

**(UNOFFICIAL TRANSLATION)
AUDITOR'S REVIEW REPORT**

TO: THE SHAREHOLDERS OF THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED

The Office of the Auditor General of Thailand has reviewed the accompanying consolidated and separate statements of financial position as at June 30, 2012, the related consolidated and separate statements of comprehensive income, statements of changes in shareholders' equity and statements of cash flows for the three and six-month periods ended June 30, 2012 and 2011 and condensed notes to interim financial statements of Thai Airways International Public Company Limited and subsidiaries and of Thai Airways International Public Company Limited, respectively. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". The responsibility of the Office of the Auditor General of Thailand is to express a conclusion on this interim financial information based on our reviews.

Scope of the Review

The Office of the Auditor General of Thailand conducted the reviews in accordance with Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that the Office of the Auditor General of Thailand would become aware of all significant matters that might be identified in an audit. Accordingly, the Office of the Auditor General of Thailand does not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to the attention that causes the Office of the Auditor General of Thailand to believe that the interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

Comparative Statements of Financial Position as at December 31, 2011

The Office of the Auditor General of Thailand has audited the consolidated and separate financial statements for the year ended December 31, 2011 of Thai Airways International Public Company Limited and subsidiaries and of Thai Airways International Public Company Limited, respectively, in accordance with Standards on Auditing and expressed an unqualified opinion on those statements in our report dated February 21, 2012. The consolidated and separate statements of financial position as at December 31, 2011, presented for comparative purposes, are part of the consolidated and separate financial statements. The Office of the Auditor General of Thailand has not performed any other auditing procedures subsequent to the date of that report.

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

(Signed) *Nuchanart Chankow*
(Nuchanart Chankow)
Auditor-in-charge
Acting Director of Financial Audit Office No.4

Office of the Auditor General
August 9, 2012

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT JUNE 30, 2012 AND DECEMBER 31, 2011

Unit : Baht

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		Jun 30, 2012 (Unaudited but reviewed)	Dec 31, 2011	Jun 30, 2012 (Unaudited but reviewed)	Dec 31, 2011
ASSETS					
Current Assets					
Cash and cash equivalents	2.1	17,701,839,173	16,666,025,016	17,331,867,997	16,629,940,922
Temporary investments		1,138,959,667	419,005,881	-	-
Trade receivables	2.2	15,703,481,227	16,648,726,577	15,633,632,623	16,623,707,215
Prepaid expenses and deposits		10,742,041,924	10,467,893,729	10,669,319,544	10,482,589,799
Inventories and supplies		7,715,950,826	7,710,007,103	7,711,291,855	7,710,007,103
Other current assets	2.3	8,233,255,003	7,120,368,409	7,950,870,084	7,090,660,788
Non-current assets classified as held for sale		7,124,479,264	261,631,778	7,124,479,264	261,631,778
Total Current Assets		68,360,007,084	59,293,658,493	66,421,461,367	58,798,537,605
Non-Current Assets					
Investments in associates	2.5.1	1,205,278,357	1,629,966,047	723,520,500	1,083,520,500
Investments in subsidiaries	2.5.1	-	-	370,209,900	10,209,900
Other long-term investments	2.5.2	84,591,810	179,041,214	80,118,810	79,889,058
Property, plant and equipment	2.7	199,092,950,536	204,994,677,040	198,896,220,242	204,987,311,294
Goodwill		71,355,764	-	-	-
Intangible assets	2.8	735,028,891	623,739,745	654,603,372	617,255,122
Deferred tax assets	2.9	5,274,128,933	5,409,447,315	5,228,085,706	5,398,556,488
Other non-current assets	2.11	2,551,838,351	2,314,170,825	2,528,682,953	2,312,892,713
Total Non-Current Assets		209,015,172,642	215,151,042,186	208,481,441,483	214,489,635,075
Total Assets		277,375,179,726	274,444,700,679	274,902,902,850	273,288,172,680

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

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT JUNE 30, 2012 AND DECEMBER 31, 2011

Unit : Baht

	<u>CONSOLIDATED FINANCIAL STATEMENTS</u>		<u>SEPARATE FINANCIAL STATEMENTS</u>		
	<u>Notes</u>	<u>Jun 30, 2012</u> (Unaudited but reviewed)	<u>Dec 31, 2011</u>	<u>Jun 30, 2012</u> (Unaudited but reviewed)	<u>Dec 31, 2011</u>
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Liabilities					
Trade payables		8,258,669,547	7,362,821,704	8,048,710,941	7,354,684,963
Accrued expenses		11,836,439,240	13,958,939,401	11,701,727,893	13,940,060,094
Current portion of long-term liabilities					
Long-term borrowings from related parties	2.6.1.1	2,072,000,000	2,072,000,000	2,072,000,000	2,072,000,000
Long-term borrowings from other parties		5,876,000,000	2,028,000,000	5,876,000,000	2,028,000,000
Liabilities under finance leases		9,171,099,606	10,102,499,455	9,171,099,606	10,102,499,455
Debentures		4,450,000,000	4,670,000,000	4,500,000,000	4,670,000,000
Current income tax payable		40,469,929	14,507,725	-	-
Other current liabilities					
Accrued dividends		78,855,385	52,032,037	51,799,842	51,960,945
Unearned transportation revenues		24,557,084,004	24,760,701,984	24,510,376,692	24,760,701,984
Others		7,627,555,794	5,653,845,282	7,153,909,086	5,629,595,110
Total Current Liabilities		73,968,173,505	70,675,347,588	73,085,624,060	70,609,502,551
Non-Current Liabilities					
Long-term liabilities					
Long-term borrowings from related parties	2.6.1.1	4,204,604,000	5,235,276,000	4,204,604,000	5,235,276,000
Long-term borrowings from other parties		43,424,000,000	47,272,000,000	43,424,000,000	47,272,000,000
Liabilities under finance leases		44,505,935,947	47,793,179,638	44,505,935,947	47,793,179,638
Debentures		27,676,790,000	23,126,790,000	27,676,790,000	23,176,790,000
Deferred tax liabilities	2.10	75,047,959	55,761,979	75,047,959	55,761,979
Staff pension fund	2.21	4,726,352,632	4,561,205,013	4,726,352,632	4,561,205,013
Employee benefits obligation	2.12	11,161,110,900	10,631,622,487	11,072,753,799	10,627,153,071
Long-term provisions		1,534,143,006	1,526,616,686	1,531,739,331	1,524,216,756
Other non - current liabilities		105,255,969	131,684,668	104,797,144	130,996,430
Total Non-Current Liabilities		137,413,240,413	140,334,136,471	137,322,020,812	140,376,578,887
Total Liabilities		211,381,413,918	211,009,484,059	210,407,644,872	210,986,081,438
Shareholders' Equity					
Share capital	2.13				
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		15,451,812,930	13,323,207,378	14,649,521,992	12,456,355,256
Other components of equity		54,210,000	-	-	-
Total Company Shareholders' Equity		65,351,758,916	63,168,943,364	64,495,257,978	62,302,091,242
Non-controlling Interests		642,006,892	266,273,256	-	-
Total Shareholders' Equity		65,993,765,808	63,435,216,620	64,495,257,978	62,302,091,242
Total Liabilities and Shareholders' Equity		277,375,179,726	274,444,700,679	274,902,902,850	273,288,172,680

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

(Signed) *Chokchai Panyayong*
(Chokchai Panyayong)
Executive Vice President
Strategy and Business Development
Acting 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 COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIODS ENDED JUNE 30, 2012 AND 2011

Unit : Baht

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2012	2011	2012	2011
Revenues					
Revenues from Sales or Revenues from Services					
Passenger and excess baggage		39,145,984,736	35,487,358,245	37,322,171,829	35,487,358,245
Freight		6,478,156,706	7,145,893,585	6,473,924,334	7,145,893,585
Mail		209,670,828	216,609,715	209,670,828	216,609,715
Other activities		2,098,177,944	1,989,760,824	2,118,368,231	1,917,197,351
Total Revenues from Sales or Revenues from Services		47,931,990,214	44,839,622,369	46,124,135,222	44,767,058,896
Other Income					
Interest income		114,619,396	100,869,039	102,608,662	97,875,631
Other income - Others	2.15	459,508,614	618,530,566	737,391,667	779,742,125
Total Other Income		574,128,010	719,399,605	840,000,329	877,617,756
Total Revenues		48,506,118,224	45,559,021,974	46,964,135,551	45,644,676,652
Expenses					
Fuel and oil		19,678,801,508	19,370,405,503	19,020,698,347	19,370,405,503
Employee benefits expenses	2.14	7,787,046,969	8,688,469,377	7,656,313,859	8,676,117,460
Flight service expenses		4,997,946,771	5,105,061,776	4,849,285,245	5,105,061,776
Crew expenses		1,312,228,172	1,362,022,910	1,278,113,615	1,362,022,910
Aircraft maintenance and overhaul costs		3,312,130,623	3,084,998,316	3,069,271,824	3,084,998,316
Depreciation and amortisation expenses		5,045,217,480	5,007,084,321	5,031,192,179	5,004,319,009
Lease of aircraft and spare parts		919,992,686	1,474,816,166	724,484,678	1,474,816,166
Inventories and supplies		2,237,096,994	2,147,164,697	2,210,614,291	2,147,164,697
Selling and advertising expenses		1,651,293,614	1,462,633,394	1,580,503,763	1,450,527,936
Insurance expenses		351,378,565	169,013,013	319,836,771	169,013,013
Impairment loss of assets		113,016,255	256,419,705	113,016,255	256,419,705
Other expenses	2.16	2,404,741,449	2,074,202,577	2,281,249,191	2,057,985,461
Losses (Gains) on foreign currency exchange		(1,315,763,413)	2,265,086,800	(1,311,556,071)	2,265,785,875
Finance costs		1,437,049,948	1,418,717,594	1,437,681,939	1,419,276,826
Losses on debenture redemption		-	1,427,287	-	-
Share of profits of associates		(15,190,060)	(104,143,162)	-	-
Total Expenses		49,916,987,561	53,783,380,274	48,260,705,886	53,843,914,653
Loss before Income Tax Expense		(1,410,869,337)	(8,224,358,300)	(1,296,570,335)	(8,199,238,001)
Income tax expense (income)	2.18	47,324,121	(360,355,256)	26,882,439	(370,778,102)
Loss for the period		(1,458,193,458)	(7,864,003,044)	(1,323,452,774)	(7,828,459,899)
Other comprehensive expense		-	-	-	-
Total Comprehensive Expense for the Period		(1,458,193,458)	(7,864,003,044)	(1,323,452,774)	(7,828,459,899)
Profit (Loss) Attributable to:					
Owners of the parent		(1,526,497,130)	(7,874,453,312)	(1,323,452,774)	(7,828,459,899)
Non-controlling interests		68,303,672	10,450,268	-	-
		(1,458,193,458)	(7,864,003,044)	(1,323,452,774)	(7,828,459,899)
Total Comprehensive Income (Expense) Attributable to:					
Owners of the parent		(1,526,497,130)	(7,874,453,312)	(1,323,452,774)	(7,828,459,899)
Non-controlling interests		68,303,672	10,450,268	-	-
		(1,458,193,458)	(7,864,003,044)	(1,323,452,774)	(7,828,459,899)
Losses per Share	2.19				
Basic loss per share		(0.70)	(3.61)	(0.61)	(3.59)

