

**(UNOFFICIAL TRANSLATION)**

**REVIEWED REPORT OF AUDITOR**

**TO : THE SHAREHOLDERS OF THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED**

The Office of the Auditor General has reviewed the accompanying consolidated and the Company statements of financial position as at September 30, 2011, the related consolidated and the Company statements of comprehensive income for the three and nine-month periods ended September 30, 2011 and 2010 (restated), consolidated and the Company statements of changes in shareholders' equity, and consolidated and the Company statements of cash flows for the nine-month periods ended September 30, 2011 and 2010 (restated), of Thai Airways International Public Company Limited and its subsidiaries and the Company, respectively. The Company's management is responsible for the correctness and completeness of information presented. The responsibility of the Office of the Auditor General is to express an opinion on these financial statements based on its reviews.

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

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

As stated in Notes to interim financial statements No. 2.2 and 3 for the three and nine-month periods ended September 30, 2011, the Company has changed the accounting policy concerning employee benefits. Hence, the compared financial statements for the three and nine-month periods ended September 30, 2010 and the statements of financial position as at December 31, 2010 have been restated due to the effect of such change. The Office of the Auditor General of Thailand audited the retrospective adjustments relating to the statements of financial position as at December 31, 2010 and confirmed that they are appropriate and have been properly applied.

The Office of the Auditor General of Thailand had audited the consolidated and the Company financial statements for the year ended December 31, 2010 of Thai Airways International Public Company Limited and its subsidiaries, and the Company respectively, in conformity with the Generally Accepted Accounting Standards and expressed an unqualified opinion on those financial statements in the report dated February 23, 2011. The consolidated and the Company statements of financial position as at December 31, 2010, presented here to compare, are a component of those financial statements which were audited and reported by the Office of the Auditor General of Thailand without performing any other auditing methods subsequent to the date of that reports, except for the adjustments due to the effect of changes in accounting policies as mentioned in the fourth paragraph.

As stated in Note to the interim financial statements No. 1.2 and 2 during the three and nine-month periods ended September 30, 2011, the Company has adopted the new Thai Financial Reporting Standards issued by the Federation of Accounting Professions, which are effective for the accounting period stating on or after January 1, 2011 onwards. Accordingly, the comparative interim financial statements for the three and nine-month periods ended September 30, 2010 and the statement of financial position as at December 31, 2010 have been presented in the new format to comply with the interim financial statements for the three and nine-month periods ended September 30, 2011.

(Signed) *Jiraporn Piriyaakitpaiboon*  
(Jiraporn Piriyaakitpaiboon)  
Inspector General

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

*Office of the Auditor General*  
November 8, 2011

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2011 AND DECEMBER 31, 2010

Units : Baht

	Notes	CONSOLIDATED		THE COMPANY	
		September 30, 2011 (Unaudited but reviewed)	December 31, 2010 (Restated)	September 30, 2011 (Unaudited but reviewed)	December 31, 2010 (Restated)
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	4.1	20,468,745,627	37,679,682,021	20,439,111,399	37,601,476,433
Temporary investments		441,279,067	549,631,092	-	-
Trade accounts receivable, net	4.2	15,732,186,862	17,026,522,846	15,699,627,101	16,997,958,124
Inventories and supplies, net		7,457,116,906	6,967,672,684	7,457,116,906	6,967,672,684
Prepaid expenses and deposits		10,510,473,887	9,086,820,600	10,515,602,805	9,080,884,481
Other current assets	4.3	6,660,077,509	6,991,111,837	6,622,276,601	6,963,643,648
<b>Total Current Assets</b>		<b>61,269,879,858</b>	<b>78,301,441,080</b>	<b>60,733,734,812</b>	<b>77,611,635,370</b>
<b>Non-Current Assets</b>					
Investment in associates	4.4.1	1,423,450,762	1,400,993,771	918,520,500	918,520,500
Investment in subsidiaries	4.4.1	-	-	10,209,900	9,229,930
Other long-term investments	4.4.2	129,392,674	78,868,075	79,676,816	78,868,075
Property, plant and equipment, net	4.6	203,139,050,071	206,118,498,576	203,130,876,117	206,106,106,106
Intangible assets, net	4.7	644,806,675	552,355,100	639,683,533	547,622,540
Assets for sales		271,832,802	274,996,800	271,832,802	274,996,800
Deferred income tax assets	4.8	7,783,494,983	7,569,631,669	7,769,553,302	7,555,783,585
Other non-current assets	4.10	2,381,789,635	2,261,025,826	2,380,711,522	2,260,652,011
<b>Total Non-Current Assets</b>		<b>215,773,817,602</b>	<b>218,256,369,817</b>	<b>215,201,064,492</b>	<b>217,751,779,547</b>
<b>Total Assets</b>		<b>277,043,697,460</b>	<b>296,557,810,897</b>	<b>275,934,799,304</b>	<b>295,363,414,917</b>

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

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2011 AND DECEMBER 31, 2010

Units : Baht

	CONSOLIDATED		THE COMPANY		
	Notes	September 30, 2011 (Unaudited but reviewed)	December 31, 2010 (Restated)	September 30, 2011 (Unaudited but reviewed)	December 31, 2010 (Restated)
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>Current Liabilities</b>					
Trade accounts payable		8,077,027,394	6,438,803,086	8,069,516,695	6,429,968,646
Current portion of long-term liabilities					
Debentures		5,657,920,000	11,487,920,000	5,657,920,000	11,487,920,000
Long-term loans from related parties	4.5.1.1	2,072,000,000	2,072,000,000	2,072,000,000	2,072,000,000
Long-term loans from other parties		704,000,000	-	704,000,000	-
Liabilities under finance leases		12,367,623,062	9,595,026,378	12,367,623,062	9,595,026,378
Other current liabilities					
Accrued expenses		13,551,253,881	18,897,692,862	13,507,207,724	18,869,584,115
Accrued dividends		52,261,488	72,007,719	52,215,714	72,007,719
Accrued income taxes		6,847,502	16,398,775	-	-
Unearned transportation revenues		23,297,248,098	25,804,443,193	23,297,248,098	25,804,443,193
Deferred income		20,989,487	509,417,156	20,989,487	509,417,156
Others		5,822,506,698	5,841,986,865	5,805,014,964	5,819,769,875
<b>Total Current Liabilities</b>		<b>71,629,677,610</b>	<b>80,735,696,034</b>	<b>71,553,735,744</b>	<b>80,660,137,082</b>
<b>Non-Current Liabilities</b>					
Long-term liabilities					
Debentures		25,626,790,000	17,846,790,000	25,676,790,000	17,846,790,000
Long-term loans from related parties	4.5.1.1	5,732,288,000	7,245,852,000	5,732,288,000	7,245,852,000
Long-term loans from others		42,596,000,000	43,300,000,000	42,596,000,000	43,300,000,000
Liabilities under finance leases		46,225,458,786	54,732,093,240	46,225,458,786	54,732,093,240
Staff pension fund	4.21	4,705,123,755	4,371,134,750	4,705,123,755	4,371,134,750
Long-term provisions		1,475,943,971	2,556,971,979	1,474,323,971	2,555,351,979
Deferred income tax liabilities	4.9	69,898,955	-	69,898,955	-
Employee benefit obligation	4.11	9,980,433,742	9,326,022,519	9,976,351,138	9,322,510,535
Other non-current liabilities		183,395,000	61,310,000	183,395,000	61,310,000
<b>Total Non-Current Liabilities</b>		<b>136,595,332,209</b>	<b>139,440,174,488</b>	<b>136,639,629,605</b>	<b>139,435,042,504</b>
<b>Total Liabilities</b>		<b>208,225,009,819</b>	<b>220,175,870,522</b>	<b>208,193,365,349</b>	<b>220,095,179,586</b>
<b>Shareholders' Equity</b>					
Share capital	4.13				
Authorized share capital					
2,698.90 million ordinary shares par value of Baht 10 each		26,989,009,500	26,989,009,500	26,989,009,500	26,989,009,500
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	21,827,719,170	21,827,719,170
Premium on ordinary shares		25,548,223,951	25,548,223,951	25,548,223,951	25,548,223,951
Retained earnings					
Appropriated					
Legal reserve		2,469,792,865	2,469,792,865	2,469,792,865	2,469,792,865
Unappropriated		18,711,174,756	26,247,856,250	17,895,697,969	25,422,499,345
<b>Total Company Shareholders' Equity</b>		<b>68,556,910,742</b>	<b>76,093,592,236</b>	<b>67,741,433,955</b>	<b>75,268,235,331</b>
<b>Non-controlling Interests</b>		<b>261,776,899</b>	<b>288,348,139</b>	<b>-</b>	<b>-</b>
<b>Total Shareholders' Equity</b>		<b>68,818,687,641</b>	<b>76,381,940,375</b>	<b>67,741,433,955</b>	<b>75,268,235,331</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>277,043,697,460</b>	<b>296,557,810,897</b>	<b>275,934,799,304</b>	<b>295,363,414,917</b>

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

(Signed) Piyasvasti Amranand  
(Piyasvasti Amranand)  
President

(Signed) Wasukarn Visansawatdi  
(Wasukarn Visansawatdi)  
Executive Vice President  
Finance and Accounting

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

For the three-month periods ended September 30, 2011 and 2010

Units : Baht

		<u>CONSOLIDATED</u>		<u>THE COMPANY</u>	
	<u>Notes</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
			(Restated)		(Restated)
<b>Revenues</b>					
<b>Revenues from Sales or Revenues from Services</b>					
Passenger and excess baggage		40,206,802,559	35,387,884,662	40,206,802,559	35,387,884,662
Freight		6,688,627,005	6,988,578,398	6,688,627,005	6,988,578,398
Mail		203,623,135	197,726,606	203,623,134	197,726,606
Other activities		2,104,761,725	1,859,131,112	2,022,600,454	1,781,865,923
<b>Total Revenues from Sales or Revenues from Services</b>		<b>49,203,814,424</b>	<b>44,433,320,778</b>	<b>49,121,653,152</b>	<b>44,356,055,589</b>
<b>Other Income</b>					
Interest income		104,138,289	42,954,073	100,013,593	40,654,766
Others	4.14	653,346,506	938,085,288	682,280,265	959,286,945
<b>Total Other Income</b>		<b>757,484,795</b>	<b>981,039,361</b>	<b>782,293,858</b>	<b>999,941,711</b>
<b>Total Revenues</b>		<b>49,961,299,219</b>	<b>45,414,360,139</b>	<b>49,903,947,010</b>	<b>45,355,997,300</b>
<b>Expenses</b>					
Fuel and oil		20,013,053,176	13,940,955,449	20,013,053,176	13,940,955,449
Employee benefit expense	4.15	6,470,224,518	7,128,986,041	6,458,548,511	7,119,576,565
Flight service expenses		5,137,027,212	4,504,851,183	5,137,027,212	4,504,851,183
Crew expenses		1,373,464,006	1,188,902,400	1,373,464,006	1,188,902,400
Aircraft maintenance and overhaul costs		3,043,424,499	2,052,574,870	3,043,424,499	2,052,574,870
Depreciation and amortisation expenses		5,113,122,767	4,992,919,838	5,110,373,678	4,990,192,527
Lease of aircraft and spare parts		1,237,056,114	1,239,801,603	1,237,056,114	1,239,801,603
Inventories and supplies		2,751,406,659	2,328,314,505	2,751,406,659	2,328,314,505
Selling and advertising expenses		1,583,917,422	1,535,092,484	1,549,693,618	1,523,449,664
Insurance expenses		168,624,442	174,566,913	168,624,442	174,566,913
Impairment loss of assets		264,718,453	446,905,642	264,718,453	446,905,642
Impairment loss of aircrafts	4.17	180,909,303	-	180,909,303	-
Other expenses	4.16	863,481,271	1,931,950,460	847,578,165	1,916,817,299
Losses (Gains) on foreign currency exchange		(2,298,788,227)	2,772,608,962	(2,299,902,507)	2,773,079,792
<b>Total Expenses</b>		<b>45,901,641,615</b>	<b>44,238,430,350</b>	<b>45,835,975,329</b>	<b>44,199,988,412</b>
Share of loss (profit) of investments by the equity method		146,239	(57,027,088)	-	-
<b>Profit (loss) before Finance Costs and Income Tax Expenses</b>		<b>4,059,511,365</b>	<b>1,232,956,877</b>	<b>4,067,971,681</b>	<b>1,156,008,888</b>
Finance costs		1,466,979,457	1,314,689,816	1,467,614,632	1,314,689,816
<b>Profit (loss) before Income Tax Expenses</b>		<b>2,592,531,908</b>	<b>(81,732,939)</b>	<b>2,600,357,049</b>	<b>(158,680,928)</b>
Net tax expenses (income)	4.18	140,095,579	(79,280,747)	133,917,188	(91,805,648)
<b>Comprehensive Income (expenses) for the Period</b>		<b>2,452,436,329</b>	<b>(2,452,192)</b>	<b>2,466,439,861</b>	<b>(66,875,280)</b>
<b>Profit (loss) Attributable to:</b>					
Owners of the parent		2,446,981,910	(15,110,498)	2,466,439,861	(66,875,280)
Non-controlling interests		5,454,419	12,658,306	-	-
		<b>2,452,436,329</b>	<b>(2,452,192)</b>	<b>2,466,439,861</b>	<b>(66,875,280)</b>
<b>Comprehensive Profit (loss) Attributable to:</b>					
Owners of the parent		2,446,981,910	(15,110,498)	2,466,439,861	(66,875,280)
Non-controlling interests		5,454,419	12,658,306	-	-
		<b>2,452,436,329</b>	<b>(2,452,192)</b>	<b>2,466,439,861</b>	<b>(66,875,280)</b>
<b>Basic Earnings (losses) per Share</b>					
Earnings (losses) per share	4.19	1.12	(0.01)	1.13	(0.04)

