

NO. 0022/0439

**Office of the Auditor General
of Thailand**
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This letter is given to confirm that the English version of the Auditor's Report together with the consolidated financial statements for the years ended December 31, 2010 and 2009 of Thai Airways International Public Company Limited and its subsidiary and the Company's financial statements for the years ended December 31, 2010 and 2009 of Thai Airways International Public Company Limited were translated by Thai Airways International Public Company Limited. The Office of the Auditor General of Thailand reviewed the aforementioned translated Auditor's Report and financial statements and found that there were no substantial differences of content from those of the Thai version.

Given on March 7, 2011

(Signed) *Pisit Leelavachiropas*
(Pisit Leelavachiropas)
Deputy Auditor General
Acting Auditor General



(TRANSLATION)
AUDITOR'S REPORT

TO : THE SHAREHOLDERS OF THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED

The Office of the Auditor General of Thailand has audited the accompanying consolidated balance sheets of Thai Airways International Public Company Limited and its subsidiaries and the balance sheets of Thai Airways International Public Company Limited as at December 31, 2010 and 2009, and the related consolidated and the Company's statements of income, changes in shareholders' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. The responsibility of the Office of the Auditor General of Thailand is to express an opinion on these financial statements based on the audits.

The Office of the Auditor General of Thailand conducted the audits in accordance with generally accepted auditing standards. Those standards require that the Office of the Auditor General of Thailand plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. The Office of the Auditor General of Thailand believes that the audits provide a reasonable basis for the opinion.

In the opinion of the Office of the Auditor General of Thailand, the consolidated and the Company's financial statements referred to above present fairly, in all material respects, the financial position of Thai Airways International Public Company Limited and its subsidiaries and of the Thai Airways International Public Company Limited as at December 31, 2010 and 2009, and the results of operations, the changes in shareholders' equity, and the cash flows for the years then ended in accordance with generally accepted accounting principles.

Without qualifying an opinion on these financial statements, the Office of the Auditor General of Thailand would like to draw attention to Note 6.31 to the financial statements with regard to Airbus A330-300 Delivery, the Company took the delivery of 5 Airbus A330-300 aircraft under finance leases which economy class seats have not been installed. The Company may have to repay the loan if the economy class seats have not been installed on the aircraft by the due date.

(Signed) *Poungchomnad Jariyajinda*
(Poungchomnad Jariyajinda)
Inspector General

(Signed) *Dawan Wongphayak*
(Dawan Wongphayak)
Director of Audit Office

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

AS AT DECEMBER 31, 2010 AND 2009

Units : Baht

	<u>Notes</u>	<u>CONSOLIDATED</u>		<u>THE COMPANY</u>	
		<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
ASSETS					
Current Assets					
Cash and cash equivalents	6.1	37,679,682,021	14,299,680,924	37,601,476,433	14,064,775,967
Temporary investments		549,631,092	350,000,000	-	-
Trade accounts receivable, net	6.2	17,026,522,846	15,307,562,527	16,997,958,124	15,229,390,710
Inventories and supplies, net	6.3	6,967,672,684	6,197,959,528	6,967,672,684	6,197,959,528
Prepaid expenses and deposits		9,086,820,600	4,460,219,285	9,080,884,481	4,454,258,206
Other current assets	6.4	6,991,111,837	6,672,942,805	6,963,643,648	6,636,287,703
Total Current Assets		78,301,441,080	47,288,365,069	77,611,635,370	46,582,672,114
Non-Current Assets					
Investment in associates	6.5.1	1,400,993,771	1,240,961,713	918,520,500	723,520,500
Investment in subsidiaries	6.5.1	-	-	9,229,930	8,250,000
Other long-term investments	6.5.2	78,868,075	86,413,463	78,868,075	86,413,463
Property, plant and equipment, net	6.7	206,118,498,576	213,505,196,888	206,106,106,106	213,483,314,774
Intangible assets, net	6.8	552,355,100	651,908,453	547,622,540	646,822,436
Assets for sales		274,996,800	883,280,235	274,996,800	883,280,235
Deferred income tax assets	6.9	4,771,824,914	5,730,814,300	4,759,030,425	5,718,494,474
Other non-current assets	6.10	2,261,025,826	2,307,147,036	2,260,652,011	2,306,773,221
Total Non-Current Assets		215,458,563,062	224,405,722,088	214,955,026,387	223,856,869,103
Total Assets		293,760,004,142	271,694,087,157	292,566,661,757	270,439,541,217

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

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

AS AT DECEMBER 31, 2010 AND 2009

		<u>CONSOLIDATED</u>		<u>THE COMPANY</u>	
	<u>Notes</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Units : Baht					
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Liabilities					
Trade accounts payable		6,438,803,086	6,584,444,469	6,429,968,646	6,579,114,979
Current portion of long-term liabilities					
Debentures	6.13	11,487,920,000	10,955,290,000	11,487,920,000	10,955,290,000
Long-term loans from related parties	6.11	2,072,000,000	2,072,000,000	2,072,000,000	2,072,000,000
Long-term loans from others	6.11	-	400,000,000	-	400,000,000
Liabilities under finance leases	6.12	9,595,026,378	11,312,930,437	9,595,026,378	11,312,930,437
Promissory notes from related parties		-	500,000,000	-	500,000,000
Promissory notes from others		-	250,000,000	-	250,000,000
Short-term loans from related parties		-	1,116,109,440	-	1,116,109,440
Short-term provisions		-	458,200,000	-	458,200,000
Other current liabilities					
Accrued expenses		18,897,692,862	13,629,235,002	18,869,584,115	13,607,050,871
Accrued dividends		72,007,719	70,615,864	72,007,719	70,615,864
Accrued income taxes		16,398,775	32,134,145	-	-
Unearned transportation revenues		25,804,443,193	24,950,135,646	25,804,443,193	24,950,135,646
Deferred income	6.14	509,417,156	1,979,762,723	509,417,156	1,979,762,723
Others	6.15	5,841,986,865	6,140,671,214	5,819,769,875	6,116,204,661
Total Current Liabilities		80,735,696,034	80,451,528,940	80,660,137,082	80,367,414,621
Non-Current Liabilities					
Long-term liabilities					
Debentures	6.13	17,846,790,000	29,334,710,000	17,846,790,000	29,334,710,000
Long-term loans from related parties	6.11	7,245,852,000	9,446,672,000	7,245,852,000	9,446,672,000
Long-term loans from others	6.11	43,300,000,000	22,600,000,000	43,300,000,000	22,600,000,000
Liabilities under finance leases	6.12	54,732,093,240	68,028,272,475	54,732,093,240	68,028,272,475
Staff pension fund	6.27	4,371,134,750	4,708,607,486	4,371,134,750	4,708,607,486
Long-term provisions	6.16	2,556,971,979	3,880,336,949	2,555,351,979	3,880,336,949
Other non - current liabilities		61,310,000	-	61,310,000	-
Total Non-Current Liabilities		130,114,151,969	137,998,598,910	130,112,531,969	137,998,598,910
Total Liabilities		210,849,848,003	218,450,127,850	210,772,669,051	218,366,013,531
Shareholders' Equity					
Share capital	6.18				
Authorized share capital					
2,698.90 million ordinary shares par value of Baht 10 each		26,989,009,500	-	26,989,009,500	-
1,700.00 million ordinary shares par value of Baht 10 each		-	17,000,000,000	-	17,000,000,000
Issued and paid-up share capital					
2,182.77 million ordinary shares par value of Baht 10 each		21,827,719,170	-	21,827,719,170	-
1,698.90 million ordinary shares par value of Baht 10 each		-	16,989,009,500	-	16,989,009,500
Premium on ordinary shares		25,548,223,951	15,637,625,278	25,548,223,951	15,637,625,278
Retained earnings					
Appropriated					
Legal reserve	6.19	2,469,792,865	1,700,000,000	2,469,792,865	1,700,000,000
Unappropriated		32,774,965,739	18,619,766,346	31,948,256,720	17,746,892,908
Total Company Shareholders' Equity		82,620,701,725	52,946,401,124	81,793,992,706	52,073,527,686
Minority Interests		289,454,414	297,558,183	-	-
Total Shareholders' Equity		82,910,156,139	53,243,959,307	81,793,992,706	52,073,527,686
Total Liabilities and Shareholders' Equity		293,760,004,142	271,694,087,157	292,566,661,757	270,439,541,217

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 SUBSIDIARIES

STATEMENTS OF INCOME

For the years ended December 31, 2010 and 2009

Units : Baht

	Notes	CONSOLIDATED		THE COMPANY	
		2010	2009	2010	2009
Revenues					
Revenues from Sales or Revenues from Services					
Passenger and excess baggage		144,862,179,813	134,479,296,254	144,862,179,813	134,479,296,254
Freight		27,391,294,840	18,525,307,811	27,391,294,840	18,525,307,811
Mail		838,688,162	822,754,186	838,688,162	822,754,186
Other activities		7,496,520,151	7,775,384,234	7,181,174,045	7,395,296,568
Total Revenues from Sales or Revenues from Services		180,588,682,966	161,602,742,485	180,273,336,860	161,222,654,819
Other Income					
Interest income		185,028,027	178,067,252	175,552,112	164,924,864
Others	6.21	3,496,673,812	2,093,717,478	3,666,122,646	2,248,356,186
Total Other Income		3,681,701,839	2,271,784,730	3,841,674,758	2,413,281,050
Total Revenues		184,270,384,805	163,874,527,215	184,115,011,618	163,635,935,869
Expenses					
Fuel and oil		56,518,905,218	47,014,753,162	56,518,905,218	47,014,753,162
Personnel		33,526,208,877	26,191,239,889	33,487,600,235	26,135,364,671
Management benefit expenses	6.20	73,843,803	60,916,443	72,362,095	59,401,478
Flight service expenses		19,064,241,405	17,691,615,362	19,064,241,405	17,691,615,362
Crew expenses		5,092,478,171	5,243,530,868	5,092,478,171	5,243,530,868
Aircraft maintenance and overhaul costs		9,674,696,586	10,320,750,374	9,674,696,586	10,320,750,374
Depreciation and amortisation expenses		20,236,478,167	21,023,460,156	20,224,771,922	21,008,481,119
Lease of aircraft and spare parts		4,330,692,346	1,531,697,470	4,330,692,346	1,531,697,470
Inventories and supplies		9,045,666,940	8,496,583,764	9,045,666,940	8,496,583,764
Selling and advertising expenses		6,103,389,350	6,221,182,125	6,060,948,019	6,177,708,638
Insurance expenses		675,150,146	760,064,787	675,150,146	760,064,787
Impairment losses of assets		489,179,972	529,056,765	489,179,972	529,056,765
Reversal of impairment losses of investment		-	-	(195,000,000)	-
Other expenses	6.22	6,114,815,945	8,103,657,883	6,049,676,146	8,056,875,218
Gains on foreign currency exchange		(9,106,263,666)	(3,167,360,443)	(9,114,515,204)	(3,166,632,320)
Total Expenses		161,839,483,260	150,021,148,605	161,476,853,997	149,859,251,356
Share of losses (profits) of investments by the equity method		(257,921,577)	8,562,792	-	-
Profits before Finance Costs and Income Tax Expenses		22,688,823,122	13,844,815,818	22,638,157,621	13,776,684,513
Finance costs		5,165,714,842	5,737,562,830	5,165,714,842	5,737,562,830
Profits before Income Tax Expenses		17,523,108,280	8,107,252,988	17,472,442,779	8,039,121,683
Net tax expenses	6.23	2,125,164,252	691,425,974	2,076,585,493	621,712,450
Net profits		15,397,944,028	7,415,827,014	15,395,857,286	7,417,409,233
Profits Attributable to:					
Equity holders of the parent		15,349,692,867	7,343,578,865	15,395,857,286	7,417,409,233
Minority interests		48,251,161	72,248,149	-	-
		15,397,944,028	7,415,827,014	15,395,857,286	7,417,409,233
Basic Earnings per Share					
Net profits (losses) per share	6.25	8.39	4.32	8.41	4.37

