadron Leader Asdavut Watanangura

(Appointed on 20 October 2010)

Age: 52

#### Position:

Executive Vice President, Operations Department,  
Thai Airways International Public Company Limited

#### Education:

- Master's Degree in Civil Engineering, Hochschule Der Bundeswehr Muenchen, Federal Republic of Germany

#### Work Experiences:

- Years 2010-Present Executive Vice President, Operations Department, Thai Airways International Public Company Limited
- Years 2008-2010 Vice President Aviation Resources Development, Thai Airways International Public Company Limited
- Years 2006-2008 Director Flight Deck Crew Training Department, Flight Operation, Thai Airways International Public Company Limited

#### Fields of Competence:

- Aviation, Aviation Safety, Aviation Resources Management and Development

#### Other Positions:

- Attached to HRH Crown Prince Maha Vajiralongkorn and Head of Administrative Department attached to HRH Crown Prince Maha Vajiralongkorn, Flight Operations Section



## Director

### MR. PUTTIPONG PRASARTTONG-OSOTH

(Appointed on 18 March 2009)

Age: 46

#### Position:

President, Bangkok Airways Company Limited

#### Education:

- Bachelor of Commerce and Accountancy, Chulalongkorn University

#### Work Experiences:

- Years 2008-Present President, Bangkok Airways Company Limited
- Years 2007-2008 Senior Vice President Operations, Bangkok Airways Company Limited
- Years 1997-2006 Vice President Operations, Bangkok Airways Company Limited

#### Training:

- SASIN Senior Executive Programme, SASIN Graduate Institute of Business Administration of Chulalongkorn University
- Certificate of Commercial Pilot Licence
- The Programme for Senior Executives on Justice Administration (Batch 13), Judicial Training Institute

#### Fields of Competence:

- Management and Business Administration, Strategy and Development Planning, Accounting and Finance, Aviation, Aviation Management and Air Traffic Control

#### Other Positions:

- Director of the Board of Bangkok Air Catering Company Limited
- Director of the Board of WFS-PG Cargo Company Limited
- Director of the Board of Worldwide Flight Service, Bangkok Air Ground Handling Company Limited
- Director of the Board of Bangkok Helicopter Services Company Limited
- Pilot of Airbus 319/320 fleet, Bangkok Airways Company Limited
- Advisor, Bangkok Christian College Association
- Senior Advisor, Nakhon Ratchasima's Municipality





**Air Chief Marshal Somchai Thean-anant**  
(Appointed on 24 November 2008)

## President

### **Air Chief Marshal Somchai Thean-anant**

(Appointed on 24 November 2008 and end of the employment contract on 16 August 2011)

Age: 60

#### **Position:**

President, Aeronautical Radio of Thailand Ltd.

#### **Education:**

- Bachelor of Electrical Engineering, Royal Thai Air Force Academy
- Master of Electrical Engineering (Aerospace Systems), Cranfield Institute of Technology, United Kingdom
- National Defence College (Class of 46)

#### **Training:**

- Air War College (Class of 30)
- Top Executive Programme (Class of 5), Capital Market Academy (CMA)
- Director Accreditation Programme (DAP class 47), Thai Institute of Directors
- Public Director Certification Programme (PDI class of 3), King Prajadhipok's Institute

#### **Work Experiences:**

- Years 2008–August 2011
- Years 2007–2008
- Years 2006–2007
- Years 2005–2006

President,  
Aeronautical Radio of Thailand Ltd.  
Executive Expert  
(A position for an officer of the rank of Air Chief Marshal)  
Chief of Staff Attached to the Commander-in-Chief, Royal Thai Air Force  
The Commander of the Science and Weapon System Development Centre, Royal Thai Air Force

#### **Fields of Competence:**

- Strategy and Development Planning, Aviation, Air Traffic Control, Transport and Communication, Engineering and Security

#### **Other Positions:**

- Judge of the Military Court
- Vice Chairman of Rugby Association under the King's Patronage
- Vice Chairman of Volleyball Association
- Name listed in the Directors' Pool of State Owned Enterprise in Strategy, Development Planning, Transport, Telecommunication and Information Technology

## Directors Resigning During the Fiscal Year 2011



Mr. Chaisak Angkasuwan  
(Appointed on 9 November 2006)

### Chairman

#### Mr. Chaisak Angkasuwan

(Appointed on 9 November 2006 and resigned on 1 January 2011)

Age: 61

#### Position:

Deputy Permanent Secretary, Ministry of Transport

(As of 30 September 2011)

#### Education:

- Bachelor of Law, Thammasat University
- Master of Public and Private Management, National Institute of Development Administration
- National Defence College (Class of 44)

#### Training:

- Role of the Chairman Programme (RCP class of 13), Thai Institute of Directors
- Director Accreditation Programme (DAP class of 51), Thai Institute of Directors
- Director Certification Programme (DCP class of 130), Thai Institute of Directors
- Public Director Certification Programme (PDI class of 2), King Prajadhipok's Institute
- Top Executive Programme (Class of 10), Capital Market Academy (CMA)

#### Work Experiences:

- |                             |  |
|-----------------------------|--|
| • Years 2009-September 2010 | Deputy Permanent Secretary, Ministry of Transport  |
| • Years 2004-2009           | Director General, Department of Civil Aviation, Ministry of Transport                            |
| • Years 2003-2004           | Deputy Director General (Economics), Department of Civil Aviation, Ministry of Transport         |
| • Years 2002-2003           | Deputy Director General (Technical Affairs), Department of Civil Aviation, Ministry of Transport |

#### Fields of Competence:

- Management and Business Administration, Law, Strategy and Development Planning
- Aviation, Air Traffic Control, Transport and Communications

#### Other Positions:

- Vice Chairman of the Board of the Transport Company Limited
- Member of the Board of Directors, Thai Airways International Public Company Limited
- Name listed in the Directors' Pool of State Owned Enterprise in Management, Business Administration and Law





**Mr. Vutichai Singhamany**  
(Appointed on 22 March 2010)

## **Director**

### **Mr. Vutichai Singhamany**

(Appointed on 22 March 2010 and resigned on 29 October 2010)

Age: 61

#### **Position:**

Director General, Department of Civil Aviation, Ministry of Transport  
(As of 30 September 2011)

#### **Education:**

- Bachelor of Aerospace Engineering,  
FEATI University, Republic of Philippines

#### **Training:**

- Graduate Diploma in Public Laws and Management,  
King Prajadhipok's Institute (Class of 5)
- Middle Executive Officer Programme (Class of 2),  
Ministry of Transport
- Civil Service Executive Programme,  
the Office of the Civil Service Commission (OCSC)
- Chief Information Officer Programme (Class of 21),  
the Office of the Civil Service Commission  
and National Electronics and Computer Technology Center
- Director Certification Programme (DCP class of 112),  
Thai Institute of Directors

#### **Work Experiences:**

- Years 2009–September 2010      Director General,  
Department of Civil Aviation,  
Ministry of Transport
- Years 2007–2009      Deputy Director General,  
Department of Civil Aviation
- Years 2005–2007      Director, Flight Standards Bureau,  
Department of Civil Aviation

#### **Fields of Competence:**

- Management and Business Administration,  
Strategy and Development Planning, Law, Aviation,  
Aviation Management and Air Traffic Control,  
Transportation and Communication, Engineering

#### **Other Positions:**

- Executive Committee of the Civil Aviation Training Centre
- Executive Committee (Representative) of the International Aviation College,  
Nakhon Phanom University
- Name listed in the Directors' Pool of State Owned Enterprise  
in Specific Law (Air Navigation), Transport (Air Transport) and Logistics

# Roles and Responsibility of Board of Directors

The Board of Directors performs the duties significantly in defining the corporate vision, conducting and planning the strategic framework, in line with the corporate policies, to achieve the organization goal and maximum benefits. The Board of Directors also appoints the knowledgeable and experienced directors to Committees for screening any necessary matters as follows:

1. The Executive Committee
2. The Audit Committee
3. The Risk Management Committee
4. The Funds Seeking Committee
5. The Corporate Plan Committee
6. The Remuneration Committee
7. The AEROTHAI President Recruitment Committee
8. The AEROTHAI President's Remuneration Evaluation Subcommittee

The five Independent Directors were also announced.

The Board meetings are scheduled in advance throughout the year to oversee and monitor the Company's operation regularly. The meeting is conducted monthly and any extra meeting will be called for if necessary. The number of meetings is shown in the Annual Report. The meeting invitation letter and agenda in the form of documents and CD-ROM are provided to the Board of Directors 3-5 days prior to the meeting.

The minutes of the meetings are recorded in writing and kept available for Directors and relevant persons to inspect. In addition, the minutes of the Executive Committee's Meetings and Board of Directors' Meetings are distributed to A Shareholders (the Ministry of Finance and the Ministry of Transport) and B Shareholders (Member Airlines) for acknowledgement and also available on website for shareholders.



# The Evaluation of Board of Directors

As the Good Corporate Governance practice, the Board of Directors have their evaluation to monitor themselves for better performing their duties. This evaluation also assists them in setting the Company's direction and supervising the management properly. The evaluation is conducted every six months and based on two categories: Self Assessment and Board Evaluation.

Category of Evaluation	First Evaluation (October 2010-March 2011)		Second Evaluation (April-September 2011)	
	Point	Level	Point	Level
Self Assessment	108.7/112	Excellent	108.9/112	Excellent
Board Evaluation	116.8/120	Excellent	117.1/120	Excellent

**The Self Assessment consists of six topics:** core competency, independence, preparedness, practices as a director, committed activities and development of organization. The Self Assessment's result was shown excellent.

**The Board Evaluation consists of four topics:** Board of Directors and their meetings, communications, work procedures and the relationship with executive management. The Board Evaluation's result was shown excellent.

# The Board of Directors' Knowledge and Skill Development

The Company realizes the importance of the Board of Directors' competency development, which contributes to the Company highest efficiency and productivity as well as being in line with the Good Corporate Governance practices. In the Fiscal Year 2011, the Board of Directors participated in training and seminars arranged by the State Enterprise Policy Office, King's Prajadhipok's Institute, Capital Market Academy, Thai Institute of Directors and Commerce and Trade. They also joined the activities relating to their assignment and responsibilities as well as having site visits at the Air Traffic Control Centre for better understanding of the Company's functions.

In the Fiscal Year 2011, the Board of Directors had visited Le Bourget Air Show in France, Air Navigation Service of the Czech Republic (ANS CR) including the Airport Management of Zurich Airport, Switzerland regarding the safety management in air traffic control. This visit enabled them to obtain the information about the new equipment/system of technology in air traffic control development and flow management to handle and develop the human resources which would accommodate the increasing volume of flights in the future.

## The Orientation for the New Directors

The Company arranged the orientation for the new Directors with a provision of essential and responsibility-related information in the form of documents, presentation and facility visit. The documents proposed to the new Directors were as follows:

1. The Board of Directors and Committee appointment letters.

2. The Company's information consisting of the booklet of the Company's memorandum of association, general information (Company's background and status, shareholders, policies, vision, values, responsibilities in air navigation services and related services), organization chart, personnel, air transport situation and the Company's performance and financial statements, Corporate Plan, significant projects, relevant national and overseas organizations and the Company's Annual Report.

3. Board of Directors' handbook consisting of the names of the Board of Directors and its composition, their authorization and duties, terms, Board meeting and its allowances, Committees and their authorization and duties, information of independent directors, the evaluation, the application to be airline members, agreement between the Ministry of Transport and the Company, the asset account submission under the Organic Act on Anti Corruption B.E. 2542 and relevant laws, regulations and the Act including a booklet of information system application for the Board of Directors.

## Connected Transactions of Directors with the Company

In the Fiscal Year 2011, the Company was reported that the Board of Directors had no connected transactions. In addition, they did not hold any shares or held not more than 10 percent of all voting shares of the company.

## Authorized Directors

In the Fiscal Year 2011, two out of the following five Authorized Directors could co-sign and affix the Company seal to bind the Company:

- |                              |                   |
|------------------------------|-------------------|
| 1. Mr. Vichan                | Kunagulsawat      |
| 2. Mr. Somchai               | Sujjapongse       |
| 3. Squadron Leader Asdavut   | Watanangura       |
| 4. Mr. Puttipong             | Prasarttong-Osoth |
| 5. Air Chief Marshal Somchai | Thean-anant       |

## The Secretary to the Board of Directors



**Squadron Leader Prajak Sajjasophon**  
Secretary  
Executive Vice President



**Mrs. Thaniya Suntharasantic**  
Assistant Secretary  
Senior Director, Finance and Accounting Bureau



**Miss Duangta Samitsuwan**  
Assistant Secretary  
Senior Director, General Administration Bureau

## The Board of Directors' Attendance

In the Fiscal Year 2011, the Board of Directors held fourteen meetings with attendance details as follows:

Name		Number of Attendances
Mr. Vichan	Kunagulsawat <sup>1/</sup>	10/10
Air Chief Marshal Raden	Puengpak <sup>2/</sup>	14/14
General Kamon	Saen-Issara <sup>2/</sup>	14/14
Mr. Somchai	Sujjapongse <sup>3/</sup>	9/14
Mr. Somchai	Siriwatanachoke <sup>1/</sup>	10/10
Mr. Srisakdi	Wongsongsarn <sup>4/</sup>	14/14
Mr. Komkrit	Vongsomboon <sup>4/</sup>	14/14
Mr. Pravech	Rattanapian <sup>3/</sup>	6/9
Squadron Leader Asdavut	Watanangura <sup>5/</sup>	5/13
Mr. Puttipong	Prasarttong-Osoth <sup>4/</sup>	11/14
Air Chief Marshal Somchai	Thean-anant <sup>6/</sup>	14/14
Mr. Chaisak	Angkasuwan (Resigned on 1 January 2011)	3/3
Mr. Vutichai	Singhamany (Resigned on 29 October 2010)	1/1

(The absent attendants were due to overseas engagement.)

- Remarks:**
- <sup>1/</sup> Appointed on 17 January 2011
  - <sup>2/</sup> Appointed during 18 March 2009-20 April 2011 and 20 April-23 September 2011
  - <sup>3/</sup> Appointed on 22 March 2010
  - <sup>4/</sup> Appointed on 18 March 2009
  - <sup>5/</sup> Appointed on 20 October 2010
  - <sup>6/</sup> Appointed on 24 November 2008



# The Executive Committee

The Executive Committee consists of not less than three members and not more than five members. In the Fiscal Year 2011, the Executive Committee consisted of:

1. Mr. Somchai	Siriwatanachoke	Chairman
2. Mr. Somchai	Sujjapongse	Member
3. Squadron Leader Asdavut	Watanangura	Member
4. Mr. Puttipong	Prasarttong-Osoth	Member
5. Air Chief Marshal Somchai	Thean-anant	Member
6. Squadron Leader Prajak	Sajjasophon	Secretary
7. Mrs. Thaniya	Suntharasantic	Assistant Secretary
8. Miss Duangta	Samitsuwan	Assistant Secretary

## Responsibilities

The Executive Committee is appointed according to Article 42 fourth paragraph of the Company's Articles of Association which stipulates that "In order to facilitate and expedite the conduct of the Company and to supervise the management of the Company more closely the Board of Directors shall set up an Executive Committee of not less than three nor more than five persons".

## The Executive Committee's Attendance

In the Fiscal Year 2011, the Executive Committee held nine meetings with attendance details as follows:

Name		Number of Attendances
Mr. Somchai	Siriwatanachoke <sup>1/</sup>	6/6
Mr. Somchai	Sujjapongse	5/9
Squadron Leader Asdavut	Watanangura <sup>2/</sup>	1/7
Mr. Puttipong	Prasarttong-Osoth	8/9
Air Chief Marshal Somchai	Thean-anant	9/9
Mr. Chaisak	Angkasuwan (Resigned on 1 January 2011)	3/3

(The absent attendants were due to overseas engagement.)

Remarks: <sup>1/</sup> Appointed on 26 January 2011

<sup>2/</sup> Appointed on 25 November 2010

# The Audit Committee

In the Fiscal Year 2011, the Audit Committee consisted of:

1. Air Chief Marshal Raden	Puengpak	Chairman
2. Mr. Srisakdi	Wongsongsarn	Member
3. Mr. Pravech	Rattanapian	Member
4. Vice President (Internal Audit)		Secretary

The Audit Committee's Terms were as follows:

During 1 October 2010-25 January 2011:

1. Air Chief Marshal Raden	Puengpak	Chairman
2. Mr. Komkrit	Vongsomboon	Member
3. Mr. Pravech	Rattanapian	Member

During 26 January 2011-15 May 2011:

1. Air Chief Marshal Raden	Puengpak	Chairman
2. Mr. Srisakdi	Wongsongsarn	Member
3. Mr. Pravech	Rattanapian	Member

During 16 May 2011-4 September 2011:

1. Air Chief Marshal Raden	Puengpak	Chairman
2. Mr. Srisakdi	Wongsongsarn	Member

## Responsibilities

1. Report on validity of financial statements and management reports.
2. Report on the efficiency, effectiveness and cost control schemes of the Company's operations.
3. Report on conflicts of interest and related matters.
4. Report on compliance with rules, regulations, Cabinet Resolutions and policies set by the State Enterprises Board of Directors.

