

(UNOFFICIAL TRANSLATION)

REVIEWED REPORT OF AUDITOR

TO : THE SHAREHOLDERS OF THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED

The Office of the Auditor General has reviewed the accompanying consolidated and the Company balance sheets as at June 30, 2005, the related consolidated and the Company statements of income, changes in shareholders' equity and cash flows for the three - month and nine - month periods ended June 30, 2005 and 2004, of Thai Airways International Public Company Limited and its subsidiary. These financial statements are the responsibility of the Companies' management as to their correctness and completeness of the presentation. The responsibility of the Office of the Auditor General is to express an opinion on these financial statements based on its reviews.

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

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

The Office of the Auditor General had audited the financial statements for the year ended September 30, 2004 of Thai Airways International Public Company Limited and its subsidiary in conformity with the Generally Accepted Accounting Standards and expressed an unqualified opinion according to the report dated November 21, 2004. The consolidated and the Company balance sheets as at September 30, 2004, presented here to compare, are one part of the financial statements which were audited and reported by the Office of the Auditor General without applying other auditing methods after the date in those reports.

Without qualifying opinion, the Office of the Auditor General draw attention to the Company statements of income for the nine-month periods ended June 30, 2005 in personnel expense, presented under the operating expenses, which is higher than the same period last year amount of THB 4,313.21 million or 24.51%. This was due to the salary structure adjustment and a Mutual Separation Plan. The Company still have a burden to pay the personnel taxes for its employees therefore the amount of these expenses are getting higher every year depending on the higher employees' income.

(Signed) *Pensri Soranaraks*  
(Pensri Soranaraks)  
Deputy Auditor General, for Auditor General

(Signed) *Peeraporn Methawikul*  
(Peeraporn Methawikul)  
Auditor-in-charge

August 8, 2005

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

BALANCE SHEETS

AS AT JUNE 30, 2005 AND SEPTEMBER 30, 2004

Unit : Baht

	<u>Notes</u>	<u>CONSOLIDATED</u>		<u>THE COMPANY</u>	
		<u>30 June 2005</u> (reviewed)	<u>30 September 2004</u> (audited)	<u>30 June 2005</u> (reviewed)	<u>30 September 2004</u> (audited)
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	3.3	16,530,600,497	20,978,440,673	16,245,122,197	20,708,088,557
Fixed deposits due over 3 months		4,017,392,324	3,807,937,115	4,017,392,324	3,807,937,115
Short-term investments		700,000,000	-	700,000,000	-
Current investment-available-for-sale securities	3.4	-	323,455,999	-	323,455,999
Trade account receivables-net	3.5	14,025,574,456	15,022,384,683	13,979,460,611	14,974,435,217
Inventories and supplies-net		4,867,319,893	4,275,361,532	4,867,319,893	4,275,361,532
Other current assets	3.6	9,480,783,051	7,583,727,003	9,451,287,282	7,560,402,613
<b>Total Current Assets</b>		<b>49,621,670,221</b>	<b>51,991,307,005</b>	<b>49,260,582,307</b>	<b>51,649,681,033</b>
<b>Non-Current Assets</b>					
Investments by the equity method	3.7.1	1,474,986,221	1,322,469,860	1,744,981,457	1,572,280,901
Other long-term investments	3.7.2	160,142,750	152,137,142	58,341,512	51,859,311
Property, Plant and Equipment-Net	3.9	173,798,536,758	134,041,264,755	173,718,662,907	133,955,930,373
Others	3.10	5,690,418,898	5,703,353,701	5,681,529,294	5,696,219,610
<b>Total Non-Current Assets</b>		<b>181,124,084,627</b>	<b>141,219,225,458</b>	<b>181,203,515,170</b>	<b>141,276,290,195</b>
<b>Total Assets</b>		<b>230,745,754,848</b>	<b>193,210,532,463</b>	<b>230,464,097,477</b>	<b>192,925,971,228</b>

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

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

**BALANCE SHEETS**

**AS AT JUNE 30, 2005 AND SEPTEMBER 30, 2004**

Unit : Baht				
Notes	CONSOLIDATED		THE COMPANY	
	30 June 2005 (reviewed)	30 September 2004 (audited)	30 June 2005 (reviewed)	30 September 2004 (audited)
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
<b>Current Liabilities</b>				
Trade account payables	8,474,196,669	6,713,530,109	8,463,692,364	6,707,993,751
Current portion of long-term loans				
Long-term loans	13,301,753,454	10,283,623,939	13,301,753,454	10,283,623,939
Liabilities under financial leases	6,318,161,785	5,248,494,457	6,318,161,785	5,248,494,457
Promissory notes	1,050,000,000	1,050,000,000	1,050,000,000	1,050,000,000
Other current liabilities				
Accrued expenses	13,516,256,095	14,833,485,877	13,504,572,174	14,823,537,623
Accrued dividends	52,716,061	50,607,384	52,716,030	50,607,384
Accrued income taxes	16,852,906	41,326,321	-	-
Unearned transportation revenues	15,913,672,895	16,507,265,038	15,913,672,895	16,507,265,038
Others	4,622,121,175	4,728,893,165	4,600,410,160	4,705,533,715
<b>Total Current Liabilities</b>	<b>63,265,731,040</b>	<b>59,457,226,290</b>	<b>63,204,978,862</b>	<b>59,377,055,907</b>
<b>Non-Current Liabilities</b>				
Long-term debts				
Debentures	3.12 40,000,000,000	10,000,000,000	40,000,000,000	10,000,000,000
Long-term loans	14,073,723,180	20,286,806,946	14,073,723,180	20,286,806,946
Liabilities under financial leases	47,610,538,870	39,671,971,402	47,610,538,870	39,671,971,402
Promissory notes	4,425,000,000	5,250,000,000	4,425,000,000	5,250,000,000
Staff pension fund	3.16 4,503,220,159	4,220,771,393	4,503,220,159	4,220,771,393
<b>Total Non-Current Liabilities</b>	<b>110,612,482,209</b>	<b>79,429,549,741</b>	<b>110,612,482,209</b>	<b>79,429,549,741</b>
<b>Total Liabilities</b>	<b>173,878,213,249</b>	<b>138,886,776,031</b>	<b>173,817,461,071</b>	<b>138,806,605,648</b>
<b>Shareholders' Equity</b>				
Share capital	3.13			
Authorized				
1,700.00 million ordinary shares par value of Baht 10 each	17,000,000,000	17,000,000,000	17,000,000,000	17,000,000,000
Issued and paid-up				
1,685.00 million ordinary shares par value of Baht 10 each	-	16,850,000,000	-	16,850,000,000
1,698.88 million ordinary shares par value of Baht 10 each	16,988,765,500	-	16,988,765,500	-
Premium on share capital	15,646,796,109	15,580,550,482	15,646,796,109	15,580,550,482
Proceeds from ESOP offering	129,750	96,732,486	129,750	96,732,486
Unrealised gain (losses) on current investment-available-for-sale securities	(50,839)	317,143,675	(50,839)	317,143,675
Retained earnings				
Appropriated				
Legal reserve	1,700,000,000	1,700,000,000	1,700,000,000	1,700,000,000
Unappropriated	22,310,995,886	19,574,938,937	22,310,995,886	19,574,938,937
<b>Total Company Shareholders' Equity</b>	<b>56,646,636,406</b>	<b>54,119,365,580</b>	<b>56,646,636,406</b>	<b>54,119,365,580</b>
Minority interests	220,905,193	204,390,852	-	-
<b>Total Shareholders' Equity</b>	<b>56,867,541,599</b>	<b>54,323,756,432</b>	<b>56,646,636,406</b>	<b>54,119,365,580</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>230,745,754,848</b>	<b>193,210,532,463</b>	<b>230,464,097,477</b>	<b>192,925,971,228</b>

