



Aeronautical Radio of Thailand Ltd.

Annual Report 2012

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Message

from the Chairman

In the Fiscal Year 2012, the Company diligently carried out its role as the national air navigation service provider to meet users' requirements with safety, standards and efficiency. It realized its responsibilities towards all groups of stakeholders and the national benefit to facilitate the link which allowed world population to commute easily and speedily. Preparation was also made towards the establishment of ASEAN Economic Community (AEC).

This year the Company continued to implement the Air Navigation Services Infrastructure Development Project so that the Company's Air Traffic Management Centre would be outstanding in efficiency, safety, speed and cost saving even the Company had faced a lot of impacts on its operations, such as heavy floods in Thailand which caused the operation at Don Mueang Airport to be unserviceable, the repair of eastern runway at Suvarnabhumi Airport, etc.

The Company promoted and carried on the organizational management under the Good Corporate Governance concept which aimed at transparency of state enterprises. It also developed administration pattern and service provision to accommodate the needs of the public by emphasizing activities that displayed corporate social responsibility such as Community Innovation Project which encouraged the staff to develop innovation to support the Company's core function. As to the community innovation, it helped to create income and enhance wellbeing of the community. The other project was the AEROTHAI Mini Volleyball Competition for HRH Princess Maha Chakri Sirindhorn's Cup which gave the opportunity to the youths to spend their free time usefully and get education support. In addition, the Company continued to carry on the work of the AEROTHAI Foundation in funding for the education of the handicapped children so that they could continue their primary education.

On behalf of the Board of Directors, who gave policy, supervised and monitored the Company, I would like to thank the shareholders, users and related organizations as well as the management and staff who continuously supported the Company's operations. I hope that our joint coordination would be beneficial to the regional aviation industry.



(Mr. Voradej Harnprasert)

Chairman of the Board of Directors



Message

from the President

The year 2012 started with the heavy floods in Thailand which caused a great damages to the economy. Bangkok and its surroundings had also been affected like other parts of the country. When the flood water at Don Mueang Airport reached the point that was not safe for flights, the Company's air traffic controllers continued to provide services until 10.55 hours on 30 October 2011. When Don Mueang Airport could not be serviceable, Notice to Airmen (NOTAM) was issued to inform airlines of the unserviceability of the Airport. In addition, the Company had made a contingency plan and selected contingency site for operations in case the Head Office (Tung Mahamek) and/or Suvarnabhumi Airport were flooded. After the disaster had passed and Don Mueang Airport was officially serviceable, the Company's air traffic controllers resumed their work there again on 6 March 2012.

Thereafter, when the Airports of Thailand Public Company Limited repaired the eastern runway during 11 June 2012-31 July 2012, there was an impact on the capacity of the airport. The number of flights that the airport could accommodate reduced from 51-55 flights per hour to 34 flights per hour. The Company, however, could manage to provide services to more flights than expected and delay was less than expected. This helped to reduce concerns from airlines and praise was given by pilots and the Airline Operators Committee for the efficiency of the Company's officers which was resulted from good and careful planning, preparation in all aspects and co-ordination from all parties concerned.

During 2008-2009, there was an economic crisis which caused airlines to reduce their flights so the Company still had an accumulated under-recovery of Baht 448.60 million at the end of fiscal year 2011. Furthermore, aviation technology had advanced and airlines changed to utilize different types/sizes of aircraft. Therefore, in order to charge users with reasonable/fair rate of charges, the Company had to adjust the aviation facilities charges with the approval of the Civil Aviation Board. The new rate of charges was Baht 3,500 per flight unit for en-route and Baht 500 per flight unit for terminal charges. Following consultation with representatives of airlines, the Company decided to collect the charges at Baht 3,300 per flight unit for en-route and Baht 500 per flight unit for terminal charges during 1 June 2012 – 30 September 2012

In the fiscal year 2012, the Company has continued to implement the Air Navigation Services Infrastructure Development Project and develop flight procedures and routes for Performance-Based Navigation (PBN) in order to ensure that the new air navigation system can accommodate the traffic volume which will be double or triple in the near and far future. This will, also, increase efficiency and safety in air navigation. In addition, the Company held meetings with stakeholders, pilots, airlines' representatives, airspace users, representatives from governmental organizations so that they could voice their ideas and make recommendations to enhance mutual understanding for better cooperation. The Company had signed Memoranda of Understanding with many organizations to solve various problems, e.g. the impact of community radio frequency interference on air navigation.

On behalf of the Management and Staff, I would like to thank the shareholders and users who have continued to trust us and support our operations. You can be assured that we will continue to work jointly with you all for the benefit of the national and regional aviation.

Squadron Leader



(Prajak Sajjasophon)
President



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C*ompany's Background*

At the end of World War II, 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.

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 all of the share capital from the founding airlines and changed its name to Aeronautical Radio of Thailand Ltd. (AEROTHAI) on 6 November 1963. Thereafter, international airlines operating scheduled 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, a non-profit organization, 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 state of ICAO.

Vision, Values and 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

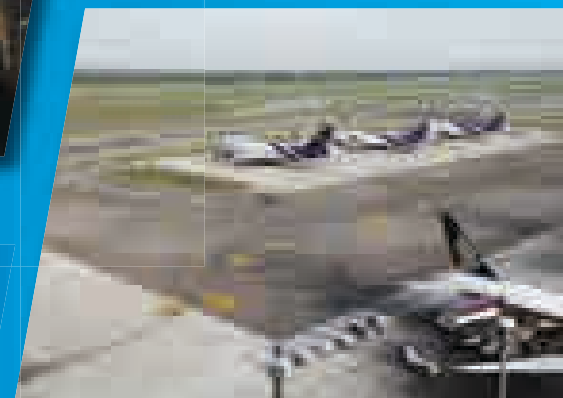
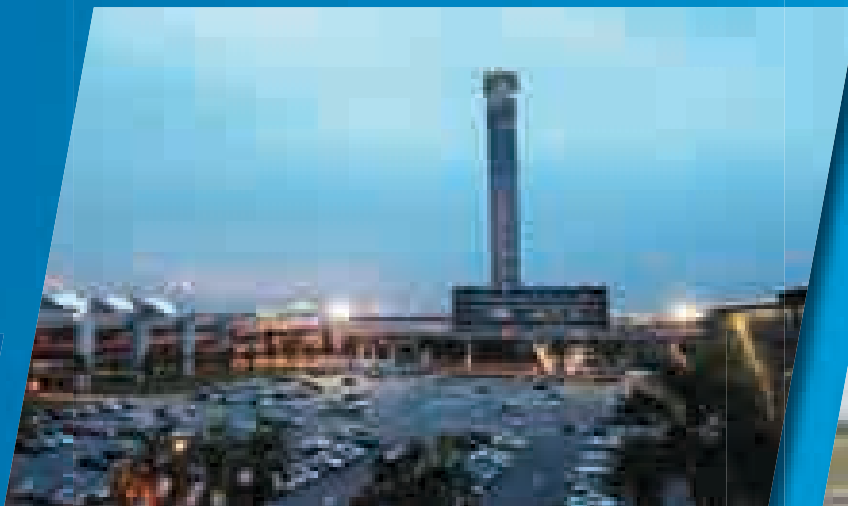
1. Aim at safety
2. Promote morality
3. Focus on responsibility for stakeholders
4. Emphasize excellent outcome
5. Promote teamwork

Corporate Mission

To be the national air navigation service provider* that meets users' requirements in safety, standards, and efficiency while realizing the responsibilities to all stakeholders and national interests.

Remarks : *AEROTHAI is entrusted by the Thai Government to be the national air navigation service provider with the following function and responsibilities:

1. Air Traffic Management,
2. Provide Aeronautical Communications, Navigation and Surveillance System/Services, and
3. Provide Aeronautical Information Services and Aeronautical Chart as well as other related services and work under the Government's policy.



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Highlight Of Activities

AEROTHAI sets its vision to be “Providing safety in air navigation services with modern management, good corporate governance and a concern for carbon emission reduction in aviation.” in order to harmonize with the government strategies and policies. The significant projects as in AEROTHAI Corporate Plan 2012-2016 are as follows:

1. Air Navigation Services (ANS) Infrastructure Development Project (Implementation Period 2012-2015)

According to the Global Air Traffic Management Operational Concept that the International Civil Aviation Organization (ICAO) has envisioned a unified goal of an integrated, harmonized and globally interoperable ATM system for the aviation industry, it is the commitment of member states to jointly work towards the specified strategies and plans to be achievable by 2025.

Clear operational requirements and description of how the emerging future ATM system should operate were established and addressed to increase user flexibility and maximize operating efficiencies in order to increase system capacity and improve safety levels in the future air traffic management system. Examples of key technology change and procedures include implementation of satellite based systems and procedures, airspace reorganization, Flexible Use of Airspace (FUA), and harmonization in the development of avionics and ATM systems with the goal of supporting the increasing growth in traffic volume in the near and far future.

Recognizing the importance of the integrated operational concept and preparation for the future, the ANS Infrastructure Development Project has been launched to improve airspace management, ATS routes, services and techniques as well as flight inspection service to ensure that the Nation's Air Navigation Services will be capable to accommodate the increased volume of air traffic efficiently and with maximum safety. It is expected that the project will be a key driving force of the strategic goal to enable Thailand to be the regional aviation and transportation hub.

The ANS Infrastructure Development Project consists of 3 projects as follows:

1.1 Air Traffic Management Centre (ATMC) Project: to be the national Air Traffic Management Centre, providing airspace management for both domestic and international flights with maximal efficiency, highest level of safety, convenience, and cost effectiveness for airlines/airspace users. The ATMC is the main integral part of the national ANS Infrastructure Development.

1.2 CNS/ATM Enhancement Project: to enhance the capability of CNS/ATM systems (Communications, Navigation, Surveillance/Air Traffic Management) and provide an integrated national ATM network connecting the Bangkok Area Control Centre with regional approach units and control towers. The project aims to improve the technology aspect of the ANS infrastructure to be competitive and supporting operations according to the Global Air Traffic Management Operational Concept in order to ensure safety of flights, accommodate the convenience of air travellers, and provide time/cost savings for airlines and airspace users.





1.3 Flight Inspection Enhancement Project : to verify the proper function of air navigation aids, landing systems, and related aviation facilities as they are essential to ensure the safety of airspace management. Procurement of high performance inspection aircraft for flight inspection is needed to validate the new air navigation systems and technology envisioned for the ANS Infrastructure Development. Not only supporting AEROTHAI's core function and responsibilities, the aircraft can generate additional revenue during off-duty periods by providing flight inspection 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 approving the ANS Infrastructure Development Project in principle by assigning the Ministry of Transport and AEROTHAI to proceed according to the suggestions of the Office of National Economic and Social Development Board. AEROTHAI has revised and extended the project period and budget plan to four years from fiscal years 2012 to 2015 (previously 3 years: 2011-2013), while maintaining the same amount of capital expenditure budget (Baht 4,460.31 million, including 10% contingency reserve) for the success and completion of the planning process, of which the Company's Board of Directors approved on 8 July 2011. Consequently, the Cabinet approved the withdrawal plan for fiscal years 2012-2015 on 27 September 2011.

Currently, AEROTHAI is completely prepared for the launching of the ATMC as planned by reaching a conclusion on the procurement procedures, finalizing suitable location and flooding preventive measures from lessons learned in 2011 and reviewing operational concepts and applicable technical requirements accordingly.



2. Project under the “Seamless ASEAN Sky” concept and resolutions of Air Transport Working Group (ATWG) and Air Transport Technical Cooperation Sub-Working Group (ATTC) (Implementation Period 2008-2015)

This is a strategic work carried out with ASEAN and other related domestic organizations in order to promote planning and operation for Seamless ASEAN Sky (SAS) in accordance with SAS strategic plan approved to be a policy of the Ministry of Transport. The project includes activities that AEROTHAI proposed and those assigned to Thailand as Lead Country on Air Traffic Management (ATM) which AEROTHAI has provided the main support to Thailand delegate to the Air Transport Working Group of ASEAN (ATWG) and its Air Transport Technical Cooperation Sub-Working Group (ATTC). AEROTHAI emphasizes the promotion of SAS concept, which has been integrated into ASEAN's current plan on ASEAN Single Aviation Market (ASAM), and shall be updated and made current according to the progress, while making preparation for Thailand air navigation system – both in terms of infrastructure and airspace strategies. Currently, AEROTHAI is continuing to work with ATWG and ATTC of ASEAN in accordance with the SAS strategic plan.

3. Project to Support Thailand's Air Traffic Management Work under ASAM ATTC Work Plan 2012-2013 (Implementation Period 2008 - 2015)

This is an important initiative contribution to the work and collaboration among ASEAN members and to the support for Thailand's vital role in Air Traffic Management (ATM) work plan under ASEAN Single Aviation Market (ASAM). Under the work plan timeframe of 2 years (2012 – 2013), Thailand is appointed as Chairman of Air Transport Working Group (ATWG) and Air Transport Technical Cooperation (ATTC) Sub-Working Group with the main support of AEROTHAI to propose concept and implementation guidelines which have been accepted in ASEAN.

AEROTHAI attended the 5th ATTC sub-group meeting and observed the 26th ATWG meeting in Bangkok in August 2012. In the meetings, progress and future plans for ATTC Work Plan 2012-2013 were reported, both in terms of ASEAN work as a whole and individual work items responsible by Thailand and subsequently AEROTHAI. Important development from the conclusions from ATTC and ATWG were:

- 3.1) A consultant team from European Aviation Safety Agency (EASA) for the study of PAN-ASEAN Seamless ATM Structure is set to give priority and focus on ATM Infrastructure & Procedures Development.
- 3.2) ASEAN has established an initial vision for its Airspace Development Plan to be "The ASEAN airspace will be a seamless block of airspaces in Asia/Pacific, with harmonized and interoperable procedures and operations" with the objective of ATM Harmonization being:
 - " (a) To increase the capacity within the airspace of ASEAN while enhancing safety;
 - (b) To improve the traffic flow on existing airways and/or establish new airways;
 - (c) To develop harmonized air traffic services procedures by taking into account the system interoperability; and
 - (d) To implement the elements identified in the ICAO regional implementation plan, putting emphasis on subjects related to ASEAN";
- 3.3) ASEAN will develop ASEAN Aviation Intelligence System, consisting of initial key aviation database such as ASEAN Inventory, ASEAN Traffic Flow, ASEAN Aeronautical Information and ASEAN Plans and Projects.
- 3.4) ASEAN will continue to support ICAO by monitoring and continue with the progress in accordance to ICAO work plan, in the key selective areas such as Global Plan Initiatives (GPI), Aviation System Block Upgrades (ASBUs) Block 0, and APANPIRG Deficiencies. All of which AEROTHAI will continue to work on the work plan.

4. Implementation of Performance Based Navigation (PBN) for Bangkok Flight Information Region

To enhance the efficiency and safety of air navigation and to support the continuing growth of air traffic, AEROTHAI has implemented new 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 International Civil Aviation Organization (ICAO) implementation targets and the requirements from airlines and airspace users.

Implementation

4.1 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 provide guidelines for aviation stakeholders within the Asia-Pacific region during their PBN deployment. This Asia-Pacific Regional PBN Implementation Plan was 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 Resolution requiring 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." The National Working Group on PBN and GNSS is now developing the enhancement of the Plan and additional implementation schedules to be soon released as the Thailand PBN Implementation Plan Version 2.0.

4.2 Full Operations of PBN Procedures at Phuket, Hat Yai, Samui, Chiang Mai and Udon Thani Airports

During 2009-2012, the Department of Civil Aviation has approved the full operation of RNP Approach Procedures for Phuket, Hat Yai, Samui, Chiang Mai and Udon Thani 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 International Air Transport Association's (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.

4.3 Implementation Progress of PBN Procedures for Chiang Rai, Krabi, Lampang, Trat, Surat Thani, Nakhon Si Thammarat, Narathiwat and Khon Kaen Airports

In Fiscal Year 2012, the Company has completed the design for additional RNP APCH procedures for Chiang Rai, Krabi, Lampang, Trat, Surat Thani, Nakhon Si Thammarat, Narathiwat and Khon Kaen Airports. For Chiang Rai and Lampang Airports, the PBN approach procedures have successfully been flight validated by AEROTHAI. The procedures are scheduled for operations within 2013.

Regarding RNP APCH procedures for Nakhon Si Thammarat, AEROTHAI has completed the design for these approaches using Baro-VNAV to enhance safety with vertically guided approaches. These are the first Baro-VNAV procedures for Thailand aiming to support both fixed-wing aircraft and helicopters. Their designs are in full compliance with ICAO standards and recommended practice.

Moreover, in Fiscal Year 2012, AEROTHAI has successfully designed and flight validated PBN Standard Instrument Departure (SID) using RNP-1 navigation specification for Lampang and Khon Kaen Airports. These are the first PBN SID procedures in Thailand which are fully compliance with ICAO standards. The SID is scheduled for operations by 2013.





4.4 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 International Public Company Limited established M904 to honour HRH Crown Prince. It is a RNAV 5 route connecting Thailand and Australia.

Establishment of M502 Route: M502 international route will connect South Asia with Africa. It is established as a conditional RNAV route, available for flight-planning during non-active military training period. Its efficient routing derives the tangible benefits of successful civil/military coordination among airspace users. Developed under the Flexible Use of Airspace Concept, the route establishment represents a cooperative effort among aviation stakeholders, including the Royal Thai Air Force, Department of Civil Aviation (DCA) and AEROTHAI.

Conditional RNAV-5 Routes to Support Military Exercises: In 2012, AEROTHAI in cooperation with DCA Thailand and the Thai Airspace Panel has established two domestic conditional RNAV-5 routes, Y3 and Y4, over the Gulf of Thailand. The routes aim to support commercial aircraft operations during certain military exercises when some of the airspace over the Gulf of Thailand will be limited.

Unidirectional RNAV-5 Routes for Major Domestic City Pairs: In 2012, AEROTHAI in cooperation with DCA Thailand and the Thai Airspace Panel has developed unidirectional RNAV-5 routes connecting Bangkok-Chiang Mai and Bangkok-Phuket. The unidirectional routes are designed to reduce aircraft fuel consumption and greenhouse gases emission and to enhance safety and flow capacity of air traffic operations.

4.5 Certification of Procedure Design and Flight Validation of PBN Procedures

The Company has coordinated with Jeppesen from the United States of America 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/RNP SID, RNAV/RNP STAR, and RNP APCH with Baro-VNAV procedures.

Additionally, the Company has continued enhancing the capability of its personnel in designing conventional and PBN procedures as well as airspace design and analysis by sending them to attend Flight Procedure Design and Airspace Design courses conducted by ICAO Asia-Pacific Flight Procedure Program.

4.6 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 and Program Manager, ICAO Asia-Pacific Flight Procedure Program. The Company is also honoured 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.

4.7 Flight Inspection/Validation and Relevant Training Services

During 2009-2012, the Company was 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 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 Instrument Flight Procedure 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.

5. Corporate Social Responsibility Project : Asia and Pacific Initiative to Reduce Emissions (ASPIRE)

After officially being a member of the ASPIRE and organizing the demonstration of THAI ASPIRE Flight to raise awareness of environment and the goal of reducing emission of green house gas in 2011, this year the Company has been preparing the next main process to propose ASPIRE daily routes. It will transform best practices into daily operation by considering the environment and other appropriate factors to establish/announce ASPIRE daily routes.

At the same time, AEROTHAI has continued to collaborate with ASPIRE partners and participated in important ASPIRE activities such as participating in the drafting of annual report and ASPIRE Strategic Plan 2012. As the latest member of the ASPIRE, the Company has proposed action plan/project to support the ASPIRE strategic plan which aims at three main areas: Network Optimisation, Enroute and Oceanic Flight and Arrival Optimisation. These work plans are important part of AEROTHAI next undertaking to transform these best practices to be repeated on a daily operational basis through the launch of ASPIRE Daily Program. Once achieved, ASPIRE daily initiative will allow the ASPIRE partnership to progress towards sustaining the reduction of greenhouse gas emissions and aviation's impact on the environment in the long term which is the ultimate objective of ASPIRE.