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

(Signed) *Chokchai Panyayong*
(Chokchai Panyayong)
Executive Vice President
Strategy and Business Development
Acting 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 COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2012 AND 2011

Unit : Baht

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2012	2011	2012	2011
Revenues					
Revenues from Sales or Revenues from Services					
Passenger and excess baggage		84,103,255,934	77,422,055,007	80,462,689,634	77,422,055,007
Freight		12,978,271,669	13,897,292,160	12,971,948,914	13,897,292,160
Mail		432,408,925	421,130,271	432,408,925	421,130,271
Other activities		4,416,938,018	4,124,392,521	4,461,542,484	3,966,898,086
Total Revenues from Sales or Revenues from Services		101,930,874,546	95,864,869,959	98,328,589,957	95,707,375,524
Other Income					
Interest income		233,723,599	220,858,470	207,555,973	214,833,139
Other income - Others	2.15	846,357,731	1,324,390,213	1,116,049,156	1,485,502,117
Total Other Income		1,080,081,330	1,545,248,683	1,323,605,129	1,700,335,256
Total Revenues		103,010,955,876	97,410,118,642	99,652,195,086	97,407,710,780
Expenses					
Fuel and oil		40,004,974,153	36,880,860,897	38,654,371,505	36,880,860,897
Employee benefits expenses	2.14	14,881,359,058	16,427,725,032	14,634,012,326	16,402,220,227
Flight service expenses		10,109,250,599	10,196,116,262	9,796,866,795	10,196,116,262
Crew expenses		2,777,920,614	2,709,177,903	2,706,901,397	2,709,177,903
Aircraft maintenance and overhaul costs		6,289,442,175	5,579,532,325	5,744,906,834	5,579,532,325
Depreciation and amortisation expenses		10,192,213,486	9,802,647,424	10,164,948,028	9,796,609,273
Lease of aircraft and spare parts		2,105,095,316	2,910,557,072	1,728,967,766	2,910,557,072
Inventories and supplies		4,589,432,664	4,367,726,441	4,548,556,814	4,367,726,441
Selling and advertising expenses		3,185,293,558	2,797,345,949	3,040,740,326	2,774,312,911
Insurance expenses		480,389,365	333,123,076	416,053,695	333,123,076
Impairment loss of assets		132,233,524	613,294,599	132,233,524	613,294,599
Impairment loss of aircraft	2.17	181,143,438	-	181,143,438	-
Other expenses	2.16	4,658,867,207	4,052,207,138	4,419,426,367	4,019,884,633
Losses (Gains) on foreign currency exchange		(1,843,178,099)	5,623,448,502	(1,839,347,450)	5,626,490,890
Finance costs		2,917,658,339	2,727,533,059	2,918,916,887	2,728,092,291
Losses on debenture redemption		-	1,427,287	-	-
Share of profits of associates		(107,999,433)	(142,366,996)	-	-
Total Expenses		100,554,095,964	104,880,355,970	97,248,698,252	104,937,998,800
Profit (Loss) before Income Tax Expense		2,456,859,912	(7,470,237,328)	2,403,496,834	(7,530,288,020)
Income tax expense (income)	2.18	247,257,034	(239,134,727)	210,330,098	(264,722,531)
Profit (Loss) for the Period		2,209,602,878	(7,231,102,601)	2,193,166,736	(7,265,565,489)
Other comprehensive income		54,210,000	-	-	-
Total Comprehensive Income (Expense) for the Period		2,263,812,878	(7,231,102,601)	2,193,166,736	(7,265,565,489)
Profit (Loss) Attributable to:					
Owners of the parent		2,118,269,188	(7,255,987,657)	2,193,166,736	(7,265,565,489)
Non-controlling interests		91,333,690	24,885,056	-	-
		2,209,602,878	(7,231,102,601)	2,193,166,736	(7,265,565,489)
Total Comprehensive Income (Expense) Attributable to:					
Owners of the parent		2,172,479,188	(7,255,987,657)	2,193,166,736	(7,265,565,489)
Non-controlling interests		91,333,690	24,885,056	-	-
		2,263,812,878	(7,231,102,601)	2,193,166,736	(7,265,565,489)
Earnings (Loss) per Share	2.19				
Basic earnings (loss) per share		0.97	(3.32)	1.00	(3.33)

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

(Signed) *Chokchai Panyayong*
(Chokchai Panyayong)
Executive Vice President
Strategy and Business Development
Acting 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 SIX-MONTH PERIODS ENDED JUNE 30, 2012 AND 2011

Unit : Baht

CONSOLIDATED FINANCIAL STATEMENTS

	Owners of the parent					Non-controlling Interests	Total Shareholders' Equity
	Issued and Paid-up Share Capital	Premium on Ordinary Shares	Retained Earnings	Other Components of Equity	Total Owners of the parent		
				Other Comprehensive Income			
<i>Notes</i>							
Balance as at January 1, 2011 before Adjustment	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)
Balance after Adjustment	21,827,719,170	25,548,223,951	28,717,649,115	-	76,093,592,236	288,348,139	76,381,940,375
Changes in Shareholders' Equity							
<u>Add</u> Issued and paid-up ordinary shares	-	-	(2,728,464,896)	-	(2,728,464,896)	(57,375,000)	(2,785,839,896)
<u>Less</u> Dividends paid to preferred shares	-	-	-	-	-	(30,348)	(30,348)
<u>Add</u> Dividend received	-	-	789,148	-	789,148	-	789,148
<u>Add</u> Comprehensive income (expense) for the period	-	-	(7,255,987,657)	-	(7,255,987,657)	24,885,056	(7,231,102,601)
Balance as at June 30, 2011	21,827,719,170	25,548,223,951	18,733,985,710	-	66,109,928,831	255,827,847	66,365,756,678
Balance as at January 1, 2012 before Adjustment	21,827,719,170	25,548,223,951	15,793,000,243	-	63,168,943,364	266,273,256	63,435,216,620
<u>Add</u> The effect of business combination	-	-	-	-	-	463,999,027	463,999,027
<u>Add</u> The effect of changes in accounting policy	-	-	10,336,364	-	10,336,364	13,586,567	23,922,931
Balance after Adjustment	21,827,719,170	25,548,223,951	15,803,336,607	-	63,179,279,728	743,858,850	63,923,138,578
Changes in Shareholders' Equity							
<u>Less</u> Dividends paid to preferred shares	-	-	-	-	-	(45,644)	(45,644)
<u>Less</u> Dividends paid	-	-	-	-	-	(193,140,004)	(193,140,004)
<u>Add</u> Comprehensive income for the period	-	-	2,118,269,188	54,210,000	2,172,479,188	91,333,690	2,263,812,878
Balance as at June 30, 2012	21,827,719,170	25,548,223,951	17,921,605,795	54,210,000	65,351,758,916	642,006,892	65,993,765,808

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

(Signed) *Chokchai Panyayong*
(Chokchai Panyayong)
Executive Vice President
Strategy and Business Development
Acting 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 SIX-MONTH PERIODS ENDED JUNE 30, 2012 AND 2011

Unit : Baht

SEPARATE FINANCIAL STATEMENTS

<i>Notes</i>	Issued and Paid-up Share Capital	Premium on Ordinary Shares	Retained Earnings	Total Shareholders' Equity
Balance as at January 1, 2011 before Adjustment	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)
Balance after Adjustment	21,827,719,170	25,548,223,951	27,892,292,210	75,268,235,331
Changes in Shareholders' Equity				
<u>Less</u> Dividends paid	-	-	(2,728,464,896)	(2,728,464,896)
<u>Add</u> Dividends received	-	-	789,148	789,148
<u>Add</u> Comprehensive expense for the period	-	-	(7,265,565,489)	(7,265,565,489)
Balance as at June 30, 2011	21,827,719,170	25,548,223,951	17,899,050,973	65,274,994,094
Balance as at January 1, 2012	21,827,719,170	25,548,223,951	14,926,148,121	62,302,091,242
Balance after Adjustment	21,827,719,170	25,548,223,951	14,926,148,121	62,302,091,242
<u>Add</u> Comprehensive income for the period	-	-	2,193,166,736	2,193,166,736
Balance as at June 30, 2012	21,827,719,170	25,548,223,951	17,119,314,857	64,495,257,978

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

(Signed) *Chokchai Panyayong*
(Chokchai Panyayong)
Executive Vice President
Strategy and Business Development
Acting 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 SIX-MONTH PERIODS ENDED JUNE 30, 2012 AND 2011

