

(UNOFFICIAL TRANSLATION)

REVIEWED REPORT OF AUDITOR

TO : THE SHAREHOLDERS OF THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED

The Office of the Auditor General has reviewed the accompanying consolidated and the Company balance sheets as at June 30, 2009, the related consolidated and the Company statements of income for the three and six - month periods ended June 30, 2009 and 2008, changes in shareholders' equity and cash flows for the six - month periods ended June 30, 2009 and 2008, of Thai Airways International Public Company Limited and its subsidiary. These financial statements are the responsibility of the Companies' management as to their correctness and completeness of the presentation. The responsibility of the Office of the Auditor General is to express an opinion on these financial statements based on its reviews.

The Office of the Auditor General conducted the review in accordance with the auditing accounting standards. Those standards require that the Office of the Auditor General plans and performs the review to obtain reasonable assurance about whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of the company personnel and analytical comparison of financial data and thus provides less assurance than an audit according to Generally Accepted Accounting Standards. Therefore, the Office of the Auditor General does not express an opinion to these reviewed financial statements.

Based on this review, nothing has come to the Office of the Auditor General's attention that causes its to believe that these accompanying consolidated and the Company balance sheets are not presented fairly, in all material respects, in accordance with the Generally Accepted Accounting Principles.

The Office of the Auditor General had audited the financial statements for the year ended December 31, 2008 of Thai Airways International Public Company Limited and its subsidiary in conformity with the Generally Accepted Accounting Standards and expressed an unqualified opinion according to the report dated February 23, 2009. The consolidated and the Company balance sheets as at December 31, 2008, presented here to compare, are one part of the financial statements which were audited and reported by the Office of the Auditor General without applying other auditing methods after the date in those reports.

Without qualifying an opinion on these financial statements, the office of the Auditor General of Thailand would like to draw attention to :

1. Note to the financial statement No. 3, Guideline to Resolve Business Operation Problems and Liquidity
2. Note to the financial statement No. 4.20, Contingent Liabilities
3. Note to the financial statement No. 4.22, Events After the Balance Sheet Date

(Signed) *Duangta Jantong*  
(Duangta Jantong)  
Deputy Auditor General

(Signed) *Gadmanee Kitwannee*  
(Gadmanee Kitwannee)  
Director of Auditor Office

August 6, 2009

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

BALANCE SHEETS

AS AT JUNE 30, 2009 AND DECEMBER 31, 2008

Units : Baht

	<u>Notes</u>	<u>CONSOLIDATED</u>		<u>THE COMPANY</u>	
		<u>30-Jun-09</u> (unaudited) (reviewed)	<u>31-Dec-08</u> (audited)	<u>30-Jun-09</u> (unaudited) (reviewed)	<u>31-Dec-08</u> (audited)
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	4.1	9,135,536,675	7,494,439,429	8,922,028,004	7,452,416,947
Temporary investments		320,000,000	530,000,000	-	-
Trade accounts receivable-net	4.2	14,443,728,628	15,828,787,561	14,415,790,579	15,793,218,252
Inventories and supplies-net		5,985,100,290	6,779,288,740	5,985,100,290	6,779,288,740
Prepaid expenses and deposits		4,694,523,567	4,696,183,456	4,686,456,423	4,690,062,221
Other current assets	4.3	5,825,129,659	6,789,565,880	5,786,965,789	6,752,894,753
<b>Total Current Assets</b>		<b>40,404,018,819</b>	<b>42,118,265,066</b>	<b>39,796,341,085</b>	<b>41,467,880,913</b>
<b>Non-Current Assets</b>					
Investment in associates	4.4.1	1,294,402,638	1,337,095,375	723,520,500	723,520,500
Investment in subsidiary	4.4.1	-	-	8,250,000	8,250,000
Long-term investments to others	4.4.2	86,248,571	87,996,063	86,248,571	87,996,063
Property, Plant and Equipment-Net	4.6	210,861,214,116	207,063,975,232	210,836,337,413	207,031,025,112
Intangible assets-net	4.7	717,173,969	807,891,935	711,958,749	803,584,846
Deferred income taxes	4.8	6,188,059,042	6,405,772,675	6,175,648,405	6,388,074,822
Other non-current assets	4.9	1,723,253,390	1,713,587,906	1,723,253,390	1,713,587,906
<b>Total Non-Current Assets</b>		<b>220,870,351,726</b>	<b>217,416,319,186</b>	<b>220,265,217,028</b>	<b>216,756,039,249</b>
<b>Total Assets</b>		<b>261,274,370,545</b>	<b>259,534,584,252</b>	<b>260,061,558,113</b>	<b>258,223,920,162</b>

The accompanying notes are an integral part of these financial statements.

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

BALANCE SHEETS

AS AT JUNE 30, 2009 AND DECEMBER 31, 2008

		<u>CONSOLIDATED</u>		<u>THE COMPANY</u>	
	<u>Notes</u>	<u>30-Jun-09</u> <u>(unaudited)</u> <u>(reviewed)</u>	<u>31-Dec-08</u> <u>(audited)</u>	<u>30-Jun-09</u> <u>(unaudited)</u> <u>(reviewed)</u>	<u>31-Dec-08</u> <u>(audited)</u>
<b>Units : Baht</b>					
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>Current Liabilities</b>					
Bank overdrafts and short-term loans from financial institutions		13,430,000,000	16,930,000,000	13,430,000,000	16,930,000,000
Trade accounts payable		5,604,752,665	6,573,066,423	5,598,214,601	6,566,932,639
Current portion of long-term loans					
Debentures		10,955,290,000	7,500,000,000	10,955,290,000	7,500,000,000
Long-term loans from related parties	4.5.1.2	1,072,000,000	572,000,000	1,072,000,000	572,000,000
Liabilities under financial leases		10,428,350,856	10,153,590,708	10,428,350,856	10,153,590,708
Promissory notes from related parties	4.5.1.3	650,000,000	650,000,000	650,000,000	650,000,000
Promissory notes from others		400,000,000	400,000,000	400,000,000	400,000,000
Short-term loans from related parties	4.5.1.1	5,161,403,690	4,558,272,000	5,161,403,690	4,558,272,000
Short - term provisions		458,200,000	458,200,000	458,200,000	458,200,000
Other current liabilities					
Accrued expenses		13,377,936,893	15,757,105,163	13,364,954,827	15,734,092,814
Accrued dividends		71,069,964	71,253,242	71,069,964	71,253,242
Accrued income taxes		29,313,929	34,188,813	-	-
Unearned transportation revenues		24,898,222,041	30,262,520,143	24,898,222,041	30,262,520,143
Others		5,691,344,085	4,662,752,032	5,670,236,154	4,641,436,728
<b>Total Current Liabilities</b>		<b>92,227,884,123</b>	<b>98,582,948,524</b>	<b>92,157,942,133</b>	<b>98,498,298,274</b>
<b>Non-Current Liabilities</b>					
Long-term loans					
Debentures		36,834,710,000	35,500,000,000	36,834,710,000	35,500,000,000
Long-term loans from related parties	4.5.1.2	6,258,772,000	4,831,296,000	6,258,772,000	4,831,296,000
Long-term loans from others		6,000,000,000	-	6,000,000,000	-
Liabilities under financial leases		62,670,292,837	65,335,908,882	62,670,292,837	65,335,908,882
Promissory notes from related parties	4.5.1.3	175,000,000	500,000,000	175,000,000	500,000,000
Promissory notes from others		50,000,000	250,000,000	50,000,000	250,000,000
Staff pension fund	4.18	4,854,296,336	4,777,978,683	4,854,296,336	4,777,978,683
Long-term provisions		3,874,319,870	3,874,319,870	3,874,319,870	3,874,319,870
<b>Total Non-Current Liabilities</b>		<b>120,717,391,043</b>	<b>115,069,503,435</b>	<b>120,717,391,043</b>	<b>115,069,503,435</b>
<b>Total Liabilities</b>		<b>212,945,275,166</b>	<b>213,652,451,959</b>	<b>212,875,333,176</b>	<b>213,567,801,709</b>
<b>Shareholders' Equity</b>					
Share capital	4.10				
Authorized					
1,700.00 million ordinary shares par value of Baht 10 each		17,000,000,000	17,000,000,000	17,000,000,000	17,000,000,000
Issued and paid-up					
1,698.90 million ordinary shares par value of Baht 10 each		16,989,009,500	16,989,009,500	16,989,009,500	16,989,009,500
Premium on share capital		15,637,625,278	15,637,625,278	15,637,625,278	15,637,625,278
Retained earnings					
Appropriated					
Legal reserve		1,700,000,000	1,700,000,000	1,700,000,000	1,700,000,000
Unappropriated		13,741,353,364	11,276,187,481	12,859,590,159	10,329,483,675
<b>Total Company Shareholders' Equity</b>		<b>48,067,988,142</b>	<b>45,602,822,259</b>	<b>47,186,224,937</b>	<b>44,656,118,453</b>
<b>Minority Interests</b>		<b>261,107,237</b>	<b>279,310,034</b>	<b>-</b>	<b>-</b>
<b>Total Shareholders' Equity</b>		<b>48,329,095,379</b>	<b>45,882,132,293</b>	<b>47,186,224,937</b>	<b>44,656,118,453</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>261,274,370,545</b>	<b>259,534,584,252</b>	<b>260,061,558,113</b>	<b>258,223,920,162</b>

The accompanying notes are an integral part of these financial statements.

