

(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 September 30, 2009, the related consolidated and the Company statements of income for the three and nine - month periods ended September 30, 2009 and 2008, changes in shareholders' equity and cash flows for the nine - month periods ended September 30, 2009 and 2008, of Thai Airways International Public Company Limited and its subsidiary and the Company, respectively. 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 consolidated and the Company 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 gualifying 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) *Watcharee Siriprasert*
(Watcharee Siriprasert)
Deputy Auditor General

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

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

BALANCE SHEETS

AS AT SEPTEMBER 30, 2009 AND DECEMBER 31, 2008

Units : Baht

	<u>Notes</u>	<u>CONSOLIDATED</u>		<u>THE COMPANY</u>	
		<u>30-Sep-09</u> (unaudited) (but reviewed)	<u>31-Dec-08</u> (audited)	<u>30-Sep-09</u> (unaudited) (but reviewed)	<u>31-Dec-08</u> (audited)
ASSETS					
Current Assets					
Cash and cash equivalents	4.1	12,208,620,605	7,435,753,133	12,024,627,424	7,393,730,651
Temporary investments		370,000,000	530,000,000	-	-
Trade accounts receivable-net	4.2	14,473,221,043	15,828,787,561	14,436,959,852	15,793,218,252
Inventories and supplies-net		6,030,692,059	6,779,288,740	6,030,692,059	6,779,288,740
Prepaid expenses and deposits		4,501,291,056	4,707,223,683	4,494,295,925	4,701,102,448
Other current assets	4.3	6,070,560,786	6,832,455,738	6,024,363,558	6,795,784,611
Total Current Assets		43,654,385,549	42,113,508,855	43,010,938,818	41,463,124,702
Non-Current Assets					
Investment in associates	4.4.1	1,252,446,306	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	85,448,582	87,996,063	85,448,582	87,996,063
Property, Plant and Equipment-Net	4.6	210,337,034,335	207,063,975,232	210,314,360,997	207,031,025,112
Intangible assets-net	4.7	654,310,753	807,891,935	649,226,091	803,584,846
Deferred income taxes	4.8	6,060,875,181	6,405,772,675	6,048,494,661	6,388,074,822
Other non-current assets	4.9	1,793,474,121	1,718,344,117	1,793,474,121	1,718,344,117
Total Non-Current Assets		220,183,589,278	217,421,075,397	219,622,774,952	216,760,795,460
Total Assets		263,837,974,827	259,534,584,252	262,633,713,770	258,223,920,162

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

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

BALANCE SHEETS

AS AT SEPTEMBER 30, 2009 AND DECEMBER 31, 2008

	Units : Baht			
	<u>CONSOLIDATED</u>		<u>THE COMPANY</u>	
<u>Notes</u>	<u>30-Sep-09</u> <u>(unaudited)</u> <u>(but reviewed)</u>	<u>31-Dec-08</u> <u>(audited)</u>	<u>30-Sep-09</u> <u>(unaudited)</u> <u>(but reviewed)</u>	<u>31-Dec-08</u> <u>(audited)</u>
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current Liabilities				
Bank overdrafts and short-term loans from financial institutions	5,582,204,104	16,930,000,000	5,582,204,104	16,930,000,000
Trade accounts payable	7,145,102,271	6,573,066,423	7,139,679,866	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 2,072,000,000	572,000,000	2,072,000,000	572,000,000
Liabilities under financial leases	10,748,898,393	10,153,590,708	10,748,898,393	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 4,513,397,760	4,558,272,000	4,513,397,760	4,558,272,000
Short-term provisions	458,200,000	458,200,000	458,200,000	458,200,000
Other current liabilities				
Accrued expenses	14,150,796,271	15,757,105,163	14,132,075,707	15,734,092,814
Accrued dividends	70,880,235	71,253,242	70,880,235	71,253,242
Accrued income taxes	15,065,073	34,188,813	-	-
Unearned transportation revenues	25,974,160,484	30,262,520,143	25,974,160,484	30,262,520,143
Others	6,548,294,821	4,662,752,032	6,526,838,785	4,641,436,728
Total Current Liabilities	89,284,289,412	98,582,948,524	89,223,625,334	98,498,298,274
Non-Current Liabilities				
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 9,971,888,000	4,831,296,000	9,971,888,000	4,831,296,000
Long-term loans from others	13,000,000,000	-	13,000,000,000	-
Liabilities under financial leases	61,657,752,749	65,335,908,882	61,657,752,749	65,335,908,882
Promissory notes from related parties	4.5.1.3 -	500,000,000	-	500,000,000
Promissory notes from others	-	250,000,000	-	250,000,000
Staff pension fund	4.18 4,901,212,522	4,777,978,683	4,901,212,522	4,777,978,683
Long-term provisions	3,874,319,870	3,874,319,870	3,874,319,870	3,874,319,870
Total Non-Current Liabilities	130,239,883,141	115,069,503,435	130,239,883,141	115,069,503,435
Total Liabilities	219,524,172,553	213,652,451,959	219,463,508,475	213,567,801,709
Shareholders' Equity				
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	9,706,852,968	11,276,187,481	8,843,570,517	10,329,483,675
Total Company Shareholders' Equity	44,033,487,746	45,602,822,259	43,170,205,295	44,656,118,453
Minority Interests	280,314,528	279,310,034	-	-
Total Shareholders' Equity	44,313,802,274	45,882,132,293	43,170,205,295	44,656,118,453
Total Liabilities and Shareholders' Equity	263,837,974,827	259,534,584,252	262,633,713,770	258,223,920,162

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

(Signed) *Piyasvasti Amranand*
(Piyasvasti Amranand)
President

(Signed) *Kaweepan Raungpaka*
(Kaweepan Raungpaka)
Executive Vice President
Finance and Accounting