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 SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the years ended December 31, 2010 and 2009

Units : Baht

CONSOLIDATED

<i>Notes</i>	Equity holders of the parent				Minority Interests	Total
	Share Capital issued and fully paid	Premium on ordinary shares	Retained Earnings	Total Equity holders of the parent		
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	-	-	7,343,578,865	7,343,578,865	72,248,149	7,415,827,014
<u>Less</u> Dividends paid	-	-	-	-	54,000,000	54,000,000
Balance as at December 31, 2009	16,989,009,500	15,637,625,278	20,319,766,346	52,946,401,124	297,558,183	53,243,959,307
Balance as at January 1, 2010	16,989,009,500	15,637,625,278	20,319,766,346	52,946,401,124	297,558,183	53,243,959,307
<u>Add</u> Net profits	-	-	15,349,692,867	15,349,692,867	48,251,161	15,397,944,028
<u>Less</u> Dividends paid	-	-	424,725,237	424,725,237	57,375,000	482,100,237
<u>Add</u> Dividends return	-	-	24,628	24,628	-	24,628
<u>Add</u> Issued and paid-up share capital	4,838,709,670	-	-	4,838,709,670	1,020,070	4,839,729,740
<u>Add</u> Premium on ordinary shares	-	10,161,290,307	-	10,161,290,307	-	10,161,290,307
<u>Less</u> Share offering expenses	-	250,691,634	-	250,691,634	-	250,691,634
Balance as at December 31, 2010	21,827,719,170	25,548,223,951	35,244,758,604	82,620,701,725	289,454,414	82,910,156,139

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 SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the years ended December 31, 2010 and 2009

Units : Baht

THE COMPANY				
<i>Notes</i>	Share Capital issued and fully paid	Premium on ordinary shares	Retained Earnings	Total
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 profits	-	-	7,417,409,233	7,417,409,233
Balance as at December 31, 2009	16,989,009,500	15,637,625,278	19,446,892,908	52,073,527,686
Balance as at January 1, 2010	16,989,009,500	15,637,625,278	19,446,892,908	52,073,527,686
<u>Add</u> Net profits	-	-	15,395,857,286	15,395,857,286
<u>Less</u> Dividends paid	-	-	424,725,237	424,725,237
<u>Add</u> Dividends return	-	-	24,628	24,628
<u>Add</u> Issued and paid-up share capital	4,838,709,670	-	-	4,838,709,670
<u>Add</u> Premium on ordinary shares	-	10,161,290,307	-	10,161,290,307
<u>Less</u> Share offering expenses	-	250,691,634	-	250,691,634
Balance as at December 31, 2010	21,827,719,170	25,548,223,951	34,418,049,585	81,793,992,706

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 SUBSIDIARIES

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2010 and 2009

	Units : Baht			
	<u>CONSOLIDATED</u>		<u>THE COMPANY</u>	
<u>Notes</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Cash Flows from Operating Activities				
Profits before income tax expenses	17,523,108,280	8,107,252,988	17,472,442,779	8,039,121,683
Adjustment to reconcile net profit to cash provided by (paid from) operating activities :				
Depreciation and amortisation expenses	20,236,478,167	21,023,460,156	20,224,771,922	21,008,481,119
Dividends income	(105,000)	(323,750)	(168,119,520)	(153,894,620)
Share of losses (profits) of investments by equity method	(257,921,577)	8,562,792	-	-
Interest income	(185,028,027)	(178,067,252)	(175,552,112)	(164,924,864)
Interest expenses	5,165,714,842	5,737,562,830	5,165,714,842	5,737,562,830
Gains on sales of assets	(93,913,342)	(232,341,422)	(93,913,342)	(232,332,616)
Losses on sales of aircrafts	148,464,856	-	148,464,856	-
Other non - current liabilities	1,620,000	-	-	-
Gains on foreign currency exchange	(8,231,569,446)	(2,567,607,827)	(8,231,449,732)	(2,569,404,476)
Provision for obsolete inventories and supplies	(5,864,415)	97,819,585	(5,864,415)	97,819,585
Doubtful accounts	(58,104,978)	255,241,729	(57,891,791)	273,091,984
Impairment losses of assets	489,179,972	529,056,765	489,179,972	529,056,765
Reversal of impairment losses of investment	-	-	(195,000,000)	-
Operating profits before changes in operating assets and liabilities	34,732,059,332	32,780,616,594	34,572,783,459	32,564,577,390
Decrease (increase) in operating assets :				
Trade accounts receivable	(1,860,354,166)	478,405,815	(1,910,237,178)	505,254,113
Inventories and supplies	(763,848,741)	483,509,627	(763,848,741)	483,509,627
Prepaid expenses and deposits	(4,850,356,383)	108,156,797	(4,850,381,343)	107,996,640
Tax refund	A (6,460,094)	278,860,964	(6,460,094)	278,860,964
Other current assets	(331,076,245)	124,154,985	(339,504,049)	125,922,104
Assets for sales	508,609,865	(883,280,235)	508,609,865	(883,280,235)
Other assets	24,642,739	(170,251,942)	24,642,739	(170,225,396)
Deferred charges	(258,706,810)	(632,607,120)	(258,706,810)	(632,607,120)
Increase (decrease) in operating liabilities :				
Trade accounts payable	(136,433,674)	24,446,928	(139,995,611)	24,951,829
Accrued expenses and other current liabilities	5,082,051,140	(757,902,517)	5,078,376,088	(759,955,981)
Deferred income	(1,460,945,567)	1,979,762,723	(1,460,945,567)	1,979,762,723
Staff pension fund	(337,472,736)	(69,371,197)	(337,472,736)	(69,371,197)
Unearned transportation revenues	473,087,269	(4,958,756,541)	473,087,269	(4,958,756,541)
Other non - current liabilities	(1,324,984,970)	5,929,771	(1,324,984,970)	6,017,079
Payment of income tax	(1,222,185,214)	(268,640,774)	(1,157,396,421)	(202,250,609)
Net Cash from Operating Activities	28,267,625,745	28,523,033,878	28,107,565,900	28,400,405,390

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

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2010 and 2009

Units : Baht

	<u>Notes</u>	<u>CONSOLIDATED</u>		<u>THE COMPANY</u>	
		<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Cash Flows from Investing Activities					
Cash received from operational assistance subsidy		61,310,000	-	61,310,000	-
Cash paid for acquisition of fixed assets	B	(9,580,587,175)	(16,428,357,384)	(9,579,055,127)	(16,425,049,973)
Cash paid for intangible assets		(103,200,695)	(98,319,577)	(102,869,598)	(96,936,257)
Cash received from transferring the rights for advance payment of aircraft and aircraft equipment		318,985,741	1,296,065,254	318,985,741	1,296,065,254
Cash received from sales of assets		374,968,984	255,500,126	374,968,984	255,490,547
Interest income		158,296,837	236,491,362	147,723,351	221,556,223
Dividends income		97,994,520	87,894,620	168,119,520	153,894,620
Investments decrease (increase)		128,222	(1,542,612)	(851,708)	(1,542,612)
Temporary investments decrease (increase)		(199,969,555)	180,000,000	-	-
Net Cash Used in Investing Activities		(8,872,073,121)	(14,472,268,211)	(8,611,668,837)	(14,596,522,198)
Cash Flows from Financing Activities					
Cash received from debentures		-	4,790,000,000	-	4,790,000,000
Cash received from long-term loans		21,965,338,178	34,243,919,797	21,965,338,178	34,243,919,797
Cash received from issuing ordinary shares		4,838,709,740	-	4,838,709,670	-
Cash received from issuing preferred shares		1,020,000	-	-	-
Cash received from premium on ordinary shares		9,910,598,674	-	9,910,598,674	-
Cash paid for repayment of short-term loans		(1,116,109,440)	(20,323,361,410)	(1,116,109,440)	(20,323,361,410)
Cash paid for repayment of debentures		(10,955,290,000)	(7,500,000,000)	(10,955,290,000)	(7,500,000,000)
Cash paid for repayment of long-term loans		(13,854,951,591)	(11,759,831,128)	(13,854,951,591)	(11,759,831,128)
Cash paid for repayment of promissory notes		(750,000,000)	(1,050,000,000)	(750,000,000)	(1,050,000,000)
Cash paid for loan interest		(5,579,165,794)	(5,430,628,932)	(5,579,165,794)	(5,430,628,932)
Dividends paid		(423,308,755)	(637,378)	(423,308,755)	(637,378)
Dividends paid to minority interests		(57,375,000)	(54,000,000)	-	-
Net Cash used in Financing Activities		3,979,466,012	(7,084,539,051)	4,035,820,942	(7,030,539,051)
Increase (decrease) in cash and cash equivalents		23,375,018,636	6,966,226,616	23,531,718,005	6,773,344,141
Effect from changing in exchange rate on cash and cash equivalents increase (decrease)		4,982,461	(112,062,087)	4,982,461	(112,062,087)
Cash and cash equivalents at the beginning of the periods		14,299,680,924	7,445,516,395	14,064,775,967	7,403,493,913
Cash and Cash Equivalents at the End of the Periods	C	37,679,682,021	14,299,680,924	37,601,476,433	14,064,775,967

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 SUBSIDIARIES

STATEMENT OF CASH FLOWS

For the years ended December 31, 2010 and 2009

Note to Statement of Cash Flows

A. Tax Refund - Consolidated and the Company

	Units : Million Baht
	<u>2010</u>
Adjustment of tax refund for the year 2009	(6.46)
	<u>(6.46)</u>
	<u>2009</u>
Proceeds from P.N.D 50 for the year 2008	266.25
Adjustment of tax refund for the year 2008	12.61
	<u>278.86</u>

B. Property, Plant and Equipment

Consolidated

During the year 2010, the Company bought property, plant and equipment under finance leases amount of THB 4,027.20 million and cash payment amount of THB 9,580.59 million, total cost amount of THB 13,607.79 million.

During the year 2009, the Company bought property, plant and equipment under finance leases amount of THB 12,899.96 million and cash payment amount of THB 16,428.36 million, total cost amount of THB 29,328.32 million.

The Company

During the year 2010, the Company bought property, plant and equipment under finance leases amount of THB 4,027.20 million and cash payment amount of THB 9,579.06 million, total cost amount of THB 13,606.26 million.