Unit : Baht

	<u>CONSOLIDATED FINANCIAL STATEMENTS</u>		<u>SEPARATE FINANCIAL STATEMENTS</u>		
	<u>Notes</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Cash Flows from Operating Activities					
Profits (losses) before income tax expenses		2,456,859,912	(7,470,237,328)	2,403,496,834	(7,530,288,020)
Adjustment to reconcile profit before tax to cash provided by (paid from) operating activities :					
Depreciation and amortisation expenses		10,192,213,486	9,802,647,424	10,164,948,028	9,796,609,273
Dividends received		(43,750)	(66,500)	(288,037,146)	(161,158,640)
Share of profits of investments by equity method		(107,999,433)	(142,366,996)	-	-
Interest income		(233,723,599)	(220,640,846)	(207,555,973)	(214,833,139)
Interest expenses		2,917,658,339	2,727,533,059	2,918,916,887	2,728,092,291
Gains on sales of assets		(33,302,789)	(5,556,291)	(34,051,423)	(5,556,291)
Loss (Gain) on foreign currency exchange		(1,482,234,132)	5,030,199,903	(1,478,391,645)	5,030,173,128
Employee benefits obligation		455,939,311	436,274,148	445,600,728	435,893,735
Provision for obsolete inventories and supplies		195,133,113	30,725,216	195,133,113	30,725,216
Doubtful accounts		48,426,004	25,367,382	50,436,542	25,409,158
Impairment loss of aircrafts		181,143,438	-	181,143,438	-
Impairment loss of assets		132,233,524	613,294,599	132,233,524	613,294,599
Operating profits before changes in operating assets and liabilities		14,722,303,424	10,827,173,770	14,483,872,907	10,748,361,310
Decrease (increase) in operating assets :					
Trade receivables		929,737,691	1,991,650,835	951,594,599	1,993,231,787
Inventories and supplies		(196,428,662)	(450,526,627)	(196,417,866)	(450,526,627)
Prepaid expenses and deposits		(124,523,986)	(678,518,747)	(167,880,265)	(683,133,675)
Tax refund		(3,539,532)	(8,901,898)	(3,539,532)	(8,901,898)
Other current assets		(665,842,713)	331,818,695	(647,935,112)	339,605,530
Assets for sales		(283,489,747)	274,996,800	(283,489,747)	274,996,800
Other assets		62,244,276	(164,138,824)	64,515,341	(163,439,535)
Deferred charges		(418,311,258)	(147,136,940)	(418,311,258)	(147,136,940)
Increase (decrease) in operating liabilities :					
Trade payables		(813,544,469)	495,103,269	(692,628,593)	495,876,802
Accrued expenses and other current liabilities		(646,966,306)	(4,208,433,262)	(669,695,330)	(4,215,023,692)
Deferred income		-	(382,186,471)	-	(382,186,471)
Staff pension fund		165,147,619	295,842,081	165,147,619	295,842,081
Unearned transportation revenues		(281,761,269)	(1,972,836,762)	(267,852,137)	(1,972,836,762)
Other non-current liabilities		(26,139,991)	-	(26,143,736)	-
Cash received from operations		12,418,885,077	6,203,905,919	12,291,236,890	6,124,728,710
Payment of income tax		(173,185,101)	(130,151,044)	(125,944,048)	(113,674,695)
Net Cash from Operating Activities		12,245,699,976	6,073,754,875	12,165,292,842	6,011,054,015

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 SIX-MONTH PERIODS ENDED JUNE 30, 2012 AND 2011

Unit : Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS		
	Notes	2012	2011	2012	2011
Cash Flows from Investing Activities					
Cash received from operational assistance subsidy		-	92,000,000	-	92,000,000
Cash paid for acquisition of fixed assets		(7,692,875,536)	(7,282,418,570)	(7,653,487,468)	(7,280,675,662)
Cash paid for intangible assets		(5,523,781)	(179,715,564)	(329,520)	(179,211,336)
Cash received from transferring the rights for advance payment of aircraft and aircraft equipment		282,771,249	-	282,771,249	-
Cash received from sales of assets		78,368,754	280,464,898	77,820,266	280,464,898
Interest income		159,924,134	182,514,605	138,282,133	178,235,325
Dividend received		67,144,004	91,033,640	255,037,146	161,158,640
Investment decrease (increase)		99,808,378	(49,567,568)	-	-
Cash received from temporary investment		331,093,889	153,969,660	-	-
Cash received from investment in subsidiaries		197,098,689	-	-	-
Net Cash used in Investing Activities		(6,482,190,220)	(6,711,718,899)	(6,899,906,194)	(6,748,028,135)
Cash Flows from Financing Activities					
Cash received from debentures		4,500,000,000	8,000,000,000	4,500,000,000	8,000,000,000
Cash received from long-term borrowings		311,563,023	500,000,000	311,563,023	500,000,000
Cash paid for repayment of debentures		(170,000,000)	(6,050,000,000)	(170,000,000)	(6,000,000,000)
Cash paid for repayment of long-term borrowings		(6,345,622,659)	(7,974,083,011)	(6,345,622,659)	(7,974,083,011)
Cash paid for borrowings interest		(2,785,998,645)	(2,988,245,412)	(2,787,255,193)	(2,988,528,480)
Dividends paid		(161,302)	(2,719,174,424)	(161,102)	(2,719,174,424)
Dividends paid for non-controlling interests		(166,226,658)	(57,375,000)	-	-
Net Cash used in Financing Activities		(4,656,446,241)	(11,288,877,847)	(4,491,475,931)	(11,181,785,915)
Increase (decrease) in cash and cash equivalents		1,107,063,515	(11,926,841,871)	773,910,717	(11,918,760,035)
Effect from changing in exchange rate on cash and cash equivalents increase (decrease)		(71,249,358)	281,116,567	(71,983,642)	281,116,567
Cash and cash equivalents at the beginning of the periods		16,666,025,016	37,679,682,021	16,629,940,922	37,601,476,433
Cash and Cash Equivalents at the End of the Periods		17,701,839,173	26,033,956,717	17,331,867,997	25,963,832,965

Additional information for cash flow

Non-cash transactions

Fixed assets unpaid	658,389,485	389,065,640	658,389,485	389,065,640
Assets under finance leases	1,986,577,191	-	1,986,577,191	-

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

(Signed) *Chokchai Panyayong*
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Executive Vice President
Strategy and Business Development
Acting President

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

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS
For the three and six-month periods ended June 30, 2012 and 2011 (unaudited, but reviewed)

1. BASIS OF FINANCIAL STATEMENT PREPARATION

1.1 Financial Statement Preparation

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

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

Company's Name	Type of Business	Located Country	Percentage of Share Holding	
			<u>Jun 30, 2012</u>	<u>Dec 31, 2011</u>
Held by the Company:				
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	Thailand	49%	49%
3. Thai Flight Training Company Limited	Aviation training services	Thailand	49%	49%
4. Nok Airlines Company Limited	Air transportation services	Thailand	49%	49%
Held by a subsidiary of the Company				
A subsidiary held by WingSpan Services Company Limited - Tour Eurng Luang Company Limited	Tourism Business	Thailand	49%	49%

The subsidiaries are controlled by the Company, directly or indirectly, in determining the financial policies and operations of such subsidiaries. Significant accounting 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 Interim Financial Statements (revised in 2009). 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, 2011. 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 financial statements for the year ended December 31, 2011.

2. SUPPLEMENTARY INFORMATION

2.1 Cash and Cash Equivalents

	<u>Consolidated Financial Statements</u>		<u>Units : Million Baht</u> <u>Separate Financial Statements</u>	
	<u>Jun 30, 2012</u>	<u>Dec 31, 2011</u>	<u>Jun 30, 2012</u>	<u>Dec 31, 2011</u>
	Cash - Domestic	27.01	26.81	27.01
Cash – Abroad	29.45	26.29	29.45	26.29
Bank Deposits - Domestic	8,460.10	10,751.44	8,090.13	10,715.35
Bank Deposits - Abroad	<u>9,185.28</u>	<u>5,861.49</u>	<u>9,185.28</u>	<u>5,861.49</u>
Total	<u>17,701.84</u>	<u>16,666.03</u>	<u>17,331.87</u>	<u>16,629.94</u>

2.2 Trade Receivables

	<u>Consolidated Financial Statements</u>		<u>Units : Million Baht</u> <u>Separate Financial Statements</u>	
	<u>Jun 30, 2012</u>	<u>Dec 31, 2011</u>	<u>Jun 30, 2012</u>	<u>Dec 31, 2011</u>
	Period overdue			
Not over 6 months	15,692.05	16,635.00	15,624.23	16,609.98
Over 6 months to 1 year	56.77	48.32	56.76	48.31
Over 1 year to 2 years	79.10	61.77	79.08	61.75
Over 2 years	<u>1,498.23</u>	<u>1,548.05</u>	<u>1,471.51</u>	<u>1,519.32</u>
	17,326.15	18,293.14	17,231.58	18,239.36
<u>Less Allowance for doubtful accounts</u>	<u>(1,622.67)</u>	<u>(1,644.41)</u>	<u>(1,597.95)</u>	<u>(1,615.65)</u>
Trade receivables - net	<u>15,703.48</u>	<u>16,648.73</u>	<u>15,633.63</u>	<u>16,623.71</u>

2.3 Other Current Assets

	Units : Million Baht			
	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	<u>Jun 30, 2012</u>	<u>Dec 31, 2011</u>	<u>Jun 30, 2012</u>	<u>Dec 31, 2011</u>
Tax refund	433.25	324.33	433.25	324.33
Cash and bank deposits of pension fund	4,548.98	4,434.59	4,548.98	4,434.59
Others	<u>3,251.03</u>	<u>2,361.45</u>	<u>2,968.64</u>	<u>2,331.74</u>
Total	<u>8,233.26</u>	<u>7,120.37</u>	<u>7,950.87</u>	<u>7,090.66</u>

2.4 The Purchase of Nok Airlines Company Limited's Shares

On October 14, 2011, the Company's Board of Directors approved the Company to purchase 5 million ordinary shares of Nok Airlines Company Limited from Krung Thai Bank Public Company Limited or 10% of issued and paid capital totaling of THB 165 million. On November 29, 2011, the Company purchased such shares which increased the share portion in Nok Airlines Company Limited from 39% to 49%.