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF INCOME

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

Units : Baht

	Notes	CONSOLIDATED		THE COMPANY	
		2009	2008	2009	2008
Revenues					
Revenues from Sale or revenues from Services					
Passenger and excess baggage		32,171,847,200	43,950,946,611	32,171,847,200	43,950,946,611
Freight		4,699,492,830	7,199,321,407	4,699,492,830	7,199,321,407
Mail		194,396,141	245,517,471	194,396,141	245,517,471
Other activities		1,782,576,608	2,273,143,443	1,681,176,874	2,179,417,749
Total Revenues from Sale or revenues from Services		38,848,312,779	53,668,928,932	38,746,913,045	53,575,203,238
Other Income					
Interest income		31,153,287	80,780,150	29,049,868	77,186,174
Other incomes	4.12	267,231,952	408,091,472	282,353,133	427,529,274
Total Other Incomes		298,385,239	488,871,622	311,403,001	504,715,448
Total Revenues		39,146,698,018	54,157,800,554	39,058,316,046	54,079,918,686
Expenses					
Fuel and oil		12,709,871,229	26,506,844,741	12,709,871,229	26,506,844,741
Personnel		6,771,309,551	8,916,291,914	6,756,242,443	8,909,306,805
Management benefit expenses	4.11	13,454,882	19,932,329	13,122,576	19,676,880
Flight service expenses		4,551,010,783	4,940,055,635	4,551,010,783	4,940,055,635
Crew expenses		1,229,822,185	1,629,445,336	1,229,822,185	1,629,445,336
Aircraft maintenance and overhaul		2,105,068,637	2,449,376,164	2,105,068,637	2,449,376,164
Depreciation and amortisation expenses		5,356,918,032	5,088,336,286	5,354,010,594	5,081,986,829
Lease of aircraft and spare parts		237,535,101	1,015,973,281	237,535,101	1,015,973,281
Inventories and supplies		2,118,859,639	2,182,314,328	2,118,859,639	2,182,314,328
Selling and advertising expenses		1,614,848,464	1,710,123,877	1,603,900,386	1,696,775,065
Insurance		175,566,383	195,311,208	175,566,383	195,311,208
Impairment of assets		51,775,355	158,159,083	51,775,355	353,159,083
Other expenses	4.13	1,886,209,204	2,328,895,523	1,870,970,838	2,308,262,613
Losses (profits) on foreign currency exchange		2,735,398,548	(4,733,923,719)	2,737,043,584	(4,737,284,924)
Total Expenses		41,557,647,993	52,407,135,986	41,514,799,733	52,551,203,044
Share of losses of investments by the equity method		26,982,087	59,827,498	-	-
Profits (Losses) before Finance Costs and Income Tax Expenses		(2,437,932,062)	1,690,837,070	(2,456,483,687)	1,528,715,642
Finance costs		1,423,691,419	1,322,923,120	1,423,691,419	1,322,923,120
Profits (Losses) before Income Tax Expenses		(3,861,623,481)	367,913,950	(3,880,175,106)	205,792,522
Income tax expenses (incomes)	4.14	153,669,624	(72,185,905)	135,844,536	(85,525,961)
Net Profits (losses)		(4,015,293,105)	440,099,855	(4,016,019,642)	291,318,483
Profits (Losses) Attributable to:					
Equity holders of the parent		(4,034,500,396)	426,200,775	(4,016,019,642)	291,318,483
Minority interest		19,207,291	13,899,080	-	-
		(4,015,293,105)	440,099,855	(4,016,019,642)	291,318,483
Basic profits (losses) per share					
Net profits (losses) per share	4.16	(2.37)	0.25	(2.36)	0.17

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

(Signed) *Piyasvasti Amranand*
(Piyasvasti Amranand)
President

(Signed) *Kaweeapan Raungpaka*
(Kaweeapan Raungpaka)
Executive Vice President
Finance and Accounting

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF INCOME

For the nine - month periods ended September 30, 2009 and 2008

Units : Baht

	Notes	CONSOLIDATED		THE COMPANY	
		2009	2008	2009	2008
Revenues					
Revenues from Sale or revenues from Services					
Passenger and excess baggage		95,098,674,493	130,259,393,420	95,098,674,493	130,259,393,420
Freight		12,394,776,238	20,696,010,307	12,394,776,238	20,696,010,307
Mail		586,255,768	703,373,440	586,255,768	703,373,440
Other activities		5,813,817,262	7,148,771,730	5,530,934,182	6,849,540,552
Total Revenues from Sale or revenues from Services		113,893,523,761	158,807,548,897	113,610,640,681	158,508,317,719
Other Income					
Interest income		145,793,976	400,586,354	134,760,489	390,402,796
Other incomes	4.12	1,006,147,299	1,660,096,804	1,161,309,512	1,805,379,427
Total Other Incomes		1,151,941,275	2,060,683,158	1,296,070,001	2,195,782,223
Total Revenues		115,045,465,036	160,868,232,055	114,906,710,682	160,704,099,942
Expenses					
Fuel and oil		33,245,493,923	69,627,651,709	33,245,493,923	69,627,651,709
Personnel		20,365,136,413	24,679,738,267	20,317,874,305	24,658,890,425
Management benefit expenses	4.11	41,436,131	65,772,770	40,200,795	64,921,481
Flight service expenses		13,009,114,344	15,456,637,043	13,009,114,344	15,456,637,043
Crew expenses		3,828,688,789	5,178,641,301	3,828,688,789	5,178,641,301
Aircraft maintenance and overhaul		7,143,311,701	8,938,965,397	7,143,311,701	8,938,965,397
Depreciation and amortisation expenses		15,601,857,628	15,140,564,869	15,589,723,172	15,120,547,638
Lease of aircraft and spare parts		947,706,402	2,966,413,490	947,706,402	2,966,413,490
Inventories and supplies		6,272,241,332	6,869,234,523	6,272,241,332	6,869,234,523
Selling and advertising expenses		4,568,641,885	5,664,918,556	4,540,434,505	5,629,108,295
Insurance		571,438,339	559,638,493	571,438,339	559,638,493
Impairment of assets		222,746,999	269,625,707	222,746,999	464,625,707
Other expenses	4.13	6,078,907,302	7,137,206,883	6,048,154,390	7,077,639,733
Losses (gains) on foreign currency exchange		(52,559,113)	957,204,473	(50,531,184)	959,106,170
Total Expenses		111,844,162,075	163,512,213,481	111,726,597,812	163,572,021,405
Share of losses (profits) of investments by the equity method		(2,921,801)	89,497,543	-	-
Profits (losses) before Finance Costs and Income Tax Expenses		3,204,224,762	(2,733,478,969)	3,180,112,870	(2,867,921,463)
Finance costs		4,295,630,116	4,007,694,109	4,295,630,116	4,007,694,109
Losses before Income Tax Expenses		(1,091,405,354)	(6,741,173,078)	(1,115,517,246)	(6,875,615,572)
Income tax expenses (incomes)	4.14	422,924,665	(182,948,806)	370,395,912	(231,673,167)
Net losses		(1,514,330,019)	(6,558,224,272)	(1,485,913,158)	(6,643,942,405)
Losses Attributable to:					
Equity holders of the parent		(1,569,334,513)	(6,611,635,146)	(1,485,913,158)	(6,643,942,405)
Minority interest		55,004,494	53,410,874	-	-
		(1,514,330,019)	(6,558,224,272)	(1,485,913,158)	(6,643,942,405)
Basic losses per share					
Net losses per share	4.16	(0.92)	(3.89)	(0.87)	(3.91)

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

(Signed) *Piyasvasti Amranand*
(Piyasvasti Amranand)
President

(Signed) *Kaweepan Raungpaka*
(Kaweepan Raungpaka)
Executive Vice President
Finance and Accounting

unaudited
but reviewed

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the nine - month periods ended September 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	
Balance as at January 1, 2008	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)	-	-	-	(6,611,635,146)	(6,611,635,146)	53,410,874	(6,558,224,272)
Total recognised revenues for the period	16,989,009,500	15,638,075,844	-	28,508,455,485	61,135,540,829	326,716,095	61,462,256,924
<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)
Balance as at September 30, 2008	16,989,009,500	15,638,075,844	-	27,744,003,750	60,371,089,094	267,653,595	60,638,742,689
Balance as at January 1, 2009	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 (losses)	-	-	-	(1,569,334,513)	(1,569,334,513)	55,004,494	(1,514,330,019)
Total recognised revenues for the period	16,989,009,500	15,637,625,278	-	11,406,852,968	44,033,487,746	334,314,528	44,367,802,274
<u>Less</u> Dividends paid	-	-	-	-	-	(54,000,000)	(54,000,000)
Balance as at September 30, 2009	16,989,009,500	15,637,625,278	-	11,406,852,968	44,033,487,746	280,314,528	44,313,802,274