During the year 2009, the Company bought property, plant and equipment under finance leases amount of THB 12,899.96 million and cash payment amount of THB 16,425.05 million, total cost amount of THB 29,325.01 million.

C. Cash and Cash Equivalents

	Units : Million Baht			
	Consolidated		The Company	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Cash on hand and Outstanding bank balances	28,474.70	14,411.74	28,396.50	14,176.84
Short-term investments	9,200.00	-	9,200.00	-
Cash and cash equivalents as previously reported	<u>37,674.70</u>	<u>14,411.74</u>	<u>37,596.50</u>	<u>14,176.84</u>
Effect of exchange rate changes	4.98	(112.06)	4.98	(112.06)
Cash and cash equivalents as reported	<u>37,679.68</u>	<u>14,299.68</u>	<u>37,601.48</u>	<u>14,064.78</u>

(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 SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
For the years ended December 31, 2010 and 2009

1. BASIS OF FINANCIAL STATEMENTS 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 subsidiaries, Thai-Amadeus Southeast Asia Company Limited, in which the Company holds equity interests of 55%, as well as Wing Span Services Company Limited, in which the Company holds equity interests of 49% of ordinary shares controlling by the Company. Significant transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.

An English language version of the financial statements has been prepared from the statutory financial statements that were issued in Thai language. In case of conflict or difference in understanding, the financial statements in Thai language shall prevail.

2. NEW AND REVISED THAI ACCOUNTING STANDARDS (TAS) AND THAI FINANCIAL REPORTING STANDARDS (TFRS)

During the year 2010, the Federation of Accounting Professions (FAP) announced the revised Thai Accounting Standards, Thai Financial Reporting Standards in which there are a renumbering of New Accounting Standards, which are effective for financial statements having accounting periods beginning on or after January 1, 2011 and January 1, 2013 (except for the Accounting Framework which is immediately effective) and were not early adopted by the Company are as follows:

- Effective for accounting periods on or after January 1, 2011 onwards:
Accounting Framework (revised 2009)
- TAS 1 (revised 2009) Presentation of Financial Statements
- TAS 2 (revised 2009) Inventories
- TAS 7 (revised 2009) Statements of Cash Flow
- TAS 8 (revised 2009) Accounting Policies, Changes in Accounting
Estimates and Errors
- TAS 10 (revised 2009) Events After the Reporting Period
- TAS 11 (revised 2009) Construction Contracts
- TAS 16 (revised 2009) Property, Plant and Equipment
- TAS 17 (revised 2009) Leases
- TAS 18 (revised 2009) Revenue
- TAS 19 Employee Benefits
- TAS 23 (revised 2009) Borrowing Costs

TAS	24	(revised 2009)	Related Party Disclosures
TAS	26		Accounting and Reporting by Retirement Benefit Plans
TAS	27	(revised 2009)	Consolidated and Separate Financial Statements
TAS	28	(revised 2009)	Investments in Associates
TAS	29		Financial Reporting in Hyperinflationary Economics
TAS	31	(revised 2009)	Interests in Joint Ventures
TAS	33	(revised 2009)	Earnings Per Share
TAS	34	(revised 2009)	Interim Financial Reporting
TAS	36	(revised 2009)	Impairment of Assets
TAS	37	(revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS	38	(revised 2009)	Intangible Assets
TAS	40	(revised 2009)	Investment Property
TFRS	2		Share-Based Payments
TFRS	3	(revised 2009)	Business Combinations
TFRS	5	(revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS	6		Exploration for and Evaluation of Mineral Resources
TFRIC	15		Agreements for the Construction of Real Estate
-			Effective for accounting periods on or after January 1, 2013 onwards:
TAS	12		Income Taxes
TAS	20	(revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS	21	(revised 2009)	The Effects of Changes in Foreign Exchange Rate

The management of the Company has assessed and expected that the above standards have no material impact on the consolidated and the Company's financial statements. This excludes TAS 19, Employee Benefit, for which the management is still evaluating an impact to the financial statements in which it is initially adopted.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Allowance for Doubtful Accounts

Trade accounts receivable, not government agencies and state enterprises, are set an allowance for doubtful accounts by analysing a payment history and connection data together with aging analysis of each trade account receivable as a criteria at the following rates:

Period overdue	Allowance for doubtful accounts (%)
over 6 months to 1 year	50
over 1 year to 2 years	75
over 2 years	100

3.2 Inventories and Supplies

Inventories and supplies at the year-end, consisting of aircraft spare parts, fuel and oil for aircraft, cabin supplies, goods for sales as well as stationery and office supplies, are stated at the lower of moving average cost or net realizable value, except inventories in transit are stated at purchased date cost.

- Provision for obsolescence of aircraft spare parts is made at an annual rate of 10% of the year-end balance.

- Slow moving aircraft spare parts and spare parts for sales are spare parts not moving over two years or spare parts for aircraft not represented in the fleet. Provision for obsolescence is made at an annual rate of 33.33% of the incurred balance during the year.

- Provision for obsolete and damaged inventories is made at the full amount.

3.3 Investments

3.3.1 Investments in subsidiary and associated companies are recorded by the equity method in the consolidated financial statements but by cost method in the Company's financial statements.

3.3.2 Long-term investments in non-marketable equity securities are recorded at cost net of a provision for impairment. An impairment loss is recognised in the income statement.

3.3.3 Current investments in marketable equity securities are recorded at market value at the year-end. Gain or loss on change in value of trading securities is recognised in the income statement. For available-for-sale securities, the Company recognises gain or loss on change in value as an unrealised gain or loss under shareholders' equity.

3.4 Property, Plant and Equipment and Depreciation

3.4.1 Aircraft and aircraft under finance leases

3.4.1.1 Aircraft and aircraft under finance leases are stated at cost, including where applicable (engines and other flight equipment), as well as cost of decoration incurred prior to the aircraft being placed into service but excluding passenger seats and the first estimated overhaul cost, less any concessions for the acquisition of aircraft. Depreciation is calculated on a straight-line basis over an estimated useful life of 20 years with a residual value of 10% of cost. As for the aircraft and aircraft under finance leases, which the Company has taken the delivery since the fiscal year of 2006/07, and the depreciation of the existing aircraft having the same as those aircraft type are calculated on a straight-line basis over the estimated useful life of 15 years with a residual value of 10% of cost.

3.4.1.2 Aircraft overhaul (D-check) costs, the first estimated overhaul costs, are presented as separate assets from the aircraft cost and depreciated over the period of the next scheduled overhaul 4-7 years depending on type of aircraft. When these costs incur, the asserted assets will be expensed and replaced by the incurred overhaul cost.

3.4.1.3 Passenger seats are presented as separate assets from the aircraft cost and depreciated on a straight-line basis over an estimated useful life of 5 years. When the replacement costs incur, they are accounted for as the separate assets and the replaced assets will be written off.

3.4.2 Aircraft spare parts are stated at cost on the acquisition date and depreciated on a straight-line basis over an estimated useful life of 5-20 years.

3.4.3 Other fixed assets are stated at cost on the acquisition date or on the date of completion of construction and depreciated on a straight-line basis over an estimated useful life of 5-30 years.

3.4.4 Leasehold buildings are amortized as expense over a lease term of 10-30 years.

3.4.5 Gain or loss on sale of aircraft is calculated from the difference between the sale price and the net book value of the aircraft, including D-check, improvements to passenger seats, and sales expense. Gain or loss on sale of other assets is calculated from the difference between the sale price and net book value of sold assets and recognized as revenue or expense in the income statement.

3.5 Assets for Sales

Assets for sales are stated at the lower net book value or appraisal value.

Losses on impairment are recognized in an income statement. Gains or losses on sales of assets are recognized as other income or expense at sales.

3.6 Intangible Assets

Computer programmes

Software license and cost that are directly with identifiable and unique software product, which can be separated, identified costs and have an economic useful life over the accounting period, will be recognised as an intangible asset and amortised as expenses on a straight-line basis over an useful life of 5 years.

Expenses arising from developing or maintaining computers are recognized as expenses when incurred.

3.7 Impairment of Assets

Assets may be impaired whenever there is an indicator that the carrying amount of the asset exceeds its recoverable amount. A recoverable amount is the higher of an asset's net selling price and its value in use.

The Company will recognize an impairment loss in an income statement whenever the carrying amount exceeds its recoverable amount. Also, the Company will reverse the impairment loss when there is an indicator that the value of asset is no longer impaired or amount of impairment has decreased.

3.8 Deferred Charges

3.8.1 Aircraft overhaul costs (D-check) for aircraft under operating lease are presented as deferred charges and amortized as expenses over an estimated useful life of 4-7 years but not over the lease term.

3.8.2 Loan guarantee premiums are recorded as deferred charge and amortised as expenses over the period of loans in each accounting period.

3.9 Liabilities Under Finance leases

Liabilities under finance leases are liabilities from the purchase of aircraft under long-term finance leases with financial institutions and are stated at obligation value less aggregate repayments.

3.10 Revenue Recognition

3.10.1 Passenger and excess baggage revenues:

3.10.1.1 Revenue from ticket sales and service orders is recognized as revenue when transportation is provided. For passengers using the services of other airlines, the difference between the selling price charged by the Company and the amount billed to the Company by those airline performing the services is recognized as revenue.

3.10.1.2 Unused tickets and service orders are recognized as revenue after 2 years.

3.10.1.3 Deferred revenues for war risk insurance and fuel surcharges are recognized as revenues when the outstanding balances are over 3 years.

3.10.2 Freight revenue is recognized when the Company provides the services and issues its air waybills. For freight carried by other air carriers, the difference between the selling price charged by the Company and the amount billed to the Company by those air carriers performing the services is recognised as revenue.

- Freight with respect to which the Company has issued an air waybill but carried by other air carriers is recognized as revenue if the other air carriers do not bill within 1 year.

3.10.3 The Company has operated a frequent flyer program called "Royal Orchid Plus" since 1993. Members exchange accumulated mileage for services. The Company calculates cost per mile by dividing the average net collected fare in each zone by the number of miles redeemed for awards in that zone. The Company estimates the number of miles utilised by members based upon the weighted zonal redemption. The estimated cost is used to reduce passenger revenues and record liability under "unearned transportation revenue". Revenues are recognised when members redeem awards.

3.10.3.1 Unredeemed awards are recognized as revenue after 3 years.

3.10.3.2 Redemptions with Star Alliance partners involve interline billing arrangements and costs per mile specified in partner agreements. Revenues are recognised when transportation is provided.

3.10.3.3 The Company sells mileage to its members in order to encourage redemptions and recognises the difference between the sale price and mileage cost as revenue.

3.10.4 Revenues from business units, Aircraft Maintenance Services, Ground Customer Services, Ground Support Equipment Services and Cargo and Mail Commercial Services are recognised when services are provided. Revenues from Catering Services are recognised at sales. As for revenues from supporting activities such as Sale on Board and Thai Shop are recognised at sales but revenues from Dispatch Services are recognised when services are provided.