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

(Signed) *Somchainuk Engtrakul*  
(Somchainuk Engtrakul)  
Board of Director  
Acting as President

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

Reviewed

## THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

## STATEMENTS OF INCOME

For the three - month periods ended June 30, 2005 and 2004

	<u>CONSOLIDATED</u>		<u>THE COMPANY</u>	
	<u>2005</u>	<u>2004</u> (restated)	<u>2005</u>	<u>2004</u> (restated)
Unit : Baht				
<b>Revenues from the Sale of Goods and the Rendering of Services</b>				
Passenger and excess baggage	28,918,928,886	27,101,881,820	28,918,928,886	27,101,881,820
Freight	6,075,432,001	5,564,960,457	6,075,432,001	5,564,960,457
Mail	256,508,235	249,563,658	256,508,235	249,563,658
Other activities	1,877,611,156	1,681,920,965	1,774,255,791	1,579,472,355
<b>Total Revenues from the Sale of Goods and the Rendering of Services</b>				
<b>Rendering of Services</b>	<b>37,128,480,278</b>	<b>34,598,326,900</b>	<b>37,025,124,913</b>	<b>34,495,878,290</b>
<b>Operating expenses :</b>				
Personnel	8,449,600,718	5,633,529,020	8,443,261,847	5,627,965,749
Fuel and oil	12,219,475,987	7,816,520,960	12,219,475,987	7,816,520,960
Inventories and supplies	2,450,797,265	2,156,762,076	2,450,797,265	2,156,762,076
Lease of aircraft and spare parts	1,347,622,844	1,534,194,761	1,347,622,844	1,534,194,761
Flight operations	9,592,684,930	10,113,975,053	9,592,684,930	10,113,975,053
Depreciation	3,337,654,027	2,964,230,001	3,328,694,371	2,956,200,666
Marketing	1,154,498,728	927,479,922	1,146,869,228	916,982,947
Insurance	459,752,460	382,400,493	459,752,460	382,400,493
Remuneration to board of directors	4,557,100	10,777,300	4,243,600	10,592,050
Other operating expenses	1,327,027,250	1,342,438,406	1,300,842,702	1,319,381,167
<b>Total operating expenses</b>	<b>40,343,671,309</b>	<b>32,882,307,992</b>	<b>40,294,245,234</b>	<b>32,834,975,922</b>
<b>Profits (losses) from the Sale of Goods and the Rendering of Services</b>	<b>(3,215,191,031)</b>	<b>1,716,018,908</b>	<b>(3,269,120,321)</b>	<b>1,660,902,368</b>

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

Reviewed

## THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

## STATEMENTS OF INCOME

For the three - month periods ended June 30, 2005 and 2004

Unit : Baht

	Notes	CONSOLIDATED		THE COMPANY	
		2005	2004 (restated)	2005	2004 (restated)
<b>Profits (losses) from the Sale of Goods and the Rendering of Services</b>		<b>(3,215,191,031)</b>	<b>1,716,018,908</b>	<b>(3,269,120,321)</b>	<b>1,660,902,368</b>
<b>Other Income</b>					
Interest income		84,668,878	83,261,623	84,483,797	82,947,874
Others		447,467,994	121,419,786	446,508,312	121,096,219
<b>Total Other Income</b>		<b>532,136,872</b>	<b>204,681,409</b>	<b>530,992,109</b>	<b>204,044,093</b>
<b>Other Expenses</b>					
Losses on foreign currency exchange		2,721,350,906	1,346,749,003	2,721,350,906	1,346,749,003
Yields from pension fund		10,500,998	9,827,832	10,500,998	9,827,832
Others		468,353,889	457,267,804	465,978,405	453,689,388
<b>Total Other Expenses</b>		<b>3,200,205,793</b>	<b>1,813,844,639</b>	<b>3,197,830,309</b>	<b>1,810,266,223</b>
<b>Profits (losses) from Operations</b>		<b>(5,883,259,952)</b>	<b>106,855,678</b>	<b>(5,935,958,521)</b>	<b>54,680,238</b>
<b>Share of Profits from Investments by the Equity Method</b>					
Share of net profit from subsidiary companies		-	-	20,273,173	20,150,059
Share of net profit from associated companies		71,937,305	92,595,132	71,937,305	92,595,132
<b>Total Share of Profits from Investments by the Equity Method</b>	3.7.1	<b>71,937,305</b>	<b>92,595,132</b>	<b>92,210,478</b>	<b>112,745,191</b>
<b>Profits (losses) before Interest and Income Tax Expenses</b>		<b>(5,811,322,647)</b>	<b>199,450,810</b>	<b>(5,843,748,043)</b>	<b>167,425,429</b>
Interest expenses		1,035,219,976	1,486,688,483	1,035,219,976	1,486,688,483
Income tax expenses		(2,083,683,870)	(390,471,890)	(2,099,522,124)	(406,114,995)
<b>Losses after Tax</b>		<b>(4,762,858,753)</b>	<b>(896,765,783)</b>	<b>(4,779,445,895)</b>	<b>(913,148,059)</b>
Net profit of minority interest		16,587,142	16,382,276	-	-
<b>Net losses</b>		<b>(4,779,445,895)</b>	<b>(913,148,059)</b>	<b>(4,779,445,895)</b>	<b>(913,148,059)</b>
<b>Basic losses per share</b>	3.14				
Net losses		(2.82)	(0.56)	(2.82)	(0.56)
<b>Diluted losses per share</b>	3.14				
Net losses		(2.82)	-	(2.82)	-

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

(Signed) *Somchainuk Engtrakul*  
(Somchainuk Engtrakul)  
Board of Director  
Acting as President

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

Reviewed

## THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

## STATEMENTS OF INCOME

For the nine - month periods ended June 30, 2005 and 2004

	<u>CONSOLIDATED</u>		<u>THE COMPANY</u>	
	<u>2005</u>	<u>2004</u> (restated)	<u>2005</u>	<u>2004</u> (restated)
Unit : Baht				
<b>Revenues from the Sale of Goods and the Rendering of Services</b>				
Passenger and excess baggage	94,309,283,408	89,826,273,476	94,309,283,408	89,826,273,476
Freight	18,016,200,513	16,510,160,795	18,016,200,513	16,510,160,795
Mail	827,475,278	745,357,576	827,475,278	745,357,576
Other activities	5,769,167,081	5,093,737,714	5,454,744,214	4,783,961,751
<b>Total Revenues from the Sale of Goods and the Rendering of Services</b>				
<b>Rendering of Services</b>	<b>118,922,126,280</b>	<b>112,175,529,561</b>	<b>118,607,703,413</b>	<b>111,865,753,598</b>
<b>Operating expenses :</b>				
Personnel	21,932,214,902	17,616,680,597	21,914,104,057	17,600,898,269
Fuel and oil	32,372,486,487	21,609,111,868	32,372,486,487	21,609,111,868
Inventories and supplies	7,294,916,287	6,520,123,155	7,294,916,287	6,520,123,155
Lease of aircraft and spare parts	4,210,421,583	4,573,983,064	4,210,421,583	4,573,983,064
Flight operations	27,359,707,063	27,673,501,294	27,359,707,063	27,673,501,294
Depreciation	9,568,789,220	8,918,881,302	9,542,670,532	8,896,142,403
Marketing	2,672,206,222	2,416,321,697	2,643,702,662	2,386,047,385
Insurance	1,410,500,387	1,194,446,240	1,410,500,387	1,194,446,240
Remuneration to board of directors	35,054,521	28,479,876	34,315,021	27,985,167
Other operating expenses	3,943,311,487	3,754,156,527	3,869,852,756	3,678,545,443
<b>Total operating expenses</b>	<b>110,799,608,159</b>	<b>94,305,685,620</b>	<b>110,652,676,835</b>	<b>94,160,784,288</b>
<b>Profit from the Sale of Goods and the Rendering of Services</b>	<b>8,122,518,121</b>	<b>17,869,843,941</b>	<b>7,955,026,578</b>	<b>17,704,969,310</b>