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

(Signed) Piyasvasti Amranand  
(Piyasvasti Amranand)  
President

(Signed) Wasukarn Visansawatdi  
(Wasukarn Visansawatdi)  
Executive Vice President  
Finance and Accounting

## THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENTS OF COMPREHENSIVE INCOME

For the nine-month periods ended September 30, 2011 and 2010

Units : Baht

	Notes	CONSOLIDATED		THE COMPANY	
		2011	2010 (Restated)	2011	2010 (Restated)
<b>Revenues</b>					
<b>Revenues from Sales or Revenues from Services</b>					
Passenger and excess baggage		117,628,857,566	105,897,733,696	117,628,857,566	105,897,733,696
Freight		20,585,919,165	20,006,837,961	20,585,919,165	20,006,837,961
Mail		624,753,406	611,553,848	624,753,406	611,553,848
Other activities		6,229,154,245	5,589,705,977	5,989,498,539	5,343,735,144
<b>Total Revenues from Sales or Revenues from Services</b>		<b>145,068,684,382</b>	<b>132,105,831,482</b>	<b>144,829,028,676</b>	<b>131,859,860,649</b>
<b>Other Income</b>					
Interest income		324,996,759	107,057,915	314,846,732	99,850,959
Others	4.14	1,977,736,720	2,641,177,457	2,167,782,382	2,810,224,049
<b>Total Other Income</b>		<b>2,302,733,479</b>	<b>2,748,235,372</b>	<b>2,482,629,114</b>	<b>2,910,075,008</b>
<b>Total Revenues</b>		<b>147,371,417,861</b>	<b>134,854,066,854</b>	<b>147,311,657,790</b>	<b>134,769,935,657</b>
<b>Expenses</b>					
Fuel and oil		56,893,914,073	42,033,341,598	56,893,914,073	42,033,341,598
Employee benefit expense	4.15	22,897,949,550	22,459,391,696	22,860,768,738	22,428,633,762
Flight service expenses		15,333,143,474	14,012,863,539	15,333,143,474	14,012,863,539
Crew expenses		4,082,641,909	3,774,045,019	4,082,641,909	3,774,045,019
Aircraft maintenance and overhaul costs		8,622,956,824	6,835,087,314	8,622,956,824	6,835,087,314
Depreciation and amortisation expenses		14,915,770,192	15,326,571,710	14,906,982,951	15,318,314,438
Lease of aircraft and spare parts		4,147,613,186	2,748,531,836	4,147,613,186	2,748,531,836
Inventories and supplies		7,119,133,100	6,771,691,186	7,119,133,100	6,771,691,186
Selling and advertising expenses		4,381,263,371	4,498,867,986	4,324,006,530	4,469,331,814
Insurance expenses		501,747,518	504,744,594	501,747,518	504,744,594
Impairment loss of assets		878,013,051	565,514,387	878,013,051	565,514,387
Impairment loss of aircrafts	4.17	180,909,303	-	180,909,303	-
Other expenses	4.16	4,915,688,409	6,039,045,602	4,867,462,798	5,991,690,439
Losses (Gains) on foreign currency exchange		3,324,660,275	(7,317,041,099)	3,326,588,383	(7,325,181,860)
<b>Total Expenses</b>		<b>148,195,404,235</b>	<b>118,252,655,368</b>	<b>148,045,881,838</b>	<b>118,128,608,066</b>
Loss on redemption of debentures		1,427,287	-	-	-
Share of profit of investments by the equity method		(142,220,757)	(225,893,284)	-	-
<b>Profit (loss) before Finance Costs and Income Tax Expenses</b>		<b>(683,192,904)</b>	<b>16,827,304,770</b>	<b>(734,224,048)</b>	<b>16,641,327,591</b>
Finance costs		4,194,512,516	3,922,445,862	4,195,706,924	3,922,445,862
<b>Profit (loss) before Income Tax Expenses</b>		<b>(4,877,705,420)</b>	<b>12,904,858,908</b>	<b>(4,929,930,972)</b>	<b>12,718,881,729</b>
Net tax expenses (income)	4.18	(99,039,148)	906,582,594	(130,805,344)	867,298,752
<b>Comprehensive Income (expenses) for the Period</b>		<b>(4,778,666,272)</b>	<b>11,998,276,314</b>	<b>(4,799,125,628)</b>	<b>11,851,582,977</b>
<b>Profit (loss) Attributable to:</b>					
Owners of the parent		(4,809,005,746)	11,958,309,756	(4,799,125,628)	11,851,582,977
Non-controlling interests		30,339,474	39,966,558	-	-
		<b>(4,778,666,272)</b>	<b>11,998,276,314</b>	<b>(4,799,125,628)</b>	<b>11,851,582,977</b>
<b>Comprehensive Profit (loss) Attributable to:</b>					
Owners of the parent		(4,809,005,746)	11,958,309,756	(4,799,125,628)	11,851,582,977
Non-controlling interests		30,339,474	39,966,558	-	-
		<b>(4,778,666,272)</b>	<b>11,998,276,314</b>	<b>(4,799,125,628)</b>	<b>11,851,582,977</b>
<b>Basic Earnings (losses) per Share</b>	4.19				
Earnings (losses) per share		(2.20)	6.99	(2.20)	6.93

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

(Signed) Piyasvasti Amranand  
(Piyasvasti Amranand)  
President(Signed) Wasukarn Visansawatdi  
(Wasukarn Visansawatdi)  
Executive Vice President  
Finance and Accounting

(Unaudited  
but reviewed)

**THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**For the nine-month periods ended September 30, 2011 and 2010**

Units : Baht

	CONSOLIDATED				Non-controlling Interests	Total
	Owner of the parent					
<i>Notes</i>	Share Capital issued and fully paid	Premium on ordinary shares	Retained Earnings	Total Owner of the parent		
<b>Balance as at January 1, 2010 before Adjustment</b>	16,989,009,500	15,637,625,278	20,319,766,345	52,946,401,123	297,558,183	53,243,959,306
<u>Less</u> The effect of changes in accounting policy	-	-	(5,921,065,084)	(5,921,065,084)	(883,748)	(5,921,948,832)
<b>Balance after Adjustment</b>	16,989,009,500	15,637,625,278	14,398,701,261	47,025,336,039	296,674,435	47,322,010,474
<u>Add</u> Comprehensive income	-	-	11,958,309,756	11,958,309,756	39,966,558	11,998,276,314
<u>Less</u> Dividends paid	-	-	(424,725,238)	(424,725,238)	(57,375,000)	(482,100,238)
<u>Add</u> Dividends received	-	-	24,628	24,628	-	24,628
<u>Add</u> Stock Issue	4,838,709,670	10,161,290,307	-	14,999,999,977	-	14,999,999,977
<u>Less</u> Stock issuing fee	-	(138,626,915)	-	(138,626,915)	-	(138,626,915)
<b>Balance as at September 30, 2010</b>	<b>21,827,719,170</b>	<b>25,660,288,670</b>	<b>25,932,310,407</b>	<b>73,420,318,247</b>	<b>279,265,993</b>	<b>73,699,584,240</b>
<b>Balance as at January 1, 2011 before Adjustment</b>	21,827,719,170	25,548,223,951	35,244,758,604	82,620,701,725	289,454,414	82,910,156,139
<u>Less</u> The effect of changes in accounting policy	-	-	(6,527,109,489)	(6,527,109,489)	(1,106,275)	(6,528,215,764)
<b>Balance after Adjustment</b>	21,827,719,170	25,548,223,951	28,717,649,115	76,093,592,236	288,348,139	76,381,940,375
<u>Add</u> Comprehensive losses	-	-	(4,809,005,746)	(4,809,005,746)	30,339,474	(4,778,666,272)
<u>Less</u> Dividends paid	-	-	(2,728,464,896)	(2,728,464,896)	(57,375,000)	(2,785,839,896)
<u>Add</u> Dividends received	-	-	789,148	789,148	-	789,148
<u>Less</u> Dividends paid to cumulative preferred stock	-	-	-	-	(45,774)	(45,774)
<u>Add</u> Non-controlling interests - Thai Flight Training Co., Ltd.	-	-	-	-	30	30
- Royal Orchid Holidays	-	-	-	-	510,030	510,030
<b>Balance as at September 30, 2011</b>	<b>21,827,719,170</b>	<b>25,548,223,951</b>	<b>21,180,967,621</b>	<b>68,556,910,742</b>	<b>261,776,899</b>	<b>68,818,687,641</b>

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

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

(Signed) *Wasukarn Visansawatdi*  
(Wasukarn Visansawatdi)  
Executive Vice President  
Finance and Accounting

(Unaudited  
but reviewed)

**THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**For the nine-month periods ended September 30, 2011 and 2010**