(Signed) *ACM Narongsak Sangapong*  
(Narongsak Sangapong)  
Senior Executive Vice President,  
Corporate Secretariat,  
Acting President

(Signed) *Ngamnit Sombutpibool*  
(Ngamnit Sombutpibool)  
Executive Vice President  
Finance and Accounting

**THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**

**STATEMENTS OF INCOME**

**For the three - month periods ended June 30, 2009 and 2008**

Units : Baht

	Notes	CONSOLIDATED		THE COMPANY	
		2009	2008	2009	2008
<b>Revenues</b>					
<b>Revenues from Sale or revenues from Services</b>					
Passenger and excess baggage		28,262,037,966	40,668,329,722	28,262,037,966	40,668,329,722
Freight		4,010,037,505	6,910,794,415	4,010,037,505	6,910,794,415
Mail		185,217,364	233,169,721	185,217,364	233,169,721
Other activities		1,904,625,829	2,481,460,895	1,827,430,339	2,389,076,147
<b>Total Revenues from Sale or revenues from Services</b>		<b>34,361,918,664</b>	<b>50,293,754,753</b>	<b>34,284,723,174</b>	<b>50,201,370,005</b>
<b>Other Income</b>					
Interest income		40,930,579	116,664,432	37,458,709	113,451,621
Other incomes	4.12	225,707,057	449,193,996	365,061,188	514,745,868
<b>Total Other Incomes</b>		<b>266,637,636</b>	<b>565,858,428</b>	<b>402,519,897</b>	<b>628,197,489</b>
<b>Total Revenues</b>		<b>34,628,556,300</b>	<b>50,859,613,181</b>	<b>34,687,243,071</b>	<b>50,829,567,494</b>
<b>Expenses</b>					
Fuel and oil		9,600,023,303	23,557,645,543	9,600,023,303	23,557,645,543
Personnel		6,836,894,084	8,020,041,192	6,822,733,453	8,013,076,046
Management benefit expenses	4.11	13,646,400	23,147,988	12,965,302	22,859,458
Flight service expenses		4,265,891,510	5,361,759,149	4,265,891,510	5,361,759,149
Crew expenses		1,279,175,395	1,778,570,081	1,279,175,395	1,778,570,081
Aircraft maintenance and overhaul		3,292,514,319	3,179,904,487	3,292,514,319	3,179,904,487
Depreciation and amortisation expenses		5,171,476,907	5,060,145,065	5,167,477,269	5,053,600,540
Lease of aircraft and spare parts		294,973,786	778,163,666	294,973,786	778,163,666
Inventories and supplies		2,110,076,478	2,294,320,058	2,110,076,478	2,294,320,058
Salling and advertising expenses		1,553,642,094	2,136,655,877	1,544,207,163	2,127,110,184
Insurance		199,210,670	181,585,691	199,210,670	181,585,691
Impairment of assets		83,873,713	76,140,592	83,873,713	76,140,592
Other expenses	4.13	2,007,572,027	2,456,749,378	2,011,156,220	2,432,548,933
Losses on foreign currency exchange		1,821,576,603	5,028,605,715	1,822,089,444	5,032,215,627
<b>Total Expenses</b>		<b>38,530,547,289</b>	<b>59,933,434,482</b>	<b>38,506,368,025</b>	<b>59,889,500,055</b>
Share of losses (profits) of investments by the equity method		(31,095,108)	(14,096,809)	-	-
<b>Losses before Finance Costs and Income Tax Expenses</b>		<b>(3,870,895,881)</b>	<b>(9,059,724,492)</b>	<b>(3,819,124,954)</b>	<b>(9,059,932,561)</b>
Finance costs		1,422,634,901	1,306,605,478	1,422,634,901	1,306,605,478
<b>Losses before Income Tax Expenses</b>		<b>(5,293,530,782)</b>	<b>(10,366,329,970)</b>	<b>(5,241,759,855)</b>	<b>(10,366,538,039)</b>
Income tax expenses (incomes)	4.14	92,488,437	(1,128,211,743)	75,381,102	(1,142,647,166)
<b>Net losses</b>		<b>(5,386,019,219)</b>	<b>(9,238,118,227)</b>	<b>(5,317,140,957)</b>	<b>(9,223,890,873)</b>
<b>Losses Attributable to:</b>					
Equity holders of the parent		(5,403,399,684)	(9,253,923,585)	(5,317,140,957)	(9,223,890,873)
Minority interest		17,380,465	15,805,358	-	-
		<b>(5,386,019,219)</b>	<b>(9,238,118,227)</b>	<b>(5,317,140,957)</b>	<b>(9,223,890,873)</b>
<b>Basic losses per share</b>	4.16				
Net losses per share		(3.18)	(5.45)	(3.13)	(5.43)

The accompanying notes are an integral part of these financial statements.

(Signed) *ACM Narongsak Sangapong*  
(Narongsak Sangapong)  
Senior Executive Vice President,  
Corporate Secretariat,  
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(Ngamnit Sombutpibool)  
Executive Vice President  
Finance and Accounting

**THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**

**STATEMENTS OF INCOME**

For the six - month periods ended June 30, 2009 and 2008

Units : Baht

	<u>Notes</u>	<u>CONSOLIDATED</u>		<u>THE COMPANY</u>	
		<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
<b>Revenues</b>					
<b>Revenues from Sale or revenues from Services</b>					
Passenger and excess baggage		62,926,827,293	86,308,446,808	62,926,827,293	86,308,446,808
Freight		7,695,283,409	13,496,688,899	7,695,283,409	13,496,688,899
Mail		391,859,627	457,855,970	391,859,627	457,855,970
Other activities		4,031,240,654	4,875,628,287	3,849,757,308	4,670,122,804
<b>Total Revenues from Sale or revenues from Services</b>		<b>75,045,210,983</b>	<b>105,138,619,964</b>	<b>74,863,727,637</b>	<b>104,933,114,481</b>
<b>Other Income</b>					
Interest income		114,640,689	319,806,204	105,710,620	313,216,622
Other incomes	4.12	738,915,347	1,252,005,333	878,956,380	1,377,850,153
<b>Total Other Incomes</b>		<b>853,556,036</b>	<b>1,571,811,537</b>	<b>984,667,000</b>	<b>1,691,066,775</b>
<b>Total Revenues</b>		<b>75,898,767,019</b>	<b>106,710,431,501</b>	<b>75,848,394,637</b>	<b>106,624,181,256</b>
<b>Expenses</b>					
Fuel and oil		20,535,622,694	43,120,806,967	20,535,622,694	43,120,806,967
Personnel		13,593,981,547	15,763,811,666	13,561,786,546	15,749,948,932
Management benefit expenses	4.11	27,826,564	45,475,129	26,923,535	44,879,289
Flight service expenses		8,458,103,561	10,516,581,407	8,458,103,561	10,516,581,407
Crew expenses		2,598,866,604	3,549,195,965	2,598,866,604	3,549,195,965
Aircraft maintenance and overhaul		5,038,243,064	6,489,589,234	5,038,243,064	6,489,589,234
Depreciation and amortisation expenses		10,244,939,596	10,052,228,583	10,235,712,579	10,038,560,809
Lease of aircraft and spare parts		710,171,301	1,950,440,209	710,171,301	1,950,440,209
Inventories and supplies		4,153,381,692	4,686,920,195	4,153,381,692	4,686,920,195
Salling and advertising expenses		2,953,793,421	3,954,794,679	2,936,534,120	3,932,333,230
Insurance		395,871,956	364,327,285	395,871,956	364,327,285
Impairment of assets		170,971,644	111,466,624	170,971,644	111,466,624
Other expenses	4.13	4,192,698,099	4,808,311,361	4,177,183,552	4,769,377,121
Losses (gains) on foreign currency exchange		(2,787,957,661)	5,691,128,193	(2,787,574,769)	5,696,391,094
<b>Total Expenses</b>		<b>70,286,514,082</b>	<b>111,105,077,497</b>	<b>70,211,798,079</b>	<b>111,020,818,361</b>
Share of losses (profits) of investments by the equity method		(29,903,887)	29,670,045	-	-
<b>Profits (losses) before Finance Costs and Income Tax Expenses</b>		<b>5,642,156,824</b>	<b>(4,424,316,041)</b>	<b>5,636,596,558</b>	<b>(4,396,637,105)</b>
Finance costs		2,871,938,698	2,684,770,989	2,871,938,698	2,684,770,989
<b>Profits (losses) before Income Tax Expenses</b>		<b>2,770,218,126</b>	<b>(7,109,087,030)</b>	<b>2,764,657,860</b>	<b>(7,081,408,094)</b>
Income tax expenses (incomes)	4.14	269,255,040	(110,762,901)	234,551,376	(146,147,206)
<b>Net profits (losses)</b>		<b>2,500,963,086</b>	<b>(6,998,324,129)</b>	<b>2,530,106,484</b>	<b>(6,935,260,888)</b>
<b>Profits (losses) Attributable to:</b>					
<b>Equity holders of the parent</b>		<b>2,465,165,883</b>	<b>(7,037,835,922)</b>	<b>2,530,106,484</b>	<b>(6,935,260,888)</b>
Minority interest		35,797,203	39,511,793	-	-
		<b>2,500,963,086</b>	<b>(6,998,324,129)</b>	<b>2,530,106,484</b>	<b>(6,935,260,888)</b>
<b>Basic earnings (losses) per share</b>					
Net profits (losses) per share	4.16	1.45	(4.14)	1.49	(4.08)

The accompanying notes are an integral part of these financial statements.