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

Reviewed

## THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

## STATEMENTS OF INCOME

For the nine - month periods ended June 30, 2005 and 2004

Unit : Baht

	Notes	CONSOLIDATED		THE COMPANY	
		2005	2004 (restated)	2005	2004 (restated)
<b>Profits from the Sale of Goods and the Rendering of Services</b>		<b>8,122,518,121</b>	<b>17,869,843,941</b>	<b>7,955,026,578</b>	<b>17,704,969,310</b>
<b>Other Income</b>					
Interest income		257,528,746	251,028,536	256,971,380	250,101,255
Others		1,616,972,122	721,442,145	1,614,912,040	720,042,109
<b>Total Other Income</b>		<b>1,874,500,868</b>	<b>972,470,681</b>	<b>1,871,883,420</b>	<b>970,143,364</b>
<b>Other Expenses</b>					
Losses (gains) on foreign currency exchange		(46,729,496)	2,097,352,805	(46,729,496)	2,097,352,805
Yields from pension fund		30,651,812	28,881,742	30,651,812	28,881,742
Others		946,088,486	962,873,197	940,180,605	956,683,248
<b>Total Other Expenses</b>		<b>930,010,802</b>	<b>3,089,107,744</b>	<b>924,102,921</b>	<b>3,082,917,795</b>
<b>Profits from Operations</b>		<b>9,067,008,187</b>	<b>15,753,206,878</b>	<b>8,902,807,077</b>	<b>15,592,194,879</b>
<b>Share of Profits from Investments by the Equity Method</b>					
Share of net profit from subsidiary companies		-	-	63,170,130	62,109,094
Share of net profit from associated companies		161,965,621	159,718,617	161,965,621	159,718,617
<b>Total Share of Profits from Investments by the Equity Method</b>	3.7.1	<b>161,965,621</b>	<b>159,718,617</b>	<b>225,135,751</b>	<b>221,827,711</b>
<b>Profits before Interest and Income Tax Expenses</b>		<b>9,228,973,808</b>	<b>15,912,925,495</b>	<b>9,127,942,828</b>	<b>15,814,022,590</b>
Interest expenses		2,846,519,762	3,684,581,104	2,846,519,762	3,684,581,104
Income tax expenses		1,902,636,245	3,582,215,882	1,853,289,917	3,533,815,309
<b>Profits after Tax</b>		<b>4,479,817,801</b>	<b>8,646,128,509</b>	<b>4,428,133,149</b>	<b>8,595,626,177</b>
Net profit of minority interest		51,684,652	50,502,332	-	-
<b>Net profits</b>		<b>4,428,133,149</b>	<b>8,595,626,177</b>	<b>4,428,133,149</b>	<b>8,595,626,177</b>
<b>Basic earnings per share</b>	3.14				
Net profits		2.62	5.28	2.62	5.28
<b>Diluted earnings per share</b>	3.14				
Net profits		2.62	-	2.62	-

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

(Signed) *Somchainuk Engtrakul*  
(Somchainuk Engtrakul)  
Board of Director  
Acting as President

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

## THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

## STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the nine - month periods ended June 30, 2005 and 2004

Unit : Baht

Notes	CONSOLIDATED							Total
	Share Capital issued and fully paid	Premium on share capital	Proceeds from ESOP offering	Unrealised gain (losses) available-for-sale securities	Legal Reserve	Retained Earnings Unappropriated	Minority Interest	
<b>Balance as at October 1, 2003 (before adjustment)</b>	14,000,000,000	4,750,000,000	-	454,324,822	1,700,000,000	17,994,101,711	156,317,516	39,054,744,049
- Cumulative effect of change in accounting policy for D-check	-	-	-	-	-	(1,652,114,839)	-	(1,652,114,839)
- Cumulative effect of change in accounting policy for depreciation of aircraft seats	-	-	-	-	-	(580,558,742)	-	(580,558,742)
- Cumulative effect of change in accounting policy for depreciation of in-flight equipment	-	-	-	-	-	(650,827,643)	-	(650,827,643)
Balance as at October 1, 2003 (after adjustment)	14,000,000,000	4,750,000,000	-	454,324,822	1,700,000,000	15,110,600,487	156,317,516	36,171,242,825
- Unrealised gain on current investment - available-for-sale securities	-	-	-	37,476,986	-	-	-	37,476,986
<u>Add</u> Net Profits	-	-	-	-	-	8,595,626,177	50,502,332	8,646,128,509
<u>Less</u> Dividends paid	-	-	-	-	-	(5,612,500,000)	(20,925,000)	(5,633,425,000)
<u>Add</u> Issued share capital	2,850,000,000	10,828,592,273	-	-	-	-	-	13,678,592,273
<b>Balance as at June 30, 2004</b>	<b>16,850,000,000</b>	<b>15,578,592,273</b>	<b>-</b>	<b>491,801,808</b>	<b>1,700,000,000</b>	<b>18,093,726,664</b>	<b>185,894,848</b>	<b>52,900,015,593</b>
<b>Balance as at October 1, 2004</b>	16,850,000,000	15,580,550,482	96,732,486	317,143,675	1,700,000,000	19,574,938,937	204,390,852	54,323,756,432
- Unrealised losses on current investment - available-for-sale securities	-	-	-	(317,194,514)	-	-	(70,311)	(317,264,825)
<u>Add</u> Net Profits	-	-	-	-	-	4,428,133,149	51,684,652	4,479,817,801
<u>Less</u> Dividends paid	3.11	-	-	-	-	(1,692,076,200)	(35,100,000)	(1,727,176,200)
<u>Add</u> Issued share capital	3.13	138,765,500	66,245,627	-	-	-	-	205,011,127
<u>Add</u> Proceeds from ESOP offering	-	-	(96,602,736)	-	-	-	-	(96,602,736)
<b>Balance as at June 30, 2005</b>	<b>16,988,765,500</b>	<b>15,646,796,109</b>	<b>129,750</b>	<b>(50,839)</b>	<b>1,700,000,000</b>	<b>22,310,995,886</b>	<b>220,905,193</b>	<b>56,867,541,599</b>

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

(Signed) *Somchainuk Engtrakul*  
 (Somchainuk Engtrakul)  
 Board of Director  
 Acting as President