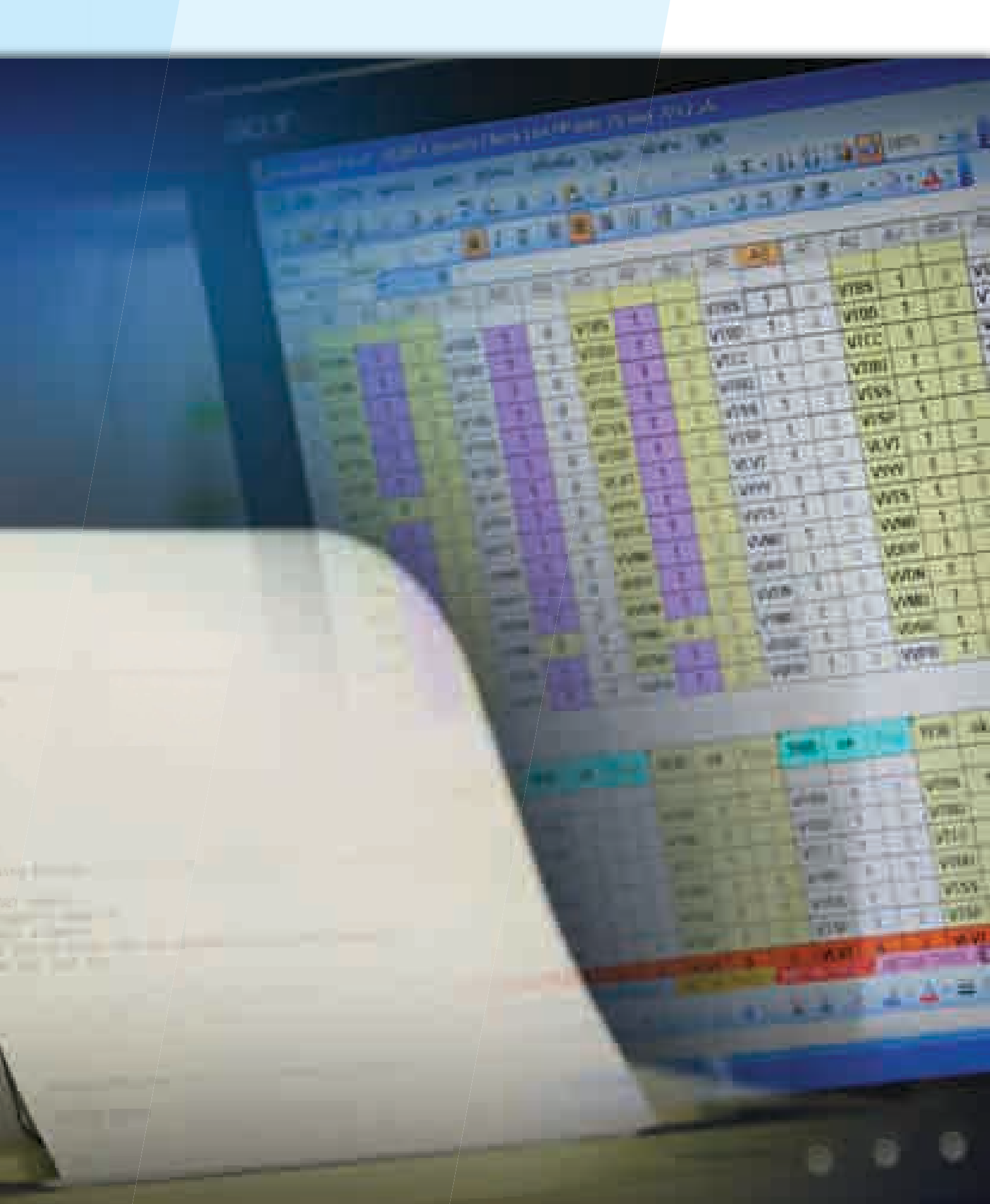
6. Construction of Don Mueang Aerodrome Control Tower (Replacement)

A new Aerodrome Control Tower has been constructed by AEROTHAI at Don Mueang International Airport as a replacement of the existing one for installation of advanced system/equipment and technology for air navigation services. These facilities are expected to support the operations of air traffic controllers and to ensure efficiency and safety in accordance with ICAO standards. The new Aerodrome Control Tower will be completed in 2013.

7. Flight Data Management Centre (FDMC)

To update the ICAO flight plan modifications, AEROTHAI has established the Flight Data Management Centre (FDMC). The FDMC is tasked to set flight plan format, to evaluate the criteria for transmitting flight plan and relevant information, to examine flight plan information and to manage flight plans including ATS messages effectively. The FDMC is also aimed to facilitate the airspace users and eliminate human errors as well as developing all related systems to accommodate the ICAO Global Air Traffic Management Operational Concept.





8. Community Innovation Project

According to the government's policy to support sufficiency economy, 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. This project supports community relations and corporate social responsibility (CSR).

Regional Air Traffic Control Centres including Air Traffic Engineering Centre of AEROTHAI in 9 provinces, coordinated with the communities to select, invent and propose their innovations for the competition which can be categorized into 3 areas : engineering and technology, agriculture, and local products. The decision was made in March 2012 and Innovation Award Granting Ceremony was held in April 2012 and the awarded innovations were as follows :

Engineering and Technology

Winner : no award was given.

Runner-up : no award was given.

Consolation prizes : Thai Flat Bean Picking Tool submitted by Hat Yai Air Traffic Control Centre in cooperation with Wataniya Islamic School, Rue So District, Narathiwat Province.

Agriculture

Winner : Mussel Feeding Tool submitted by Surat Thani Air Traffic Control Centre in cooperation with Ban Laem Pho Community, Surat Thani Province.

Runner-up :

1. Water Pumping Machine submitted by Udon Thani Air Traffic Control Centre in cooperation with Khon Kaen Technical Collage, Khon Kaen Province.
2. Hydroponic Farming System in cooperation with Nakhon Ratchasima Air Traffic Engineering Centre in cooperation with Ban Phiman Community, Nakhon Ratchasima Province.

Consolation prizes : Sprayer for Coconut Field submitted by Hua Hin Air traffic Control Centre in cooperation with Ban Sang Chamuang, Thap Sakae District, Prachuap Khiri Khan Province.

Local Products

Runner up :

1. Equipment for Developing Biogas Energy System submitted by Chiang Mai Air traffic Control Centre in cooperation with Ban Poh Thong Charoen Community, Chiang Mai Province.
2. Sticky Rice Steamer submitted by Ubon Ratchathani Air traffic Control Centre in cooperation with Ban Nong Khon Community, Ubon Ratchathani Province.





9. AEROTHAI Mini Volleyball Competition for HRH Princess Maha Chakri Sirindhorn's Cup

Since 2000, AEROTHAI Mini Volleyball Competition for Her Royal Highness Princess Maha Chakri Sirindhorn's Cup has been organized to encourage sport development for primary pupils of the age under 12 years old. In 2012, it is the thirteenth competition aimed to promote sport activity for youths and help them to spend their spare time usefully. In taking part in creative activities such as playing volleyball will help to reduce drug problem.

Each year, primary pupils throughout the country join the competition and many of them have been given educational opportunities by the well-known institutions. Additionally, they have been encouraged to develop their competence for competing at national level and further which can be seen by the national volleyball players: Miss Wanitchaya Luangtonglang, Miss Russamee Supamool, Miss Atcharaporn Kongyos, Miss Piyanch Pannoi and Miss Krisda Somkane who were once joining this project as a youth.

The result of AEROTHAI Mini Volleyball Competition 2012 is as follows:

Male Teams

Winner: Wat Chong Nonsi School

1st Runner-up: Ban Ramraj School

2nd Runner-up: Ban Khonhad School

3rd Runner-up: Ban Ban Lung School

Female Teams

Winner: Ban Khonhad School

1st Runner-up: Ban Koh Yai School

2nd Runner-up: Mueang Samut Songkhram School

3rd Runner-up: Khao Noi Non Rang Wittaya Serm School

10. The Aeronautical Radio of Thailand Foundation (AEROTHAI Foundation)

AEROTHAI Foundation was founded in 2006 to provide educational opportunities to disabled children throughout the countries and support their wellbeing and future careers. The scholarships are given to 5 categories of disability : physically disabled, visually disabled, hearing disabled, mentally disabled and autism. It is a part of the AEROTHAI's CSR policy which emphasizes the participation of management and staff in repaying the underprivileged. In 2012, the scholarships were given to 217 pupils at Baht 5,500 each, totalling Baht 1,193,500.



11. 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 Information system to Airlines 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 function which support the core function, for example, safety information systems in Air Traffic Services Engineering (ISO/IEC 27001), improvement of computer systems/equipment.





In Fiscal Year 2012, the Company has developed and improved information system plans and projects as included in the Information and Communications Technology Master Plan (Revision in 2011) and can be carried out and used as planned in the year 2012 as follows :

1. Aeronautical Message Handling System (AMHS X400): is a system that sends and receives aeronautical ground-ground communications such as flight plans and this system can link to international communications. AMHS X400 is used as a backup system for business continuity.

2. Operational Meteorological was developed and used as operational meteorological data bank which known as Bangkok OPMET data bank. Now, Bangkok OPMET data bank is one of the five in Regional OPMET Data Bank (RODB) of Asia-Pacific region. Because of this system, Bangkok is served as the centre of the collection, distribution, and transmission meteorological data and also exchange meteorological data with RODB in the region. This system can exchange regional meteorological data with inter-regional OPMET Gateway (IROG) of Africa and Middle East regions.

3. Performance and workforce information system is the system that manages the organization's workforce. It is responsible for the performance of employees such as working time, business leave, sick leave and vacation. This system will automatically collect and link all the information together. The advantage of this system is that it will reduce the overtime cost and increase the efficiency of employees by reducing working time.

4. Automatic Flight Charge Information System is developed for the issuance of the new flight charge invoices in order to increase the efficiency of flight charge collection management and the increase of number of flights in the future. The Company has changed the way to calculate flight charges by using maximum takeoff weight (MTOW) and distance. Registration, entry point, exit point, actual time arrival (ATA) and actual time departure (ATD) needed to be recorded, in order to calculate flight charges. This system will use information from pre-flight management to calculate new flight charges before invoices are issued.

5. Knowledge Development and Management Information System: This system handles the knowledge management systematically to support the Company's mission and strategies which will promote aviation industry to be beneficial to all walks of life under the Total Quality Management (TQM) concept. It will collect, process and distribute knowledge to employees and other organizations. This is carried out systematically and quickly to create an open atmosphere allowing employees to feel trust and willing to share knowledge.

Key Meetings /Conferences in 2012

1. 16th APEC Global Navigation Satellite System Implementation Team Meeting (APEC GIT)

AEROTHAI hosted the APEC GNSS Implementation Team (GIT) Meeting during 15–17 February 2012 at the Sheraton Grand Sukhumvit Hotel. The APEC Transportation Working Group (APEC TPT-WG) is the primary working group which is divided into 4 expert groups: Aviation Experts Group, Maritime Experts Group, Land Experts Group and Intermodal and Intelligent Transportation Systems Experts Group. Sub-Experts Group Meetings are further separated within each Expert Group where representatives from the APEC attend specific meetings. The APEC GIT is a Sub-Expert Group under Intermodal Expert Group which reports to the Experts Group. AEROTHAI has regularly participated in the Intermodal and ITS Experts Group Meeting, where experts from all transportation mode gather to support the expansion of GNSS implementation in the Region. Furthermore, it is a platform where ideas and suggestions regarding the development of intermodal transportation are exchanged.

Progress/Achievements

The 16th Meeting was a success and met the intended objective. Mr. Noppadol Pringvanich (Director of Procedure Design for Air Navigation Services Department) has been selected as a Co-chairman with Ms. Karen Van Dyke from the United States of America. The progress of the Performance Based Navigation Regulatory Review and Evaluation Visit Program (PBNRREVP), the development of the GNSS implementation in the air transportation of the Kingdom and the Regional Receiver Autonomous Integrity (RAIM) Prediction System, which are the APEC GIT projects under Thailand's responsibility, were reported in the Meeting.

2. Aeronautical Message Handling System (AMHS) Workshop/System Wide Information Management (SWIM) Workshop (AMHS/SWIM Workshop) and the 7th Aeronautical Telecommunication Network Implementation Co-ordination Group Meeting (ATNICG/7)

AEROTHAI hosted the Aeronautical Message Handling System Workshop (AMHS)/System Wide Information Management (SWIM) Workshop (AMHS/SWIM Workshop) and the 7th Aeronautical Telecommunication Network Implementation Co-ordination Group Meeting (ATNICG/7) from 5 to 9 March 2012 at Le Méridien Hotel, Chiang Mai. The AMHS/SWIM Workshop and ATNICG/7 aimed to progress the work of ATNICG included in the Subject/Task lists adopted by APANPIRG. The AMHS/SWIM Workshop was organized with the objective of exchanging experiences on ATN/AMHS implementation and to inform participants about the concepts of future systems planning for Ground-Ground and Air-Ground communications.

Progress/Achievements

The Meetings supported States with AMHS and SWIM systems in administrating, managing and developing data/information within the systems. The co-ordination between States was introduced and encouraged. "Test and Trial Co-ordination" was established as a result, in order to enhance efficiency and effectiveness of implementation for both systems.



3. The Workshop on "The Development of Air Traffic Services Capabilities: focusing on Speed Control" together with Airline Representatives (from Thai Airways International Public Company Limited, Bangkok Airways and Thai Air Asia)

AEROTHAI hosted the Workshop on Speed Control with airline representatives from 29 February to 1 March 2012 at Baan Amphawa Resort & Spa, Samut Songkhram province. The Workshop aimed to create a better approach in traffic services by encouraging various topics discussion and knowledge sharing among air traffic controllers from aerodrome/ approach and area control centres as well as pilots. Moreover, different perspectives and comments from airlines representatives were beneficial to the development of air traffic services capabilities.

Progress/Achievements

The Workshop provided an opportunity for airlines representatives and air traffic controllers to share ideas and operation integration which benefit both parties; air service providers and airlines. It was a success and achieved its objective. The Company received useful suggestions which would help to improve its air navigation services to better meet users' requirements.

4. The Executives Meeting between Thai Airways International Public Company Limited and AEROTHAI

AEROTHAI held the Executives Meeting between Thai Airways International Public Company Limited and AEROTHAI on Monday 18 June 2012 at the Company's Headquarters. The objective of the Meeting was to discuss and exchange opinions between executives of the two organizations concerning the joint projects, namely, Collaborative Decision Making (CDM), Asia and Pacific Initiative to Reduce Emissions (ASPIRE) and other related areas of cooperation. In addition, the Meeting was aimed at air transport integration among aviation agencies.

Progress/Achievements

Executives of Thai Airways International Public Company Limited and AEROTHAI exchanged their opinions as well as discussed issues related to operations. Thai Airways International Public Company Limited's executives further suggested that the workshop between pilots and air traffic controllers should be organized. They also expressed their supports to projects that will be beneficial to the aviation industry such as CDM and ASPIRE.



5. The Executives Meeting between Airports of Thailand Public Company Limited and AEROTHAI

AEROTHAI held the Meeting between Executives of Airports of Thailand Public Company Limited and AEROTHAI on Wednesday 18 August 2012 at the Company's Headquarters. The objective of the meeting was to exchange opinions between executives of the two organizations and discuss operational problems in order to achieve common best practices.

Progress/Achievements

The executives from both sides exchanged views on Collaborative Decision Making (CDM) project, integration of risk management in the airport area as well as discussed issues related to operations. An agreement was made to hold a monthly meeting to discuss plans and projects between Airports of Thailand Public Company Limited and AEROTHAI together with related agencies. Airspace Management Centre, was being appointed to be the coordinator for the meeting, whereas host of the meeting will be rotated between the two organizations.

6. The ATC & Pilot Workshop

AEROTHAI hosted the ATC & Pilot Workshop during 30-31 August 2012 at Fisherman's Resort located in Haad Chao Samran, Phetchaburi province. Knowledge sharing between Thai Airways International pilots and air traffic controllers is the key objective of this workshop.

Progress/Achievements

The workshop was aimed to encourage brainstorming among participants, in order to resolve issues between pilots and air traffic controllers. Moreover, discussion during the workshop helped create better understanding and increased coordination between pilots and air traffic controllers. Various activities of the workshop were successfully achieved with great cooperation and positive feedbacks from the participants.

7. Airspace Users - ANSP Annual Meeting 2012

AEROTHAI hosted the Airspace Users-ANSP Annual Meeting on Thursday 6 September 2012 at the AETAS Hotel (Lumpini), Bangkok. The purpose of the Meeting was to update Thai commercial airspace users of the current services provided by AEROTHAI and progress of projects which are implemented to provide better air traffic services. In addition, it was a venue for airspace users and air traffic controllers to express their opinions and recommendations which will be recorded as action items for further improvements of the services provided.

Progress/Achievements

The Meeting provided the opportunity for AEROTHAI to present useful information and to obtain comments directly from the users. Furthermore, questions under airspace users' perspectives were clarified which led to better understanding of AEROTHAI operations. Another key benefit from the workshop was suggestions from the users which will be used to directly improve AEROTHAI's services and this helps to strengthen organizational relationship.

8. The Non-Commercial Air Transport-ANSP Annual Meeting 2012

The 2012 Non-Commercial Air Transport Meeting was held on Friday 7 September 2012 at the Company's Headquarters. The Meeting was conducted as a floor for AEROTHAI to update airspace users on its current services and progress of projects which are carried out to provide better air traffic services. Moreover, opinions or suggestions from non-commercial airspace users stated in the Meeting would be taken into consideration for improving services.

Progress/Achievements

The Meeting served as a platform, not only for AEROTHAI to present useful information to airspace users, but also for delegates from non-commercial air transport sectors to raise questions and recommendations. Discussion between both parties resulted in better understanding and strengthened relationship between airspace users and service providers.

9. MoU on Solution for the Radio Communication Interference between AEROTHAI and the Office of the National Broadcasting and Telecommunications Commission

Currently, the radio communication interference that the pilots and the air traffic controllers experience comes in the form of music, radio hosts' conversations and frequency interference. This can lead to miscommunication and cast a negative image on Thai aviation, or worse, accident.

Both international and domestic pilots have reflected that the radio communication interference is a major problem in Thailand. In 2012 there were 1,781 interference reports caused by the community radio stations. The community radio network has been using the high transmitter power output for wider radius broadcasts which consequently interfere with the frequency reserved for the main radio stations and air traffic controllers. AEROTHAI recognizes the danger and have been trying to educate the community radio stations of the risk. "Prototype of the Community Radio Station" project is thus created to educate not only the management but also every staff of the community radio stations nationwide. Furthermore, AEROTHAI also provides assistance in the station development projects to ensure safety and improve quality radio broadcast. The project has been accepted widely, with 640 participating community radio stations.

AEROTHAI together with the Office of the National Broadcasting and Telecommunications Commission signed the Memorandum of Understanding (MoU) on the Solution for the Radio Communication Interference on 11 June 2012. Both parties agree to cooperate in the areas for academic, training, information exchanging, public relations, the commitment to educate the community radio stations in each region which will lead to the integration of projects and become law-binding regulations, which will better resolve the radio communication interference.

10. Voting Machine

On 26 December 2002 AEROTHAI signed MoU with the Office of the Election Commission of Thailand (ECT) to design and develop a prototype of voting machine to be used in place of ballot system. The voting machine consists of control unit (CU) to replace ballot box, ballot unit (BU) to replace ballot paper. The prototype has been developed until now it is the 4th series and was delivered to ECT on 28 April 2010. The voting machines were accepted with satisfaction by ECT and order for more machines to replace 3rd series was placed. Consequently, 200 sets of voting machine totaling Baht 40 million were delivered to ECT on 31 May 2012. Demonstration training was held by AEROTHAI for ECT's staff in the northeastern provinces during 11–14 September 2012. The training will be organized for ECT's staff in the northern, central and southern provinces in Fiscal Year 2013.



11. The Outstanding Safety, Occupational Health and Working Environment Award 2012

In 2012 AEROTHAI was granted the Outstanding Safety, Occupational Health and Working Environment Awards as follows :

- Tung Mahamek Headquarters and Phitsanulok Air Traffic Control Centre were awarded for the seventh consecutive year.
- Surat Thani, Hat Yai and Udon Thani Air Traffic Control Centres were awarded for the sixth consecutive year.
- Phuket, Chiang Mai, and Ubon Ratchathani Air Traffic Control Centres including Nakhon Ratchasima Air Traffic Services Engineering Operations Centre, were awarded for the fifth consecutive year.
- Suvarnabhumi Airport Air Traffic Control Centre was granted for the fourth consecutive year
- The National Safety, Occupational Health and Working Environment Committee Award for 2012 was granted to the Safety, Occupational Health and Working Environment Committee at Tung Mahamek Headquarters.

12. 2012 Innovation Award (Honorable Mention Class) given to AEROTHAI

With the outstanding performance, AEROTHAI has been awarded Outstanding Organization Management Award for 4 years from 2005 to 2007 and in 2009. Moreover, the Bay of Bengal Cooperative Air Traffic Flow Management System (BOBCAT) designed by AEROTHAI won the Outstanding Innovation Award in 2009. In 2012, AEROTHAI Research Team built its own VHF Antenna to be used for flight inspection (using 132.05 MHZ Frequency). This equipment supports communications between flight officer on board and engineer on ground in doing the Omni-directional flight inspection. It does not only expand the antenna broadcasting power both transmitting and receiving effectively but also reduce time used for adjusting the navigational aids. This equipment ensures safety and continuous service of the system as well as saving cost of the procurement of similar antenna from other countries. This innovation won the 2012 Innovation Award (Honorable Mention Class).





