

(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 December 31, 2005, the related consolidated and the Company statements of income, changes in shareholders' equity and cash flows for the three - month periods ended December 31, 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, 2005 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 17, 2005. The consolidated and the Company balance sheets as at September 30, 2005, 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.

(Signed) *Pensri Soranaraks*

(Pensri Soranaraks)
Deputy Auditor General

(Signed) *Peeraporn Methawikul*

(Peeraporn Methawikul)
Auditor-in-charge

February 2, 2005

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

BALANCE SHEETS

AS AT DECEMBER 31, 2005 AND SEPTEMBER 30, 2005

Unit : Baht

	Notes	CONSOLIDATED		THE COMPANY	
		31 December 2005 (reviewed)	30 September 2005 (audited)	31 December 2005 (reviewed)	30 September 2005 (audited)
ASSETS					
Current Assets					
Cash and cash equivalents	3.2	8,084,725,559	9,930,000,904	7,694,870,402	9,589,521,953
Trade account receivables-net	3.3	16,765,216,944	15,468,179,546	16,721,287,636	15,423,035,075
Inventories and supplies-net		5,305,923,820	5,095,985,028	5,305,923,820	5,095,985,028
Other current assets	3.4	14,466,602,249	13,654,129,844	14,453,477,227	13,630,866,502
Total Current Assets		44,622,468,572	44,148,295,322	44,175,559,085	43,739,408,558
Non-Current Assets					
Investments by the equity method	3.5.1	1,428,938,336	1,402,118,521	1,679,624,347	1,667,828,330
Other long-term investments	3.5.2	195,555,434	190,010,922	93,519,099	88,376,676
Property, Plant and Equipment-Net	3.7	197,490,977,180	180,983,297,860	197,453,867,785	180,940,866,547
Intangible Assets-net	3.8	82,125,504	-	82,055,464	-
Others	3.9	5,432,865,186	4,914,554,188	5,422,631,160	4,905,245,319
Total Non-Current Assets		204,630,461,640	187,489,981,491	204,731,697,855	187,602,316,872
Total Assets		249,252,930,212	231,638,276,813	248,907,256,940	231,341,725,430

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

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

BALANCE SHEETS

AS AT DECEMBER 31, 2005 AND SEPTEMBER 30, 2005

Unit : Baht				
Notes	<u>CONSOLIDATED</u>		<u>THE COMPANY</u>	
	<u>31 December 2005</u>	<u>30 September 2005</u>	<u>31 December 2005</u>	<u>30 September 2005</u>
	(reviewed)	(restated)	(reviewed)	(restated)
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current Liabilities				
Trade account payables	6,962,605,911	7,993,856,108	6,952,319,902	7,981,405,194
Current portion of long-term loans				
Long-term loans	14,741,179,883	6,117,198,306	14,741,179,883	6,117,198,306
Liabilities under financial leases	9,336,342,464	6,587,594,104	9,336,342,464	6,587,594,104
Promissory notes	1,050,000,000	1,050,000,000	1,050,000,000	1,050,000,000
Provision for contingent liabilities	141,049,404	141,049,404	141,049,404	141,049,404
Other current liabilities				
Accrued expenses	12,816,115,977	16,273,774,116	12,801,436,236	16,256,628,995
Accrued dividends	2,654,657,316	52,475,790	2,600,657,285	52,475,759
Accrued income taxes	1,612,454,850	28,411,385	1,571,960,780	-
Unearned transportation revenues	19,153,424,919	17,953,215,464	19,153,424,919	17,953,215,464
Others	4,924,995,546	4,575,376,372	4,903,888,861	4,554,231,374
Total Current Liabilities	73,392,826,270	60,772,951,049	73,252,259,734	60,693,798,600
Non-Current Liabilities				
Long-term debts				
Debentures	40,000,000,000	40,000,000,000	40,000,000,000	40,000,000,000
Long-term loans	4,806,749,000	13,809,393,871	4,806,749,000	13,809,393,871
Liabilities under financial leases	61,966,321,782	49,101,100,338	61,966,321,782	49,101,100,338
Promissory notes	3,900,000,000	4,200,000,000	3,900,000,000	4,200,000,000
Staff pension fund	4,726,057,825	4,542,741,371	4,726,057,825	4,542,741,371
Total Non-Current Liabilities	115,399,128,607	111,653,235,580	115,399,128,607	111,653,235,580
Total Liabilities	188,791,954,877	172,426,186,629	188,651,388,341	172,347,034,180
Shareholders' Equity				
Share capital	3.11			
Authorized				
1,700.00 million ordinary shares par value of Baht 10 each	17,000,000,000	17,000,000,000	17,000,000,000	17,000,000,000
Issued and paid-up				
1,698.89 million ordinary shares par value of Baht 10 each	16,988,897,500	16,988,881,500	16,988,897,500	16,988,881,500
Premium on share capital	15,646,769,354	15,646,761,354	15,646,769,354	15,646,761,354
Proceeds from ESOP offering	73,500	12,000	73,500	12,000
Unrealised losses on current investment-available-for-sale securities	(621,305)	(477,805)	(621,305)	(477,805)
Retained earnings				
Appropriated				
Legal reserve	1,700,000,000	1,700,000,000	1,700,000,000	1,700,000,000
Unappropriated	25,920,749,550	24,659,514,201	25,920,749,550	24,659,514,201
Total Company Shareholders' Equity	60,255,868,599	58,994,691,250	60,255,868,599	58,994,691,250
Minority interests	205,106,736	217,398,934	-	-
Total Shareholders' Equity	60,460,975,335	59,212,090,184	60,255,868,599	58,994,691,250
Total Liabilities and Shareholders' Equity	249,252,930,212	231,638,276,813	248,907,256,940	231,341,725,430