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

**THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**For the nine - month periods ended June 30, 2005 and 2004**

Unit : Baht

Notes	THE COMPANY						Total
	Share Capital issued and fully paid	Premium on share capital	Proceeds from ESOP offering	Unrealised gain (losses) available- for-sale securities	Legal Reserve	Retained Earnings Unappropriated	
<b>Balance as at October 1, 2003 (before adjustment)</b>	14,000,000,000	4,750,000,000	-	454,324,822	1,700,000,000	17,994,101,711	38,898,426,533
- Cumulative effect of change in accounting policy for D-check	-	-	-	-	-	(1,652,114,839)	(1,652,114,839)
- Cumulative effect of change in accounting policy for depreciation of aircraft seats	-	-	-	-	-	(580,558,742)	(580,558,742)
- Cumulative effect of change in accounting policy for depreciation of in-flight equipment	-	-	-	-	-	(650,827,643)	(650,827,643)
Balance as at October 1, 2003 (after adjustment)	14,000,000,000	4,750,000,000	-	454,324,822	1,700,000,000	15,110,600,487	36,014,925,309
- Unrealised gain on current investment - available-for-sale securities	-	-	-	37,476,986	-	-	37,476,986
<u>Add</u> Net Profits	-	-	-	-	-	8,595,626,177	8,595,626,177
<u>Less</u> Dividends paid	-	-	-	-	-	(5,612,500,000)	(5,612,500,000)
<u>Add</u> Issued share capital	2,850,000,000	10,828,592,273	-	-	-	-	13,678,592,273
<b>Balance as at June 30, 2004</b>	<b>16,850,000,000</b>	<b>15,578,592,273</b>	<b>-</b>	<b>491,801,808</b>	<b>1,700,000,000</b>	<b>18,093,726,664</b>	<b>52,714,120,745</b>
<b>Balance as at October 1, 2004</b>	16,850,000,000	15,580,550,482	96,732,486	317,143,675	1,700,000,000	19,574,938,937	54,119,365,580
- Unrealised losses on current investment - available-for-sale securities	-	-	-	(317,194,514)	-	-	(317,194,514)
<u>Add</u> Net Profits	-	-	-	-	-	4,428,133,149	4,428,133,149
<u>Less</u> Dividends paid	3.11	-	-	-	-	(1,692,076,200)	(1,692,076,200)
<u>Add</u> Issued share capital	3.13	138,765,500	66,245,627	-	-	-	205,011,127
<u>Add</u> Proceeds from ESOP offering	-	-	(96,602,736)	-	-	-	(96,602,736)
<b>Balance as at June 30, 2005</b>	<b>16,988,765,500</b>	<b>15,646,796,109</b>	<b>129,750</b>	<b>(50,839)</b>	<b>1,700,000,000</b>	<b>22,310,995,886</b>	<b>56,646,636,406</b>

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

(Signed) *Somchainuk Engtrakul*  
(Somchainuk Engtrakul)  
Board of Director  
Acting as President

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

## THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

## STATEMENTS OF CASH FLOWS

For the nine - month periods ended June 30, 2005 and 2004

	Unit : Baht			
	<u>CONSOLIDATED</u>		<u>THE COMPANY</u>	
	<u>2005</u>	<u>2004</u> (restated)	<u>2005</u>	<u>2004</u> (restated)
<b>Cash flows from operating activities</b>				
Net profit	4,428,133,149	8,595,626,177	4,428,133,149	8,595,626,177
Adjustment to reconcile net profit to cash provided by (paid from) operating activities :				
Depreciation	9,568,789,220	8,918,881,302	9,542,670,532	8,896,142,403
Income from investments by the equity method	(161,965,621)	(159,718,617)	(225,135,751)	(221,827,711)
Losses (gains) on sales of assets	(19,243,721)	370,077,401	(19,664,403)	370,077,401
Cumulative effect of change in accounting policies	-	129,629,390	-	129,692,390
Gain on current investments-available-for-sale securities	(373,165,786)	(38,884,439)	(371,486,133)	(38,884,439)
Amortisation of deferred charges	82,709,800	150,043,388	82,709,800	150,043,388
Losses on foreign currency exchange	62,811,613	2,318,406,297	62,811,613	2,318,406,297
Net profit of minority interests	51,684,652	50,502,332	-	-
Reserve for obsolete inventories	66,176,651	57,010,601	66,176,651	57,010,601
Allowance for doubtful accounts and impairment in value of assets	(58,975,671)	57,582,436	(64,846,381)	51,430,727
Operating profit before changes in operating assets and liabilities	13,646,954,286	20,449,156,268	13,501,369,077	20,307,654,234
Decrease (increase) in operating assets :				
Trade account receivables	1,115,112,211	(625,259,011)	1,119,147,300	(615,592,186)
Inventories and supplies	(664,672,720)	(403,146,054)	(664,672,720)	(403,146,054)
Prepaid expenses and deposits	1,035,002,863	(304,591,960)	1,035,144,131	(304,505,940)
Tax refund	(1,999,391,310)	(630,713,144)	(1,999,391,310)	(630,713,144)
Other current assets	(1,044,135,220)	(490,071,475)	(1,038,105,109)	(484,251,771)
Deferred income taxes	(137,423,746)	299,535,171	(135,668,233)	301,365,804
Deferred charges	(382,309,005)	(687,935,494)	(382,309,005)	(687,935,494)
Concessions for acquisitions of aircraft and engines	-	247,550,739	-	247,550,739
Increase (decrease) in operating liabilities :				
Trade account payables	1,694,612,986	908,994,505	1,689,645,039	910,018,468
Accrued expenses and other current liabilities	(1,619,636,318)	(1,384,759,986)	(1,595,250,135)	(1,377,015,418)
Staff pension fund	282,448,766	221,815,712	282,448,766	221,815,712
Unearned transportation revenue	(548,705,874)	1,970,224,257	(548,705,874)	1,970,224,257
<b>Net cash from operating activities</b>	<b>11,377,856,919</b>	<b>19,570,799,528</b>	<b>11,263,651,927</b>	<b>19,455,469,207</b>

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

## THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

## STATEMENTS OF CASH FLOWS

For the nine - month periods ended June 30, 2005 and 2004

	Unit : Baht			
	<u>CONSOLIDATED</u>		<u>THE COMPANY</u>	
	<u>2005</u>	<u>2004</u> (restated)	<u>2005</u>	<u>2004</u> (restated)
<b>Cash flows from investing activities</b>				
Fixed deposits due over 3 months increase	(209,455,209)	(536,441,361)	(209,455,209)	(536,441,361)
Cash paid for acquisition of fixed assets	(700,000,000)	-	(700,000,000)	-
Cash received from sales of assets	(49,986,178,855)	(20,649,595,612)	(49,965,100,017)	(20,625,835,805)
Investments decrease (increase)	1,135,856,815	161,788,960	1,135,856,815	161,788,960
Cash received from current investments-available-for-sale securities	3,382,643	(149,172,498)	46,282,643	(123,597,498)
Cash received from loan for investing aircraft spare parts	377,747,619	39,555,308	377,747,619	39,555,308
<b>Net cash used in investing activities</b>	<b>(49,378,646,987)</b>	<b>(21,133,865,203)</b>	<b>(49,314,668,149)</b>	<b>(21,084,530,396)</b>
<b>Cash flows from financing activities</b>				
Cash received from debentures	30,000,000,000	10,000,000,000	30,000,000,000	10,000,000,000
Cash received from short-term loans	-	4,010,000,000	-	4,010,000,000
Cash received from long-term loans	12,743,633,500	10,468,243,651	12,743,633,500	10,468,243,651
Cash received from issued ordinary shares	74,302,950	2,850,000,000	74,302,950	2,850,000,000
Cash received from premium on ordinary shares	33,975,691	10,828,592,273	33,975,691	10,828,592,273
Cash received from subscription of ESOP	129,750	-	129,750	-
Cash paid for repayment of short-term loans	-	(8,019,640,000)	-	(8,019,640,000)
Cash paid for repayment of long-term loans	(6,889,736,311)	(10,014,146,833)	(6,889,736,311)	(10,014,146,833)
Cash paid for repayment of promissory notes	(825,000,000)	(825,000,000)	(825,000,000)	(825,000,000)
Dividends paid	(1,725,067,523)	(5,544,093,036)	(1,689,967,554)	(5,523,168,036)
<b>Net cash from financing activities</b>	<b>33,412,238,057</b>	<b>13,753,956,055</b>	<b>33,447,338,026</b>	<b>13,774,881,055</b>
Increase (decrease) in cash and cash equivalents	(4,588,552,011)	12,190,890,380	(4,603,678,196)	12,145,819,866
Increase effects of exchange rate changes on cash and bank balances	140,711,836	165,886,868	140,711,836	165,886,868
Cash and cash equivalents at the beginning of the periods	20,978,440,672	9,205,595,942	20,708,088,557	8,852,154,752
<b>Cash and cash equivalents at the end of the periods</b>	<b>16,530,600,497</b>	<b>21,562,373,190</b>	<b>16,245,122,197</b>	<b>21,163,861,486</b>
<b>Supplementary cash flows information :</b>				
Cash paid during the year for				
Interest expenses	2,468,493,255	3,239,660,741	2,468,493,255	3,239,660,741
Corporate income tax	4,055,871,309	4,960,039,584	3,980,298,261	4,903,019,681

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

(Signed) *Somchainuk Engtrakul*  
(Somchainuk Engtrakul)  
Board of Director  
Acting as President

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

**THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the three-month and nine-month periods ended June 30, 2005 (reviewed)**  
**and for the year ended September 30, 2004 (audited)**

**1. BASIC OF FINANCIAL STATEMENTS PREPARATION**

**1.1 Consolidated financial statements**

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

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

**1.2 Interim financial statements**

The interim financial statements have been prepared in accordance with the Accounting Standard No. 41, the interim financial statements, by indicating the items in balance sheet, statement of income, changes in shareholders' equity, and cash flows which are similar to the annual financial statements. As for the supplementary information, only the crucial ones are indicated.