3.10.5 Other revenues are recognised on an accrual basis.

3.11 Basic Earnings Per Share

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

3.12 Foreign Currency Transactions

Foreign currency transactions incurred during the year are translated into Baht at exchange rates calculated from the average exchange rate of the Bank of Thailand and commercial banks in the month in which the transaction occurs. Except for foreign loans, the Company uses the exchange rate of the Bank of Thailand at cash received date.

Assets and liabilities denominated in foreign currency at year-end are translated into Baht at average commercial bank buying and selling rates announced by the Bank of Thailand at that date. Gains or losses on currency exchange are recognised in an income statement.

3.13 Staff Provident Fund

On June 26, 1992, the Company established an “Employee of Thai Airways International Public Company Limited Registered Provident Fund” in accordance with the Provident Fund Act B.E. 2530. The fund is managed by a professional fund manager and does not appear on the Company’s balance sheet. The Company contributes to the fund on a monthly basis at a rate of 9% of salaries for members having not more than 20 years of service and 10% for members having more than 20 years of service. Contributions are treated as expenses of the Company.

3.14 Deferred Income Tax

The Company’s tax expenses are calculated in accordance with the Revenue Code of Thailand. The deferred income tax is calculated from temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

3.15 Accounting Estimates

The Company and its subsidiaries have applied the accounting estimates and many assumptions in preparation financial statements to conform to the generally accepted accounting principles. These will impact on the amounts of assets, liabilities, revenues, expenses as well as the disclosure of contingent assets and liabilities which may be differed from the actualities.

3.16 Financial Instruments

The Company uses derivative financial instruments which are Interest Rate Swap (IRS) and Cross Currency Swap (CCS) to reduce the fluctuation risk from an interest rate and exchange rate by entering into a Swap Confirmation to exchange the principal amount and interest at maturity according to the contract. The arising different will be recorded as interest expenses in an income statement. For the Forward Contracts, the Company will recognise in its financial statements at the end of forward contracts. The arising difference will be recorded as gain or loss on foreign currency exchange in an income statement.

In addition, the Company also entered into fuel-oil hedging agreement in which premiums and the difference of the fuel price arising from this agreement will be recorded as expenses in an income statement.

4. EFFECT OF CHANGE IN ACCOUNTING ESTIMATES

The Company has changed its accounting policy for recording fixed assets by increasing a value of fixed asset per unit from THB 3,000 to THB 20,000 and up which became effective from January 1, 2010 onwards, in order to present the proper values of fixed assets in its financial statements. As a result, the Company's expenses increased in the year ended December 31, 2010 amount of THB 21.51 million as compared with the previous accounting policy.

5. CONSIDERATION OF AIRCRAFT IMPAIRMENT

In the fiscal year 2008 ended December 31, 2008, the Company recorded the aircraft impairment losses of 4 Airbus A340-500 aircraft amount of THB 4,425.59 million according to the Resolution of Board of Directors which approved the Company to decommission and sell such aircraft. At present, the Company cannot sell those aircraft therefore they have been taken into the Company's fleet and will be retrofitted for the best benefit. To conform to the TAS 36 "Impairment of Assets", the Company has reviewed its aircraft impairment in this fiscal year ended December 31, 2010 by company the net book value and appraisal value of such A340-500 aircraft. It appears that there is no material in price difference. Therefore, the Company do not record the additional impairment losses of such aircraft.

6. SUPPLEMENTARY INFORMATION

6.1 Cash and Cash Equivalents

	<u>Consolidated</u>		<u>Units : Million Baht The Company</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Cash - Domestic	133.01	32.32	133.01	32.32
Cash - Abroad	18.59	25.20	18.59	25.20
Bank Deposits - Domestic	22,984.35	2,681.25	22,906.15	2,446.35
Bank Deposits - Abroad	<u>14,543.73</u>	<u>11,560.91</u>	<u>14,543.73</u>	<u>11,560.91</u>
Total	<u>37,679.68</u>	<u>14,299.68</u>	<u>37,601.48</u>	<u>14,064.78</u>

6.2 Trade Accounts Receivable - Net

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

	<u>Consolidated</u>		<u>Units : Million Baht The Company</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Period overdue				
Not over 6 months	17,008.81	15,259.04	16,980.24	15,180.76
Over 6 months to 1 year	89.86	84.36	89.85	84.82
Over 1 year to 2 years	91.53	224.10	91.61	223.62
Over 2 years	<u>1,456.66</u>	<u>1,421.79</u>	<u>1,427.82</u>	<u>1,392.93</u>
	18,646.86	16,989.29	18,589.52	16,882.13
<u>Less Allowance for doubtful accounts</u>	<u>(1,620.34)</u>	<u>(1,681.73)</u>	<u>(1,591.56)</u>	<u>(1,652.74)</u>
Trade accounts receivable - net	<u>17,026.52</u>	<u>15,307.56</u>	<u>16,997.96</u>	<u>15,229.39</u>

6.3 Inventories and Supplies - Net

	Consolidated		Units : Million Baht The Company	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	Aircraft spare parts	6,285.86	5,528.14	6,285.86
<u>Less</u> Provision for obsolescence (10% of the year-end balance)	(628.59)	(552.81)	(628.59)	(552.81)
Aircraft spare parts - Net	<u>5,657.27</u>	<u>4,975.33</u>	<u>5,657.27</u>	<u>4,975.33</u>
Vehicle spare parts and ground support equipments	<u>260.24</u>	<u>278.35</u>	<u>260.24</u>	<u>278.35</u>
Slow moving aircraft spare parts and spare parts for sale	1,301.49	1,451.71	1,301.49	1,451.71
<u>Less</u> Provision for obsolescence (33.33% of incurred balance during the period)	(1,292.18)	(1,392.85)	(1,292.18)	(1,392.85)
Slow moving aircraft spare parts and spare parts for sale - Net	<u>9.31</u>	<u>58.86</u>	<u>9.31</u>	<u>58.86</u>
Fuel and oil for aircraft	484.11	200.84	484.11	200.84
Goods for sales	191.07	181.99	191.07	181.99
Cabin supplies	201.99	310.20	201.99	310.20
Supplies and other consumables	20.91	20.61	20.91	20.61
Stationery and office supplies	93.18	106.49	93.18	106.49
Inventories and spare parts in transit	49.59	65.29	49.59	65.29
Total inventories and supplies	<u>1,040.85</u>	<u>885.42</u>	<u>1,040.85</u>	<u>885.42</u>
Obsolete and damaged inventories for disposal	23.33	36.79	23.33	36.79
<u>Less</u> Provision for obsolescence (100%)	(23.33)	(36.79)	(23.33)	(36.79)
Obsolete and damaged inventories for disposal - Net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total inventories and supplies - Net	<u>6,967.67</u>	<u>6,197.96</u>	<u>6,967.67</u>	<u>6,197.96</u>
Total inventories and supplies at year-end	8,911.77	8,180.41	8,911.77	8,180.41
<u>Less</u> Total provision for obsolete inventories and supplies	(1,944.10)	(1,982.45)	(1,944.10)	(1,982.45)
Total inventories and supplies - Net	<u>6,967.67</u>	<u>6,197.96</u>	<u>6,967.67</u>	<u>6,197.96</u>

6.4 Other Current Assets

	Consolidated		Units : Million Baht The Company	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	Tax refund	265.59	218.85	265.59
Cash and bank deposits of pension fund	4,650.13	3,346.11	4,650.13	3,346.11
Others	2,075.39	3,107.98	2,047.92	3,071.33
Total	<u>6,991.11</u>	<u>6,672.94</u>	<u>6,963.64</u>	<u>6,636.29</u>

6.5 Investments

Consolidated

Units : Million Baht

Name of Company	Percentage of Shareholding		Investments				Income on investments	
	2010	2009	Cost method		Equity method		2010	2009
			2010	2009	2010	2009		
6.5.1 Investments using the equity method								
Royal Orchid Hotel (Thailand) Public Company Limited (Market value for the year 2010 amount of THB 562.50 million and the year 2009 amount of THB 697.50 million)	24	24	225.00	225.00	185.11	248.14	(63.03)	(34.11)
Donmuang International Airport Hotel Company Limited	40	40	48.00	48.00	112.31	158.48	(12.57)	(14.56)
Bangkok Aviation Fuel Services Public Company Limited (Market value for the year 2010 amount of THB 1,232.50 million and the year 2009 amount of THB 921.49 million)	22.6	22.6	115.19	115.19	659.83	615.87	99.25	76.93
Phuket Air Catering Company Limited	30	30	30.00	30.00	108.95	88.50	29.45	26.15
Suvarnabhumi Airport Hotel Company Limited	30	30	305.33	305.33	100.07	129.97	(29.90)	(62.97)
Nok Airlines Company Limited	39	39	195.00	195.00	234.72	-	234.72	-
<u>Less</u> Allowance for impairment of Nok Airlines Company Limited			-	(195.00)	-	-	-	-
Total investments using the equity Method					<u>1,400.99</u>	<u>1,240.96</u>	<u>257.92</u>	<u>(8.56)</u>
6.5.2 Other long-term investments stated at cost								
Fuel Pipeline Transportation Limited	8.4	8.4	133.00	133.00			-	-
Aeronautical Radio of Thailand Limited	2.5	2.7	16.58	18.01			-	-
SITA Investment Certificate	-	-	30.34	33.32			-	-
Trade Siam Company Limited (paid 25% of authorized share capital)	3.5	3.5	1.75	1.75			-	-
SITA Information Networking Computing	-	-	27.44	30.37			-	-
Other Shares	-	-	2.76	2.96			0.11	0.32
<u>Less</u> Allowance for impairment of Fuel Pipeline Transportation Limited			(133.00)	(133.00)			-	-
Total other long-term investments			<u>78.87</u>	<u>86.41</u>			<u>0.11</u>	<u>0.32</u>

The Company

Units : Million Baht

Name of Company	Percentage of Shareholding		Investments		Dividend Income	
			Cost method			
	2010	2009	2010	2009	2010	2009
6.5.1 Investments using the cost method						
Subsidiary Companies						
Thai-Amadeus Southeast Asia Company Limited	55	55	8.25	8.25	70.12	66.00
Wing Span Services Company Limited	49	-	<u>0.98</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total			<u>9.23</u>	<u>8.25</u>	<u>70.12</u>	<u>66.00</u>
Associated Companies						
Royal Orchid Hotel (Thailand) Public Company Limited (Market value for the year 2010 amount of THB 562.50 million and the year 2009 amount of THB 697.50 million)	24	24	225.00	225.00	18.00	18.00
Donmuang International Airport Hotel Company Limited	40	40	48.00	48.00	33.60	16.80
Bangkok Aviation Fuel Services Public Company Limited (Market value for the year 2010 amount of THB 1,232.50 million and for the year 2009 amount of THB 921.49 million)	22.6	22.6	115.19	115.19	55.29	43.77
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			<u>-</u>	<u>(195.00)</u>	<u>-</u>	<u>-</u>
Total			<u>918.52</u>	<u>723.52</u>	<u>97.89</u>	<u>87.57</u>
Total investments using the cost method			<u>927.75</u>	<u>731.77</u>	<u>168.01</u>	<u>153.57</u>
6.5.2 Other long-term investments stated at cost						
Fuel Pipeline Transportation Limited	8.4	8.4	133.00	133.00	-	-
Aeronautical Radio of Thailand Limited	2.5	2.7	16.58	18.01	-	-
SITA Investment Certificate	-	-	30.34	33.32	-	-
TRADESIAM Company Limited (paid 25% of authorized share capital)	3.5	3.5	1.75	1.75	-	-
SITA Information Networking Computing	-	-	27.44	30.37	-	-
Other Shares	-	-	2.76	2.96	0.11	0.32
<u>Less</u> Allowance for impairment of Fuel Pipeline Transportation Limited			<u>(133.00)</u>	<u>(133.00)</u>	<u>-</u>	<u>-</u>
Total other long-term investments			<u>78.87</u>	<u>86.41</u>	<u>0.11</u>	<u>0.32</u>