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 December 31, 2005 and 2004

	<u>CONSOLIDATED</u>		<u>THE COMPANY</u>	
	<u>2005</u>	<u>2004</u> (restated)	<u>2005</u>	<u>2004</u> (restated)
Revenues from the Sale of Goods and the Rendering of Services				
Passenger and excess baggage	36,411,303,583	34,442,204,762	36,411,303,583	34,442,204,762
Freight	6,904,091,555	6,348,925,742	6,904,091,555	6,348,925,742
Mail	304,048,711	313,169,512	304,048,711	313,169,512
Other activities	2,258,909,026	1,958,319,271	2,176,446,435	1,859,835,170
Total Revenues from the Sale of Goods and the Rendering of Services	45,878,352,875	43,062,619,287	45,795,890,284	42,964,135,186
Operating expenses :				
Personnel	6,665,450,990	7,210,289,116	6,658,006,576	7,204,458,217
Fuel and oil	14,484,986,746	11,199,610,749	14,484,986,746	11,199,610,749
Inventories and supplies	2,491,794,395	2,198,515,157	2,491,794,395	2,198,515,157
Lease of aircraft and spare parts	1,428,490,756	1,573,694,196	1,428,490,756	1,573,694,196
Flight operations	9,320,410,257	8,943,179,027	9,320,410,257	8,943,179,027
Depreciation	3,832,999,426	3,036,069,182	3,825,781,553	3,027,494,446
Marketing	673,048,180	788,491,706	665,595,258	779,490,991
Insurance	509,512,507	499,638,111	509,512,507	499,638,111
Remuneration to board of directors	15,822,403	25,515,381	15,700,403	25,312,131
Other operating expenses	1,163,459,073	1,330,835,351	1,144,135,089	1,305,473,054
Total operating expenses	40,585,974,733	36,805,837,976	40,544,413,540	36,756,866,079
Profit from the Sale of Goods and the Rendering of Services	5,292,378,142	6,256,781,311	5,251,476,744	6,207,269,107