The purpose of preparation the interim financial statements is to add more information to the year financial statements ended September 30, 2004. So, the use of these interim financial statements should be applied together with the year financial statements.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

In preparation of the interim financial statements, the Company applies the accounting policies and the calculation methods which are similar to the annual financial statements ended September 30, 2004.

**3. SUPPLEMENTARY INFORMATION**

**3.1 The Effect of Changes in Accounting Policies**

In fiscal year 2004, the Company has changed the accounting policies regarding to the record of aircraft overhaul costs ( D-check ), passenger seats, and in-flight equipment to comply with the accounting standards. The Company restated its financial statements for the three-month and nine-month periods ended June 30, 2004 as though the Company had consistently followed the new policies. The effect of changes in aforesaid policies resulted in the decrease in brought and carried forward balance of retained earnings for the nine-month periods ended June 30, 2004 amount of THB 2,883.50 million and THB 3,118.66 million. Net loss for the three-month periods increased by THB 76.82 million and net profit for the nine-month periods decreased by THB 235.16 million. Also, basic loss per share for the three-month periods increased by THB 0.06 and basic earning per share for the nine-month periods decreased by THB 0.15.

### 3.2 Change in Method of Accounting Presentation

The Company has changed its presentation method for the accounting items in income statements, formerly classified expenses by activity, to classify the expenses by nature to comply with the airline business. The Company restated its financial statements for the three-month and nine-month periods ended June 30, 2004 as though the Company had consistently presented the expenses by nature which have no any impact on a profit(loss) of consolidated and the Company.

### 3.3 Cash and Cash Equivalents

	Unit : Million Baht			
	Consolidated		The Company	
	<u>30-Jun-05</u>	<u>30-Sep-04</u>	<u>30-Jun-05</u>	<u>30-Sep-04</u>
Cash - Domestic	20.98	11.71	20.98	11.71
Cash - Abroad	32.41	17.00	32.41	17.00
Bank Deposits - Domestic	8,227.14	3,907.72	7,941.66	3,637.37
Bank Deposits - Abroad	<u>8,250.07</u>	<u>17,042.01</u>	<u>8,250.07</u>	<u>17,042.01</u>
<b>Total</b>	<b><u>16,530.60</u></b>	<b><u>20,978.44</u></b>	<b><u>16,245.12</u></b>	<b><u>20,708.09</u></b>

Cash and cash equivalents have already included cash and cash equivalent of the Company's staff pension fund discussed in Note 3.16.

### 3.4 Current Investments-Available-for-Sale Securities

On June 27, 2002, the Company received 508,937 shares in FRANCE TELECOM, listed on the Bourse de Paris and the New York Stock Exchange, from SITA. In the first quarter, the Company sold all 316,957 shares amount of THB 377.83 million. The Company has gain on sales of shares amount of THB 371.49 million.

### 3.5 Trade Account Receivables - Net

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

	Unit : Million Baht			
	Consolidated		The Company	
	<u>30-Jun-05</u>	<u>30-Sep-04</u>	<u>30-Jun-05</u>	<u>30-Sep-04</u>
Period of overdue				
Not over 6 months	13,988.06	14,969.86	13,946.88	14,926.95
Over : 6 months to 1 year	45.63	84.47	41.71	76.85
Over : 1 year to 2 years	58.78	41.14	46.88	36.25
Over : 2 years	<u>1,111.35</u>	<u>1,200.41</u>	<u>1,105.35</u>	<u>1,196.87</u>
	15,203.82	16,295.88	15,140.82	16,236.92
<u>Less</u> Allowance for doubtful accounts	<u>(1,178.25)</u>	<u>(1,273.50)</u>	<u>(1,161.36)</u>	<u>(1,262.48)</u>
<b>Trade account receivables - net</b>	<b><u>14,025.57</u></b>	<b><u>15,022.38</u></b>	<b><u>13,979.46</u></b>	<b><u>14,974.44</u></b>

### 3.6 Other Current Assets

	Unit : Million Baht			
	Consolidated		The Company	
	<u>30-Jun-05</u>	<u>30-Sep-04</u>	<u>30-Jun-05</u>	<u>30-Sep-04</u>
Prepaid expenses and deposits	4,689.11	5,802.20	4,688.68	5,801.91
Tax refund	2,459.71	460.32	2,459.71	460.32
Others	<u>2,331.96</u>	<u>1,321.21</u>	<u>2,302.90</u>	<u>1,298.17</u>
<b>Total</b>	<b><u>9,480.78</u></b>	<b><u>7,583.73</u></b>	<b><u>9,451.29</u></b>	<b><u>7,560.40</u></b>

## 3.7 Investments

## Consolidated

Unit : Million Baht

Name of Company	Percentage of Shareholding		Investments				Income on investments	
	30-Jun-05	30-Sep-04	Cost method		Equity method		30-Jun-05	30-Jun-04
			30-Jun-05	30-Sep-04	30-Jun-05	30-Sep-04		
<b>3.7.1 Investments using the equity method</b>								
Thai Information Solution Company Limited	-	100	-	125.00	-	103.27	-	-
Royal Orchid Hotel (Thailand) Public Co., Ltd. (Market value as at June 30, 2005 amount of THB 663.75 million and September 30, 2004 amount of THB 630.00 million)	24	24	225.00	225.00	287.13	283.74	55.14	26.94
Donmuang International Airport Hotel Company Limited	40	40	48.00	48.00	180.52	157.38	47.15	51.00
Bangkok Aviation Fuel Services Public Company Limited (Market value as at June 30, 2005 amount of THB 873.50 million and September 30, 2004 amount of THB 829.34 million)	22.6	22.6	76.79	76.79	496.63	415.52	88.79	67.53
Phuket Air Catering Company Limited	30	30	30.00	30.00	45.75	43.98	6.27	14.25
Suvarnabhumi Airport Hotel Company Limited	30	30	305.33	123.58	300.02	123.58	(5.31)	-
Sky Asia Company Limited	39	39	195.00	195.00	164.93	195.00	(30.07)	-
<b>Total investments using the equity method</b>					<b>1,474.98</b>	<b>1,322.47</b>	<b>161.97</b>	<b>159.72</b>
<b>3.7.2 Other long-term investments</b>								
stated at cost								
Fuel Pipeline Transportation Limited	8.4	8.4	133.00	133.00			-	-
Aeronautical Radio of Thailand Limited	3.5	3.5	22.94	22.94			-	-
SITA Investment Certificate	-	-	30.66	24.15			-	-
TRADESIAM Company Limited (paid 25% of authorized share capital)	3.5	3.5	1.75	1.75			-	-
Other Shares			2.99	3.02			1.49	1.75
Investment in private fund			101.80	100.28			-	-
<u>Less</u> Allowance for impairment of Fuel Pipeline Transportation Limited			(133.00)	(133.00)			-	-
<b>Total other long-term investments</b>			<b>160.14</b>	<b>152.14</b>			<b>1.49</b>	<b>1.75</b>