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

(Signed) *Piyasvasti Amranand*
(Piyasvasti Amranand)
President

(Signed) *Kaweepan Raungpaka*
(Kaweepan Raungpaka)
Executive Vice President
Finance and Accounting

unaudited

but reviewed

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

Units : Baht

THE COMPANY

	Share Capital issued and fully paid	Premium on share capital	Retained Earnings	Total
Balance as at January 1, 2008	16,989,009,500	15,638,075,844	34,244,300,814	66,871,386,158
<u>Add</u> Net losses	-	-	(6,643,942,405)	(6,643,942,405)
Total recognised revenues for the period	16,989,009,500	15,638,075,844	27,600,358,409	60,227,443,753
<u>Add</u> Dividends return	-	-	53,692	53,692
<u>Less</u> Dividends paid	-	-	(764,505,427)	(764,505,427)
Balance as at September 30, 2008	16,989,009,500	15,638,075,844	26,835,906,674	59,462,992,018
Balance as at January 1, 2009	16,989,009,500	15,637,625,278	12,029,483,675	44,656,118,453
<u>Add</u> Net losses	-	-	(1,485,913,158)	(1,485,913,158)
Balance as at September 30, 2009	16,989,009,500	15,637,625,278	10,543,570,517	43,170,205,295

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

(Signed) *Piyasvasti Amranand*
(Piyasvasti Amranand)
President

(Signed) *Kaweepan Raungpaka*
(Kaweepan Raungpaka)
Executive Vice President
Finance and Accounting

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

For the nine - month periods ended September 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>
Cash Flows from Operating Activities				
Profits (losses) before Income Tax	(1,091,405,354)	(6,741,173,078)	(1,115,517,246)	(6,875,615,572)
Adjustment to reconcile net profit to cash provided by (paid from) operating activities :				
Depreciation and amortisation	15,601,857,628	15,140,564,869	15,589,723,172	15,120,547,638
Dividends income	(297,500)	(350,000)	(153,868,370)	(138,825,155)
Income from investments by equity method	(2,921,801)	89,497,543	-	-
Interest income	(145,793,976)	(400,586,354)	(134,760,489)	(390,402,796)
Interest expenses	4,295,630,116	4,007,694,109	4,295,630,116	4,007,694,109
Gains on sales of assets	(228,772,563)	(372,646,119)	(228,763,757)	(372,646,119)
Gain on current investments-available-for-sale securities	-	(1,866,766)	-	-
Losses (gains) on foreign currency exchange	(73,334,406)	1,142,291,759	(73,732,416)	1,141,774,782
Provision for obsolete inventories and supplies	(10,850,047)	17,981,571	(10,850,047)	17,981,571
Doubtful accounts	242,547,084	29,404,503	260,215,026	19,023,849
Impairment loss of investment	-	-	-	195,000,000
Impairment loss of assets	222,746,999	269,625,707	222,746,999	269,625,707
Operating profit before changes in operating assets and liabilities	18,809,406,180	13,180,437,744	18,650,822,988	12,994,158,014
Decrease (increase) in operating assets :				
Trade account receivables	1,293,311,816	(923,405,278)	1,276,746,910	(917,834,011)
Inventories and supplies	759,446,729	(741,453,843)	759,446,729	(741,453,843)
Prepaid expenses and deposits	132,035,995	273,811,719	132,909,891	271,704,209
Tax refund	12,609,965	485,392,584	12,609,965	485,392,584
Other current assets	909,722,095	243,324,244	921,006,390	257,043,521
Deferred Income Taxes	-	(19,630,890)	-	(19,630,890)
Other assets	(11,736,635)	(50,472,026)	(11,736,635)	(50,472,026)
Deferred charges	(200,105,562)	(210,359,140)	(200,105,562)	(210,359,140)
Increase (decrease) in operating liabilities :				
Trade account payables	611,818,427	(120,703,686)	612,516,663	(121,869,321)
Accrued expenses and other current liabilities	(284,570,013)	973,097,348	(280,418,961)	975,071,207
Staff pension fund	123,233,839	195,125,012	123,233,839	195,125,012
Unearned transportation revenue	(4,176,632,897)	(278,269,503)	(4,176,632,897)	(278,269,503)
Other non-current liabilities	-	15,350,000	-	15,350,000
Payment of income tax	(216,236,442)	(1,090,333,605)	(149,901,282)	(1,015,457,065)
Net Cash from Operating Activities	17,762,303,497	11,931,910,680	17,670,498,038	11,838,498,748

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

unaudited
but reviewed

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

For the nine - month periods ended September 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>
Cash Flows from Investing Activities				
Cash paid for acquisition of fixed assets	(13,998,483,225)	(14,158,172,760)	(13,997,065,006)	(14,157,085,084)
Cash paid for intangible assets	(31,314,483)	(105,646,897)	(30,096,683)	(104,932,697)
Cash received from transferring predelivery payment of aircraft and aircraft spare parts	812,681,912	-	812,681,912	-
Cash received from selling of assets	252,448,702	699,369,720	252,439,122	699,369,720
Interest income	134,007,735	388,212,866	121,216,056	382,212,762
Dividends income	87,868,370	66,637,655	153,868,370	138,825,155
Investments decrease (increase)	(51,700)	1,734,289	(51,700)	1,734,289
Cash received from selling of temporary investments-available-for-sale securities	160,000,000	3,690,500	-	-
Net Cash Used in Investing Activities	(12,582,842,689)	(13,104,174,627)	(12,687,007,929)	(13,039,875,855)
Cash Flows from Financing Activities				
Cash received from debenture bonds	4,790,000,000	-	4,790,000,000	-
Cash received from short-term loans	-	2,537,980,000	-	2,537,980,000
Cash received from long-term loans	21,092,749,847	-	21,092,749,847	-
Cash paid for repayment of short-term loans	(13,315,089,410)	-	(13,315,089,410)	-
Cash paid for repayment of debenture bonds	-	(6,000,000,000)	-	(6,000,000,000)
Cash paid for repayment of long-term loans	(8,535,765,136)	(6,809,548,997)	(8,535,765,136)	(6,809,548,997)
Cash paid for repayment of promissory notes	(750,000,000)	(750,000,000)	(750,000,000)	(750,000,000)
Cash paid for loan interest	(3,558,091,375)	(3,535,172,987)	(3,558,091,375)	(3,535,172,987)
Dividends paid	(373,008)	(3,813,762,364)	(373,008)	(3,813,762,364)
Dividends paid to minority interest	(54,000,000)	(59,062,500)	-	-
Net Cash from (used in) Financing Activities	(330,569,082)	(18,429,566,848)	(276,569,082)	(18,370,504,348)
Increase (decrease) in cash and cash equivalents	4,848,891,726	(19,601,830,795)	4,706,921,027	(19,571,881,455)
Decrease in the effect from changing in exchange rate on cash and cash equivalents	(76,024,254)	(120,405,305)	(76,024,254)	(120,405,305)
Cash and cash equivalents at the beginning of the periods	7,435,753,133	25,750,890,190	7,393,730,651	25,397,414,426
Cash and Cash Equivalents at the End of the Periods	12,208,620,605	6,028,654,090	12,024,627,424	5,705,127,666