(Signed) *ACM Narongsak Sangapong*  
(Narongsak Sangapong)  
Senior Executive Vice President,  
Corporate Secretariat,  
Acting President

(Signed) *Ngamnit Sombutpibool*  
(Ngamnit Sombutpibool)  
Executive Vice President  
Finance and Accounting

unaudited  
reviewed

**THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**For the six - month periods ended June 30, 2009 and 2008**

Units : Baht

CONSOLIDATED

	Equity holders of the parent						Total
	Share Capital issued and fully paid	Premium on share capital	Unrealised gains (losses) on available-for-sale securities	Retained Earnings	Total Equity holders of the parent	Minority Interest	
<b>Balance as at January 1, 2008</b>	16,989,009,500	15,638,075,844	(1,318)	35,120,090,631	67,747,174,657	273,304,143	68,020,478,800
Unrealised gain on current investment - available-for-sale securities	-	-	1,318	-	1,318	1,078	2,396
Total recognised revenues in shareholders' equity	16,989,009,500	15,638,075,844	-	35,120,090,631	67,747,175,975	273,305,221	68,020,481,196
<u>Add</u> Net profits (losses)	-	-	-	(7,037,835,922)	(7,037,835,922)	39,511,793	(6,998,324,129)
Total recognised revenues for the period	16,989,009,500	15,638,075,844	-	28,082,254,709	60,709,340,053	312,817,014	61,022,157,067
<u>Add</u> Dividends return	-	-	-	53,692	53,692	-	53,692
<u>Less</u> Dividends paid	-	-	-	(764,505,427)	(764,505,427)	(59,062,500)	(823,567,927)
<b>Balance as at June 30, 2008</b>	<b>16,989,009,500</b>	<b>15,638,075,844</b>	<b>-</b>	<b>27,317,802,974</b>	<b>59,944,888,318</b>	<b>253,754,514</b>	<b>60,198,642,832</b>
<b>Balance as at January 1, 2009</b>	16,989,009,500	15,637,625,278	-	12,976,187,481	45,602,822,259	279,310,034	45,882,132,293
<u>Add</u> Net profits	-	-	-	2,465,165,883	2,465,165,883	35,797,203	2,500,963,086
Total recognised revenues for the period	16,989,009,500	15,637,625,278	-	15,441,353,364	48,067,988,142	315,107,237	48,383,095,379
<u>Less</u> Dividends paid	-	-	-	-	-	(54,000,000)	(54,000,000)
<b>Balance as at June 30, 2009</b>	<b>16,989,009,500</b>	<b>15,637,625,278</b>	<b>-</b>	<b>15,441,353,364</b>	<b>48,067,988,142</b>	<b>261,107,237</b>	<b>48,329,095,379</b>

The accompanying notes are an integral part of these financial statements.

(Signed) *ACM Narongsak Sangapong*  
(Narongsak Sangapong)  
Senior Executive Vice President,  
Corporate Secretariat,  
Acting President

(Signed) *Ngamnit Sombutpibool*  
(Ngamnit Sombutpibool)  
Executive Vice President  
Finance and Accounting

unaudited

reviewed

**THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**For the six - month periods ended June 30, 2009 and 2008**

**Units : Baht**

**THE COMPANY**

	<b>Share Capital issued and fully paid</b>	<b>Premium on share capital</b>	<b>Retained Earnings</b>	<b>Total</b>
<b>Balance as at January 1, 2008</b>	16,989,009,500	15,638,075,844	34,244,300,814	66,871,386,158
<u>Add</u> Net profits (losses)	-	-	(6,935,260,888)	(6,935,260,888)
Total recognised revenues for the period	16,989,009,500	15,638,075,844	27,309,039,926	59,936,125,270
<u>Add</u> Dividends return	-	-	53,692	53,692
<u>Less</u> Dividends paid	-	-	(764,505,427)	(764,505,427)
<b>Balance as at June 30, 2008</b>	<b>16,989,009,500</b>	<b>15,638,075,844</b>	<b>26,544,588,191</b>	<b>59,171,673,535</b>
<b>Balance as at January 1, 2009</b>	16,989,009,500	15,637,625,278	12,029,483,675	44,656,118,453
<u>Add</u> Net profits	-	-	2,530,106,484	2,530,106,484
<b>Balance as at June 30, 2009</b>	<b>16,989,009,500</b>	<b>15,637,625,278</b>	<b>14,559,590,159</b>	<b>47,186,224,937</b>

The accompanying notes are an integral part of these financial statements.

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(Narongsak Sangapong)  
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Corporate Secretariat,  
Acting President

(Signed) *Ngamnit Sombutpibool*  
(Ngamnit Sombutpibool)  
Executive Vice President  
Finance and Accounting

**THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**STATEMENTS OF CASH FLOWS**

**For the six - month periods ended June 30, 2009 and 2008**

Units : Baht

	<u>CONSOLIDATED</u>		<u>THE COMPANY</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
<b>Cash Flows from Operating Activities</b>				
Profits (losses) before Income Tax	2,770,218,126	(7,109,087,030)	2,764,657,860	(7,081,408,094)
Adjustment to reconcile net profit to cash provided by (paid from) operating activities :				
Depreciation and amortisation	10,244,939,596	10,052,228,583	10,235,712,579	10,038,560,809
Dividends income	(297,500)	(350,000)	(138,894,125)	(121,547,180)
Income from investments by equity method	(29,903,887)	29,670,045	-	-
Interest income	(114,640,689)	(319,806,204)	(105,710,620)	(313,216,622)
Interest expenses	2,871,938,698	2,684,770,989	2,871,938,698	2,684,770,989
Gains on sales of assets	(227,947,824)	(374,763,129)	(227,938,885)	(374,763,129)
Gain on current investments-available-for-sale securities	-	(1,243,513)	-	-
Losses (gains) on foreign currency exchange	(2,582,440,583)	5,388,656,353	(2,581,939,249)	5,389,835,002
Provision for obsolete inventories and supplies	8,681,207	(39,593,555)	8,681,207	(39,593,555)
Doubtful accounts	121,883,583	8,742,287	139,491,133	818,385
Impairment loss of assets	170,971,644	111,466,623	170,971,644	111,466,623
Operating profit before changes in operating assets and liabilities	13,233,402,371	10,430,691,449	13,136,970,242	10,294,923,228
Decrease (increase) in operating assets :				
Trade account receivables	1,427,195,837	(1,401,023,000)	1,401,465,554	(1,397,699,531)
Inventories and supplies	785,507,242	(1,008,180,852)	785,507,242	(1,008,180,852)
Prepaid expenses and deposits	(127,530,739)	317,532,504	(125,584,831)	315,695,253
Tax refund	12,609,965	485,055,845	12,609,965	485,055,845
Other current assets	1,053,589,051	105,876,674	1,055,054,046	118,216,621
Deferred Income Taxes	-	(19,630,890)	-	(19,630,890)
Other assets	(16,987,105)	(57,946,032)	(16,987,105)	(57,946,032)
Deferred charges	(79,548,523)	(117,843,649)	(79,548,523)	(117,843,649)
Increase (decrease) in operating liabilities :				
Trade account payables	(932,819,456)	1,372,083,997	(933,233,597)	1,373,052,187
Accrued expenses and other current liabilities	(1,327,298,370)	7,171,665	(1,317,060,713)	5,321,952
Staff pension fund	76,317,653	151,505,565	76,317,653	151,505,565
Unearned transportation revenue	(5,222,377,823)	2,502,712,728	(5,222,377,823)	2,502,712,728
Payment of income tax	(136,550,794)	(999,741,018)	(102,259,461)	(953,892,245)
<b>Net Cash from Operating Activities</b>	<b>8,745,509,309</b>	<b>11,768,264,986</b>	<b>8,670,872,649</b>	<b>11,691,290,180</b>

The accompanying notes are an integral part of these financial statements.



**THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**

**STATEMENTS OF CASH FLOWS**

**For the six - month periods ended June 30, 2009 and 2008**

**Units : Baht**

	<u>CONSOLIDATED</u>		<u>THE COMPANY</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
<b>Cash Flows from Investing Activities</b>				
Cash paid for acquisition of fixed assets	(10,698,879,742)	(11,333,108,641)	(10,698,005,171)	(11,332,666,041)
Cash paid for intangible assets	(31,825,880)	(41,626,062)	(30,638,080)	(41,293,862)
Cash received from transferring predelivery payment of aircraft and aircraft spare parts	555,470,844	-	555,470,844	-
Cash received from selling of assets	250,812,500	671,809,128	250,802,920	671,809,128
Interest income	104,583,907	298,890,806	95,681,587	294,461,420
Dividends income	72,894,125	49,359,680	138,894,125	121,547,180
Investments decrease	-	2,810,689	-	2,810,689
Cash received from selling of temporary investments-available-for-sale securities	210,000,000	3,064,500	-	-
<b>Net Cash Used in Investing Activities</b>	<b><u>(9,536,944,246)</u></b>	<b><u>(10,348,799,900)</u></b>	<b><u>(9,687,793,775)</u></b>	<b><u>(10,283,331,486)</u></b>
<b>Cash Flows from Financing Activities</b>				
Cash received from debenture bonds	4,790,000,000	-	4,790,000,000	-
Cash received from long-term loans	9,206,630,318	-	9,206,630,318	-
Cash paid for repayment of short-term loans	(2,585,089,410)	(2,462,020,000)	(2,585,089,410)	(2,462,020,000)
Cash paid for repayment of debenture bonds	-	(6,000,000,000)	-	(6,000,000,000)
Cash paid for repayment of long-term loans	(5,578,607,597)	(4,524,464,614)	(5,578,607,597)	(4,524,464,614)
Cash paid for repayment of promissory notes	(525,000,000)	(525,000,000)	(525,000,000)	(525,000,000)
Cash paid for loan interest	(2,743,367,700)	(2,679,449,950)	(2,743,367,700)	(2,679,449,950)
Dividends paid	(183,279)	(3,812,918,750)	(183,279)	(3,812,918,750)
Dividends paid to minority interest	(54,000,000)	(59,062,500)	-	-
<b>Net Cash from (used in) Financing Activities</b>	<b><u>2,510,382,332</u></b>	<b><u>(20,062,915,814)</u></b>	<b><u>2,564,382,332</u></b>	<b><u>(20,003,853,314)</u></b>
Increase (decrease) in cash and cash equivalents	1,718,947,395	(18,643,450,728)	1,547,461,206	(18,595,894,620)
Decrease in the effect from changing in exchange rate on cash and cash equivalents	(77,850,149)	(65,091,607)	(77,850,149)	(65,091,607)
Cash and cash equivalents at the beginning of the periods	7,494,439,429	25,783,446,087	7,452,416,947	25,429,970,323
<b>Cash and Cash Equivalents at the End of the Periods</b>	<b><u>9,135,536,675</u></b>	<b><u>7,074,903,752</u></b>	<b><u>8,922,028,004</u></b>	<b><u>6,768,984,096</u></b>

The accompanying notes are an integral part of these financial statements.