## The Company

Unit : Million Baht

Name of Company	Percentage of Shareholding		Investments				Income on investments	
	30-Jun-05	30-Sep-04	Cost method		Equity method		30-Jun-05	30-Jun-04
			30-Jun-05	30-Sep-04	30-Jun-05	30-Sep-04		
<b>3.7.1 Investments using the equity method</b>								
<b>Subsidiary Companies</b>								
Thai-Amadeus Southeast Asia Company Limited	55	55	8.25	8.25	270.00	249.81	63.17	61.73
Thai Information Solution Company Limited	-	100	-	125.00	-	103.27	-	0.38
<b>Total</b>					<b>270.00</b>	<b>353.08</b>	<b>63.17</b>	<b>62.11</b>
<b>Associated Companies</b>								
Royal Orchid Hotel (Thailand) Public Co., Ltd. (Market value as at June 30, 2005 amount of THB 663.75 million and September 30, 2004 amount of THB 630.00 million)	24	24	225.00	225.00	287.13	283.74	55.14	26.94
Donmuang International Airport Hotel Company Limited	40	40	48.00	48.00	180.52	157.38	47.15	51.00
Bangkok Aviation Fuel Services Public Company Limited (Market value as at June 30, 2005 amount of THB 873.50 million and September 30, 2004 amount of THB 829.34 million)	22.6	22.6	76.79	76.79	496.63	415.52	88.79	67.53
Phuket Air Catering Company Limited	30	30	30.00	30.00	45.75	43.98	6.27	14.25
Suvarnabhumi Airport Hotel Company Limited	30	30	305.33	123.58	300.02	123.58	(5.31)	-
Sky Asia Company Limited	39	39	195.00	195.00	164.93	195.00	(30.07)	-
<b>Total</b>					<b>1,474.98</b>	<b>1,219.20</b>	<b>161.97</b>	<b>159.72</b>
<b>Total investments using the equity method</b>					<b>1,744.98</b>	<b>1,572.28</b>	<b>225.14</b>	<b>221.83</b>
<b>3.7.2 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	3.5	3.5	22.94	22.94			-	-
SITA Investment Certificate	-	-	30.66	24.15			-	-
TRADESIAM Company Limited (paid 25% of authorized share capital)	3.5	3.5	1.75	1.75			-	-
Other Shares			2.99	3.02			1.49	1.75
<u>Less</u> Allowance for impairment of Fuel Pipeline Transportation Limited			(133.00)	(133.00)			-	-
<b>Total other long-term investments</b>			<b>58.34</b>	<b>51.86</b>			<b>1.49</b>	<b>1.75</b>

### 3.8 Related Parties The Company

#### 3.8.1 Major shareholders

	<u>30-Jun-05</u>	<u>30-Sep-04</u>
Ministry of Finance		
Guaranteed loans	450.00	1,677.42
Loans via the Ministry of Finance	26,925.48	28,893.01

#### 3.8.2 Subsidiary companies

	Unit : Million Baht			
	<b>Sales</b>			
	<u>Three-month periods</u>		<u>Nine-month periods</u>	
	<u>Apr-Jun'05</u>	<u>Apr-Jun'04</u>	<u>Oct'04-Jun'05</u>	<u>Oct'03-Jun'04</u>
Thai-Amadeus Southeast Asia Company Limited	17.02	17.14	39.60	54.48

	Unit : Million Baht			
	<u>Trade Account Receivables</u>		<u>Other Account Receivables</u>	
	<u>30-Jun-05</u>	<u>30-Sep-04</u>	<u>30-Jun-05</u>	<u>30-Sep-04</u>
Thai-Amadeus Southeast Asia Company Limited	0.16	0.17	15.99	15.82

The Company purchases goods and services from related parties on normal commercial terms.

### 3.9 Property, Plant and Equipment - Net

#### Consolidated

Unit : Million Baht

	Aircraft	Aircraft under financial leases	Aircraft spare parts	Land and buildings	Other plant and equipment	Total
<b>Cost</b>						
As at October 1, 2004	133,963.88	66,648.10	25,231.18	10,213.45	22,863.03	<b>258,919.64</b>
- Adjust/Transfer	(4,260.05)	21.52	(462.76)	60.66	173.46	<b>(4,467.17)</b>
- Increased asset	28,765.68	15,135.23	3,645.30	70.15	6,378.67	<b>53,995.03</b>
- Sold	(881.90)	(110.11)	(812.08)	(29.89)	(554.17)	<b>(2,388.15)</b>
As at June 30, 2005	<b>157,587.61</b>	<b>81,694.74</b>	<b>27,601.64</b>	<b>10,314.37</b>	<b>28,860.99</b>	<b>306,059.35</b>
<b>Accumulated depreciation</b>						
As at October 1, 2004	74,665.51	10,712.23	16,356.78	7,494.92	15,648.94	<b>124,878.38</b>
- Depreciation	4,618.95	2,417.90	1,500.88	278.69	752.37	<b>9,568.79</b>
- Adjust/Transfer	(680.40)	5.92	(231.51)	-	(1.88)	<b>(907.87)</b>
- Sold	(8.30)	(95.57)	(591.92)	(29.30)	(553.39)	<b>(1,278.48)</b>
As at June 30, 2005	<b>78,595.76</b>	<b>13,040.48</b>	<b>17,034.23</b>	<b>7,744.31</b>	<b>15,846.04</b>	<b>132,260.82</b>
<b>Net book value</b>						
As at September 30, 2004	<b>59,298.37</b>	<b>55,935.87</b>	<b>8,874.40</b>	<b>2,718.53</b>	<b>7,214.09</b>	<b>134,041.26</b>
As at June 30, 2005	<b>78,991.85</b>	<b>68,654.26</b>	<b>10,567.41</b>	<b>2,570.06</b>	<b>13,014.95</b>	<b>173,798.53</b>

#### The Company

Unit : Million Baht

	Aircraft	Aircraft under financial leases	Aircraft spare parts	Land and buildings	Other plant and equipment	Total
<b>Cost</b>						
As at October 1, 2004	133,963.88	66,648.10	25,231.18	10,213.45	22,698.62	<b>258,755.23</b>
- Adjust/Transfer	(4,260.05)	21.52	(462.76)	60.66	175.81	<b>(4,464.82)</b>
- Increased asset	28,765.68	15,135.23	3,645.30	70.15	6,357.59	<b>53,973.95</b>
- Sold	(881.90)	(110.11)	(812.08)	(29.89)	(554.17)	<b>(2,388.15)</b>
As at June 30, 2005	<b>157,587.61</b>	<b>81,694.74</b>	<b>27,601.64</b>	<b>10,314.37</b>	<b>28,677.85</b>	<b>305,876.21</b>
<b>Accumulated depreciation</b>						
As at October 1, 2004	74,665.51	10,712.23	16,356.78	7,494.92	15,569.86	<b>124,799.30</b>
- Depreciation	4,618.95	2,417.90	1,500.88	278.69	726.25	<b>9,542.67</b>
- Adjust/Transfer	(680.40)	5.92	(231.51)	-	0.05	<b>(905.94)</b>
- Sold	(8.30)	(95.57)	(591.92)	(29.30)	(553.39)	<b>(1,278.48)</b>
As at June 30, 2005	<b>78,595.76</b>	<b>13,040.48</b>	<b>17,034.23</b>	<b>7,744.31</b>	<b>15,742.77</b>	<b>132,157.55</b>
<b>Net book value</b>						
As at September 30, 2004	<b>59,298.37</b>	<b>55,935.87</b>	<b>8,874.40</b>	<b>2,718.53</b>	<b>7,128.76</b>	<b>133,955.93</b>
As at June 30, 2005	<b>78,991.85</b>	<b>68,654.26</b>	<b>10,567.41</b>	<b>2,570.06</b>	<b>12,935.08</b>	<b>173,718.66</b>

In this period, there are 86 aircraft in the Company's fleet consisting of 59 own aircraft, 15 aircraft under financial leases, and 12 aircraft under operating leases.