***P**erformance Evaluation in the fiscal year 2012*

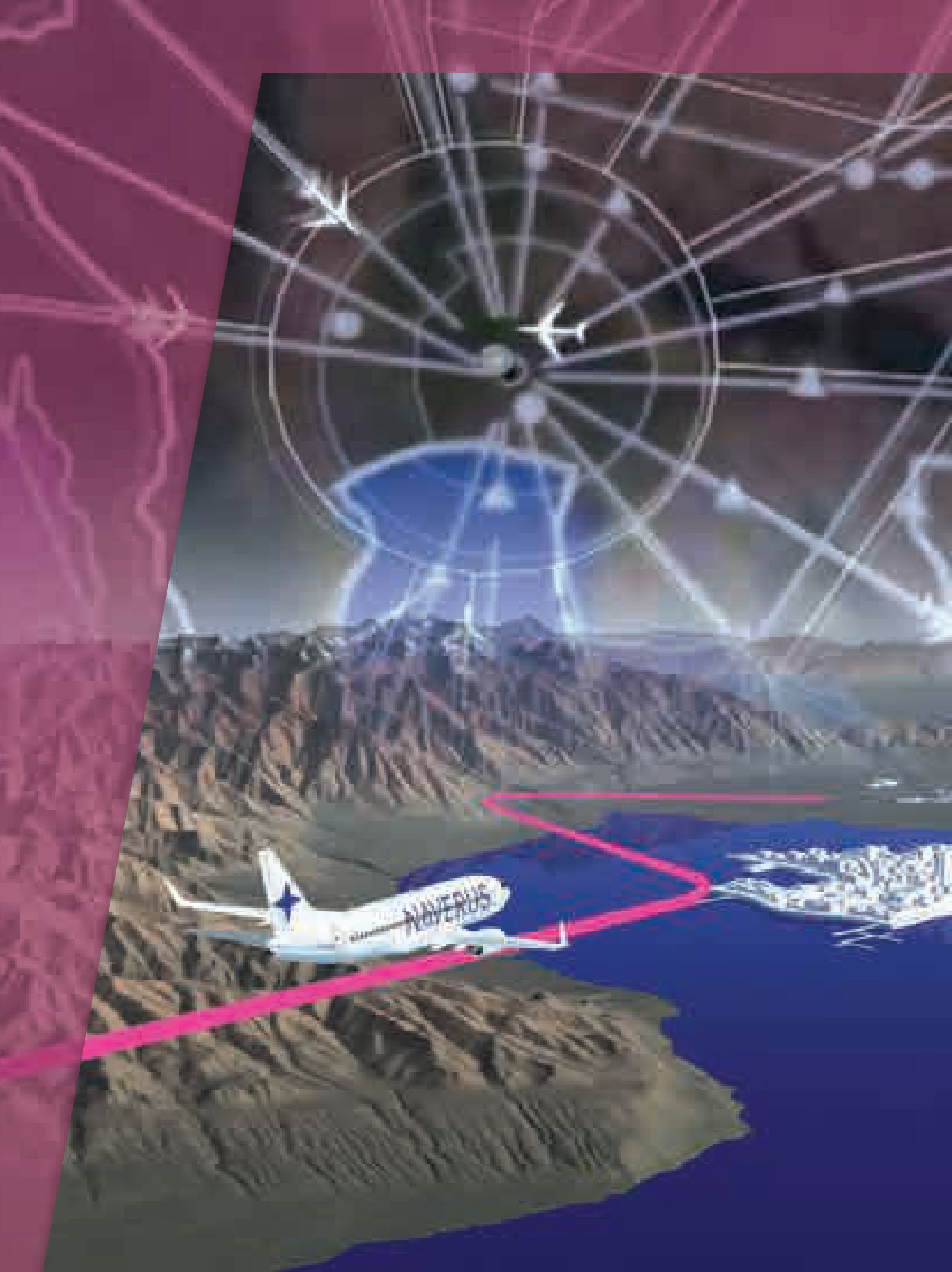
In Fiscal Year 2012, the Company's performance was evaluated by the TRIS Rating Company Limited, which affirmed the rating "AA" (Stable) to the Company which was the same rating as in 2011. The rating indicates a company or a debt instrument with a very low degree of credit risk and has very strong capacity 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.



***P**erformance Appraisal for the fiscal year 2012*

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. According to the agreement with Ministry of Finance, the Company will be assessed under two categories : Process which accounts for 35% of the appraisal and Outcome which accounts for 65%. Currently, the Outcome appraisal has not been completely implemented, the Ministry of Finance will adjust the appraisal method for both categories in full accordingly.





Outlook and Trends in Air Transport

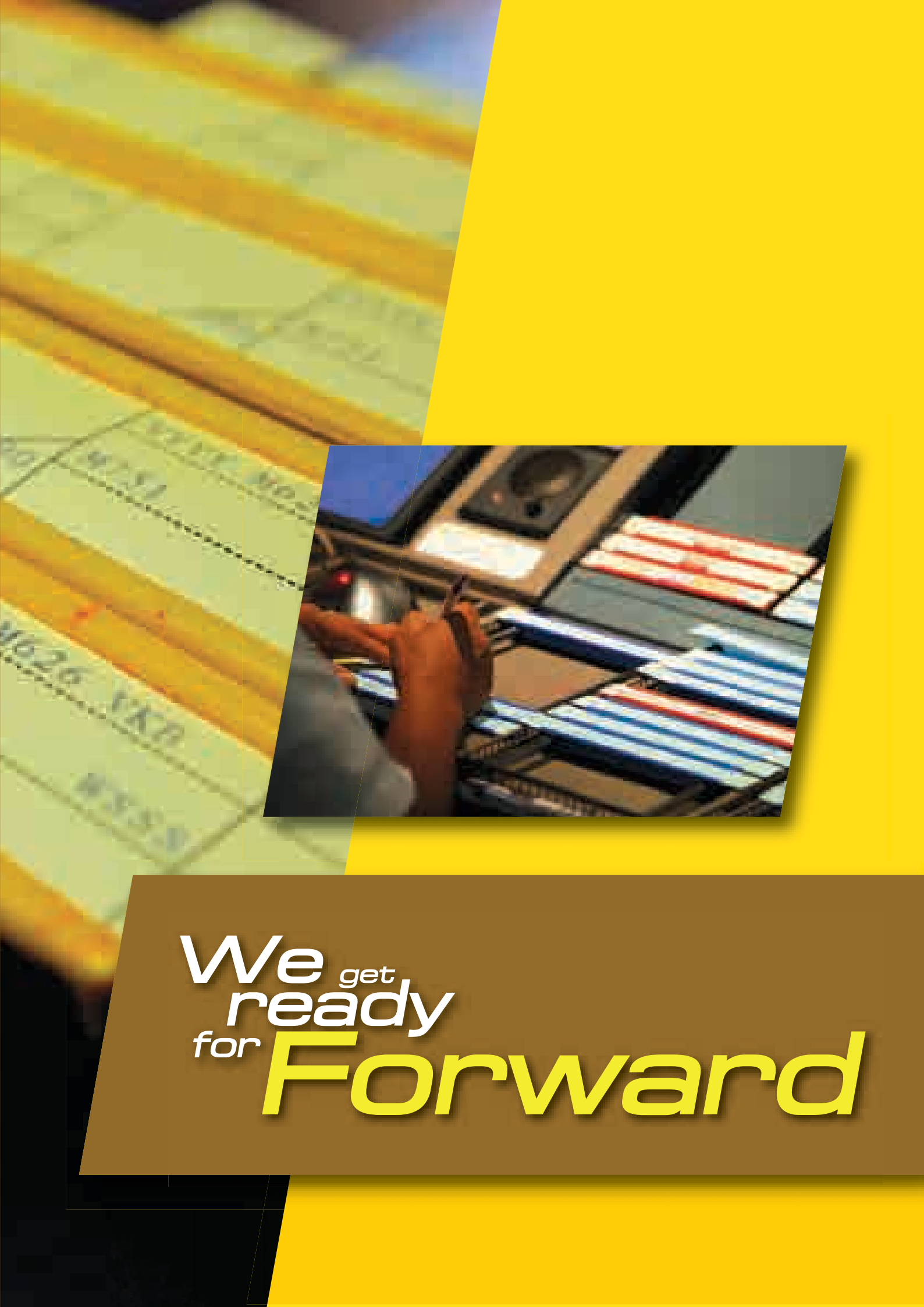
Compared to the traffic volume last year, the Company experienced a traffic increase of 8.77%, representing a two-year consecutive growth since 2010. The important factor contributing to such increase is the overall growth of Thailand economy and the Thai Government's policy to promote tourism which aligns with ASEAN 2011-2015 strategy in tourism aiming to attract travellers into the region. Low-Cost airlines expansion continues to help stimulate domestic tourism and travel demand within Thailand. Air traffic volume categorized by different types of operations is summarized below:

Fiscal Year	Aircraft Operations					Total	(Changes) (%)
	Commercial			Military			
	International		Domestic		Overfly		
	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
2012	251,529	19,424	155,348	59,158	10,841	496,300	8.77

Traffic Trend

According to the latest traffic trend analysis, the Company will continue to experience significant short-term traffic growth due to the government's effort to promote tourism industry. Looking ahead in the long run for the next 10-15 years, the traffic volume within Bangkok FIR will reach 790,000 flights in Fiscal Year 2023 or 2,100 flights per day which is a growth of 6-7% per year. The figure is consistent with the forecast by other international organizations such as International Civil Aviation Organization (ICAO), International Air Transport Association (IATA) and EUROCONTROL.





We ^{get} ready
for **Forward**

Satement *of Directions : SODs*

State Enterprise Policy :

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

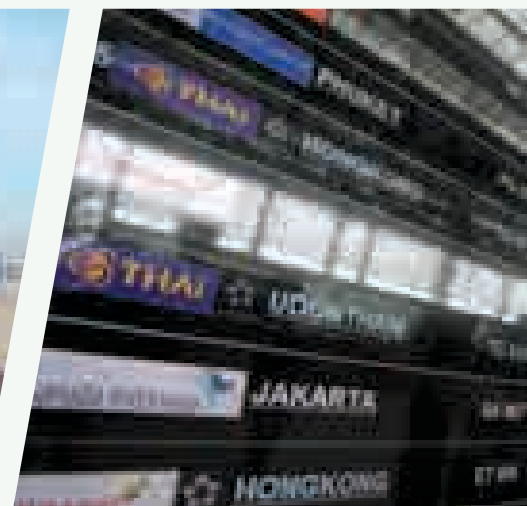
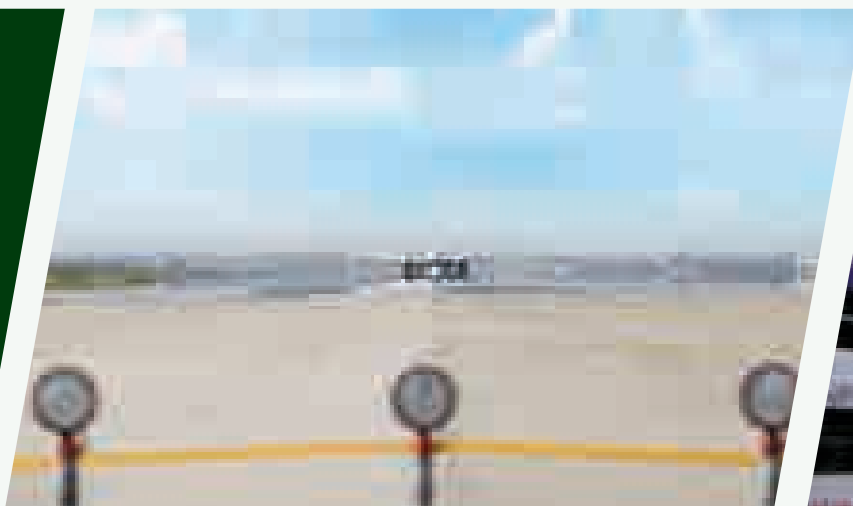
State Enterprise in Transportation Field Policy :

To develop the infrastructure and transporting system with standards connecting networks and to provide services in order to support logistics system development that will increase the country's competitive capability. Furthermore, state enterprise shall revise the role, improve management and services and promote private sectors' role.

Corporate Policies :

To develop the efficient network, equipment and working systems as well as providing services with safety, speed, punctuality and international standards by performing the cost management at the same level as others in the aviation industry by

- 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, speed, punctuality, international standards and concern for carbon emission reduction in aviation
- To develop the services with innovation and state-of-the-art technology to increase quality of services with suitable and competitive costs comparing to ANSP in the region as well as concern for global warming.
- To develop the work procedures by emphasizing quality and service as well as enhance customers' satisfaction.



Corporate Plan

The Company's Corporate Plan has been drafted to show the corporate's direction and operation objective. It is a 5-year rolling plan (2012-2016). The Corporate Plan is the reference for Initiative Projects and Strategic 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 corporate's operation.

Strategic Issue 1 : Stakeholders Perspective - Develop air traffic management system to deliver excellent service outcomes responding to stakeholders' expectation

Strategic objectives :

- 1.1 To provide safe air navigation services throughout all phases of flights.
- 1.2 To increase service capacity and air traffic flow.
- 1.3 To provide measures in managing environmental impact on aviation industry.
- 1.4 To develop air traffic management system that meets service requirements.

Strategic Issue 2 : Internal Process Perspective - Build a Total Quality Management Organization

Strategic objectives :

- 2.1 To employ Total Quality Management (TQM) for internal process management.

Strategic Issue 3 : Learning and Growth Perspective - Develop high performance organization (HPO)

Strategic objectives :

- 3.1 To lead organization with corporate governance and social responsibility.
- 3.2 To provide efficient knowledge management and information technology.
- 3.3 To develop employee ability and engagement.

Strategic Issue 4 : Financial Perspective - Increase financial performance

Strategic objectives :

- 4.1 To efficiently manage financial matters.





We ^{get}
ready
for **Great
Responsibility**



In Fiscal Year 2012, the A shareholders and B shareholders were as follows :

A shareholders	No. of shares	B shareholders	No. of shares
The Ministry of Finance	5,770,000	21. China Eastern Airlines	4,432
The Ministry of Transport	230,000	22. Hainan Airlines	1,583
Total A shareholders	6,000,000	23. China Cargo Airlines	2,533
		24. Cargolux Airlines Int'l S.A.	633
B shareholders	No. of shares	25. Cathay Pacific Airways	10,447
1. Asiana Airlines	1,741	26. Hong Kong Airlines	4,432
2. Aerosvit Airlines	475	27. Shanghai Airlines	4,432
3. Aeroflot Russian Airlines	633	28. China Southern Airlines	5,065
4. Air France	475	29. Delta Airlines	1,108
5. Air Hong Kong	1,741	30. Lufthansa German Airlines	2,533
6. Air India	2,216	31. Druk Air	1,108
7. Thai AirAsia Co., Ltd.	87,693	32. Eastar Jet	1,108
8. Srilankan Airlines Ltd.	4,432	33. Etihad Airways	3,324
9. Air Macau	2,058	34. Ethiopian Airlines	3,482
10. All Nippon Airways	4,274	35. EVA Airways Corp.	5,223
11. Austrian Airlines AG	1,108	36. Federal Express Corp.	1,900
12. Indonesia Air Asia	2,849	37. Finnair Oyj	1,108
13. Air Asia Sdn Bhd	14,246	38. Gulf Air Company G.S.C.	1,108
14. British Airways	1,108	39. Garuda Indonesia	2,216
15. Biman Bangladesh Airlines	950	40. Hong Kong Dragon Airlines Ltd.	1,583
16. Air Berlin	1,108	41. Happy Air Traveller Co.,Ltd.	1,266
17. Bangkok Airways Co., Ltd.	75,267	42. Vietnam Airlines	4,432
18. China Airlines Ltd.	6,648	43. InterGlobe Aviation Ltd. (IndiGo)	2,216
19. Air China	1,583	44. Mahan Air	1,583
20. Cebu Pacific Air	1,900	45. Jet Airways (India) Ltd.	6,648



B shareholders	No. of shares	B shareholders	No. of shares
46. Japan Airlines Int'l Co., Ltd.	4,432	71. Qatar Airways	5,540
47. Jeju Air	2,216	72. Royal Brunei Airlines Sdn Bhd	1,266
48. Jin Air	1,108	73. Air Austral	317
49. JetStar Asia Airways Pte Ltd.	6,015	74. ALIA - The Royal Jordanian Airlines	2,216
50. Jetstar Airways Pty Ltd.	950	75. Nepal Airlines Corporation	475
51. Kuwait Airways	1,900	76. Scandinavian Airlines System	950
52. Korean Air	6,648	77. Siberia Airlines	158
53. KLM Royal Dutch Airlines	1,108	78. Siam General Aviation	9,814
54. K-Mile Air	792	79. Singapore Airlines	5,540
55. Kannithi Aviation	1,425	80. Silk Air Private Ltd.	6,015
56. Air Koryo	158	81. Singapore Airlines Cargo Pte Ltd.	2,216
57. Kenya Airways Ltd.	2,216	82. Saudi Arabian Airlines	950
58. Air Astana	633	83. Swiss Int'l Air Lines	1,108
59. Lao Airlines	4,749	84. Tiger Airways	10,447
60. Malaysian Airlines System Berhad	6,648	85. Thai Airways International Plc.	131,856
61. Air MadaGascar	792	86. Turkish Airlines Inc.	2,849
62. Martinair Holland NV	317	87. Transaero Airlines	1,425
63. Egypt Air	2,216	88. T'Way Air Co.,Ltd.	1,108
64. Nippon Cargo Airlines Co., Ltd.	950	89. Emirates	6,648
65. Nok Airlines Co., Ltd.	52,869	90. United Airlines	1,108
66. Orient Thai Airlines Co., Ltd.	11,713	91. Myanmar Airways International	2,216
67. Oman Air	2,058	92. United Parcel Service Co., Ltd.	792
68. Philippine Airlines	2,691	93. Uzbekistan Airways	633
69. Pakistan Int'l Airlines	633		
70. Qantas Airways	1,108		

Remarks: Shares allocated on 1 August 2012





***B**oard 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 Thai Government's nominees shall be appointed Directors. One of these Directors, as nominated by the Thai 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 2012*

In Fiscal Year 2012, the Board of Directors consisted of the following 10 Directors :

1. Mr. Voradej Harnprasert

Chairman

(Appointed on 14 November 2011)

Age : 54

*Position : Director General,
Department of Civil
Aviation*



Education :

- Bachelor's Degree in Accounting, Institute of Technology and Vocational Education
- Master's Degree in Economics, Middle Tennessee State University, U.S.A.
- National Defence College (Class of 53)

Training :

- Advanced Certificate Course in Public Economics Management for Executives (Class of 5), King Prajadhipok's Institute
- Civil Service Executive Program: Visionary and Moral Leadership (Class of 56), the Office of the Civil Service Commission (OCSC)
- Ivey Executive Program, Richard Ivey School of Business, the University of Western Ontario, Canada

Work Experiences :

- Years 2011-present Director General, Department of Civil Aviation, Ministry of Transport
- Years 2010 – 2011 Inspector General, Ministry of Transport
- Years 2008 – 2010 Principal Advisor on Air Transport Economics, Ministry of Transport
- Years 2005-2008 Director, Bureau of Planning, Office of Transport and Traffic Policy and Planning

Fields of Competence :

- Economics and Finance
- Management and Business Administration, Strategy, and development planning
- National Transport Plan
- Air Transport, Aviation and Air Traffic Control
- Transport and Communication

Other Position :

- Member of the Board of Directors, Thai Airways International Public Company Limited

**2. Air Chief Marshal
Bureerat Ratanavanich**
Vice Chairman
(Appointed on 14 November 2011)
Age : 64
Position : Retired Officer



Education :

- Bachelor of Science, Royal Thai Air Force Academy
- Flying Program, Flying Training School, Royal Thai Air Force (Class of 46)
- National Defence College (Class of 42)

Training :

- Air War College (Class of 28)
- Director Accreditation Program (DAP class of 26), Thai Institute of Directors
- Director Certification Program (DCP class of 122), Thai Institute of Directors
- Public Director Certification Program (PDI class of 5), King Prajadhipok's Institute

Work Experiences :

- Deputy Chief of Defence Forces
- Deputy Chief of Joint Staff
- Special Advisor, Royal Thai Air Force
- Aide-de-Camp, Royal Aide-de-Camp Department

Fields of Competence :

- Management and Business Administration, Strategy and Development Planning
- Personnel Management and Organization Development
- Aviation and Air Traffic Control
- Transport and Communication
- Security

Other Positions :

- Member of the Board of Directors, Airports of Thailand Public Company Limited
- Member of the Board of Directors, Salee Industry Public Company Limited
- Name listed in Directors' Pool of State Owned Enterprise in Management, Business Administration, Transport (Air Transport), and Security (Intelligence)

The Board Of Directors *in the fiscal year 2012*

3. General Prin Suvanadat

Director

(Appointed on 14 November 2011)

Age : 60

*Position : Chief of Staff Officers
to the Minister of Defence,
Office of Chief of Staff Officers
to the Minister of Defence*



Education :

- Bachelor of Science, Chulachomklao Royal Military Academy
- National Defence College (Class of 47)

Training :

- Director Certification Program (DCP class of 110), Thai Institute of Directors
- Public Director Certification Program (PDI class of 10), King Prajadhipok's Institute

Work Experiences :

- Years 2006-September 2012 Chief of Staff Officers to the Minister of Defence, Office of Chief of Staff Officers to the Minister of Defence
- Years 2004-2006 Commanding General of 1st Division, King's Guard, Royal Thai Military
- Years 2002-2004 Commanding General of 11th Military Circle, Royal Thai Military

Fields of Competence :

- Management and Business Administration, Strategy and Development Planning
- Transport and Communication
- Security

Other Position :

- Member of the Board of Directors, PTT Public Company Limited

4. General Lieutenant Police Yongyuth Tiewtrakul

Director

(Appointed on 14 November 2011)

Age : 62

Position : Retired Officer



Education :

- Bachelor of Economics, Thammasat University
- Bachelor of Law, Sripatum University
- Master of Liberal Arts (Political Science), Ramkhamhaeng University
- National Defence College (Class of 46)

Training :

- Mini Master of Modern Management, National Defence College
- Advanced Security Management Program, National Defence College Association
- Senior Police Officers Course (Class of 17)

Work Experiences :

- Years 2009-2010 Inspector General (Level 8), Royal Thai Police
- Years 2004-2009 - Deputy Commissioner, Immigration Bureau
- Deputy Commissioner, Provincial Police Region 1
- Deputy Commissioner, Provincial Police Region 7

Fields of Competence :

- Economics and Finance
- Management and Business Administration, Strategy and Development Planning
- Law
- Personnel Management and Political Science
- Aviation, Air Traffic Control and Airport Management
- Transport and Communication
- Security

The Board Of Directors *in the fiscal year 2012*

5. Mr. Somchai Sujjapongse

Director

(Appointed on 22 March 2010 and retired on 18 April 2012 and reappointed on that day)

Age : 51

Position : Director General, Fiscal Policy Office, Ministry of Finance



Education :

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

Training :

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

Work Experiences :

- Year 2011 – present Director General, Fiscal Policy Office, Ministry of Finance
- Years 2010-2011 Director General, State Enterprise Policy office, Ministry of Finance
- Years 2009-2010 Director General, Customs Department, Ministry of Finance
- 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 and Finance
- 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, Thaioil 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, and Strategy and Development Planning

6. Mr. Kusol Yaemsa-ard
Director
(Appointed on 14 November 2011)
Age : 56
Position : Senior Expert Public
Prosecutor



Education :

- Bachelor of Law (Honours), Chulalongkorn University
- Thai Barrister
- Master of LL.M. (in Criminal Justice), New York University, U.S.A.
- Master of LL.M. (General), New York University, U.S.A.