On December 22, 2011, Board of Directors of Nok Airlines Company Limited appointed Mr. Piyasvasti Amranand as a Director of Nok Airlines Company Limited, increasing director's seats from 4 to 5 in Nok Airlines Company Limited. Thus, the Company has the power to control Nok Airlines Company Limited since then.

On July 27, 2012, the Company's Board of Directors for strategic planning No.1/2012 agreed to appoint Mr. Niruj Maneepan as a Director of Nok Airlines Company Limited to replace Mr. Piyasvasti Amranand.

Details of the net assets acquired and goodwill acquired are as follows:

Units : Million Baht

The consideration transferred	165.00
Fair value of the investment held previously	365.21
Total	530.21
Assets and liabilities arising from business combination	
Cash and cash equivalents	197.10
Temporary investments	1,050.00
Trade receivables	328.52
Inventories	8.80
Other current assets	141.30
Long-term investments	4.47
Equipment - net	171.29
Intangible assets	75.91
Deferred tax assets	26.64
Other non-current assets	150.79
Trade payables and other payables	(1,000.46)
Other current liabilities	(144.42)
Non-current liabilities	(73.50)
Total acquisition-date fair value of net identifiable assets	936.44
<u>Less</u> fair value of non-controlling interest	(477.59)
Goodwill	71.36
Total	530.21

As at June 30, 2012, the Company is in the process of reviewing the concerning accounting policies and the fair value of the additional net assets. The fair value of the net assets stated above will be adjusted when the initial purchasing expenses have been completely allocated.

2.5 Investments

Consolidated Financial Statements

Units : Million Baht

Name of Company	Percentage of Shareholding		Investments				Income on investments	
	Jun 30, 2012	Dec 31, 2011	Cost method		Equity method		Jun 30, 2012	Jun 30, 2011
			Jun 30, 2012	Dec 31, 2011	Jun 30, 2012	Dec 31, 2011		
2.5.1 Investments using the equity method								
Royal Orchid Hotel (Thailand) Public Company Limited (Market value as at June 30, 2012 amount of THB 438.75 million and as at December 31, 2011 amount of THB 495.00 million)	24	24	225.00	225.00	96.64	113.71	(17.07)	(18.80)
Donmuang International Airport Hotel Company Limited	40	40	48.00	48.00	91.30	92.90	(1.60)	(2.90)
Bangkok Aviation Fuel Services Public Company Limited (Market value as at June 30, 2012 amount of THB 1,485.91 million and as at December 31, 2011 amount of THB 1,313.13 million)	22.6	22.6	115.19	115.19	736.48	698.42	84.14	56.99
Phuket Air Catering Company Limited	30	30	30.00	30.00	167.04	144.53	43.52	36.03
Suvarnabhumi Airport Hotel Company Limited	30	30	305.33	305.33	113.82	114.80	(0.99)	(16.51)
Nok Airlines Company Limited	-	49	-	360.00	-	465.61	-	87.55
Total investments using the equity Method					<u>1,205.28</u>	<u>1,629.97</u>	<u>108.00</u>	<u>142.36</u>
2.5.2 Other long-term investments stated at cost								
Fuel Pipeline Transportation Limited	8.4	8.4	133.00	133.00			-	-
Aeronautical Radio of Thailand Limited	2.3	2.3	15.36	15.36			-	-
SITA Investment Certificate	-	-	31.28	31.14			-	-
Trade Siam Company Limited (paid 25% of authorized share capital)	3.5	3.5	1.75	1.75			-	-
SITA Information Networking Computing	-	-	28.97	28.85			-	-
Other Shares	-	-	7.23	2.79			0.04	0.07
Investment in Debentures	-	-	-	99.15			-	-
<u>Less</u> Allowance for impairment of Fuel Pipeline Transportation Ltd.			<u>(133.00)</u>	<u>(133.00)</u>			<u>-</u>	<u>-</u>
Total other long-term investments			<u>84.59</u>	<u>179.04</u>			<u>0.04</u>	<u>0.07</u>

Separate Financial Statements

Units : Million Baht

Name of Company	Percentage of Shareholding		Investments		Dividend Income	
			Cost method			
	Jun 30, 2012	Dec 31, 2011	Jun 30, 2012	Dec 31, 2011	Jun 30, 2012	Jun 30, 2011
2.5.1 Investments using the cost method						
Subsidiary Companies						
Thai-Amadeus Southeast Asia Company Limited	55	55	8.25	8.25	165.00	70.12
Wing Span Services Company Limited	49	49	0.98	0.98	0.06	-
Thai Flight Training Company Limited	49	49	0.98	0.98	-	-
Nok Airlines Company Limited	49	-	<u>360.00</u>	<u>-</u>	<u>55.86</u>	<u>-</u>
Total			<u>370.21</u>	<u>10.21</u>	<u>220.92</u>	<u>70.12</u>
Associated Companies						
Royal Orchid Hotel (Thailand) Public Company Limited (Market value as at June 30, 2012 amount of THB 438.75 million and as at December 31, 2011 amount of THB 495.00 million)	24	24	225.00	225.00	-	-
Donmuang International Airport Hotel Company Limited	40	40	48.00	48.00	-	-
Bangkok Aviation Fuel Services Public Company Limited (Market value as at June 30, 2012 amount of THB 1,485.91 million and as at December 31, 2011 amount of THB 1,313.13 million)	22.6	22.6	115.19	115.19	46.07	41.47
Phuket Air Catering Company Limited	30	30	30.00	30.00	21.00	10.50
Suvarnabhumi Airport Hotel Company Limited	30	30	305.33	305.33	-	-
Nok Airlines Company Limited	-	49	<u>-</u>	<u>360.00</u>	<u>-</u>	<u>39.00</u>
Total			<u>723.52</u>	<u>1,083.52</u>	<u>67.07</u>	<u>90.97</u>
Total investments using the cost method			<u>1,093.73</u>	<u>1,093.73</u>	<u>287.99</u>	<u>161.09</u>
2.5.2 Other long-term investments stated at cost						
Fuel Pipeline Transportation Limited	8.4	8.4	133.00	133.00	-	-
Aeronautical Radio of Thailand Limited	2.3	2.3	15.36	15.36	-	-
SITA Investment Certificate	-	-	31.28	31.14	-	-
TRADESIAM Company Limited (paid 25% of authorized share capital)	3.5	3.5	1.75	1.75	-	-
SITA Information Networking Computing	-	-	28.97	28.85	-	-
Other Shares	-	-	2.76	2.79	0.04	0.07
<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>80.12</u>	<u>79.89</u>	<u>0.04</u>	<u>0.07</u>

2.5.3 Financial Data Summary of Subsidiary and Associated Companies

Units : Million Baht

Name of Company	Assets	Liabilities	Income	Gains (Losses)
<u>Subsidiary Companies</u>				
Thai-Amadeus Southeast Asia Company Limited	516.56	160.87	176.30	67.38
WingSpan Services Company Limited	114.38	95.11	173.39	12.47
Thai Flight Training Company Limited	6.45	6.93	8.23	(3.48)
Tour Eurng Luang Company Limited	1.99	1.01	0.40	0.11
Nok Airlines Company Limited	1,936.57	1,133.58	3,764.29	119.55
<u>Associated Companies</u>				
Royal Orchid Hotel (Thailand) Public Company Limited	1,190.23	787.55	392.90	(71.11)
Donmuang International Airport Hotel Company Limited	301.00	72.75	105.98	(4.00)
Bangkok Aviation Fuel Services Public Company Limited	6,187.18	2,926.96	1,044.47	372.52
Phuket Air Catering Company Limited	594.07	37.28	321.28	145.90
Suvarnabhumi Airport Hotel Company Limited	1,767.27	1,387.89	379.14	3.29

The Company used the financial statements of subsidiary and associated companies as at June 30, 2012 to record the investment by equity method in the consolidated financial statement and by cost method in the separate financial statement.

2.6 Related Parties

2.6.1 Major Shareholders

2.6.1.1 Long-term loans from related parties

Units : Million Baht

	Jun 30, 2012	Dec 31, 2011
Foreign loans via the Ministry of Finance	1,278.60	1,273.28
Government Saving Bank	4,248.00	5,034.00
Islamic Bank of Thailand	<u>750.00</u>	<u>1,000.00</u>
Total	<u>6,276.60</u>	<u>7,307.28</u>

2.6.2 Subsidiary Company

2.6.2.1 Bonds and Bond Investments

Units : Million Baht

	Jun 30, 2012	Dec 31, 2011
Thai-Amadeus Southeast Asia Company Limited	<u>50.34</u>	<u>50.78</u>
Total	<u>50.34</u>	<u>50.78</u>

2.6.2.2 Sales and Purchase

Units : Million Baht

	Three-month periods				Six-month periods			
	Apr – Jun 2012		Apr – Jun 2011		Jan – Jun 2012		Jan – Jun 2011	
	Sales	Purchase	Sales	Purchase	Sales	Purchase	Sales	Purchase
Thai-Amadeus Southeast Asia Company Limited	0.57	-	0.78	-	1.21	-	1.70	-
WingSpan Services Company Limited	0.10	92.73	0.10	10.56	0.21	172.40	0.15	10.56
Thai Flight Training Company Limited	2.10	-	-	-	5.21	-	-	-
Nok Airlines Company Limited	111.71	4.24	-	-	378.55	5.52	-	-

2.6.2.3 Account Receivables and Account Payables

Units : Million Baht

	Jun 30, 2012		Dec 31, 2011	
	Account Receivables	Account Payables	Account Receivables	Account Payables
Thai-Amadeus Southeast Asia Company Limited	0.21	-	0.32	-
WingSpan Services Company Limited	0.08	20.22	-	2.53
Thai Flight Training Company Limited	-	-	-	-
Nok Airlines Company Limited	141.68	2.88	-	-

2.6.3 Associated Companies

2.6.3.1 Sales and Purchase

Units : Million Baht

	Three-month periods				Six-month periods			
	Apr – Jun 2012		Apr – Jun 2011		Jan – Jun 2012		Jan – Jun 2011	
	Sales	Purchase	Sales	Purchase	Sales	Purchase	Sales	Purchase
Royal Orchid Hotel (Thailand) Public Company Limited	0.01	0.53	0.15	0.63	0.05	1.50	0.15	2.18
Donmuang International Airport Hotel Company Limited	-	-	-	-	-	-	-	0.05
Bangkok Aviation Fuel Services Public Company Limited	0.01	77.18	0.01	99.19	0.01	174.63	0.02	194.95
Phuket Air Catering Company Limited	1.38	3.27	0.73	2.53	2.63	7.28	1.51	6.90
Suvarnabhumi Airport Hotel Company Limited	-	6.03	0.02	4.34	-	6.35	0.02	13.87
Nok Airlines Company Limited	-	-	164.86	-	-	-	570.71	-

2.6.3.2 Account Receivables and Account Payables

Units : Million Baht

	Jun 30, 2012		Dec 31, 2011	
	Account Receivables	Account Payables	Account Receivables	Account Payables
Royal Orchid Hotel (Thailand) Public Company Limited	0.01	-	-	0.03
Donmuang International Airport Hotel Company Limited	-	-	-	-
Bangkok Aviation Fuel Services Public Company Limited	0.01	20.70	-	36.36
Phuket Air Catering Company Limited	0.89	3.28	0.88	3.20
Suvarnabhumi Airport Hotel Company Limited	-	4.41	-	0.45
Nok Airlines Company Limited	-	-	110.73	-

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 2010-2012.