**Units : Baht**

**THE COMPANY**

<i>Notes</i>	<b>Share Capital issued and fully paid</b>	<b>Premium on ordinary shares</b>	<b>Retained Earnings</b>	<b>Total</b>
<b>Balance as at January 1, 2010 before Adjustment</b>	16,989,009,500	15,637,625,278	19,446,892,908	52,073,527,686
<u>Less</u> The effect of changes in accounting policy	-	-	(5,919,984,948)	(5,919,984,948)
<b>Balance after Adjustment</b>	16,989,009,500	15,637,625,278	13,526,907,960	46,153,542,738
<u>Add</u> Comprehensive income	-	-	11,851,582,977	11,851,582,977
<u>Less</u> Dividends paid	-	-	(424,725,238)	(424,725,238)
<u>Add</u> Dividends received	-	-	24,628	24,628
<u>Add</u> Stock issue	4,838,709,670	10,161,290,307	-	14,999,999,977
<u>Less</u> Stock issuing fee	-	(138,626,915)	-	(138,626,915)
<b>Balance as at September 30, 2010</b>	<b>21,827,719,170</b>	<b>25,660,288,670</b>	<b>24,953,790,327</b>	<b>72,441,798,167</b>
<b>Balance as at January 1, 2011 before Adjustment</b>	21,827,719,170	25,548,223,951	34,418,049,585	81,793,992,706
<u>Less</u> The effect of changes in accounting policy	-	-	(6,525,757,375)	(6,525,757,375)
<b>Balance after Adjustment</b>	21,827,719,170	25,548,223,951	27,892,292,210	75,268,235,331
<u>Less</u> Comprehensive losses	-	-	(4,799,125,628)	(4,799,125,628)
<u>Less</u> Dividends paid	-	-	(2,728,464,896)	(2,728,464,896)
<u>Add</u> Dividends received	-	-	789,148	789,148
<b>Balance as at September 30, 2011</b>	<b>21,827,719,170</b>	<b>25,548,223,951</b>	<b>20,365,490,834</b>	<b>67,741,433,955</b>

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

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

(Signed) *Wasukarn Visansawatdi*  
(Wasukarn Visansawatdi)  
Executive Vice President  
Finance and Accounting



(Unaudited  
but reviewed)

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

**STATEMENTS OF CASH FLOWS**

**For the nine-month periods ended September 30, 2011 and 2010**

	<u>CONSOLIDATED</u>		<u>THE COMPANY</u>	
	<u>2011</u>	<u>2010</u> (Restated)	<u>2011</u>	<u>2010</u> (Restated)
<b>Units : Baht</b>				
<b>Cash Flows from Operating Activities</b>				
Profits (losses) before income tax expenses	(4,877,705,420)	12,904,858,908	(4,929,930,972)	12,718,881,729
Adjustment to reconcile profit before tax to cash provided by (paid from) operating activities :				
Depreciation and amortisation expenses	14,915,770,192	15,326,571,710	14,906,982,951	15,318,314,438
Dividends received	(66,500)	(35,000)	(189,955,265)	(168,049,520)
Share of profits of investments by equity method	(142,220,757)	(225,893,284)	-	-
Interest income	(324,562,753)	(107,057,915)	(314,846,732)	(99,850,959)
Interest expenses	4,194,512,516	3,922,445,862	4,195,706,924	3,922,445,862
Gains on sales of assets	(9,841,196)	(77,377,194)	(9,841,196)	(77,377,194)
Other non-current liabilities	-	1,620,000	-	-
Loss (Gain) on foreign currency exchange	2,930,895,222	(7,002,592,642)	2,931,020,660	(7,001,557,590)
Employee benefit obligation	654,411,223	649,571,712	653,840,603	649,041,885
Provision for obsolete inventories and supplies	90,084,329	51,062,313	90,084,329	51,062,313
Doubtful accounts	48,534,655	(69,014,126)	48,567,140	(68,807,191)
Impairment losses of aircrafts	180,909,303	-	180,909,303	-
Impairment losses of assets	878,013,051	565,514,387	878,013,051	565,514,387
Operating profits before changes in operating assets and liabilities	18,538,733,865	25,939,674,731	18,440,550,796	25,809,618,160
Decrease (increase) in operating assets :				
Trade accounts receivable	1,489,934,645	(159,179,613)	1,493,747,353	(209,719,123)
Inventories and supplies	(579,528,551)	(813,883,436)	(579,528,551)	(813,883,436)
Prepaid expenses and deposits	(1,111,857,380)	(329,727,704)	(1,122,922,417)	(328,751,866)
Tax refund	(8,894,203)	(28,106,619)	(8,894,203)	(28,106,619)
Other current assets	538,444,360	(1,312,673,763)	545,331,377	(1,313,236,524)
Assets for sales	3,163,998	-	3,163,998	-
Other assets	(125,290,353)	(8,969,918)	(124,586,055)	(8,969,918)
Deferred charges	(207,634,599)	(310,699,998)	(207,634,599)	(310,699,998)
Increase (decrease) in operating liabilities :				
Trade accounts payable	(1,794,141,691)	(407,071,004)	(1,792,793,542)	(407,212,636)
Accrued expenses and other current liabilities	(5,378,117,155)	(230,940,362)	(5,389,329,309)	(227,967,235)
Deferred income	(488,427,669)	(1,090,337,917)	(488,427,669)	(1,090,337,917)
Staff pension fund	333,989,005	216,691,387	333,989,005	216,691,387
Unearned transportation revenues	(2,307,253,430)	(884,234,849)	(2,307,253,430)	(884,234,849)
Other non-current liabilities	(1,122,726,708)	-	(1,122,726,708)	-
<b>Cash received from operations</b>	<b>7,780,394,134</b>	<b>20,580,540,935</b>	<b>7,672,686,046</b>	<b>20,403,189,426</b>
Payment of income tax	(226,097,835)	(1,163,604,097)	(183,785,634)	(1,098,844,962)
<b>Net Cash from Operating Activities</b>	<b>7,554,296,299</b>	<b>19,416,936,838</b>	<b>7,488,900,412</b>	<b>19,304,344,464</b>

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

(Unaudited  
but reviewed)

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

For the nine-month periods ended September 30, 2011 and 2010

	<u>CONSOLIDATED</u>		<u>THE COMPANY</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
		(restated)		(restated)
<b>Cash Flows from Investing Activities</b>				
Cash received from operational assistance subsidy	122,085,000	15,278,900	122,085,000	15,278,900
Cash paid for acquisition of fixed assets	(9,654,147,141)	(5,495,878,850)	(9,650,122,843)	(5,495,193,050)
Cash paid for intangible assets	(226,699,930)	(71,661,650)	(225,764,922)	(71,661,650)
Cash received from transferring the rights for advance payment of aircraft and aircraft equipment	-	318,985,741	-	318,985,741
Cash received from sales of assets	284,423,160	113,968,887	284,423,160	113,968,887
Interest income	293,054,292	102,779,440	287,737,424	94,266,493
Dividends received	119,830,265	97,924,520	189,955,265	168,049,520
Investment increased	(49,331,138)	-	236,430	-
Cash received (paid) from (for) temporary investments	110,969,660	(199,969,554)	-	-
<b>Net Cash Used in Investing Activities</b>	<b>(8,999,815,832)</b>	<b>(5,118,572,566)</b>	<b>(8,991,450,486)</b>	<b>(4,856,305,159)</b>
<b>Cash Flows from Financing Activities</b>				
Cash received from debentures	8,000,000,000	-	8,000,000,000	-
Cash received from long-term loans	2,000,000,000	4,465,338,178	2,000,000,000	4,465,338,178
Cash received from stock	980,000	4,838,709,670	-	4,838,709,670
Cash received from preferred stock	510,030	-	-	-
Cash received from premium on ordinary shares	-	10,022,663,392	-	10,022,663,392
Cash paid for repayment of short-term loans	-	(1,116,109,440)	-	(1,116,109,440)
Cash paid for repayment of debentures	(6,050,000,000)	(3,455,290,000)	(6,000,000,000)	(3,455,290,000)
Cash paid for repayment of long-term loans	(12,880,175,761)	(10,388,325,972)	(12,880,175,761)	(10,388,325,972)
Cash paid for repayment of promissory notes	-	(750,000,000)	-	(750,000,000)
Cash paid for loan interest	(4,087,730,961)	(3,970,277,573)	(4,088,014,030)	(3,970,277,573)
Dividends paid	(2,747,467,753)	(423,154,618)	(2,747,467,753)	(423,154,618)
Dividends paid for non-controlling interests	(57,375,000)	(57,375,000)	-	-
<b>Net Cash used in Financing Activities</b>	<b>(15,821,259,445)</b>	<b>(833,821,363)</b>	<b>(15,715,657,544)</b>	<b>(776,446,363)</b>
Increase (decrease) in cash and cash equivalents	(17,266,778,978)	13,464,542,909	(17,218,207,618)	13,671,592,942
Effect from changing in exchange rate on cash and cash equivalents increase (decrease)	55,842,584	(78,943,751)	55,842,584	(78,943,751)
Cash and cash equivalents at the beginning of the periods	37,679,682,021	14,299,680,924	37,601,476,433	14,064,775,967
<b>Cash and Cash Equivalents at the End of the Periods</b>	<b>20,468,745,627</b>	<b>27,685,280,082</b>	<b>20,439,111,399</b>	<b>27,657,425,158</b>

Supplementary information:

Non-cash transaction

Unpaid fixed assets

1,010,930,217

- 1,010,930,217

-

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

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

(Signed) *Wasukarn Visansawatdi*  
(Wasukarn Visansawatdi)  
Executive Vice President  
Finance and Accounting

**THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the three and nine-month periods ended September 30, 2011 (unaudited but reviewed)**

**1. BASIS OF FINANCIAL STATEMENT PREPARATION**

**1.1 Financial Statement Preparation**

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

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

The consolidated financial statements consist of the Company and its subsidiaries as follows:

Company's Name	Type of Business	Located Country	Percentage of Share Holding	
			<u>Sep 30, 2011</u>	<u>Dec 31, 2010</u>
<b>Held by the Company:</b>				
1. Thai-Amadeus Southeast Asia Company Limited	Information technology company For travel services	Thailand	55%	55%
2. WingSpan Services Company Limited	Providing special personnel services to the Company For the Company	Thailand	49%	49%
3. Thai Flight Training Company Limited	Aviation training services	Thailand	49%	-
<b>Held by a subsidiary of the Company</b>				
A subsidiary held by WingSpan Services Company Limited - Tour Eurng Luang Company Limited	Tourism Business	Thailand	49%	-

The subsidiaries are controlled by the Company, directly or indirectly, in determining the financial policies and operations of such subsidiaries. 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.

## 1.2 Interim Financial Statement Preparation

The interim financial statements are prepared in accordance with Thai Accounting Standard No.34 (revised 2009) Interim Financial Statements. The Company presents items in the statements of financial position, statements of comprehensive income, statements of changes in shareholders' equity and statements of cash flows which complied with TAS 1 (revised 2009) Presentation of Financial Statements, which is effective on January 1, 2011 onwards, and discloses only significant additional information in the note to financial statements.

The preparation of these interim financial statements are intended to provide additional information to that included in the latest annual financial statements for the year ended December 31, 2010. Accordingly, the interim financial statements focus on supporting of new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

During the year 2010, The Federation of Accounting Professions (FAP) announced the revised Thai Accounting Standards and Thai Financial Reporting Standards, which will be effective on or after January 1, 2011 as follows:

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

Besides the mentioned Accounting Standards and Financial Reporting Standards, the Federation of Accounting Professions (FAP) has announced the other Accounting Standards during the year 2010, which will be effective on January 1, 2013 onwards. 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.

## **2. CHANGES IN ACCOUNTING POLICIES**

In order to comply with Thai Accounting Standards (TAS) and Thai Financial Reporting Standards (TFRS) which are effective on January 1, 2011, the Company has changed in the accounting policies as follows:

### **2.1 Presentation of Financial Statements**

The Company has adopted TAS 1 (Revised 2009) Presentation of Financial Statements. Under the revised TAS 1, the Company's financial statements consist of statements of financial position, statement of comprehensive income, statement of changes in shareholders' equity, statements of cash flow and notes to financial statement.