## The Audit Committee's Attendance

In the Fiscal Year 2011, the Audit Committee held eleven meetings with attendance details as follows:

Name		Number of Attendances
Air Chief Marshal Raden	Puengpak	11/11
Mr. Komkrit	Vongsomboon (Retired on 26 January 2011)	3/3
Mr. Pravech	Rattanapian (Resigned on 16 May 2011)	4/6
Mr. Srisakdi	Wongsong (Appointed on 26 January 2011)	8/8

# The Risk Management Committee

In the Fiscal Year 2011, the Risk Management Committee consisted of:

1. General Kamon	Saen-Issara	Chairman
2. Mr. Srisakdi	Wongsongsarn	Member
3. Squadron Leader Asdavut	Watanangura	Member
4. Air Chief Marshal Somchai	Thean-anant	Member
5. Vice President (Safety and Standards)		Secretary
6. Senior Director, Safety and Standards Bureau		Assistant Secretary

## Responsibilities

The Risk Management Committee considers all aspects or situations that might pose risk to or otherwise affect the Company. The Committee has to evaluate such situations and determine policy to eliminate and/or reduce the risk. The Management then has to follow such policy.

## The Risk Management Committee's Attendance

In the Fiscal Year 2011, the Risk Management Committee held five meetings with attendance details as follows:

Name		Number of Attendances
General Kamon	Saen-Issara	5/5
Mr. Srisakdi	Wongsongsarn (Retired on 4 September 2011)	4/5
Squadron Leader Asdavut	Watanangura (Appointed on 3 December 2011)	1/5
Air Chief Marshal Somchai	Thean-anant (Retired on 16 August 2011)	3/5

# The Funds Seeking Committee

In the Fiscal Year 2011, the Funds Seeking Committee consisted of:

1. Mr. Somchai	Sujjapongse	Chairman
2. Mr. Puttipong	Prasarttong-Osoth	Member
3. Air Chief Marshal Somchai	Thean-anant	Member
4. Dr. Abhijai	Chandrasen	Legal Adviser
5. Chief Financial Officer (CFO)		Secretary
6. Senior Director, Finance and Accounting Bureau		Assistant Secretary

## Responsibilities

The Funds Seeking Committee is responsible for seeking funds to cover the Company's expenditure in operating, investing and refinancing fields as well as other necessary matters. The Committee considers proposed procedures, interest rates and terms and conditions from each financial/funding sector so that the Company receives funds under the most suitable conditions.

In the Fiscal Year 2011, the Funds Seeking Committee held one meeting which was attended by all members.



# The Corporate Plan Committee

In the Fiscal Year 2011, the Corporate Plan Committee consisted of:

1. Air Chief Marshal Raden	Puengpak	Chairman
2. General Kamon	Saen-Issara	Member
3. Mr. Somchai	Sujjapongse	Member
4. Mr. Srisakdi	Wongsongsarn	Member
5. Mr. Pravech	Rattanapian*	Member
6. The President		Member
7. Vice President (Corporate Strategy and Communication)		Secretary
8. Senior Director, Strategy and Organizational Development Bureau		Assistant Secretary

**Remark:** \*Mr. Pravech Rattanapian resigned on 16 May 2011.

## Responsibilities

The Corporate Plan Committee is responsible for scrutinizing and providing recommendations and reviewing the draft Corporate Plan prior to submission to the Board of Directors for approval.

## The Corporate Plan Committee's Attendance

In the Fiscal Year 2011, the Corporate Plan Committee held five meetings with attendance details as follows:

Name		Number of Attendances
Air Chief Marshal Raden	Puengpak	5/5
General Kamon	Saen-Issara	5/5
Mr. Somchai	Sujjapongse	4/5
Mr. Srisakdi	Wongsongsarn	5/5
Mr. Pravech	Rattanapian (Resigned on 16 May 2011)	1/5
Air chief Marshal Somchai	Thean-anant (Retired on 16 August 2011)	3/5

# The Remuneration Committee

In the Fiscal Year 2011, the Remuneration Committee consisted of:

- |   |                 |                     |
|---|-----------------|---------------------|
| 1. General Kamon  | Saen-Issara     | Chairman            |
| 2. Mr. Somchai  | Siriwatanachoke | Member              |
| 3. Mr. Komkrit  | Vongsomboon     | Member              |
| 4. Vice President (Human Resource)                        |                 | Secretary           |
| 5. Senior Director, Human and Quality of Work Life Bureau |                 | Assistant Secretary |

## Responsibilities

1. Determine and make recommendations concerning policies and set up criteria and approach regarding the evaluation system of the President.
2. Consider the evaluation of the President's performance.
3. Determine and make recommendations on the policy of a proper rate for management remunerations and benefits.
4. Present overall results to Board of Director.
5. Consider the relevant matters.

## The Remuneration Committee's Attendance

In the Fiscal Year 2011, the Remuneration Committee held six meetings with attendance details as follows:

Name		Number of Meeting
General Kamon	Saen-Issara	6/6
Mr. Somchai	Siriwatanachoke	3/4
Mr. Komkrit	Vongsomboon	6/6

**Remark:** No. 2 was appointed on 2 February 2011 to replace the resigned member.

## Independent Directors

In the Fiscal Year 2011, the Independent Directors consisted of:

- |                            |              |
|----------------------------|--------------|
| 1. Air Chief Marshal Raden | Puengpak     |
| 2. General Kamon           | Saen-Issara  |
| 3. Mr. Srisakdi            | Wongsongsarn |
| 4. Mr. Komkrit             | Vongsomboon  |
| 5. Mr. Pravech             | Rattanian    |

The Independent Directors have performed their duty in line with a principle of “Independence” which is defined as “A key to foster the Directors’ responsibilities. A certain number of the Independent Directors should be comprised of the Board of Directors and they can make suggestions or reports with consideration of their duties and responsibilities independently and justly without direct or indirect benefits or advantages in that case and without considering any benefits relating to properties or positions. In addition, the Independent Directors are not under any influence from people, groups or situations that would result in the Company and shareholders incurring damage or loss of appropriate benefits due to act or omission of act.”

The Independent Directors certify their independence upon being appointed and on a yearly basis. In the Fiscal Year 2011, the Independent Directors held two meetings which were attended by all members.

## The AEROTHAI President Recruitment Committee

In the Fiscal Year 2011, the AEROTHAI President Recruitment Committee consisted of:

- |   |                   |                     |
|---|-------------------|---------------------|
| 1. Air Chief Marshal Raden                                | Puengpak          | Chairman            |
| 2. Mr. Somchai  | Siriwatanachoke   | Member              |
| 3. Mr. Somchai  | Sujjapongse       | Member              |
| 4. Mr. Puttipong  | Prasarttong-Osoth | Member              |
| 5. Mrs. Sriphanom   | Boonnark          | Member              |
| 6. Vice President (Human Resource)                        |                   | Secretary           |
| 7. Senior Director, Human and Quality of Work Life Bureau |                   | Assistant Secretary |

### Responsibilities

The AEROTHAI President Recruitment Committee is responsible for setting qualifications, rules, and recruitment method. Then, they conduct recruitment procedures to seek a person who possesses the capabilities with appropriate experiences for the position of AEROTHAI President in line with the Standard Qualifications for Directors and State Enterprises’ Employees Act, B.E. 2518 and its amendment as well as the guidelines set by the Ministry of Finance. The name of the selected candidate was submitted to the Board of Directors for consideration in June 2011.

In the Fiscal Year 2011, the AEROTHAI President Recruitment Committee held three meetings which were attended by all members.



## The AEROTHAI President's Remuneration Evaluation Subcommittee

In the Fiscal Year 2011, the AEROTHAI President's Remuneration Evaluation Subcommittee consisted of:

1. General Kamon	Saen-Issara	Chairman
2. Squadron Leader Asdavut	Watanangura	Member
3. Mr. Srisakdi	Wongsongsarn	Member
4. Mrs. Yajai	Phatthanasukwason	Member
5. Vice President (Human Resource)		Secretary
6. Senior Director, Human and Quality of Work Life Bureau		Assistant Secretary

### Responsibilities

1. To submit the consideration outcome and drafted hiring contract to the Board of Directors within 30 days from the date the name was received for consideration and then submit the matter to the Ministry of Finance for agreement.
2. To set the remuneration rate for the President and negotiate with the selected person for the position of President.

### The AEROTHAI President's Remuneration Evaluation Subcommittee's Attendance

In the Fiscal Year 2011, the AEROTHAI President's Remuneration Evaluation Subcommittee held 6 meetings with attendance details as follows:

Name		Number of Meeting
General Kamon	Saen-Issara	6/6
Squadron Leader Asdavut	Watanagura	2/6
Mr. Srisakdi	Wongsongsarn	6/6
Mrs. Yajai	Phatthanasukwason	6/6

## Remuneration for the Board of Directors and Committees

The Company is a State Enterprise which has to abide by the Cabinet's resolution concerning remuneration for the Board of Directors. Meeting remuneration is set according to the Ministry of Finance's principles and practices and displayed in the annual report.

### Remuneration for Committees in the Fiscal Year 2011

No.	Name	Number of Meeting	Total Remuneration (Baht)
1.	Board of Directors	14	858,000.00
2.	Executive Committee	9	128,000.00
3.	Audit Committee	11	280,000.00
4.	Risk Management Committee	5	70,000.00
5.	Funds Seeking Committee	1	27,000.00
6.	Corporate Plan Committee	5	52,000.00
7.	Remuneration Committee	6	132,000.00
8.	AEROTHAI President Recruitment Committee	3	110,000.00
9.	AEROTHAI President's Remuneration Evaluation Subcommittee	6	52,000.00
<b>Total</b>			<b>1,709,000.00</b>

### Remuneration for the Board of Directors and Committees Divided Individually in the Fiscal Year 2011

No.	The Board of Directors		Total Remuneration (Baht)
1.	Mr. Vichan	Kunagulsawat	80,000.00
2.	Air Chief Marshal Raden	Puengpak	268,000.00
3.	General Kamon	Saen-issara	218,000.00
4.	Mr. Somchai	Siriwatanachoke	130,000.00
5.	Mr. Srisakdi	Wongsongsarn	208,000.00
6.	Mr. Komkrit	Vongsomboon	168,000.00
7.	Mr. Somchai	Sujjapongse	122,000.00
8.	Squadron Leader Asdavut	Watanangura	56,000.00
9.	Mr. Puttipong	Prasarttong-Osoth	136,000.00
10.	Air Chief Marshal Somchai	Thean-anant	96,000.00
11.	Mr. Chaisak	Angkasuwan	60,000.00
12.	Mr. Vutichai	Singhamany	16,000.00
13.	Mr. Pravech	Rattanapian	120,000.00
<b>Total</b>			<b>1,678,000.00</b>

# Technical Advisory Committee (TAC)

In the Fiscal Year 2011, the Technical Advisory Committee consisted of:

- |   |                 |
|---|-----------------|
| <b>1. Mr. Brian Sinclair-Thompson</b><br>Regional Manager,<br>Asia/Pacific Ground Services International Swiss International Airlines Limited | <b>Chairman</b> |
| <b>2. ACM. Somchai Thean-anant</b><br>President,<br>Aeronautical Radio of Thailand Limited  | <b>Member</b>   |
| <b>3. Capt. Wiroj Jutagasut</b><br>Vice President, Flight Operations<br>Thai Airways International Public Company Limited                     | <b>Member</b>   |
| <b>4. Mr. Owen Bernard Dell</b><br>Manager, International Operation<br>Cathay Pacific Airways Limited   | <b>Member</b>   |
| <b>5. Capt. Stuart Julian</b><br>Executive Vice President<br>Asia Pacific International Federation of Airline Pilots' Associations (IFALPA)   | <b>Member</b>   |
| <b>6. Mr. Doug Scott</b><br>Manager, Upper Airspace Services<br>Airservices Australia   | <b>Member</b>   |
| <b>7. Mr. Kevin L. Harvey</b><br>AD Mandate Expert-EATM<br>EUROCONTROL  | <b>Member</b>   |





## ○ Terms of Reference

The duty and responsibility of the Technical Advisory Committee (TAC) is to advise the AEROTHAI Board of Directors on technical matters regarding planning and development of Air Navigation Services (ANS) of AEROTHAI. The TAC shall focus on improving AEROTHAI's operational performance while complying with the international standards and recommended practices. These technical matters shall include the following topics:

- Trends in aviation industry and economics,
- Safety management,
- Air Traffic Management/Communications, Navigation, and Surveillance (ATM/CNS),
- ANS related information technology, and
- Aviation related business development

## ○ Accomplishments

In the Fiscal Year 2011, the Technical Advisory Committee has assisted the Board of Directors in providing advice and recommendations on a range of areas which include the establishment of Air Traffic Management Centre Project, the transition from Aeronautical Information Service (AIS) to Aeronautical Information Management (AIM) in line with ICAO's work plan and the use of information technology to increase safety and efficiency of flights.

# The Labour Relations Committee

In the Fiscal Year 2011, the Labour Relations Committee consisted of:

			Number of Meeting
1. Air Cheif Marshal Somchai	Thean-anant	Chairman	10/10
2. Mr. Siri	Pichiensopon	Member	5/12
3. Group Captain Chokechai	Spanon	"	11/12
4. Mr. Anucha	Tavornchotsakul	"	10/12
5. Mr. Teekayu	Muratha	"	10/12
6. Mrs. Thaniya	Suntharasantic	"	11/12
7. Mr. Sukluer	Chiawarcheep	"	12/12
8. Mrs. Monchuka	Thananart	"	10/12
9. Miss Duangta	Samitsuwan	"	10/12
10. Mr. Parinya	Thienthong	"	10/12
11. Flight Sergeant 1 Thanoo	Ratanasupaphunt	"	12/12
12. Mr. Wanchai	Chaipanset	"	12/12
13. Mr. Sukit	Klinhom	"	9/12
14. Mrs. Kochaphan	Imsaeng	"	9/10
15. Mr. Matee	Khamhaeng	"	11/12
16. Mr. Sapol	Singhadara	"	10/12
17. Mr. Sangsit	Prasomthong	"	10/10
18. Mr. Surawong	Vacharothai	"	9/10
19. Mr. Rak	Lapanan	Member and Secretary	12/12

**Remark:** No. 1 ended his term as the President on 16 August 2011.

Nos. 14, 17 and 18 were appointed on 16 December 2010 to replace the retired members.

## Responsibilities

1. To give advice on efficiency improvements in the operations of the organization as well as promoting and develop labour relations.
2. To negotiate and resolve disputes in the organization.
3. To improve working rules and regulations which will be beneficial to employers and employees and the organization.
4. To find appropriate solutions for employees' or Labour Union's problems as well as submitting petition concerning disciplinary measures.
5. To discuss the improvement of employment terms and conditions.