2.7 Property, Plant and Equipment

Consolidated Financial Statements As at June 30, 2012

Unit : Million Baht

	Prepaid Aircraft and Spare Engines	Aircraft	Aircraft under finance leases	Aircraft spare parts	Work In Progress	Land	Buildings	Leasehold Buildings	Building Improvement	Other plant and equipment	Total
Cost											
As at January 1, 2012	21,278.98	143,581.91	165,320.53	29,096.59	2,838.21	938.41	2,524.30	10,793.20	4,639.84	29,502.55	410,514.52
- Business purchase	-	-	-	-	-	-	-	-	-	221.66	221.66
- Adjust/Transfers	(1,352.67)	717.46	(19,238.76)	(220.29)	-	(2.11)	(9.78)	-	(2.92)	345.33	(19,763.74)
- Additions	5,071.42	2,747.00	1,966.32	1,707.52	(661.46)	-	-	-	12.55	123.68	10,967.03
- Disposals	-	(1,225.95)	(194.39)	(566.17)	-	-	-	(0.10)	(34.10)	(459.14)	(2,479.85)
As at June 30, 2012	24,997.73	145,820.42	147,853.70	30,017.65	2,176.75	936.30	2,514.52	10,793.10	4,615.37	29,734.08	399,459.62
Impairment Allowance	-	950.40	3,475.19	-	-	-	-	-	-	-	4,425.59
Accumulated depreciation											
As at January 1, 2012	-	96,527.20	49,794.73	18,730.03	-	-	2,266.38	5,098.03	4,067.88	24,610.01	201,094.26
- Business purchase	-	-	-	-	-	-	-	-	-	151.08	151.08
- Depreciation	-	3,342.73	4,733.52	935.25	-	-	33.87	114.64	90.61	710.73	9,961.35
- Adjust/Transfers	-	(1,262.21)	(11,581.11)	(138.93)	-	-	(8.32)	-	(3.59)	(53.61)	(13,047.77)
- Disposals	-	(1,220.12)	(194.39)	(363.08)	-	-	-	(0.10)	(32.79)	(447.28)	(2,257.76)
Provision for flood damages	-	-	-	-	-	-	-	-	-	39.92	39.92
As at June 30, 2012	-	98,338.00	46,227.94	19,163.27	-	-	2,291.93	5,212.57	4,122.11	25,010.85	200,366.67
Net book value											
As at December 31, 2011	21,278.98	46,104.31	112,050.61	10,366.56	2,838.21	938.41	257.92	5,695.17	571.96	4,892.54	204,994.67
As at June 30, 2012	24,997.73	47,482.42	101,625.76	10,854.38	2,176.75	936.30	222.59	5,580.53	493.26	4,723.23	199,092.95

**Consolidated Financial Statements
As at June 30, 2011**

Unit : Million Baht

	Prepaid Aircraft and Spare Engines	Aircraft	Aircraft under finance leases	Aircraft spare parts	Work In Progress	Land	Buildings	Leasehold Buildings	Building Improvement	Other plant and equipment	Total
Cost											
As at January 1, 2011	17,982.74	141,437.22	163,441.09	27,718.15	310.68	938.41	2,524.69	10,782.61	4,656.38	29,321.62	399,113.59
- Adjust/Transfers	-	(1.13)	(0.20)	(104.34)	-	-	-	-	22.30	102.30	18.93
- Additions	3,395.00	881.73	640.79	1,833.33	1,897.27	-	-	19.08	15.66	113.17	8,796.03
- Disposals	-	(675.67)	(359.28)	(1,158.20)	-	-	-	-	(19.63)	(185.60)	(2,398.38)
As at June 30, 2011	21,377.74	141,642.15	163,772.40	28,288.94	2,207.95	938.41	2,524.69	10,801.69	4,674.71	29,351.49	405,530.17
Impairment Allowance	-	950.40	3,475.19	-	-	-	-	-	-	-	4,425.59
Accumulated depreciation											
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	188,569.50
- Depreciation	-	3,225.90	4,287.10	861.80	-	-	33.87	114.92	190.01	904.99	9,618.59
- Adjust/Transfers	-	2.83	-	(64.21)	-	-	-	-	(1.54)	1.50	(61.42)
- Disposals	-	(675.67)	(359.28)	(543.11)	-	-	-	-	(18.64)	(185.26)	(1,781.96)
As at June 30, 2011	-	95,402.16	51,748.33	18,379.25	-	-	2,232.90	4,990.01	4,010.37	24,007.28	200,770.30
Net book value											
As at December 31, 2010	17,982.74	48,588.12	115,620.58	9,593.38	310.68	938.41	325.66	5,907.52	815.84	6,035.57	206,118.50
As at June 30, 2011	21,377.74	46,239.99	111,974.07	9,909.69	2,207.95	938.41	291.79	5,811.68	664.34	5,344.21	204,759.87

**Separate Financial Statements
As at June 30, 2012**

Unit : Million Baht

	Prepaid Aircraft and Spare Engines	Aircraft	Aircraft under finance leases	Aircraft spare parts	Work In Progress	Land	Buildings	Leasehold Buildings	Building Improvement	Other plant and equipment	Total
Cost											
As at January 1, 2012	21,278.98	143,581.91	165,320.53	29,096.59	2,838.21	938.41	2,524.30	10,793.20	4,639.84	29,284.28	410,296.25
- Adjust/Transfers	(1,352.67)	717.46	(19,238.76)	(220.29)	-	(2.11)	(9.78)	-	(2.92)	244.63	(19,864.44)
- Additions	5,071.42	2,747.00	1,966.32	1,707.52	(661.46)	-	-	-	12.55	83.30	10,926.65
- Disposals	-	(1,225.95)	(194.39)	(566.17)	-	-	-	(0.10)	(34.10)	(455.58)	(2,476.29)
As at June 30, 2012	24,997.73	145,820.42	147,853.70	30,017.65	2,176.75	936.30	2,514.52	10,793.10	4,615.37	29,156.63	398,882.17
Impairment Allowance	-	950.40	3,475.19	-	-	-	-	-	-	-	4,425.59
Accumulated depreciation											
As at January 1, 2012	-	96,527.20	49,794.73	18,730.03	-	-	2,266.38	5,098.03	4,067.88	24,399.10	200,883.35
- Depreciation	-	3,342.73	4,733.52	935.25	-	-	33.87	114.64	90.61	690.64	9,941.26
- Adjust/Transfers	-	(1,262.21)	(11,581.11)	(138.93)	-	-	(8.32)	-	(3.59)	(53.61)	(13,047.77)
- Disposals	-	(1,220.12)	(194.39)	(363.08)	-	-	-	(0.10)	(32.79)	(445.92)	(2,256.40)
Provision for flood damages	-	-	-	-	-	-	-	-	-	39.92	39.92
As at June 30, 2012	-	98,338.00	46,227.94	19,163.27	-	-	2,291.93	5,212.57	4,122.11	24,630.13	199,985.95
Net book value											
As at December 31, 2011	21,278.98	46,104.31	112,050.61	10,366.56	2,838.21	938.41	257.92	5,695.17	571.96	4,885.18	204,987.31
As at June 30, 2012	24,997.73	47,482.42	101,625.76	10,854.38	2,176.75	936.30	222.59	5,580.53	493.26	4,526.50	198,896.22

**Separate Financial Statements
As at June 30, 2011**

Unit : Million Baht

	Prepaid Aircraft and Spare Engines	Aircraft	Aircraft under finance leases	Aircraft spare parts	Work In Progress	Land	Buildings	Leasehold Buildings	Building Improvement	Other plant and equipment	Total
Cost											
As at January 1, 2011	17,982.74	141,437.22	163,441.09	27,718.15	310.68	938.41	2,524.69	10,782.61	4,656.38	29,108.04	398,900.01
- Adjust/Transfers	-	(1.13)	(0.20)	(104.34)	-	-	-	-	22.30	102.30	18.93
- Additions	3,395.00	881.73	640.79	1,833.33	1,897.27	-	-	19.08	15.66	111.42	8,794.28
- Disposals	-	(675.67)	(359.28)	(1,158.20)	-	-	-	-	(19.63)	(185.60)	(2,398.38)
As at June 30, 2011	21,377.74	141,642.15	163,722.40	28,288.94	2,207.95	938.41	2,524.69	10,801.69	4,674.71	29,136.16	405,314.84
Impairment Allowance	-	950.40	3,475.19	-	-	-	-	-	-	-	4,425.59
Accumulated depreciation											
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	188,368.31
- Depreciation	-	3,225.90	4,287.10	861.80	-	-	33.87	114.92	190.01	899.31	9,612.91
- Adjust/Transfers	-	2.83	-	(64.21)	-	-	-	-	(1.54)	1.50	(61.42)
- Disposals	-	(675.67)	(359.28)	(543.11)	-	-	-	-	(18.64)	(185.26)	(1,781.96)
As at June 30, 2011	-	95,402.16	51,748.33	18,379.25	-	-	2,232.90	4,990.01	4,010.37	23,800.41	200,563.43
Net book value											
As at December 31, 2010	17,982.74	48,588.12	115,620.58	9,593.38	310.68	938.41	325.66	5,907.52	815.84	6,023.18	206,106.11
As at June 30, 2011	21,377.74	46,239.99	111,974.07	9,909.69	2,207.95	938.41	291.79	5,811.68	664.34	5,335.75	204,751.41

In this period, there are 94 aircraft represented in the Company's fleet consisting of 52 own aircraft, 29 aircraft under finance leases, and 13 aircraft under operating leases which excluded 7 aircraft for sales, with a carrying amount of THB 7,117.16 million. Moreover, the engine for sales, CF6-80C2 engine with a carrying amount of THB 3.75 million, is in the process of follow-up payment from TPA Co., Ltd., the purchaser of such engine.