Some items in the statements of comprehensive income for the three and nine-month periods ended September 30, 2010, which have been included in the interim financial statements for the comparative purpose to the year 2011, are reclassified to comply with the presentation of interim financial statements.

### **2.2 Employee Benefits**

The Company has adopted TAS 19 Employee Benefits. Under the Company's defined benefit plans and other long-term employee benefits are recognised in the financial statements based on calculations by a qualified actuary using the projected unit credit method. Previously, these obligations were recognised as occurred.

The Company has opted to record the entire amount of the employee benefits obligation as retrospective adjustment.

The changes in those accounting policies have effected only on the presentation of financial statements, but have no effect on profit or earnings per share, except for the employee benefits as stated in Note 3.

### 3. EFFECT OF THE FIRST TIME ADOPTION OF THAI ACCOUNTING STANDARDS AND THAI FINANCIAL REPORTING STANDARDS

As the Company has adopted the newly issued and revised TAS and TFRS, which are effective on January 1, 2011, the effects are as follows:

#### Statement of Financial Position as at December 31, 2010

	Units : Million Baht	
	Consolidated	The Company
Retained earnings as at December 31, 2010 as reported previously	35,244.76	34,418.05
Increase in employee benefit obligation	(9,324.44)	(9,322.51)
Increase in deferred tax asset	<u>2,797.33</u>	<u>2,796.75</u>
Retained earnings as at January 1, 2011	<u>28,717.65</u>	<u>27,892.29</u>

#### Statement of Comprehensive Income for the three-month periods ended September 30, 2010

	Units : Million Baht	
	Consolidated	The Company
Increase in expenses		
Increase in employee benefit expenses	216.52	216.35
Decrease in tax expenses	<u>(64.96)</u>	<u>(64.91)</u>
Decrease in profit	<u>151.56</u>	<u>151.44</u>
Decrease in earnings per share		
Basic earnings per share (THB)	0.09	0.09

#### Statement of Comprehensive Income for the nine-month periods ended September 30, 2010

	Units : Million Baht	
	Consolidated	The Company
Increase in expenses		
Increase in employee benefit expenses	649.57	649.04
Decrease in tax expenses	<u>(194.87)</u>	<u>(194.71)</u>
Decrease in profit	<u>454.70</u>	<u>454.33</u>
Decrease in earnings per share		
Basic earnings per share (THB)	0.27	0.27

### 4. SUPPLEMENTARY INFORMATION

#### 4.1 Cash and Cash Equivalents

	Units : Million Baht			
	<u>Consolidated</u>		<u>The Company</u>	
	<u>Sep 30, 2011</u>	<u>Dec 31, 2010</u>	<u>Sep 30, 2011</u>	<u>Dec 31, 2010</u>
Cash - Domestic	38.79	133.01	38.79	133.01
Cash – Abroad	-	18.59	-	18.59
Bank Deposits - Domestic	8,705.07	22,984.35	8,675.43	22,906.15
Bank Deposits - Abroad	<u>11,724.89</u>	<u>14,543.73</u>	<u>11,724.89</u>	<u>14,543.73</u>
<b>Total</b>	<b><u>20,468.75</u></b>	<b><u>37,679.68</u></b>	<b><u>20,439.11</u></b>	<b><u>37,601.48</u></b>

#### 4.2 Trade Accounts Receivable - Net

	<b>Consolidated</b>		<b>Units : Million Baht</b>	
			<b>The Company</b>	
	<u>Sep 30, 2011</u>	<u>Dec 31, 2010</u>	<u>Sep 30, 2011</u>	<u>Dec 31, 2010</u>
Period overdue				
Not over 6 months	15,723.48	17,008.81	15,690.92	16,980.24
Over 6 months to 1 year	61.55	89.86	61.54	89.85
Over 1 year to 2 years	65.45	91.53	65.43	91.61
Over 2 years	<u>1,521.83</u>	<u>1,456.66</u>	<u>1,493.11</u>	<u>1,427.82</u>
	17,372.31	18,646.86	17,311.00	18,589.52
<u>Less Allowance for doubtful accounts</u>	<u>(1,640.12)</u>	<u>(1,620.34)</u>	<u>(1,611.37)</u>	<u>(1,591.56)</u>
<b>Trade accounts receivable - net</b>	<b><u>15,732.19</u></b>	<b><u>17,026.52</u></b>	<b><u>15,699.63</u></b>	<b><u>16,997.96</u></b>

#### 4.3 Other Current Assets

	<b>Consolidated</b>		<b>Units : Million Baht</b>	
			<b>The Company</b>	
	<u>Sep 30, 2011</u>	<u>Dec 31, 2010</u>	<u>Sep 30, 2011</u>	<u>Dec 31, 2010</u>
Tax refund	445.20	265.59	445.20	265.59
Cash and bank deposits of pension fund	4,569.03	4,650.13	4,569.03	4,650.13
Others	<u>1,645.85</u>	<u>2,075.39</u>	<u>1,608.05</u>	<u>2,047.92</u>
<b>Total</b>	<b><u>6,660.08</u></b>	<b><u>6,991.11</u></b>	<b><u>6,622.28</u></b>	<b><u>6,963.64</u></b>

## 4.4 Investments

### Consolidated

Units : Million Baht

Name of Company	Percentage of Shareholding		Investments				Income on investments	
	Sep 30, 2011	Dec 31, 2010	Cost method		Equity method		Sep 30, 2011	Sep 30, 2010
			Sep 30, 2011	Dec 31, 2010	Sep 30, 2011	Dec 31, 2010		
<b>4.4.1 Investments using the equity method</b>								
Royal Orchid Hotel (Thailand) Public Company Limited (Market value as at September 30, 2011 amount of THB 405.00 million and as at December 31, 2010 amount of THB 562.50 million)	24	24	225.00	225.00	149.45	185.11	(35.66)	(36.11)
Donmuang International Airport Hotel Company Limited	40	40	48.00	48.00	107.85	112.31	(4.46)	(10.83)
Bangkok Aviation Fuel Services Public Company Limited (Market value as at September 30, 2011 amount of THB 1,186.42 million and as at December 31, 2010 amount of THB 1,232.50 million)	22.6	22.6	115.19	115.19	670.20	659.83	80.63	60.77
Phuket Air Catering Company Limited	30	30	30.00	30.00	142.11	108.95	43.66	34.13
Suvarnabhumi Airport Hotel Company Limited	30	30	305.33	305.33	69.09	100.07	(30.98)	(18.16)
Nok Airlines Company Limited	39	39	195.00	195.00	<u>284.75</u>	<u>234.72</u>	<u>89.03</u>	<u>196.09</u>
<b>Total investments using the equity Method</b>					<b><u>1,423.45</u></b>	<b><u>1,400.99</u></b>	<b><u>142.22</u></b>	<b><u>(225.89)</u></b>
<b>4.4.2 Other long-term investments stated at cost</b>								
Fuel Pipeline Transportation Limited	8.4	8.4	133.00	133.00			-	-
Aeronautical Radio of Thailand Limited	2.3	2.5	15.36	16.58			-	-
SITA Investment Certificate	-	-	31.38	30.34			-	-
Trade Siam Company Limited (paid 25% of authorized share capital)	3.5	3.5	1.75	1.75			-	-
SITA Information Networking Computing	-	-	28.37	27.44			-	-
Other Shares	-	-	2.82	2.76			0.07	-
Bond Investment			49.71	-			-	-
<u>Less</u> Allowance for impairment of Fuel Pipeline Transportation Ltd.			<u>(133.00)</u>	<u>(133.00)</u>			<u>-</u>	<u>-</u>
<b>Total other long-term investments</b>			<b><u>129.39</u></b>	<b><u>78.87</u></b>			<b><u>0.07</u></b>	<b><u>-</u></b>



## The Company

Units : Million Baht

Name of Company	Percentage of Shareholding		Investments		Dividend Income	
			Cost method			
	Sep 30, 2011	Dec 31, 2010	Sep 30, 2011	Dec 31, 2010	Sep 30, 2011	Sep 30, 2010
<b>4.4.1 Investments using the cost method</b>						
<b>Subsidiary Companies</b>						
Thai-Amadeus Southeast Asia Company Limited	55	55	8.25	8.25	70.13	70.12
Wing Span Services Company Limited	49	49	0.98	0.98	-	-
Thai Flight Training Company Limited	49	-	0.98	-	-	-
<b>Total</b>			<u>10.21</u>	<u>9.23</u>	<u>70.13</u>	<u>70.12</u>
<b>Associated Companies</b>						
Royal Orchid Hotel (Thailand) Public Company Limited (Market value as at September 30, 2011 amount of THB 405.00 million and as at December 31, 2010 amount of THB 562.50 million)	24	24	225.00	225.00	-	-
Donmuang International Airport Hotel Company Limited	40	40	48.00	48.00	-	33.60
Bangkok Aviation Fuel Services Public Company Limited (Market value as at September 30, 2011 amount of THB 1,186.42 million and as at December 31, 2010 amount of THB 1,232.50 million)	22.6	22.6	115.19	115.19	70.26	55.29
Phuket Air Catering Company Limited	30	30	30.00	30.00	10.50	9.00
Suvarnabhumi Airport Hotel Company Limited	30	30	305.33	305.33	-	-
Nok Airlines Company Limited	39	39	195.00	195.00	39.00	-
<b>Total</b>			<u>918.52</u>	<u>918.52</u>	<u>119.76</u>	<u>97.89</u>
<b>Total investments using the cost method</b>			<u>928.73</u>	<u>927.75</u>	<u>189.89</u>	<u>168.01</u>
<b>4.4.2 Other long-term investments stated at cost</b>						
Fuel Pipeline Transportation Limited	8.4	8.4	133.00	133.00	-	-
Aeronautical Radio of Thailand Limited	2.3	2.5	15.36	16.58	-	-
SITA Investment Certificate	-	-	31.38	30.34	-	-
TRADESIAM Company Limited (paid 25% of authorized share capital)	3.5	3.5	1.75	1.75	-	-
SITA Information Networking Computing	-	-	28.37	27.44	-	-
Other Shares	-	-	2.82	2.76	0.07	-
<u>Less</u> Allowance for impairment of Fuel Pipeline Transportation Limited			(133.00)	(133.00)	-	-
<b>Total other long-term investments</b>			<u>79.68</u>	<u>78.87</u>	<u>0.07</u>	<u>-</u>

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

Name of Company	Units : Million Baht			
	Assets	Liabilities	Income	Gains (Losses)
<b><u>Subsidiary Companies</u></b>				
Thai-Amadeus Southeast Asia Company Limited	669.52	91.19	250.20	67.32
WingSpan Services Company Limited	19.93	17.30	31.90	0.72
Thai Flight Training Company Limited	8.17	5.05	7.64	1.13
<b><u>Associated Companies</u></b>				
Royal Orchid Hotel (Thailand) Public Company Limited	1,493.26	870.56	389.70	(83.68)
Donmuang International Airport Hotel Company Limited	318.70	49.09	100.45	(5.75)
Bangkok Aviation Fuel Services Public Company Limited	5,588.34	2,494.06	951.60	292.93
Phuket Air Catering Company Limited	490.11	16.40	283.38	131.82
Suvarnabhumi Airport Hotel Company Limited	1,707.61	1,477.30	447.86	(103.26)
Nok Airlines Company Limited	1,871.52	1,141.39	2,970.00	149.41

The Company used the financial statements of associated companies as at June 30, 2011 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 effect to the Company.