## Company's Management (As of 30 September 2011)



**Mr. Siri Pichiensopon**  
Executive Vice President



**Sq. Ldr. Prajak Sajjasophon**  
Executive Vice President



**Mrs. Sarinee Sangprasit**  
Executive Vice President



**Mr. Damri Muangsri**  
Expert,  
Executive Vice President Level



**Mr. Wichit Theerapong**  
Vice President  
(Internal Audit)



**Mr. Aphinun Vannangkura**  
Vice President  
(Air Traffic Management)



**Mr. Somnuk Rongthong**  
Vice President  
(Air Traffic Services Engineering)



**Mr. Anucha Kammong**  
Vice President  
(Safety and Standards)



**Mr. Prakrit Suwannabhokin**  
Vice President  
(Corporate Strategy and Communication)



**Gr. Capt. Chokechai Spanon**  
Vice President (Human Resource)



**Mrs. Onurai Komain**  
Vice President (Finance)



**Sq. Ldr. Ekaburuse Rawdhetubhai**  
Vice President (Administration)

## Company's Management (As of 30 September 2011)



**Mr. Channarong Chuacharoen**  
Vice President (Business Development)



**Mr. Chatree Kimanunta**  
Expert, Vice President Level



**Mr. Reuchai Na Songkhla**  
Expert, Vice President Level



**Miss Waraporn Songcharoen**  
Senior Director,  
Office of the President



**Mr. Tinnagorn Choowong**  
Senior Director,  
Enroute Air Traffic Management Bureau



**Mr. Anucha Tavorchotsakul**  
Senior Director,  
Terminal Air Traffic Management Bureau





**Capt. Suebboon Nannar**  
Senior Director,  
Provincial Air Traffic Management Bureau 1



**Mr. Chaiwat Nilrumbhai**  
Senior Director,  
Provincial Air Traffic Management Bureau 2



**Mr. Teekayu Muratha**  
Senior Director,  
Air Traffic Services Engineering Bureau



**Mr. Nuttawat Supanundha**  
Senior Director,  
Air Traffic Services Engineering Support Bureau



**Mr. Wudhichai Songkhunridhikarn**  
Senior Director,  
Safety and Standards Bureau



**Mr. Suttipong Kongpool**  
Senior Director, Strategy and  
Organizational Development Bureau



## Company's Management (As of 30 September 2011)



**Miss Tipaporn Nippakakorn**

Senior Director, Corporate Communication  
and Relations Management Bureau



**Mrs. Monchuka Thananart**

Senior Director, Human Resource  
and Quality of Work Life Bureau



**Mr. Chatri Sasipayungsak**

Senior Director, Human Resource  
Development and Learning Promotion Bureau



**Mrs. Thaniya Suntharasantic**

Senior Director,  
Finance and Accounting Bureau



**Mr. Sukluer Chiawarcheep**

Senior Director,  
Facilities Administration Bureau



**Miss Duangta Samitsuwan**

Senior Director,  
General Administration Bureau



**Sq. Ldr. Chalernpol Promkingkaew**  
Senior Director,  
Business Systems Bureau



**Mr. Chana Tadtasai**  
Senior Director,  
Engineering Services Bureau



**Wg. Cdr. Thawatchai Kertsawat**  
Senior Director,  
Flight Inspection Services Bureau



**Mrs. Orasa Thanasuan**  
Expert, Senior Director Level



**Mrs. Chidkamol Soonthornsit**  
Expert, Senior Director Level



**Mr. Jak Chinorak**  
Expert, Senior Director Level



## Company's Management (As of 30 September 2011)



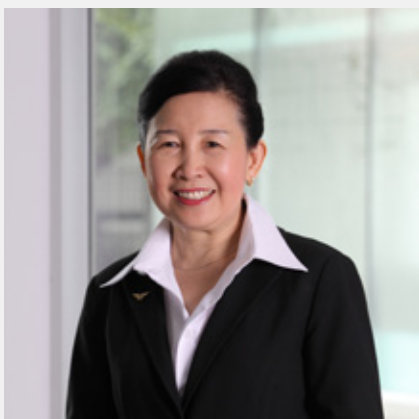
**Mr. Anon Tantrakul**  
Expert, Senior Director Level



**Mr. Termsak Sangchoat**  
Expert, Senior Director Level



**Miss Sumontha Cherdchuen**  
Expert, Senior Director Level



**Mrs. Taratip Montonpalin**  
Expert, Senior Director Level



**Mrs. Pornnabpan Chootai**  
Expert, Senior Director Level



# Company's Services

## 1. Air Navigation Services

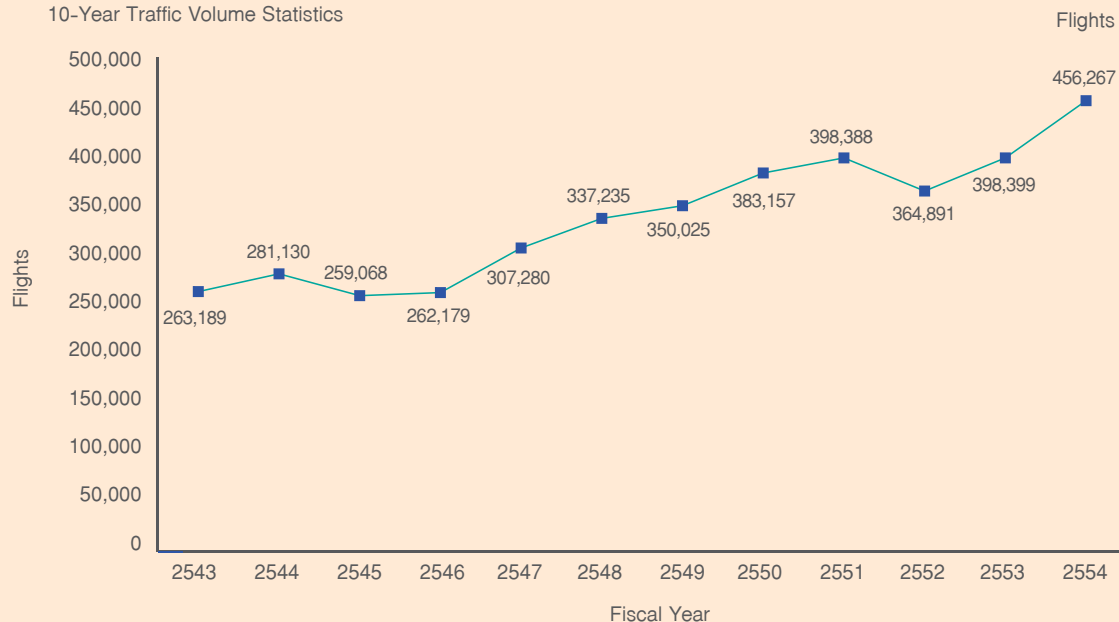
### 1.1 En Route Air Traffic Service (Area Control Service)

#### Traffic Volume

In the Fiscal Year 2011, Bangkok Area Control Centre provided services for a total of 456,267 flights, which is an increase of 57,868 flights or 14.53% from last year.

#### Traffic Volume for Area Control Centre (2010-2011 Comparison)

Type of Operations	Traffic Volume			
	Fiscal Year		Changes	
	2010	2011	Increase (+) Decrease (-)	Increase (+) % Decrease (-) %
Civil-International				
- Scheduled	202,426	228,050	25,624	12.66%
- Non-Scheduled	13,700	20,475	6,775	49.45%
- Overfly	50,105	57,310	7,205	14.38%
Civil-Domestic	118,081	137,760	19,679	16.67%
Military	14,087	12,672	-1,415	-10.04%
<b>Total Flights</b>	<b>398,399</b>	<b>456,267</b>	<b>57,868</b>	<b>14.53%</b>



- Remarks:**
1. The traffic volume during the Fiscal Years 2002-2003 declined following the terrorist attack in the United States of America, the closure of Kabul airspace in Afghanistan and the SARS epidemic in many countries.
  2. In the Fiscal Years 2004-2007, the traffic numbers bounced back following the continuous expansion of low-cost airline services and the promotion of tourism supported by the government.
  3. The Fiscal Years 2008-2009 showed a decline in air traffic volume due to the world economic crisis, the fuel crisis, and political conflict as well as the closure of Suvarnabhumi Airport.
  4. In the Fiscal Years 2010-2011, the recovery of global economic crisis encourages airlines to increase air traffic volume. Moreover, the liberalization of aviation has continuously expanded to countries in the Asia-Pacific region together with an increase of airport capacity in many countries becoming an attraction of tourists to the region.



## Flight Movement - Airports

Airports	1 October - 30 September		Flight Change	
	2010	2011	Increase (+)	Increase (+) %
			Decrease (-)	Decrease (-) %
Suvarnabhumi	268,621	295,819	27,198	10.13
Don Mueang	79,211	82,696	3,485	4.40
Chiang Mai	38,057	42,364	4,307	11.32
Hat Yai	56,883	46,317	-10,566	-18.57
Phuket	48,490	57,697	9,207	18.99
Phitsanulok	22,055	15,673	-6,382	-28.94
Ubon Ratchathani	10,620	10,509	-111	-1.04
Udon Thani	17,468	14,839	-2,629	-15.05
Surat Thani	14,036	10,749	-3,287	-23.42
Chiang Rai	7,828	6,926	-902	-11.52
Samui	21,033	22,563	1,530	7.27
Others	105,819	97,970	-7,849	-7.42

**Remarks:** Provision of air traffic control services at provincial airports is divided as follows:

- **Chiang Mai Air Traffic Control Centre:**  
Mae Hong Son, Chiang Rai and Lampang Control Towers
- **Hat Yai Air Traffic Control Centre:**  
Trang and Narathiwat Control Towers
- **Phuket Air Traffic Control Centre:**  
Ranong and Krabi Control Towers
- **Phitsanulok Air Traffic Control Centre:**  
Mae Sot, Tak, Sukhothai, Phrae, Nan and Phetchabun Control Towers
- **Surat Thani Air Traffic Control Centre:**  
Chumphon, Samui and Nakhon Si Thammarat Control Towers
- **Udon Thani Air Traffic Control Centre:**  
Khon Kaen, Loei, Nakhon Phanom and Sakon Nakhon Control Towers
- **Ubon Ratchathani Air Traffic Control Centre:**  
Buri Ram, Roi Et, Surin and Nakhon Ratchasima Control Towers
- **Nakhon Ratchasima Air Traffic Services Engineering Operations Centre:**  
No Control Tower

## 1.2 Air Traffic Flow Management

The Bangkok Air Traffic Flow Management Unit (ATFMU) provides air traffic flow management for flights intending to transit the Afghanistan airspace westbound during the busy night time period and flights from South and Southeast Asia operating to Europe and flights from South Asia operating to North America.

The service is provided by utilizing the Bay of Bengal Cooperative Air Traffic Flow Management System (BOBCAT) which was developed by AEROTHAI under the supervision of the ICAO Air Traffic Flow Management Task Force.

BOBCAT was developed to streamline Air Traffic Flow Management operations for flights intending to transit the Afghanistan airspace westbound during the busy night time period so that air traffic will be convenient, speedy and flexible. This is due to Afghanistan being key gateway for flights from South and Southeast Asia operating to Europe and flights from South Asia operating to North America.

AEROTHAI has managed operations of the BOBCAT system through the Bangkok Air Traffic Flow Management Unit (Bangkok ATFMU) since 2007.

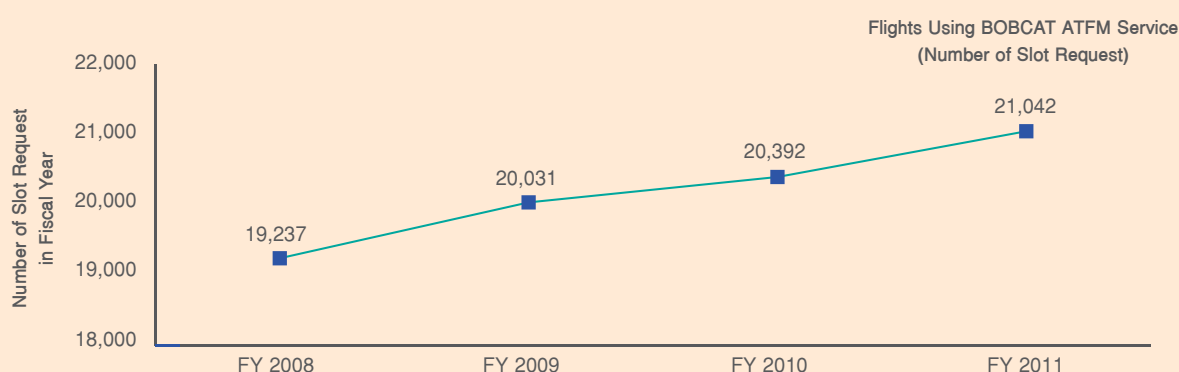
In March 2011, the BOBCAT system has been reconfigured to support route structure enhancements in the Pakistani airspace, increasing airspace capacity from the BOBCAT system perspective by approximately 5 percent.

Moreover, contribution of the BOBCAT system to the delivery of safe, orderly and expeditious flow of traffic have been recognized through awarding of Jane's ATC Award on Enabling Technology during the CANSO ATM Dinner in Amsterdam in March 2011.

Based on increasing traffic and data supplied by airlines through the International Air Transport Association (IATA), it is estimated that since operational implementation of the ATFM procedure using the BOBCAT system to the end of Fiscal Year 2011, the airlines would have saved about 58 million kilograms of aviation fuel, which would translate into reduction of greenhouse gases in contribution to the global environment of about 240 million kilograms. This, in turns, assisted in cumulative airline cost savings of approximately 58 million US Dollar.

In addition, it is estimated that in Fiscal Year 2011, the BOBCAT ATFM operations have contributed to approximately 15 million kilograms of fuel savings, equivalent of approximately 61 million kilograms of Carbon Dioxide emissions and approximately 15 million US Dollar of airline cost savings.

Statistics of Flights Using BOBCAT ATFM Service



Average Nightly Movement	53	55	56	58
Peak Nightly Movement	66	73	70	72

## 2. Communication Operations

The Company is responsible for the provision of Aeronautical Fixed Service (AFS), operations of Regional OPMET Bulletin Data Exchange (ROBEX) Centre and Regional OPMET Data Bank (RODB) on 24-hour basis for the safety and efficiency of flight operations.

### 2.1 Aeronautical Fixed Service (AFS)

The Company provides the AFS for domestic communications via Aeronautical Telecommunication Network (ATN), as the main network and via Aeronautical Fixed Telecommunication Network (AFTN) for organizations in the country and abroad. The direct circuits are directly connected with the air traffic service units of more than 60 airline agencies at Suvarnabhumi Airport and domestic airports, the Meteorological Office and government organizations.

In addition, the Company, as the International AFTN Communication Centre, operates to transmit, receive and relay the messages of flight plan, aircraft movement, notices to airmen, meteorological and related messages via AFTN and ATN based on the Standards and Recommended Practices that prescribed in International Civil Aviation Organization (ICAO) document Annex 10 Volume II.

#### Statistical Volume of Aeronautical Information Messages at Bangkok Communications Centre

In the Fiscal Year 2011, the total volume of messages received and transmitted was 114,024,098 messages. When compared with 104,054,173 messages in the previous year, the increase of volume of messages was 9,969,925 messages or an average of 27,315 messages daily, which represented a 8.74% increase over the figures of the previous year.

#### Statistics of Aeronautical Information Messages during 2002-2011





## **2.2 Regional OPMET Bulletin Data Exchange (ROBEX) Centre and Regional OPMET Data Bank (RODB)**

As the ROBEX Centre and RODB, the Company operates the services on a 24-hour basis, divided into 3 main responsibilities as follows:

### **2.2.1 ROBEX Centre**

The Company manages the regional Operational Meteorological (OPMET) information for announcement and exchanges to other ROBEX Centres or related organizations such as Air Traffic Service units, pilots or airline staff according to ICAO's recommendations.

### **2.2.2 RODB**

The Company operates as the Bangkok RODB of Asia/Pacific to collect and exchange the OPMET bulletins. At present, the Company is one of the five RODB Centres, which are Thailand, Singapore, Japan, Australia and Fiji.

### **2.2.3 Inter-regional OPMET Gateway (IROG)**

The Company operates as Bangkok IROG in order to relay all Asia/Pacific bulletins to Middle East and Africa regions.

## **Statistical Volume of OPMET Data Messages at Bangkok Communications Centre**

In the Fiscal Year 2011, the total volume of messages received and transmitted was 2,818,731 messages. When compared with 2,558,487 messages in the previous year, the increase of volume of messages was 260,244 messages or an average of 713 messages daily, which represented a 10.17% increase over the figures of the previous year

## **2.3 Aeronautical Information Services (AIS)**

The Company is responsible for the flow of information necessary for safety, regularity and efficiency of international air navigation and performs its duty by receiving, transmitting, relaying and distributing Aeronautical Information Services (AIS) information and messages to pilots and staff as Aeronautical Information Services Centre (AISC). AIS information such as Aeronautical Information Publication (AIP), AIP Supplement, Aeronautical Information Circular (AIC), Notices to Airmen (NOTAM), En route Chart and Aeronautical Information Regulation and Control (AIRAC) provide aeronautical information and messaging services for aircraft flying on domestic and international routes. The Company also acts as an International NOTAM Office (NOF) through the NOTAM Database via ATN for domestic circuits and AFTN for international circuits. Such provision put stress on the speedy service in providing AIS information and weather information so that aircraft can reach their destinations safely. The Company also prepares Aeronautical Charts, which show arrival and departures, aerodrome ground movements, aerodrome lay-outs for international airports, instrument approaches and aerodrome obstacles chart (Type-A) for announcement in the AIP-Thailand.

## **2.4 Flight Movement and Control Messages**

Flight Movement and Control Messages comprise of ATS Messages for Flight Plans, Modifications, Delays, Cancellations, Departures and Arrivals.

In the Fiscal Year 2011, the total volume of messages was 4,960,032 messages. When compared with 5,597,575 messages in the previous year, the decrease of volume of messages was 637,543 messages or an average of 1,447 messages daily, which represented a 11.39 % decrease over the figures of the previous year.

### 3. Related Services

In the Fiscal Year 2011, AEROTHAI emphasized its prime business strategy on earning additional revenue from dealing business with customers of non-aviation sector. By means of conducting marketing and research of customers' requirements, AEROTHAI carried out research and development of products and technologies. Furthermore, AEROTHAI enhanced its engineers' capacity so that they would gain expertise in survey, design, installation, hardware and software development, maintenance for equipment/systems and provision of consultancy service.

#### Major Business Activities in the Fiscal Year 2011

##### 3.1 Manufacture, Installation of Equipment and Provision of Services

The Company manufactured, procured, installed, improved, maintained, surveyed, inspected and calibrated equipment for customers in aviation and non-aviation industry. Moreover, the Company provided training service for domestic and overseas customers. Examples of its activities are as follows:

- Improved radio air/ground communication system at the air traffic control tower of Songkhla Naval Base, for the Naval Communications and Information Technology Department;
- Designed, procured and installed radio and IT equipment for data link network, for the Naval Communications and Information Technology Department;
- Designed, procured and installed radio air/ground communication equipment with three remote control air/ground stations in Phuket, at Ko Chang in Ranong and Lipe Island in Satun for Naval Base III, for the Naval Communications and Information Technology Department;
- Procured and installed two remote control air/ground stations for the Civil Aviation Authority, Nepal;
- Procured 3-Dimension Air Traffic Control Simulator for the Civil Aviation Authority, Nepal.