(Signed) *ACM Narongsak Sangapong*  
(Narongsak Sangapong)  
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Corporate Secretariat,  
Acting President

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(Ngamnit Sombutpibool)  
Executive Vice President  
Finance and Accounting

**THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS**

**For the three and six-month periods ended June 30, 2009 (unaudited but reviewed)**  
**and for the year ended December 31, 2008 (audited)**

**1. BASIC OF FINANCIAL STATEMENT PREPARATION**

**1.1 Financial statement preparation**

The consolidated and the Company financial statements have been prepared in accordance with generally accepted accounting principles under the Accounting Act B.E. 2543 (2000) being those Thai accounting standards which issued by the Accounting Profession Act B.E. 2547 (2004) and the financial reporting requirements of the Securities and Exchange Commission, Thailand under the Securities and Exchange Act B.E. 2535 (1992).

The Company's financial statements consist of Thai Airways International Public Company Limited and the Company's staff pension fund.

The consolidated financial statements consist of the Company and its subsidiary, Thai-Amadeus Southeast Asia Company Limited, in which the Company holds equity interests of 55%. Significant transactions between the Company and its subsidiary have been eliminated from the consolidated financial statements.

**1.2 Interim financial statement preparation**

The interim financial statements are prepared in accordance with Thai Accounting Standard No.41 "Interim Financial Statements". The Company presents items in the balance sheets, statements of income, changes in shareholders' equity and cash flows in the same format as the annual financial statements and discloses only significant additional information in the note to financial statements.

The preparation of these interim financial statements are intended to provide additional information to that included in the latest annual financial statements for the year ended December 31, 2008. Accordingly, the interim financial statements focus on supporting of new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

Moreover, the Securities and Exchange Commission (SEC) has considered the letter of the Company No. KorBor 07/043 dated July 20, 2009, the Preparation of Income Statement by Nature Expense. The SEC expressed an opinion that the preparation of the Company's income statement classified the expenses by nature does not give any substance less than the income statement classified the expenses by function according to the Notification of Capital Market Supervisory Board No. TorChor 19/2552 (2009), Rules, Conditions, and Procedures for Reporting of Information Disclosure on Financial Status and Operating of Issuing Company (No.2) dated April 22, 2009. Therefore, the SEC acknowledged the preparation of such income statement.

## 2. ACCOUNTING PRESENTATION IN FINANCIAL STATEMENTS

The Company has reclassified the items in financial statements to conform to the Notification of Department of Business Development, Determination of Short Items in Financial Statements B.E. 2551 which becomes effective for the fiscal years beginning on or after January 1, 2009. The Company also reclassified the financial statements for the three and six-month periods ended June 30, 2008 and for the year ended December 31, 2008 for comparative purpose.

## 3. GUIDELINE TO RESOLVE BUSINESS OPERATION PROBLEMS AND LIQUIDITY

In the second quarter (April 1 – June 30, 2009), the Company incurred a net loss amount of THB 5,317.14 million and the EBITDA was THB 2,884.46 million. This was due to the impact of uncontrollable factors such as global economic recession crisis, the political unrest in the country, the 2009 flu pandemic (H1N1) as well as a low season period. But, the Company still have a net profit amount of THB 2,530.11 million for the six-month periods (January 1 – June 30, 2009) and the EBITDA was THB 12,337.97 million. An unappropriated retain earnings was THB 12,859.59 million as at June 30, 2009.

Besides, the Company conducts according to the Immediate Business Turnaround Plan, which was submitted to the Ministry of Finance on April 1, 2009. The Cabinet has already acknowledged such plan reported by the Ministry of Transportation on June 30, 2009. Afterward, the Company has adjusted this plan to conform to the current situation. The Company also has a supporting operation plan which was submitted to the Company's Board of Directors Meeting No. 11/2009 held on July 23, 2009. In the meantime, the Company has prepared a later stage of Business Turnaround Plan.

Moreover, the Company is in a process of arranging long-term financial lease, which is guaranteed by the Export Credit Agencies (ECAs), for 4 Airbus A330-300 aircraft received in 2009. The Company also borrowed long-term loans in order to refinance short-term loans and improve its liquidity according to the Immediate Business Turnaround Plan which described in Note to financial statement No. 4.22, Events After the Balance Sheet Date.

## 4. SUPPLEMENTARY INFORMATION

### 4.1 Cash and Cash Equivalents

	<b>Consolidated</b>		<b>Units : Million Baht The Company</b>	
	<b><u>30-Jun-09</u></b>	<b><u>31-Dec-08</u></b>	<b><u>30-Jun-09</u></b>	<b><u>31-Dec-08</u></b>
Cash - Domestic	9.51	8.78	9.51	8.78
Cash - Abroad	26.87	27.57	26.87	27.57
Bank Deposits - Domestic	3,032.03	3,495.71	2,818.52	3,453.69
Bank Deposits - Abroad	<u>6,067.13</u>	<u>3,962.38</u>	<u>6,067.13</u>	<u>3,962.38</u>
<b>Total</b>	<b><u>9,135.54</u></b>	<b><u>7,494.44</u></b>	<b><u>8,922.03</u></b>	<b><u>7,452.42</u></b>

#### 4.2 Trade Account Receivables - Net

Trade account receivables are classified according to their stages of delinquency, as expressed in the schedule below.

	<b>Consolidated</b>		<b>Units : Million Baht The Company</b>	
	<b><u>30-Jun-09</u></b>	<b><u>31-Dec-08</u></b>	<b><u>30-Jun-09</u></b>	<b><u>31-Dec-08</u></b>
	Period of overdue			
Not over 6 months	14,322.28	15,773.90	14,294.47	15,734.76
Over : 6 months to 1 year	194.67	99.52	194.67	85.11
Over : 1 year to 2 years	96.46	63.58	95.96	63.58
Over : 2 years	<u>1,380.61</u>	<u>1,320.56</u>	<u>1,351.74</u>	<u>1,291.70</u>
	15,994.02	17,257.56	15,936.84	17,175.15
<u>Less Allowance for doubtful accounts</u>	<u>(1,550.29)</u>	<u>(1,428.77)</u>	<u>(1,521.05)</u>	<u>(1,381.93)</u>
<b>Trade account receivables - net</b>	<b><u>14,443.73</u></b>	<b><u>15,828.79</u></b>	<b><u>14,415.79</u></b>	<b><u>15,793.22</u></b>

#### 4.3 Other Current Assets

	<b>Consolidated</b>		<b>Units : Million Baht The Company</b>	
	<b><u>30-Jun-09</u></b>	<b><u>31-Dec-08</u></b>	<b><u>30-Jun-09</u></b>	<b><u>31-Dec-08</u></b>
	Tax refund	315.12	247.59	315.12
Cash and fixed deposits of pension fund	3,414.28	4,549.93	3,414.28	4,549.93
Others	<u>2,095.73</u>	<u>1,992.04</u>	<u>2,057.57</u>	<u>1,955.38</u>
<b>Total</b>	<b><u>5,825.13</u></b>	<b><u>6,789.56</u></b>	<b><u>5,786.97</u></b>	<b><u>6,752.90</u></b>

## 4.4 Investments

### Consolidated

Units : Million Baht

Name of Company	Percentage of Shareholding		Investments				Income on Investments for the six - month periods	
			Cost method		Equity method		30-Jun-09	30-Jun-08
	30-Jun-09	31-Dec-08	30-Jun-09	31-Dec-08	30-Jun-09	31-Dec-08	30-Jun-09	30-Jun-08
<b>4.4.1 Investments using the equity method</b>								
Royal Orchid Hotel (Thailand) Public Company Limited (Market value as at 30 Jun 09 amount of THB 585.00 million and as at 31 Dec 08 amount of THB 675.00 million)	24	24	225.00	225.00	289.94	300.25	7.69	31.22
Donmuang International Airport Hotel Company Limited	40	40	48.00	48.00	167.26	189.84	(5.78)	(1.04)
Bangkok Aviation Fuel Services Public Company Limited (Market value as at 30 Jun 09 amount of THB 760.23 million and as at 31 Dec 08 amount of THB 610.49 million)	22.6	22.6	115.19	115.19	584.47	582.71	30.55	23.30
Phuket Air Catering Company Limited	30	30	30.00	30.00	89.44	71.35	27.09	27.14
Suvarnabhumi Airport Hotel Company Limited	30	30	305.33	305.33	163.29	192.95	(29.65)	(1.89)
Nok Airlines Company Limited <u>Less</u> Allowance for impairment of Nok Airlines Company Limited	39	39	195.00 (195.00)	195.00 (195.00)	- -	- -	- -	(108.40) -
<b>Total investments using the equity Method</b>					<b><u>1,294.40</u></b>	<b><u>1,337.10</u></b>	<b><u>29.90</u></b>	<b><u>(29.67)</u></b>
<b>4.4.2 Other long-term investments stated at cost</b>								
Fuel Pipeline Transportation Limited	8.4	8.4	133.00	133.00			-	-
Aeronautical Radio of Thailand Limited	2.7	2.7	17.96	17.96			-	-
SITA Investment Certificate	-	-	32.59	33.47			-	-
Trade Siam Company Limited (paid 25% of authorized share capital)	3.5	3.5	1.75	1.75			-	-
SITA Information Networking Computing	-	-	30.99	31.83			-	-
Other Shares	-	-	2.96	2.99			0.30	0.35
<u>Less</u> Allowance for impairment of Fuel Pipeline Transportation Limited			(133.00)	(133.00)			-	-
<b>Total other long-term investments</b>			<b><u>86.25</u></b>	<b><u>88.00</u></b>			<b><u>0.30</u></b>	<b><u>0.35</u></b>