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

Other plant and equipment-net amount of THB 13,014.95 million (consolidated) and THB 12,935.08 millions (the Company) have already included the work in progress of Suvarnabhumi project amount of THB 8,458.55 million consisting of building, facilities, equipment and information technology which support to the services in Suvarnabhumi Airport.

The Company uses buildings and equipment amount of THB 30,322.49 million that are now fully depreciated.

### 3.10 Non - Current Assets - Others

	Unit : Million Baht			
	<u>Consolidated</u>		<u>The Company</u>	
	<u>30-Jun-05</u>	<u>30-Sep-04</u>	<u>30-Jun-05</u>	<u>30-Sep-04</u>
Deferred charges	674.63	824.99	674.63	824.99
Deferred income taxes	<u>5,015.79</u>	<u>4,878.36</u>	<u>5,006.90</u>	<u>4,871.23</u>
<b>Total</b>	<b><u>5,690.42</u></b>	<b><u>5,703.35</u></b>	<b><u>5,681.53</u></b>	<b><u>5,696.22</u></b>

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

### 3.11 Dividends The Company

According to the Annual General Shareholders' Meeting for the year 2004 held on December 17, 2004 approved the Company to pay the dividends for the second half-year 2004 operation at THB 1.00 per share for an aggregate of THB 1,692.08 million (1,685,000,000 old shares plus 7,076,200 new shares, totalling 1,692,076,200 shares).

### 3.12 Debenture Bonds

According to the Resolution of Extraordinary Shareholders' Meeting No. 1/2546 held on September 2, 2003 approved the Company to issue debentures in the amount of THB 40 billion. The company has already issued its debentures for the first tranche of THB 10 billion, the second tranche of THB 15 billion, and the the third tranche of THB 15 billion, totalling to THB 40 billion which has already been transferred to the Company's account. The details are as follows:

	<b>Tenor (Year)</b>	<b>Interest Rate Pay every 6 months (%)</b>	<b>Amount (MTHB)</b>	<b>Maturity date</b>
<u>The first</u>	5	3.00	5,500	October 8, 2008
	7	3.70	<u>4,500</u>	October 8, 2010
The balance as at September 30, 2004			<u>10,000</u>	
<u>The second</u>	5	4.65	7,500	October 20, 2009
	7	5.20	4,500	October 20, 2011
	10	5.80	<u>3,000</u>	October 20, 2014
			<u>15,000</u>	
The balance as at March 31, 2005			<u>25,000</u>	
<u>The third</u>	3	3.82	6,000	May 12, 2008
	6	4.67	6,000	May 12, 2011
	10	5.19	<u>3,000</u>	May 12, 2015
			<u>15,000</u>	
<b>The balance as at June 30, 2005</b>			<b><u>40,000</u></b>	

The Company has registered these debentures with the Thai Bond Dealing Center (THAI BDC) in the bond electronic exchange of the Stock Exchange of Thailand.

### 3.13 Share Capital

As at June 30, 2005, the Company has authorized ordinary shares amount of 1,700 million shares at par value THB 10 each for an aggregate of THB 17,000 million, issued and paid-up ordinary shares amount of THB 16,988.77 million. The details are as follows:

	<b>No. of Shares (Shares)</b>	<b>Issued and Paid-up Shares (THB)</b>
As at September 30, 2004	1,685,000,000	16,850,000,000
On October 15, 2004, the employees subscribed the ordinary shares and 1 <sup>st</sup> exercised type - one warrants.	7,076,200	70,762,000
On January 13, 2005, the employees 2 <sup>nd</sup> exercised type - one warrants.	3,350	33,500
On May 9, 2005, the employees 2 <sup>nd</sup> subscribed the ordinary shares, 3 <sup>rd</sup> exercised type - one warrants and 1 <sup>st</sup> exercised type - two warrants.	<u>6,797,000</u>	<u>67,970,000</u>
<b>Total</b>	<b><u>1,698,876,550</u></b>	<b><u>16,988,765,500</u></b>

The Company determined the 4<sup>th</sup> exercise of type-one warrants and 2<sup>nd</sup> exercise of type-two warrants to purchase ordinary shares on June 27 - July 1, 2005. As at June 30, 2005, the proceeds from these shares are THB 0.13 million presented in shareholders' equity under "the proceeds from ESOP offering".

### 3.14 Basic Earnings (Losses) Per Share Consolidated and the Company

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

Diluted earnings (losses) per share is calculated by dividing net profit (loss) for the period by the weighted average number of ordinary shares outstanding during the period adjusted by all dilutive potential ordinary shares under the assumptions that all dilutive potential ordinary shares are converted into ordinary shares. The dilutive potential ordinary shares of the Company are ordinary shares and warrants to purchase the ordinary shares under ESOP.

<b><u>Consolidated and the Company</u></b>			
<b><u>For the three-month periods ended June 30, 2005</u></b>			
	<b>Losses (THB)</b>	<b>No. of Shares (Shares)</b>	<b>Losses per share (THB)</b>
<b>Basic losses per share</b>			
Net losses attributable to ordinary shareholders	(4,779,445,895)	1,693,034,955.86	(2.82)
<b>Effects of dilutive potential ordinary shares</b>			
Ordinary shares not exercising the rights	-	-	
Warrants to purchase ordinary shares not exercising the rights	-	<u>22,579.40</u>	
<b>Diluted losses per share</b>			
Net losses attributable to ordinary shareholders under conversion assumption to ordinary shares	<u>(4,779,445,895)</u>	<u>1,693,057,535.26</u>	(2.82)

<b><u>Consolidated and the Company</u></b>			
<b><u>For the nine-month periods ended June 30, 2005</u></b>			
	<b>Profit (THB)</b>	<b>No. of Shares (Shares)</b>	<b>Earnings per share (THB)</b>
<b>Basic earnings per share</b>			
Net profits attributable to ordinary shareholders	4,428,133,149	1,693,034,955.86	2.62
<b>Effects of dilutive potential ordinary shares</b>			
Ordinary shares not exercising the rights	-	-	
Warrants to purchase ordinary shares not exercising the rights	-	<u>22,579.40</u>	
<b>Diluted earnings per share</b>			
Net profits attributable to ordinary shareholders under conversion assumption to ordinary shares	<u>4,428,133,149</u>	<u>1,693,057,535.26</u>	2.62

### 3.15 Financial Information by Segment Consolidated

#### 3.15.1 Business segments

##### Statements of Income

For the three-month periods ended June 30, 2005 and 2004

Unit : Million Baht

	<u>Revenues</u>		<u>Inter - Segment Revenues</u>		<u>Total Revenues</u>		<u>Segment Results</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
	Air transportation	35,250.87	32,916.41	-	-	35,250.87	32,916.41	(3,000.39)
Business Units	1,598.55	1,529.02	3,299.26	3,181.96	4,897.81	4,710.98	(336.79)	999.14
Other activities	279.06	152.90	90.11	76.44	369.17	229.34	121.99	93.56
Eliminations	-	-	(3,389.37)	(3,258.40)	-	-	-	-
Operating profits (losses)							(3,215.19)	1,716.02
Share of net profit from subsidiaries and associated companies							71.94	92.60
Interest expenses-net							(950.55)	(1,403.43)
Losses on foreign currency exchange							(2,721.35)	(1,346.75)
Other revenues (expenses)							(31.39)	(345.68)
Minority interests							(16.59)	(16.38)
Income taxes							<u>2,083.68</u>	<u>390.47</u>
<b>Net losses</b>							<b><u>(4,779.45)</u></b>	<b><u>(913.15)</u></b>