##### Survey, Improvement and Maintenance

The Company provided services to domestic and overseas customers with survey, improvement and maintenance services as follows:

- Maintained air navigation aids for the Royal Thai Navy, Air Division;
- Maintained communication equipment for PTT Public Company Limited;
- Maintained twenty-one sets of Automatic Message Switching System and end equipment for Directorate of Communication and Electronics of the Royal Thai Air Force;
- Surveyed four radar systems in Yangon and Mandalay by performing Gap Analysis for Department of Civil Aviation, Myanmar. The result of this analysis would be used for decision making of those concerned whether new radar systems would be purchased or whether the existing ones should be maintained.

##### 3.2 Flight Inspection Service

###### Domestic

The Company provided the mentioned service for air navigation aids at airports of Airports of Thailand Public Co., Ltd., Samui Airport of Bangkok Airways Co., Ltd., and for other private airline operators such as Siam Aviation Co., Ltd. at Phuket International Airport.

###### Overseas

In this Fiscal Year, the Company provided the mentioned service not only for customers in Southeast Asia but also expanded the area of its service to cover Nepal and Bhutan. Furthermore, it was the first year that the Company included Automatic Dependent Surveillance-Broadcast: ADS-B as the latest item on the list of AEROTHAI flight inspection service. Taiwan was the first customer that assigned AEROTHAI to perform flight inspection for its ADS-B.

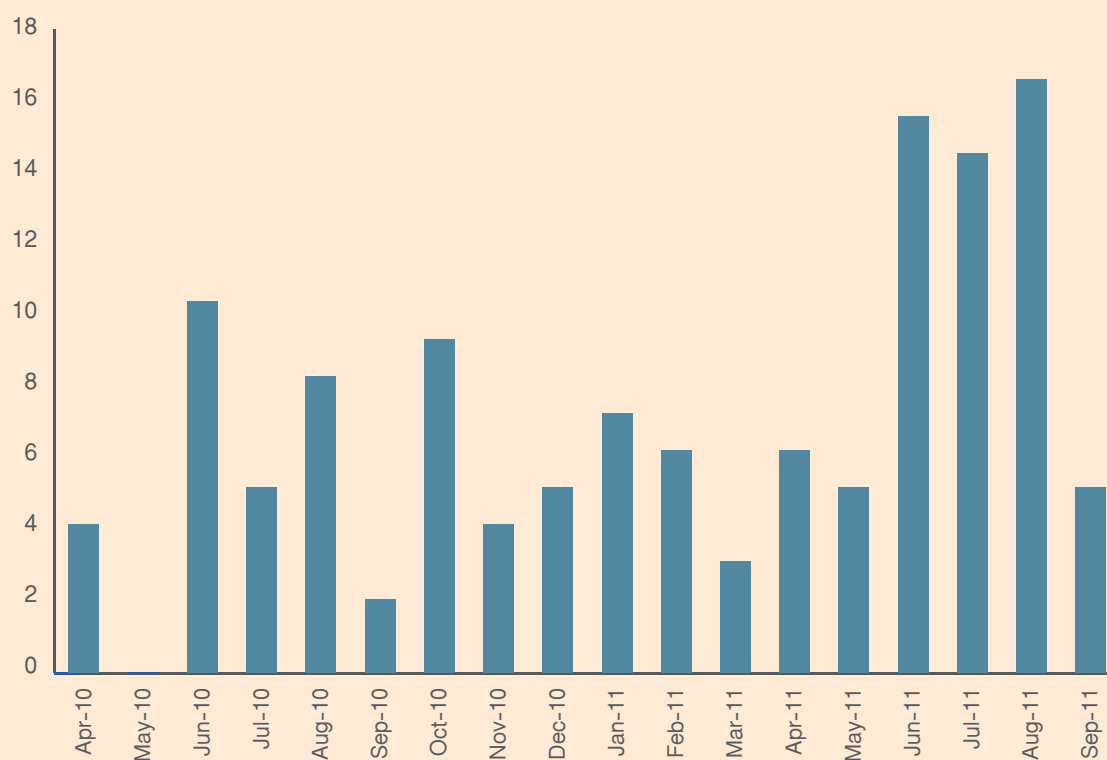
### 3.3 Examination Service for Aircraft Readiness in RVSM Space

The Company provided the said service for airlines and other operators of eight countries namely, India, Hong Kong, Macau, Taiwan, Indonesia, Myanmar, Singapore, and Malaysia. Sixteen out of sixty-eight customers were the new customers. The total of ninety-six aircraft were examined. Examples of our customers were Hong Kong Express Airways, Civil Aviation Lucknow, PT Dabi Air, Air Bagan Ltd., Trans Asia Airways, Air Macau Co., Ltd., Silk Air (Singapore) Private Ltd., Transmile Air Flight Operations. AEROTHAI has got the largest numbers of customers, sixty-eight customers, ever since our first provision of this service.

#### Summary of Height Keeping Performance Monitoring Service for RVSM Operations in Asia Region

Number of Monitored Aircraft for the Fiscal Year 2010 (only from April-September 2010) and 2011.

Fiscal Year	Number of Monitored Aircraft
October 2010-September 2011	95
Total	95



**Remark:** Average number of monitored aircraft = 7 aircraft/month



#### Number of Monitored Aircraft by States between April 2010 and September 2011

State	Number of Monitored Aircraft October 2010–September 2011
India	67
Taiwan	9
Hong Kong	4
Indonesia	2
Macau	4
Singapore	4
Myanmar	2
Malaysia	2
Thailand	1
Japan	0
<b>Total</b>	<b>95</b>

#### 3.4 Equipment Calibration and Maintenance

The Company calibrated one thousand two hundred and eleven sets of test equipment in total for in-house use and other customers, an increase by sixty-two sets, or equivalent to five point four percent from that of previous year.

The Company had expanded its scope of calibration service for RF high frequency and its laboratory was certified by the Industrial Standards Institute: ITSI for the expansion of the scope of the accreditation for ISO/IEC 17025 version 2005 on RF high frequency/microwave equipment. Currently, the Company plans to apply for the accreditation of the rest of parameters in service which have not yet been certified by the ITSI.

AEROTHAI has expanded service area by establishing a temporary laboratory at Chiang Mai Air Traffic Control Centre. The next phase is to set up temporary laboratories at other regional Air Traffic Control Centres in Ubon Ratchathani, Phuket, and Hat Yai with the purpose of providing calibration service to the industrial clients whose offices or factories are located nearby.

In addition, the Company is seeking business collaboration with distributors of imported test equipment. AEROTHAI initiated to provide the customers of Rohde & Schwarz (Thailand), distributor of a German manufacturer, with local calibration service. The Company was able to comply with requirements specified by the manufacturer. Thus, our calibration service brought benefits to Rohde & Schwarz and its customers concerning time and cost saving instead of sending their test equipment to be calibrated abroad which is time-consuming and not worth the expense. It is anticipated that AEROTHAI will earn increasing amount of revenue continuously from this service every year.

#### 3.5 Communication Equipment Rental Service for Airlines

The Company provided Digital Trunked Radio, Analog Trunked Radio, Conventional Radio, Air/Ground Radio for airlines, users at airports, and PTT Group. Additionally, ATN Terminal and Printer were provided for airlines and users at airports. Six thousand one hundred and seventy-six sets of rental communication equipment were available for rental service. The number of sixty-nine sets, or equivalent to one point one three per cent, was higher than that of fiscal year 2010. Other services were also provided namely, communication equipment maintenance for PTT Group. Installation and removal services for rental communication equipment were provided as well. The total revenue of these said services increased by zero point six five percent in comparison with that of the previous year.







### 3.6 Satellite Communication Network

The Company provided satellite communication network for voice and data communications for air traffic control operation to the national aviation organizations of six countries namely, Laos, Malaysia, Vietnam, Cambodia, Myanmar and Bangladesh.

### 3.7 Airline Operational Communication: AOC Services

The Company provided the said service for one hundred and eighteen airlines with four thousand and three hundred aircraft. There were nineteen airlines more than those of the Fiscal Year 2010. Its traffic volume was fifty-three point six two million kilobits with an increase of eight point two four million kilobits or equivalent to eighteen point one seven percent growth.

In this Fiscal Year, there were sixty-seven Remote Ground Stations (RGS) of which coverage areas covered thirteen countries (as strategic partners of ARINC Inc.) namely, Thailand, South Korea, Singapore, Indonesia, Australia, New Zealand, Brunei, the Philippines, Mongolia, Malaysia, India, Cambodia and Taiwan. The establishment of additional Remote Ground Stations (RGS) enables aircraft to communicate airline operational data over larger coverage areas.

### 3.8 Training, Workshop and Consultation

The Company conducted ten training courses: six courses for the Civil Aviation Authority of Mongolia (MCAA) and four for the Civil Aviation Authority of Nepal (CAAN). In addition, the MCAA entrusted AEROTHAI to conduct a seminar and an observational trip.

In addition, AEROTHAI gives strong support to policies of the International Civil Aviation Organization (ICAO) concerning accommodation of mounting air traffic volume together with safe flight operation and save energy to the world. AEROTHAI was entrusted by the Department of Civil Aviation, Bhutan to execute **the Establishment of Domestic Airport Communication and Navigation Infrastructure on Turnkey Basis Project** by procuring and installing navigation aid system and aeronautical telecommunication system, as well as designing aerodrome, obstacle and en route charts between Paro-Yongphula and between Paro-Bathpalathang (Bumthang) Airports. AEROTHAI also performed flight inspection for the abovementioned systems of Yongphula and Bathpalathang (Bumthang) Airports. Furthermore, the Company procured equipment and services for certain government agencies of non-aviation sector. For example, AEROTHAI was designated by the Office of the National Security Council (NSC) to carry out a **Project on the Provision of the Crisis Management System for the National Crisis Management Centre**. AEROTHAI designed, procured and installed a Crisis Management System at the National Crisis Management Centre Government House on Phitsanulok Road and the Government Complex Commemorating His Majesty the King's 80<sup>th</sup> Birthday Anniversary, 5<sup>th</sup> December, B.E. 2550 (Alternate National Crisis Management Centre) on Chaeng Watthana Road. The Crisis Management System included the IT system, teleconference system and Information Display Management System, all of which support the decision making process of senior executives of Thailand. Last but not least, another prime project of AEROTHAI is **Research, Development and Manufacture of Thai Voting Machine**. Cooperating with the Office of the Election Commission of Thailand (ECT), AEROTHAI brings two organizations' know-how in election practice and engineering technology, into designing and developing versions of the Thai Voting Machine (TVM). Since 2002 until now, we have developed TVM Version I to version IV consisting of Control Unit (CU) and Ballot Unit (BU). Have been continuously developing the Voting Machine, AEROTHAI was entrusted by ECT to manufacture two hundred sets of the TVM Version IV. The Voting Machine Version IV will be used for promoting, publicizing and demonstrating to educate and gain public confidence in the electronic voting system.



# Human Resource Development

At the end of the Fiscal Year 2011 (30 September 2011), the total number of staff employed by AEROTHAI was 2,861 distributed as follows:

- Head Office	1,518
- Suvarnabhumi Airport	346
- Don Mueang International Airport	162
- Chiang Mai Air Traffic Control Centre	137
- Phuket Air Traffic Control Centre	148
- Hat Yat Air Traffic Control Centre	131
- Phitsanulok Air Traffic Control Centre	118
- Surat Thani Air Traffic Control Centre	80
- Udon Thani Air Traffic Control Centre	83
- Hua Hin Air Traffic Control Centre	60
- Ubon Ratchathani Air Traffic Control Centre	38
- Nakhon Ratchasima Air Traffic Services Engineering Operations Centre	40

The AEROTHAI Human Resource Policy emphasizes human capital management, particularly in enhancing staff competencies and employee engagement. The main purpose is to retain the Company's valuable human capital. The Company has developed AEROTHAI's Human Resource Master Plan, which is a tool to articulate the Company's strategies as practical guidelines on human resource management and development in accordance with the Company's corporate strategies and plans. AEROTHAI brought in the Balanced Scorecard (BSC) to assist the development of the HR Strategy Map and to transform HR strategies to implementation. In 2011, Human Resource Management and Development focused on revising and improving work procedures to better serve future human resource needs. AEROTHAI has systematically performed unit restructuring and designed work procedures for human resources in accordance with the Total Quality Management (TQM). Moreover, the Company also set up organizational key performance indicators as well as revised each unit's manpower planning to better align with unit's main responsibilities. Additionally, the Company studied factors that significantly impact employee engagement and assessed the level of AEROTHAI staff's engagement. From these initiatives, AEROTHAI will be better equipped to design appropriate policies, enhancing both efficiency and effectiveness that will reflect in the organizational long-term sustainability.



In 2011, AEROTHAI studied ways to properly design the performance-agreement assessment between the Company's President and executive management. This is done to delegate corporate main responsibilities to vice presidents in each responsible field as well as to develop key performance indicators (KPIs) for each department and each individual. Having KPIs clearly stated for each level throughout the Company will effectively help align corporate strategies and corporate KPIs with implementation in the individual level.

AEROTHAI recognizes the importance of corporate culture, which is considered a foundation of the Company's key success drivers. Because it is known that employees in companies with strong corporate culture are likely to work happily together (Happy Workplace), in 2007 AEROTHAI began to search for the corporate culture that has existed since the past until the present and also for other corporate cultures that will help AEROTHAI accomplish the Company's future vision. At present, the Company performs a follow-up study on a level of corporate culture in order to motivate AEROTHAI staff at all levels to demonstrate appropriate behaviors that will help significantly strengthen "AEROTHAI SMART Culture."

In term of collaboration with other organizations on human resource management, AEROTHAI has joined the HR network, both governmental and private organizations. The Company attended various HR management seminars such as State Enterprise Policy Office (SEPO), Personnel Management Association of Thailand (PMAT) and PGP. The network's main objective is for members to collaborate, share knowledge and exchange views related to the HR management issues. This helps contribute to an increase in the efficiency of the Company's operations. Additionally, AEROTHAI took part in developing personnel for alliance-countries and organizing training programmes for Nepal.

AEROTHAI places high importance on employees' quality of life. In 2011, the Company revised rules and regulations on staff welfare in order to make them more up to date, suitable for environment, and cost efficient.

In addition, AEROTHAI has constantly encouraged employees to play sports and exercise for their good health. Most sports are led by the Company's own employees. AEROTHAI also continues to run the Developing Total Quality of Life Project, mainly to educate employees about healthy lifestyles and make them realize the importance of staying healthy. For free of charge, AEROTHAI collaborates with local hospitals to educate the Company's employees on how to better take care of their health. Also, employees are provided with general and specific health examinations. With constant attempt to promote employees' good quality of life, the Company hopes to enable employees to work at their full capabilities in providing AEROTHAI customers with satisfied level of services.

## Human Resource Development and Learning Promotion

AEROTHAI has carried out the leadership development programme for management at all levels. In accordance with AEROTHAI Succession Plan, the leadership development programme aims to prepare both management in positions and highly capable staff who have potential to take higher positions in the near future. A Competency-based Development has been initiated for AEROTHAI management and staff under the programme called “Core Curriculum”. This Core Curriculum is specially designed for five key positions within the Company, ranging from Executive Management (EM), Senior Management (SM), Management (MM), General Manager (GM), and Executive Officer (EO). In 2011, the Company focused on three different levels: Senior Management, Management, and General Manager. The Core Curriculum is designed to enhance participants’ knowledge, skills and abilities to transfer corporate vision and strategies into successful implementation, work as a team, promote knowledge sharing, strengthen their cross-functional network, and most importantly behave ethically.

In 2011, the Company revised AEROTHAI Knowledge Management Master Plan (KM Master Plan) to set the direction and framework for the Company’s knowledge management system and to ensure an alignment with Total Quality Management (TQM) and State Enterprise Performance Appraisal (SEPA). In doing so, AEROTHAI studied both internal and external factors in order to arrive at the most suitable way for the Company to effectively manage essential knowledge that will help AEROTHAI better serve the aviation industry and benefit people at all levels. The Company aims to leverage on information technology (IT) in retaining knowledge as well as creating more open environment in a way that AEROTHAI staff will be able to gradually build trust, participate in knowledge sharing, and create innovative products/services.

AEROTHAI continues to give strong support in enhancing capabilities of both the Company’s staff and future human capital by providing scholarships to staff and external applicants. AEROTHAI scholarship recipients would have an opportunity to study in leading domestic and international institutions up to the Doctoral level in many fields such as Engineering, Applied Science, and Management, which would benefit the Company and national aviation industry. Additionally, the Company also gives permission to individuals to take some time off from work in order to undertake self-funded higher education as to further improve the Company’s service quality and meet the demands of future organization growth.