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

(Signed) *Piyasvasti Amranand*
(Piyasvasti Amranand)
President

(Signed) *Kaweepan Raungpaka*
(Kaweepan Raungpaka)
Executive Vice President
Finance and Accounting

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

For the three and nine-month periods ended September 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.34 "Interim Financial Statements"(revised in 2007),(No.41 old version). 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 substances 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 as per the letter No. GorLorTor. Chor. 1258/2552 (2009) dated August 6, 2009.

1.3 Effect of a Change in accounting estimates

The Company has reviewed its accounting estimation of Allowance for doubtful accounts by considering individual trade accounts receivable together with aging analysis of accounts receivable which becomes effective for the accounting period starting from the third quarter (July 1 - September 30, 2009) onwards in conformity with the International Accounting Standards No.39 (revised in 2007) ; Accounting Policies, Changes in Accounting Estimates and Errors, which requires an entity may review the current estimation whenever the criteria of assumption situation in the estimate has been changed or new information and more experiences are obtained. As a result, the Company has the allowance for doubtful account as of September 30, 2009 amount of THB 1,640.63 million, an increase of THB 37.37 million compared with the previous accounting estimation.

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 nine-month periods ended September 30, 2008 and for the year ended December 31, 2008 for comparative purpose.

3. GUIDELINE TO RESOLVE BUSINESS OPERATION PROBLEMS AND LIQUIDITY

In the third quarter (July 1 – September 30, 2009), the Company incurred a net loss amount of THB 4,016.02 million and the EBITDA was THB 5,463.96 million. This was due to the impact of uncontrollable factors such as global economic recession crisis, the 2009 flu pandemic (H1N1) as well as a low season period. As a result, the Company incurred a net loss amount of THB 1,485.91 million for the nine-month periods (January 1 – September 30, 2009) and the EBITDA was THB 17,801.93 million. An unappropriated retain earnings was THB 8,843.57 million as at September 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 which one Airbus A330-300 already delivered on July 29, 2009 and other three Airbus A330-300s will be delivered within 2009-2010 in accordance with the Cabinet Resolution which the meeting held on October 13, 2009 as per the letter No. NorRor 0506/ Wor(Lor) 19190 dated October 16, 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

	Consolidated		Units : Million Baht The Company	
	30-Sep-09	31-Dec-08	30-Sep-09	31-Dec-08
	Cash - Domestic	9.84	8.78	9.84
Cash - Abroad	42.04	27.57	42.04	27.57
Bank Deposits - Domestic	2,528.03	3,495.71	2,344.04	3,453.69
Bank Deposits - Abroad	<u>9,628.71</u>	<u>3,903.69</u>	<u>9,628.71</u>	<u>3,903.69</u>
Total	<u>12,208.62</u>	<u>7,435.75</u>	<u>12,024.63</u>	<u>7,393.73</u>

4.2 Trade Account Receivables - Net

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

	Consolidated		Units : Million Baht The Company	
	30-Sep-09	31-Dec-08	30-Sep-09	31-Dec-08
	Trade account receivables	16,143.03	17,257.56	16,077.59
<u>Less Allowance for doubtful accounts</u>	<u>(1,669.81)</u>	<u>(1,428.77)</u>	<u>(1,640.63)</u>	<u>(1,381.93)</u>
Trade account receivables - net	<u>14,473.22</u>	<u>15,828.79</u>	<u>14,436.96</u>	<u>15,793.22</u>

4.3 Other Current Assets

	Consolidated		Units : Million Baht The Company	
	30-Sep-09	31-Dec-08	30-Sep-09	31-Dec-08
	Tax refund	354.07	247.59	354.07
Cash and fixed deposits of pension fund	3,564.02	4,549.93	3,564.02	4,549.93
Others	<u>2,152.47</u>	<u>2,034.93</u>	<u>2,106.27</u>	<u>1,998.26</u>
Total	<u>6,070.56</u>	<u>6,832.45</u>	<u>6,024.36</u>	<u>6,795.78</u>

4.4 Investments

Consolidated

Units : Million Baht

Name of Company	Percentage of Shareholding		Investments				Income on Investments for the nine - month periods	
			Cost method		Equity method		30-Sep-09	30-Sep-08
	30-Sep-09	31-Dec-08	30-Sep-09	31-Dec-08	30-Sep-09	31-Dec-08	30-Sep-09	30-Sep-08
4.4.1 Investments using the equity method								
Royal Orchid Hotel (Thailand) Public Company Limited (Market value as at 30 Sep 09 amount of THB 562.50 million and as at 31 Dec 08 amount of THB 675.00 million)	24	24	225.00	225.00	264.65	300.25	(17.60)	39.95
Donmuang International Airport Hotel Company Limited	40	40	48.00	48.00	162.07	189.84	(10.96)	(2.24)
Bangkok Aviation Fuel Services Public Company Limited (Market value as at 30 Sep 09 amount of THB 886.94 million and as at 31 Dec 08 amount of THB 610.49 million)	22.6	22.6	115.19	115.19	585.14	582.71	46.20	52.77
Phuket Air Catering Company Limited	30	30	30.00	30.00	93.10	71.35	30.74	28.31
Suvarnabhumi Airport Hotel Company Limited	30	30	305.33	305.33	147.49	192.95	(45.46)	(22.59)
Nok Airlines Company Limited	39	39	195.00	195.00	-	-	-	(185.70)
<u>Less</u> Allowance for impairment of Nok Airlines Company Limited			(195.00)	(195.00)	-	-	-	-
Total investments using the equity Method					<u>1,252.45</u>	<u>1,337.10</u>	<u>2.92</u>	<u>(89.50)</u>
4.4.2 Other long-term investments stated at cost								
Fuel Pipeline Transportation Limited	8.4	8.4	133.00	133.00			-	-
Aeronautical Radio of Thailand Limited	2.7	2.7	18.01	17.96			-	-
SITA Investment Certificate	-	-	32.14	33.47			-	-
Trade Siam Company Limited (paid 25% of authorized share capital)	3.5	3.5	1.75	1.75			-	-
SITA Information Networking Computing	-	-	30.56	31.83			-	-
Other Shares	-	-	2.99	2.99			0.30	0.35
<u>Less</u> Allowance for impairment of Fuel Pipeline Transportation Limited			(133.00)	(133.00)			-	-
Total other long-term investments			<u>85.45</u>	<u>88.00</u>			<u>0.30</u>	<u>0.35</u>