6.5.3 Financial Data Summary of Subsidiary and Associated Companies

Name of Company	Units : Million Baht			
	Assets	Liabilities	Income	Gains (Losses)
<u>Subsidiary Companies</u>				
Thai-Amadeus Southeast Asia Company Limited	718.41	77.44	317.41	107.22
Wing Span Services Company Limited	1.96	0.01	-	(0.05)
<u>Associated Companies</u>				
Royal Orchid Hotel (Thailand) Public Company Limited	1,643.92	872.64	442.84	(230.08)
Donmuang International Airport Hotel Company Limited	330.32	49.55	132.32	(26.58)
Bangkok Aviation Fuel Services Public Company Limited	5,377.84	2,456.93	1,301.29	402.14
Phuket Air Catering Company Limited	376.40	13.22	256.08	85.44
Suvarnabhumi Airport Hotel Company Limited	1,860.19	1,526.62	661.47	(99.67)
Nok Airlines Company Limited	1,165.61	563.76	2,991.80	466.67

The Company used the financial statements of associated companies as at September 30, 2010 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.

6.6 Related Parties The Company

6.6.1 Major Shareholders

6.6.1.1 Short-term loans from related party

	Units : Million Baht	
	2010	2009
Foreign loans via the Ministry of Finance	-	1,116.11

6.6.1.2 Long-term loans from related parties

	Units : Million Baht	
	2010	2009
Foreign loans via the Ministry of Finance	1,211.85	1,340.67
Government Saving Bank	6,606.00	8,178.00
Islamic Bank of Thailand	<u>1,500.00</u>	<u>2,000.00</u>
Total	<u>9,317.85</u>	<u>11,518.67</u>

6.6.1.3 Promissory notes from related party

Units : Million Baht

	2010	2009
	Government Saving Bank	-

6.6.2 Subsidiary Company

Units : Million Baht

	2010		2009	
	Sales	Purchase	Sales	Purchase
Thai-Amadeus Southeast Asia Company Limited	2.99	-	3.72	-

Units : Million Baht

	2010		2009	
	Account Receivables	Account Payables	Account Receivables	Account Payables
Thai-Amadeus Southeast Asia Company Limited	0.27	-	0.29	-

6.6.3 Associated Companies

Units : Million Baht

	2010		2009	
	Sales	Purchase	Sales	Purchase
Royal Orchid Hotel (Thailand) Public Company Limited	0.22	3.58	0.20	7.06
Donmuang International Airport Hotel Company Limited	-	0.90	-	4.90
Bangkok Aviation Fuel Services Public Company Limited	0.02	368.70	0.03	361.58
Phuket Air Catering Company Limited	2.99	12.11	3.07	3.57
Suvarnabhumi Airport Hotel Company Limited	-	30.95	-	41.20
Nok Airlines Company Limited	1,609.78	-	921.67	-

Units : Million Baht

	2010		2009	
	Account Receivables	Account Payables	Account Receivables	Account Payables
Royal Orchid Hotel (Thailand) Public Company Limited	-	0.01	-	-
Donmuang International Airport Hotel Company Limited	-	-	-	0.03
Bangkok Aviation Fuel Services Public Company Limited	-	37.15	0.01	37.14
Phuket Air Catering Company Limited	0.26	2.93	0.22	0.77
Suvarnabhumi Airport Hotel Company Limited	-	3.35	-	-
Nok Airlines Company Limited	69.30	-	122.28	-

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

6.7 Property, Plant and Equipment – Net

Consolidated

Units : Million Baht

	Aircraft	Aircraft under finance leases	Aircraft spare parts	Land, buildings and Improvements	Other plant and equipment	Total
Cost						
As at January 1, 2010	141,512.15	171,315.11	31,100.48	18,861.34	29,594.62	392,383.70
- Adjust/Transfers	15,938.78	(12,707.09)	(17.93)	18.83	113.41	3,346.00
- Additions	4,724.59	5,150.49	3,327.00	81.26	195.72	13,479.06
- Disposals	(3,711.65)	(512.84)	(5,462.62)	(59.34)	(348.72)	(10,095.17)
As at December 31, 2010	158,463.87	163,245.67	28,946.93	18,902.09	29,555.03	399,113.59
Impairment Allowance	950.40	3,475.19	-	-	-	4,425.59
Accumulated depreciation						
As at January 1, 2010	78,309.40	43,509.96	20,655.57	10,273.49	21,704.50	174,452.92
- Depreciation	7,045.71	8,485.93	1,759.62	691.59	1,884.64	19,867.49
- Adjust/Transfers	9,847.88	(7,137.72)	279.37	-	34.32	3,023.85
- Disposals	(3,304.29)	(512.84)	(4,569.79)	(50.43)	(337.41)	(8,774.76)
As at December 31, 2010	92,849.10	47,820.52	18,124.77	10,914.65	23,286.05	192,995.09
Net book value						
As at December 31, 2009	62,252.35	124,329.96	10,444.91	8,587.85	7,890.12	213,505.19
As at December 31, 2010	65,614.77	115,425.15	10,822.16	7,987.44	6,268.98	206,118.50

The Company

Units : Million Baht

	Aircraft	Aircraft under finance leases	Aircraft spare parts	Land, buildings and Improvements	Other plant and equipment	Total
Cost						
As at January 1, 2010	141,512.15	171,315.11	31,100.48	18,861.34	29,382.57	392,171.65
- Adjust/Transfers	15,938.78	(12,707.09)	(17.93)	18.83	113.41	3,346.00
- Additions	4,724.59	5,150.49	3,327.00	81.26	194.19	13,477.53
- Disposals	(3,711.65)	(512.84)	(5,462.62)	(59.34)	(348.72)	(10,095.17)
As at December 31, 2010	158,463.87	163,245.67	28,946.93	18,902.09	29,341.45	398,900.01
Impairment Allowance	950.40	3,475.19	-	-	-	4,425.59
Accumulated depreciation						
As at January 1, 2010	78,309.40	43,509.96	20,655.57	10,273.49	21,514.33	174,262.75
- Depreciation	7,045.71	8,485.93	1,759.62	691.59	1,873.62	19,856.47
- Adjust/Transfers	9,847.88	(7,137.72)	279.37	-	34.32	3,023.85
- Disposals	(3,304.29)	(512.84)	(4,569.79)	(50.43)	(337.41)	(8,774.76)
As at December 31, 2010	92,849.10	47,820.52	18,124.77	10,914.65	23,084.86	192,793.90
Net book value						
As at December 31, 2009	62,252.35	124,329.96	10,444.91	8,587.85	7,868.24	213,483.31
As at December 31, 2010	65,614.77	115,425.15	10,822.16	7,987.44	6,256.59	206,106.11

In this fiscal year, there are 95 aircraft represent in the Company's fleet consisting of 54 own aircraft, 31 aircraft under finance leases according to Note to financial statement No. 6.31, and 10 aircraft under operating leases (including 3 B777-300ER aircraft leased from JET AIRWAYS).

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

Other plants and equipment-net amounted to THB 6,268.98 million (consolidated) and THB 6,256.59 million (the Company).

The Company uses buildings and equipment that are now fully depreciated with historical cost of THB 50,999.41 million including the leasehold buildings amount of THB 3,918.75 million.

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

In this year, the finance leased assets increased amount of THB 4,027.20 million.

6.8 Intangible Assets-net

	Units : Million Baht	
	Consolidated	The Company
Cost		
As at January 1, 2010	1,308.14	1,301.42
- Additions	194.65	194.32
As at December 31, 2010	1,502.79	1,495.74
Accumulated amortisation		
As at January 1, 2010	656.23	654.60
- Amortisation	294.20	293.52
As at December 31, 2010	950.43	948.12
Net book value		
As at December 31, 2009	651.91	646.82
As at December 31, 2010	552.36	547.62

6.9 Deferred Income Tax Assets

	Units : Million Baht			
	Consolidated		The Company	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Contribution to staff pension fund	820.92	964.30	820.92	964.30
Allowance for obsolete inventories	583.23	594.74	583.23	594.74
Allowance for doubtful accounts	542.05	560.62	533.42	551.92
Allowance for impairment in value of assets	1,341.82	1,645.15	1,341.82	1,645.15
Estimated accrual expenses	1,326.71	1,795.93	1,326.23	1,795.93
Frequent flyer program (ROP)	-	13.11	-	13.11
Loss on foreign currency exchange	134.11	134.31	134.11	134.31
Others	<u>22.98</u>	<u>22.65</u>	<u>19.30</u>	<u>19.03</u>
Total	<u>4,771.82</u>	<u>5,730.81</u>	<u>4,759.03</u>	<u>5,718.49</u>

6.10 Other Non-Current Assets

	Units : Million Baht			
	Consolidated		The Company	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Deferred charges	1,918.80	1,940.15	1,918.80	1,940.15
Others	<u>342.23</u>	<u>367.00</u>	<u>341.85</u>	<u>366.62</u>
Total	<u>2,261.03</u>	<u>2,307.15</u>	<u>2,260.65</u>	<u>2,306.77</u>

Deferred charges consisted of aircraft overhaul costs (D-check) for aircraft under operating lease, which are amortised 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 amortised as expenses over the period of due payment loans in each accounting period.

6.11 Long-term Loans Consolidated and the Company

<u>Currency</u>	<u>Loan Currency</u>		<u>Baht Equivalent (Million)</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
USD	40,000,000	40,000,000	1,211.85	1,340.67
THB	51,406,000,000	33,178,000,000	<u>51,406.00</u>	<u>33,178.00</u>
Total Long-term loans			52,617.85	34,518.67
<u>Less</u> Current portion of long-term loans			<u>2,072.00</u>	<u>2,472.00</u>
Net Long-term loans			<u>50,545.85</u>	<u>32,046.67</u>

At the year-end, long-term loans of the Company consisted of the foreign loans borrowed via the Ministry of Finance amount of THB 1,211.85 million and loans from the commercial banks and Government Saving Bank amount of THB 51,406.00 million. The total of long-term loans amounted to THB 52,617.85 million. As at December 31, 2010, such long-term loans have been transferred to a current portion of long-term loans amount of THB 2,072.00 million, leaving the balance of long-term loans amount of THB 50,545.85 million.