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 65,916.72 million including the leasehold buildings amount of THB 3,924.94 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.

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

On March 30, 2012, the Company received 1 Boing747-400 aircraft for cargo services, and the other one on May 4, 2012 totalling 2 aircraft which were modified from passenger aircraft.

2.8 Intangible Assets-net

	Units : Million Baht	
	Consolidated Financial Statements	Separate Financial Statements
Cost		
As at January 1, 2012	1,855.16	1,844.93
- Business purchase	101.71	-
- Additions	257.16	213.67
As at June 30, 2012	2,214.03	2,058.60
Accumulated amortisation		
As at January 1, 2012	1,231.42	1,227.67
- Business purchase	64.10	-
- Amortisation	183.48	176.33
As at June 30, 2012	1,479.00	1,404.00
Net book value		
As at December 31, 2011	623.74	617.26
As at June 30, 2012	735.03	654.60

2.9 Deferred Income Tax Assets

The deferred income tax asset is calculated from temporary differences between the carrying amount and its tax base of assets and liabilities in the statement of financial position.

	<u>Consolidated</u>		<u>Units : Million Baht</u>	
	<u>Financial Statements</u>		<u>Separate</u>	
	<u>Jun 30, 2012</u>	<u>Dec 31, 2011</u>	<u>Jun 30, 2012</u>	<u>Dec 31, 2011</u>
Contribution to staff provident fund	85.05	85.75	85.05	85.75
Contribution to staff pension fund	498.05	475.91	498.05	475.91
Allowance for obsolete inventories	345.74	421.24	345.74	421.24
Allowance for doubtful accounts	374.64	371.79	368.49	365.17
Allowance for impairment in value of assets	806.62	849.56	806.62	849.56
Estimated accrual expenses	781.44	890.18	756.79	889.63
Loss on foreign currency exchange	25.60	77.03	25.60	77.03
Intangible assets	105.11	101.42	105.11	101.42
Employee benefits obligation	2,240.97	2,126.75	2,228.26	2,125.77
Others	<u>10.91</u>	<u>9.82</u>	<u>8.37</u>	<u>7.08</u>
Total	<u>5,274.13</u>	<u>5,409.45</u>	<u>5,228.08</u>	<u>5,398.56</u>

2.10 Deferred Income Tax Liabilities

	<u>Consolidated</u>		<u>Units : Million Baht</u>	
	<u>Financial Statements</u>		<u>Separate</u>	
	<u>Jun 30, 2012</u>	<u>Dec 31, 2011</u>	<u>Jun 30, 2012</u>	<u>Dec 31, 2011</u>
Intangible assets	75.05	55.76	75.05	55.76

2.11 Other Non-Current Assets

	<u>Consolidated</u>		<u>Units : Million Baht</u>	
	<u>Financial Statements</u>		<u>Separate</u>	
	<u>Jun 30, 2012</u>	<u>Dec 31, 2011</u>	<u>Jun 30, 2012</u>	<u>Dec 31, 2011</u>
Deferred charges	2,297.45	2,030.72	2,297.45	2,030.72
Others	<u>254.39</u>	<u>283.45</u>	<u>231.23</u>	<u>282.17</u>
Total	<u>2,551.84</u>	<u>2,314.17</u>	<u>2,528.68</u>	<u>2,312.89</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.

2.12 Employee Benefits Obligation

	<u>Consolidated</u>		<u>Units : Million Baht</u>	
	<u>Financial Statements</u>		<u>Separate</u>	
	<u>Jun 30, 2012</u>	<u>Dec 31, 2011</u>	<u>Jun 30, 2012</u>	<u>Dec 31, 2011</u>
Beginning Balance – Employee Benefits Obligation	10,631.62	9,362.02	10,627.15	9,322.51
Adjustment of Employee Benefits Obligation for associated companies	72.29	-	-	-
Employee benefits for the period	457.20	872.75	445.60	871.79
Benefits paid during the period	-	(469.45)	-	(469.45)
Actuarial loss	-	902.30	-	902.30
Ending Balance – Employee Benefits Obligation	<u>11,161.11</u>	<u>10,631.62</u>	<u>11,072.75</u>	<u>10,627.15</u>

2.13 Share Capital

As at June 30, 2012, 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.

2.14 Employee Benefit Expenses

	<u>Units : Million Baht</u>			
	<u>Consolidated Financial Statements</u>			
	<u>Three-month Periods</u>		<u>Six-month Periods</u>	
	<u>Apr-Jun 2012</u>	<u>Apr-Jun 2011</u>	<u>Jan-Jun 2012</u>	<u>Jan-Jun 2011</u>
Personnel Expenses	7,536.22	8,434.92	14,379.70	15,925.74
Employee Benefit Expenses	228.62	218.14	457.20	436.27
Executive benefit expenses	16.26	17.94	33.89	44.42
Board of Directors benefit expenses	5.95	17.47	10.57	21.30
Total	<u>7,787.05</u>	<u>8,688.47</u>	<u>14,881.36</u>	<u>16,427.73</u>

	<u>Units : Million Baht</u>			
	<u>Separate Financial Statements</u>			
	<u>Three-month Periods</u>		<u>Six-month Periods</u>	
	<u>Apr-Jun 2012</u>	<u>Apr-Jun 2011</u>	<u>Jan-Jun 2012</u>	<u>Jan-Jun 2011</u>
Personnel Expenses	7,413.97	8,423.08	14,148.89	15,901.61
Employee Benefit Expenses	222.80	217.95	445.60	435.89
Executive benefit expenses	15.71	17.91	31.81	44.39
Board of Directors benefit expenses	3.83	17.18	7.71	20.33
Total	<u>7,656.31</u>	<u>8,676.12</u>	<u>14,634.01</u>	<u>16,402.22</u>

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 six-month periods ended June 30, 2012 and 2011, they issued the tickets for themselves and their related parties amount of 180 and 121 tickets with the value of THB 20.59 million and THB 14.76 million, respectively, calculating from the full fare tickets in those traveling classes.

2.15 Other Incomes

Units : Million Baht

	Consolidated Financial Statements			
	Three-month Periods		Six-month Periods	
	Apr-Jun 2012	Apr-Jun 2011	Jan-Jun 2012	Jan-Jun 2011
Gains on sales of assets	27.67	3.94	34.05	5.56
Revenue from other services of Aircraft Maintenance Department	123.32	81.27	231.51	182.72
Revenue from airport fees collected from passengers	78.32	198.41	156.63	396.82
Compensation revenue from the delay delivery of aircraft	-	126.12	-	382.19
Insurance compensation from the flood disaster	97.93	-	167.68	-
Others	132.27	208.79	256.49	357.10
Total	459.51	618.53	846.36	1,324.39

Units : Million Baht

	Separate Financial Statements			
	Three-month Periods		Six-month Periods	
	Apr-Jun 2012	Apr-Jun 2011	Jan-Jun 2012	Jan-Jun 2011
Gains on sales of assets	27.67	3.94	34.05	5.56
Dividend from associated companies and subsidiary companies	287.93	161.09	287.99	161.09
Revenue from other services of Aircraft Maintenance Department	123.32	81.27	231.51	182.72
Revenue from airport fees collected from passengers	78.32	198.41	156.63	396.82
Compensation revenue from the delay delivery of aircraft	-	126.12	-	382.19
Insurance compensation from the flood disaster	97.93	-	167.68	-
Others	122.22	208.91	238.19	357.12
Total	737.39	779.74	1,116.05	1,485.50

2.16 Other Expenses

Units : Million Baht

	Consolidated Financial Statements			
	Three-month Periods		Six-month Periods	
	Apr-Jun 2012	Apr-Jun 2011	Jan-Jun 2012	Jan-Jun 2011
Rentals and utilities	673.64	682.07	1,344.22	1,354.91
Office supplies	64.27	63.53	121.37	120.82
Repair of building and equipment	136.51	151.07	283.69	260.23
Outsource services	262.77	241.49	486.27	497.69
Consultant and service fees	149.48	111.17	250.63	210.32
Legal fee for Antitrust/ Competition Law	65.06	51.60	109.37	118.58
Computer service expenses	95.39	119.30	191.33	213.81
Travelling and transportation expenses	137.72	160.83	299.93	324.87
Concession fees	90.96	88.89	166.91	178.93
Passenger claim expenses	69.39	54.70	125.19	98.32
Damages from flood disaster	97.93	-	167.68	-
Others	561.62	349.55	1,112.28	673.73
Total	2,404.74	2,074.20	4,658.87	4,052.21

Units : Million Baht

	Separate Financial Statements			
	Three-month Periods		Six-month Periods	
	Apr-Jun 2012	Apr-Jun 2011	Jan-Jun 2012	Jan-Jun 2011
Rentals and utilities	673.64	682.07	1,344.22	1,354.91
Office supplies	64.27	63.53	121.37	120.82
Repair of building and equipment	136.51	151.07	283.69	260.23
Outsource services	262.77	241.49	486.27	497.69
Consultant and service fees	149.48	111.17	250.63	210.32
Legal fee for Antitrust/ Competition Law	65.06	51.60	109.37	118.58
Computer service expenses	95.39	119.30	191.33	213.81
Travelling and transportation expenses	137.72	160.83	299.93	324.87
Concession fees	90.96	88.89	166.91	178.93
Passenger claim expenses	69.39	54.70	125.19	98.32
Damages from flood disaster	97.93	-	167.68	-
Others	438.13	333.34	872.84	641.40
Total	2,281.25	2,057.99	4,419.43	4,019.88

2.17 Impairment Loss of Aircraft

In March 2012, 2 A300-600 own aircraft have been phased out from the fleet as aircraft for sales. 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 181.14 million. Moreover, 3 A340-500 own aircraft have also been phased out from the fleet in June 2012. When comparing the net book value with the appraisal value of such aircraft, the difference is insignificant so the Company did not recognize the impairment loss of such A340-500 aircraft.