#### 4.5 Related Parties

##### 4.5.1 Major Shareholders

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

	Units : Million Baht	
	Sep 30, 2011	Dec 31, 2010
Foreign loans via the Ministry of Finance	1,252.29	1,211.85
Government Saving Bank	5,427.00	6,606.00
Islamic Bank of Thailand	<u>1,125.00</u>	<u>1,500.00</u>
<b>Total</b>	<b><u>7,804.29</u></b>	<b><u>9,317.85</u></b>

##### 4.5.2 Subsidiary Company

##### 4.5.2.1 Bond and Bond Investment

	Units : Million Baht	
	Sep 30, 2011	Dec 31, 2010
Thai-Amadeus Southeast Asia Company Limited	<u>50.99</u>	-
<b>Total</b>	<b><u>50.99</u></b>	<u>-</u>

##### 4.5.2.2 Sales and Purchase

**Units : Million Baht**

	Three-month periods				Nine-month periods			
	Jul – Sep 2011		Jul – Sep 2010		Jan – Sep 2011		Jan – Sep 2010	
	Sales	Purchase	Sales	Purchase	Sales	Purchase	Sales	Purchase
Thai-Amadeus Southeast Asia Company Limited	0.58	-	0.74	-	2.28	-	2.37	-
WingSpan Services Company Limited	0.10	21.30	-	-	0.26	31.86	-	-
Thai Training Academy Company Limited	3.59	-	-	-	3.59	-	-	-

## 4.5.2.3 Account Receivables and Account Payables

**Units : Million Baht**

	Sep 30, 2011		Dec 31, 2010	
	Account Receivables	Account Payables	Account Receivables	Account Payables
	Thai-Amadeus Southeast Asia Company Limited	0.22	-	0.27
WingSpan Services Company Limited	0.01	6.62	-	-
Thai Training Academy Company Limited	-	-	-	-

## 4.5.3 Associated Companies

## 4.5.3.1 Sales and Purchase

**Units : Million Baht**

	Three-month periods				Nine-month periods			
	Jul – Sep 2011		Jul – Sep 2010		Jan – Sep 2011		Jan – Sep 2010	
	Sales	Purchase	Sales	Purchase	Sales	Purchase	Sales	Purchase
Royal Orchid Hotel (Thailand) Public Company Limited	-	1.82	0.22	0.57	0.15	4.00	0.22	3.09
Donmuang International Airport Hotel Company Limited	-	0.36	-	0.06	-	0.41	-	0.38
Bangkok Aviation Fuel Services Public Company Limited	0.01	103.76	0.01	89.82	0.03	298.71	0.02	272.98
Phuket Air Catering Company Limited	0.76	0.92	0.71	4.08	2.27	7.82	2.26	7.62
Suvarnabhumi Airport Hotel Company Limited	-	10.01	-	3.62	0.02	23.88	-	17.78
Nok Airlines Company Limited	107.73	-	378.02	-	678.43	-	1,171.22	-

## 4.5.3.2 Account Receivables and Account Payables

**Units : Million Baht**

	Sep 30, 2011		Dec 31, 2010	
	Account Receivables	Account Payables	Account Receivables	Account Payables
Royal Orchid Hotel (Thailand) Public Company Limited	-	0.05	-	0.01
Donmuang International Airport Hotel Company Limited	-	-	-	-
Bangkok Aviation Fuel Services Public Company Limited	0.01	35.36	-	37.15
Phuket Air Catering Company Limited	0.24	0.68	0.26	2.93
Suvarnabhumi Airport Hotel Company Limited	-	1.51	-	3.35
Nok Airlines Company Limited	70.06	-	69.30	-

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

On June 21, 2011, The Strategy Steering Committee approved to waive the wages for the 4 employees who perform secondment duty at WingSpan Services Company Limited for 2 years since the year 2010-2011.

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

##### Consolidated

Units : Million Baht

	Prepaid Aircraft and Spare Engines	Aircraft	Aircraft under financial leases	Aircraft spare parts	Work In Progress	Land and buildings	Leasehold Buildings	Building Improvement	Other plant and equipment	Total
<b>Cost</b>										
As at January 1, 2011	17,982.74	141,437.22	163,441.09	27,718.15	310.68	3,463.10	10,782.61	4,656.38	29,321.66	<b>399,113.63</b>
- Adjust/Transfers	-	(3,885.01)	(1.10)	(177.95)	-	-	-	18.46	97.21	<b>(3,948.39)</b>
- Additions	6,032.87	1,609.51	661.40	2,204.39	2,080.32	-	19.08	32.66	301.50	<b>12,941.73</b>
- Disposals	-	(1,136.36)	(598.80)	(1,765.76)	-	(0.39)	(6.99)	(84.09)	(296.13)	<b>(3,888.52)</b>
As at September 30, 2011	<b>24,015.61</b>	<b>138,025.36</b>	<b>163,502.59</b>	<b>27,978.83</b>	<b>2,391.00</b>	<b>3,462.71</b>	<b>10,794.70</b>	<b>4,623.41</b>	<b>29,424.24</b>	<b>404,218.45</b>
<b>Impairment Allowance</b>	-	950.40	3,475.19	-	-	-	-	-	-	<b>4,425.59</b>
<b>Accumulated depreciation</b>										
As at January 1, 2011	-	91,898.70	44,345.32	18,124.77	-	2,199.03	4,875.09	3,840.54	23,286.05	<b>188,569.50</b>
- Depreciation	-	4,978.12	6,727.29	1,284.47	-	50.80	173.33	271.25	1,327.91	<b>14,813.17</b>
- Adjust/Transfers	-	(3,618.19)	8.97	(117.65)	-	-	-	(1.55)	1.50	<b>(3,726.92)</b>
- Disposals	-	(1,134.66)	(598.80)	(881.75)	-	(0.39)	(6.99)	(83.08)	(296.27)	<b>(3,001.94)</b>
As at September 30, 2011	-	<b>93,074.37</b>	<b>53,957.97</b>	<b>18,409.84</b>	-	<b>2,249.44</b>	<b>5,041.43</b>	<b>4,027.16</b>	<b>24,319.19</b>	<b>201,079.40</b>
<b>Net book value</b>										
As at December 31, 2010	<b>17,982.74</b>	<b>48,588.12</b>	<b>115,620.58</b>	<b>9,593.38</b>	<b>310.68</b>	<b>1,264.07</b>	<b>5,907.52</b>	<b>815.84</b>	<b>6,035.57</b>	<b>206,118.50</b>
As at September 30, 2011	<b>24,015.61</b>	<b>44,950.99</b>	<b>109,544.62</b>	<b>9,568.99</b>	<b>2,391.00</b>	<b>1,213.27</b>	<b>5,753.27</b>	<b>596.25</b>	<b>5,105.05</b>	<b>203,139.05</b>

The Company

Units : Million Baht

	Prepaid Aircraft and Spare Engines	Aircraft	Aircraft under financial leases	Aircraft spare parts	Work In Progress	Land and buildings	Leasehold Buildings	Building Improvement	Other plant and equipment	Total
<b>Cost</b>										
As at January 1, 2011	17,982.74	141,437.22	163,441.09	27,718.15	310.68	3,463.10	10,782.61	4,656.38	29,108.04	<b>398,900.01</b>
- Adjust/Transfers	-	(3,885.01)	(1.10)	(177.95)	-	-	-	18.46	97.21	<b>(3,948.39)</b>
- Additions	6,032.87	1,609.51	661.40	2,204.39	2,080.32	-	19.08	32.66	297.51	<b>12,937.74</b>
- Disposals	-	(1,136.36)	(598.80)	(1,765.76)	-	(0.39)	(6.99)	(84.09)	(296.13)	<b>(3,888.52)</b>
As at September 30, 2011	<b>24,015.61</b>	<b>138,025.36</b>	<b>163,502.59</b>	<b>27,978.83</b>	<b>2,391.00</b>	<b>3,462.71</b>	<b>10,794.70</b>	<b>4,623.41</b>	<b>29,206.63</b>	<b>404,000.84</b>
<b>Impairment Allowance</b>	-	950.40	3,475.19	-	-	-	-	-	-	<b>4,425.59</b>
<b>Accumulated depreciation</b>										
As at January 1, 2011	-	91,898.70	44,345.32	18,124.77	-	2,199.03	4,875.09	3,840.54	23,084.86	<b>188,368.31</b>
- Depreciation	-	4,978.12	6,727.29	1,284.47	-	50.80	173.33	271.25	1,319.66	<b>14,804.92</b>
- Adjust/Transfers	-	(3,618.19)	8.97	(117.65)	-	-	-	(1.55)	1.50	<b>(3,726.92)</b>
- Disposals	-	(1,134.66)	(598.80)	(881.75)	-	(0.39)	(6.99)	(83.08)	(296.27)	<b>(3,001.94)</b>
As at September 30, 2011	-	<b>93,074.37</b>	<b>53,957.97</b>	<b>18,409.84</b>	-	<b>2,249.44</b>	<b>5,041.43</b>	<b>4,027.16</b>	<b>24,109.75</b>	<b>200,869.96</b>
<b>Net book value</b>										
As at December 31, 2010	<b>17,982.74</b>	<b>48,588.12</b>	<b>115,620.58</b>	<b>9,593.38</b>	<b>310.68</b>	<b>1,264.07</b>	<b>5,907.52</b>	<b>815.84</b>	<b>6,023.18</b>	<b>206,106.11</b>
As at September 30, 2011	<b>24,015.61</b>	<b>44,950.99</b>	<b>109,544.62</b>	<b>9,568.99</b>	<b>2,391.00</b>	<b>1,213.27</b>	<b>5,753.27</b>	<b>596.25</b>	<b>5,096.88</b>	<b>203,130.88</b>

In this fiscal period, there are 94 aircraft represented in the Company's fleet consisting of 52 own aircraft, 31 aircraft under financial leases, and 11 aircraft under operating leases (including 3 B777-300ER leased from Jet Airways), which excluded 2 aircraft for sales, with a book value of THB 424.53 million.

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

The Company uses buildings and equipment that are now fully depreciated with historical cost of THB 58,839.95 million including the leasehold buildings amount of THB 3,907.83 million.

Leasehold buildings are leased from Airports of Thailand Public Company Limited at Suvarnabhumi with a lease term of 30 years starting from September 28, 2006 to September 29, 2036 and at Donmuang with a lease term of 3 years starting from September 27, 2009 to September 28, 2012. The title of buildings and elements will be passed to The Ministry of Finance at the end of the lease term.

The Company has provided a land located in Bangkok for security meanwhile the Company is now in the procedure of appealing against the judgement of the court of first instance who has made a decision that compelled the Company to provide compensation in the amount of THB 27.63 million with interest due to ceasing of wine purchase.

At present, the official appraisal value of the Company's domestic land is THB 3,965.58 million consisting of land in Bangkok amount of THB 3,728.64 million and land in provinces amount of THB 236.94 million.

Leased aircraft are aircraft under financial leases which the purchase contracts were made in USD currency but the finance leases were made in EUR currency.