6.12 Liabilities Under Finance leases Consolidated and the Company

<u>Currency</u>	<u>Loan Currency</u>		<u>Baht Equivalent (Million)</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
JPY	36,785,991,071	46,115,845,299	13,765.98	16,860.37
USD	25,249,036	88,520,604	764.95	2,966.92
EUR	1,237,283,018	1,236,565,258	<u>49,796.18</u>	<u>59,513.91</u>
Total liabilities under finance leases			64,327.11	79,341.20
<u>Less</u> Current portion of finance leases			<u>9,595.02</u>	<u>11,312.93</u>
Net Liabilities under finance leases			<u>54,732.09</u>	<u>68,028.27</u>

The Company has exercised purchase options at the end of term finance leases of aircraft, presented the value regarding to the accounting policy described in Note 3.9, with 8 foreign financial institutions. As at December 31, 2010, the outstanding balance of obligations under finance leases for 31 aircraft are THB 69,774.51 million with maturities ranging from 2010 to 2022. After deducting interest expenses due amount of THB 5,447.40 million, the principal balance of obligations under the Company's finance leases is THB 64,327.11 million. As at December 31, 2010, the amount of THB 9,595.02 million has been transferred to a current portion of financial lease, leaving the balance of long-term liabilities under financial lease amount of THB 54,732.09 million.

6.13 Debentures

According to the Resolution of Extraordinary Shareholders' Meeting No. 1/2003 held on September 2, 2003 approved the Company to issue debentures in the amount of THB 40 billion. The Company had already issued its debentures for the first tranche of THB 10 billion, the second tranche of THB 15 billion, and the third tranche of THB 15 billion, totalling to THB 40 billion which had already been transferred to the Company's account. On May 12 and October 8, 2008 as well as October 20, 2009, the Company redeemed the due debentures amount of THB 6,000 million, 5,500 million and 7,500 million, respectively. In addition, the Company redeemed the due debentures amount of THB 4,500 million on October 8, 2010.

According to the Resolution of Extraordinary Shareholders' Meeting for the year 2005 held on December 23, 2005 approved the Company to issue its debentures within the amount of THB 60 billion. On November 22, 2007, the Company had issued the debentures No.1/2550 for an aggregate of THB 7,500 million which were offered in 2 tranches. The first tranche amount of THB 3,000 million and the second tranche amount of THB 4,500 million had already been transferred to the Company account, totalling THB 7,500 million. In addition, the Company redeemed the due debentures amount of THB 3,000 million on November 22, 2010. The Company had issued the debentures No. 1/2551 for an aggregate of THB 7,000 million on October 2, 2008. Such debentures were offered in 3 tranches. The first tranche amount of THB 3,455.29 million, the second tranche amount of THB 987.92 million and the third tranche amount of THB 2,556.79 million, totalling to THB 7,000 million, had already been transferred to the Company's account. On April 2, 2010, the Company redeemed the due debentures amount of THB 3,455.29 million. On January 20, 2009, the Company had issued the debentures No. 1/2552 for an aggregate of THB 4,790 million issuing in 4 tranches, the first tranche amount of THB 170 million, the second tranche amount of THB 720 million, the third tranche amount of THB 300 million and the fourth tranche amount of THB 3,600 million. The amount of such debentures had already been transferred to the Company's account amount of THB 4,790 million.

As at December 31, 2010, the balance of debentures was THB 29,334.71 million which the amount of THB 11,487.92 million was transferred to a current portion of long-term liabilities, leaving the balance of long-term liabilities amount of THB 17,846.79 million. The details are as follows:

Tenor (Year)	Interest Rate Pay every 6 months	Amount (MTHB)	Redemption date
-------------------------	---	--------------------------	------------------------

		(%)		
<u>The second</u>	7	5.20	4,500.00	October 20, 2011
	10	5.80	<u>3,000.00</u>	October 20, 2014
			<u>7,500.00</u>	
<u>The third</u>	6	4.67	6,000.00	May 12, 2011
	10	5.19	<u>3,000.00</u>	May 12, 2015
			<u>9,000.00</u>	
<u>The 1/2550</u>	5	5.04	<u>4,500.00</u>	November 22, 2012
<u>The 1/2551</u>	3	5.05	987.92	October 2, 2011
	5	5.50	<u>2,556.79</u>	October 2, 2013
			<u>3,544.71</u>	
<u>The 1/2552</u>	3	5.30	170.00	January 20, 2012
	5	5.45	720.00	January 20, 2014
	7	5.60	300.00	January 20, 2016
	10	6.00	<u>3,600.00</u>	January 20, 2019
			<u>4,790.00</u>	
The balance as at December 31, 2010			<u>29,334.71</u>	

The Company has registered these debentures with the Thai Bond Market Association (Thai BMA) in the bond electronic exchange of the Stock Exchange of Thailand except for the issuing of debentures No. 1/2552 which were offered to specific investors (not more than 10 investors).

6.14 Deferred Income

Deferred income is the A380-800 delay compensation arising from the delay delivery of 6 A380-800 aircraft aside from penalty in the agreement. The deferred income is recognised as revenue according to the former delivery period until the next delivery period of such aircraft. For the year ended December 31, 2010, the amount of the THB 1,460.95 million was recognised as revenue, leaving the balance of deferred income amount of THB 509.42 million.

6.15 Other Current Liabilities - Others

	Consolidated		Units : Million Baht The Company	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Airport fees	2,258.59	2,909.20	2,258.59	2,909.20
Deferred revenue	2.54	3.16	2.41	3.03
Taxes payable	783.74	805.28	782.01	805.02
Fringe benefits-field office staff	574.54	539.46	574.54	539.46
Other accounts payable	<u>2,222.58</u>	<u>1,883.57</u>	<u>2,202.22</u>	<u>1,859.49</u>
Total	<u>5,841.99</u>	<u>6,140.67</u>	<u>5,819.77</u>	<u>6,116.20</u>

6.16 Long-Term Provision

6.16.1 The Court of First Instance has sentenced the Company to pay compensatory damages claimed by the employees in the amount of THB 15.35 million. At present, the Company has appealed the case to the Court of Appeal.

6.16.2 The Court of First Instance has sentenced the Company to pay compensatory damages for the cancellation the purchase of wines claimed by Ming Yeng International Co., Ltd. in the amount of THB 27.63 million. The Company's lawyer is going to appeal the case.

6.16.3 In the year 2009, the case where the courts awarded the Company to pay its liabilities amount of THB 2.17 million, which is now under the consideration of the Supreme Court.

6.16.4 The court of first instance has ordered the Company to compensate employees in the amount of THB 3.22 million. The case is now under the consideration of the Supreme Court.

6.16.5 In the fiscal year 2008, the Company has set up the reserve for damages and fines for the Antitrust and Competition cases and investigations in the amount of THB 4,290.17 million. As at December 31, 2008, the amount was transferred to short-term provision in the amount of THB 458.20 million, leaving the balance of long-term provision amount of THB 3,831.97 million. And in the fiscal year 2010, the Company has adjusted reduction in all short-term provision and long-term provision total amount of THB 1,783.19 million. As at December 31, 2010, the outstanding balance of long-term provision is THB 2,506.98 million. The provision is calculated by approximation from the estimated damages and fines figured by the lawyers in each region taking into account the facts that the lawyers are aware of and in according with the following criteria:

1. The above estimated damages and fines are calculated from the lowest fine rates that may be used in case the courts rule or sentence that the Company has committed guiltiness as alleged or claimed.

2. The above such estimated fine amounts are the estimate of fine figured by the competent authority of each countries which have carried out an investigation and litigation including the initial estimate of the compensation in the Civil Class Actions of both Cargo and Passenger cases in the United States. Both civil cases have not yet been determined the amount of claim and the plaintiffs still have the legal obligations to prove the actual damages.

3. The sentence or decision on the cases shall be given separately in the next forth coming different fiscal years.

4. The above provision may be substantially deviate from the truth due to:

4.1 In the countries where investigations are initiated and no allegation are filed yet, there is no clear fact as to whether an allegation will be filed against the Company. And if such an allegation is filed against the Company, in which locations that such allegation may cover. The turnover amount of such locations which shall be the basis for calculation of fine or damages is unknown then.

4.2 The determination of fine and damages is up to the discretion of the deciding body. Other facts of the cases may need to be considered by such deciding body.

4.3 Before the decision is made, there may be a compromise of fine or damages amount, depending on the policy of each country and the case aspects.

6.17 Dividends Payment the Company

According to the Resolution of the 2010 Annual General Shareholders' Meeting held on April 28, 2010 approved the Company to pay the dividend for the year 2009 operating result to the shareholders of 1,698.90 million shares at THB 0.25 per share amounting to THB 424.73 million. The Company paid the dividends amount of THB 424.70 million because there are 98,512 nominee shares having no rights to receive the dividend amount of THB 0.03 million.

6.18 Share Capital

On April 28, 2010, the Annual General Shareholders' Meeting 2010 approved the Company to decrease its registered share capital by canceling the 1.10 million unoffered registered shares, totalling to THB 10.99 million and to increase in the registered share capital by issuing and offering 1,000 million new ordinary shares to the public and the Ministry of Finance at one price. Still, the Ministry of Finance is the major shareholder holding at 51.03% of the total paid-up share capital.

On June 3, 2010, the Company has registered 1,000 million additional ordinary shares at par value of THB 10 each, totalling to 2,698.90 million authorized ordinary shares or amount of THB 26,989.01 million.

On September 16 and 17, 2010, the Company has already offered such increased ordinary shares to the public amount of 483.87 million shares at the following share allotment. The Ministry of Finance 246.93 million shares, existing shareholders (excluding the Ministry of Finance) 221.83 million shares, and retail investors 15.11 million shares. So, the Company already received the amount of ordinary shares issuance on September 24, 2010.

As at December 31, 2010, the Company has authorized ordinary shares amount of 2,698.90 million shares at par value THB 10 each for an aggregate of THB 26,989.01 million, issued and paid-up ordinary shares amount of THB 21,827.72 million.

6.19 Legal Reserve

As at December 31, 2009, the Company's legal reserve balance was THB 1,700 million. The Company provided the additional legal reserve in the fiscal year 2010 amount of THB 769.79 million, or 5% of net profit for the year according to the Public Company Act. Therefore, the total legal reserve balance as at December 31, 2010 amounted to THB 2,469.79 million.

6.20 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.

	Units : Million Baht			
	<u>Consolidated</u>		<u>The Company</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Board of Directors' benefit expenses	15.98	14.68	14.50	13.16
Executives' benefit expenses	<u>57.86</u>	<u>46.24</u>	<u>57.86</u>	<u>46.24</u>
Total	<u>73.84</u>	<u>60.92</u>	<u>72.36</u>	<u>59.40</u>

Moreover, the Directors of the Company obtain the ticket benefits. In the year 2010 and 2009, they issued the tickets for themselves and their related parties amount of 179 and 206 tickets with the value of THB 24.37 million and 23.80 million, respectively, calculating from the full fare tickets in those traveling classes.