Work Experiences :

- Year 2010-present Senior Expert Public Prosecutor Department of Legal Counsel, Office of the Attorney General
- Years 2007-2010 Expert Public Prosecutor Department of Legal Counsel, Office of the Attorney General

Fields of Competence :

- Management and Business Administration
- Strategy and Development Planning
- Law and Government Contract

Other Positions :

- Member of the Board of Directors, Neighboring Countries Economic Development Cooperation Agency (Public Organization)
- Name listed in the Directors' Pool of State Owned Enterprise in Law (Criminal Law, Civil and Commercial Law) and Government Contracts.

The Board Of Directors *in the fiscal year 2012*

7. Mr. Pisit Boonchoang

Director

(Appointed on 14 November 2011)

Age : 61

Position : Retired Officer



Education :

- Bachelor of Political Science, Thammasat University
- Master of Public Affairs, Kentucky State University, U.S.A.
- National Defence College (Class of 46)

Training :

- School for District Chief Officers, Institute of Administration Development
- Senior Governing Officer Training School
- Staff, Territorial Defence Volunteers

Work Experiences :

- | | |
|-------------------|---|
| - Years 2010-2011 | Governor of Phatthalung Province, Minister of Interior |
| - Years 2009-2010 | Vice Governor of Uthai Thani Province, Minister of Interior |
| - Years 2008-2009 | Vice Governor of Chon Buri Province, Minister of Interior |
| - Years 2007-2008 | Vice Governor of Ratchaburi Province, Minister of Interior |

Fields of Competence :

- Management and Business Administration
- Strategy and Development Planning
- Organization Management and Development
- Political Science

**8. Squadron Leader
Asdavut Watanangura
Director**

*(Appointed on 20 October 2010 and
retired on 18 April 2012 and reappointed
on that day)*

Age : 53

**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-September 2012 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 :

- Management and Business Administration, Strategy and Development Planning
- Aviation, Aviation Safety
- Aviation Resources Management and Development

Other Positions :

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

The Board Of Directors *in the fiscal year 2012*

9. Mr. Puttipong Prasarttong-Osoth **Director**

*(Appointed on 18 March 2009 and retired on
18 April 2012 and reappointed on that day)*

Age : 47

*Position : President, Bangkok Airways
Company Limited*



Education :

- Bachelor of Commerce and Accountancy, Chulalongkorn University
- National Defence College (Class of 54)

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 Program, SASIN Graduate Institute of Business Administration of Chulalongkorn University
- Certificate of Commercial Pilot Licence
- The Program 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

10.Squadron Leader Prajak Sajjasophon

President

(Appointed on 14 November 2011)

Age : 58

**Position: President, Aeronautical Radio
of Thailand Ltd.**



Education :

- Bachelor of Electrical Engineering, Royal Thai Air Force Academy
- Master of Public Administration, Thammasat University

Training :

- Air War College (Class of 37)
- Executive Communications Program, Wharton School, University of Pennsylvania, U.S.A.
- Advanced Management Program, Wharton School, University of Pennsylvania, U.S.A.
- Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives (Class of 11), King Prajadhipok's Institute
- Financial Statements for Directors Program (FSD class of 11), Thai Institute of Directors
- Justice Executive Training Course (JET Class of 2), Justice Officials Training Institute
- Advanced Security Management Program (Class of 3), National Defence College

Work Experiences :

- Years 2011- present President, Aeronautical Radio of Thailand Ltd.
- Year 2010 Executive Vice President, Aeronautical Radio of Thailand Ltd.
- Years 2009-2010 Vice President (Administration) Aeronautical Radio of Thailand Ltd.
- Years 2006-2009 Senior Expert, Aeronautical Radio of Thailand Ltd.

Fields of Competence :

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

Other Positions :

- Committee, Thailand Security of Association
- Sub-Committee for the Consideration of Thailand: Outstanding Person, Organization and Activity
- Sub-Committee for the Publication of Thailand: National outstanding work
- Vice President of Thailand Volleyball Association
- Advisor to Sub-Committee on Air Transport
- Advisor, King Prajadhipok's Institute Society



Director Resigning During the fiscal year 2012

Mr. Komkrit Vongsomboon

Director

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

Age : 50

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 Program (DCP class of 118), Thai Institute of Directors
- Audit Committee Program (ACP class of 28), Thai Institute of Directors
- Role of Compensation Committee (RCC class of 29), Thai Institute of Directors
- Public Director Certification Program (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
 - Expert, Communications Committee of the Parliament
 - Sub-Committee of the Communications Committee of the Parliament for Screening and Monitoring the Communications Committee's Operation
 - Sub-Committee to investigate and evaluate the performances approved by the Communications Committee of the Parliament
 - Advisor to the Sub-Committee of the Communications Committee of the Parliament to study the Department of Rural Roads' Operation.
 - Advisor to the Sub-committee to Study and Develop Industry and Military 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

Roles And Responsibility *of Board of Directors*

The Board of Directors plays a significant role in setting up the corporate vision, monitoring, conducting and planning the strategic framework, in accordance with the corporate policies, to achieve the organization goal and maximum benefits. The Board of Directors appoints the knowledgeable and experienced directors to Sub-Committees for screening any necessary matters as follows :

1. The Executive Committee
2. The Audit Committee
3. The Risk Management Committee
4. The Remuneration Committee
5. The Corporate Governance and Corporate Social Responsibility Committee
6. The Legal Committee

The five Independent Directors were also announced.

The Board of Directors' meetings are scheduled at least once a month in advance throughout the year to oversee and monitor the Company's operation regularly. Meetings and some extra meetings will be called for if necessary as 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

To be in line with 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 2011 – March 2012)		Second Evaluation (April – September 2012)	
	Point	Level	Point	Level
Self Assessment	109.2/112	Excellent	110.2/112	Excellent
Board Evaluation	118.9/120	Excellent	118.9/120	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, communication, 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 realized the importance of the Board of Directors' competency development, which contributed to the Company highest efficiency and productivity as well as being in line with the Good Corporate Governance practices. In Fiscal Year 2012, the Board of Directors participated in training and seminars arranged by the King's Prajadhipok's Institute and Thai Institute of Directors. They also joined the various activities such as the AEROTHAI 2012 Innovation Fair and site visits to the Air Traffic Control Centres for better understanding of the Company's function.

In Fiscal Year 2012, the Board of Directors had visited the Air Navigation Services Providers in Norway, Finland and Sweden regarding the safety management in air traffic control and airport management during 5-12 May 2012. This visit broadened their knowledge as they had obtained information about the new equipment/systems for air traffic control technology development and flow management to handle the increasing volumes of flight in the future including the collaboration to enhance services and human resource development.

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 provided to the new Directors are as follows:

1. The Board of Directors and Sub-Committee appointment letter.
2. The Company's information consisting of the booklet of the Company's memorandum of association, general information (Company background and status, shareholders, policies, vision, values, responsibilities in air navigation services and business units), 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, Sub-Committee and their authorization and duties, information of independent directors, the evaluation, the application to be member airlines, 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 the Board of Directors with the Company

In Fiscal Year 2012, 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 per cent of all voting shares of the Company.

Authorized Directors

In Fiscal Year 2012, two out of the following five Authorized Directors could co-sign and affix the Company seal to bind the Company:

- | | |
|----------------------------|-------------------|
| 1. Mr. Voradej | Harnprasert |
| 2. Mr. Somchai | Sujjapongse |
| 3. Squadron Leader Asdavut | Watanangura |
| 4. Mr. Puttipong | Prasarttong-Osoth |
| 5. Squadron Leader Prajak | Sajjasophon |

The Secretary to the Board of Directors



1. Squadron Leader
Prajak Sajjasophon
Secretary
President



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



3. Miss Duangta Samitsuwan
Assistant Secretary
Senior Director, General
Administration Bureau

The Board of Directors' Attendance

In Fiscal Year 2012, the Board of Directors held thirteen meetings with attendance details as follows :

Name		Number of Attendances
1. Mr. Voradej	Harnprasert ^{1/}	13/13
2. Air Chief Marshal Bureerat	Ratanavanich ^{1/}	13/13
3. General Prin	Suvanadat ^{1/}	12/13
4. General Lieutenant Police Yongyuth	Tiewtrakul ^{1/}	13/13
5. Mr. Somchai	Sujjapongse ^{2/}	4/13
6. Mr. Kusol	Yaemsa-ard ^{1/}	13/13
7. Mr. Pisit	Boonchoang ^{1/}	12/13
8. Squadron Leader Asdavut	Watanangura ^{2/}	5/13
9. Mr. Puttipong	Prasarttong-Osoth ^{2/}	9/13
10. Squadron Leader Prajak	Sajjasophon ^{1/}	13/13

(Absent attendances were due to overseas engagement.)

Remarks : 1/ Appointed on 14 November 2011

2/ Appointed on 18 April 2012

The Executive Committee

The Executive Committee consists of not less than three members and not more than five members. In Fiscal Year 2012, the Executive Committee consisted of:

1. Mr. Somchai	Sujjapongse	Chairman
2. Mr. Kusol	Yaemsa-ard	Member
3. Squadron Leader Asdavut	Watanangura	Member
4. Mr. Puttipong	Prasarttong-Osoth	Member
5. Squadron Leader Prajak	Sajjasophon	Member and Secretary
6. Mrs. Thaniya	Suntharasantic	Assistant Secretary
7. 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 Fiscal Year 2012, the Executive Committee held ten meetings with attendance details as follows :

Name		Number of Attendances
1. Mr. Somchai	Sujjapongse	9/10
2. Mr. Kusol	Yaemsa-ard	10/10
3. Squadron Leader Asdavut	Watanangura	5/10
4. Mr. Puttipong	Prasarttong-Osoth	6/10
5. Squadron Leader Prajak	Sajjasophon	10/10

(Absent attendances were due to overseas engagement.)



The Audit Committee

In Fiscal Year 2012, the Audit Committee consisted of:

- | | | |
|---------------------------------------|------------|-----------|
| 1. General Prin | Suvanadat | Chairman |
| 2. General Lieutenant Police Yongyuth | Tiewtrakul | Member |
| 3. Mr. Pisit | Boonchoang | Member |
| 4. Vice President (Internal Audit) | | Secretary |

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 Fiscal Year 2012, the Audit Committee held nine meetings with attendance by all members.

The Risk Management Committee

In Fiscal Year 2012, the Risk Management Committee consisted of:

- | | | |
|---|-------------------|---------------------|
| 1. Air Chief Marshal Bureerat | Ratanavanich | Chairman |
| 2. Mr. Puttipong | Prasarttong-Osoth | Member |
| 3. Squadron Leader Prajak | Sajjasophon | Member |
| 4. Vice President (Safety and Standards) | | Secretary |
| 5. Senior Director, Safety and Standards Bureau | | Assistant Secretary |

Responsibilities

The Risk Management Committee considers all aspects or situations that may 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 and staff then has to follow such policy.

The Risk Management Committee's Attendance

In Fiscal Year 2012, the Risk Management Committee held twelve meetings with attendance details as follows :

Name		Number of Attendances
1. Air Chief Marshal Bureerat	Ratanavanich	12/12
2. Mr. Puttipong	Prasarttong-Osoth	7/12
3. Squadron Leader Prajak	Sajjasophon	12/12

(Absent attendances were due to other engagement)

The Funds Seeking Committee

In Fiscal Year 2012, the Funds Seeking Committee consisted of :

- | | | |
|---|-------------------|---------------------|
| 1. Mr. Somchai | Sujjapongse | Chairman |
| 2. Mr. Puttipong | Prasarttong-Osoth | Member |
| 3. Squadron Leader Prajak | Sajjasophon | Member |
| 4. Dr. Abhijai | Chandrasen | Legal Adviser |
| 5. Chief Financial Officer | | 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 Fiscal Year 2012, there were no meetings and the Board of Directors, at its 12/2011 Meeting on 30 November 2011 resolved to disband the Committee.

The Remuneration Committee

In Fiscal Year 2012, the Remuneration Committee consisted of :

- | | | |
|---|--------------|---------------------|
| 1. Air Chief Marshal Bureerat | Ratanavanich | Chairman |
| 2. General Lieutenant Police Yongyuth | Tiewtrakul | Member |
| 3. Mr. Pisit | Boonchoang | Member |
| 4. Squadron Leader Asdavut | Watanangura | Member |
| 5. Vice President (Human Resource) | | Secretary |
| 6. Senior Director, Human Resource and
Quality of Work Life Bureau | | Assistant Secretary |

Responsibilities

1. To establish the benefits, remuneration rate and evaluation criteria of the President.
2. To consider the evaluation standards of the President's performance.
3. To give the policy or make an approval of remuneration and benefit packages of Management appropriately.
4. To propose the President's evaluation for the Board of Directors' approval.
5. To perform the relevant matters as assigned by the Board of Directors.

The Remuneration Committee's Attendance

In Fiscal Year 2012, the Remuneration Committee held two meetings with attendance by all members.

Independent Directors

In Fiscal Year 2012, the Independent Directors consisted of :

- | | |
|---------------------------------------|--------------|
| 1. Air Chief Marshal Bureerat | Ratanavanich |
| 2. General Prin | Suvanadat |
| 3. General Lieutenant Police Yongyuth | Tiewtrakul |
| 4. Mr. Kusol | Yaemsa-ard |
| 5. Mr. Pisit | Boonchoang |

Responsibilities

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 members 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 Fiscal Year 2012, the Independent Directors held two meetings with attendance by all members.

The Corporate Governance and Corporate Social Responsibility Committee

In Fiscal Year 2012, the Corporate Governance and Corporate Social Responsibility Committee consisted of :

- | | | |
|---|-------------------|---------------------|
| 1. Mr. Voradej | Hamprasert | Chairman |
| 2. Air Chief Marshal Bureerat | Ratanavanich | Member |
| 3. General Prin | Suvanadat | Member |
| 4. General Lieutenant Police Yongyuth | Tiewtrakul | Member |
| 5. Mr. Somchai | Sujjapongse | Member |
| 6. Mr. Kusol | Yaemsa-ard | Member |
| 7. Mr. Pisit | Boonchoang | Member |
| 8. Squadron Leader Asdavut | Watanangura | Member |
| 9. Mr. Puttipong | Prasarttong-Osoth | Member |
| 10. Squadron Leader Prajak | Sajjasophon | Member |
| 11. Senior Director (Office of the President) | | Secretary |
| 12. Miss Sumontha | Cherdchuen | Assistant Secretary |
| 13. Miss Tipaporn | Nippakakorn | Assistant Secretary |

Responsibilities

To set the Corporate Governance and Corporate Social Responsibility policy and practices, pre-consider and give the suggestion, report on compliance with the Corporate Governance and Corporate Social Responsibility Plan including monitoring and evaluating the Corporate Governance and Corporate Social Responsibility practices.

In Fiscal Year 2012, the Corporate Governance and Corporate Social Responsibility Committee held one meeting with attendance by all members.

The Legal Committee

In Fiscal Year 2012, the Legal Committee consisted of :

1. Mr. Kusol	Yaemsa-ard	Chairman
2. Miss Chunhachit	Sungmai	Member
3. Mr. Narin	Yiamsombat	Member
4. Squadron Leader Prajak	Sajjasophon	Member
5. Dr. Abhijai	Chandrasen	Legal Advisor
6. Senior Director (Office of the President)		Secretary
7. Director, Legal Affairs Department		Assistant Secretary

Responsibilities

To consider and give suggestion regarding Laws, regulations and contracts as assigned by the Company or the Board of Directors.

The Legal Committee's Attendance

In Fiscal Year 2012, the Legal Committee held eight meetings with attendance details as follows :

Name		Number of Attendances
1. Mr. Kusol	Yaemsa-ard	8/8
2. Miss Chunhachit	Sungmai	5/8
3. Mr. Narin	Yiamsombat	8/8
4. Squadron Leader Prajak	Sajjasophon	8/8
5. Dr. Abhijai	Chandrasen	7/8

(Absent attendance was due to other engagement)



Rates of Remuneration for the Board of Directors

The Company is a state enterprise abiding by Cabinet resolutions. Therefore, the Company has to abide by the rules of the Ministry of Finance for the remuneration for the Board of Directors which is the meeting allowance as published in the Annual Report.

Remuneration Rate for the Board of Directors and Committees Divided into Groups in the Fiscal Year 2012

No.	Committee	No. of Meetings	Total Remuneration (Baht)
1.	The Board of Directors	13	834,000.00
2.	The Executive Committee	10	286,000.00
3.	The Audit Committee	9	260,000.00
4.	The Risk Management Committee	12	114,000.00
5.	The Remuneration Committee	2	42,000.00
6.	The Corporate Governance and Corporate Social Responsibility Committee	1	----
7.	The Legal Committee	8	90,000.00
Total			1,626,000.00

Remuneration Rate for the Board of Directors and Committees Divided Individually in the Fiscal Year 2012

No.	The Board of Directors		Total Remuneration (Baht)
1.	Mr. Voradej	Harnprasert	110,000.00
2.	Air Chief Marshal Bureerat	Ratanavanich	198,000.00
3.	General Prin	Suvanadat	188,000.00
4.	General Lieutenant Police Yongyuth	Tiewtrakul	184,000.00
5.	Mr. Kusol	Yaemsa-ard	182,000.00
6.	Mr. Pisit	Boonchoang	184,000.00
7.	Mr. Somchai	Sujjapongse	122,000.00
8.	Squadron Leader Asdavut	Watanangura	80,000.00
9.	Mr. Puttipong	Prasarttong-Osoth	96,000.00
10.	Squadron Leader Prajak	Sajjasophon	198,000.00
Total			1,542,000.00

Technical Advisory Committee (TAC)

In Fiscal Year 2012, the Technical Advisory Committee consisted of:

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

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

The Labour

Relations Committee

In Fiscal Year 2012 (October 2011-September 2012), the Labour Relations Committee held 11 meetings (on a monthly basis except in October 2011 when meeting could not be arranged due to flood). Names of members and their attendance are as follows :

No.	Name	Position	Number of Attendance
1.	Squadron Leader Prajak Sajjasophon	Chairman	11
2.	Mr. Aphinun Vannangkura	Member	10
3.	Group Captain Chokechai Spanon	Member	11
4.	Mr. Anucha Tavorchotsakul	Member	8
5.	Mr. Teekayu Muratha	Member	11
6.	Mrs. Thaniya Suntharasantic	Member	10
7.	Mr. Sukluer Chiawarcheep	Member	9
8.	Mrs. Monchuka Thananart	Member	5
9.	Miss Duangta Samitsuwan	Member	6
10.	Mr. Parinya Thienthong	Member	10
11.	Flight Sergeant 1 Thanoo Ratanasupaphunt	Member	11
12.	Mr. Wanchai Chaipanset	Member	10
13.	Mr. Sukit Klinhom	Member	11
14.	Mrs. Kochaphan Imsaeng	Member	7
15.	Mr. Matee Khamhaeng	Member	10
16.	Mr. Sapol Singhadara	Member	11
17.	Mr. Sangsit Prasomthong	Member	9
18.	Mr. Surawong Vacharothai	Member	11
19.	Miss Tipaporn Nippakakorn	Member	3
20.	Flight Sergeant 1 Chaiyant Changrangkarn	Member	3
21.	Mr. Rak Lapanun	Member and Secretary	11

Remarks

No. 2 was appointed on 30 November 2011

No. 8 resigned from the Company on 1 May 2012

No. 14 vacated the position on 27 June 2012 as the Staff Union requested for a change of representative.