The Company

Units : Million Baht

Name of Company	Percentage of Shareholding		Investments		Dividend Income for the six - month periods	
			Cost method			
	30-Jun-09	31-Dec-08	30-Jun-09	31-Dec-08	30-Jun-09	30-Jun-08
<b>4.4.1 Investments using the cost method</b>						
<b>Subsidiary Company</b>						
Thai-Amadeus Southeast Asia Company Limited	55	55	<u>8.25</u>	<u>8.25</u>	<u>66.00</u>	<u>72.19</u>
<b>Associated Companies</b>						
Royal Orchid Hotel (Thailand) Public Company Limited (Market value as at 30 Jun 09 amount of THB 585.00 million and as at 31 Dec 08 amount of THB 675.00 million)	24	24	225.00	225.00	18.00	3.15
Donmuang International Airport Hotel Company Limited	40	40	48.00	48.00	16.80	-
Bangkok Aviation Fuel Services Public Company Limited (Market value as at 30 Jun 09 amount of THB 760.23 million and as at 31 Dec 08 amount of THB 610.49 million)	22.6	22.6	115.19	115.19	28.80	36.86
Phuket Air Catering Company Limited	30	30	30.00	30.00	9.00	9.00
Suvarnabhumi Airport Hotel Company Limited	30	30	305.33	305.33	-	-
Nok Airlines Company Limited	39	39	195.00	195.00	-	-
<u>Less</u> Allowance for impairment of Nok Airlines Company Limited			(195.00)	(195.00)	-	-
<b>Total</b>			<u>723.52</u>	<u>723.52</u>	<u>72.60</u>	<u>49.01</u>
<b>Total investments using the cost method</b>			<u>731.77</u>	<u>731.77</u>	<u>138.60</u>	<u>121.20</u>
<b>4.4.2 Other long-term investments stated at cost</b>						
Fuel Pipeline Transportation Limited	8.4	8.4	133.00	133.00	-	-
Aeronautical Radio of Thailand Limited	2.7	2.7	17.96	17.96	-	-
SITA Investment Certificate	-	-	32.59	33.47	-	-
TRADESIAM Company Limited (paid 25% of authorized share capital)	3.5	3.5	1.75	1.75	-	-
SITA Information Networking Computing	-	-	30.99	31.83	-	-
Other Shares	-	-	2.96	2.99	0.30	0.35
<u>Less</u> Allowance for impairment of Fuel Pipeline Transportation Limited			(133.00)	(133.00)	-	-
<b>Total other long-term investments</b>			<u>86.25</u>	<u>88.00</u>	<u>0.30</u>	<u>0.35</u>

#### 4.4.3 Financial Data Summary of Subsidiary and Associated Companies

Name of Company	Units : Million Baht			
	Assets	Liabilities	Income	Gains (Losses)
<b><u>Subsidiary Company</u></b>				
Thai-Amadeus Southeast Asia Company Limited	651.14	70.77	191.50	79.68
<b><u>Associated Companies</u></b>				
Royal Orchid Hotel (Thailand) Public Company Limited	1,545.01	261.91	204.75	(1.06)
Donmuang International Airport Hotel Company Limited	499.67	39.53	47.65	(3.51)
Bangkok Aviation Fuel Services Public Company Limited	5,624.47	2,909.71	438.17	130.85
Phuket Air Catering Company Limited	357.30	29.15	124.53	66.56
Suvarnabhumi Airport Hotel Company Limited	2,170.00	1,625.70	312.76	(98.85)
Nok Airlines Company Limited	567.72	674.87	494.63	97.32

The Company used the financial statements of associated companies as at March 31, 2009 to record the investment by equity method in the consolidated financial statement and by cost method in the Company's financial statement. Because the associated companies cannot submit their financial statements to the Company in time for accounting closing. This is no material impact to the Company.

#### 4.5 Related Parties The Company

##### 4.5.1 Major Shareholders

##### 4.5.1.1 Short-term loans from related parties

	Units : Million Baht	
	30-Jun-09	31-Dec-08
Foreign loans via the Ministry of Finance	4,361.40	3,508.27
Export-Import Bank of Thailand	300.00	300.00
Islamic Bank of Thailand	<u>500.00</u>	<u>750.00</u>
	<b><u>5,161.40</u></b>	<b><u>4,558.27</u></b>

##### 4.5.1.2 Long-term loans from related parties

	Units : Million Baht	
	30-Jun-09	31-Dec-08
Foreign loans via the Ministry of Finance	1,366.77	1,403.30
Government Saving Bank	3,714.00	4,000.00
Islamic Bank of Thailand	<u>2,250.00</u>	-
	<b><u>7,330.77</u></b>	<b><u>5,403.30</u></b>

##### 4.5.1.3 Promissory notes from related parties

	Units : Million Baht	
	30-Jun-09	31-Dec-08
Government Saving Bank	825.00	1,150.00

#### 4.5.2 Subsidiary Company

	Units : Million Baht							
	The three-month periods				The six-month periods			
	Apr-Jun'09		Apr-Jun'08		Jan-Jun'09		Jan-Jun'08	
	Sales	Purchase	Sales	Purchase	Sales	Purchase	Sales	Purchase
Thai - Amadeus Southeast Asia Company Limited	0.81	-	3.46	-	2.04	-	8.39	-

	Units : Million Baht			
	30-Jun-09		31-Dec-08	
	Account Receivables	Account Payables	Account Receivables	Account Payables
Thai-Amadeus Southeast Asia Company Limited	0.77	-	0.76	-

#### 4.5.3 Associated Companies

	Units : Million Baht							
	The three-month periods				The six-month periods			
	Apr-Jun'09		Apr-Jun'08		Jan-Jun'09		Jan-Jun'08	
	Sales	Purchase	Sales	Purchase	Sales	Purchase	Sales	Purchase
Royal Orchid Hotel (Thailand) Public Company Limited	-	1.43	-	3.24	-	4.72	-	8.34
Donmuang International Airport Hotel Company Limited	-	0.29	-	1.79	-	0.72	-	1.86
Bangkok Aviation Fuel Services Public Company Limited	0.01	85.64	0.01	107.13	0.02	171.91	0.04	199.00
Phuket Air Catering Company Limited	0.77	0.68	0.74	0.95	1.71	1.70	1.66	5.90
Suvarnabhumi Airport Hotel Company Limited	-	10.65	-	17.27	-	23.00	-	46.71
Nok Airlines Company Limited	219.49	-	640.68	-	425.64	-	1,279.50	-

	Units : Million Baht			
	30-Jun-09		31-Dec-08	
	Account Receivables	Account Payables	Account Receivables	Account Payables
Royal Orchid Hotel (Thailand) Public Company Limited	-	0.01	-	-
Donmuang International Airport Hotel Company Limited	-	-	-	-
Bangkok Aviation Fuel Services Public Company Limited	-	28.21	-	27.33
Phuket Air Catering Company Limited	0.43	0.40	0.35	2.01
Suvarnabhumi Airport Hotel Company Limited	-	1.18	-	-
Nok Airlines Company Limited	83.52	-	123.57	-

The Company purchases goods and services at a market price from related parties on normal commercial term as unrelated parties.



#### 4.6 Property, Plant and Equipment - Net

##### Consolidated

Units : Million Baht

	Aircraft	Aircraft under financial leases	Aircraft spare parts	Land buildings and development	Other plant and equipment	Total
<b>Cost</b>						
As at January 1, 2009	156,754.52	142,897.70	29,298.79	18,765.92	29,527.49	<b>377,244.42</b>
- Adjust/Transfer	(10,893.35)	4,615.07	(224.81)	73.64	124.18	<b>(6,305.27)</b>
- Increased asset	5,625.79	7,013.76	2,259.25	47.71	332.51	<b>15,279.02</b>
- Sold	-	(30.22)	(525.25)	(45.62)	(231.04)	<b>(832.13)</b>
As at June 30, 2009	<b>151,486.96</b>	<b>154,496.31</b>	<b>30,807.98</b>	<b>18,841.65</b>	<b>29,753.14</b>	<b>385,386.04</b>
<b>Accumulated depreciation</b>						
As at January 1, 2009	84,646.12	36,466.94	19,347.37	9,600.35	20,119.67	<b>170,180.45</b>
- Depreciation	3,254.25	4,351.78	1,026.96	399.83	1,023.15	<b>10,055.97</b>
- Adjust/Transfer	(6,355.94)	1,446.71	(143.36)	0.02	(29.33)	<b>(5,081.90)</b>
- Sold	-	(28.52)	(329.59)	(44.71)	(226.87)	<b>(629.69)</b>
As at June 30, 2009	<b>81,544.43</b>	<b>42,236.91</b>	<b>19,901.38</b>	<b>9,955.49</b>	<b>20,886.62</b>	<b>174,524.83</b>
<b>Net book value</b>						
As at December 31, 2008	<b>72,108.40</b>	<b>106,430.76</b>	<b>9,951.42</b>	<b>9,165.57</b>	<b>9,407.82</b>	<b>207,063.97</b>
As at June 30, 2009	<b>69,942.53</b>	<b>112,259.40</b>	<b>10,906.60</b>	<b>8,886.16</b>	<b>8,866.52</b>	<b>210,861.21</b>