The Company

Units : Million Baht

Name of Company	Percentage of Shareholding		Investments		Dividend Income for the nine - month periods	
			Cost method			
	30-Sep-09	31-Dec-08	30-Sep-09	31-Dec-08	30-Sep-09	30-Sep-08
4.4.1 Investments using the cost method						
Subsidiary Company						
Thai-Amadeus Southeast Asia Company Limited	55	55	<u>8.25</u>	<u>8.25</u>	<u>66.00</u>	<u>72.19</u>
Associated Companies						
Royal Orchid Hotel (Thailand) Public Company Limited (Market value as at 30 Sep 09 amount of THB 562.50 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 Sep 09 amount of THB 886.94 million and as at 31 Dec 08 amount of THB 610.49 million)	22.6	22.6	115.19	115.19	43.77	54.14
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	-	-
Less Allowance for impairment of Nok Airlines Company Limited			(195.00)	(195.00)	-	-
Total			<u>723.52</u>	<u>723.52</u>	<u>87.57</u>	<u>66.29</u>
Total investments using the cost method			<u>731.77</u>	<u>731.77</u>	<u>153.57</u>	<u>138.48</u>
4.4.2 Other long-term investments stated at cost						
Fuel Pipeline Transportation Limited	8.4	8.4	133.00	133.00	-	-
Aeronautical Radio of Thailand Limited	2.7	2.7	18.01	17.96	-	-
SITA Investment Certificate	-	-	32.14	33.47	-	-
TRADESIAM Company Limited (paid 25% of authorized share capital)	3.5	3.5	1.75	1.75	-	-
SITA Information Networking Computing	-	-	30.56	31.83	-	-
Other Shares	-	-	2.99	2.99	0.30	0.35
Less Allowance for impairment of Fuel Pipeline Transportation Limited			(133.00)	(133.00)	-	-
Total other long-term investments			<u>85.45</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)
<u>Subsidiary Company</u>				
Thai-Amadeus Southeast Asia Company Limited	684.07	61.15	296.92	122.23
<u>Associated Companies</u>				
Royal Orchid Hotel (Thailand) Public Company Limited	1,568.73	466.05	306.72	(77.73)
Donmuang International Airport Hotel Company Limited	449.68	44.49	82.35	(16.47)
Bangkok Aviation Fuel Services Public Company Limited	5,510.13	2,853.57	776.73	200.16
Phuket Air Catering Company Limited	320.35	10.02	168.52	78.71
Suvarnabhumi Airport Hotel Company Limited	2,099.14	1,607.52	445.29	(151.53)
Nok Airlines Company Limited	427.25	491.91	1,005.15	139.81

The Company used the financial statements of associated companies as at June 30, 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-Sep-09	31-Dec-08
Foreign loans via the Ministry of Finance	4,513.40	3,508.27
Export-Import Bank of Thailand	-	300.00
Islamic Bank of Thailand	-	750.00
	<u>4,513.40</u>	<u>4,558.27</u>

4.5.1.2 Long-term loans from related parties

	Units : Million Baht	
	30-Sep-09	31-Dec-08
Foreign loans via the Ministry of Finance	1,347.89	1,403.30
Government Saving Bank	8,571.00	4,000.00
Islamic Bank of Thailand	2,125.00	-
	<u>12,043.89</u>	<u>5,403.30</u>

4.5.1.3 Promissory notes from related parties

	Units : Million Baht	
	30-Sep-09	31-Dec-08
Government Saving Bank	650.00	1,150.00

4.5.2 Subsidiary Company

Units : Million Baht

	The three-month periods				The nine-month periods			
	Jul-Sep'09		Jul-Sep'08		Jan-Sep'09		Jan-Sep'08	
	Sales	Purchase	Sales	Purchase	Sales	Purchase	Sales	Purchase
Thai - Amadeus Southeast Asia Company Limited	1.04	-	2.73	-	3.08	-	11.13	-

Units : Million Baht

	30-Sep-09		31-Dec-08	
	Account Receivables	Account Payables	Account Receivables	Account Payables
	Thai-Amadeus Southeast Asia Company Limited	0.49	-	0.76

4.5.3 Associated Companies

Units : Million Baht

	The three-month periods				For the nine-month periods			
	Jul-Sep'09		Jul-Sep'08		Jan-Sep'09		Jan-Sep'08	
	Sales	Purchase	Sales	Purchase	Sales	Purchase	Sales	Purchase
Royal Orchid Hotel (Thailand) Public Company Limited	0.26	1.20	-	4.25	0.26	5.92	-	12.59
Donmuang International Airport Hotel Company Limited	-	1.04	-	2.19	-	1.76	-	4.05
Bangkok Aviation Fuel Services Public Company Limited	0.01	89.57	0.02	97.23	0.03	261.48	0.06	296.22
Phuket Air Catering Company Limited	0.68	0.78	0.76	1.00	2.39	2.49	2.43	6.90
Suvarnabhumi Airport Hotel Company Limited	0.01	9.55	-	36.95	0.01	32.56	-	83.66
Nok Airlines Company Limited	225.27	-	468.76	-	650.91	-	1,748.26	-

Units : Million Baht

	30-Sep-09		31-Dec-08	
	Account Receivables	Account Payables	Account Receivables	Account Payables
	Royal Orchid Hotel (Thailand) Public Company Limited	-	0.14	-
Donmuang International Airport Hotel Company Limited	-	-	-	-
Bangkok Aviation Fuel Services Public Company Limited	0.01	32.36	-	27.33
Phuket Air Catering Company Limited	0.22	0.53	0.35	2.01
Suvarnabhumi Airport Hotel Company Limited	-	-	-	-
Nok Airlines Company Limited	142.35	-	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
Cost						
As at January 1, 2009	156,754.52	142,897.70	29,298.79	18,765.92	29,527.49	377,244.42
- Adjust/Transfer	(12,028.15)	5,750.88	(315.33)	77.12	136.55	(6,378.93)
- Increased asset	6,268.60	10,675.73	3,036.33	44.41	84.02	20,109.09
- Sold	-	(91.88)	(721.44)	(67.99)	(300.17)	(1,181.48)
As at September 30, 2009	150,994.97	159,232.43	31,298.35	18,819.46	29,447.89	389,793.10
Accumulated depreciation						
As at January 1, 2009	84,646.12	36,466.94	19,347.37	9,600.35	20,119.67	170,180.45
- Depreciation	4,911.21	6,727.70	1,612.60	570.52	1,512.55	15,334.58
- Adjust/Transfer	(6,355.94)	1,446.72	(206.46)	0.02	(35.03)	(5,150.69)
- Sold	-	(87.22)	(458.14)	(67.07)	(295.84)	(908.27)
As at September 30, 2009	83,201.39	44,554.14	20,295.37	10,103.82	21,301.35	179,456.07
Net book value						
As at December 31, 2008	72,108.40	106,430.76	9,951.42	9,165.57	9,407.82	207,063.97
As at September 30, 2009	67,793.58	114,678.29	11,002.98	8,715.64	8,146.54	210,337.03