Nos. 19 and 20 were appointed on 28 June 2012 to replace the former members

Responsibilities

1. To give advice on efficiency improvements in the operations of the organization as well as promoting labour relations.
2. To negotiate and resolve disputes in the organization.
3. To improve working rules and regulations
4. To find appropriate solutions for employee or Staff Union problems and grievances concerning disciplinary measures.
5. To discuss the improvement of employment terms and conditions

Company's Management

As of 30 September 2012



*Mrs. Sarinee Sangprasit
Executive Vice President*



*Mr. Somnuk Rongthong
Executive Vice President*



*Mr. Aphinun Vannangkura
Executive Vice President*



*Group Captain
Chokechai Spanon
Expert, Executive
Vice President Level*



*Squadron Leader
Ekaburuse Rawdhetubhai
Vice President
(Administration)*



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



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



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



*Mrs. Onurai Komain
Vice President (Finance)*



*Mr. Chatree Kimanunta
Expert, Vice President Level*



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



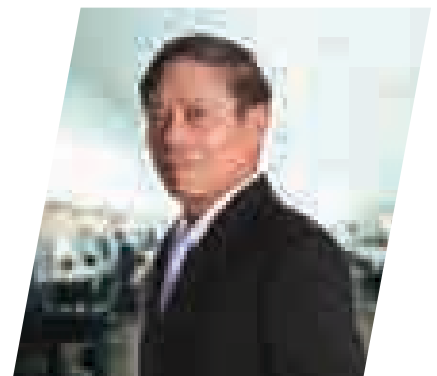
*Miss Tipaporn Nippakakorn
Senior Director, Human
Resource and Quality of
Work Life Bureau*



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



*Mr. Chatri Sasipayungsak
Senior Director, Human
Resource Development and
Learning Promotion Bureau*



*Wing Commander
Thawatchai Kertsawat
Senior Director, Flight
Inspection Services Bureau*



*Mr. Sukluer Chiawarcheep
Senior Director, Facilities
Administration Bureau*



*Squadron Leader
Chalernpol Promkingkaew
Senior Director, Business
Systems Bureau*



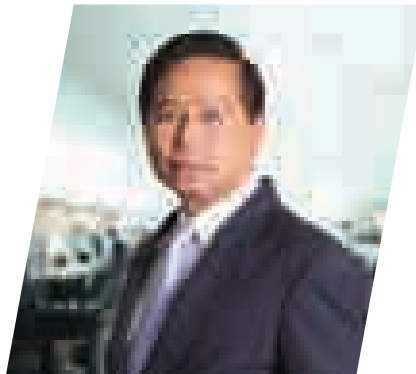
*Miss Duangta Samitsuwan
Senior Director, General
Administration Bureau*

Company's Management

As of 30 September 2012



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



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



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



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



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



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



*Miss Sumontha Cherdchuen
Expert, Senior Director Level*



*Mrs. Chidkamol Soonthornsit
Expert, Senior Director Level*



*Mrs. Taratip Montonpalin
Expert, Senior Director Level*



*Mrs. Pornnabpan Chootai
Expert, Senior Director Level Acting
Senior Director, Corporate
Communication and Relations
Management Bureau*



*Mrs. Orasa Thanasuan
Expert, Senior Director Level*



*Mr. Jak Chinorak
Expert, Senior Director Level*



*Mr. Anon Tantrakul
Expert, Senior Director Level*



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Service**





1. Air Navigation Services

The Company provides Air Navigation Services (ANS) which include Air Traffic Services (ATS) and Aeronautical Telecommunications Service (COM).

Air Traffic Services are divided into

1.1 En Route Air Traffic Service (Area Control Service)

Area Control Service is provided to all civil, military and official aircraft flying en route within the Bangkok Flight Information Region (Bangkok FIR) in order to ensure safety, orderly and efficient flow of air traffic in the Bangkok FIR.

In Fiscal Year 2012, a total of 496,300 flight movements were serviced, representing 7.83% increase from Fiscal Year 2011.

1.2 Aerodrome Control Service

Aerodrome Control Service is provided for aircraft at airports covering 5-10 nautical miles radius from airports at the altitudes up to 2,000 feet as well as aircraft on runway and taxiway.

1.3 Approach Control Service

Approach Control Service is provided for aircraft taking off-landing and overflying airports and can be divided into:

- Approach/Aerodrome Control Service at Suvarnabhumi/Don Mueang Airports for aircraft flying in the Bangkok Terminal Control Area (BKK TMA) and Bangkok Control Zone (BKK CTR) with 50 nautical miles radius from airports at the altitudes from sea level up to 16,000 feet.
- Approach/Aerodrome Control Service at provincial airports for aircraft flying in the airport's responsible areas with 30 nautical miles radius from airports at the altitudes from sea level up to 11,000 feet.

Traffic Volume of Area Control Service

Type of Operation	Fiscal Year Traffic Volume		Traffic Volume Change	
	2011	2012	Increase (+) Decrease (-)	Increase (+)% Decrease (-)%
Civil: International				
- Scheduled	228,050	251,529	23,479	10.30%
- Non-Scheduled	20,475	19,424	-1,051	-5.13%
- Overflights	57,310	59,158	1,848	3.22%
Civil: Domestic	137,760	155,348	17,588	12.77%
Total Civil	443,595	485,459	41,864	9.44%
Military	12,672	10,841	-5,831	-34.97%
Total	456,267	496,300	36,033	7.83%

Flight Movement Statistics of Suvarnabhumi Airport in Fiscal Years 2011 and 2012

Type of Flight	Number of Flights in Fiscal Year	
	2011	2012
Civil Flight		
International Civil	211,098	224,919
Domestic Civil	78,013	104,093
Total	289,111	329,066
Overflights		
Military	4,346	4,111
Others *	2,362	3,183
Total	6,708	7,294
Grand Total	295,819	336,360

* Others mean Government and General Aviation Flight

Flight Movement Statistics of Don Mueang Airport In Fiscal Years 2011 and 2012

Type of Flight	Number of Flights in Fiscal Year	
	2011	2012
Civil Flight		
International Civil	2,310	1,492
Domestic Civil	51,519	39,574
Total	53,829	41,066
State Flight		
International State	365	264
Domestic State	26,713	20,012
Total	27,078	20,276
Overflights		
International Overflight	143	73
Domestic Overflight	1,646	1,396
Total	1,789	1,469
Grand Total	82,696	62,811

Traffic Movement Statistics



- Remarks :**
1. The traffic volume during Fiscal Year 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 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 including the closure of Suvarnabhumi Airport causing airlines to decrease the number of their flights.
 4. In Fiscal Years 2010-2012, the recovery of global economic crisis encourages airlines to increase air traffic volumes. Moreover, the liberalization of aviation has continuously expanded to countries in the Asia-Pacific region together with the increase of airports' capacities in many countries becoming an attraction of tourists to the region



Flight Movement-Airports

Airport	Number of Flights in the Fiscal Year		Changes in Number of Flights	
	2011	2012	Increase (+) Decrease (-)	Increase (+)% Decrease (-)%
Suvarnabhumi	295,819	336,306	40,487	13.69
Don Mueang	82,696	63,095	-19,601	-23.70
Chiang Mai	42,364	42,695	331	0.78
Hat Yai	46,317	49,599	3,282	7.09
Phuket	57,697	62,261	4,564	7.91
Phitsanulok	15,674	14,348	-1,326	-8.46
Ubon Ratchathani	10,788	9,680	-1,108	-10.27
Udon Thani	14,839	15,315	476	3.21
Surat Thani	10,749	10,223	-526	-4.89
Chiang Rai	6,926	7,797	871	12.58
Samui	22,563	24,876	2,313	10.25
Other airports	95,783	117,681	21,898	22.86
Grand Total	702,215	753,876	51,661	7.36

2. Air Traffic Flow Management Service (ATFM Service)

Bangkok Air Traffic Flow Management Unit (Bangkok ATFMU) provides Air Traffic Flow Management (ATFM) service for all flights entering the Afghanistan airspace westbound during the busy night time period from South/Southeast Asia to Europe and from South Asia to North America.

ATFM service is provided using the Bay of Bengal Cooperative Air Traffic Flow Management System (BOBCAT), which was developed internally by AEROTHAI under auspices of ICAO Air Traffic Flow Management Task Force.

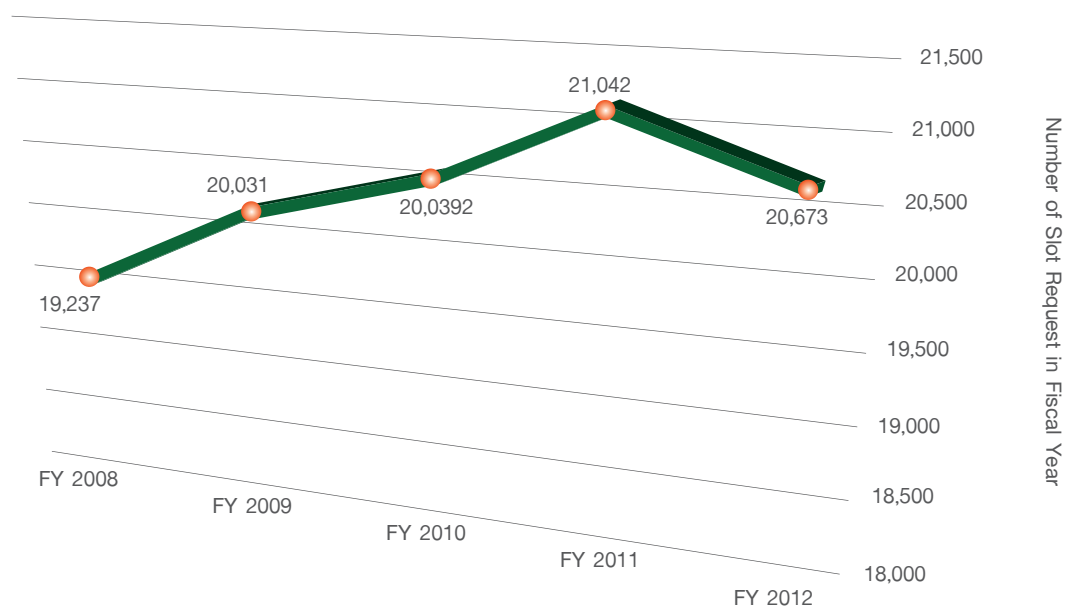
The Bay of Bengal Cooperative Air Traffic Flow Management System (BOBCAT) was developed to streamline Air Traffic Flow Management operations for flights intending to transit the Afghanistan airspace westbound during the busy night time period. This is due to Afghanistan being key gateway for flights 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.

Based on increasing traffic and data supplied by airlines, it is estimated that since operational implementation of the ATFM procedure using the BOBCAT system to the end of Fiscal Year 2012, the airlines would have saved about 72 million kilograms of aviation fuel, which would translate into reduction of greenhouse gases in contribution to the global environment of about 300 million kilograms. This, in turns, assisted in cumulative airline cost savings of approximately 72 million US Dollars.

In addition, it is estimated that during Fiscal Year 2012, the BOBCAT ATFM operations have contributed to approximately 14 million kilograms of fuel savings, equivalent of approximately 60 million kilograms of Carbon Dioxide emissions and approximately 14 million US Dollars of airline cost savings.

Flights Using BOBCAT ATFM Service (Number of Slot Request)



Statistics of Flights Using BOBCAT ATFM Service

	2008	2009	2010	2011	2012
Average Night Movement	53	55	56	58	56
Peak Night Movement	66	73	70	72	72

3. Aeronautical Telecommunications and Aeronautical Information Services

3.1 Aeronautical Telecommunication Services

3.1.1 Aeronautical Fixed Service

AEROTHAI provides the aeronautical fixed service with automatic message switching facility for the exchange of messages between aeronautical fixed stations. The International circuits are directly connected with international stations/telecommunication centres via the international Aeronautical Fixed Telecommunication Network (AFTN) and the Aeronautical Telecommunication Network (ATN) on a 24 hour basis

3.1.2 The Aeronautical Telecommunication Network, Aeronautical Fixed Telecommunication Network and Automatic Message Switching System (AFTN/AMSS) receive, transmit, relay and disseminate aeronautical messages such as flight plan messages, departure messages, arrival messages, NOTAM and meteorological information for both domestic and international airports in Bangkok FIR to air traffic service units, airport authorities, airlines operating agencies, military and government agencies.

3.1.3 At present AEROTHAI operates direct-circuits connection with 12 international Telecommunication Centres via satellite and sub-marine cables as detailed below :

Circuit	Network	Signaling Speed
1. Bangkok/Singapore	Sub-marine cable	64 Kbps
2. Bangkok/Hong Kong	Sub-marine cable	64 Kbps
3. Bangkok/Mumbai	Sub-marine cable	64 Kbps
4. Bangkok/Rome	Sub-marine cable	64 Kbps
5. Bangkok/Beijing	Satellite	2400 bps
6. Bangkok/Kuala Lumpur	Satellite	2400 bps
7. Bangkok/Ho Chi Minh	Satellite	2400 bps
8. Bangkok/Dhaka	Satellite	300 bauds
9. Bangkok/Phnom Penh	Satellite	300 bauds
10. Bangkok/Vientiane	Satellite	300 bauds
11. Bangkok/Yangon	Satellite	300 bauds
12. Bangkok/Bhutan	Internet VPN	

3.1.4 Message Volume

- In Fiscal Year 2012, there was a total of 130,018,080 AFTN messages handled by the Company which was an increase of 15,993,982 messages or 14.0 percent compared with the last fiscal year.
- Flight plans and other related messages collected from International/domestic departures and arrivals and aircraft flying by visual flight rule including overflying flights in the Bangkok FIR, totalled 2,488,974 messages received-transmitted by AEROTHAI in Fiscal Year 2012.

3.2 Aeronautical Information Services

3.2.1 OPMET Data Services

- As AEROTHAI is designated as one of the ASIA/PAC Regional OPMET Data Banks and Main Collection Centre under ROBEX Scheme, the Company is also responsible for collecting and disseminating the operational meteorological information of 33 airports in Bangkok FIR and in the area of responsibilities of ASIA/PAC region via the AFTN and ATN.
- During the year the AEROTHAI OPMET system provided a total of 2,935,045 meteorological messages to customers which was an increase of 116,314 messages or 4.1 percent compared with the last fiscal year.

3.2.2 Notice to Airmen (NOTAM)

- As Thailand's designated International NOTAM office (NOF), NOTAMs issued by AEROTHAI are distributed in two series : Series A for international distribution and Series C for local distribution via AFTN and ATN. The NOTAM database provides NOTAM information by automatic request/reply.
- In Fiscal Year 2012, the total NOTAM issued by NOF was Series A 4,047 messages and Series C 8,562 messages.

3.2.3 AIS and Air Traffic Service Report Office

- Issue pre-flight briefing bulletin which is a pre-flight information service available at all domestic and international airports.
- Receive-transmit flight plan and related messages at all domestic and international airports.

4. Related Services

In Fiscal Year 2012, AEROTHAI emphasized its prime business strategy on earning additional revenue from aviation and non-aviation sectors by optimizing its resources to generate value-added of services to achieve its goals and satisfy customers' needs. By means of conducting marketing and customers' requirements' research, AEROTHAI has researched on 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, calibration, maintenance for equipment/systems and provision of training and consultancy service. In Fiscal Year 2012, AEROTHAI provided its service as follows :

4.1 Manufacture, Installation of Equipment and Provision of Services

- Development and manufacture of 200 sets of Thai Voting Machine series 4 for the Office of the Election Commission of Thailand;
- Supply, installation, testing and commissioning of 3-D Aerodrome and Air Traffic Control Simulator for Department of Civil Aviation of Myanmar;
- 3-D ATC Radar Simulator for Civil Aviation Authority of Mongolia;
- Air Traffic Control Radar Improvement for Civil Aviation Training Centre;
- Improvement of Radio and Voice Air/Ground Communication Systems for the air traffic control tower of Songkhla Naval Base, Naval Communications and Information Technology Department, Royal Thai Navy;
- Maintenance of communication equipment for PTT Plc;
- Maintenance of 21 sets of Automatic Message Switching System and terminals for Directorate of Communication and Electronics of the Royal Thai Air Force;
- Maintenance of Electronic Radio Communication Equipment operating with Radar AN/FPS-130X for Directorate of Communication and Electronics of the Royal Thai Air Force;

4.2 Flight Inspection Service

AEROTHAI has provided the service for air navigation aids at airports of the Airports of Thailand Public Co. Ltd., Samui Airport of Bangkok Airways Co. Ltd., and Cellfour Co. Ltd. in Lao People's Democratic Republic. Moreover, AEROTHAI has extended the area of its service in Nepal for the Civil Aviation Authority of Nepal.

4.3 Examination Service for Aircraft Readiness in RVSM Space

The Company has provided the examination service for Aircraft Readiness in RVSM Space for airlines and other operators of seven countries namely, Taiwan, Mongolia, Malaysia, Singapore, Indonesia, India and HongKong. The number of 22 out of 84 customers are new comers such as Southeast Asian Airlines, Sino Jet Management Ltd., ABG Resources Pvt. Ltd., M/S J.K. Lakshmi Cement Ltd. The total of 137 aircraft were examined. The number of customers for this service is increasing each year.

4.4 Equipment Calibration and Maintenance

- The Company calibrated 1,109 sets of test equipment in total for in-house use and other customers. Eight out of 18 customers, such as United States of America Embassy, Queen Sirikit National Convention Center, SNC Lavalin Co. Ltd., the Office of National Broadcasting and Telecommunications Commission and Bangkok Mass Transit System Public Company Limited are new users.
- AEROTHAI has also extended its scope of calibration service to RF High Frequency and has been certified by the Industrial Standards Institute: ITSI for the expansion of the scope of the accreditation for ISO/IEC 17025 version 2005.





4.5 Communication Equipment Rental Service for Airlines

AEROTHAI provided Digital Trunked Radio, Analog Trunked Radio, Conventional Radio and Air/Ground Radio for airlines, users at airports, and PTT Group. Additionally, ATN Terminal and Printer were provided for airlines and users at airports. 7,982 sets of communication equipment were rented. The number of 1,806 sets, or equivalent to 29.24 percent, was higher than that of Fiscal Year 2011. Other services were also provided namely, communication equipment maintenance for PTT Group. Installation and removal services for rental communication equipment were provided as well. Moreover, AEROTHAI has procured 2 sets of Digital Trunked Radio stations and 1,050 sets of Handie/Talkie not only to replace the outmode ones but also to spare for customer requirements in the future.

4.6 Satellite Communication Network

The Company provided satellite communication network for voice and data communication for air traffic control operation to the national aviation organizations of 6 countries namely, Lao People's Democratic Republic, Malaysia, Vietnam, Cambodia, Myanmar and Bangladesh.

4.7 Airline Operational Communication : AOC Services

The Company provided the said service for 125 airlines with 4,800 aircraft. There was an increase of 7 airlines from that of Fiscal Year 2011. Its traffic volume was 65.54 million kilobits with an increase of 11.16 million kilobits or equivalent to 20.52 percent growth.

Recently, 85 Remote Ground Stations are in operation and its coverage areas cover 13 countries namely, Thailand, South Korea, Singapore, Indonesia, Australia, New Zealand, Brunei, 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.

4.8 Training, Workshop and Consultation

The Company conducted 16 training courses: 6 courses for Marine Department, 5 for Civil Aviation Authority of Mongolia (CAAM), 4 for Civil Aviation Authority of Nepal (CAAN) and 1 for Department of Civil Aviation of Myanmar.

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 Civil Aviation Authority of Mongolia (CAAM) to be its consultant and to execute the safety assessment transition from Non-Radar Procedural Control to Radar Control Project.