##### The Company

Units : Million Baht

	Aircraft	Aircraft under financial leases	Aircraft spare parts	Land buildings and development	Other plant and equipment	Total
<b>Cost</b>						
As at January 1, 2009	156,754.52	142,897.70	29,298.79	18,765.92	29,283.60	<b>377,000.53</b>
- Adjust/Transfer	(10,893.35)	4,615.07	(224.81)	73.64	153.49	<b>(6,275.96)</b>
- Increased asset	5,625.79	7,013.76	2,259.25	47.71	331.63	<b>15,278.14</b>
- Sold	-	(30.22)	(525.25)	(45.62)	(231.04)	<b>(832.13)</b>
As at June 30, 2009	<b>151,486.96</b>	<b>154,496.31</b>	<b>30,807.98</b>	<b>18,841.65</b>	<b>29,537.68</b>	<b>385,170.58</b>
<b>Accumulated depreciation</b>						
As at January 1, 2009	84,646.12	36,466.94	19,347.37	9,600.35	19,908.73	<b>169,969.51</b>
- Depreciation	3,254.25	4,351.78	1,026.96	399.83	1,014.20	<b>10,047.02</b>
- Adjust/Transfer	(6,355.94)	1,446.71	(143.36)	0.02	(0.02)	<b>(5,052.59)</b>
- Sold	-	(28.52)	(329.59)	(44.71)	(226.88)	<b>(629.70)</b>
As at June 30, 2009	<b>81,544.43</b>	<b>42,236.91</b>	<b>19,901.38</b>	<b>9,955.49</b>	<b>20,696.03</b>	<b>174,334.24</b>
<b>Net book value</b>						
As at December 31, 2008	<b>72,108.40</b>	<b>106,430.76</b>	<b>9,951.42</b>	<b>9,165.57</b>	<b>9,374.87</b>	<b>207,031.02</b>
As at June 30, 2009	<b>69,942.53</b>	<b>112,259.40</b>	<b>10,906.60</b>	<b>8,886.16</b>	<b>8,841.65</b>	<b>210,836.34</b>

In this period, there are 90 aircraft in the Company's fleet consisting of 55 own aircraft, 28 aircraft under financial leases and 7 aircraft under operating leases.

Aircraft spare parts consist of aircraft engines and other aircraft spare parts.

Other plants and equipment-net amount of THB 8,866.52 million (consolidated) and THB 8,841.65 million (the Company).

The Company uses buildings and equipment amount of THB 41,248.04 million that are now fully depreciated.

Financial leased assets are aircraft under financial leases which the purchase contracts are made in USD currency but the financial leases are made in EUR, JPY and USD currencies.

In this period, the financial leased assets increased amount of THB 4,676.50 million.

#### 4.7 Intangible Assets-net

	Units : Million Baht	
	<b>Consolidated</b>	<b>The Company</b>
<b>Cost</b>		
As at January 1, 2009	1,209.82	1,204.48
- Assets increase	31.82	30.64
As at June 30, 2009	1,241.64	1,235.12
<b>Accumulated amortisation</b>		
As at January 1, 2009	401.93	400.90
- Amortisation	122.54	122.26
As at June 30, 2009	524.47	523.16
<b>Net book value</b>		
As at December 31, 2008	<b>807.89</b>	<b>803.58</b>
As at June 30, 2009	<b>717.17</b>	<b>711.96</b>

#### 4.8 Deferred Income Taxes

	Units : Million Baht			
	<b>Consolidated</b>		<b>The Company</b>	
	<u><b>30-Jun-09</b></u>	<u><b>31-Dec-08</b></u>	<u><b>30-Jun-09</b></u>	<u><b>31-Dec-08</b></u>
Contribution to staff pension fund	1,043.96	1,050.57	1,043.96	1,050.57
Allowance for obsolete inventories	562.67	721.72	562.67	721.72
Allowance for doubtful accounts	521.20	484.79	512.43	470.74
Allowance impairment in value of assets	1,687.21	1,728.31	1,687.21	1,728.31
Estimated accrual expenses	1,843.56	1,742.16	1,843.56	1,742.16
Frequent flyer program (ROP)	195.86	345.97	195.86	345.97
Deferred loss on foreign currency exchange	313.31	313.41	313.31	313.41
Others	<u>20.29</u>	<u>18.84</u>	<u>16.65</u>	<u>15.19</u>
<b>Total</b>	<b><u>6,188.06</u></b>	<b><u>6,405.77</u></b>	<b><u>6,175.65</u></b>	<b><u>6,388.07</u></b>

#### 4.9 Other Non-Current Assets

	<b>Consolidated</b>		<b>Units : Million Baht The Company</b>	
	<b>30-Jun-09</b>	<b>31-Dec-08</b>	<b>30-Jun-09</b>	<b>31-Dec-08</b>
	Deferred charges	1,499.39	1,506.71	1,499.39
Others	<u>223.86</u>	<u>206.88</u>	<u>223.86</u>	<u>206.88</u>
<b>Total</b>	<b><u>1,723.25</u></b>	<b><u>1,713.59</u></b>	<b><u>1,723.25</u></b>	<b><u>1,713.59</u></b>

Deferred charges consisted of aircraft overhaul costs (D-check) for aircraft under operating lease, which are amortized as expenses over an estimated useful life of 4-7 years but not over the lease term, and loan guarantee premiums for purchasing of aircraft are amortized as expenses over the period of due payment loans in each accounting period.

#### 4.10 Share Capital

As at June 30, 2009, the Company has authorized ordinary shares amount of 1,700 million shares at par value THB 10 each for an aggregate of THB 17 billion, issued and paid-up ordinary shares amount of THB 16,989.01 million.

#### 4.11 Management Benefit Expenses

Managements refer to the Company's Board of Directors, chief executive, persons in the next four executive levels below the chief executive, and in similar position, and accounting or finance department managers or above according to the regulation of the Stock Exchange of Thailand.

<b>Text</b>	<b>Units : Million Baht</b>			
	<b>Consolidated</b>			
	<b>For the three-month periods</b>		<b>For the six-month periods</b>	
	<b>Apr-Jun'09</b>	<b>Apr-Jun'08</b>	<b>Jan-Jun'09</b>	<b>Jan-Jun'08</b>
Board of Directors' benefit expenses	3.89	7.80	7.97	11.90
Executives' benefit expenses	9.76	15.35	19.86	33.57
<b>Total</b>	<b>13.65</b>	<b>23.15</b>	<b>27.83</b>	<b>45.47</b>

<b>Text</b>	<b>Units : Million Baht</b>			
	<b>The Company</b>			
	<b>For the three-month periods</b>		<b>For the six-month periods</b>	
	<b>Apr-Jun'09</b>	<b>Apr-Jun'08</b>	<b>Jan-Jun'09</b>	<b>Jan-Jun'08</b>
Board of Directors' benefit expenses	3.21	7.51	7.06	11.31
Executives' benefit expenses	9.76	15.35	19.86	33.57
<b>Total</b>	<b>12.97</b>	<b>22.86</b>	<b>26.92</b>	<b>44.88</b>

The above management benefit expenses are not included any ticket benefits.

#### 4.12 Other Incomes

Text	Units : Million Baht			
	Consolidated			
	For the three-month periods		For the six-month periods	
	Apr-Jun'09	Apr-Jun'08	Jan-Jun'09	Jan-Jun'08
Gains on sales of assets	1.70	(0.06)	227.95	374.76
Revenue from other services of Aircraft Maintenance Department	91.18	105.04	178.65	171.44
Revenue from airport fees collected from passengers	61.81	187.47	123.62	374.94
Other incomes	71.02	156.74	208.70	330.86
<b>Total</b>	<b>225.71</b>	<b>449.19</b>	<b>738.92</b>	<b>1,252.00</b>

Text	Units : Million Baht			
	The Company			
	For the three-month periods		For the six-month periods	
	Apr-Jun'09	Apr-Jun'08	Jan-Jun'09	Jan-Jun'08
Gains on sales of assets	1.70	(0.06)	227.94	374.76
Dividend from subsidiary and associated companies	138.60	63.45	138.60	121.20
Revenue from other services of Aircraft Maintenance Department	91.18	105.04	178.65	171.44
Revenue from airport fees collected from passengers	61.81	187.47	123.62	374.94
Other incomes	71.77	158.84	210.15	335.51
<b>Total</b>	<b>365.06</b>	<b>514.74</b>	<b>878.96</b>	<b>1,377.85</b>

#### 4.13 Other Expenses

Text	Units : Million Baht			
	Consolidated			
	For the three-month periods		For the six-month periods	
	Apr-Jun'09	Apr-Jun'08	Jan-Jun'09	Jan-Jun'08
Rentals and utilities	670.17	771.58	1,410.48	1,507.40
Office supplies	57.58	97.43	120.24	165.99
Repair of building and equipment	97.27	122.14	184.92	235.21
Outsource services	304.63	311.11	567.78	523.83
Consultant and service fees	107.47	131.60	196.03	219.71
Legal fee for Antitrust/ Competition Law	10.21	39.01	21.94	39.01
Computer service expenses	81.75	124.03	197.71	212.95
Travelling and transportation expenses	146.40	184.36	284.08	365.14
Concession fees	31.17	162.78	124.36	309.85
Passenger claim expenses	71.62	98.29	132.03	215.35
Others	429.30	414.42	953.13	1,013.87
<b>Total</b>	<b>2,007.57</b>	<b>2,456.75</b>	<b>4,192.70</b>	<b>4,808.31</b>

Units : Million Baht

Text	The Company			
	For the three-month periods		For the six-month periods	
	Apr-Jun'09	Apr-Jun'08	Jan-Jun'09	Jan-Jun'08
Rentals and utilities	670.17	771.58	1,410.48	1,507.40
Office supplies	57.58	97.43	120.24	165.99
Repair of building and equipment	97.27	122.14	184.92	235.21
Outsource services	304.63	311.11	567.78	523.83
Consultant and service fees	107.47	131.60	196.03	219.71
Legal fee for Antitrust/ Competition Law	10.21	39.01	21.94	39.01
Computer service expenses	81.75	124.03	197.71	212.95
Travelling and transportation expenses	146.40	184.36	284.08	365.14
Concession fees	31.17	162.78	124.36	309.85
Passenger claim expenses	71.62	98.29	132.03	215.35
Others	432.89	390.22	937.61	974.94
<b>Total</b>	<b>2,011.16</b>	<b>2,432.55</b>	<b>4,177.18</b>	<b>4,769.38</b>