The Company

Units : Million Baht

	Aircraft	Aircraft under financial leases	Aircraft spare parts	Land buildings and development	Other plant and equipment	Total
Cost						
As at January 1, 2009	156,754.52	142,897.70	29,298.79	18,765.92	29,283.60	377,000.53
- Adjust/Transfer	(12,028.15)	5,750.88	(315.33)	77.12	171.71	(6,343.77)
- Increased asset	6,268.60	10,675.73	3,036.33	44.41	82.60	20,107.67
- Sold	-	(91.88)	(721.44)	(67.99)	(300.17)	(1,181.48)
As at September 30, 2009	150,994.97	159,232.43	31,298.35	18,819.46	29,237.74	389,582.95
Accumulated depreciation						
As at January 1, 2009	84,646.12	36,466.94	19,347.37	9,600.35	19,908.73	169,969.51
- Depreciation	4,911.21	6,727.70	1,612.60	570.52	1,500.86	15,322.89
- Adjust/Transfer	(6,355.94)	1,446.72	(206.46)	0.02	0.12	(5,115.54)
- Sold	-	(87.22)	(458.14)	(67.07)	(295.84)	(908.27)
As at September 30, 2009	83,201.39	44,554.14	20,295.37	10,103.82	21,113.87	179,268.59
Net book value						
As at December 31, 2008	72,108.40	106,430.76	9,951.42	9,165.57	9,374.87	207,031.02
As at September 30, 2009	67,793.58	114,678.29	11,002.98	8,715.64	8,123.87	210,314.36

In this period, there are 91 aircraft in the Company's fleet consisting of 55 own aircraft, 29 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 8,146.54 million (consolidated) and THB 8,123.87 million (the Company).

The Company uses buildings and equipment that are now fully depreciated with historical cost of THB 44,159.36 million.

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 6,723.83 million.

4.7 Intangible Assets-net

	Units : Million Baht	
	Consolidated	The Company
Cost		
As at January 1, 2009	1,209.82	1,204.48
- Assets increase	31.31	30.10
As at September 30, 2009	1,241.13	1,234.58
Accumulated amortisation		
As at January 1, 2009	401.93	400.90
- Amortisation	184.89	184.45
As at September 30, 2009	586.82	585.35
Net book value		
As at December 31, 2008	807.89	803.58
As at September 30, 2009	654.31	649.23

4.8 Deferred Income Taxes

	Units : Million Baht			
	Consolidated		The Company	
	<u>30-Sep-09</u>	<u>31-Dec-08</u>	<u>30-Sep-09</u>	<u>31-Dec-08</u>
Contribution to staff pension fund	1,045.03	1,050.57	1,045.03	1,050.57
Allowance for obsolete inventories	562.13	721.72	562.13	721.72
Allowance for doubtful accounts	557.07	484.79	548.31	470.74
Allowance impairment in value of assets	1,659.43	1,728.31	1,659.43	1,728.31
Estimated accrual expenses	1,811.55	1,742.16	1,811.55	1,742.16
Frequent flyer program (ROP)	93.64	345.97	93.64	345.97
Deferred loss on foreign currency exchange	313.26	313.41	313.26	313.41
Others	<u>18.77</u>	<u>18.84</u>	<u>15.14</u>	<u>15.19</u>
Total	<u>6,060.88</u>	<u>6,405.77</u>	<u>6,048.49</u>	<u>6,388.07</u>

4.9 Other Non-Current Assets

	Consolidated		Units : Million Baht The Company	
	30-Sep-09	31-Dec-08	30-Sep-09	31-Dec-08
	Deferred charges	1,569.63	1,506.71	1,569.63
Others	<u>223.84</u>	<u>211.64</u>	<u>223.84</u>	<u>211.64</u>
Total	<u>1,793.47</u>	<u>1,718.35</u>	<u>1,793.47</u>	<u>1,718.35</u>

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 September 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.

Text	Units : Million Baht			
	Consolidated			
	For the three-month periods		For the nine-month periods	
	Jul-Sep'09	Jul-Sep'08	Jan-Sep'09	Jan-Sep'08
Board of Directors' benefit expenses	3.43	4.27	11.41	16.18
Executives' benefit expenses	10.02	15.66	30.03	49.59
Total	13.45	19.93	41.44	65.77

Text	Units : Million Baht			
	The Company			
	For the three-month periods		For the nine-month periods	
	Jul-Sep'09	Jul-Sep'08	Jan-Sep'09	Jan-Sep'08
Board of Directors' benefit expenses	3.10	4.02	10.17	15.33
Executives' benefit expenses	10.02	15.66	30.03	49.59
Total	13.12	19.68	40.20	64.92

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 nine-month periods	
	Jul-Sep'09	Jul-Sep'08	Jan-Sep'09	Jan-Sep'08
Gains on sales of assets	0.83	(2.12)	228.77	372.65
Revenue from other services of Aircraft Maintenance Department	70.48	81.61	249.14	253.05
Revenue from airport fees collected from passengers	61.81	187.47	185.43	562.41
Other incomes	134.11	141.13	342.81	471.99
Total	267.23	408.09	1,006.15	1,660.10

Text	Units : Million Baht			
	The Company			
	For the three-month periods		For the nine-month periods	
	Jul-Sep'09	Jul-Sep'08	Jan-Sep'09	Jan-Sep'08
Gains on sales of assets	0.83	(2.12)	228.76	372.65
Dividend from subsidiary and associated companies	14.97	17.28	153.57	138.48
Revenue from other services of Aircraft Maintenance Department	70.48	81.61	249.14	253.05
Revenue from airport fees collected from passengers	61.81	187.47	185.43	562.41
Other incomes	134.26	143.29	344.41	478.79
Total	282.35	427.53	1,161.31	1,805.38

4.13 Other Expenses

Text	Units : Million Baht			
	Consolidated			
	For the three-month periods		For the nine-month periods	
	Jul-Sep'09	Jul-Sep'08	Jan-Sep'09	Jan-Sep'08
Rentals and utilities	726.78	777.60	2,137.25	2,285.00
Office supplies	53.32	68.75	173.57	234.75
Repair of building and equipment	119.51	123.26	304.43	358.47
Outsource services	296.87	332.82	864.64	856.65
Consultant and service fees	121.21	126.12	317.24	345.83
Legal fee for Antitrust/ Competition Law	22.90	22.76	44.85	61.76
Computer service expenses	93.65	112.71	291.36	325.66
Travelling and transportation expenses	136.90	169.67	420.98	534.81
Concession fees	58.50	4.05	182.86	313.90
Passenger claim expenses	46.15	105.51	178.18	320.86
Others	210.42	485.65	1,163.55	1,499.52
Total	1,886.21	2,328.90	6,078.91	7,137.21