The Company has consistently put the emphasis on the Research and Development (R&D) activities. Promoting research and development as well as putting innovative projects into real usage are parts of AEROTHAI’s mission. The 2011-2015 Corporate Plan indicates that the R&D and innovation promotion and implementation are ones of the strategies in leading the Company to achieve organization excellence. Based on the concepts of systematic management and collaborative work, AEROTHAI executive management actively involves in both the R&D and Innovation Promotion Committee by setting goals/policies, overseeing and supporting R&D initiatives as well as learning organization efforts. In 2011, the Company focused on encouraging more of Integrated Innovation and Knowledge Management System. With an attempt to do so, AEROTHAI organized a variety of activities to generate staff awareness and knowledge on R&D matters as well as to motivate staff to share opinions and creative ideas. The Company also arranged an annual sharing session for invention enthusiasts, known as “The Annual Innovation Fair.” Additionally, AEROTHAI continued to provide incentives for staff to create more innovations by rewarding departments whose staff take part in the Company’s innovation-promoting activities. Through this encouraging atmosphere, AEROTHAI hopes to gradually create a strong foundation for sustainable work improvement and development for the future.



## Human Resource Development: Air Traffic Services

In the area of Human Resource Development: Air Traffic Services, the Company strongly emphasized an importance of the staff career development. The Company supported its staff to develop their own working potential and gain the competency for their readiness to the higher positions. Apart from Human Resource Development for Air Traffic Controllers (ATC) in accordance with International Civil Aviation Organization (ICAO) standards and recommendations, the Company adopted the Voice Communication System: VCCS (touch screen) which will be installed in every Air Traffic Control Centre in the near future. Moreover, the Company provided the 3 dimensions 180 degrees and 360 degrees simulator in aerodrome control training services in order to reduce some technical limitations and enhance ATC learning capabilities using the advanced technology in the stimulated real working environment. This cutting edge technology contributed not only to an increase in the efficiency of the individual learning, but also to let its staff getting used to all the equipment beforehand.

### **Air Traffic Controller (ATC) English Language Proficiency Project**

The Company encourages Air Traffic Controllers to improve their English Proficiency in accordance with the International Civil Aviation (ICAO) Language Proficiency Requirements (LPRs). Therefore, the ATC & Pilot English Language Proficiency Project has been implemented in order to provide the Aviation English Training Courses as on-going basic to ensure that all of ATC and pilots are ready for the ICAO Language Proficiency Test provided by the Department of Civil Aviation (DCA). There are 2 main strategic training plans as follows:

1. The English Language Proficiency Programme for Operational Level 4 (For New Entry) - Higher consisting of Aviation English Test Preparation Course for Operational Level 4 - Higher (8 groups) and 100 hour Self-Learning Programme.

2. The English Language Proficiency Programme for Below Operational Level 4 consisting of Intensive Aviation English Courses, (16 groups), One-to-One English Activities (Individual Training Session-30 minutes/session) and 100 hour Self-Learning Programme. Moreover, the Company also aims to develop Aeronautical English Instructors in ATC & Pilots English Facilitator Course (Train the Trainers). Above all, the Company developed and enhanced the capabilities of a group of interviewers and raters to work in cooperation with DCA organizing the ICAO Language Proficiency Test for a total of 773 staff. This included the process of Test Management, Test Administration and Test Evaluation.

With respect to all hard works with on-going training programmes, this results in 100% of the Company's Air Traffic Controller passing ICAO Language Proficiency Requirements at Operational Level 4 - Higher.

### **Air Traffic Controller (ATC) Fast Track**

The Company has developed a Human Resource Development Plan for Air Traffic Controllers since 2000. The Company aimed to develop air traffic controllers in a shorter and clearer period of time in order to cope with the increasing number of flights via the ATC Fast Track Project. This system is an ongoing process revised the staff recruitment goals each year by considering its present and future responsibilities. In the fiscal year 2010, the Company trained 1 group of ATC Fast Track, a total of 20 participants 14 of them are now attending training courses at the Civil Aviation Training Centre (CATC) while 6 of them are attending on-the-job training at the provincial centre: 4 trainees at Phuket Air Traffic Control Centre, 2 trainees at Surat Thani Air Traffic Control Centre.

### **Training and Consultation**

The Company provided 6 training courses for the Civil Aviation Authority of Mongolia (MCAA) and 4 training courses for the Department of Civil Aviation, Nepal (CAAN) for instance, Flight Procedure Ground and Flight Validation Training Course, ATCLR Plus STP053 & STP054, Training for RVSM Plus STP054 Refreshment for MCAA, Management in Radar Environment, Pseudo Pilot Training Course, and Radar Refreshment Environment for Instructor for the Civil Aviation Authority of Mongolia and D-ATIS Training, Airport Announcement Training Course for Civil Aviation Authority of Nepal, Financial and Administration Training Course, ATC Watch Supervisor Training Course for the Department of Civil Aviation, Nepal.

## Human Resource Development: Engineer

The human resource development for engineers has been implemented by analyzing the needs and suitability then arrange for training/development. The Company works in collaboration with organizations in the country and abroad to send its engineers to attend training courses. In 2011, the Company organized 55 training courses for engineers. They can be divided into 17 in-house training courses, 36 training courses with other organizations in the country and 2 training courses abroad. The total number of engineers attended training courses is 432.

The abovementioned training consists of training for major projects such as the preparation of engineers for the implementation of CNS/ATM technology: "New Aviation Technology - CNS/ATM in 2011". These training courses were arranged for provincial engineers at 3 Centres starting with Phitsanulok, then Surat Thani and Chiang Mai. In 2012, the Company plans to arrange this training at 4 more provincial Centres.

In addition, the Company has a training roadmap for engineering in preparation for the development of the Company's air traffic engineers in line with ICAO's standards as set in the Training Manual (Doc. 7192-AN2857 Part E-2 Training Manual for Air Traffic Safety Electronic Personnel: ATSEP). In the Fiscal Year 2011, the roadmap has been communicated to executives and air traffic engineers before collection of information from air traffic services personnel. The gathered information will be checked for accuracy and completion before proceeding with this project in 2012.









# Risk Management & Internal Control Report in the Fiscal Year 2011

## Risk Management

The Company sees the importance of Business Continuity Management: BCM and Risk Analysis of the situations, since changing of the situations and their environment affected how the Company operates successfully, continuously, and accordingly as planned. It also helps prepare the Company for new changes in the future. Risk Management & Internal control methods that are introduced and used for the organization this year are as follows:

### Safety Risk Management

The Company set risk control measures to prevent things that would impact safety level of the air navigation provision. In 2011, the risk issues that have been raised to attention are accidents/incidents that might happen in air navigation services. By comparing information from fiscal year 2010 to the possibility of accidents/incidents that might happen in the future, it was found that the accident rate has decreased which shows a better record. The Company continues to implement the risk control measures to ensure the future safety for air navigation services.

### Financial Risk Management

The Company has taken the recession into account and set the additional risk control measures to maintain financial liquidity. Numbers of commercial flights has increased steadily. As a result, the Company can manage the financial risk management at an acceptable level.

## Strategic Risk Management

According to the Corporate Plan 2011-2015 the Company can management the risk for the survival and sustainability of the organization. Under SEPA system the Company's strategic risk management is at the acceptable level. However, the Company will introduce the weighing strategy for each projects in the next fiscal year for better success rates that will truly reflect effective working style.

## Compliance Risk Management

The Company has recorded complaints and set up a committee to investigate each case. Comparative data analysis shows declining number of complaints compare to the fiscal year 2010 (only personal complaints) meaning the risk control systems used are working acceptably well. Moreover, the Company continuously follows up Aviation Regulations and Standards according to Good Corporate Governance: GCG to find more suitable ways in dealing with the risk in the future.

## Business Continuity Management: BCM

It is a long-term plan created to give a better understanding for the management team and staff. Also initiates business impact analysis in case of emergency that the Company cannot continue the operations. In addition, the Company has managed the risks that caused by natural disasters for example earthquake in Myanmar, Tsunami in Japan, under water volcanic eruption in Chile, South Thailand Flood and dysfunctional, failures of Thaicom 5 Satellite and global oil price fluctuation both internally and externally.

## Internal Control

The Company has considered internal environment control according to components of internal control standards for internal control of the Commission Auditor General of Thailand (OAG). This year we have prepared our Company to be ready for all kinds of emergencies and disasters by monitoring the news closely before planning and practicing as planned. That includes the way we communicate within the organization in time of crisis and outside the organization accordingly.

# Good Corporate Governance



The Ministry of Finance sets the criteria and principles of Good Corporate Governance in State Enterprises to be the significant tool to drive for transparency in State Enterprises. It is an important factor for the state enterprises to practice seriously in order to create a good management in the state enterprises.

The Board of Directors has placed the emphasis on the good corporate governance and assigned the Corporate Governance in State Enterprise Committee to supervise the Company's performance to be in compliance with the good corporate governance criteria that also includes the social responsibility and environment. In the past, the Company has been seriously and continuously promoting such activities as well as supporting and encouraging the Company's executives and staff to work with honesty, transparency and morality to cultivate the corporate governance culture leading to stakeholder's confidence and maximum benefits in the Company's operations.





## Major Performance

In the Fiscal Year 2011, the Company had developed the good corporate governance system by preparing good corporate governance handbooks and state enterprise's good corporate governance evaluation handbooks which were agreed by the Board of Directors on 10 August 2011. This is the significant tool to drive policies to be put into practice throughout in all dimensions of good corporate governance by all concerned. The Company evaluated the good governance performance by conducting a survey research on acknowledgement and awareness of the importance of good governance and shared value "SMART AEROTHAI" which related to the awareness of the persons concerned. The surveying result could be able to be applied as a tool for planning and pushing "SMART AEROTHAI" as a shared value complying to the good corporate governance handbook. This will help the Company to be "Integrity Driven Performance Organization" with a sustainable development of good governance system and organizational good corporate governance culture.



## Adherence to the Official Information Act B.E. 2540 (1997)

In conformity with the Official Information Act B.E. 2540 ("the Act"), all government agencies are mandated to disclose the information to the general public and some information must be published in the Government Gazette under Section 7 of the Act. The Public Information Centre by the Corporate Communication Department was established in 1998. The Information Centre is located at the Head Office, Tungmahamek 102 Soi Ngamduplee, Tungmahamek, Sathon, Bangkok 10120, Telephone Number 0 2285 9388 opened on official days at 08.30 am to 16.30 pm.

**The Public Information Centre** provides the information as follows:

1. Administration Information, consisting of the Company's general information (Company's background, policy, vision, responsibilities, shareholders, ratios of shareholders), organizational structure, rules, regulations, and awards.
2. Reports, consisting of annual reports, Corporate Plan, Company's plans and projects, flight charges, financial reports, business reports, innovation projects and minutes of meetings.
3. Procurement Information, consisting of Bid, tender and purchase/procurement documents, and results of procurement.
4. Agreements, consisting of domestic and international agreements and contracts including related services agreements
5. Announcement Information, consisting of journal, periodicals published on special occasions and news clipping. In addition, further information is available at [www.aerothai.co.th](http://www.aerothai.co.th).

### Information Service to the Public

In the Fiscal Year 2011, 572,215 visitors accessed the Company's website, mainly searching for the Company's responsibilities, background and job application announcement. However, there were no citizens enforcing their rights to complain or appeal under the Act.

### The Public Information Centre's Services

The Public Information Centre delivered the services constantly and well-organized the information for the transparency, equality and fairness in conformity with the legislative intent of the Act.

# The Audit Committee's Report for the Fiscal Year 2011

In the Fiscal Year 2011 the Audit Committee members were as follows:

1. During 1 October 2010-25 January 2011, members of the Audit Committee consisted of Air Chief Marshal Raden Puengpak as Chairman, Mr. Komkrit Vongsomboon and Mr. Pravech Rattanapian.
2. During 26 January-15 May 2011, members of the Audit Committee consisted of Air Chief Marshal Raden Puengpak as Chairman, Mr. Srisakdi Wongsongsarn and Mr. Pravech Rattanapian.

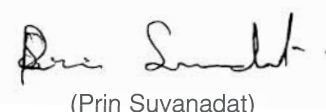
Mr. Pravech Rattanapian resigned from the Board of Directors on 16 May 2011 and Mr. Srisakdi Wongsongsarn retired from the Board of Directors on 5 September 2011 as he was 65 years old on 4 September 2011.

The Audit Committee performed their duties as assigned by the Board of Directors, the Audit Committee Charter and the Audit Committee of State Enterprise under the Ministry of Finance Practice Handbook. In the fiscal year 2011, the Audit Committee held eleven meetings, that the senior management, Chief Audit Executive, the management of internal auditor and the officers from the Office of the Auditor General attended the meetings, which could be summarized as follows:

1. To verify the financial report for its accountability, make reports of the implementation projects with respect to efficiency, effectiveness and economics measures, report on conflicts of interest and report on activities in accordance with related rules, regulations, Cabinet Resolutions, and policies set by the Board of Directors.
2. To review the effectiveness of the Company's Internal Controls by receiving internal audit reports and the Internal audit group's practice report regularly. Moreover, the Committee has followed up the results of the control self- assessment in accordance with Internal Control Standard 2001.
3. To review the Independence of Internal Auditor group and the audit practices to ensure compliance with regulations and best practice determined by the Ministry of Finance. To monitor for the measures taken to follow the recommendations after each audit to ensure that the corporate had appropriate internal control and to prevent or reduce any risk that might occur.
4. To review the effectiveness of the Company's Risk Management.
5. To review the Audit Committee charter and the Audit Committee key performance index with a result of 3.95 out of 4.00 points and determine the planned agenda. The Committee also conducted self-assessment and the Audit Committee's performance with a result of 3.99 out of 4.00 points.
6. To supervise internal audit practices by considering the approval for the internal audit charter, internal audit practice handbook, and the internal audit key performance index, the five year strategic internal audit implementation plan and the annual internal audit implementation plan for the fiscal year 2012. To acknowledge the budget of the fiscal year 2012. To appraise the Chief Audit Executive, Experts, Senior Director Level, Experts, Director Level and Internal Audit officers for their performance of the fiscal year 2011. To review internal audit group annual report of the fiscal year 2011, internal audit recruitment plan for the fiscal years 2012-2016, training plan of the fiscal year 2012 and the practical guide to resources management and follow up the progress of the internal audit implementation plan.

After performing their duties and responsibilities delegated by the Board of Directors, the Audit Committee certified that the financial report truly and fairly reflected the Company's financial status and operating results in accordance with generally accepted accounting standard. In conclusion, the Company has been operated in accordance with appropriate internal control measurement, rules, regulations, Cabinet resolutions and policies set by the Board of Directors. The Company has adequate risk management control. The Internal audit practice complies with the principle and best practice under the Ministry of Finance. The written reports of the Audit Committee were submitted to the Board of Directors on a monthly basis. The Audit Committee's suggestions and guidelines were considered by the Company to improve operations and enhance effectiveness.

General



(Prin Suvanadat)

Chairman of the Audit Committee







# Summary of Financial Report

	2011	2010	2009
<b>Operating Performance (Baht : Million)</b>			
Total Income	6,233.76	5,265.67	4,923.18
Total Expenditure	5,856.39	5,446.67	5,454.03
Income under (over) Expenditure to be collected from (paid to) Member Airlines	(377.37)	181.00	530.85
<b>Financial Status (Baht : Million)</b>			
Total Assets	7,274.79	7,117.31	7,179.74
Total Liabilities	6,475.82	6,329.45	6,406.60
Total Shareholders' Equity	798.97	787.86	773.14
<b>Financial Ratio</b>			
Debt-to-Equity Ratio (times)	8.11	8.03	8.29
Fixed Charge Coverage Ratio (times)	1.25	1.42	1.36



# Financial Report

## 1. The Company's operation analysis

The Company's total income in the Fiscal Year 2011 was over total expenditure at Baht 377.37 million, meaning that the Company had an overcollection which would be accumulated and refunded to Member Airlines in the future.

Unit : Million Baht

Items	2011	2010	Increase (Decrease)	
			Amount	%
<b>Income</b>				
Air Navigation Service	5,605.76	4,843.33	762.43	16
Other Related Services	460.79	375.31	85.48	23
Other Income	167.21	47.03	120.18	256
<b>Total Income</b>	<b>6,233.76</b>	<b>5,265.67</b>	<b>968.09</b>	<b>18</b>
<b>Expenditure</b>				
Operating Expenditure	5,719.50	5,355.01	364.49	7
Finance Costs	136.89	91.66	45.23	49
<b>Total Expenditure</b>	<b>5,856.39</b>	<b>5,446.67</b>	<b>409.72</b>	<b>8</b>
<b>Income under (over) Expenditure to be collected from (paid to) Member Airlines</b>	<b>(377.37)</b>	<b>181.00</b>	<b>(558.37)</b>	<b>(308)</b>
<b>Traffic Volume (Flight Units)</b>	<b>560,752</b>	<b>484,460</b>	<b>76,292</b>	<b>16</b>

### 1.1 Income analysis

The Company's total income in the Fiscal Year 2011 was Baht 6,233.76 million. This was derived mainly from air traffic control services at Baht 5,605.76 million or 90% of total income along with other related services which were income from rental and maintenance of equipment, aeronautical telecommunications services (AOC services), and income from work orders accounting for 7% or Baht 460.79 million. In addition, income from other services was Baht 167.21 million or 3% of total income.