#### 4.14 Company Income Tax

Units : Million Baht

Text	Consolidated			
	For the three-month periods		For the six-month periods	
	Apr-Jun'09	Apr-Jun'08	Jan-Jun'09	Jan-Jun'08
Tax expense (income) from taxable profit for the period	21.24	(976.59)	51.54	43.51
Add(less): deferred tax asset/ liability from temporary different increase/ decrease	71.25	(151.62)	217.72	(154.27)
<b>Net tax expense (income)</b>	<b>92.49</b>	<b>(1,128.21)</b>	<b>269.26</b>	<b>(110.76)</b>

Units : Million Baht

Text	The Company			
	For the three-month periods		For the six-month periods	
	Apr-Jun'09	Apr-Jun'08	Jan-Jun'09	Jan-Jun'08
Tax expense (income) from taxable profit for the period	10.44	(988.67)	22.12	10.51
Add(less): deferred tax asset/ liability from temporary different increase/ decrease	64.94	(153.98)	212.43	(156.66)
<b>Net tax expense (income)</b>	<b>75.38</b>	<b>(1,142.65)</b>	<b>234.55</b>	<b>(146.15)</b>

#### 4.15 Investment Promotion (BOI)

On March 13, 2009, the Company received one investment promotion certificate to gain a privilege for exemption from corporate income tax for up to 8 year of six Airbus A330-300 aircraft starting from the date of first revenues derived from the promoted activities. Therefore, the Company has to follow the conditions and regulations which are identified in the investment promotion certificate. The Company took a delivery of two Airbus A330-300 aircraft on April 1 and May 7, 2009.

#### 4.16 Earnings Per Share Consolidated and the Company

Basic earnings per share is calculated by dividing net profit for the period by the weighted average number of ordinary shares outstanding during the periods.

##### Consolidated

For the three - month periods ended June 30, 2009 and 2008

	<u>Gains</u>		<u>No. of Shares</u>		<u>Earnings per share</u>	
	<u>30-Jun-09</u>	<u>30-Jun-08</u>	<u>30-Jun-09</u>	<u>30-Jun-08</u>	<u>30-Jun-09</u>	<u>30-Jun-08</u>
	Million Baht	Million Baht	Million Shares	Million Shares	Baht	Baht
<b>Basic losses per share</b>						
Net losses attributable to ordinary shareholders	(5,403.40)	(9,253.92)	1,698.90	1,698.90	(3.18)	(5.45)

##### The Company

For the three - month periods ended June 30, 2009 and 2008

	<u>Gains</u>		<u>No. of Shares</u>		<u>Earnings per share</u>	
	<u>30-Jun-09</u>	<u>30-Jun-08</u>	<u>30-Jun-09</u>	<u>30-Jun-08</u>	<u>30-Jun-09</u>	<u>30-Jun-08</u>
	Million Baht	Million Baht	Million Shares	Million Shares	Baht	Baht
<b>Basic losses per share</b>						
Net losses attributable to ordinary shareholders	(5,317.14)	(9,223.89)	1,698.90	1,698.90	(3.13)	(5.43)

##### Consolidated

For the six - month periods ended June 30, 2009 and 2008

	<u>Gains</u>		<u>No. of Shares</u>		<u>Earnings per share</u>	
	<u>30-Jun-09</u>	<u>30-Jun-08</u>	<u>30-Jun-09</u>	<u>30-Jun-08</u>	<u>30-Jun-09</u>	<u>30-Jun-08</u>
	Million Baht	Million Baht	Million Shares	Million Shares	Baht	Baht
<b>Basic earnings (losses) per share</b>						
Net profits (losses) attributable to ordinary shareholders	2,465.17	(7,037.84)	1,698.90	1,698.90	1.45	(4.14)

##### The Company

For the six - month periods ended June 30, 2009 and 2008

	<u>Gains</u>		<u>No. of Shares</u>		<u>Earnings per share</u>	
	<u>30-Jun-09</u>	<u>30-Jun-08</u>	<u>30-Jun-09</u>	<u>30-Jun-08</u>	<u>30-Jun-09</u>	<u>30-Jun-08</u>
	Million Baht	Million Baht	Million Shares	Million Shares	Baht	Baht
<b>Basic earnings (losses) per share</b>						
Net profits (losses) attributable to ordinary shareholders	2,530.11	(6,935.26)	1,698.90	1,698.90	1.49	(4.08)

## 4.17 Financial Information by Segment Consolidated

### 4.17.1 Business Segments

#### Statements of Income For the three - month periods ended June 30, 2009 and 2008

Units : Million Baht

	<u>Revenues</u>		<u>Inter - Segment Revenues</u>		<u>Total Revenues</u>		<u>Segment Results</u>	
	<u>30-Jun-09</u>	<u>30-Jun-08</u>	<u>30-Jun-09</u>	<u>30-Jun-08</u>	<u>30-Jun-09</u>	<u>30-Jun-08</u>	<u>30-Jun-09</u>	<u>30-Jun-08</u>
Air transportation	32,457.29	47,812.29	-	-	32,457.29	47,812.29	(1,822.05)	(4,032.20)
Business Units	1,687.11	2,192.18	3,187.65	3,751.62	4,874.76	5,943.80	(499.99)	(491.11)
Other activities	217.52	289.28	84.81	97.50	302.33	386.78	112.32	72.10
Eliminations	-	-	(3,272.46)	(3,849.12)	-	-	-	-
Operating losses							(2,209.72)	(4,451.21)
Share of net profit from subsidiary and associated companies							31.09	14.10
Interest expenses-net							(1,381.70)	(1,189.96)
Losses on foreign currency exchange							(1,821.58)	(5,028.61)
Other revenues							88.38	289.36
Minority interests							(17.38)	(15.81)
Income taxes							(92.49)	1,128.21
<b>Net losses</b>							<b>(5,403.40)</b>	<b>(9,253.92)</b>

#### Statements of Income For the six - month periods ended June 30, 2009 and 2008

Units : Million Baht

	<u>Revenues</u>		<u>Inter - Segment Revenues</u>		<u>Total Revenues</u>		<u>Segment Results</u>	
	<u>30-Jun-09</u>	<u>30-Jun-08</u>	<u>30-Jun-09</u>	<u>30-Jun-08</u>	<u>30-Jun-09</u>	<u>30-Jun-08</u>	<u>30-Jun-09</u>	<u>30-Jun-08</u>
Air transportation	71,013.97	100,262.99	-	-	71,013.97	100,262.99	2,801.11	19.13
Business Units	3,553.66	4,310.83	6,427.99	7,799.89	9,981.65	12,110.72	(737.80)	(291.95)
Other activities	477.58	564.80	171.51	203.32	649.09	768.12	212.48	188.14
Eliminations	-	-	(6,599.50)	(8,003.21)	-	-	-	-
Operating profits (losses)							2,275.79	(84.68)
Share of net profit (loss) from subsidiary and associated companies							29.90	(29.67)
Interest expenses-net							(2,757.30)	(2,365.00)
Gains (losses) on foreign currency exchange							2,787.96	(5,691.13)
Other revenues							433.87	1,061.39
Minority interests							(35.80)	(39.51)
Income taxes							(269.25)	110.76
<b>Net profits (losses)</b>							<b>2,465.17</b>	<b>(7,037.84)</b>

**Assets and Liabilities**  
**As At June 30, 2009 and December 31, 2008**

	<u>Current Assets</u>		<u>Non-Current Assets</u>		<u>Units : Million Baht</u> <u>Total Assets</u>	
	<u>30-Jun-09</u>	<u>31-Dec-08</u>	<u>30-Jun-09</u>	<u>31-Dec-08</u>	<u>30-Jun-09</u>	<u>31-Dec-08</u>
	Air transportation	37,665.04	38,519.14	211,004.40	207,183.73	248,669.44
Business Units	570.79	617.80	9,823.45	10,177.63	10,394.24	10,795.43
Other activities	608.45	651.14	42.50	54.96	650.95	706.10
Non-allocated assets	<u>1,559.74</u>	<u>2,330.18</u>	<u>-</u>	<u>-</u>	<u>1,559.74</u>	<u>2,330.18</u>
<b>Total</b>	<b><u>40,404.02</u></b>	<b><u>42,118.26</u></b>	<b><u>220,870.35</u></b>	<b><u>217,416.32</u></b>	<b><u>261,274.37</u></b>	<b><u>259,534.58</u></b>

	<u>Current Liabilities</u>		<u>Non-Current Liabilities</u>		<u>Units : Million Baht</u> <u>Total Liabilities</u>	
	<u>30-Jun-09</u>	<u>31-Dec-08</u>	<u>30-Jun-09</u>	<u>31-Dec-08</u>	<u>30-Jun-09</u>	<u>31-Dec-08</u>
	Air transportation	90,810.60	97,302.25	120,623.80	114,959.78	211,434.40
Business Units	1,100.07	885.35	93.59	109.72	1,193.66	995.07
Other activities	70.71	85.41	-	-	70.71	85.41
Non-allocated liabilities	<u>246.51</u>	<u>309.94</u>	<u>-</u>	<u>-</u>	<u>246.51</u>	<u>309.94</u>
<b>Total</b>	<b><u>92,227.89</u></b>	<b><u>98,582.95</u></b>	<b><u>120,717.39</u></b>	<b><u>115,069.50</u></b>	<b><u>212,945.28</u></b>	<b><u>213,652.45</u></b>

Segment results derive from segment revenues net of segment costs and operating expenses excluding interest expenses, gains (losses) on foreign currency exchange, other expenses, and income taxes.