6.21 Others

Text	Units : Million Baht			
	<u>Consolidated</u>		<u>The Company</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Gains on sales of assets	93.91	232.34	93.91	232.34
Dividends from subsidiary and associated companies	-	-	168.01	153.57
Revenue from other services of Aircraft Maintenance Department	281.73	330.98	281.73	330.98
Revenue from airport fees collected from passengers	1,068.79	247.24	1,068.79	247.24
Compensation revenue from the delay delivery of aircraft	1,460.95	738.04	1,460.95	738.04
Others	591.29	545.12	592.73	546.19
Total	<u>3,496.67</u>	<u>2,093.72</u>	<u>3,666.12</u>	<u>2,248.36</u>

6.22 Other Expenses

Units : Million Baht

Text	Consolidated		The Company	
	2010	2009	2010	2009
Rentals and utilities	2,728.73	2,881.24	2,728.73	2,881.24
Office supplies	230.38	220.11	230.38	220.11
Repair of building and equipment	511.54	453.40	511.54	453.40
Outsource services	926.21	1,077.01	926.21	1,077.01
Consultant and service fees	524.59	426.75	524.59	426.75
Legal fee for Antitrust/ Competition Law	(1,596.91)	90.13	(1,596.91)	90.13
Computer service expenses	404.92	378.61	404.92	378.61
Travelling and transportation expenses	577.54	562.07	577.54	562.07
Concession fees	276.29	233.36	276.29	233.36
Passenger claim expenses	279.54	236.79	279.54	236.79
Others	1,251.99	1,544.19	1,186.85	1,497.41
Total	6,114.82	8,103.66	6,049.68	8,056.88

The cost of legal proceeding for the protection of the antitrust is the potential damages, which the Company had reserved the costs of damages and fine arisen from the antitrust infringement in the fiscal year 2008 amounting to THB 4,290.17 Million. In the fiscal year 2010, the Company has nevertheless deducted such reserved cost for potential damages in the amount of THB 1,783.19 Million. In addition, it must be noted that the Company has already recorded the cost of the professional lawyer for the case that the Company was sued, alleged and administrative costs, in the total of THB 186.28 Million. Consequently, the cost of legal proceeding for the protection of the antitrust can be decreased in the total of THB 1,596.91 Million (See the remark of financial budget in 6.29.2)

6.23 Net Tax Expenses

Text	Units : Million Baht			
	Consolidated		The Company	
	2010	2009	2010	2009
Tax expense (income) from taxable profit for the period	1,166.17	16.47	1,117.12	(47.87)
Add(less): deferred tax asset/ liability from temporary different increase/ decrease	958.99	674.96	959.47	669.58
Net tax expenses	2,125.16	691.43	2,076.59	621.71

Tax credit arising from net losses which incurred in the fiscal year ended December 31, 2008 in accordance with P.N.D. 50 amounted to THB 15,722.63 million. In the fiscal year ended December 31, 2009, the Company exercised its tax benefit amount of THB 6,301.78 million, leaving the balance of unexercised tax credit amount of THB 9,420.85 million which, the Company exercised such the whole amount of tax benefit in the fiscal year ended December 31, 2010.

6.24 Investment Promotion

The Company received two investment promotion certificates for air transportation operation of aircraft, consisting of passenger and cargo transportation activities, according to the investment promotion certificates No.1214(2)/2552 and 1874(2)/2552 received on March 13 and November 19, 2010, respectively. Under the condition, the Company will give a privilege for exemption from corporate income tax for the net profit, which operated by such aircraft starting from the date of first revenues derived from the promoted activities, up to 8 years

Revenues from sales and revenues from services separated from the promoted and non-promoted activities for the year ended December 31, 2010 and 2009 are as follows:

Text	Units : Million Baht	
	The Company	
	2010	2009
Revenues from sales and revenues from services		
Promoted activities	6,559.07	-
Non-promoted activities	173,714.27	161,222.65
Total revenues from sales and revenues from services	180,273.34	161,222.65

6.25 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.

	Units : Million Baht/Million Shares			
	Consolidated		The Company	
	2010	2009	2010	2009
Profits (losses) attributable to Equity holders of the parent	15,349.69	7,343.58	15,395.86	7,417.41
Number of ordinary shares in issued as at January 1, 2010	1,698.90	1,698.90	1,698.90	1,698.90
An effect from issued share capital on September 24, 2010	131.24	-	131.24	-
Number of weighted average ordinary shares	<u>1,830.14</u>	<u>1,698.90</u>	<u>1,830.14</u>	<u>1,698.90</u>
Basic earnings per share (THB)	<u>8.39</u>	<u>4.32</u>	<u>8.41</u>	<u>4.37</u>

6.26 Financial Information by Segment Consolidated

6.26.1 Business Segments

Statements of Income For the years ended December 31, 2010 and 2009

Units : Million Baht

	<u>Revenues</u>		<u>Inter - Segment Revenues</u>		<u>Total Revenues</u>		<u>Segment Results</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Air transportation	173,092.16	153,827.36	-	-	173,092.16	153,827.36	12,338.65	8,828.44
Business Units	6,448.83	6,820.86	14,716.98	13,820.02	21,165.81	20,640.88	(2,142.14)	163.57
Other activities	1,047.69	954.52	340.41	355.06	1,388.10	1,309.58	343.49	415.83
Eliminations	-	-	(15,057.39)	(14,175.08)	-	-	-	-
Operating profits							10,540.00	9,407.84
Share of profits (losses) of investments by the equity method							257.92	(8.56)
Finance costs							(4,980.69)	(5,559.50)
Gains on foreign currency exchange							9,106.26	3,167.36
Other income							2,599.61	1,100.11
Minority interests							(48.25)	(72.25)
Net tax expenses							(2,125.16)	(691.42)
Net profits							<u>15,349.69</u>	<u>7,343.58</u>

Assets and Liabilities As At December 31, 2010 and 2009

	<u>Current Assets</u>		<u>Non-Current Assets</u>		<u>Total Assets</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Air transportation	74,382.06	43,935.57	205,763.65	213,270.15	280,145.71	257,205.72
Business Units	860.43	550.72	9,664.62	11,095.91	10,525.05	11,646.63
Other activities	690.08	705.99	30.29	39.66	720.37	745.65
Non-allocated assets	<u>2,368.87</u>	<u>2,096.09</u>	-	-	<u>2,368.87</u>	<u>2,096.09</u>
Total	<u>78,301.44</u>	<u>47,288.37</u>	<u>215,458.56</u>	<u>224,405.72</u>	<u>293,760.00</u>	<u>271,694.09</u>

	<u>Current Liabilities</u>		<u>Non-Current Liabilities</u>		<u>Total Liabilities</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Air transportation	79,101.24	79,131.05	130,068.83	137,947.66	209,170.07	217,078.71
Business Units	1,225.34	957.91	43.70	50.94	1,269.04	1,008.85
Other activities	75.83	84.41	1.62	-	77.45	84.41
Non-allocated liabilities	<u>333.29</u>	<u>278.16</u>	-	-	<u>333.29</u>	<u>278.16</u>
Total	<u>80,735.70</u>	<u>80,451.53</u>	<u>130,114.15</u>	<u>137,998.60</u>	<u>210,849.85</u>	<u>218,450.13</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. As for the Technical Department, the inter-segment revenue is recorded at cost plus. Those transfers are eliminated in consolidation.

6.26.2 Geographical Segments

	Units : Million Baht	
	<u>2010</u>	<u>2009</u>
Domestic Revenues		
Transportation	12,843.85	12,346.48
Business units	6,448.83	6,820.87
Other activities	<u>1,047.69</u>	<u>954.52</u>
Total domestic revenues	<u>20,340.37</u>	<u>20,121.87</u>
Foreign Transportation Revenues		
Regional Asia	63,467.62	54,194.31
Europe	42,493.38	40,548.81
North Pacific	3,612.94	2,347.40
Australia & New Zealand	14,767.63	13,831.45
Africa	<u>726.90</u>	<u>45.70</u>
Total foreign transportation revenues	<u>125,068.47</u>	<u>110,967.67</u>
Charter revenues and others	9,161.77	4,552.42
Insurance surcharge from passengers	1,925.32	2,403.13
Fuel surcharge from passengers	24,092.75	23,557.65
Interest income	185.03	178.07
Other income	<u>3,496.67</u>	<u>2,093.72</u>
Total	<u>184,270.38</u>	<u>163,874.53</u>

6.27 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>2010</u>	<u>2009</u>
Current assets	4,761.11	4,727.32
Others	<u>31.37</u>	<u>22.13</u>
Total	<u>4,792.48</u>	<u>4,749.45</u>
Other current liabilities	421.34	40.84
Pension fund	<u>4,371.14</u>	<u>4,708.61</u>
Total	<u>4,792.48</u>	<u>4,749.45</u>

As at December 31, 2010, the fund balance was THB 4,371.14 million, equal to the Company's obligation to its staff under the fund. The total Company contribution to the fund in this accounting periods was THB 261.54 million, consisting of contributions at a rate equivalent to 10% of employee salaries in the amount of THB 231.78 million and the amounts to match the Company's obligation of THB 29.76 million.

6.28 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 1,112.24 million in this fiscal year.

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

6.29 Contingent Liabilities

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

	Units : Million Baht	
	<u>2010</u>	<u>2009</u>
Letters of guarantee issued by banks – Domestic	132.48	135.91
Letters of guarantee issued by banks – Abroad	203.63	225.60
The Company as defendant in		
Labor dispute cases	1,751.71	1,667.80
Damage claims cases	<u>2,308.62</u>	<u>2,661.19</u>
Total	<u>4,396.44</u>	<u>4,690.50</u>

6.29.2 The Company has been sued, alleged and investigated in the violation of the antitrust law and also other cases that has a criminal sanction. This will be succinctly elucidated in following details.

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 12 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 addition, the case as stated in 1 and 2 is the proceeding of Civil Class Action. 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. Currently, during the process of gathering and filing the evidences according to the process of discovery.

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. And the Commission of the European Communities made a decision to abrogate such allegation on November 9, 2010. The Company was therefore not be lawfully enforced to pay a fine.

4. The case where the New Zealand Commerce Commission (NZCC) has filed suit against the Company and other 13 airlines before the court at Auckland alleging that the Company jointly with other airlines fixed the fuel surcharge and security surcharge in violation of Commerce Act of New Zealand and requests the court to order to fine the Company according to the law, at the time of the suit was filed, the NZCC has not specified the amount of fine and compensation. The matters will be considered and judged by the court. At present, the company has submitted the answers to the court. Currently in the court trial.

5. The investigation cases by the US. Department of Justice (DOJ) are now in the process of investigation, and subpoenas requiring for documents have been served to 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 October 28, 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. At present, the company has submitted the answers to the court. Currently in the process of discovery.

7. The case where the Company was investigated by Republic of Korea Fair Trade Commission (KFTC) on October 29, 2009, the Company received the Examiner's reports alleged that the Company was in violation of antitrust law. Such reports also suggested KFTC to bring a criminal action against the Company and its relevant employees to be responsible for having involved in the determination of the extra fees. The Company then received the official decision of the KFTC Commissioners on November 30, 2010. By such decision the Company was consequently imposed a fine amounting to KRW 2.203 Million which is equivalent to THB 57.50 Million (Currency Exchange: 0.0261 Won = 1 Bath). Such amount can be divided into the amount of KRW 2.198 Million, which is equivalent to THB 57.37 Million and the amount of KRW 5 Million which is equivalent to THB 0.13 Million for the destinations Ex-Korea and Ex-Hong Kong respectively. KFTC would not bring a criminal action against the Company and its employees. On January 20, 2011 KFTC then issued the Examiner's Report ordering alteration of the amount of fine on Ex-Hong Kong route to be KRW 679 million. Consequently, the total amount of fine is KRW 2,877 million. Nevertheless, the Company has already appealed the KFTC Commissioners' decision to the competent court.