Actual income from air traffic control services (flight charges) of Baht 5,605.76 million was 16% or Baht 762.43 million higher than that of the previous year as airlines have increased their flights operation due to the economic rebound as well as the better growth of aviation industry. Income of Baht 460.79 million from other related services increased by 23% or Baht 85.48 million from the previous year mainly from work orders income and AOC services income. The other income increased at Baht 120.18 million mainly due to income from penalty for delivery delays and income from the sale of aircraft and its maintenance equipment.

### 1.2 Expenditure analysis

The Company's total expenditure in the Fiscal Year 2011 was Baht 5,856.39 million of which 68% or Baht 3,983.92 million was accounted for staff costs, 30% or Baht 1,735.58 million was other operating expenditure and the remaining 2% or Baht 136.89 million was finance costs. As a result of measures taken by the Company to control and save costs whichever not affecting core business nor safety, the operating expenditure of Baht 109.41 million was saved in 2011.



## 2. The Company's financial status analysis

### 2.1 Assets analysis

The Company's total assets as at 30 September 2011 were Baht 7,274.79 million, comprised of 38% current assets and 62% non-current assets, with the following details:

Unit : Million Baht

	30 September 2011		30 September 2010	
	Amount	%	Amount	%
<b>Current Assets</b>	2,743.46	38	2,071.51	29
<b>Non-current assets</b>				
- Long-term Investments	62.81	1	61.51	1
- Buildings and Equipment - Net	4,245.27	58	4,629.63	65
- Work in Progress	223.25	3	354.66	5
<b>Total</b>	<b>7,274.79</b>	<b>100</b>	<b>7,117.31</b>	<b>100</b>

Total assets were increased by 2% or Baht 157.48 million from the previous year, as the current assets increased by cash and cash equivalent, debtors and others-net.

The non-current assets were decreased by the assets under construction and the accumulated depreciation of buildings and equipment.

### 2.2 Liabilities analysis

The Company's total liabilities as at 30 September 2011 were Baht 6,475.82 million, comprised of 31% current liabilities and 69% non-current liabilities with the following details:

Unit : Million Baht

	30 September 2011		30 September 2010	
	Amount	%	Amount	%
<b>Current Liabilities</b>	1,488.61	23	1,012.70	16
Long-term Loans due within 1 year	544.54	8	544.54	9
<b>Non-current Liabilities</b>	4,442.67	69	4,772.21	75
<b>Total</b>	<b>6,475.82</b>	<b>100</b>	<b>6,329.45</b>	<b>100</b>

In 2011, total liabilities were increased from the previous year by about 2% or Baht 146.37 million. The non-current liabilities mainly were long-term loans from Government Savings Bank, Krung Thai Bank Public Company Limited, Siam Commercial Bank Public Company Limited, and CIMB Thai Bank Public Company Limited, which were used for investment in projects at Suvarnabhumi Airport and other projects. The payments of principal and interest are scheduled every 6 months.

## 2.3 Shareholders' equity analysis

The Company's shareholders' equity as at 30 September 2011 was Baht 798.97 million. Details are as follows:

Unit : Million Baht

	30 September 2011		30 September 2010	
	Amount	%	Amount	%
Registered Ordinary Share Capital	660.00	83	660.00	84
Staff Welfare Fund	138.97	17	127.86	16
<b>Total</b>	<b>798.97</b>	<b>100</b>	<b>787.86</b>	<b>100</b>

The capital structure as at 30 September 2011 comprised of total liabilities at Baht 6,475.82 million or 89% and shareholders' equity at Baht 798.97 million or 11%.

## 3. The Company's cash flow analysis

The Company's closing balance of cash and cash equivalents as at 30 September 2011 showed Baht 953.74 million which was Baht 641.67 million increased from the opening balance. Net cash from operating activities was mainly from depreciation of fixed asset investments. Net cash used in investing activities was mainly used for project investments. Net cash used in financing activities was mostly for payments of long-term loans that were due.

Unit : Million Baht

	2011	2010	Increase (Decrease)
Cash Flow from Operating Activities	1,231.53	686.08	545.45
Cash Flow from Investing Activities	(139.68)	(335.08)	195.40
Cash Flow from Financing Activities	(452.60)	(226.47)	(226.13)
Cash and Cash Equivalent (closing balance)	953.74	312.07	641.67

## 4. The Company's financial ratio analysis

The Company's debt-to-equity ratio in 2011 was increased because of current liabilities such as deferred income, reserve for accrued expenses and account payable. The fixed charge coverage ratio (an ability to pay for principal and interest) was mostly reflected from a higher depreciation on the completed projects, which was derived from net cash flow from operating activities.

Unit : Million Baht

	2011	2010	Increase (Decrease)
Debt-to-Equity Ratio (times)	8.11	8.03	0.08
Fixed Charge Coverage Ratio (times)	1.25	1.42	(0.17)

The Company runs on a cost-recovery basis (or as a non-profit organization). As long as income is over expenditure, the overcollection will be refunded to Member Airlines. On the other hand, the Company will collect any under-recovery from Member Airlines if there is income under expenditure. The majority of Company's funds for projects is provided by loans from financial institutions. The ability to pay interest and loans mainly depends on depreciation each year, which is already included in Air Navigation Services Charges (ANS Charges) to be collected from user Airlines.

## 5. Financial Status Trend

The Company's budget for income and expenditure in 2012 was revised in February 2012. The total income in 2012 was expected at Baht 6,729.48 million, which would be derived from ANS Charges at Baht 6,235.32 million. The growth of flight units was forecasted to be 6% higher than in 2011 as the economic recession situation has gradually recovered. The aviation business was growing so as to increase flights from airlines. At present, the new structure of the ANS charges rate was pending the approval of the Civil Aviation Board (CBA), so the Company's budget was revised under the new structure of ANS charges rate and planned to be effective by April 2012.

In addition, the Company expected to generate income from other related services and others at Baht 494.16 million. The expected expenditure would be at Baht 6,727.50 million which was less than the previous approved budget. From the revision of the budget, the Company expected an income-over-expenditure at Baht 1.98 million.

In the Fiscal Year 2012, withdrawal for investments from the Company's capital expenditure was expected at Baht 899.67 million, mainly for the investment in safety and other safety support projects which were in line with the Company's Corporate Plan for the years 2012 to 2016 and the necessity to provide the air navigation services with safety, efficiency, and international standards. Moreover, on 3 May 2011, the Cabinet approved a budget of Baht 4,460.31 million for the ANS Infrastructure Development Project of which Baht 157.20 million was already included in the withdrawal budget for the year 2012.

## 6. Report of the Board of Directors' Responsibility to the Financial Statement

The Company's financial report was arranged under an approval by the Company's Board of Directors to show the Company's financial status together with annual operating performance in accordance with generally accepted accounting standards.

The Company's Board of Directors was well aware of the responsibility to prepare and arrange the Financial Report that presented the Company's annual financial status and operating performance in compliance with generally accepted accounting standards as well as its responsibility to financial information which was presented in the 2011 annual report.

Thus, the financial statements and the accounting information for the Fiscal Year 2011 have been carefully prepared with the most reasonable determination to apply appropriate accounting policies and practices through the best forecast. All important information was sufficiently disclosed in the notes on the Company's Financial Statements for the benefit of shareholders and stakeholders.

In addition, The Company's Board of Directors has deployed and maintained effective systems of risk management and internal controls which provided reasonable assurance that the Company's accounting records were accurate, complete and sufficient to protect the assets of the Company. The systems were also designed to prevent serious misconduct or other irregularities in the operation of the Company.

The Company's Board of Directors monitored the preparation of financial reports by appointing the Audit Committee to oversee the quality of the Company's financial reports and internal control procedures. The Audit Committee's view regarding such matters was disclosed in this Annual Report under the Audit Committee's Report.

In the Board of Directors' opinion, the Company's internal control systems were satisfactory and assure the reliability of the Company's financial statements in compliance with generally accepted accounting standards, legal requirements and other associated regulations.







## Aeronautical Radio of Thailand Ltd. Auditor's Report

To the Shareholders of AERONAUTICAL RADIO OF THAILAND LTD.

The Office of the Auditor General has audited the Balance Sheets of AERONAUTICAL RADIO OF THAILAND LTD., as at 30 September 2011 and 2010, and the related Comprehensive Statements of Income and Expenditure and Statements of Cash Flow for the years ended. The responsibility of the Company's management is the accuracy and completeness of the information given in these financial statements. The responsibility of the Office of the Auditor General is to express an opinion on these financial statements based on the audit.

The Office of the Auditor General conducted the audit in accordance with Generally Accepted Auditing Standards. Those standards require that the Office of the Auditor General plans and performs the audit to obtain reasonable assurance to ensure that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating an appropriation of overall financial statement presentation. The Office of the Auditor General believes that the audit provides opinion on a reasonable basis.

In our opinion, the financial statements present fairly the financial status of AERONAUTICAL RADIO OF THAILAND LTD. as at 30 September 2011 and 2010 and comprehensive income and expenditure as well as the changes in its cash flow for the years ended and conform with generally accepted accounting principles.

Signed

(Mrs. Dawan Wongphayak)  
Director of Audit Office

Signed

(Mrs. Amporn Kongka)  
Auditor In-Charge

Office of the Auditor General  
16 February 2012

# Aeronautical Radio of Thailand Ltd. Balance Sheets as at 30 September 2011 and 2010

Unit : Baht

	Supplementary Information	2011	2010
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	4.1	953,739,818.42	312,072,658.80
Temporary Investment	4.2	13,564,883.35	8,827,099.77
Debtors and Others - Net	4.3	806,532,208.25	544,905,893.68
Store Supplies	4.4	165,252,717.51	159,679,896.47
Accumulated Under-Recovery	4.5	448,598,577.01	828,462,969.47
Other Current Assets	4.6	355,770,756.44	217,564,649.15
<b>Total Current Assets</b>		<b>2,743,458,960.98</b>	<b>2,071,513,167.34</b>
<b>Non-Current Assets</b>			
Long-term Investment	4.7	62,809,000.00	61,510,500.00
Buildings and Equipment - Net	4.8	4,245,265,688.26	4,629,624,406.54
Assets under Construction	4.9	223,254,143.17	354,659,999.70
<b>Total Non-Current Assets</b>		<b>4,531,328,831.43</b>	<b>5,045,794,906.24</b>
<b>Total Assets</b>		<b>7,274,787,792.41</b>	<b>7,117,308,073.58</b>

Notes to financial statements are an integral part of these financial statements.



# Aeronautical Radio of Thailand Ltd.

## Balance Sheets as at 30 September 2011 and 2010

Unit : Baht

	Supplementary Information	2011	2010
<b>Liabilities and Shareholders' Equity</b>			
<b>Current Liabilities</b>			
Trade Accounts Payable	4.10	163,612,545.52	125,324,964.38
Long-term Loans due within one year	4.11	544,540,000.00	544,540,000.00
Accrued Expenses	4.12	852,167,927.69	740,681,313.05
Deferred Income	4.13	26,252.25	8,209,620.96
Other Current Liabilities	4.14	472,799,462.61	138,477,720.87
<b>Total Current Liabilities</b>		<b><u>2,033,146,188.07</u></b>	<b><u>1,557,233,619.26</u></b>
<b>Non-Current Liabilities</b>			
Children's Educational Support	4.15	94,701.97	92,392.17
Long-term Loans	4.16	4,442,580,000.00	4,772,120,000.00
<b>Total Non-Current Liabilities</b>		<b><u>4,442,674,701.97</u></b>	<b><u>4,772,212,392.17</u></b>
<b>Total Liabilities</b>		<b><u>6,475,820,890.04</u></b>	<b><u>6,329,446,011.43</u></b>
<b>Shareholders' Equity</b>			
<b>Share Capital</b>			
Registered Ordinary Share Capital			
6,600,000 shares of Baht 100.00 each		<u>660,000,000.00</u>	<u>660,000,000.00</u>
<b>Paid-in Capital</b>			
6,600,000 shares of Baht 100.00 each	4.17	660,000,000.00	660,000,000.00
Staff Welfare Fund	4.19	<u>138,966,902.37</u>	<u>127,862,062.15</u>
<b>Total Shareholders' Equity</b>		<b><u>798,966,902.37</u></b>	<b><u>787,862,062.15</u></b>
<b>Total Liabilities and Shareholders' Equity</b>		<b><u>7,274,787,792.41</u></b>	<b><u>7,117,308,073.58</u></b>

Notes to financial statements are an integral part of these financial statements.

Signed

(Squadron Leader Prajak Sajjasophon) President

Signed

(Mrs. Onurai Komain) Vice President (Finance)



# Aeronautical Radio of Thailand Ltd.

Comprehensive Statements of Income and Expenditure for the years ended 30 September 2011 and 2010

Unit : Baht

	Supplementary Information	2011	2010
<b>Income</b>			
Income from Operations	4.20		
Air Navigation Service Charges		5,605,756,291.07	4,843,326,599.98
Equipment rental, Maintenance and AOC income		312,129,437.89	302,292,832.41
Revenue from work orders		148,660,627.49	73,024,678.36
Gain on exchange rate		<u>2,430,627.28</u>	<u>-</u>
<b>Total Income from Operations</b>		<u>6,068,976,983.73</u>	<u>5,218,644,110.75</u>
<b>Other Income</b>		<u>164,785,491.61</u>	<u>47,029,849.57</u>
Total Income from Operations and Other income		6,233,762,475.34	5,265,673,960.32
Under-Recovery or (Overcollection) to Member Airlines	4.5	<u>(377,369,638.38)</u>	<u>181,004,862.87</u>
<b>Total income (net)</b>		<u><b>5,856,392,836.96</b></u>	<u><b>5,446,678,823.19</b></u>

Notes to financial statements are an integral part of these financial statements.



# Aeronautical Radio of Thailand Ltd.

Comprehensive Statements of Income and Expenditure for the years ended 30 September 2011 and 2010

Unit : Baht

	Supplementary Information	2011	2010
<b>Expenditure</b>			
Operating Expenditure	4.20		
Staff Costs		3,983,921,455.37	3,685,832,364.64
Depreciation Expenses		704,950,260.13	720,046,087.69
Maintenance of Assets & Equipment		158,693,084.76	136,790,112.73
Assets Rental and Property Tax		278,330,113.60	290,420,751.98
Supplies Used		35,613,273.70	34,798,607.65
Utilities and Communication Expenses		114,503,599.15	118,574,804.06
General Administrative Expenses		69,761,021.46	61,188,457.58
Doubtful Debts		5,822,642.72	6,452,848.68
Other Operating Expenses		259,165,219.60	254,296,721.37
Costs of Production		108,739,424.42	42,909,137.76
Loss on exchange rate		-	3,702,335.94
<b>Total Expenditure</b>		<b>5,719,500,094.91</b>	<b>5,355,012,230.08</b>
Finance costs	4.12 4.16	136,892,742.05	91,666,593.11
<b>Total Expenditure</b>		<b><u>5,856,392,836.96</u></b>	<b><u>5,446,678,823.19</u></b>
Net Income over (under) Expenditure		<u>-</u>	<u>-</u>

Notes to financial statements are an integral part of these financial statements.

Signed

(Squadron Leader Prajak Sajjasophon) President

Signed

(Mrs. Onurai Komain) Vice President (Finance)



# Aeronautical Radio of Thailand Ltd.

## Statements of Cash Flow for the years ended 30 September 2011 and 2010

Unit : Baht

	2011	2010
<b>Cash Flow from Operating Activities:</b>		
(Under-Recovery) or Overcollection to Member Airlines	377,369,638.38	(181,004,862.87)
Reconciliations of (Under-Recovery) or Overcollection as Cash Receipts or (Disbursements) from Operating Activities:		
(Gain) Loss on exchange rate	(2,421,733.37)	1,740,239.52
Loss on Interest Rate Swap Agreement	10,577,998.88	21,309,531.04
Doubtful Debts	5,822,642.72	6,452,848.68
Depreciation	704,950,260.13	720,046,087.69
Assets transferred to Expenses	813,426.14	110,945.50
Loss on assets written off	7,185,644.57	588,846.14
Deferred income	(8,183,368.71)	(16,367,210.55)
(Gain) on Sale of Equipment	(65,226,606.26)	-
Interest Received	(6,053,819.52)	(4,209,007.89)
Interest Expense	<u>132,327,514.03</u>	<u>91,666,593.11</u>
Overcollection to be refunded to Member Airlines before any changes in Operating Assets and Liabilities	1,157,161,596.99	640,334,010.37
Changes in Operating Assets and Liabilities		
Operating Assets (Increase) Decrease		
Debtors	(267,930,605.29)	39,452,316.33
Store supplies	(5,572,821.04)	10,723,281.60
Accumulated Under-Recovery	2,494,754.08	2,532,844.30
Other Current Assets	(136,225,660.29)	(79,820,507.01)
Operating Liabilities Increase (Decrease)		
Trade Accounts Payable	38,287,581.14	13,237,630.73
Accrued Expenses	91,642,972.88	41,693,267.44
Other Current Liabilities	334,321,741.74	(2,232,556.18)
Staff Welfare Fund	11,157,696.78	14,762,650.87
Children's Educational Support	2,309.80	2,691.03
Cash Receipts from Operating Activities		
Interest Received	<u>6,192,135.64</u>	<u>5,390,827.10</u>
<b>Net Cash Flows from Operating Activities</b>	<b><u>1,231,531,702.43</u></b>	<b><u>686,076,456.58</u></b>

Notes to financial statements are an integral part of these financial statements.