#### 4.7 Intangible Assets-net

	Units : Million Baht	
	Consolidated	The Company
<b>Cost</b>		
As at January 1, 2011	1,502.79	1,495.74
- Additions	302.85	301.93
As at September 30, 2011	1,805.64	1,797.67
<b>Accumulated amortisation</b>		
As at January 1, 2011	950.43	948.12
- Amortisation	210.40	209.87
As at September 30, 2011	1,160.83	1,157.99
<b>Net book value</b>		
As at December 31, 2010	<b>552.36</b>	<b>547.62</b>
As at September 30, 2011	<b>644.81</b>	<b>639.68</b>

#### 4.8 Deferred Income Tax Assets

Deferred income tax assets arising from the temporary differences between the book values and tax bases of assets and liabilities in statement of financial position are as follows:

	<b>Consolidated</b>		<b>Units : Million Baht The Company</b>	
	<u>Sep 30, 2011</u>	<u>Dec 31, 2010</u>	<u>Sep 30, 2011</u>	<u>Dec 31, 2010</u>
	Contribution to staff provident fund	137.08	143.39	137.08
Contribution to staff pension fund	760.20	677.53	760.20	677.53
Allowance for obsolete inventories	608.15	583.23	608.15	583.23
Allowance for doubtful accounts	552.83	542.05	544.20	533.42
Allowance for impairment in value of assets	1,256.83	1,341.82	1,256.83	1,341.82
Estimated accrual expenses	1,175.47	1,326.71	1,174.99	1,326.23
Loss on foreign currency exchange	133.96	134.11	133.96	134.11
Intangible assets	148.10	-	148.10	-
Employee benefits obligation	2,994.13	2,797.81	2,992.91	2,796.75
Others	<u>16.74</u>	<u>22.98</u>	<u>13.13</u>	<u>19.30</u>
<b>Total</b>	<b><u>7,783.49</u></b>	<b><u>7,569.63</u></b>	<b><u>7,769.55</u></b>	<b><u>7,555.78</u></b>

#### 4.9 Deferred Tax Liability

	<b>Consolidated</b>		<b>Units : Million Baht The Company</b>	
	<u>Sep 30, 2011</u>	<u>Dec 31, 2010</u>	<u>Sep 30, 2011</u>	<u>Dec 31, 2010</u>
	Intangible assets	69.90	-	69.90

#### 4.10 Other Non-Current Assets

	<b>Consolidated</b>		<b>Units : Million Baht The Company</b>	
	<u>Sep 30, 2011</u>	<u>Dec 31, 2010</u>	<u>Sep 30, 2011</u>	<u>Dec 31, 2010</u>
	Deferred charges	1,913.77	1,918.80	1,913.77
Others	<u>468.02</u>	<u>342.23</u>	<u>466.94</u>	<u>341.85</u>
<b>Total</b>	<b><u>2,381.79</u></b>	<b><u>2,261.03</u></b>	<b><u>2,380.71</u></b>	<b><u>2,260.65</u></b>

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.



#### 4.11 Employee Benefits Obligation The Company

Employee benefits obligations are classified into 5 projects as follows:

4.11.1 Legal Severance Payments are paid to the retired employees who work with the Company from 5 to less than 15 years, receiving 180 days of the latest salary rate. For the retired employees who work with the Company from 15 years onwards will get paid for 300 days of the latest salary rate.

4.11.2 Post-Retirement Medical Benefits are provided to the retired and early retired employees together with their spouses and unmarried children less than 20 years of age with no expenses at all medical centers of the Company.

4.11.3 Encashment of Unutilised Holiday Leaves is paid to the employees who have their vacations left, which can be accumulated not more than 3 years.

4.11.4 Long Service Awards (Pin/Ring) will be rewarded to the employees who have been working with the Company for 15, 25 and 35 years.

4.11.5 Long Service Awards (Air ticket) – the employees who have been working with the Company for 15 years will get rewards for 1 free confirmed ticket on the Company's routes, and every next 5 years for present employees. The employees can accumulate and use these awards whenever they desire.

##### Principal actuarial assumptions :

Discount rate	4.2%
Price inflation	3.5%
Average salary increase rates	
Domestic staff	3.0% – 7.0%
Oversea staff	5.0%
Staff turnover rate	
Domestic staff	0.0% - 1.5%
Oversea staff	0.0% - 9.0%
Medical cost inflation	6.0%
Mortality rate	TM097 (Thai mortality table year 1997)

##### Changes in Present Value of the Employee Benefits Obligation

	Consolidated		Units : Million Baht The Company	
	Sep 30, 2011	Dec 31, 2010	Sep 30, 2011	Dec 31, 2010
Beginning Balance – Employee Benefits Obligation	9,326.02	10,499.58	9,322.51	10,496.78
Employee Benefit Expenses for the period	654.41	866.10	653.84	865.39
Benefits paid during the period	-	(2,039.66)	-	(2,039.66)
<b>Ending Balance – Employee Benefits Obligation</b>	<b><u>9,980.43</u></b>	<b><u>9,326.02</u></b>	<b><u>9,976.35</u></b>	<b><u>9,322.51</u></b>

#### 4.12 Dividend Payment – The Company

The resolution of the 2011 Annual General Shareholders' Meeting held on April 27, 2011 approved a dividend payment from the Company's operation for the year 2010 to the shareholders representing 2,182.77 million shares at THB 1.25 per share, totaling to THB 2,728.46 million. But the Company paid the dividend amount of THB 2,727.67 million because there are 631,318 nominee shares having no rights to receive the dividend amount of THB 0.79 million.

#### 4.13 Share Capital

As at September 30, 2011, the Company has authorized ordinary shares amount of 2,698.90 million shares at par value of 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.

#### 4.14 Other Incomes

	Units : Million Baht			
	<b>Consolidated</b>			
	Three-month Periods		Nine-month Periods	
	Jul-Sep 2011	Jul-Sep 2010	Jan-Sep 2011	Jan-Sep 2010
Gains on sales of assets	4.29	74.71	9.84	77.38
Revenue from other services of Aircraft Maintenance Department	83.15	64.81	265.87	202.68
Revenue from airport fees collected from passengers	198.41	267.20	595.24	801.59
Compensation revenue from the delay delivery of aircraft	106.24	370.61	488.43	1,090.34
Others	261.25	160.76	618.36	469.19
<b>Total</b>	<b>653.34</b>	<b>938.09</b>	<b>1,977.74</b>	<b>2,641.18</b>

	Units : Million Baht			
	<b>The Company</b>			
	Three-month Periods		Nine-month Periods	
	Jul-Sep 2011	Jul-Sep 2010	Jan-Sep 2011	Jan-Sep 2010
Gains on sales of assets	4.29	74.71	9.84	77.38
Dividend from associated companies and subsidiary companies	28.80	20.73	189.89	168.01
Revenue from other services of Aircraft Maintenance Department	83.15	64.81	265.87	202.68
Revenue from airport fees collected from passengers	198.41	267.20	595.24	801.59
Compensation revenue from the delay delivery of aircraft	106.24	370.61	488.43	1,090.34
Others	261.39	161.23	618.51	470.22
<b>Total</b>	<b>682.28</b>	<b>959.29</b>	<b>2,167.78</b>	<b>2,810.22</b>

#### 4.15 Employee Benefit Expenses

Units : Million Baht

	<b>Consolidated</b>			
	<b>Three-month Periods</b>		<b>Nine-month Periods</b>	
	<b>Jul-Sep 2011</b>	<b>Jul-Sep 2010</b>	<b>Jan-Sep 2011</b>	<b>Jan-Sep 2010</b>
Personnel Expenses	6,225.99	6,895.87	22,151.73	21,756.98
Employee Benefit Expenses	218.14	216.52	654.41	649.57
Executive benefit expenses	21.51	13.14	65.93	40.21
Board of Directors benefit expenses	4.58	3.46	25.88	12.63
<b>Total</b>	<b>6,470.22</b>	<b>7,128.99</b>	<b>22,897.95</b>	<b>22,459.39</b>

**Units : Million Baht**

	<b>The Company</b>			
	<b>Three-month Periods</b>		<b>Nine-month Periods</b>	
	<b>Jul-Sep 2011</b>	<b>Jul-Sep 2010</b>	<b>Jan-Sep 2011</b>	<b>Jan-Sep 2010</b>
Personnel Expenses	6,214.86	6,886.93	22,116.47	21,727.96
Employee Benefit Expenses	217.95	216.35	653.84	649.04
Executive benefit expenses	21.48	13.14	65.87	40.21
Board of Directors benefit expenses	4.26	3.16	24.59	11.42
<b>Total</b>	<b>6,458.55</b>	<b>7,119.58</b>	<b>22,860.77</b>	<b>22,428.63</b>

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.

Moreover, the Directors of the Company obtain the ticket benefits. For the nine-month periods ended September 30, 2011 and 2010, they issued the tickets for themselves and their related parties amount of 150 and 127 tickets with the value of THB 17.80 million and THB 16.82 million, respectively, calculating from the full fare tickets in those traveling classes.

#### **4.16 Other Expenses**

**Units : Million Baht**

	<b>Consolidated</b>			
	<b>Three-month Periods</b>		<b>Nine-month Periods</b>	
	<b>Jul-Sep 2011</b>	<b>Jul-Sep 2010</b>	<b>Jan-Sep 2011</b>	<b>Jan-Sep 2010</b>
Rentals and utilities	700.72	699.45	2,055.64	2,108.33
Office supplies	56.40	50.76	177.22	174.63
Repair of building and equipment	156.96	162.77	417.19	385.66
Outsource services	239.45	206.69	737.14	693.53
Consultant and service fees	151.35	143.50	361.67	399.43
Legal fee for Antitrust/ Competition Law	(985.64)	25.47	(867.07)	159.00
Computer service expenses	85.38	90.27	299.19	287.42
Travelling and transportation expenses	151.90	146.74	476.78	420.38
Concession fees	88.55	77.80	267.48	219.76
Passenger claim expenses	37.89	39.35	136.21	230.64
Others	180.52	289.15	854.24	960.27
<b>Total</b>	<b>863.48</b>	<b>1,931.95</b>	<b>4,915.69</b>	<b>6,039.05</b>

**Units : Million Baht**

	<b>The Company</b>
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	Three-month Periods		Nine-month Periods	
	Jul-Sep 2011	Jul-Sep 2010	Jan-Sep 2011	Jan-Sep 2010
Rentals and utilities	700.72	699.45	2,055.64	2,108.33
Office supplies	56.40	50.76	177.22	174.63
Repair of building and equipment	156.96	162.77	417.19	385.66
Outsource services	239.45	206.69	737.14	693.53
Consultant and service fees	151.35	143.50	361.67	399.43
Legal fee for Antitrust/ Competition Law	(985.64)	25.47	(867.07)	159.00
Computer service expenses	85.38	90.27	299.19	287.42
Travelling and transportation expenses	151.90	146.74	476.78	420.38
Concession fees	88.55	77.80	267.48	219.76
Passenger claim expenses	37.89	39.35	136.21	230.64
Others	164.62	274.02	806.01	912.91
<b>Total</b>	<b>847.58</b>	<b>1,916.82</b>	<b>4,867.46</b>	<b>5,991.69</b>

#### 4.17 Impairment Loss of Aircrafts

According to the Company's Board of Directors Resolution, 2 A300-600 own aircraft have been phased out from the fleet. They are under the selling Process. When comparing the net book value with the fair value after deducting the selling cost, it appears that the fair value after deducting the selling cost is lower than the net book value. Therefore, the Company recognized the impairment loss of such aircraft amount of THB 180.91 million

#### 4.18 Net Tax Expenses (Income)

Units : Million Baht

	Consolidated			
	Three-month Periods		Nine-month Periods	
	Jul-Sep 2011	Jul-Sep 2010	Jan-Sep 2011	Jan-Sep 2010
Tax expense (income) from taxable profit for the period	27.41	65.28	44.92	1,122.98
Add(less): deferred tax asset/ liability from temporary different increase/ decrease	112.69	(144.56)	(143.96)	(216.40)
<b>Net tax expenses (income)</b>	<b>140.10</b>	<b>(79.28)</b>	<b>(99.04)</b>	<b>906.58</b>