The legal fees for the claimed and alleged cases and the coordination costs have been recorded as expenses for the fiscal year ended December 31, 2010 in the amount of THB 186.28 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. The Company has nevertheless decided to deduct the reserved costs for the potential damages in the amount of THB 1,783.19 Million in the fiscal year 2010. Such totally reserved costs have consequently remained only at the amount of THB 2,506.98 Million.

6.29.3 The Company was sued by CEAT for the use of Website Thaiairway.com in America and the Company has been requested to provide compensations for the costs of legal proceeding. The Company is now providing necessary information to the lawyer retained by AMADEUS to represent the Company in legal proceeding.

6.30 Disclosure of Financial Instruments The Company

6.30.1 Interest rate risk

Interest rate risk in financial statements arises from changes in market interest rates which have an effect on the Company's operating results in the present and the future.

The following tables show weighted average interest rates and the amount of financial liabilities.

Units : Million Baht

2010

Financial Liabilities	Weighted Average Interest Rate	Outstanding Balances Floating Interest Rates			Outstanding Balances Fixed Interest Rates			Total
		Less than 1 year	1 to 5 years	Over 5 years	Less than 1 year	1 to 5 years	Over 5 years	
USD	4.46	764.95	-	-	-	1,211.85	-	1,976.80
JPY	1.28	3,511.34	7,753.22	2,501.42	-	-	-	13,765.98
EUR	1.88	4,108.32	17,822.12	19,074.41	1,210.42	5,112.87	2,468.05	49,796.19
THB	3.88	2,072.00	31,122.53	13,211.47	11,487.92	18,946.79	3,900.00	80,740.71
Total		10,456.61	56,697.87	34,787.30	12,698.34	25,271.51	6,368.05	146,279.68

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Units : Million Baht

2009

Financial Liabilities	Weighted Average Interest Rate	Outstanding Balances Floating Interest Rates			Outstanding Balances Fixed Interest Rates			Total
		Less than 1 year	1 to 5 years	Over 5 years	Less than 1 year	1 to 5 years	Over 5 years	
		USD	4.31	862.15	846.27	-	2,374.62	
JPY	1.32	3,411.08	9,753.05	3,696.24	-	-	-	16,860.37
EUR	1.57	4,364.82	18,876.44	24,343.21	1,416.37	5,982.83	4,530.24	59,513.91
THB	4.77	3,222.00	25,138.00	568.00	12,255.29	27,434.71	6,900.00	75,518.00
Total		11,860.05	54,613.76	28,607.45	16,046.28	34,758.21	11,430.24	157,315.99

For Interest Rate Risk Management, The Company applies a derivative financial instrument, Interest Rate Swap (IRS), to swap the floating interest rates which show high tendency to increase to fixed. As at December 31, 2010, the portion of the Company's debt after swap with floating to fixed interest rate is 54 : 46.

At the moment, the Company has the total of 10 IRS transactions, swapping debt with floating interest rate to 1 with fixed interest rate. 2 of these transactions are in JPY currency, the remaining 8 in EUR. As at December 31, 2010, IRS transactions' total notional amount was THB 21,737.46 millions of which interest exchange payments are done quarterly. The 2 transactions in JPY currency will expire in 2013, the 4 transactions in EUR currency will expire in 2017 and the 4 transactions in EUR currency will expire in 2018.

6.30.2 Foreign Currency Exchange Rate Risk

The Company generates revenues in more than 40 currencies, mainly in USD, THB, EUR and JPY while incurring liabilities mainly in 4 major currencies : EUR, THB, JPY and USD as well as expenses mainly in USD and THB. Fluctuations in exchange rates affect on long-term liabilities and operating expenses denominated in foreign currencies. Therefore, The Company has adopted "Natural Hedge" strategy to manage this risk by increasing the matching of currency between the revenue and expenses and to arrange for loan and restructure loan to coincide with net operating cash flow, and at the same time, to decrease foreign currency debt risk partially by relying on Thai baht loan in order to decrease the fluctuation of gain or loss from foreign exchange in the financial statement. In addition, The Company has a policy to enter into Cross Currency Swap (CCS) when the financial market benefits to the Company. As at December 31, 2010, the proportion of the Company's debts after swap in each currency i.e. USD : EUR : JPY : THB is 1 : 35 : 9 : 55. Gradually, the Company also used hedging strategy named Forward Contracts, by providing various degrees of participation in favorable exchange rate movement to hedge our future obligation that has underlying exposures.

At present, the Company has 2 CCS transactions, swapping debt in USD currency with floating interest rate to EUR currency with fixed rate. As at December 31, 2010, the two CCS transactions' total notional amount was THB 764.95 millions of which exchange payments, both principal and interest, are done quarterly. The two CCS transactions will expire in 2011.

Foreign Currency Liabilities						
<u>Currency</u>	2010			2009		
	<u>Due within 1 year</u>	<u>Due 1 to 5 years</u>	<u>Due over 5 years</u>	<u>Due within 1 year</u>	<u>Due 1 to 5 years</u>	<u>Due over 5 years</u>
USD	764.95	1,211.85	-	3,236.77	2,186.94	-
JPY	3,511.34	7,753.22	2,501.42	3,411.08	9,753.05	3,696.24
EUR	5,318.74	22,934.99	21,542.46	5,781.19	24,859.27	28,873.45

6.30.3 Fuel Price Risk

Fuel price fluctuation depends on supply and demand of global economic situation and political uncertainty worldwide. Fuel price has impact on the Company's operating result as fuel plays vital factor in airline industry. The Company has implemented jet fuel price hedging in order to reduce the risk of fuel price volatility, to protect the value of shareholder and is not to be treated as a profit-marking venture.

This was in accordance with the Company's policy, specifying that fuel hedging be conducted on a regular basis at not lower than 20 percent and not more than 50 percent of annual fuel consumption, whereby the tenor of each contract would be for a period of not more than 18 months. The Company selected a financial tool that was suitable for the market situation by establishing the lowest and highest prices of jet fuel, whereby the Company would incur the difference in USD currency, should the price of jet fuel falls below the lowest price. On the contrary, the Company would be compensated should the price of jet fuel rises higher than the highest price. In this fiscal year, the Company's hedge portion account to 58.0 percent of its annual fuel consumption. As at December 31, 2010, the Company still has are obligation from full hedging until June 2010 amount of 3.48 million barrels of Jet fuel whereby the average lowest and the highest jet fuel prices are at USD 78 per barrel and USD 101 per barrel, respectively.

6.30.4 Fair Value of Financial Instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing, independent parties with the freedom to bargain.

The methods and assumptions that the Company uses to estimate the fair value of assets and liabilities are as follows:

Cash and cash equivalents, trade accounts payable, loans, and accrued expenses are stated at the carrying value.

Investments in related companies not having market prices are stated at cost net of allowance of impairment. As for the investments in related companies having market prices are stated at closed market price of the Stock Exchange of Thailand.

Other investments are stated at net book value net of allowance of impairment. Investments in marketable equity securities are stated at market value.

Trade accounts receivable are stated at net book value net of allowances for doubtful accounts.

6.31 Airbus A330-300 Delivery

On December 23, 2009 and March 29, 2010, the Company took delivery of 3 and 2 Airbus A330-300, totalling 5 aircraft under financial leases. The aircraft have not been in the Company's fleet to operate for commercial purpose yet because the economy class seats for such aircraft have not been installed. The aircraft are under preservation awaiting for the seat installation in Bordeaux in France. Koito Industries Limited informed the Company that the economy class seats cannot be delivered within September 20, 2010. On August 3, 2010, the Company has sent the Notice of Termination of General Terms Agreement with Koito. Also, the Company already assigned The Legal and Compliance Department to retain the specialized attorney to claim damage from Koito for the late delivery of economy seats.

On July 2, 2010, the Company has entered into an agreement with another seat manufacturer namely Zim Flugsitz GmbH to produce and deliver the economy class seats for such 5 Airbus A330-300 aircraft. It is expected that the first aircraft will be delivery on March 2011.

Under the ECA Loan Agreement for the 5 aircraft, the Company shall mandatory prepay the outstanding amount of the loan if the economy class seats have not been installed on the aircraft by October 22, 2011, the date that the Company got a written approval from a Bank Representative and ECA Facility Agent to extend the Economy Seat Installation Long-Stop Date for such 5 aircraft whilst the Aircraft Preservation Agreement between the Company and Airbus S.A.S has been extended until October 22, 2011. As for the obligation expenses such as seat installation expenses, storage and maintenance of aircraft in flight ready expenses, and monthly survey and parking fee, the Company has already recorded those expenses amount of THB 115.18 million.

6.32 Contractual Obligations

6.32.1 Obligation to Purchase Aircraft

The Company has a payment obligation to purchase 6 A380-800 aircraft and 7 A330-300 aircraft amount of THB 51,862.26 million, expected to take delivery during the year 2011-2013.

6.32.2 Leases and obligations of aircraft

The Company has obligations from entering into operating leases amount of USD 1,601.75 million or approximately to THB 48,527.13 million (exchange rate USD 1 : THB 30.2963) consisting of 2 A330-300, 3 B737-400, 2 B777-200 aircraft and 11 B777-300ER aircraft, including 8 Boeing 777-300ER aircraft which are not in the Company fleet. The Company has entered into the Predelivery Commitment Agreement and Aircraft Lease Agreement with BOC Aviation Pte.Ltd. (BOCA) on October 22, 2010. The 8 Boeing 777-300ER will be delivered in 2012 and 2013. For aircraft under operating leases, the leases will be expired during 2013-2025.

6.32.3 Lease and obligation of Cargo Block Space

The Company has an obligation of cargo block space which is determined a minimum block hour amount of USD 76.48 million or approximately to THB 2,317.06 million per block space for 2 aircraft. The lease will be expired in the year 2012.

6.33 Events After the Balance Sheet

6.33.1 On January 18, 2011, one Airbus A300-600 was delivered to T.P. Aviation Company Ltd. which the Company already received the money. Another Airbus A300-600 aircraft is on the delivery process.

6.33.2 With respect to the Board of Directors' resolution dated on December 17, 2010 approved the Company to revise the covenant provision regarding the shareholding ratio of the Ministry of Finance and/or Government Agencies in the financing agreements in accordance with the policy of the Ministry of Finance, the Company has completed the shareholding covenant amendment of the A340-600 No. 6's financing agreement and prepaid the loan at the amount of EUR 30 million or approximately THB 1,268.46 million on January 31, 2011.

6.34 Approval of Financial Statements

These financial statements were approved by the Audit Committee, the Authorized Board of Directors, on February 23, 2011.