# Aeronautical Radio of Thailand Ltd.

## Statements of Cash Flow for the years ended 30 September 2011 and 2010

Unit : Baht

	Supplementary Information	2011	2010
<b>Cash Flow from Investing Activities:</b>			
Cash Withdrawal from Temporary Investment		2,265,599.77	57,334,327.14
Cash Deposit to Temporary Investment		(7,003,383.35)	(7,060,000.00)
Acquisition of Equipment		(974,538.37)	(103,860.00)
Acquisition of Assets Under Construction		(198,098,083.08)	(324,485,711.29)
Proceeds from Sale of Equipment		65,424,500.00	-
Cash Deposits to Long-term Investment		(1,800,000.00)	(61,009,000.00)
Proceeds from Sales of Stock (Long-term investment)		-	239,440.00
Proceeds from Sales of Cooperative Shares (Long-term investment)		501,500.00	-
<b>Net Cash Flows from Investing Activities</b>		<u>(139,684,405.03)</u>	<u>(335,084,804.15)</u>
<b>Cash Flow from Financing Activities:</b>			
Proceeds from promissory notes		1,040,000,000.00	1,620,000,000.00
Proceeds from long-term loans		215,000,000.00	360,000,000.00
Payments for redemption of promissory notes		(1,040,000,000.00)	(1,620,000,000.00)
Payments for long-term loans		(544,540,000.00)	(481,070,000.00)
Cash paid to interest on loans		(123,061,871.15)	(105,396,015.74)
<b>Net Cash Flows from Financing Activities</b>		<u>(452,601,871.15)</u>	<u>(226,466,015.74)</u>
<b>Net Increase in Cash and Cash Equivalents</b>		639,245,426.25	124,525,636.69
<b>Cash and Cash Equivalents at the beginning of the year</b>		312,072,658.80	189,287,261.63
<b>Gain or loss on revaluation of foreign exchange</b>		<u>2,421,733.37</u>	<u>(1,740,239.52)</u>
<b>Cash and Cash Equivalents at the end of the year</b>	4.1	<u><b>953,739,818.42</b></u>	<u><b>312,072,658.80</b></u>

Notes to financial statements are an integral part of these financial statements.









## 1. The Objective of the Establishment of the Company

The Company's objective is to provide air traffic control, aeronautical telecommunications and related services to meet the requirements of air transport operators and the International Civil Aviation Organization's (ICAO) standards and recommended practices. The services are provided safely, frequently, efficiently and in accordance with the Government's obligation to ICAO as one of the Contracting States. The Company provides services to air transport operators on a cost recovery basis. The Company recovers expenses by collecting air navigation charges fairly from users.

## 2. Principles for Presentation of Financial Statements

2.1 The financial statements of Aeronautical Radio of Thailand Ltd. have been prepared in accordance with generally accepted accounting principles of the Accounts Act: 2000 in Thailand, as well as the Accounting Professional Act: 2004 and other accounting standards that have been approved additionally for Federation of Accounting Professions. Also, the Company's financial statements have been prepared in accordance with the announcement by Department of Business Development regarding the mandatory brief items in financial statements of 2009, dated 30 January 2009.

2.2 In 2011 and 2010, some of the accounting items have been reclassified in the financial statements for the purpose of comparison.

2.3 The International Financial Reporting Standards (IFRS) were announced in the Government Gazette as follows:

- The effective date for the Fiscal Year begins as at or after 1 January 2011

Accounting Standard No.1 (revised 2009)	: Presentation of Financial Statements
Accounting Standard No.2 (revised 2009)	: Inventories
Accounting Standard No.7 (revised 2009)	: Statement of Cash Flows
Accounting Standard No.8 (revised 2009)	: Accounting Policies, Changes in Accounting Estimates and Errors
Accounting Standard No.10 (revised 2009)	: Events after the Reporting Period
Accounting Standard No.11 (revised 2009)	: Construction Contracts
Accounting Standard No.16 (revised 2009)	: Property, Plant and Equipment
Accounting Standard No.17 (revised 2009)	: Leases
Accounting Standard No.18 (revised 2009)	: Revenue
Accounting Standard No.19	: Employee Benefits
Accounting Standard No.23 (revised 2009)	: Borrowing Costs
Accounting Standard No.24 (revised 2009)	: Related Party Disclosures
Accounting Standard No.26	: Accounting and Reporting by Retirement Benefit Plans
Accounting Standard No.27 (revised 2009)	: Consolidated and Separate Financial Statements
Accounting Standard No.28 (revised 2009)	: Investments in Associates
Accounting Standard No.29	: Financial Reporting in Hyperinflationary Economies

Accounting Standard No.31 (revised 2009)	: Interests in Joint Ventures
Accounting Standard No.33 (revised 2009)	: Earnings per Share
Accounting Standard No.34 (revised 2009)	: Interim Financial Reporting
Accounting Standard No.36 (revised 2009)	: Impairment of Assets
Accounting Standard No.37 (revised 2009)	: Provisions, Contingent Liabilities and Contingent Assets
Accounting Standard No.38 (revised 2009)	: Intangible Assets
Accounting Standard No.40 (revised 2009)	: Investment Property
International Financial Reporting Standard No.2	: Share-Based Payments
International Financial Reporting Standard No.3 (revised 2009)	: Business Combinations
International Financial Reporting Standard No.5 (revised 2009)	: Non-Current Assets Held for Sale and Discontinued Operations
International Financial Reporting Standard No.6	: Exploration for and Evaluation of Mineral Resources
Interpretation of Accounting Standard No.10	: Government Assistance - No Specific Relation to Operating Activities
Interpretation of Accounting Standard No.21	: Income Taxes - Recovery of Revalued Non-Depreciable Assets
Interpretation of Accounting Standard No.25	: Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
Interpretation of Accounting Standard No.31	: Revenue - Barter Transactions Involving Advertising Services
Interpretation of Financial Report No.15	: Agreements for the Construction of Real Estate
• The effective date for the fiscal year begins from 1 January 2013	
Accounting Standard No.12	: Income taxes
• The effective date for the fiscal year begins as at or after 1 January 2013	
Accounting Standard No.20 (revised 2009)	: Accounting for Government Grants and Disclosure of Government Assistance
Accounting Standard No.21 (revised 2009)	: The Effects of Changes in Foreign Exchange Rate

The Company is studying the revision of the mentioned Accounting Standards and expects that they can be put into practice in time of the effective date.

The Company's management has already considered that the mentioned Accounting Standards will have immaterial effect on the submitted Financial Report except for the Accounting Standard No.19 : Employee Benefits that derived from the International Accounting Standards which was effective on 1 January 2011. This Accounting Standards will have an impact on the Company's operating procedures and performance so the Company has submitted a letter to State Enterprise Policy Office to ask for the policy that the Company will have to be complied with.



### 3. Summary of Significant Accounting Policies

#### 3.1 Incomes and Expenditure Recognition

3.1.1 Income derived from air navigation services is recognized as income in the accounting period that services are provided.

3.1.2 Equipment rental and maintenance incomes and Airline Operational Control (AOC) incomes are recognized as income over the period at the rate of remuneration specified in the agreements.

3.1.3 Income from work orders is recognized as income when each order is completed and delivered to customers.

3.1.4 Interest received is recognized in proportion of time on the basis of an actual rate of return.

3.1.5 Expenditures are recognized on an accrual basis.

#### 3.2 Provision for Doubtful Debts.

The provision is recorded at the amount equal to the estimated losses that may result from debts that are no collectible. Generally, estimations are based on experience of debt recovery in the past and from non-governmental organizations or non-state enterprise debtors' current status as at the balance sheet date. This year, the provision for doubtful debts is made according to the Regulations for Account and Finance, 2005 by the Ministry of Finance as follows:

<u>Period Overdue</u>	<u>Rate of Provision for Doubtful Debts</u>
Over 6 months - 1 year	50
Over 1 years	100

#### 3.3 Store Supplies

Store supplies have been recorded at cost on the weighted average basis. For overseas purchases, import formality handling charges are recorded as operations expenditure.

#### 3.4 Investment

Investment has been recorded at cost as follows:

3.4.1 Temporary investment is the investment that the Company expects to hold to maturity or converts into cash within one year such as  $\leq$  12-month fixed deposit account.

3.4.2 Long-term investment is the investment that the Company expects to hold longer than one year such as over 12-month fixed deposit account.

#### 3.5 Buildings and Equipment

3.5.1 Buildings and equipment are recorded at cost less accumulated depreciation.

Depreciation on fixed assets, the Company has depreciated the assets by using the straight-line method based on the estimated useful life of assets starting from the month the assets were received or installed or available for use as follows:

Buildings and Construction	7 - 20	years
Utility System	5 - 20	years
Radar and Equipment	7 - 15	years
Power Generators	10 - 20	years
Teleprinters	7	years
Equipment and Tools	7 - 20	years
Office Supplies	5 - 7	years
Vehicles	5	years
Aircraft	5 - 25	years
Assets from Donations	5 - 25	years

Assets with a value not exceeding Baht 30,000 are recognized as expenses.

The development of computer system in order to enhance and extend the capacity or efficiency is recognized as asset.

3.5.2 Aircraft Maintenance and Repair (IRAN) are recorded at cost and depreciation is calculated using the straight-line method based on the duration of the affected aircraft's useful life: 5-10 years.

### **3.6 Interest Paid on Loan**

Asset under construction which funded by loans; interest paid will be recorded as a cost of the asset under construction. After the work had been completed, the interest paid will be recognized as expenses.

### **3.7 Unearned Income**

Assets donated which used for operations longer than one accounting period are recorded at cost as unearned income and then gradually transferred to other income throughout those assets' useful life.

### **3.8 Accounting Items in Foreign Currency**

Assets and Liabilities of foreign currency values are recorded in Baht by initially using the currency exchange rate at the date the transaction occurs. At the end of each accounting period, the asset and liability value will be adjusted to Baht according to the currency exchange rate announced by the Bank of Thailand on that day. Profit or loss from currency exchange rate revaluation will be recorded wholly as an income or expense item in the Comprehensive Statements of Income and Expenditure.

### **3.9 Interest Rate Swap (IRS) Agreement**

The Company has signed financial derivatives, including Interest Rate Swap Agreement (IRS) in order to hedge the risk on an accrual basis. The difference of interest payments will be recorded as other incomes or other operating expenditures in the Comprehensive Statements of Income and Expenditure.

### **3.10 Overcollection and Under-Recovery to Member Airlines**

The Company operates on a non-profit or cost recovery basis. If income exceeds expenditure, the overcollection amount will be recorded as liability and will be refunded to Member Airlines. On the other hands, if expenditure exceeds income, then the under-recovery amount will be recorded as asset and will be charged to Member Airlines. The under-recovery will be distributed to Member Airlines according to the number of flight units of each airline for that particular period.

### **3.11 Provident Fund**

On 1 October 1992, the Company established "the Registered Provident Fund for Staff of Aeronautical Radio of Thailand Ltd." in accordance with the Provident Fund Act, 1987. The staff members pay accumulated contribution to the fund at the rate of 3-15% of their salaries and the Company makes a contribution to the fund at the rate of 8.5-15% of staff members' salaries.

### **3.12 The Staff Welfare Fund**

The financial statements of the Staff Welfare Fund have been consolidated and presented in the Company's financial statements at the end of the period.

### **3.13 Cash and Cash Equivalents**

Cash and cash equivalents mean cash on hand and at bank for which repayment is due within 3 months.

## 4. Supplementary Information

### 4.1 Cash and Cash Equivalents

Unit : Million Baht

	Company	Fund	2011	2010
Cash on Hand	1.28	2.42	3.70	3.87
Cash at Bank - Current	2.56	6.22	8.78	5.75
- Savings	859.20	29.44	888.64	302.45
- Fixed Deposit (≤ 3 months)	<u>52.62</u>	<u>-</u>	<u>52.62</u>	<u>-</u>
<b>Total Cash and Cash Equivalents</b>	<b><u>915.66</u></b>	<b><u>38.08</u></b>	<b><u>953.74</u></b>	<b><u>312.07</u></b>

### 4.2 Temporary Investment

Unit : Million Baht

	2011	2010
Cash at Bank - 6-Month Fixed Deposit	7.30	0.30
- 12-Month Fixed Deposit	6.26	6.76
Cash at Saving and Credit Cooperative - 12-Month Fixed Deposit	<u>-</u>	<u>1.77</u>
<b>Total Temporary Investment</b>	<b><u>13.56</u></b>	<b><u>8.83</u></b>

Temporary investment of Baht 13.56 million is a fixed account of the Staff Welfare Fund.

### 4.3 Debtors and Others - Net

Unit : Million Baht

	2011	2010
<b>Debts from Air Navigation Service Charges and Equipment Rental &amp; Maintenance and Others</b>		
- Receivable Cheques	4.73	1.19
- Airlines Debtors	594.52	566.07
- Domestic Debtors	251.06	17.44
- International Debtors	3.30	5.05
- Accrued Income	<u>3.74</u>	<u>7.69</u>
	857.35	597.44
<u>Less</u> Provision for doubtful debts	<u>(50.82)</u>	<u>(52.53)</u>
<b>Total Debtors and Others - Net</b>	<b><u>806.53</u></b>	<b><u>544.91</u></b>

Provision for doubtful debts at Baht 50.82 million can be divided into Baht 47.75 million for airlines debtors, and Baht 3.07 million for domestic and international debtors.



#### 4.4 Store Supplies

Unit : Million Baht

	2011	2010
Spare parts for Radar	114.70	103.74
Spare parts for Aircraft	27.63	28.95
Spare parts for Air Navigation Aids	7.96	7.96
Spare parts for Radio Equipment	4.24	6.77
Office supplies	3.94	11.20
Other spare parts	<u>6.78</u>	<u>1.06</u>
<b>Total Store Supplies</b>	<b><u>165.25</u></b>	<b><u>159.68</u></b>

#### 4.5 Accumulated Under-Recovery

Unit : Million Baht

	2011	2010
Under-Recovery to Member Airlines - brought forward	828.46	649.99
<u>Less</u> Collected Under-Recovery from Member Airlines, terminated during the year	<u>(2.49)</u>	<u>(2.53)</u>
	825.97	647.46
<u>Add (Less)</u> Under-Recovery (Overcollection) to Member Airlines - for the year	<u>(377.37)</u>	<u>181.00</u>
<b>Total Accumulated Under-Recovery</b>	<b><u>448.60</u></b>	<b><u>828.46</u></b>

During 2009 and 2010, The Company had been continually affected by the economic recession, the internal political instability, the closure of Suvarnabhumi Airport and the 2009 flu pandemic (H1N1), caused the accumulated under-recovery brought forward of Baht 828.46 million. In 2011, the Company had set forth the implementation of the New Air Navigation Services Charges System which followed the Government policy and also International Civil Aviation Organization-ICAO standards. The new charges system will be modern, fair to all users, follow the international guidelines and also make the balance between revenue and expenditure efficiently by setting a goal to compensate the under-recovery within 5 years (2012-2016).

The under-recovery brought forward to 2011 is Baht 828.46 million which is from income over or under expenditure accumulated since 1978. The Company's Shareholders at their 64<sup>th</sup> Ordinary General Meeting on 20 April 2011 agreed to keep the under-recovery in 2010 of Baht 181.00 million and sum it up with the accumulated amount brought forward of Baht 647.46 million. Thus the total amount of Baht 828.46 million will be carried forward to be offset by the overcollection in the future.

In 2011, the Company had Baht 6,233.76 million total income and Baht 5,856.39 million total expenditure. Thus income is over expenditure that will be an overcollection to Member Airlines at Baht 377.37 million and will be deducted from the accumulated under-recovery of Baht 825.97 million leaving the accumulated under-recovery of Baht 448.60 million at the end of the fiscal year.

#### 4.6 Other Current Assets

Unit : Million Baht

	Company	Fund	2011	2010
Other Unearned Income	67.55	-	67.55	0.06
Prepaid Expenses	37.74	-	37.74	39.14
Deposit Payments	15.01	-	15.01	5.88
Advances to Staff for Expenses	2.59	14.85	17.44	14.80
Work in Process	198.15	-	198.15	136.22
Domestic Debtors	-	0.11	0.11	0.14
Loans to Staff	-	19.53	19.53	16.73
Other	<u>0.10</u>	<u>0.14</u>	<u>0.24</u>	<u>4.59</u>
<b>Total Other Current Assets</b>	<b><u>321.14</u></b>	<b><u>34.63</u></b>	<b><u>355.77</u></b>	<b><u>217.56</u></b>

The Staff Welfare Fund at Baht 34.63 million includes loans to staff at Baht 19.53 million. The purpose of this fund is for staff to borrow according to Objectives 7(4.1) and 7(4.2) of the Regulations on Loans from Staff Welfare Fund, B.E. 2550, and is for staff to borrow for themselves or their children for educational purposes. The interest is calculated at the rate for 12-month fixed deposits of commercial banks and the rate for 12-month fixed deposits of Aeronautical Radio of Thailand Saving and Credit Cooperative, Limited plus 1%, respectively. The balance brought forward from the previous period as at 1 October 2010 is Baht 16.73 million and the loans made in this period are Baht 28.80 million. Repayments have been made at Baht 26.00 million. The outstanding debts at the end of the period are Baht 19.53 million.