Units : Million Baht

Text	The Company			
	For the three-month periods		For the nine-month periods	
	Jul-Sep'09	Jul-Sep'08	Jan-Sep'09	Jan-Sep'08
Rentals and utilities	726.78	777.60	2,137.25	2,285.00
Office supplies	53.32	68.75	173.57	234.75
Repair of building and equipment	119.51	123.26	304.43	358.47
Outsource services	296.87	332.82	864.64	856.65
Consultant and service fees	121.21	126.12	317.24	345.83
Legal fee for Antitrust/ Competition Law	22.90	22.76	44.85	61.76
Computer service expenses	93.65	112.71	291.36	325.66
Travelling and transportation expenses	136.90	169.67	420.98	534.81
Concession fees	58.50	4.05	182.86	313.90
Passenger claim expenses	46.15	105.51	178.18	320.86
Others	195.18	465.01	1,132.79	1,439.95
Total	1,870.97	2,308.26	6,048.15	7,077.64

4.14 Company Income Tax

Units : Million Baht

Text	Consolidated			
	For the three-month periods		For the nine-month periods	
	Jul-Sep'09	Jul-Sep'08	Jan-Sep'09	Jan-Sep'08
Tax expense (income) from taxable profit for the period	26.49	26.26	78.02	85.62
Add(less): Tax expense (income) from taxable profit for the previous period	-	-	-	(11.07)
Add(less): deferred tax asset/ liability from temporary different increase/ decrease	127.18	(98.45)	344.90	(257.50)
Net tax expense (income)	153.67	(72.19)	422.92	(182.95)

Units : Million Baht

Text	The Company			
	For the three-month periods		For the nine-month periods	
	Jul-Sep'09	Jul-Sep'08	Jan-Sep'09	Jan-Sep'08
Tax expense (income) from taxable profit for the period	8.69	12.19	30.82	33.75
Add(less): Tax expense (income) from taxable profit for the previous period	-	-	-	(11.04)
Add(less): deferred tax asset/ liability from temporary different increase/ decrease	127.15	(97.72)	339.58	(254.38)
Net tax expense (income)	135.84	(85.53)	370.40	(231.67)

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 three Airbus A330-300 aircraft on April 1 , May 7 and July 29, 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 September 30, 2009 and 2008

	<u>Gains</u>		<u>No. of Shares</u>		<u>Earnings per share</u>	
	<u>30-Sep-09</u>	<u>30-Sep-08</u>	<u>30-Sep-09</u>	<u>30-Sep-08</u>	<u>30-Sep-09</u>	<u>30-Sep-08</u>
	Million Baht	Million Baht	Million Shares	Million Shares	Baht	Baht
Basic losses per share						
Net profits (losses) attributable to ordinary shareholders	(4,034.50)	426.20	1,698.90	1,698.90	(2.37)	0.25

The Company

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

	<u>Gains</u>		<u>No. of Shares</u>		<u>Earnings per share</u>	
	<u>30-Sep-09</u>	<u>30-Sep-08</u>	<u>30-Sep-09</u>	<u>30-Sep-08</u>	<u>30-Sep-09</u>	<u>30-Sep-08</u>
	Million Baht	Million Baht	Million Shares	Million Shares	Baht	Baht
Basic losses per share						
Net profits (losses) attributable to ordinary shareholders	(4,016.02)	291.32	1,698.90	1,698.90	(2.36)	0.17

Consolidated

For the nine - month periods ended September 30, 2009 and 2008

	<u>Gains</u>		<u>No. of Shares</u>		<u>Earnings per share</u>	
	<u>30-Sep-09</u>	<u>30-Sep-08</u>	<u>30-Sep-09</u>	<u>30-Sep-08</u>	<u>30-Sep-09</u>	<u>30-Sep-08</u>
	Million Baht	Million Baht	Million Shares	Million Shares	Baht	Baht
Basic earnings (losses) per share						
Net losses attributable to ordinary shareholders	(1,569.33)	(6,611.64)	1,698.90	1,698.90	(0.92)	(3.89)

The Company

For the nine - month periods ended September 30, 2009 and 2008

	<u>Gains</u>		<u>No. of Shares</u>		<u>Earnings per share</u>	
	<u>30-Sep-09</u>	<u>30-Sep-08</u>	<u>30-Sep-09</u>	<u>30-Sep-08</u>	<u>30-Sep-09</u>	<u>30-Sep-08</u>
	Million Baht	Million Baht	Million Shares	Million Shares	Baht	Baht
Basic earnings (losses) per share						
Net losses attributable to ordinary shareholders	(1,485.91)	(6,643.94)	1,698.90	1,698.90	(0.87)	(3.91)

4.17 Financial Information by Segment Consolidated

4.17.1 Business Segments

**Statements of Income
For the three - month periods ended September 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-Sep-09</u>	<u>30-Sep-08</u>	<u>30-Sep-09</u>	<u>30-Sep-08</u>	<u>30-Sep-09</u>	<u>30-Sep-08</u>	<u>30-Sep-09</u>	<u>30-Sep-08</u>
Air transportation	37,065.74	51,395.79	-	-	37,065.74	51,395.79	(110.54)	(3,069.64)
Business Units	1,559.02	2,002.13	3,758.67	3,522.01	5,317.69	5,524.14	173.44	(356.86)
Other activities	223.55	271.02	90.34	106.65	313.89	377.67	139.47	219.77
Eliminations	-	-	(3,849.01)	(3,628.66)	-	-	-	-
Operating profits (losses)							202.37	(3,206.73)
Share of losses of investments by the equity method							(26.98)	(59.83)
Interest expenses-net							(1,392.54)	(1,242.17)
Profits (losses) on foreign currency exchange							(2,735.40)	4,733.92
Other revenues							90.93	142.72
Minority interests							(19.21)	(13.90)
Income tax expenses (incomes)							(153.67)	72.19
Net Profits (Losses)							<u>(4,034.50)</u>	<u>426.20</u>

Statements of Income
For the nine - month periods ended September 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-Sep-09</u>	<u>30-Sep-08</u>	<u>30-Sep-09</u>	<u>30-Sep-08</u>	<u>30-Sep-09</u>	<u>30-Sep-08</u>	<u>30-Sep-09</u>	<u>30-Sep-08</u>
	Air transportation	108,079.71	151,658.78	-	-	108,079.71	151,658.78	2,690.57
Business Units	5,112.69	6,312.95	10,186.65	11,321.90	15,299.34	17,634.85	(564.37)	(647.69)
Other activities	701.13	835.82	261.85	309.97	962.98	1,145.79	351.95	413.84
Eliminations	-	-	(10,448.50)	(11,631.87)	-	-	-	-
Operating profits (losses)							2,478.15	(3,291.41)
Share of profits (losses) of investments by the equity method							2.92	(89.50)
Interest expenses-net							(4,149.84)	(3,607.17)
Gains (losses) on foreign currency exchange							52.56	(957.21)
Other revenues							524.80	1,204.11
Minority interests							(55.00)	(53.41)
Income tax expenses (incomes)							(422.92)	182.95
Net losses							(1,569.33)	(6,611.64)

