

No. 308

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Subject: Notification of information regarding a decrease of more than 20% on financial performance for fiscal year 2007 ended September 30, 2007 compared with fiscal year 2006

To: President,  
The Stock Exchange of Thailand

According to the Stock Exchange of Thailand (SET)'s regulation, any listed companies with deviation on financial performance on yearly basis more than 20% will have to provide detailed explanation for such deviation.

In fiscal year 2007 (October 1<sup>st</sup>, 2006 – September 30<sup>th</sup>, 2007), Airports of Thailand Public Company Limited and its subsidiaries (AOT) has the operating revenues of Baht 19,501.41 million, operating expenses of Baht 17,996.16 million, operating income of Baht 1,505.25 million, profit before interest and income tax expenses of Baht 5,180.13 million, and net profit of Baht 1,094.87 million which was a decrease of Baht 9,379.12 million or an 89.55% drop from the fiscal year 2006's net profit of Baht 10,473.99 million.

The decrease is attributable to:

1. Operating Revenues

In an overview, as of one-year operation of Suvarnabhumi Airport, the operating revenues of fiscal year 2007 were recorded at Baht 19,501.41 million, a year-on-year increase of Baht 3,260.55 million or a 20.08% rise. This increase was caused by increasing aeronautical revenues of Baht 2,905.06 million or a 28.37% rise which partly resulted from air traffic growth of scheduled, chartered and low-cost airlines. The total aircraft, passenger and cargo movements

increased by 11.40%, 7.95% and 0.61% respectively.

An increase in the passenger service charges (PSC) since February 1<sup>st</sup>, 2007 and the landing and parking charges since April 1<sup>st</sup>, 2007 was also a part of the increase in AOT's revenues.

However, there was an increase in non-aeronautical revenues of only Baht 355.50 million or a 5.93% rise. Office and state property rental revenues were at Baht 561.89 million or a 58.36% rise and service revenues at Baht 1,885.82 million or a 202.19% rise. However, there was a decrease in concession revenues of Baht 2,092.21 million or a 50.97% drop, mainly due to the unrecognizing of the revenues from duty free and commercial activities at Suvarnabhumi Airport and Regional Airports of King Power Duty Free Plc. and King Power International Plc. since Suvarnabhumi Airport's initial operations on September 28<sup>th</sup>, 2006. Based on the resolution of the Board of Directors' Meeting No.10/2007 on March 22<sup>nd</sup>, 2007, the contract was not conducted in accordance with the Public-Private Joint Venture Act B.E.1992, therefore, it was deemed unlawful and invalid. In this matter, AOT would instead claim compensation for the unrecognized revenues from those firms.

## 2. Operating Expenses

Operating expenses of fiscal year 2007 were recorded at Baht 17,996.16 million, a year-on-year increase of Baht 8,576.09 million or a 91.04%, mainly due to the commercial operations of Suvarnabhumi Airport which resulted in an increase in total operating expenses of fiscal year 2007 almost doubling those of the previous year, as follows:

- Depreciation and amortization of Baht 6,359.45 million or a 454.23% rise.
- Repair and maintenance expenses of Baht 454.00 million or a

163.09% rise, especially expenses on baggage handling conveyors, electrical equipment and cooling system, communications and computer equipment, runways/taxiways and sanitary wares.

- Operating expenses of Baht 2,103.36 million or a 58.00% rise, due to outsourcing, utility charges, fuel cost, insurance premium and passenger service charge collecting fee.

### 3. Interest Expenses

Interest expenses incurred in fiscal year 2007 were Baht 2,396.71 million, the amount of which was paid for loans borrowed for construction of Suvarnabhumi Airport and Suvarnabhumi Airport Hotel which was recognized as assets under construction of fiscal year 2006.

As a result, AOT's net profit for fiscal year 2007 has decreased by Baht 9,379.12 million or an 89.55% drop and the earning per share of Baht were at 0.77, lower than the previous year at Baht 7.33

Please be informed and further proceed with public disclosure accordingly.

Yours sincerely,

(Porntip Kanchanasat)

Vice President of Accounting Department

Authorized person