#### 4.7 Long-term Investment

Unit : Million Baht

	2011	2010
Cash at Government Housing Bank - 36-Month Fixed Deposit	62.81	61.01
Shares at Aeronautical Radio of Thailand Saving and Credit Cooperative, Limited	<u>-</u>	<u>0.50</u>
<b>Total Long-term Investment</b>	<b><u>62.81</u></b>	<b><u>61.51</u></b>

Long-term investment amounted to Baht 62.81 million is an investment by the Staff Welfare Fund.

#### 4.8 Buildings and Equipment - Net

Unit : Million Baht

	Original Cost				Accumulate Depreciation	Book Value	
	Balance 1 Oct 2010	Increase	Decrease	Total 30 Sep 2011		30 Sep 2011	30 Sep 2010
<b>The Company's buildings and equipment</b>							
Buildings and Construction	2,517.26	68.81	12.03	2,574.04	1,141.34	1,432.70	1,497.45
Utility Systems	769.44	12.32	4.47	777.29	492.66	284.63	312.51
Radar and Equipment <sup>1/</sup>	5,432.50	191.92	100.91	5,523.51	3,577.96	1,945.55	2,138.46
Power Generators	227.01	7.07	-	234.08	176.84	57.24	56.14
Teleprinters	0.30	-	-	0.30	0.30	-	-
Equipment and Tools	708.52	9.14	7.92	709.74	527.82	181.92	228.26
Office Supplies (including computer systems and equipment)	657.68	40.31	12.51	685.48	534.57	150.91	187.25
Vehicles	1.92	-	-	1.92	1.92	-	-
Aircraft	242.14	-	-	242.14	50.10	192.04	201.14
Assets from Donations							
- Utility Systems	0.22	-	-	0.22	0.22	-	-
- Other Communication Equipment	4.08	-	-	4.08	4.08	-	-
- Tools, Equipment and Other Assets	11.54	-	-	11.54	11.54	-	-
- Equipment for Air Navigation Aids	37.69	-	-	37.69	37.69	-	-
- Aircraft	211.45	-	145.06	66.39	66.36	0.03	8.21
Total	10,821.75	329.57 <sup>2/</sup>	282.90	10,868.42	6,623.40	4,245.02	4,629.42
<b>Staff Welfare Fund's equipment</b>							
Musical Instruments and Sports Equipment	2.50	0.10	-	2.60	2.36	0.24	0.20
<b>Total</b>	<b>10,824.25</b>	<b>329.67</b>	<b>282.90</b>	<b>10,871.02</b>	<b>6,625.76</b>	<b>4,245.26</b>	<b>4,629.62</b>

**Notes:** <sup>1/</sup> Radar and Equipment comprise of radar systems, air navigation aids, surveillance systems and other communication equipments.

<sup>2/</sup> The amount is for buildings and equipment which increased from the transfer of assets under construction at Baht 328.69 million and asset which is over Baht 30,000 that has been recorded as expenses transferred to assets at Baht 0.88 million.

Buildings and construction which used for operations are constructed on the state land with ownership resting with the Ministry of Finance.

The depreciation in this fiscal year of Baht 705.00 million is recognized as the Company's operating expenditure at Baht 704.95 million and the Staff Welfare Fund expenditure at Baht 0.05 million.



#### 4.9 Assets under Construction

Unit : Million Baht

	2011	2010
Balance brought forward as at 1 October 2010	354.66	228.70
<u>Add</u> Additional during the year	<u>198.09</u>	<u>324.49</u>
	552.75	553.19
<u>Less</u> Transfer to Buildings and Equipment	<u>(328.69)</u>	<u>(198.42)</u>
Transfer to Expenses	<u>(0.81)</u>	<u>(0.11)</u>
<b>Balance carried forward as at 30 September 2011</b>	<b><u>223.25</u></b>	<b><u>354.66</u></b>

#### 4.10 Trade Accounts Payable

Unit : Million Baht

	2011	2010
Trade Accounts Payable - Domestic	73.58	105.13
Trade Accounts Payable - Overseas	13.24	9.35
Suspense Account for Debtors	30.70	6.71
Suspense Account for Goods and Services	<u>46.09</u>	<u>4.13</u>
<b>Total Trade Accounts Payable</b>	<b><u>163.61</u></b>	<b><u>125.32</u></b>

#### 4.11 Long-term Loans due within one year

Unit : Million Baht

	Bank					Total
	CIMB Thai	Krung Thai		Siam Commercial	Government Savings	
<b>Credit limit</b>	<u>850.00</u>	<u>1,390.28</u>	<u>1,100.00</u>	<u>1,519.55</u>	<u>1,650.00</u>	
Balance brought forward as at 1 October 2010	85.00	116.00	84.80	131.80	126.94	544.54
<u>Less</u> Payments during the period	<u>(85.00)</u>	<u>(116.00)</u>	<u>(84.80)</u>	<u>(131.80)</u>	<u>(126.94)</u>	<u>(544.54)</u>
	-	-	-	-	-	-
<u>Add</u> Transferred from long-term loans	<u>85.00</u>	<u>116.00</u>	<u>84.80</u>	<u>131.80</u>	<u>126.94</u>	<u>544.54</u>
<b>Balance carried forward as at 30 September 2011</b>	<b><u>85.00</u></b>	<b><u>116.00</u></b>	<b><u>84.80</u></b>	<b><u>131.80</u></b>	<b><u>126.94</u></b>	<b><u>544.54</u></b>

#### 4.12 Accrued Expenses

Unit : Million Baht

	Company	Fund	2011	2010
Annual Rewards	668.82	-	668.82	591.01
State Land Lease and Property Tax	44.71	-	44.71	63.60
Accrued Interest	67.79	-	67.79	47.94
Utilities	20.06	-	20.06	20.63
Compensation Preferences for Retirement	28.74	-	28.74	-
Other	<u>19.82</u>	<u>2.23</u>	<u>22.05</u>	<u>17.50</u>
<b>Total Accrued Expenses</b>	<b><u>849.94</u></b>	<b><u>2.23</u></b>	<b><u>852.17</u></b>	<b><u>740.68</u></b>

Compensation Preferences for Retirement at Baht 28.74 million is reserved for compensation payable to the retirees, which will be back payment with interest from 2006 to 2011.

In this period, the Company had to pay interest set by the ruling of the Court at Baht 4.56 million.

#### 4.13 Unearned Income

Unit : Million Baht

		2011	2010
Balance brought forward as at 1 October 2010		8.21	24.58
<u>Less</u> recognized as other income - depreciation	(7.98)		
- sale of assets - net	<u>(0.20)</u>	<u>(8.18)</u>	<u>(16.37)</u>
<b>Balance carried forward as at 30 September 2011</b>		<b><u>0.03</u></b>	<b><u>8.21</u></b>

#### 4.14 Other Current Liabilities

Unit : Million Baht

	Company	Fund	2011	2010
Deferred Income	387.77	-	387.77	63.07
Accrued Income Tax and Tax Payable	27.44	0.13	27.57	28.03
Suspense Account of Pay Cheques	32.31	7.80	40.11	22.90
Guarantee Money	16.41	0.10	16.51	23.30
Others	<u>0.84</u>	<u>-</u>	<u>0.84</u>	<u>1.18</u>
<b>Total Other Current Liabilities</b>	<b><u>464.77</u></b>	<b><u>8.03</u></b>	<b><u>472.80</u></b>	<b><u>138.48</u></b>

#### 4.15 Children's Educational Support

This fund has been donated by the Company's staff since 1982 to provide scholarships for the education of staff's children who have high educational performance but lack of funding. The fund is deposited as a fixed deposit account at Aeronautical Radio of Thailand Saving and Credit Cooperative, Limited at Baht 0.10 million.

#### 4.16 Long-term Loans

Unit : Million Baht

Bank	Contract Date	Credit Limit	Terms and Conditions	Transferred to loans due within 1 year	Balance as at 30 Sep 2011	Balance as at 30 Sep 2010
CIMB Thai	21 Jul 2003	850.00	12 Y., Grace Period 2 Y.	85.00	255.00	340.00
Krung Thai	15 Jan 2004	1,390.28	15 Y., Grace Period 3 Y.	116.00	810.28	926.28
Siam Commercial	15 Jul 2005	1,519.55	14 Y., Grace Period 2 Y.	131.80	926.45	1,058.25
Krung Thai	25 Aug 2006	1,100.00	15 Y., Grace Period 2 Y.	84.80	803.20	888.00
Government Savings	3 Sep 2007	1,650.00	15 Y., Grace Period 2 Y.	126.94	1,332.65	1,459.59
Government Savings	18 Sep 2009	<u>1,200.00</u>	14 Y., Grace Period 2 Y.	<u>-</u>	<u>315.00</u>	<u>100.00</u>
<b>Total</b>		<u><b>7,709.83</b></u>		<u><b>544.54</b></u>	<u><b>4,442.58</b></u>	<u><b>4,772.12</b></u>

As at 30 September 2011, the Company's long-term loans were Baht 7,709.83 million. There are 2 banks that set a condition of the loan agreement that the Company has to issue a bill of exchange at the loan balance plus interest to the banks. These loans are used for investment in Suvarnabhumi Airport Project and others. The payment of principal and interest is scheduled every 6 months.

During this Fiscal Year, the Company paid cost of funding which is the interest paid to financial institutions at Baht 132.33 million.

#### 4.17 Share Capital

Unit : Million Baht

	2011	2010
Registered Ordinary Shares and paid up Share Capital		
Total Ordinary Shares: 6,600,000 shares; Baht 100 per share		
A-shares (held by the Ministry of Finance)	600.00	600.00
B-shares (held by airline companies)	<u>60.00</u>	<u>60.00</u>
<b>Total Share Capital</b>	<u><b>660.00</b></u>	<u><b>660.00</b></u>

#### 4.18 Appropriation to the Ministry of Finance

The Cabinet Meeting on 27 October 1998 required the Company to pay the appropriation to the Ministry of Finance in proportion of 10% of income from air navigation services charges starting from the Fiscal Year 1998.

At the Cabinet Meeting on 13 August 2003, approval was given to the Company to prolong the non-payment of the appropriation to the Ministry of Finance between 2002 and 2005. Later, approval to terminate the payment of the appropriation to the Ministry of Finance effective from the fiscal year 2006 was given by the Cabinet Meeting on 20 September 2005.



#### 4.19 The Staff Welfare Fund

Unit : Million Baht

	2011	2010
Cash and Cash Equivalents	38.08	37.67
Temporary Investment	13.56	8.83
Other Current Assets	34.63	29.24
Long-term Investment	62.81	61.51
Buildings and Equipment - Net	0.24	0.20
<b>Total Assets</b>	<b>149.32</b>	<b>137.45</b>
Accrued Expenses	2.23	1.09
Other Current Liabilities	8.03	8.40
Children's Educational Support	0.10	0.10
<b>Total Liabilities</b>	<b>10.36</b>	<b>9.59</b>
Staff Welfare Fund		
Balance brought forward	127.86	113.14
Income over expenditure in this period	11.10	14.72
Total Staff Welfare Fund	138.96	127.86
<b>Total Liabilities and Fund</b>	<b>149.32</b>	<b>137.45</b>

The Staff Welfare Fund of Baht 127.86 million was brought forward from 2010 with income over expenditure of Baht 11.10 million this year, which was contributed by the Company at 9% of the basic salary at Baht 176.62 million and other income at Baht 14.87 million (total at Baht 191.49 million) and expenses at Baht 180.39 million, thereby leaving a balance of Baht 138.96 million.

## 4.20 Operations

Unit : Million Baht

	2011	2010	Increase (Decrease)	
			Amount	%
<b>Income</b>				
Air Navigation Service Charges	5,605.76	4,843.33	762.43	16
Equipment Rental & Maintenance and AOC income	312.13	302.29	9.84	3
Revenue from work orders	148.66	73.02	75.64	104
Gain on exchange rate	2.43	-	2.43	100
Other Income	<u>164.78</u>	<u>47.03</u>	<u>117.75</u>	250
	6,233.76	5,265.67	968.09	18
Under-Recovery (Overcollection) to Member Airlines	<u>(377.37)</u>	<u>181.00</u>	<u>(558.37)</u>	(308)
<b>Total Income</b>	<b><u>5,856.39</u></b>	<b><u>5,446.67</u></b>	<b><u>409.72</u></b>	<b>8</b>
<b>Expenditure</b>				
Staff Costs	3,983.92	3,685.83	298.09	8
Operating and Administrative expenditure	1,367.67	1,368.27	(0.60)	-
Other Operating Expenditure	259.17	254.30	4.87	2
Costs of Production	108.74	42.91	65.83	153
Loss on exchange rate	-	3.70	(3.70)	(100)
Finance Costs	<u>136.89</u>	<u>91.66</u>	<u>45.23</u>	49
<b>Total Expenditure</b>	<b><u>5,856.39</u></b>	<b><u>5,446.67</u></b>	<b><u>409.72</u></b>	<b>8</b>
<b>Income over (under) Expenditure</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b>-</b>

In the Fiscal Year 2011, the Company's total income amounted to Baht 6,233.76 million, which is Baht 968.09 million or 18% increase from last year, mainly a higher income from air navigation service charges by 16% as the airlines increased their flights.

The Company's total expenditure in 2011 amounted to Baht 5,856.39 million, which increases by Baht 409.72 million or 8% from the previous year, mainly are higher staff costs from the annual gratuity adjustment and the 5% increased in basic salary, which will not exceed Baht 50,000 after the adjustment, effective from 1 April 2011 by the approval of the Cabinet Meeting on 28 March 2011. As well as the increase in the annual reward to staff by 0.25 times of salary according to the approval of the Company's Board of Directors Meeting on 20 June 2011.

The Company's performance in 2011 has income-over-expenditure at Baht 377.37 million which will be refunded to Member Airlines as an overcollection.

Income from equipment rental, maintenance charges, and income from services to Airlines Operational Control (AOC) amounted to Baht 312.13 million include income from providing Telecommunication Services (rental of communication equipment) to non-airline customers between October 2010 and September 2011 at Baht 36.76 million which the Company is required to pay the appropriation to the Telecommunications Development Fund in proportion of 4% of the income after any cost reduction allowed by the regulations of The National Telecommunications Commission that is Baht 1.55 million.

In 2011, the Company contributed to the Staff Welfare Fund at 9% of the basic salary, amounted to Baht 176.62 million, which was recorded as Baht 176.05 million operating expenditure and Baht 0.57 million cost of production of work order.

In addition, the Company carried a cost of Baht 0.61 million for financial statements review and annual auditing fees in this period.

#### 4.21 Provident Fund

On 1 October 1992, the Company calculated the gratuity fund to be paid to staff as of that date at Baht 342.66 million. The Company transferred Baht 173.60 million to the Provident Fund. The remaining amount of Baht 169.06 million had to be transferred within 10 years and/or the remaining working period of the staff with interest at an average one year fixed deposit rate. The Company completed the transfer of all the remaining deferred gratuity funds to the Provident Fund in the Fiscal Year 2002.

On 30 September 2011 there were 2,846 staff members. The Company made a contribution in this period at Baht 268.01 million to the Provident Fund, (which was recorded as staff costs at Baht 267.13 million and cost of production of work order at Baht 0.88 million).

#### 4.22 Remuneration for Committees

In this period, the Company paid remuneration for committees as follows:

	<u>Baht</u>
1. Board of Directors	858,000.00
2. Executive Committee	128,000.00
3. Audit Committee	280,000.00
4. Risk Management Committee	70,000.00
5. Corporate Plan Committee	52,000.00
6. Remuneration Committee	132,000.00
7. Funds Seeking Committee	27,000.00
8. AEROTHAI President Recruitment Committee	110,000.00
9. AEROTHAI President's Remuneration Evaluation Subcommittee	52,000.00

**Note:** The remuneration payment was paid to the Company's Board of Directors and the committee representatives from other organizations.

#### 4.23 Contingent Liabilities

There are some probable future liabilities that have not been presented in this Financial Statement as follows:

	Unit : Million Baht	
	2011	2010
The Company was brought to the Civil Court as defendant in the following lawsuits:		
Labour disputes	15.03	46.22
Compensation demands	<u>25.00</u>	<u>24.40</u>
<b>Total Contingent Liabilities</b>	<b><u>40.03</u></b>	<b><u>70.62</u></b>

**Notes:** The total claims have not yet included interest. For the claims for compensation, the Company already made a counterclaim with the principal (interest excluded) at approximately Baht 6.18 million.

#### 4.24 Interest Rate Swap (IRS) Agreement

As at 30 September 2011, the Company had a loss from IRS agreement at Baht 10.58 million, as a result, the credit limit of the agreement was carried at Baht 880.00 million and the agreement will be terminated in 2014.

#### 4.25 Events after the Balance Sheet date

There was a flood crisis in Bangkok in October 2011. The Company is still evaluating the damages of the electrical system and the air navigation systems that have to be repaired. Those damaged assets will be covered by the terms of the insurance policy.





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