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ready
for **Risk
Management**



Human Resource and Organizational Development

At the end of the Fiscal Year 2012 (30 September 2012), the total number of staff employed by AEROTHAI was 2,857 distributed as follows :

Head Office, Tung Mahamek	1,551
Suvarnabhumi Airport	345
Don Mueang International Airport	154
Chiang Mai Air Traffic Control Centre	135
Phuket Air Traffic Control Centre	143
Hat Yat Air Traffic Control Centre	121
Phitsanulok Air Traffic Control Centre	113
Surat Thani Air Traffic Control Centre	83
Udon Thani Air Traffic Control Centre	82
Hua Hin Air Traffic Control Centre	53
Ubon Ratchathani Air Traffic Control Centre	38
Nakhon Ratchasima Air Traffic Services Engineering Centre	39

AEROTHAI emphasizes the importance of human resources, especially the empowering employees through strong employee engagement. Highly engaged staff will be willing to dedicate themselves for the success of the Company. Such quality can be built by many means. The Company has used the Human Resource Management as the critical driver for effective human resource process. At present, every organization has to be ready to deal with constant changes, whether they are gradual or rapid as well as the commissioning of new technologies. Whatever changes, organizations need to equip their employees with what is necessary to continue its usual operation.

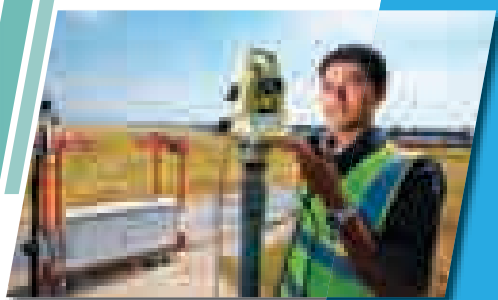
In 2012, the Company developed AEROTHAI HR Model, which is a tool to demonstrate the connection between human resource management and human resource development, both internal and external. Through AEROTHAI HR Model, the Human Resource Management aims to create strategic alignment with other organizational key factors as well as to improve HR role as the HR Strategic Partner, in order to arrive at the sustainable human capital management system. 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 behave according to the corporate culture on a concrete and sustainable basis.

In terms of collaborating with other organizations on human resource management efforts, AEROTHAI has joined the HR network, both governmental and private organizations. The Company's staff attended various HR management seminars organized by those organizations such as State Enterprise Policy Office (SEPO), Personnel Management Association of Thailand (PMAT), Human Resource Management Groups from 13 leading state enterprises and the Personnel Coordinating Group of Public Enterprises (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 programs for Nepal.

AEROTHAI places high importance on employees' quality of life. In 2012, 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 order to appropriately meet the needs of each employee segment and work group, AEROTHAI carried out a survey on the level of employees' need and satisfaction regarding the Company's welfare. The Company will use the result from this survey to analyze and study the way to provide various types of welfare that can better meet the needs of AEROTHAI employees.

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's users with satisfied level of services.



HUMAN RESOURCE DEVELOPMENT AND LEARNING MANAGEMENT

AEROTHAI is responsible for enhancing and developing staff's competency accordance with its General Competency, Knowledge Management planning, Scholarship providing, creating Learning Organization environment within the Company and Innovation promotion. The operations under Corporate Plan (2012-2016) consist of 3 parts, as follows :

1. Training and Development
2. Knowledge Management
3. Innovation Promotion.

Training and Development

AEROTHAI has developed operational system under modern management framework such as focusing on Total Quality Management (TQM) in order to align with internal and external environment which have dramatically changed. Human Resources are the Company's heart and important factor which drive Company's operations to achieve Company's Vision, Goal and Direction. AEROTHAI realizes the importance of staff's potential development by organizing the Core Curriculum for Key positions since 2011. They are:

Core Curriculum for all management levels : To develop management aspect (Managerial Competency) both theoretical aspect (Hard side) and knowledge sharing through experience aspect (Soft side) including teamwork promotion activities.

Core Curriculum for General Administrative Manager or equivalent level : To focus on Experiential Learning development in order to encourage both self-development in emotional, social and Networking aspect and principles, concepts and protocols development. The course also focuses on Company's vision, corporate plan, targets and directions that leads the Management and targeted staff who are very crucial to driving Company's missions or those who have opportunities to get promotion to understand their roles to support the Company's target. By analyzing the Company's vision to set strategies for each level, then converting strategies to programs/projects. Therefore, the Company will gain an effective performance under systematic management and good communication.

In 2012, the Company focused on the development program called “Core Curriculum” for Executive Management (EM) levels as the persons who transfer corporate vision and strategies into successful implementation in order to inspire the Company’s staff. Thus, the leadership development program has been created for the management system and working as a team which is divided into 4 categories as follows :

1. Professional Management Skills
 - Change Management: Journey to Newland
 - Hogan Assessment
 - Leadership Prototypes
 - Reflection Session
2. Result-Based Management
 - Corporate Vision and Goal Setting
3. Human Resource Management
 - Human Capital Management
4. AEROTHAI SMART Synergy Camp

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 will 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 will 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.

Knowledge Management (KM)

In 2004, the Company brought KM tools to its management. Since then, the KM Master Plan has been created to set direction and framework for the Company’s knowledge management systems. Currently, the 2011 – 2015 KM Master Plan is targeted at finding Best Practice which will allow for knowledge development and generating as a strong base. The very important strategies are to apply Total Quality Management (TQM) system in KM process, to promote KM participation to the people at all level, to develop IT support in assistant, and to encourage innovative practices across the entire Company.

The details of KM in Fiscal Year 2012 were as follows :

1. KF potential development project with the seminar in the topic of “The Alignment of KM with TQM and SEPA”
2. The Seminar project: KM as a tool for management level, presented by the Senior Director of Human Resource Development and Learning Promotion Bureau during the Management Meeting, with the topics revision of KM Process and role of Management to participate in KM in each department.
3. In 2012, the “Operational Planning Course” was developed as an instructional media for AEROTHAI E-learning services. This course has already been usable since October 2012.
4. Story Telling Project, in 2012, recorded four stories of the experiences and knowledge which were ready to be learned in the website.
5. KM e-Magazine Project was planned to publish 2 issues yearly. The first issue of the magazine was published on LD.HD website since June 2012.



Innovation Promotion

In 2012, the Company won SOE award: Innovation Award (honorable organizational level), held by Ministry of Finance from “VHF Antenna for coordination between Ground and Flight Testing (Frequency 132.05 MHz)” project, which was developed by AEROTHAI staff. This achievement was the result of the Company’s continuous promotion and support of innovation. Based on the concepts of systematic management and collaborative work, AEROTHAI executive management actively involved 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. The Company also 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 opinion 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 takes 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 not only on developing adequate numbers of staff, but also on quality of ATC in accordance with International Civil Aviation Organization (ICAO) standards and recommendations. The Company supported its staff to develop their own working potential and gain the competency for their readiness to the higher positions. To cope with Pre-Flight Management in FDMC System, the Company has provided domestic and international training courses as well as visit to other countries. Apart from meeting the 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 simulators 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 before hand.

1. 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 Aviation English Testing Centre approved by Department of Civil Aviation (DCA). There are two main strategic training plans as follows:

1. The English Language Proficiency Program for Operational Level 4 – Higher named “Achieve Level 5 Program” consisting of three main activities which are as follows :

- Aviation English Workshop – there are 28 groups consisting of 12 groups for centre and 16 groups for provincial centres.
- One-to-One (Individual English Training Sessions – 30 minutes persession)
- Self-Learning Program 100 hours

2. ATC & Pilot English Facilitator Development program – the Company has organized ATC & Pilot English Facilitator since 2005 till present aiming to develop an Aeronautical English Instructor (Train the Trainers).

Above all, the Company also develops and enhances the capabilities of a group of interviewers and raters to work in cooperation with the Aviation Testing Centre organizing the ICAO Language Proficiency Test for Air Traffic Controllers throughout the Company. This includes the process of Test Management, Test Administration and Test Evaluation.

With respect to all hard work with on-going training program, this results in 100% of the Company’s air traffic controller passing ICAO Language Proficiency Requirements at Operational Level 4 – Higher since 2011 till present.

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 Fiscal Year 2012, the Company trained 1 group of ATC Fast Track, a total of 20 participants 15 of them are now attending training courses at Civil Aviation Training Center (CATC) while 5 of them are attending on-the-job training at Phuket Air Traffic Control Centre.

Training and Consultation Service

The Company has gained trust from Nepal, Mongolia and Myanmar to providing several training courses as follows :

- Financial and administration training course, ATC Watch Supervisor Training Course and 3-D Simulator Orientation visit for the Department of Civil Aviation, Nepal (CAAN)
- New Flight Plan Format Training and Air Traffic Flow Management for the Civil Aviation Authority of Mongolia (MCAA)
- 3-D Aerodrome & Air Traffic Control Simulator for the Department of Civil Aviation, Myanmar (DCA, Myanmar)

Human Resource Development : Engineers

In Fiscal Year 2012, the Company implemented the human resource development for engineers with the approved budget of Baht 8,173,893 Baht for 109 training courses which could be divided into 22 internal training courses, 83 external training courses and 4 overseas training courses, with a total number of 476 participants.

The Company has implemented the technical training project for air traffic engineers to prepare them for the implementation of CNS/ATM technology. The course was called “New Aviation Technology : CNS/ATM 2012” and provided for engineers at 4 provincial air traffic control centres : Phuket, Hat Yai, Udon Thani and Nakhon Ratchasima, respectively.

In addition, AEROTHAI has prepared the air traffic engineers to meet the requirements of the International Civil Aviation Organization, by providing Training Roadmap for engineering project and developing basic training course project. Furthermore, it participates in the capability enhancement of provincial engineer project that aims to increase the capability of provincial engineers so that they can change to work across their line of work. This will help to solve the problem of shortage of manpower and optimize the performance of engineers.

Implementation of Total Quality Management (TQM) in the Organization

AEROTHAI has introduced TQM since 2007 with the aim of improving quality of services and creating organizational sustainability.

In Fiscal Year 2012, TQM has been implemented continuously from last year to focus on two main parts : work system review/important processes and organizational self-assessment based on the State Enterprise Performance Assessment (SEPA) system. Then, the assessment results will be used for corporate planning as one of the key organizational strategies regarding the internal process: the quality process management to cover total work processes.





Risk Management

and Internal Control in the Fiscal Year 2012

Risk Management

The Company prioritizes the Business Continuity Management (BCM) and the situational risk analysis due to the changes in the economical and social climate as well as environment, which affect the Company's operation. Risk management is an instrumental mechanism that helps the Company to operate continuously, achieve its main goals, and prepare itself to properly deal with the forthcoming major changes. In this Fiscal Year (2012), the Company uses risk management procedures and internal control to help administer the Company. The productive results of risk management include:

Safety Risk Management

The Company has indicated risk management measures to help prevent incidents that could affect the safety aspect of the air traffic service. In 2011, the main risk that the Company prioritized involved the occurrence of accident and incident during the provision of air traffic service. The safety measures included the monthly incident report to the Company executives, the comparison of the yearly accident/incident analysis, and the accident/incident forecast. This year analysis showed that the average accident possibility has decreased. Despite the satisfied analysis result, the Company still maintained the use of safety risk management to ensure the safety of the air traffic service.

Financial Risk Management

The Company was still on the look out for the euro economic crisis, which was likely to affect the world economy. Aware of the possible economic hit, the Company mitigated the financial risks by tightening the corporate expenses and maintaining financial risk measures. Moreover, the Company also reviewed and added more financial risk measures to maintain the liquidity and the balanced budget at the appropriate level. Although the Company also faced with other external factors including the increase of flight charges which was not as planned, the increase in the legal minimum salary, the Company still managed financial risks at an acceptable level.



Strategic Risk Management

From the Corporate Plan, 2011-2015, the Company managed the risks in the domain of corporate survival/sustainability. The SEPA assessment showed that the Company's financial risk level was at an acceptable level. However in the next fiscal year (2013), the Company will use the weighting method to prioritize the resource allocation and management. This method contributes not only to the success of a project but also the effective management of a project.

Standard/Regulation Risk Management

The Company keeps the record of the filed complaints and sets up an investigation committee for every incident. The comparison data analysis shows that not only the number of this fiscal year's filed complaints is less than the last fiscal year's but also the filed complaints are at a personal level. Thus, the corporate risk regarding standard and regulations is at an acceptable level. Additionally, the Company has continuously followed the aviation regulations and standards under the Good Corporate Governance (GCG) and laws to manage the standard/regulation risks effectively.

Business Continuity Management (BCM)

Business Continuity Management is a long-term corporate plan, which originated in 2011 and has progressed continuously. In this fiscal year (2012), the Company created a business continuity plan in the case of the flooding in Bangkok and suburban areas (the corporate headquarters Tung Mahamek, Suvarnnabhumi Airport, Don Mueang Airport) with the water level higher than 2 meters and rehearsed all the procedures in the plan.

Additionally, the Company has managed the risks relevant to incidents occurring throughout the fiscal year that could affect the corporate performance including euro economic crisis, impact from increase of flight charges that was not as anticipated. The risk management procedures include the situational risk analysis from the external and internal risk factors.

Internal Control

The Company has reviewed and ensured that the internal control measures comply with the internal control standards of the Commission Auditor General of Thailand. In 2012, the Company assessed risks relevant to the external factors that affect the corporate performance such as natural disaster, economic conditions, and political climate. Moreover, the Company imposed additional regulations in corresponding to the current situations such as the crisis financial plan and the Business Continuity Plan (BCP), and revises the current measures in corresponding to the results from the Control Self-Assessment (CSA).



Good Corporate Governance

Good Corporate Governance and Corporate Social Responsibility (CG & CSR)

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 achieve good management and can be put into practice.

AEROTHAI, as a state enterprise under the Ministry of Transport, plays an important role in the national development in air traffic control and aeronautical telecommunication operations. In order to promote and manage the organization to meet the policy of the State Enterprise Policy Office (SEPO), AEROTHAI applied the Criteria and Principles of Good Corporate Governance in State Enterprises, 2009 by SEPO as the main factor to promote transparency in the Company. In addition, AEROTHAI has developed the organizational management and service provision to respond to the needs of the public by emphasizing activities that display social responsibility.

AEROTHAI is aware of Good Corporate Governance and Corporate Social Responsibility (CG & CSR). To administrate with efficiency, transparency and fairness by taking all groups of stakeholders into consideration as well as the responsibilities to social and environment, the Board of Directors, in 2012, appointed the Good Corporate Governance and Corporate Social Responsibility Committee which is responsible for CG & CSR to be efficiently and effectively in compliance with the good governance criteria. 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 Company's operation.



Major Performance

1. Revise of AEROTHAI's Good Corporate Governance Policy

In Fiscal Year 2012, the Company had revised the good corporate governance policy to be up to date by changing the policy's title inclusive to all aspects of the corporate social responsibility and review content of the policy by adding environmental responsibility to have more clarification. The said policy was announced on 24 May 2012 as follows :

"Good Corporate Governance and Corporate Social Responsibility Policy

Aeronautical Radio of Thailand Ltd. administrates under a good corporate governance which provides safety service with a quality of international standard and responds to stakeholders' satisfaction with fairness and transparency and responsible to society and environment"

2. The CG & CSR Master Plan 2012-2016

In order to achieve practical result of the Company's performance and to be beneficial to all parties, in the Fiscal Year 2012, the Company had prepared the Good Corporate Governance and Corporate Social Responsibility Master Plan 2012-2016. The said Plan comprised of corporate governance plan (CG), corporate social responsibility plan (CSR) as well as the guidelines to encourage implementation of both CG & CSR. This Master Plan has been set under the good corporate governance criteria which was in compliance with the Company's Corporate Plan. This would be easy for the indicators of each criteria to be clearly transferred and can be put into practice. Furthermore, this would systematically be a guideline for operation development and would be beneficial to the Company. The said Master Plan was agreed by the Good Corporate Governance and Corporate Social Responsibility Committee on 30 April 2012. The said Plan has set 5 Strategic Issues with 22 activities for measures and action plans. In Fiscal Year 2012, a survey research was conducted on "Staff's Participation in CG & CSR Activities, Behaviour under SMART AEROTHAI Culture and Awareness of the Significance in Preparation of CG & CSR".

Survey Research Evaluation 2012

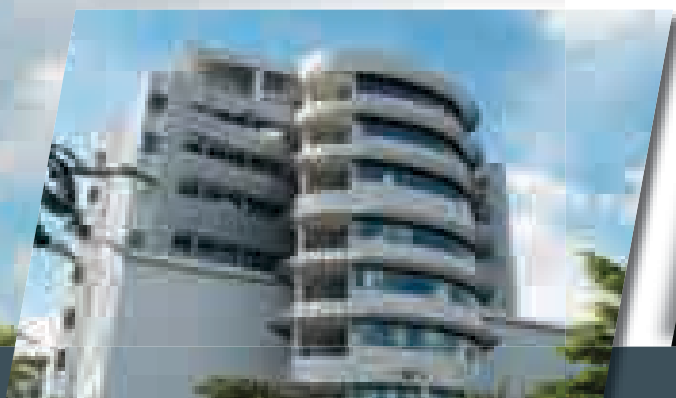
Nine hundred and three completed questionnaires out of 906 distributed or 99.67% were collected with the following results :

Participation of management and staff in the Good Corporate Governance and Corporate Social

Responsibility : average 3.09 points

Behaviour under the shared value "SMART AEROTHAI" of management and staff : high 4.11 points

Awareness of the significance in preparation of CG and CSR : high 4.19 points.



A *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 Public Relations Department was established in 1998. The Information Centre is located at the Head Office, Tung Mahamek 102 Soi Ngamduplee, Tung Mahamek, Sathon, Bangkok, 10120, Telephone Number 02 285 9388, opened on official days at 08.30 a.m. to 16.30 p.m.

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.

Information Service to the Public

In the Fiscal Year 2012, 498,960 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 2012

The Audit Committee of Aeronautical Radio of Thailand Ltd. has been appointed since 30 November 2011 as follows :

- | | |
|------------------------------------|----------|
| 1. General Prin Suvanadat | Chairman |
| 2. Pol.Lt.Gen. Yongyuth Tiewtrakul | Member |
| 3. Mr. Pisit Boonchoang | Member |

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 2012, the Audit Committee held nine meetings which were attended by the senior management, Chief Audit Executive, the management of Office of Internal Audit and the officers from the Office of the Auditor General. Major matters 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 has 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 key performance index with a result of 4.00 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 4.00 out of 4.00 points.

As the Ministry of Finance has been preparing and amending the Audit Committee of State Enterprise Practice Handbook 2012, The Audit Committee Charter will be reviewed after the handbook officially assigned.

6. To supervise internal audit practices by considering the approval for 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 2013. To acknowledge the budget of the Fiscal Year 2013. To appraise the Chief Audit Executive, Experts, Senior Director Level, Experts, Director Level and Internal Audit officers for their performance of the Fiscal Year 2012. To review internal audit group annual report of the Fiscal Year 2012, internal audit recruitment plan for the Fiscal Years 2013 – 2017, training plan of the Fiscal Year 2013 and the practical guide to resources management and follow up the progress of the internal audit implementation plan.

As the Ministry of Finance has been preparing and amending the Audit Committee of State Enterprise Practice Handbook 2012, The Internal Audit Charter and the Internal Audit Practice Handbook will be reviewed after the handbook officially assigned.

7. The annual financial statements and audit fees of the Company are Baht 610,000. 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. There were no issues relating to conflicts of interest. 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.

Furthermore General Prin Suvanadat resigned from the Board of Aeronautical Radio of Thailand Ltd. on 22 October 2012 as a result he is no longer the Chairman of the Audit Committee. The Board of Directors then appointed Mr. Pisit Boonchoang as the Chairman of Audit Committee on 26 October 2012. (Meeting 12/2555 (538)) thus the Audit Committee's report for the Fiscal Year 2012 was signed by Mr. Pisit Boonchoang.



(Mr. Pisit Boonchoang)

Chairman of the Audit Committee





We ^{get} ready
for **Financial
Goals**



Financial Report

1. Report of the Board of Directors' Responsibility to the Financial Statements

The Company's financial report was arranged under the approval of 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 2012 annual report. Thus, the financial statements and the accounting information for the Fiscal Year 2012 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.

2. Summary of Financial Report

	2012	2011	2010
Operating Performance (Baht : Million)			
Total Income	6,955.42	6,233.76	5,265.67
Total Expenditure	6,780.72	5,856.39	5,446.67
Income over (under) Expenditure to be returned to (collected from) Member Airlines	174.70	377.37	(181.00)
Financial Status (Baht : Million)			
Total Assets	6,732.41	7,275.27	7,118.10
Total Liabilities	5,930.81	6,476.30	6,330.24
Total Shareholders' Equity	801.60	798.97	787.86
Financial Ratio			
Debt-to-Equity Ratio (times)	7.40	8.11	8.03
Fixed Charge Coverage Ratio (times)	1.24	1.25	1.42

3. The Company's Operation Analysis

The Company's total income in the Fiscal Year 2012 was over total expenditure with an overcollection of Baht 174.70 million which would be accumulated and returned to Member Airlines in the future.