Units : Million Baht

	The Company			
	Three-month Periods		Nine-month Periods	
	Jul-Sep 2011	Jul-Sep 2010	Jan-Sep 2011	Jan-Sep 2010
Tax expense (income) from taxable profit for the period	21.16	52.71	13.06	1,083.06
Add(less): deferred tax asset/ liability from temporary different increase/ decrease	112.76	(144.52)	(143.87)	(215.76)
<b>Net tax expenses (income)</b>	<b>133.92</b>	<b>(91.81)</b>	<b>(130.81)</b>	<b>867.30</b>

#### 4.19 Earnings Per Share

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

**Consolidated**  
**For the three-month periods ended September 30, 2011 and 2010**

	<u>Profit</u>		<u>Number of Shares</u>		<u>Earnings Per Share</u>	
	<u>Sep 30, 2011</u>	<u>Sep 30, 2010</u>	<u>Sep 30, 2011</u>	<u>Sep 30, 2010</u>	<u>Sep 30, 2011</u>	<u>Sep 30, 2010</u>
	Million Baht	Million Baht	Million Share	Million Share	Baht	Baht
<b>Basic earnings (losses) per share</b>						
Profits (losses) attributable to ordinary equity holders of the parent entity	2,446.98	(15.11)	2,182.77	1,735.72	1.12	(0.01)

**The Company**  
**For the three-month periods ended September 30, 2011 and 2010**

	<u>Profit</u>		<u>Number of Shares</u>		<u>Earnings Per Share</u>	
	<u>Sep 30, 2011</u>	<u>Sep 30, 2010</u>	<u>Sep 30, 2011</u>	<u>Sep 30, 2010</u>	<u>Sep 30, 2011</u>	<u>Sep 30, 2010</u>
	Million Baht	Million Baht	Million Share	Million Share	Baht	Baht
<b>Basic earnings (losses) per share</b>						
Profits (losses) attributable to ordinary equity holders of the parent entity	2,466.44	(66.88)	2,182.77	1,735.72	1.13	(0.04)

**Consolidated**  
**For the nine-month periods ended September 30, 2011 and 2010**

	<u>Profit</u>		<u>Number of Shares</u>		<u>Earnings Per Share</u>	
	<u>Sep 30, 2011</u>	<u>Sep 30, 2010</u>	<u>Sep 30, 2011</u>	<u>Sep 30, 2010</u>	<u>Sep 30, 2011</u>	<u>Sep 30, 2010</u>
	Million Baht	Million Baht	Million Share	Million Share	Baht	Baht
<b>Basic earnings (losses) per share</b>						
Profits (losses) attributable to ordinary equity holders of the parent entity	(4,809.01)	11,958.31	2,182.77	1,711.31	(2.20)	6.99

**The Company**  
**For the nine-month periods ended September 30, 2011 and 2010**

	<u>Profit</u>		<u>Number of Shares</u>		<u>Earnings Per Share</u>	
	<u>Sep 30, 2011</u>	<u>Sep 30, 2010</u>	<u>Sep 30, 2011</u>	<u>Sep 30, 2010</u>	<u>Sep 30, 2011</u>	<u>Sep 30, 2010</u>
	Million Baht	Million Baht	Million Share	Million Share	Baht	Baht
<b>Basic earnings (losses) per share</b>						
Profits (losses) attributable to ordinary equity holders of the parent entity	(4,799.13)	11,851.58	2,182.77	1,711.31	(2.20)	6.93

## 4.20 Financial Information by Segment Consolidated

### 4.20.1 Business Segments

#### Statements of Income For the three-month periods ended September 30, 2011 and 2010

Units : Million Baht

	<u>Revenues</u>		<u>Inter - Segment Revenues</u>		<u>Total Revenues</u>		<u>Segment Results</u>	
	<u>Sep 30, 2011</u>	<u>Sep 30, 2010</u>	<u>Sep 30, 2011</u>	<u>Sep 30, 2010</u>	<u>Sep 30, 2011</u>	<u>Sep 30, 2010</u>	<u>Sep 30, 2011</u>	<u>Sep 30, 2010</u>
	Air transportation	47,099.05	42,574.19	-	-	47,099.05	42,574.19	691.30
Business Units	1,553.77	1,366.73	2,547.95	2,369.78	4,101.72	3,736.51	710.87	36.17
Other activities	551.00	492.40	1,412.36	1,443.70	1,963.36	1,936.10	180.35	(116.30)
Eliminations	-	-	(3,960.31)	(3,813.48)	(3,960.31)	-	-	-
Operating profits							1,582.52	(3,486.83)
Share of profits of investments by the equity method							(0.15)	57.03
Finance costs - net							(1,362.84)	(1,271.73)
Gains (losses) on foreign currency exchange							2,298.79	(2,772.61)
Other income							74.21	418.75
Non-controlling interests							(5.45)	(12.66)
Net tax income (expenses)							(140.10)	79.28
<b>Net profits (losses)</b>							<b><u>2,446.98</u></b>	<b><u>(15.11)</u></b>

#### Statements of Income For the nine-month periods ended September 30, 2011 and 2010

Units : Million Baht

	<u>Revenues</u>		<u>Inter - Segment Revenues</u>		<u>Total Revenues</u>		<u>Segment Results</u>	
	<u>Sep 30, 2011</u>	<u>Sep 30, 2010</u>	<u>Sep 30, 2011</u>	<u>Sep 30, 2010</u>	<u>Sep 30, 2011</u>	<u>Sep 30, 2010</u>	<u>Sep 30, 2011</u>	<u>Sep 30, 2010</u>
	Air transportation	138,839.53	126,516.13	-	-	138,839.53	126,516.13	646.25
Business Units	4,691.06	4,209.16	7,611.44	7,080.15	12,302.50	11,289.31	1,366.90	346.43
Other activities	1,538.10	1,380.55	4,186.77	4,008.40	5,724.87	5,388.95	(501.40)	(578.23)
Eliminations	-	-	(11,798.21)	(11,088.55)	(11,798.21)	-	-	-
Operating profits							1,511.75	7,442.76
Losses on redemption of debentures							(1.43)	-
Share of profits of investments by the equity method							142.22	225.89
Finance costs - net							(3,869.52)	(3,815.39)
Gains (losses) on foreign currency exchange							(3,324.66)	7,317.04
Other income							663.93	1,734.56
Non-controlling interests							(30.34)	(39.97)
Net tax income (expenses)							99.04	(906.58)
<b>Net profits (losses)</b>							<b><u>(4,809.01)</u></b>	<b><u>11,958.31</u></b>

**Assets and Liabilities**  
**As At September 30, 2011 and 2010**

	<b>Current Assets</b>		<b>Non-Current Assets</b>		<b>Units : Million Baht</b> <b>Total Assets</b>	
	<b>Sep 30, 2011</b>	<b>Dec 31, 2010</b>	<b>Sep 30, 2011</b>	<b>Dec 31, 2010</b>	<b>Sep 30, 2011</b>	<b>Dec 31, 2010</b>
	Air transportation	57,388.77	74,382.06	206,616.96	208,560.40	264,005.73
Business Units	560.48	517.25	6,691.23	7,215.99	7,251.71	7,733.24
Other activities	828.25	1,033.26	2,465.63	2,479.98	3,293.88	3,513.24
Non-allocated assets	<u>2,492.38</u>	<u>2,368.87</u>	<u>-</u>	<u>-</u>	<u>2,492.38</u>	<u>2,368.87</u>
<b>Total</b>	<b><u>61,269.88</u></b>	<b><u>78,301.44</u></b>	<b><u>215,773.82</u></b>	<b><u>218,256.37</u></b>	<b><u>277,043.70</u></b>	<b><u>296,557.81</u></b>

	<b>Current Liabilities</b>		<b>Non-Current Liabilities</b>		<b>Units : Million Baht</b> <b>Total Liabilities</b>	
	<b>Sep 30, 2011</b>	<b>Dec 31, 2010</b>	<b>Sep 30, 2011</b>	<b>Dec 31, 2010</b>	<b>Sep 30, 2011</b>	<b>Dec 31, 2010</b>
	Air transportation	70,533.40	79,101.24	136,548.73	139,391.34	207,082.13
Business Units	584.80	1,077.15	24.85	26.73	609.65	1,103.88
Other activities	172.07	224.02	21.75	22.10	193.82	246.12
Non-allocated liabilities	<u>339.41</u>	<u>333.29</u>	<u>-</u>	<u>-</u>	<u>339.41</u>	<u>333.29</u>
<b>Total</b>	<b><u>71,629.68</u></b>	<b><u>80,735.70</u></b>	<b><u>136,595.33</u></b>	<b><u>139,440.17</u></b>	<b><u>208,225.01</u></b>	<b><u>220,175.87</u></b>

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

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

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

The Company records inter-segment revenue transfers at market price charged to its unaffiliated customer net of discount. As for the Technical Department, the inter-segment revenue is recorded at cost plus. Those transfers are eliminated in consolidation.

#### 4.20.2 Geographical Segments

	<b>Three-month Periods</b>		<b>Units : Million Baht</b>	
	<b>Jul-Sep 2011</b>	<b>Jul-Sep 2010</b>	<b>Jan-Sep 2011</b>	<b>Jan-Sep 2010</b>
Domestic Revenues				
Transportation	3,319.86	3,008.20	10,418.57	9,171.53
Business units	1,553.77	1,366.73	4,691.05	4,209.16
Other activities	<u>550.99</u>	<u>492.41</u>	<u>1,538.10</u>	<u>1,380.55</u>
Total domestic revenues	<u>5,424.62</u>	<u>4,867.34</u>	<u>16,647.72</u>	<u>14,761.24</u>
Foreign Transportation Revenues				
Regional Asia	17,793.18	15,580.49	52,370.85	46,344.34
Europe	10,448.86	10,333.83	32,589.63	31,551.39
North Pacific	828.46	911.81	2,744.84	2,690.06
Australia & New Zealand	4,705.43	3,593.65	13,009.45	10,862.38
Africa	<u>284.29</u>	<u>274.22</u>	<u>875.25</u>	<u>382.55</u>
Total foreign transportation revenues	<u>34,060.22</u>	<u>30,694.00</u>	<u>101,590.02</u>	<u>91,830.72</u>
Charter revenues and others	2,450.71	2,220.31	7,762.82	6,313.61
Insurance surcharge from passengers	426.69	491.19	1,290.30	1,431.89
Fuel surcharge from passengers	6,841.57	6,160.49	17,777.82	17,768.37
Interest income	104.14	42.95	325.00	107.06
Other income	<u>653.35</u>	<u>938.08</u>	<u>1,977.74</u>	<u>2,641.18</u>
<b>Total</b>	<b><u>49,961.30</u></b>	<b><u>45,414.36</u></b>	<b><u>147,371.42</u></b>	<b><u>134,854.07</u></b>

#### 4.21 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:

	<b>Units : Million Baht</b>	
	<b>Sep 30, 2011</b>	<b>Dec 31, 2010</b>
Current assets	4,720.28	4,761.11
Others	<u>25.48</u>	<u>31.37</u>
Total	<u>4,745.76</u>	<u>4,792.48</u>
Other current liabilities	40.64	421.34
Pension fund	<u>4,705.12</u>	<u>4,371.14</u>
Total	<u>4,745.76</u>	<u>4,792.48</u>

As at September 30, 2011, the fund balance was THB 4,705.12 million, equal to the Company's obligation to its staff under the fund. The total Company's contribution to the fund in this accounting periods was THB 316.46 million, consisting of the contributions at a rate equivalent to 10% of employee salaries in the amount of THB 165.22 million and the amounts to match the Company's obligation of THB 151.24 million.