2.18 Net Tax Expenses (Income)

Units : Million Baht

	Consolidated Financial Statements			
	Three-month Periods		Six-month Periods	
	Apr-Jun 2012	Apr-Jun 2011	Jan-Jun 2012	Jan-Jun 2011
Tax expense from taxable profit for the period	26.18	(223.94)	66.01	17.52
Add(less): deferred tax asset/ liability from temporary different increase/ decrease	21.14	(136.42)	181.25	(256.65)
Net tax expenses (income)	47.32	(360.36)	247.26	(239.13)

Units : Million Baht

	Separate Financial Statements			
	Three-month Periods		Six-month Periods	
	Apr-Jun 2012	Apr-Jun 2011	Jan-Jun 2012	Jan-Jun 2011
Tax expense from taxable profit for the period	10.31	(234.41)	20.57	(8.10)
Add(less): deferred tax asset/ liability from temporary different increase/ decrease	16.57	(136.37)	189.76	(256.62)
Net tax expenses (income)	26.88	(370.78)	210.33	(264.72)

2.19 Earnings (Loss) 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 Financial Statements For the three-month periods ended June 30, 2012 and 2011

	Profit		Number of Shares		Earnings Per Share	
	Jun 30, 2012	Jun 30, 2011	Jun 30, 2012	Jun 30, 2011	Jun 30, 2012	Jun 30, 2011
	Million Baht	Million Baht	Million Shares	Million Shares	Baht	Baht
Basic earnings (loss) per share						
Net loss attributable to owners of the parent	(1,526.50)	(7,874.45)	2,182.77	2,182.77	(0.70)	(3.61)

Separate Financial Statements For the three-month periods ended June 30, 2012 and 2011

	Profit		Number of Shares		Earnings Per Share	
	Jun 30, 2012	Jun 30, 2011	Jun 30, 2012	Jun 30, 2011	Jun 30, 2012	Jun 30, 2011
	Million Baht	Million Baht	Million Shares	Million Shares	Baht	Baht
Basic earnings (loss) per share						
Net loss attributable to owners of the parent	(1,323.45)	(7,828.46)	2,182.77	2,182.77	(0.61)	(3.59)

Consolidated Financial Statements
For the six-month periods ended June 30, 2012 and 2011

	<u>Profit</u>		<u>Number of Shares</u>		<u>Earnings Per Share</u>	
	<u>Jun 30, 2012</u>	<u>Jun 30, 2011</u>	<u>Jun 30, 2012</u>	<u>Jun 30, 2011</u>	<u>Jun 30, 2012</u>	<u>Jun 30, 2011</u>
	Million Baht	Million Baht	Million Shares	Million Shares	Baht	Baht
Basic earnings (loss) per share						
Net profit (loss) attributable to owners of the parent	2,118.27	(7,255.99)	2,182.77	2,182.77	0.97	(3.32)

Separate Financial Statements
For the six-month periods ended June 30, 2012 and 2011

	<u>Profit</u>		<u>Number of Shares</u>		<u>Earnings Per Share</u>	
	<u>Jun 30, 2012</u>	<u>Jun 30, 2011</u>	<u>Jun 30, 2012</u>	<u>Jun 30, 2011</u>	<u>Jun 30, 2012</u>	<u>Jun 30, 2011</u>
	Million Baht	Million Baht	Million Shares	Million Shares	Baht	Baht
Basic earnings (loss) per share						
Net profit (loss) attributable to owners of the parent	2,193.17	(7,265.57)	2,182.77	2,182.77	1.00	(3.33)

2.20 Financial Information by Segment Consolidated

2.20.1 Business Segments

Statements of Income
For the three-month periods ended June 30, 2012 and 2011

Units : Million Baht

	<u>Revenues</u>		<u>Inter - Segment Revenues</u>		<u>Total Revenues</u>		<u>Segment Results</u>	
	<u>Jun 30, 2012</u>	<u>Jun 30, 2011</u>	<u>Jun 30, 2012</u>	<u>Jun 30, 2011</u>	<u>Jun 30, 2012</u>	<u>Jun 30, 2011</u>	<u>Jun 30, 2012</u>	<u>Jun 30, 2011</u>
Air transportation	44,005.77	42,849.86	-	-	44,005.77	42,849.86	(1,312.21)	(4,642.86)
Business Units	1,631.84	1,512.69	2,463.03	2,445.14	4,094.87	3,957.83	70.96	35.60
Other activities	2,294.38	477.07	1,198.78	1,344.54	3,493.16	1,821.61	(129.37)	(421.69)
Eliminations	-	-	(3,661.81)	(3,789.68)	(3,661.81)	(3,789.68)	-	-
Operating profits							(1,370.62)	(5,028.95)
Losses on redemption of debentures							-	(1.42)
Share of profits of investments by the equity method							15.19	104.14
Finance costs							(1,322.43)	(1,317.85)
Gains (losses) on foreign currency exchange							1,315.76	(2,265.09)
Other income - net							(48.78)	284.81
Non-controlling interests							(68.30)	(10.45)
Net tax expenses (income)							(47.32)	<u>360.36</u>
Loss – attributable to owners of the parent							<u>(1,526.50)</u>	<u>(7,874.45)</u>

Statements of Income
For the six-month periods ended June 30, 2012 and 2011

Units : Million Baht

	<u>Revenues</u>		<u>Inter - Segment Revenues</u>		<u>Total Revenues</u>		<u>Segment Results</u>	
	<u>Jun 30, 2012</u>	<u>Jun 30, 2011</u>	<u>Jun 30, 2012</u>	<u>Jun 30, 2011</u>	<u>Jun 30, 2012</u>	<u>Jun 30, 2011</u>	<u>Jun 30, 2012</u>	<u>Jun 30, 2011</u>
	Air transportation	93,867.05	91,740.48	-	-	93,867.05	91,740.48	2,464.97
Business Units	3,496.66	3,137.29	5,039.70	5,063.50	8,536.36	8,200.79	932.72	656.03
Other activities	4,567.16	987.10	2613.69	2,774.41	7,180.85	3,761.51	(1.26)	(660.44)
Eliminations	-	-	(7,653.39)	(7,837.91)	(7,653.39)	(7,837.91)	-	-
Operating profits							3,396.43	(49.46)
Losses on redemption of debentures							-	(1.42)
Share of profits of investments by the equity method							108.00	142.37
Finance costs							(2,683.93)	(2,506.68)
Gains (losses) on foreign currency exchange							1,843.18	(5,623.45)
Other income - net							(206.81)	568.41
Non-controlling interests							(91.34)	(24.89)
Net tax expenses (income)							<u>(247.26)</u>	<u>239.13</u>
Profit (loss) – attributable to owners of the parent							<u>2,118.27</u>	<u>(7,255.99)</u>

Assets and Liabilities
As At June 30, 2012 and 2011

	<u>Current Assets</u>		<u>Non-Current Assets</u>		<u>Total Assets</u>	
	<u>Jun 30, 2012</u>	<u>Dec 31, 2011</u>	<u>Jun 30, 2012</u>	<u>Dec 31, 2011</u>	<u>Jun 30, 2012</u>	<u>Dec 31, 2011</u>
	Air transportation	62,703.29	55,674.27	200,249.26	206,076.42	262,952.55
Business Units	599.63	599.48	6,193.00	6,544.93	6,792.63	7,144.41
Other activities	2,431.81	709.31	2,572.91	2,529.69	5,004.72	3,239.00
Non-allocated assets	<u>2,625.28</u>	<u>2,310.60</u>	-	-	<u>2,625.28</u>	<u>2,310.60</u>
Total	<u>68,360.01</u>	<u>59,293.66</u>	<u>209,015.17</u>	<u>215,151.04</u>	<u>277,375.18</u>	<u>274,444.70</u>

	<u>Current Liabilities</u>		<u>Non-Current Liabilities</u>		<u>Total Liabilities</u>	
	<u>Jun 30, 2012</u>	<u>Dec 31, 2011</u>	<u>Jun 30, 2012</u>	<u>Dec 31, 2011</u>	<u>Jun 30, 2012</u>	<u>Dec 31, 2011</u>
	Air transportation	71,545.12	69,466.92	137,294.28	140,302.56	208,839.40
Business Units	666.83	645.19	16.80	14.59	683.63	659.78
Other activities	1,370.21	195.98	102.16	16.99	1,472.37	212.97
Non-allocated liabilities	<u>386.01</u>	<u>367.26</u>	-	-	<u>386.01</u>	<u>367.26</u>
Total	<u>73,968.17</u>	<u>70,675.35</u>	<u>137,413.24</u>	<u>140,334.14</u>	<u>211,381.41</u>	<u>211,009.49</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.