Unit : Million Baht

Items	2012	2011	Increase (Decrease)	
			Amount	%
Income				
Air Navigation Service	6,073.81	5,605.76	468.05	8
Other Related Services	808.80	460.79	348.01	76
Other Income	72.81	167.21	(94.40)	(56)
Total Income	6,955.42	6,233.76	721.66	12
Expenditure				
Operating Expenditure	6,615.67	5,719.50	896.17	16
Finance Costs	165.05	136.89	28.16	21
Total Expenditure	6,780.72	5,856.39	924.33	16
Income over (Under) Expenditure to be returned to (collected from) Member Airlines	174.70	377.37	(202.67)	(54)

3.1 Income Analysis

The Company's total income in the Fiscal Year 2012 was Baht 6,955.42 million. This was derived mainly from air navigation services at Baht 6,073.81 million or 87% 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 12% or Baht 808.80 million. In addition, income from other services was Baht 72.81 million or 1% of total income.

Actual income from air navigation services of Baht 6,073.81 million was 8% or Baht 468.05 million higher than that of the previous year as the Company has implemented the new Air Navigation Service Charges Structure : phase I (effective from 1 June 2012 to 30 September 2013) En-Route charge 3,300 Baht/Unit and Terminal Charge 500 Baht/Unit. Income of Baht 808.80 million from other related services increased by 76% or Baht 348.01 million from the previous year mainly from work orders income and AOC services income. The other income decreased at Baht 94.40 million mainly due to income from penalty for delivery delays and income from the sale of aircraft and its maintenance equipment.

3.2 Expenditure Analysis

The Company's total expenditure in the Fiscal Year 2012 was Baht 6,780.72 million of which 67% or Baht 4,511.92 million was accounted for cost of employee benefits, 31% or Baht 2,103.75 million was other operating expenditure and the remaining 2% or Baht 165.05 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 233.21 million was saved in 2012.

4. The Company's Financial Status Analysis

4.1 Assets Analysis

The Company's total assets as at 30 September 2012 were Baht 6,732.41 million, comprised of 33% current assets and 67% non-current assets, with the following details :

Unit : Million Baht

Items	2012	2011	Increase (Decrease)	
			Amount	%
Current Assets	2,202.74	2,743.41	(540.67)	(20)
Non-current assets				
- Long-Term Investments	62.81	62.81	-	-
- Long-Term Loan to Employee	0.49	0.53	(0.04)	(8)
- Buildings and Equipment - Net	4,190.63	4,245.27	(54.64)	(1)
- Work in Progress	275.74	223.25	52.49	24
Total	6,732.41	7,275.27	(542.86)	(7)

Total assets were decreased by 7% or Baht 542.86 million from the previous year, as the current assets decreased by work in progress, accumulated under-recovery, cash and cash equivalents, debtors and others.

4.2 Liabilities analysis

The Company's total liabilities as at 30 September 2012 were Baht 5,930.81 million, comprised of 30% current liabilities and 70% non-current liabilities with the following details :

Unit : Million Baht

Items	2012	2011	Increase (Decrease)	
			Amount	%
Current Liabilities	1,115.59	1,489.08	(373.49)	(25)
Long-Term Loans due within 1 year	644.54	544.54	100.00	18
Non-current Liabilities	4,170.68	4,442.68	(272.00)	(6)
Total	5,930.81	6,476.30	(545.49)	(8)

In 2012, total liabilities were decreased from the previous year by about 8% or Baht 545.49 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.

4.3 Shareholders' Equity Analysis

The Company's shareholders' equity as at 30 September 2012 was Baht 801.60 million. Details are as follows :

Unit : Million Baht

Items	2012	2011	Increase (Decrease)	
			Amount	%
Registered Ordinary Share Capital	660.00	660.00	-	-
Staff Welfare Fund	141.60	138.97	2.63	2
Total	801.60	798.97	2.63	-

The capital structure as at 30 September 2012 comprised of total liabilities at Baht 5,930.81 million or 88% and shareholders' equity at Baht 801.60 million or 12%.

5. The Company's Cash Flow Analysis

The Company's closing balance of cash and cash equivalents as at 30 September 2012 showed Baht 884.33 million which was Baht 69.41 million decreased 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 to support and increase the capabilities of air traffic control services. Net cash used in financing activities was mostly for payments of long-term loans that were due.

Unit : Million Baht

	2012	2011	Increase (Decrease)
Cash Flow from Operating Activities	1,246.67	1,234.32	12.35
Cash Flow from Investing Activities	(706.17)	(142.48)	(563.69)
Cash Flow from Financing Activities	(608.13)	(452.60)	(155.53)
Gain (Loss) on Exchange Rate	(1.78)	2.43	(4.21)
Cash and Cash Equivalents (closing balance)	884.33	953.74	(69.41)

6. The Company's Financial Ratio Analysis

The Company's debt-to-equity ratio in 2012 was decreased because of non-current liabilities as principal paid for long-term loan was due. 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

	2012	2011	Increase (Decrease)
Debt-to-Equity Ratio (times)	7.40	8.11	(0.71)
Fixed Charge Coverage Ratio (times)	1.24	1.25	(0.01)

The Company operates on a cost-recovery basis (or as a non-profit organization). As long as income is over expenditure, the overcollection will be returned 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.

7. Financial Status Trend

The Company's estimated income and expenditure budget has been revised in the 2013 Financial Plan (approved by the Company's Board of Directors at the 11/2555 (537) Meeting on 26 September 2012). The total income in 2013 is estimated at Baht 7,338.90 million, which derives from ANS Charges at Baht 6,839.62 million and from other related services and others at Baht 499.28 million. The estimated expenditure is Baht 7,241.41 million. Therefore, it is expected that there will be an overcollection of Baht 97.49 million at the end of 2013.

The growth of flight movements is forecasted to be 6% higher than in 2012 which is in line with the information from ICAO Air Transport Symposium Meeting in April 2012 that the growth rate of Air Transport Demand during 2000 – 2030 was forecasted to be 4.6% – 6.1% per annum. In addition, this percentage is also in line with the statistic of actual growth rate of flight movements during 2007 – 2011 which was about 5.7% per annum, in average.

The rate of new ANS Charges structure was approved by the Civil Aviation Board (CBA) on 26 March 2012. In order to mitigate the effects of the continued high fuel costs and the economic downturn within Europe and the United States of America, the Company's Board of Director at the 5/2555 (531) Meeting on 29 May 2012 resolved to adjust the rate of charges into 2 phases as follows ;

- **phase 1** : En Route Charge = Baht 3,300 per unit
Terminal Charge = Baht 500 per unit
(effective from 1 June 2012 to 30 September 2013)
- **phase 2** : En Route Charge = Baht 3,500 per unit
Terminal Charge = Baht 500 per unit
(effective from 1 October 2013 onwards)

In the Fiscal Year 2013, withdrawal for investments from the Company's capital expenditure is expected at Baht 2,346.61 million, mainly for the investments in safety and other safety support projects which are in line with the Company's Corporate Plan, 2013-2017. The investments comprise of the ANS Infrastructure Development Project at Baht 1,456.61 million and other investments of normal operation at Baht 890 million which are expected funding at Baht 1,685 million from long term loan and the rest from operating revenue.







Auditor's Report

To the Shareholders of AERONAUTICAL RADIO OF THAILAND LTD.

The Office of the Auditor General has audited the Statement of Financial Position of AERONAUTICAL RADIO OF THAILAND LTD., as at 30 September 2012 and 2011, 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 are presented the financial status of AERONAUTICAL RADIO OF THAILAND LTD. as at 30 September 2012 and 2011 and comprehensive income and expenditure as well as the changes in its cash flow for the years ended, which conformed to generally accepted accounting principles.

Without qualifying an opinion on these financial statements, the Office of the Auditor General of Thailand would like to draw attention to Note 2.2 and 3, during the current year, the Company has adopted the revised new Financial Reporting Standard issued by the Federation of Accounting Professions (applied to the preparation of financial statements with accounting period begins as at or later than 1 January 2011) to prepare and present these financial statements. The Company restated the financial statements as at 30 September 2011 and for the year ended as at 30 September 2012 to comply with the changes in accounting policy resulting from the adoption of revised new Financial Reporting Standard.

(Mrs. Roongnapa Charoenkunwiat)
Director of Audit Office

(Mrs. Amporn Kongka)
Auditor In-Charge

Office of the Auditor General
28 January 2012

Statements of Financial Position

As at 30 September 2012 and 2011

Unit : Million Baht

	Supplementary Information	2012 Baht	2011 Baht
Assets			
Current Assets			
Cash and Cash Equivalents	5.1	884,326,707.27	953,739,818.42
Temporary Investment	5.2	8,548,543.54	13,564,883.35
Receivables from ANS and Other Receivables	5.3	869,920,344.26	931,665,444.15
Short-Term Loans to Staff	5.4	16,742,091.00	18,998,935.00
Store Supplies	5.5	139,719,836.30	165,252,717.51
Accumulated Under-Recovery	5.6	273,763,132.82	448,598,577.01
Other Current Assets	5.7	9,723,586.44	211,589,206.96
Total Current Assets		2,202,744,241.63	2,743,409,582.40
Non-Current Assets			
Other Long-Term Investment	5.8	62,809,000.00	62,809,000.00
Long-Term Loans to Staff	5.9	486,260.00	527,606.00
Buildings and Equipment-Net	5.10	4,190,629,611.35	4,245,265,688.26
Assets under Construction	5.11	275,741,032.40	223,254,143.17
Total Non-Current Assets		4,529,665,903.75	4,531,856,437.43
Total Assets		6,732,410,145.38	7,275,266,019.83

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

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tatements of Financial Position

As at 30 September 2012 and 2011

Unit : Million Baht

	Supplementary Information	2012 Baht	2011 Baht
Liabilities and Owners' Equity			
Current Liabilities			
Trade and Other Payables	5.12	367,912,742.16	594,811,542.46
Current Portion of Long-Term Liabilities	5.13	644,540,000.00	544,540,000.00
Due in one year			
Accrued Expenses	5.14	619,606,097.72	784,382,414.15
Interest Payable		72,347,872.15	67,785,513.54
Other Current Liabilities	5.15	55,716,959.47	42,104,945.34
Total Current Liabilities		1,760,126,671.50	2,033,624,415.49
Non-Current Liabilities			
Children's Educational Support	5.16	97,069.52	94,701.97
Long-Term Loans	5.17	3,898,040,000.00	4,442,580,000.00
Employee Benefits Obligations	5.18	272,545,171.26	-
Total Non-Current Liabilities		4,170,682,240.78	4,442,674,701.97
Total Liabilities		5,930,805,912.28	6,476,299,117.46
Shareholders' Equity			
Share Capital			
Registered Ordinary Share Capital			
6,600,000 shares of Baht 100.00 each		660,000,000.00	660,000,000.00
Paid-in Capital			
6,600,000 shares of Baht 100.00 each		660,000,000.00	660,000,000.00
Staff Welfare Fund	5.21	141,604,233.10	138,966,902.37
Total Shareholders' Equity		801,604,233.10	798,966,902.37
Total Liabilities and Shareholders' Equity		6,732,410,145.38	7,275,266,019.83

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

Squadron Leader  President

(Prajak Sajjasophon)

 Vice President (Finance)

(Mrs. Onurai Komain)

Comprehensive Statements of Income and Expenditure

For the years ended 30 September 2012 and 2011

Unit : Million Baht

	Supplementary Information	2012 Baht	2011 Baht
Income	5.25		
Income from Air Navigation Service Charges		6,073,811,193.51	5,605,756,291.07
Equipment rental, Maintenance and NOC income		338,481,930.49	312,129,437.89
Revenue from work orders		470,321,794.08	148,660,627.49
Other Income	5.22	72,806,755.64	167,216,118.89
Total income (net)		6,955,421,673.72	6,233,762,475.34
Expenditure	5.25		
Costs of production		400,299,712.42	108,739,424.42
Supplies used		34,238,155.94	35,613,273.70
Employee Benefits Expense	5.23	4,511,922,999.12	3,983,921,455.37
Depreciation Expenses	5.10	715,325,366.89	704,950,260.13
Maintenance of Assets & Equipment		174,637,766.80	158,693,084.76
Assets Rental and Property Tax		296,830,193.39	278,330,113.60
Utilities and Communication Expenses		118,647,459.31	114,503,599.15
Other Expenses	5.24	363,770,827.71	334,748,883.78
Finance costs	5.17	165,046,203.62	136,892,742.05
Total Expenditure		6,780,718,685.20	5,856,392,836.96
Overcollection to Member Airlines		174,702,988.52	377,369,638.38

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

Squadron Leader  President

(Prajak Sajjasophon)

 Vice President (Finance)

(Mrs. Onurai Komain)

S Statements of Cash Flow

For the years ended 30 September 2012 and 2011

Unit : Million Baht

	2012 Baht	2011 Baht
Cash Flow from Operating Activities :		
Overcollection to Member Airlines	174,702,988.52	377,369,638.38
Reconciliations of (Under-Recovery) or Overcollection as Cash Receipts or (Disbursements) from Operating Activities :		
(Gain) Loss on exchange rate	2,199,318.42	(2,421,733.37)
Loss on Interest Rate Swap Agreement	3,103,455.14	10,577,998.88
Doubtful Debts	17,406,459.15	5,822,642.72
Depreciation	715,325,366.89	704,950,260.13
Assets under construction transferred to Expenses	398,922.40	813,426.14
(Gain) on sale of Equipment	(833,478.33)	(65,226,606.26)
Loss on Assets Retirement	578,814.07	7,185,644.57
Deferred income	(7,138.43)	(8,183,368.71)
Interest Received	(8,581,347.12)	(6,053,819.52)
Interest Expense	165,046,203.62	132,327,514.03
Employee Benefits Obligations	272,545,171.26	-
Overcollection to be refunded to Member Airlines before any changes in Operating Assets and Liabilities	1,341,884,735.59	1,157,161,596.99
Changes in Operating Assets and Liabilities		
Operating Assets (Increase) Decrease		
Receivables from ANS and Other Receivables	44,840,043.95	(337,501,031.14)
Store supplies	25,532,881.21	(5,572,821.04)
Other Current Assets	202,926,349.36	(63,171,910.49)
Accumulated Under-Recovery	132,455.67	2,494,754.08
Operating Liabilities Increase (Decrease)		
Trade and Other Payables	(226,748,003.58)	381,195,478.95
Accrued Expenses	(164,776,316.43)	91,642,972.88
Other Current Liabilities	12,671,945.89	(9,283,027.90)
Children's Educational Support	2,367.55	2,309.80
Staff Welfare Fund	2,694,057.98	11,157,696.78
Cash Receipts from Operating Activities		
Interest Received	7,510,722.46	6,192,135.64
Net Cash flows from Operating Activities	1,246,671,239.65	1,234,318,154.55

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

S Statements of Cash Flow

For the years ended 30 September 2012 and 2011

Unit : Million Baht

	Supplementary Information	2012 Baht	2011 Baht
Cash Flow from Investing Activities :			
Cash Withdrawal from Temporary Investment		6,000,000.00	1,767,099.77
Cash Deposit to Temporary Investment		(983,660.19)	(6,504,883.35)
Payment Received from Short-Term Loan to Staff		28,386,090.00	25,718,626.00
Cash Paid to Short-Term Loan to Staff		(26,129,246.00)	(28,478,493.00)
Payment Received from Long-Term Loan to Staff		528,646.00	282,759.00
Cash Paid to Long-Term Loan to Staff		(487,300.00)	(314,880.00)
Acquisition of Assets under Construction		(714,588,443.66)	(198,098,083.08)
Acquisition of Equipment		(682,928.11)	(974,538.37)
Proceeds from Sale of Equipment		1,780,685.00	65,424,500.00
Cash Deposits to Long-Term Investment		-	(1,800,000.00)
Proceeds from Sales of Cooperative Shares (Long-term investment)		-	501,500.00
Net Cash flows from Investing Activities		(706,176,156.96)	(142,476,393.03)
Cash Flow from Financing Activities :			
Proceeds from promissory notes		100,000,000.00	1,040,000,000.00
Proceeds from long-term loans		100,000,000.00	215,000,000.00
Payments for redemption of promissory notes		(100,000,000.00)	(1,040,000,000.00)
Payments for long-term loans		(544,540,000.00)	(544,540,000.00)
Cash paid to interest on loans		(163,587,300.15)	(123,061,871.15)
Net Cash flows from Financing Activities		(608,127,300.15)	(452,601,871.15)
Net Increase in Cash and Cash Equivalents		(67,632,217.46)	639,239,890.37
Cash and Cash Equivalents at the beginning of the year		953,739,818.42	312,072,658.80
Gain or loss on revaluation of foreign exchange		(1,780,893.69)	2,427,269.25
Cash and Cash Equivalents at the end of the year	5.1	884,326,707.27	953,739,818.42

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



Notes to the Company's **Financial Statements**

For the years ended 30 September 2012 and 2011

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 as well as the Accounting Professional Act, 2004 and other accounting standards that have been approved additionally for the 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 brief items necessary in 2011 financial statements, dated 28 September 2011.

2.2 Presentation of Financial Statements in accordance with the new and revised Thai Financial Reporting Standards (TFRSs)

Financial Statements as at 30 September 2011 were presented in accordance with the new and revised TFRSs to make it consistent with the presentation of financial statements as at 30 September 2012.

3. The new/revised Thai Accounting Standard (TAS), Thai Financial Reporting Standard (TFRS), Thai Accounting Standards Interpretation (TSI) and Thai Financial Reporting Interpretation (TFRI)

The new/revised Thai Accounting Standard (TAS), Thai Financial Reporting Standard (TFRS), Thai Accounting Standards Interpretation (TSI) and Thai Financial Reporting Interpretation (TFRI) which were announced in the Government Gazette, are as follows:

The effective date for the fiscal year begins as at or later than 1 January 2011

TAS 1 (revised 2009)	:	Presentation of Financial Statements
TAS 2 (revised 2009)	:	Inventories
TAS 7 (revised 2009)	:	Cash Flow Statements
TAS 8 (revised 2009)	:	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	:	Events after the Reporting Period
TAS 11 (revised 2009)	:	Construction Contracts
TAS 16 (revised 2009)	:	Property, Plant and Equipment
TAS 17 (revised 2009)	:	Leases
TAS 18 (revised 2009)	:	Revenue
TAS 19	:	Employee Benefits
TAS 23 (revised 2009)	:	Borrowing Costs
TAS 24 (revised 2009)	:	Related Party Disclosures
TAS 26	:	Accounting and Reporting of Retirement Benefit Plans

TAS 27 (revised 2009)	:	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	:	Investments in Associates
TAS 29	:	Financial Reporting in Hyperinflationary Economies
TAS 31 (revised 2009)	:	Interests in Joint Ventures
TAS 33 (revised 2009)	:	Earnings per Share
TAS 34 (revised 2009)	:	Interim Financial Reporting
TAS 36 (revised 2009)	:	Impairment of Assets
TAS 37 (revised 2009)	:	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	:	Intangible Assets
TAS 40 (revised 2009)	:	Investment Property
TFRS 2	:	Share-Based Payments
TFRS 3 (revised 2009)	:	Business Combinations
TFRS 5 (revised 2009)	:	Non-Current Assets Held for Sale and Discontinued Operations
TFRS 6	:	Exploration for and Evaluation of Mineral Resources
TFRI 15	:	Agreements for the Construction of Real Estate
TSI 31	:	Revenue-Barter Transactions Involving Advertising Services

- The effective date for the fiscal year begins as at or later than 1 January 2013

TAS 12	:	Income taxes
TFRS 8	:	Operating Segments
TAS 20 (revised 2009)	:	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	:	The Effects of Changes in Foreign Exchange Rate
TSI 10	:	Government Assistance - No Specific Relation to Operating Activities
TSI 21	:	Income Taxes - Recovery of Revalued Non - Depreciable Assets
TSI 25	:	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

The Company's management has already considered that the mentioned Accounting Standards will have immaterial effect on the submitted Financial Report except the following Accounting standards :

- TAS 1 (revised 2009): Presentation of Financial Statements

Under the new/revised Thai Accounting Standards, the Financial Statements are consisting of a statement of financial position, comprehensive statements of income and expenditure, a statement of cash flow and notes to financial statement.

- TAS 19: Employee Benefits

AEROTHAI has applied this Accounting Standards since 1 October 2011 by recognizing past benefit as expense on a straight-line basis over a period of 5 years starting from the day that this Accounting Standard was applied.

4. Summary of Significant Accounting Policies

4.1 Incomes and Expenditures Recognition

- 4.1.1 Income derived from air navigation services is recognized as income in the accounting period that services are provided.
- 4.1.2 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 agreement.
- 4.1.3 Income from work orders is recognized as income when each order is completed and delivered to customers.
- 4.1.4 Interest received is recognized in proportion of time on the basis of actual rate of return.
- 4.1.5 Expenditures are recognized on an accrual basis.

