



REF: PE 25/2013

August 8, 2013

**Subject:** Report on change in the operating results of more than 20% from the same quarter of last year

**Attention:** President of The Stock Exchange of Thailand

Nok Airlines Public Company Limited (“the company”) would like to report on change in the operating results for the three-month period ended June 30, 2013 with net profit of Baht 260.1 million, 136% increase comparing with net profit of Baht 149.9 million for the same period of year 2012. The primary reasons for net profit changed over 20% are as follows:

### **1. Significant Increase in Total Revenue**

Total revenue for the 2<sup>nd</sup> quarter of 2013 was Baht 2,618.2 million, which significantly increased by 38.7% from that of the same period last year. The increase in total revenue was directly contributed by fleet expansion and replacing all Boeing 737-400 fleet with Boeing 737-800 fleet which is more modern and more efficient. As a result, passenger production, measured by Available Seat-Kilometer: ASK, in the 2<sup>nd</sup> quarter of 2013 was 993.3 million seat-km., increased by 51.9% comparing to the 2<sup>nd</sup> quarter last year. In addition, the company was able to maintain the cabin factor at the high level of 86.6%, higher than that of the same period last year of 83.7%. However, the average fare was 1,754 Baht/passenger/sector, 8.9% decrease from the same period of last year due to more intense competition.

### **2. Total Operating Cost reduction**

As a result of successes of fleet expansion and fleet modernization, the average fleet aging was reduced dramatically, leading to a better economy of scale and fuel consumption efficiency. Moreover, due to the success of internal budgeting control procedures, cost per ASK (CASK) dropped from 2.70 Baht/seat/km. in the 2<sup>nd</sup> quarter of 2012 to 2.33 Baht/seat/km. in the 2<sup>nd</sup> quarter 2013, which was 13.5% decrease year on year. Total operating cost for the period increased by 33% from the same period of last year to Baht 2,348.3 million due to the higher number of passengers carried, while total revenue increased at the higher rate of 37%. This resulted to a material improvement in the performance of the company.

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# NOK AIR

In summary, net profit for the 2<sup>nd</sup> quarter 2013 was Baht 260.1 million, with the net profit margin of 9.9%, that was 136.0% higher than net profit of the 2<sup>nd</sup> quarter 2012 at Baht 110.2 million, with the net profit margin of 5.8%.

Please be informed accordingly.

Yours faithfully,

Vitai Ratanakorn

Chief Financial Officer

Authorized to Sign on behalf of the Company