Segment current and non-current assets are those operating assets that are employed by a segment in its operating activities.

Segment current and non-current liabilities are those operating liabilities that result from the operating activities of a segment.

The Company records inter-segment revenue transfers at market price charged to its unaffiliated customer net of discount except for Technical Services recorded by cost plus. Those transfers are eliminated in consolidation.



#### 4.17.2 Geographical Segments

	Units : Million Baht			
	<u>The three -month Periods</u>		<u>The six -month Periods</u>	
	<u>Apr-Jun'09</u>	<u>Apr-Jun'08</u>	<u>Jan-Jun'09</u>	<u>Jan-Jun'08</u>
Domestic Revenues				
Transportation	2,608.10	2,741.03	6,054.09	6,298.18
Business units	1,687.11	2,192.18	3,553.66	4,310.82
Other activities	<u>217.52</u>	<u>289.28</u>	<u>477.58</u>	<u>564.80</u>
Total domestic revenues	<u>4,512.73</u>	<u>5,222.49</u>	<u>10,085.33</u>	<u>11,173.80</u>
Foreign Transportation Revenues				
Regional Asia	12,019.54	16,686.31	25,030.37	34,792.34
Europe	8,161.92	12,024.10	18,830.66	26,532.31
North Pacific	495.13	1,978.59	1,058.32	3,979.55
Australia & New Zealand	2,948.97	4,242.95	6,193.74	9,110.71
Africa	<u>-</u>	<u>304.76</u>	<u>45.70</u>	<u>656.33</u>
Total foreign transportation revenues	<u>23,625.56</u>	<u>35,236.71</u>	<u>51,158.79</u>	<u>75,071.24</u>
Charter revenues and others	782.97	2,040.21	1,596.26	4,061.42
Insurance surcharge from passengers	561.97	663.00	1,160.42	1,386.83
Fuel surcharge from passengers	4,878.69	7,131.34	11,044.41	13,445.33
Interest income	40.93	116.67	114.64	319.81
Other revenues	<u>225.71</u>	<u>449.19</u>	<u>738.92</u>	<u>1,252.00</u>
<b>Total</b>	<b><u>34,628.56</u></b>	<b><u>50,859.61</u></b>	<b><u>75,898.77</u></b>	<b><u>106,710.43</u></b>

#### 4.18 Staff Pension Fund Consolidated and the Company

The Company has established a staff pension fund, contributing 10% of employee salaries to the fund each month. The fund's assets, liabilities and balance are presented in the Company's balance sheet. Interest and expenses arising from fund operations are recognised as income and expenses of the Company. The details are as follows:

	Units : Million Baht	
	<u>30-Jun-09</u>	<u>31-Dec-08</u>
Current assets	4,846.03	4,760.27
Others	<u>76.92</u>	<u>66.33</u>
Total	<u>4,922.95</u>	<u>4,826.60</u>
Other current liabilities	68.65	48.62
Pension fund	<u>4,854.30</u>	<u>4,777.98</u>
Total	<u>4,922.95</u>	<u>4,826.60</u>

As at June 30, 2009, the fund balance was THB 4,854.30 million, equal to the Company's obligation to its staff under the fund. The total Company contribution to the fund in this periods was THB 42.33 million, consisting of contributions at a rate equivalent to 10% of employee salaries in the amount of THB 120.92 million net of the amounts to match the Company's obligation of THB 78.59 million.

#### 4.19 Staff Provident Fund

The Company contributes to the provident fund at the rate of 9% for members having not more than 20 years of services and 10% for members having more than 20 years of services, representing amount of THB 560.87 million in this periods.

The Company's provident fund is managed by Kasikron Asset Management Company Limited and Krungthai Asset Management Public Company Limited which are permitted by the Securities and Exchange Commission, Thailand (SEC).

#### 4.20 Contingent Liabilities

The Company has contingent liabilities, not presented in the financial statements, as follows:

	Units : Million Baht	
	<u>30-Jun-09</u>	<u>31-Dec-08</u>
Letters of guarantee issued by banks - Domestic	3.62	3.25
Letters of guarantee issued by banks - Abroad	122.48	106.24
The Company as defendant in		
Labour dispute cases	1,744.05	1,658.09
Damage claims cases	<u>1,965.59</u>	<u>1,859.49</u>
<b>Total</b>	<b><u>3,835.74</u></b>	<b><u>3,627.07</u></b>

Moreover, the other contingent liabilities are as follows :

1. The Company still has the competition law infringement. A group of 35 cargo shippers have brought an action against the Company before the Civil Court of New York alleging that the Company jointly with other 38 airlines fixed fuel surcharge, war risk surcharge and other fees in violation of the Sherman Antitrust Act of 1890 and the Clayton Antitrust Act of 1914 and European Union laws causing damages to them. They sought the court's order for compensation by the Company.

2. A group of passengers has brought actions against the Company before the Civil Court in Los Angeles and San Francisco totally 19 cases alleging that conspiracy among airlines to fix, maintain, and /or stabilize prices for long haul passenger transpacific flights to and from the United States (Price Fixing in respect of Transpacific carriers) in violation of the Sherman Antitrust Act of 1890 and the Clayton Antitrust Act of 1914. The Judicial Panel on Multi-district Litigation has ordered to combine the 19 cases to be considered by the court at San Francisco as a single case. In both cases (at the Civil Court of New York and at San Francisco) are civil class action where at the time of complaints, the Plaintiffs have not determined the amount of compensation and shall request to the courts later.

In both litigation, the Company has retained the expert law firms and has joined the Joint Defense Group. The cases are now being considered by the courts. The damages in both cases are yet to be determined until the Company would have been found guilty. In case that the courts rule that the Company is guilty, the courts shall determine the damages and compensations and penalty which, under the law, could be up to 3 times of the damages proven by the Plaintiffs. At present, the amount of the compensatory damages in the US. cases cannot be determined.

3. The Company received the Statement of Objections from the Commission of the European Communities alleging that the Company and other 27 airlines infringed the Treaty establishing the European Community (the EC Treaty) by coordinating pricing behavior in the provision of air freight services on a global basis with respect to the fuel surcharge, the security surcharge, the war surcharge, freight rates and the payment of commission to forwarders on surcharges causing damages to air freight shippers. The law sets forth penalty provisions in a fine of 30% of the turnover of freight service transport to and from and within EU in the preceding business year before decision times the number of years of infringement but not exceed 10% of the total worldwide turnover of a company in the preceding business year before decision. The Company has retained an expert law firm to take charges of the case. At present, the Company is not aware of the amount of the fine as to which turnover shall be calculated. The case is now being considered by the Commission. In case that the Commission considers that the Company is guilty, the Company shall be fined in what amount, and from which turnover, are yet to be determined.

4. At present, there is a claim against the Company following the investigation made by the New Zealand Commerce Commission (NZCC). The NZCC has brought suit against the Company and other 13 airlines before the court of Auckland alleging that the Company jointly with other airlines fixed fuel surcharge and security surcharge in violation of Commercial Act of New Zealand. The pled seeks the court to order the Company to pay a fine and legal expenses. At the time of submission, however, NZCC has not specified the fine and expense amounts. The amounts are yet to be determined by the court.

5. The cases where the Company has been investigated by the U.S., Australia, Republic of Korea, are now being scrutinized by each country authority. The Company has retained local law firms in each country to coordinate with the authority of each country. At present, no claims or legal actions have been sought against the Company.

The legal fees and expenses for all antitrust /competition cases have been recorded as expenses for the six-month periods ended June 30, 2009 in the amount of THB 21.94 million, and the contingent damages has been reserved in the fiscal year 2008 the amount of THB 4,290.17 million.

## **4.21 Contractual Obligations**

### **4.21.1 Obligation to Purchase Aircraft**

The Company has a payment obligation to purchase aircraft amount of THB 48,620.13 million.

#### 4.21.2 Leases and obligations of aircraft

The Company has obligations from entering into operating leases amount of USD 182.73 million or approximately to THB 6,243.91 million (exchange rate USD 1 : THB 34.1693).

### **4.22 Events After the Balance Sheet Date**

4.22.1 The Company has entered into a 3-month bridge loan agreement amount of USD 60 million or approximately THB 2,047.33 million for a payment of one Airbus A330-300 delivered on July 29, 2009 in order to use as bridge finance until the long-term financial lease agreement, which is guaranteed by the Export Credit Agencies (ECAs), will be finished.

4.22.2 On July 9, 2009, the Company repaid its promissory notes amount of THB 5,500 million taking from 5-year long-term loans amount of THB 5,000 million and the Company's cash amount of THB 500 million. The Company also repaid due promissory notes amount of THB 1,000 million on July 17, 2009. A total of repayment was THB 6,500 million.

4.22.3 The Company borrowed short-term loans by issuing 1-month promissory notes for repayment of due promissory notes amount of THB 4,230 million as follows:

- On July 10, 2009 amount of THB 1,000 million
- On July 13, 2009 amount of THB 300 million
- On July 22, 2009 amount of THB 500 million
- On July 27, 2009 amount of THB 430 million
- On July 29, 2009 amount of THB 2,000 million

4.22.4 On July 2, 2009, the Company has signed an agreement to extend its short-term loan for 3 months further amount of THB 3,500 million for a lease of one Airbus A340-500, which is on a selling process.

4.22.5 On July 28, 2009, the Company received the rest of long-term loans amount of THB 2,000 million in accordance with an agreement of 5-year long-term loans amount of THB 8,000 million which was signed on June 23, 2009.

### **4.23 Approval of Financial Statements**

These financial statements were approved by the Audit Committee, the Authorized Board of Directors, on August 6, 2009.

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