Assets and Liabilities
As At September 30, 2009 and December 31, 2008

	<u>Current Assets</u>		<u>Non-Current Assets</u>		<u>Total Assets</u>	
	<u>30-Sep-09</u>	<u>31-Dec-08</u>	<u>30-Sep-09</u>	<u>31-Dec-08</u>	<u>30-Sep-09</u>	<u>31-Dec-08</u>
	Air transportation	40,704.10	38,514.39	210,578.31	207,188.49	251,282.41
Business Units	565.31	617.80	9,565.14	10,177.63	10,130.45	10,795.43
Other activities	643.94	651.14	40.14	54.96	684.08	706.10
Non-allocated assets	<u>1,741.04</u>	<u>2,330.18</u>	-	-	<u>1,741.04</u>	<u>2,330.18</u>
Total	<u>43,654.39</u>	<u>42,113.51</u>	<u>220,183.59</u>	<u>217,421.08</u>	<u>263,837.98</u>	<u>259,534.59</u>

	<u>Current Liabilities</u>		<u>Non-Current Liabilities</u>		<u>Total Liabilities</u>	
	<u>30-Sep-09</u>	<u>31-Dec-08</u>	<u>30-Sep-09</u>	<u>31-Dec-08</u>	<u>30-Sep-09</u>	<u>31-Dec-08</u>
	Air transportation	87,979.82	97,302.25	130,170.01	114,959.78	218,149.83
Business Units	969.57	885.35	69.87	109.72	1,039.44	995.07
Other activities	61.15	85.41	-	-	61.15	85.41
Non-allocated liabilities	<u>273.75</u>	<u>309.94</u>	-	-	<u>273.75</u>	<u>309.94</u>
Total	<u>89,284.29</u>	<u>98,582.95</u>	<u>130,239.88</u>	<u>115,069.50</u>	<u>219,524.17</u>	<u>213,652.45</u>

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 nine -month Periods</u>	
	<u>Jul-Sep'09</u>	<u>Jul-Sep'08</u>	<u>Jan-Sep'09</u>	<u>Jan-Sep'08</u>
Domestic Revenues				
Transportation	2,809.11	2,944.33	8,863.20	9,242.51
Business units	1,559.03	2,002.13	5,112.69	6,312.95
Other activities	<u>223.55</u>	<u>271.02</u>	<u>701.13</u>	<u>835.82</u>
Total domestic revenues	<u>4,591.69</u>	<u>5,217.48</u>	<u>14,677.02</u>	<u>16,391.28</u>
Foreign Transportation Revenues				
Regional Asia	13,268.43	15,608.08	38,298.80	50,400.42
Europe	10,028.99	12,955.67	28,859.66	39,487.98
North Pacific	538.92	728.95	1,597.23	4,708.50
Australia & New Zealand	3,398.85	4,691.84	9,592.59	13,802.55
Africa	<u>-</u>	<u>298.36</u>	<u>45.70</u>	<u>954.69</u>
Total foreign transportation revenues	<u>27,235.19</u>	<u>34,282.90</u>	<u>78,393.98</u>	<u>109,354.14</u>
Charter revenues and others	1,049.75	2,575.99	2,646.00	6,637.41
Insurance surcharge from passengers	598.10	583.49	1,758.52	1,970.32
Fuel surcharge from passengers	5,373.59	11,009.07	16,418.00	24,454.40
Interest income	31.15	80.78	145.79	400.59
Other revenues	<u>267.23</u>	<u>408.09</u>	<u>1,006.15</u>	<u>1,660.09</u>
Total	<u>39,146.70</u>	<u>54,157.80</u>	<u>115,045.46</u>	<u>160,868.23</u>

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-Sep-09</u>	<u>31-Dec-08</u>
Current assets	4,967.38	4,760.27
Others	<u>14.72</u>	<u>66.33</u>
Total	<u>4,982.10</u>	<u>4,826.60</u>
Other current liabilities	80.89	48.62
Pension fund	<u>4,901.21</u>	<u>4,777.98</u>
Total	<u>4,982.10</u>	<u>4,826.60</u>

As at September 30, 2009, the fund balance was THB 4,901.21 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 74.31 million, consisting of contributions at a rate equivalent to 10% of employee salaries in the amount of THB 181.29 million net of the amounts to match the Company's obligation of THB 106.98 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 832.59 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-Sep-09</u>	<u>31-Dec-08</u>
Letters of guarantee issued by banks - Domestic	2.40	3.25
Letters of guarantee issued by banks - Abroad	126.71	106.24
The Company as defendant in		
Labour dispute cases	1,714.70	1,658.09
Damage claims cases	<u>1,979.99</u>	<u>1,859.49</u>
Total	<u>3,823.80</u>	<u>3,627.07</u>

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 investigations by the US. Department of Justice (DOJ) are categorized as follows:

5.1 Cargo US DOJ investigation case, the case is being now in investigation process.

5.2 Passenger US DOJ investigation cases, the DOJ has started investigating and has required documents from the Company.

The Company has retained local lawyer to coordinate with the DOJ. The Company is not aware as to whether allegation is being sought.

6. The Company was investigated by the Australian Competition and Consumer Commission (ACCC) on 28 October 2009. The ACCC has filed suit against the Company alleging that the Company is in violation of the Trade Practices Act 1974. At the time of the filing, no fine nor compensation was requested yet.

7. The Company was investigated by Republic of Korea Fair Trade Commission (KFTC) on 29 October 2009. The Company received the examiner's report alleging that the Company is in violation of antitrust law. The report recommended to file criminal charge against the Company and Mr. Byun Cheol-Hee in relation to the ex-Korea routes.

The legal fees for the claimed and alleged cases and the coordination costs have been recorded as expenditures for the nine - month periods ended September 30, 2009 in the amount of THB 44.85 million. And for the potential damage costs, the Company has set a reserve for such costs in the fiscal year 2008 in the total 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 46,925.64 million.

4.21.2 Leases and obligations of aircraft

The Company has an obligation from entering into operating leases amount of USD 177.51 million or approximately to THB 5,981.73 million (exchange rate USD 1 : THB 33.6972).

4.22 Events After the Balance Sheet Date

4.22.1 On October 2, 2009, the Company received a 5-year long-term loan amount of THB 5,000 million which the agreement was signed on September 29, 2009. The Company used such loan to repaid short-term loans amount of THB 3,500 million which was due to be settled at the same date.

4.22.2 On October 14, 2009, the Company signed a 3-year financial lease agreement amount of THB 5,000 million and received the loan on October 20, 2009. The Company used such loan for partial settlement of debenture amount of THB 7,500 million which was due to be settled at the same date.

4.22.3 On October 29, 2009, the Company received a long-term loan which was guaranteed by European Export Credit Agencies (ECAs) for one Airbus A330-300 delivered on July 29, 2009. The Company used such loan to repay a 3-month short-term loan , bridge finance for advance payment of such Airbus A330-300, which was due to be settled at the same date.

4.23 Approval of Financial Statements

These financial statements were approved by the Audit Committee, the Authorized Board of Directors, on November 5, 2009.