2.20.2 Geographical Segments

	Three-month Periods		Units : Million Baht	
	Apr-Jun 2012	Apr-Jun 2011	Jan-Jun 2012	Jan-Jun 2011
Domestic Revenues				
Transportation	3,430.14	2,973.63	7,691.54	7,098.71
Business units	1,631.84	1,512.69	3,496.67	3,137.29
Other activities	<u>2,294.38</u>	<u>477.07</u>	<u>4,567.16</u>	<u>987.10</u>
Total domestic revenues	<u>7,356.36</u>	<u>4,963.39</u>	<u>15,755.37</u>	<u>11,223.10</u>
Foreign Transportation Revenues				
Regional Asia	17,790.74	16,166.36	36,536.87	34,577.67
Europe	8,411.25	9,619.68	19,378.12	22,140.77
North Pacific	619.37	946.55	1,411.36	1,916.38
Australia & New Zealand	4,056.81	4,246.15	8,678.08	8,304.02
Africa	<u>261.62</u>	<u>267.40</u>	<u>523.13</u>	<u>590.96</u>
Total foreign transportation revenues	<u>31,139.79</u>	<u>31,246.14</u>	<u>66,527.56</u>	<u>67,529.80</u>
Charter revenues and others	<u>2,425.23</u>	<u>2,905.58</u>	<u>4,718.41</u>	<u>5,312.11</u>
Insurance surcharge from passengers	389.49	390.06	816.38	863.61
Fuel surcharge from passengers	6,621.12	5,334.45	14,113.16	10,936.25
Interest income	114.62	100.87	233.72	220.86
Other income	<u>459.51</u>	<u>618.53</u>	<u>846.36</u>	<u>1,324.39</u>
Total	<u>48,506.12</u>	<u>45,559.02</u>	<u>103,010.96</u>	<u>97,410.12</u>

2.21 Staff Pension Fund Consolidated and Separate Financial Statements

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	
	Jun 30, 2012	Dec 31, 2011
Current assets	4,618.75	4,511.18
Others	<u>135.38</u>	<u>65.92</u>
Total	<u>4,754.13</u>	<u>4,577.10</u>
Other current liabilities	27.78	15.89
Pension fund	<u>4,726.35</u>	<u>4,561.21</u>
Total	<u>4,754.13</u>	<u>4,577.10</u>

As at June 30, 2012, the fund balance was THB 4,726.35 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 114.10 million, which comes from contributions at a rate equivalent to 10% of employee salaries in the amount of THB 108.43 million added the amounts to match the Company's obligation of THB 5.67 million.)

2.22 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 602.20 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).

2.23 Contingent Liabilities

2.23.1 The Company has contingent liabilities and not presented in the financial statement as follows:

	Units : Million Baht	
	<u>Jun 30, 2012</u>	<u>Dec 31, 2011</u>
Guarantee by banks (in Thailand)	141.91	30.96
Guarantee by banks (foreign countries)	396.96	397.19
The following lawsuits filed against the Company:		
Labour cases	1,385.52	1,343.33
Damage cases	<u>2,606.65</u>	<u>2,597.98</u>
Total	<u>4,531.04</u>	<u>4,369.46</u>

2.23.2 The Company had estimated damages and fines and had acknowledged such damages and fines in the financial statement of 2008 in the amount of 4,290.17 million Baht. The Company had decreased an amount of the reserve with respect to damages and fines to THB 1,783.19 million and THB 1,042.05 million in the financial statements of 2010 and 2011, respectively. In the six-month periods ended June 30, 2012, the Company has increased an amount of the reserve for damages and fines due to the loss on currency exchange rate resulting from the revaluation of the reserve at the end of the reporting period totaling THB 7.47 million. Therefore, the amount of such reserve will be 1,472.40 million Baht. The progress of Antitrust/Competition cases has details as follows:

1. Regarding an investigation conducted by the United States' Department of Justice (DOJ), it can be divided into 2 cases.

1.1 Cargo US DOJ Investigation: The Company was unofficially informed that DOJ has already terminated the investigation.

1.2 Passenger US DOJ Investigation: DOJ had started to investigate the Company by sending summon for documents to the Company. It is now in the process of 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 and when it will occur.

2. With respect to the investigation by the Australian Competition and Consumer Commission (ACCC), on 28 October 2009, the ACCC has subsequently filed a lawsuit against the Company for violating Trade Practices Act 1974. Yet, the amount of fines and expenses has not yet been specified by the ACCC. At the moment, the case is currently undergoing the court procedures.

3. On the subject of an investigation by the Korean Fair Trade Commission (KFTC), the Company received an official decision of the KFTC on 30 November 2010 which imposed a fine totaling an amount of KRW 2,877 million but dropped the criminal charges against the Company and the relevant staff. The Company has appealed the KFTC Commissioners' decision to the competent court. Then, the appeal of the Company for both ex Korea route and ex Hong Kong route was dismissed i.e. the Company shall pay for the fine totaling an amount of KRW 2,198 million or approximately THB 59.79 million (Exchange Rate: KRW 1 = THB 0.0272) for ex Korea route and an amount of KRW 679 million or approximately THB 18.47 million for ex Hong Kong route. The Company has already appealed to the Supreme Court and the case is currently undergoing the Supreme Court procedures.

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 impose a fine and expenses to the Company according to the law. However, these fine and expenses remained unspecified at the time of filing the lawsuit. At present, the case is currently undergoing the court procedures.

5. For the case where lawsuits were filed against the Company at the Superior Court of Los Angeles and the San Francisco County Superior Court alleging that the Company had violated the Antitrust law of the United States by committing fares and surcharges fixing conspiracy. Presently, the Judicial Panel on Multi-district Litigation has ordered to combine the cases to be considered by the court at San Francisco as a single case, however, the disputed amount of claims has not yet been determined until the court makes a final decision that the Company is guilty. The case is currently undergoing the court procedures.

According to the Board of Directors Meeting No. 10/2554 (2011) held on August 19, 2011, the meeting has resolved to apply the local currency of each foreign country which the Company has the obligation to pay for the reserve in the future instead of applying the Thai currency and the current currency exchange rate of Bank of Thailand will be applied on the end date of fiscal period.

The Company has estimated the damages with the estimation guidelines as follows:

1. The above adjustment of damages and fines is based on the progress and strategy of the cases which have become more apparent and is considered from the opportunities that the Company may be alleged by the authorities of each country which conducts the investigation and from the calculation of the lowest fine rates that may be used in case that the courts rule or sentence that the Company has committed guiltiness as alleged or claimed. In addition, the damages and fines are adjusted to be in compliance with the current foreign currency exchange.

2. The above estimated damages and fine amounts are based on the fines in respect of the investigations and claims made by the competent authority in the aforesaid countries including the initial estimate of the damages in the Civil Class Action case in the United States, though the disputed amount of claims has not yet been set in the complaint 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 also 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.

2.24 Contractual Obligations

2.24.1 Obligation to Purchase Aircraft

The Company has a payment obligation to purchase 25 aircraft totaling of THB 104,706.70 million, which consisted of 6 A380-800, 4 A330-300, 5 A320-200, 4 A350-900XWB, and 6 B777-300ER aircraft, expected to take delivery during the year 2012-2017.

Obligation	Unit : Million Baht	
	Within 1 year	Over 1 year – 5 years
Purchase of aircraft	32,041.73	72,664.97

2.24.2 Leases and Obligations of Aircraft

The Company has obligations from entering into operating leases for 42 aircraft amount of USD 4,964.44 million or approximately to THB 158,688.82 million consisting of 6 A320-200, 2 A330-300, 8 A350-900, 3 B737-400, 2 B777-200, 13 B777-300ER, 6 B787-8, and 2 B787-9 aircraft.

There are 29 aircraft which have not been scheduled delivery yet. The Company entered into the operating lease of 8 Boeing 777-300ER with the BOC Aviation Pte. Ltd. (BOCA) according to the Predelivery Commitment Agreement and Aircraft Lease Agreement dated October 22, 2010. Therefore, the Company has an obligation for the commitment fee, up to the date of aircraft delivery, amount of USD 18.27 million or approximately to THB 583.86 million, starting from the signing date in the Agreement until the delivery date of such aircraft. 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 42 aircraft will be expired during 2013-2029.

Lease obligation and commitment fee can be classified as follows:

Obligation	Unit : Million Baht		
	Within 1 year	Over 1 year – 5 years	Over 5 years
Rent	3,048.44	26,989.94	128,066.58
Commitment Fee	477.39	106.47	-
Total	3,525.83	27,096.41	128,066.58

2.25 Estimated Damages from the Flood Disaster

2.25.1 On October 26, 2011, the flood reached Don Muang Airport causing the damages to the Company's assets which the insurance will cover for such damages.

The Company has primarily recorded the damages from flood disaster, which consisted of two Airbus A300-600 aircraft phased out from the fleet as aircraft for sales, consumable parts and supplies of Technical Department, tool repairment of Technical Department and raw material of Catering. On January 18, 2012, the Company received THB 50 million as the first insurance compensation from the insurance company, and total of USD 5 million or approximately THB 156.81 million on January 27, January 31, 2012 and February 13, 2012, respectively. Moreover, the Company received more compensation amount of THB 10 million, USD 24.81 million or approximately THB 757.99 million, and THB 0.21 million on March 16, March 28, 2012 and May 17, 2012 respectively. The Company recognized the insurance compensation from the flood disaster of THB 342.68 million, which is equal to the net book value of the damaged assets. Such compensation has been recognized in the statements of comprehensive income for the year 2011 and for the six-month periods ended June 30, 2012 at the amount of THB 175 million and THB 167.68 million, respectively. However, all the damaged assets which are covered by the insurance policy are under claiming process with the insurance company.

2.25.2 Employee Grant for Flood Disaster

The Company has extended the deadline for the employee to apply for support until February 29, 2012 in case such employees encountered the flood disaster. From the information as at February 3, 2012, the Company estimated that 6,000 staffs will apply for the support until February 29, 2012. The estimate such grant amounted to THB 400.00 million. The Company has already recognized such amount as expenses in the statements of comprehensive income for the year 2011. And for the six-month periods ended June 30, 2012 the Company has gradually paid THB 36 million to the qualified staffs according to the Company's regulations and remains THB 364 million left balance.

2.26 Events after the Reporting Period

2.26.1 The Company has acquired the revolving credit line from the bank with floating interest rate and 5-years maturity amount of THB 3,600 million. The contract is scheduled to be signed on July 20, 2012.

2.26.2 One Boeing 777-300ER aircraft and 1 A320-200 aircraft are scheduled to be delivered on August 2 and August 8, 2012, respectively. Such two aircraft are under operating lease with the lease term of 12 years.

2.27 Approval of Financial Statements

These financial statements were approved by the Audit Committee, the Authorized Board of Directors, on August 9, 2012.