4.2 Provision for Doubtful Debts.

The allowance is recorded equal to the estimated losses that may result in collection of debts. Generally, estimations are based on an experience of debt recovery in the past and from non-governmental organizations or non-state enterprise debtors' current status 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.

Period Overdue	Rate of Provision for Doubtful Debts
Over 6 months - 1 year	50%
Over 1 year	100%

4.3 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.

4.4 Investment

Investment has been recorded at cost as follows:

- 4.4.1 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.
- 4.4.2 Long-term investment is the investment that the Company expects to hold longer than one year such as over 12-month fixed deposit account.

4.5 Buildings and Equipment

- 4.5.1 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 begin 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 developments of computer system in order to materially enhance and extend the capacity or efficiency are recognized as asset.

- 4.5.2 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.

4.6 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 has been completed, the interest paid will be recognized as expenses.

4.7 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 lives.

4.8 Accounting Items in Foreign Currency

Assets and Liabilities of foreign currency value 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.

4.9 Interest Rate Swap (IRS) Agreement

The Company has signed the 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.

4.10 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 hand, if expenditure exceeds income, then the under-recovery amount will be recorded as asset and will be charged to Member Airlines. Such rule will be distributed to Member Airlines according to the number of flight units of each airline for that particular period.

4.11 Employee Benefits Obligations

Employee benefits in respect of defined benefit plans and other long-term employee benefits recognized in the financial statements are based on calculations by using the projected unit credit method and market yields on high quality corporate bonds in which all actuarial gains and losses arising in each accounting period will be recognized as income or expense within the accounting period in which they arise.

4.12 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.

4.13 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.

4.14 Cash and Cash Equivalents

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





5. Supplementary Information

5.1 Cash and Cash Equivalents

Unit : Million Baht

	Company	Fund	2012	2011
Cash on Hand	1.11	2.38	3.49	3.70
Cash at Bank - Current	2.28	4.22	6.50	8.78
- Savings	827.94	46.40	874.34	888.64
Total	831.33	53.00	884.33	901.12
Cash Equivalents				
- Fixed Deposit (≤ 3 months)	-	-	-	52.62
Total Cash and Cash Equivalents	831.33	53.00	884.33	953.74

5.2 Temporary Investment

Unit : Million Baht

	2012	2011
Cash at Bank - 6-Month Fixed Deposit	1.85	7.30
- 12-Month Fixed Deposit	6.70	6.26
Total Temporary Investment	8.55	13.56

The above temporary investment is a fixed account of the Staff Welfare Fund.

5.3 Receivables from Air Navigation Service (ANS) and other receivables

Unit : Million Baht

	Company	Fund	2012	2011
Receivables from ANS				
- Receivable Check	0.96	-	0.96	4.73
- Airlines Debtors	736.82	-	736.82	594.52
- Domestic Debtors	29.57	0.40	29.97	251.17
- International Debtors	11.18	-	11.18	3.30
- Accrued Income	7.25	-	7.25	3.74
- Claims on assets damages from flood disaster	25.53	-	25.53	-
	811.31	0.40	811.71	857.35
Less Provision for doubtful debts	(67.30)	-	(67.30)	(50.82)
Total Receivables from ANS-Net	744.01	0.40	744.41	806.64
Other receivables				
- Interest Receivable	0.78	0.14	0.92	0.60
- Penalty Charges to contractors	67.91	-	67.91	67.55
- Loans to staff	0.10	-	0.10	0.12
- Prepaid Expenses	44.42	-	44.42	37.74
- Advance payments	-	-	-	1.58
- Advances to staff for expenses	3.00	9.16	12.16	17.44
Total other receivables	116.21	9.30	125.51	125.03
Total Receivables from ANS and other receivables	860.22	9.70	869.92	931.67

Provision for doubtful debts as at 30 September 2012 at Baht 67.30 million can be divided into Baht 62.86 million for airlines debtors and Baht 4.44 million for domestic and international debtors.

Penalty Charges to contractors as at 30 September 2012 was at Baht 67.91 million. It is mainly derived from the delayed acquisition and installation of one ATS Message Exchange System at Baht 67.36 million. Since AEROTHAI has not paid the last installment of Baht 40 million to this supplier, after deducting the penalty charge the supplier has an outstanding debt of Baht 27.36 million. AEROTHAI has already brought the claims to the Central Administrative Court and the case has been accepted.

5.4 Short-term loans to staff

Short-term loans to staff as at 30 September 2012 at Baht 16.74 million were derived from the Staff Welfare Fund. 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. The interest is calculated at the rate of 12-month fixed deposits of commercial banks and the rate of 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 2011 is Baht 19.00 million and the loans made in this period are Baht 26.13 million. Repayment has been made at Baht 28.39 million. The outstanding debts at the end of the period are Baht 16.74 million

5.5 Store Supplies

Unit : Million Baht

	2012	2011
Spare parts for Radar	104.23	114.70
Spare parts for Aircraft	21.51	27.63
Spare parts for Air Navigation Aids	1.02	7.96
Spare parts for Radio Equipment	8.12	4.24
Office supplies	3.78	3.94
Other spare parts	1.06	6.78
Total Store Supplies	139.72	165.25



5.6 Accumulated Under-Recovery

Unit : Million Baht

	2012	2011
Under-Recovery to Member Airlines - brought forward	448.60	828.46
Less Collected Under-Recovery from Member Airlines, membership terminated during the year	(0.14)	(2.49)
	448.46	825.97
Add (Less) Under-Recovery (Overcollection) to Member Airlines-for the year	(174.70)	(377.37)
Total Accumulated Under-Recovery	273.76	448.60

The Company has implemented the New Air Navigation Services Charges System to follow the Government policy, International Civil Aviation Organization (ICAO) standards and be fair and more practical to all users. The new structure of air navigation service (ANS) charges proposal was approved by the Civil Aviation Board (CAB) on 26 March 2012. Furthermore, AEROTHAI's Board of Directors on 29 May 2012 approved the gradually collection of new Air Navigation Services Charges which is divided into 2 phrases as follows :

Phase 1 : From 1 June 2012 to 30 September 2013, en route charge is at Baht 3,300 per unit and terminal charge is at Baht 500 per unit

Phase 2 : From 1 October 2013 onwards, en route charge is at Baht 3,500 per unit and terminal charge is at Baht 500 per unit

The Company's Shareholders at the 65th Ordinary General Meeting on 18 April 2012 agreed to offset the accumulated under-recovery of Baht 825.97 million with the 2011 overcollection of Baht 377.37 million leaving the total amount of Baht 448.60 million accumulated under-recovery as at 30 September 2011.

In 2012, the Company had Baht 6,955.42 million total income and Baht 6,780.72 million total expenditure. Thus there is an income-over-expenditure (overcollection) at Baht 174.70 million which will be deducted from the accumulated under-recovery of Baht 448.60 million and Baht 0.14 million was collected from airlines whose membership was terminated leaving the accumulated under-recovery of Baht 273.76 million at the end of the fiscal year.



5.7 Other Current Assets

Unit : Million Baht

	2012	2011
Deposit Payments	8.58	13.44
Work in Process	1.24	198.15
Suspense accounts	(0.10)	-
Total Other Current Asset	9.72	211.59

5.8 Other long-term investments

Other long-term investments as at 30 September 2012 at the amount of Baht 62.81 million are investments by the Staff Welfare Fund which is fixed deposit for 36 months at the Government Housing Bank.

5.9 Long-term loans to staff

Long-term loans to staff as at 30 September 2012 amounted to Baht 0.48 million are loans from the Staff Welfare Fund for staff to borrow according to the Regulations for Staff to Borrow for Themselves or Their Children for Educational Purposes, B.E. 2550. The interest is calculated at the rate of 12-month fixed deposits of commercial banks. The balance brought forward from the previous period as at 1 October 2011 is Baht 0.53 million and the loans made in this period are Baht 0.48 million. Repayment has been made at Baht 0.53 million. The remaining long-term loans to staff at the end of the period are Baht 0.48 million.



5.10 Buildings and Equipment - Net

Unit : Million Baht

	Original Cost				Accumulated Depreciation	Book Value	
	Balance 1 Oct 11	Increase	Decrease	Total 30 Sept 12		30 Sept 12	30 Sept 11
The Company's buildings and equipment							
Buildings and Construction	2,574.04	38.29	10.39	2,601.94	1,258.95	1,342.99	1,432.70
Utility Systems	777.29	58.69	1.79	834.19	531.41	302.78	284.63
Radar and Equipment ^{1/}	5,523.51	441.79	263.75	5,701.55	3,717.19	1,984.36	1,945.55
Power Generators	234.08	38.66	5.80	266.94	178.25	88.69	57.24
Teleprinters	0.30	-	-	0.30	0.30	-	-
Equipment and Tools	709.74	45.76	0.95	754.55	583.87	170.68	181.92
Office Supplies	685.48	39.19	1.75	722.92	604.93	117.99	150.91
(including computer systems and equipment)	-	-	-	-	-	-	-
Vehicles	1.92	-	-	1.92	1.92	-	-
Aircraft	242.14	-	-	242.14	59.21	182.93	192.04
Assets from Donations	119.92	-	0.06	119.86	119.84	0.02	0.03
Total	10,868.42	662.38^{2/}	284.49	11,246.31	7,055.87	4,190.44	4,245.02
Staff Welfare Fund's equipment							
Musical Instruments and Sports Equipment	2.60	-	-	2.60	2.41	0.19	0.24
Total	10,871.02	662.38	284.49	11,248.91	7,058.28	4,190.63	4,245.26

Notes : 1/ Radar and Equipment comprise of radar systems, air navigation aids, surveillance systems, automatic message switching systems, and other communication equipment.

2/ 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 Ratchaphatsadu land with ownership resting with the Ministry of Finance.

The depreciation in this fiscal year of Baht 715.38 million is recognized as the Company's operating expenditure at Baht 715.33 million and the Staff Welfare Fund's expenditure at Baht 0.05 million.

5.11 Assets under Construction

Unit : Million Baht

	2012	2011
Balance brought forward as at 1 October 2011	223.25	354.66
Add Additional during the year	714.59	198.09
Less Transfer to Buildings and Equipment	937.84	552.75
Transfer to Expenses	(661.70)	(328.69)
	(0.40)	(0.81)
Balance carried forward as at 30 September 2012	275.74	223.25

5.12 Trade and Other Payables

Unit : Million Baht

	Company	Fund	2012	2011
Trade Payable				
Trade Payable - Domestic	128.02	-	128.02	73.58
Trade Payable - Overseas	18.16	-	18.16	13.24
Suspense Account for Debtors	47.78	-	47.78	30.70
Suspense Account for Goods and Services	100.22	-	100.22	46.09
Total Trade Payable	294.18	-	294.18	163.61
Other Payables				
Suspense Account of Pay Check	35.83	7.02	42.85	40.10
Staff Payable	5.74	-	5.47	3.33
Deferred Income	25.41	-	25.41	387.77
Total Other Payables	66.71	7.02	73.73	431.20
Total Trade and Other Payables	360.89	7.02	367.91	594.81

5.13 Current portion of Long-term Liabilities Due in One Year

Unit : Million Baht

	Bank						Total
	CIMB Thai	Krung Thai		Siam Commercial	Government Savings		
Credit limit	850.00	1,390.28	1,100.00	1,519.55	1,650.00	1,200.00	
Balance brought forward as at 1 October 2011	85.00	116.00	84.80	131.80	126.94	-	544.54
Less Payments during the period	(85.00)	(116.00)	(84.80)	(131.80)	(126.94)	-	(544.54)
	-	-	-	-	-	-	-
Add Transferred from long-term loans	85.00	116.00	84.80	131.80	126.94	100.00	644.54
Balance carried forward as at 30 September 2012	85.00	116.00	84.80	131.80	126.94	100.00	644.54

5.14 Accrued Expenses

Unit : Million Baht

	Company	Fund	2012	2011
Special Annual Rewards	544.42	-	544.42	668.82
Ratchaphatsadu Land Lease and Property Tax	42.85	-	42.85	44.71
Utilities	21.70	-	21.70	20.06
Compensation Preferences for Retirement	-	-	-	28.74
Other	8.15	2.48	10.63	22.05
Total Accrued Expenses	617.12	2.48	619.60	784.38

5.15 Other Current Liabilities

Unit : Million Baht

	Company	Fund	2012	2011
Unearned Income	0.02	-	0.02	0.03
Accrued Income Tax and Tax Payable	35.97	0.14	36.11	27.57
Guarantee Money	18.76	0.13	18.89	16.51
Suspense Account for B Share allocation	3.17	-	3.17	2.55
Suspense Account for Assets Depreciation	1.73	-	1.73	0.48
Suspense Account for Reimbursement	(4.20)	-	(4.20)	(5.04)
Total Other Current Liabilities	55.45	0.27	55.72	42.10

5.16 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 Government Housing Bank Limited at Baht 0.10 million.

5.17 Long - Term Loans

Unit : Million Baht

Bank	Contract Date	Credit limit	Terms and Conditions	Additional Loan during current period	Transferred to loans due within 1 year	Balance as at 30 Sep. 2012	Balance as at 30 Sep. 2011
CIMB Thai	21 Jul. 2003	850.00	12 Y., Grace Period 2 Y.	-	85.00	170.00	255.00
Krung Thai	15 Jan. 2004	1,390.28	15 Y., Grace Period 3 Y.	-	116.00	694.28	810.28
Siam Commercial	15 Jul. 2005	1,519.55	14 Y., Grace Period 2 Y.	-	131.80	794.65	926.45
Krung Thai	25 Aug. 2006	1,100.00	15 Y., Grace Period 2 Y.	-	84.80	718.40	803.20
Government Savings	3 Sep. 2007	1,650.00	15 Y., Grace Period 2 Y.	-	126.94	1,205.71	1,332.65
Government Savings	18 Sep. 2009	1,200.00	14 Y., Grace Period 2 Y.	100.00	100.00	315.00	315.00
Total		7,709.83		100.00	644.54	3,898.04	4,442.58

As at 30 September 2012, the Company's long-term loans were 7,709.83 million. There are 2 banks that set conditions of the loan agreements for the Company 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 finance costs which refer to the interest paid to financial institutions at Baht 165.04 million

5.18 Employee Benefits Obligations

As at 30 September 2012, the Company had employee benefits obligation at the amount of Baht 1,047.56 million in which the Company will gradually recognize as expense on a straight-line basis at Baht 209.51 million annually over a period of 5 years. The Details in this accounting period are as follows :

Unit : Million Baht

Employee benefits obligations as at 1 October 2011	-
Gradual recognition of employee benefits	209.51
Current employee benefits	138.81
Benefit paid	(75.77)
Employee benefits obligations as at 30 September 2012	272.55
Past employee benefits obligations as at 30 September 2011	1,047.56
Gradual recognition of employee benefits	(209.51)
Outstanding past employee benefits obligations	838.05

5.19 Share Capital

Unit : Million Baht

	2012	2011
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)	60.00	60.00
Total Share Capital	660.00	660.00

5.20 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.

5.21 The Staff Welfare Fund

Unit : Million Baht

	2012	2011
Cash and Cash Equivalents	53.00	38.08
Temporary Investment	8.55	13.56
Receivables from ANS and other receivables	9.70	15.10
Short-term loan to staff	16.74	19.00
Other long-term investment	62.81	62.81
Long-term loan to staff	0.48	0.53
Buildings and Equipment - Net	0.19	0.24
Total Assets	151.47	149.32
Trade and other payables	7.02	7.80
Accrued Expenses	2.48	2.23
Other Current Liabilities	0.27	0.23
Children's Educational Support	0.10	0.10
Total Liabilities	9.87	10.36
Staff Welfare Fund		
Balance brought forward	138.96	127.86
Income over expenditure in this period	2.64	11.10
Total Staff Welfare Fund	141.60	138.96
Total Liabilities and Fund	151.47	149.96

The Staff Welfare Fund of Baht 138.96 million was brought forward from 2011 with income-over-expenditure of Baht 2.64 million this year, which was contributed by the Company at 9% of the basic salary at Baht 186.93 million and other income at Baht 18.68 million (total at Baht 205.61 million) and expenses at Baht 202.97 million, thereby leaving a balance of Baht 141.60 million.

5.22 Other income

Unit : Million Baht

	2012	2011
Interest received	6.71	4.32
Other income	66.10	162.89
Total other income	72.81	167.21

Other income of Baht 66.10 million partly came from the claims of Damages from flood disaster in Bangkok at the amount of Baht 24.32 million from insurance company and the remaining is still in the process of claiming.

5.23 Employee Benefits Expense

Unit : Million Baht

	2012	2011
Staff Costs	3,692.40	3,540.73
Employee Benefits Expenses	348.32	-
Contribution to Provident Fund	284.99	267.13
Contribution to Staff Welfare Fund	186.21	176.06
Total Employee Benefits Expense	4,511.92	3,983.92



5.24 Other Expenses

Unit : Million Baht

	2012	2011
Audit Fee	0.61	0.61
Meeting Expense	5.73	11.25
Consultant and service fees	8.78	3.59
Public Relations Expense	13.06	11.58
Donations	16.48	20.82
Traveling Expense	93.29	81.73
Premium Fee	45.10	45.31
Other Fees	6.92	8.66
Training Expense	38.05	35.52
Store Supplies and Assets Retirement Expense	44.27	26.72
Securities Expense	27.14	23.48
Loss on Fixed Assets Retirement	0.60	7.25
Doubtful Debts	17.41	5.82
Loss on Interest Rate Swap Agreement	3.10	10.58
Others	43.23	41.83
Total Other Expenses	363.77	334.75



5.25 Operations

Unit : Million Baht

	2012	2011	Increase (Decrease)	
			Amount	%
Income				
Air Navigation Service Charges	6,073.81	5,605.76	468.05	8
Equipment Rental & Maintenance and NOC income	338.48	312.13	26.35	8
Revenue from work orders	470.32	148.66	321.66	216
Other Income	72.81	167.21	(94.40)	(56)
Total Income	6,955.42	6,233.76	721.66	12
Expenditure				
Costs of Production	400.30	108.74	291.56	268
Supplies Used	34.24	35.61	(1.37)	(4)
Employee Benefits Expense	4,511.92	3,983.92	528.00	13
Depreciation Expense	715.32	704.95	10.37	1
Maintenance of Assets & Equipment	174.64	158.69	15.95	10
Assets Rental and Property Tax	296.83	278.33	18.50	7
Utilities and Communication Expenses	118.65	114.51	4.14	4
Other Expenses	363.77	334.75	29.02	9
Finance costs	165.05	136.89	28.16	21
Total Expenditure	6,780.72	5,856.39	924.33	16
Overcollection (under-recovery) to Member Airlines	174.70	377.37	(202.67)	(54)

In the Fiscal Year 2012 the Company's total income amounted to Baht 6,955.42 million, which means income-over-expenditure or overcollection to member airlines at the amount of Baht 174.70 million.

The Company achieved total income of Baht 6,955.42 million which is increased from last year by Baht 721.66 million or 12%. This is mainly resulted from a higher income from air navigation service charges at Baht 468.05 million or 8% increases as the airlines increased their flights and the implementation of new air navigation service (ANS) charges structure phase 1 which is effective from 1 June 2012 to 30 September 2013 where en route charge is at Baht 3,300 per unit and terminal charge is at Baht 500 per unit in accordance with a resolution of AEROTHAI's Board of Directors Meeting on 29 May 2012.

The Company's total expenditure in 2012 amounted to Baht 6,780.72 million, which is increased by Baht 924.33 million or 8% from the previous year. It is mainly derived from higher past and current employee benefits in accordance with TAS19, the annual gratuity adjustment and the proportionally increases in basic salary for employees who had basic salaries less than Baht 15,000 and for employees who had basic salary from Baht 15,001 upwards who would get an additional of Baht 1,600 per person, effective from 1 April 2012 by approval of the Company's 3/2555 (529) Board of Directors Meeting on 27 March 2012.

5.26 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 2012 there were 2,829 staff members. The Company made a contribution in this period at Baht 286.09 million to the Provident Fund, (which was recorded as staff costs at Baht 284.99 million and cost of production of work order at Baht 1.10 million).

5.27 Remuneration for Committees

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

	Baht
1. Board of Directors	768,000.00
2. Executive Committee	178,000.00
3. Audit Committee	260,000.00
4. Risk Management Committee	114,000.00
5. Remuneration Committee	42,000.00
6. Legal Committee	83,000.00
7. Appeal Committee (Ad Hoc)	8,000.00

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

5.28 Contingent Liabilities

There are some probable future liabilities excluding interest as follows :

Unit : Million Baht

	2012	2011
The Company was brought to the Civil Court as defendant in the following lawsuits :		
Labour disputes	7.07	15.03
Compensation demands	6.97	25.00
Total Contingent Liabilities	14.04	40.03

5.29 Interest Rate Swap (IRS) Agreement

As at 30 September 2012, the Company had a loss from IRS agreement at Baht 3.10 million, as a result, the credit limit of the agreement was carried at Baht 803.20 million and the agreement will be terminated in 2014.





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