## 4.22 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 864.01 million for this period.

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).

## 4.23 Contingent Liabilities

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

	Units : Million Baht	
	<u>Sep 30, 2011</u>	<u>Dec 31, 2010</u>
Letters of guarantee issued by banks - Domestic	41.77	132.48
Letters of guarantee issued by banks - Abroad	236.86	203.63
The Company as defendant in		
Labor dispute cases	1,419.90	1,751.71
Damage claims cases	<u>2,842.70</u>	<u>2,308.62</u>
<b>Total</b>	<b><u>4,541.23</u></b>	<b><u>4,396.44</u></b>

4.23.2 The Company had estimated damages and fines and had recognized such damages and fines in the financial statement of 2008 in the amount of THB 4,290.17 million. In the fiscal year 2010, the Company had reduced the reserve for the estimate with respect to damages and fines by THB 1,783.19 million as well as by THB 1,082.06 million in the 3<sup>th</sup> quarter of 2011, leaving the reserve for such damages and fines amount of THB 1,424.92 million, including the loss on exchange rate arising from translation of the damages and fines at the end of the period of THB 41.70 million as follows:

1. The Company has the competition law allegation pending against it. A group of 35 cargo shippers have brought an action against the Company to 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 or Antitrust Law of the United States of America and Europe Union laws causing damages to them. They sought the court's order for compensation by the Company and other airlines. At present, the class Plaintiff and the Company has subsequently entered into a settlement of USD 3,500,000 or approximately THB 109.03 million (Exchange Rate: 31.1500 Baht = 1 US dollar). The court has rendered a judgement in accordance with the settlement. However, there are some plaintiffs who opt out of the settlement and they are entitled to bring their own lawsuits against the Company.

2. A total of 19 lawsuits were brought against 12 airlines including the Company. Two lawsuits were filed at the Superior Court of Los Angeles while other 17 were filed at the San Francisco County Superior Court. The airlines were accused of violating the Sherman Antitrust Act of 1890 and the Clayton Antitrust Act of 1914 by committing price fixing

conspiracy in respect of Trans-pacific carriers. Presently, 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, however, the amount of the compensatory damages has not yet been determined. The case is currently undergoing the court procedures.

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 EC Treaty by coordinating pricing behavior in the provision of air freight services 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. However, the Commission of the European Communities later dropped charges against the Company on November 9, 2010. A penalty has therefore never been imposed on the Company.

4. As for the case involving the New Zealand Commerce Commission (NZCC) filing a lawsuit against the Company and other 13 airlines at the Auckland High Court and alleging that the Company, jointly with other airlines, fixed the fuel surcharge and security surcharge, constituting a violation against the Commerce Act of New Zealand, the NZCC requested the court to fine the Company according to the law. However, these fines remained unspecified at the time of filing the lawsuit and were, thus, left for the court to decide afterwards. At present, the case is currently undergoing the court procedures.

5. Regarding an examination by the United States' Department of Justice (DOJ), summon for documents were sent to the Company during the ongoing investigation. Correspondingly, the company has already hired a local attorney to correspond with the DOJ. However, it is still uncertain as to whether an allegation is being sought.

6. With respect to the investigation by the Australian Competition and Consumer Commission (ACCC), the ACCC has subsequently filed a lawsuit against the Company for violating Trade Practices Act 1974. Yet, the amount of fines has not yet been specified by the ACCC. At the moment, the case is currently under the discovery process so as to seek evidences for each party. After that, the case will undergo the court procedures.

7. On the subject of an investigation by the Korean Fair Trade Commission (KFTC), the Company received an official decision of the KFTC on November 30, 2010 which imposed a fine totaling an amount of KRW 2,877 million or approximately THB 77.45 million (Exchange Rate: 1 Won = 0.026921 Baht) but dropped the criminal charges against the Company and the relevant staff. The Company has already appealed the KFTC Commissioners' decision to the competent court.

According to the Board of Directors Meeting No. 10/2554 held on August 19, 2011, the meeting has resolved as follows:

1. To apply the local currency of each foreign country which the Company has the obligation to pay for the reserve instead of applying the Thai currency.
2. To decrease an amount of the reserve of the antitrust case in the United States of America and Korea since the Company has already made a payment for the fine totaling an amount of KRW 2,784 million or approximantely THB 72.66 million according to the KFTC official decision.

Correspondingly, the Company's Department of Legal Affairs and Business Administration has modified the estimation guidelines as follows:

1. The above estimated damages and fines are based on the status of the cases which have become more apparent as to the direction of the trial and 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 estimated fine amounts are made in respect of the investigations made by the competent authority in the aforesaid countries including the initial estimate of the compensation in the Civil Class Actions cases (both Cargo and Passenger) in the United States of America, though the disputed amount of claims has not yet been set and the plaintiffs still have to prove the damages.

3. The sentence or decision on the cases might 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 is 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 based for calculation of fine or damages is therefore unaware.

4.2 The determination of fine and damages is dependent on 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 or settlement of fine or damages amount, depending on the policy of each country and the case aspects.

4.23.3 A lawsuit of CEAT case with respect to the use of website in America continent has been files against the Company. At present, the case is dropped since the plaintiff withdraws the case.

#### **4.24 Acceptance of Airbus A330-300 Transfer of Title**

On December 23, 2009 and March 29, 2010, the Company accepted the transfer of title of A330-300 for 3 and 2 aircraft, respectively, totaling 5 aircraft. The acquisition of these 5 aircraft have been made under financing lease agreements. However, they could not be commercially utilized since there were no seats installed. They were parked and stored in Bordeaux, France. Koito had informed the Company that Koito were unable to deliver the seats to the Company by September 20, 2010 as scheduled. Thereafter, the Company sent a notice of termination to Koito for breach of the General Terms Agreements (GTAs) A330 on August 3, 2010. In addition, the Company engaged a legal adviser to take legal action against Koito. The Company sent a notice of clarifications and demands for payments of damages to Koito on February 11, 2011. Koito sent a letter requesting the Company to provide supporting documentations for each item of the claimed damages to Koito on February 28, 2011. The Company is currently gathering relevant documentations to Koito as well as engaging a foreign law firm to take a legal action against Koito Industries Limited (the current name of Koito is KI

Holdings Co., Ltd.) and Asia Fleet Services (Singapore) Pte., Ltd. so as to claim damages arising from Koito's breach of the GTAs. The case will be submitted to the court in England.

On July 2, 2010, the Company has entered into a contract with new seat supplier i.e. ZIM Flugsitz GmbH in order to produce and deliver economy class seats for 5 Airbus A330-300 aircraft by the scheduled delivery dates. At present, the Company has already accepted the transfer of title with seats installation of such 5 aircraft on March 25, April 11, May 21, June 6 and July 4, 2011, respectively. The relevant expenses i.e. seats installation expense, reconditioning expense for aircraft phase in and out from long term storage and monthly survey and parking fee have already been recorded as expenses until September 30, 2011 amount of THB 175.35 million.

#### 4.25 Contractual Obligations

##### 4.25.1 Obligation to Purchase Aircraft

The Company has a payment obligation to purchase 6 A380-800, 7 A330-300, 5 A320-200, 4 A350-900XWB, and 6 B777-300ER aircraft amount of THB 114,677.77 million, expected to take delivery during the year 2011-2017.

Obligation	Units : Million Baht	
	Within 1 year	>1year – 5 years
Purchase of aircraft	14,421.23	100,256.54

##### 4.25.2 Leases and Obligations of Aircraft

The Company has obligations from entering into operating leases for 34 aircraft amount of USD 3,354.17 million or approximately to THB 105,009.55 million consisting of 6 A320-200, 2 A330-300, 3 B737-400, 2 B777-200, 13 B777-300ER, 6 B787-8, and 2 B787-9 aircraft.

From such 34 leased aircraft, including 23 aircraft have not yet been put into the Company's fleet. On October 22, 2010, the Company paid a commitment fee to BOC Aviation Pte. Ltd. (BOCA) for 8 Boeing 777-300ER, including in the aforesaid 23 aircraft, according to the Predelivery Commitment Agreement and Aircraft Lease Agreement amount of USD 34.76 million or approximately THB 1,088.26 million. When the Company takes the delivery of such aircraft within 2012 and 2013, the commitment fee will be recognized in the Company's statement of income with a straight-line method over the lease term. The operating leases of those 34 aircraft will be expired during 2013-2029.

Lease obligation and commitment fee can be classified as follows:

Obligation	Units : Million Baht		
	Within 1 year	>1year – 5 years	More than 5 years
Rent	2,979.48	23,423.06	77,518.75
Commitment Fee	705.48	382.78	-
<b>Total</b>	<b>3,684.96</b>	<b>23,805.84</b>	<b>77,518.75</b>

##### 4.25.3 Lease and Obligation of Cargo Block Space

On May 20, 2011 the Company's Board of Directors approved the lease termination of cargo block space for 1 aircraft. The termination date was negotiated changing from July 21, 2011 to August 1, 2011.

The Company has an obligation of cargo block space which is determined a minimum block hour amount of USD 12.50 million or approximately to THB 391.18 million per block space for 2 aircraft in July 2011 and 1 aircraft starting August 2011 onwards. The lease will be expired in the year 2012.

#### **4.26 Events after the Reporting Period**

4.26.1 The Resolution of the Company's Board of Directors held on December 17, 2010 approved the Company to revise the regulations concerning the proportion of shares held by the Ministry of Finance and/or state enterprises to be in accordance with the Ministry of Finance's policy. The Company has carried out negotiation with the parties such as BNP Paribas and Credit Agricole CIB, which are lenders, and ECAs the loan guarantee (bank) for 6 A330-300 aircraft. The bank has agreed to such terms and has already drafted the revised contract with the Company. On October 18, 2011, the cabinet approved the Ministry of Finance to issue certificate of amendment to ECAs to be consistent with the amendment of such share holding proportion regulations for the Ministry of Finance from not less than 51% to not less than 25%, which caused the Company to repay the loan ahead of schedule approximately 20% of the outstanding loan, on December 23, 2011 amount of EUR 30.35 million for A330-300 No.16-18 aircraft, on December 29, 2011 amount of EUR 22.46 million for A330-300 No.19-20 aircraft, and on January 20, 2012 amount of EUR 10.43 million for A330-300 No.15 aircraft. At the same time, the Company has to pay fees for early repayment about 2% of the loan to be repaid.

4.26.2 According to the operating lease agreement, the Company will be delivered the 5<sup>th</sup> B777-300ER aircraft from Jet Airways (India) Limited within November 2011.

4.26.3 On October 10, 2011, the Company has signed the Aircraft Lease Agreement for 2 A350-900XWB aircraft, which will be delivered to the Company in April and May 2016. And on October 13, 2011 the Company has paid for the second security deposit, totaling to USD 2.2 million or approximately THB 68.88 million.

4.26.4 The Resolution of the Company's Board of Directors held on October 14, 2011 approved the Company to buy 10%, or 5 million shares, in Nok Airline Company Limited from Krung Thai Bank Public Company Limited at THB 33 per share, totaling THB 165 million. The purchase of Nok Air's share will increase the Company's holding from 39% to 49%.

4.26.5 On October 26, 2011, the flood water entered Don Muang Airport. At the meantime, the Company is estimating the damage of the assets which have not been exactly determined the figure yet. The damaged assets are covered by the insurance policy.

#### **4.27 Approval of Financial Statements**

These financial statements were approved by the Audit Committee, the Authorized Board of Directors, on November 8, 2011.

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