##### Statements of Income

For the nine-month periods ended June 30, 2005 and 2004

Unit : Million Baht

	<u>Revenues</u>		<u>Inter - Segment Revenues</u>		<u>Total Revenues</u>		<u>Segment Results</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
	Air transportation	113,152.96	107,081.79	-	-	113,152.96	107,081.79	6,738.24
Business Units	4,932.91	4,627.22	9,765.97	10,082.87	14,698.88	14,710.09	1,058.66	3,386.27
Other activities	836.26	466.52	249.11	256.19	1,085.37	722.71	325.62	289.11
Eliminations	-	-	(10,015.08)	(10,339.06)	-	-	-	-
Operating profits							8,122.52	17,869.84
Share of net profit from subsidiaries and associated companies							161.96	159.72
Interest expenses-net							(2,588.99)	(3,433.55)
Gains (losses) on foreign currency exchange							46.73	(2,097.35)
Other revenues (expenses)							640.23	(270.31)
Minority interests							(51.68)	(50.50)
Income taxes							<u>(1,902.64)</u>	<u>(3,582.22)</u>
<b>Net profits</b>							<b><u>4,428.13</u></b>	<b><u>8,595.63</u></b>

**Assets and Liabilities**

**As at June 30, 2005 and September 30, 2004**

	<u>Current Assets</u>		<u>Non-Current Assets</u>		<u>Unit : Million Baht Total Assets</u>	
	<u>30-Jun-05</u>	<u>30-Sep-04</u>	<u>30-Jun-05</u>	<u>30-Sep-04</u>	<u>30-Jun-05</u>	<u>30-Sep-04</u>
	Air transportation	46,574.30	49,198.21	178,695.33	138,559.50	225,269.63
Business Units	530.82	429.30	2,238.19	2,466.98	2,769.01	2,896.28
Other activities	<u>2,516.55</u>	<u>2,363.80</u>	<u>190.56</u>	<u>192.74</u>	<u>2,707.11</u>	<u>2,556.54</u>
<b>Total</b>	<b><u>49,621.67</u></b>	<b><u>51,991.31</u></b>	<b><u>181,124.08</u></b>	<b><u>141,219.22</u></b>	<b><u>230,745.75</u></b>	<b><u>193,210.53</u></b>

	<u>Current Liabilities</u>		<u>Non-Current Liabilities</u>		<u>Unit : Million Baht Total Liabilities</u>	
	<u>30-Jun-05</u>	<u>30-Sep-04</u>	<u>30-Jun-05</u>	<u>30-Sep-04</u>	<u>30-Jun-05</u>	<u>30-Sep-04</u>
	Air transportation	62,589.37	58,958.75	110,442.77	79,305.99	173,032.14
Business Units	318.23	170.12	169.71	123.56	487.94	293.68
Other activities	<u>358.13</u>	<u>328.36</u>	<u>-</u>	<u>-</u>	<u>358.13</u>	<u>328.36</u>
<b>Total</b>	<b><u>63,265.73</u></b>	<b><u>59,457.23</u></b>	<b><u>110,612.48</u></b>	<b><u>79,429.55</u></b>	<b><u>173,878.21</u></b>	<b><u>138,886.78</u></b>

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

Segment assets are those operating assets that are employed by a segment in its operating activities.

Segment 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 off discount. Those transfers are eliminated in consolidation.

**3.15.2 Geographical segments**

	<u>Unit : Million Baht</u>			
	<u>Three -month Periods</u>		<u>Nine -month Periods</u>	
	<u>Apr-Jun'05</u>	<u>Apr-Jun'04</u>	<u>Oct'04-Jun'05</u>	<u>Oct'03-Jun'04</u>
Domestic Revenues				
Transportation	2,300.84	2,494.30	7,932.93	9,074.49
Business units	1,598.55	1,529.02	4,932.91	4,627.22
Other activities	<u>279.06</u>	<u>152.90</u>	<u>836.26</u>	<u>466.52</u>
<b>Total domestic revenues</b>	<b><u>4,178.45</u></b>	<b><u>4,176.22</u></b>	<b><u>13,702.10</u></b>	<b><u>14,168.23</u></b>
Foreign Transportation Revenues				
Regional Asia	16,355.82	16,276.62	51,725.39	50,193.98
Europe	9,650.21	9,180.69	33,150.92	31,117.72
North Pacific	1,258.82	770.01	2,808.34	3,385.50
Australia & New Zealand	<u>2,577.52</u>	<u>2,804.44</u>	<u>9,148.62</u>	<u>9,182.40</u>
<b>Total foreign transportation revenues</b>	<b><u>29,842.37</u></b>	<b><u>29,031.76</u></b>	<b><u>96,833.27</u></b>	<b><u>93,879.60</u></b>
Charter revenues and others	1,128.05	791.78	3,328.11	2,186.44
Insurance surcharge from passengers	594.05	598.57	1,868.69	1,941.26
Fuel surcharge from passengers	<u>1,385.56</u>	<u>-</u>	<u>3,189.96</u>	<u>-</u>
<b>Total</b>	<b><u>37,128.48</u></b>	<b><u>34,598.33</u></b>	<b><u>118,922.13</u></b>	<b><u>112,175.53</u></b>

### 3.16 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 and liabilities 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:

	Unit : Million Baht	
	<u>30-Jun-05</u>	<u>30-Sep-04</u>
Cash and cash equivalents	8.93	89.93
Fixed deposits due over 3 months	4,017.39	3,807.94
Other current assets	<u>41.71</u>	<u>14.89</u>
	<u>4,068.03</u>	<u>3,912.76</u>
Other current liabilities	10.71	14.69
Staff pension fund	<u>4,503.22</u>	<u>4,220.77</u>
	<u>4,513.93</u>	<u>4,235.46</u>

As at June 30, 2005, the fund balance was THB 4,503.22 million, equal to the Company's obligation to its staff under the fund. In this period, the Company contributes to the fund at the rate of 10% in the amount of THB 196.01 million plus an obligation amount of THB 445.90 million, totalling THB 641.91 million.

### 3.17 Staff Provident Fund

The Company contributes to the provident fund at the rate of 9% members having not more than 20 years of services and 10% for members having more than 20 years of services, representing amounts of THB 626.21 million in this period.

### 3.18 Contingent Liabilities

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

	Unit : Million Baht	
	<u>The Company</u>	
	<u>30-Jun-05</u>	<u>30-Sep-04</u>
Letters of guarantee issued by banks		
The Company as defendant in		
Labour dispute cases	11.06	16.71
Damage claims cases	658.82	750.55
Expense for dispute case with Civil Aviation Training Center	288.21	564.86
	<u>128.55</u>	<u>-</u>
<b>Total</b>	<u><b>1,086.64</b></u>	<u><b>1,332.12</b></u>

### **3.19 Contractual Obligations**

#### **3.19.1 Obligation to Purchase Aircraft**

The Company has a payment obligation to purchase aircraft amount of THB 109,733.73 million.

#### **3.19.2 Leases Aircraft Obligations**

The Company has entered into operating leases with foreign companies for 12 aircraft with lease terms of 10-11 years. The aggregate lease payment obligations of the Company under the rest of the lease term 2-4 years amounted to USD 381.16 million or approximately THB 15,783.49 million (exchange rate USD 1 : THB 41.4091)

#### **3.19.3 Contractual Obligation and Memorandum Agreement in Suvarnabhumi Airport Project**

The Company has entered into a contractual and memorandum agreement in Suvarnabhumi Airport project for an aggregate of THB 12,452.02 million by recording as work in progress amount of THB 8,458.55 million, leaving the payment obligation of THB 3,993.47 million.

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