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 December 31, 2005 and 2004

Unit : Baht

	Notes	CONSOLIDATED		THE COMPANY	
		2005	2004 (restated)	2005	2004 (restated)
Profits from the Sale of Goods and the Rendering of Services		5,292,378,142	6,256,781,311	5,251,476,744	6,207,269,107
Other Income					
Interest income		75,213,937	110,281,165	74,761,686	110,090,039
Others		20,118,624	782,954,491	20,167,457	781,140,142
Total Other Income		95,332,561	893,235,656	94,929,143	891,230,181
Other Expenses					
Gains on foreign currency exchange		(1,383,821,235)	(2,055,441,692)	(1,383,821,235)	(2,055,441,692)
Yields from pension fund		17,719,902	10,095,986	17,719,902	10,095,986
Others		180,437,086	149,707,642	177,256,526	147,208,672
Total Other Expenses		(1,185,664,247)	(1,895,638,064)	(1,188,844,807)	(1,898,137,034)
Profits from Operations		6,573,374,950	9,045,655,031	6,535,250,694	8,996,636,322
Share of Profits from Investments by the Equity Method					
Share of net profit from subsidiary companies		-	-	14,819,703	18,856,442
Share of net profit from associated companies		26,819,815	51,771,543	26,819,815	51,771,543
Total Share of Profits from Investments by the Equity Method	3.5.1	26,819,815	51,771,543	41,639,518	70,627,985
Profits before Interest and Income Tax Expenses		6,600,194,765	9,097,426,574	6,576,890,212	9,067,264,307
Interest expenses		1,148,059,657	925,405,135	1,148,059,657	925,405,135
Income tax expenses		1,630,439,922	2,439,622,089	1,619,260,581	2,424,887,820
Profits after Tax		3,821,695,186	5,732,399,350	3,809,569,974	5,716,971,352
Net profit of minority interest		12,125,212	15,427,998	-	-
Net profits		3,809,569,974	5,716,971,352	3,809,569,974	5,716,971,352
Basic earnings per share	3.12				
Net profits		2.24	3.38	2.24	3.38
Diluted earnings per share	3.12				
Net profits		2.24	3.37	2.24	3.37

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

(Signed) *Somchainuk Engtrakul*
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Board of Director
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Executive Vice President
Finance and Accounting

Reviewed

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the three - month periods ended December 31, 2005 and 2004

Unit : Baht

		CONSOLIDATED						
Notes	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	Total
Balance as at October 1, 2004	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 gain on current investment - available-for-sale securities	-	-	-	(317,227,142)	-	-	(97,006)	(317,324,148)
<u>Add</u> Net Profits	-	-	-	-	-	5,716,971,352	15,427,998	5,732,399,350
<u>Less</u> Dividends paid	-	-	-	-	-	(1,692,076,200)	(35,100,000)	(1,727,176,200)
<u>Add</u> Issued share capital	70,762,000	32,849,239	-	-	-	-	-	103,611,239
<u>Add</u> Proceeds from ESOP offering	-	-	(96,694,236)	-	-	-	-	(96,694,236)
Balance as at December 31, 2004	16,920,762,000	15,613,399,721	38,250	(83,467)	1,700,000,000	23,599,834,089	184,621,844	58,018,572,437
Balance as at October 1, 2005	16,988,881,500	15,646,761,354	12,000	(477,805)	1,700,000,000	24,659,514,201	217,398,934	59,212,090,184
- Unrealised losses on current investment - available-for-sale securities	-	-	-	(143,500)	-	-	(117,410)	(260,910)
<u>Add</u> Net Profits	-	-	-	-	-	3,809,569,974	12,125,212	3,821,695,186
<u>Less</u> Dividends paid	3.10	-	-	-	-	(2,548,334,625)	(24,300,000)	(2,572,634,625)
<u>Add</u> Issued share capital	3.11	16,000	8,000	-	-	-	-	24,000
<u>Add</u> Proceeds from ESOP offering	-	-	61,500	-	-	-	-	61,500
Balance as at December 31, 2005	16,988,897,500	15,646,769,354	73,500	(621,305)	1,700,000,000	25,920,749,550	205,106,736	60,460,975,335

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

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Executive Vice President
Finance and Accounting

Reviewed

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the three - month periods ended December 31, 2005 and 2004

Unit : Baht

	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	
Balance as at October 1, 2004	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 gain on current investment - available-for-sale securities	-	-	-	(317,227,142)	-	-	(317,227,142)
<u>Add</u> Net Profits	-	-	-	-	-	5,716,971,352	5,716,971,352
<u>Less</u> Dividends paid	-	-	-	-	-	(1,692,076,200)	(1,692,076,200)
<u>Add</u> Issued share capital	70,762,000	32,849,239	-	-	-	-	103,611,239
<u>Add</u> Proceeds from ESOP offering	-	-	(96,694,236)	-	-	-	(96,694,236)
Balance as at December 31, 2004	16,920,762,000	15,613,399,721	38,250	(83,467)	1,700,000,000	23,599,834,089	57,833,950,593
Balance as at October 1, 2005	16,988,881,500	15,646,761,354	12,000	(477,805)	1,700,000,000	24,659,514,201	58,994,691,250
- Unrealised losses on current investment - available-for-sale securities	-	-	-	(143,500)	-	-	(143,500)
<u>Add</u> Net Profits	-	-	-	-	-	3,809,569,974	3,809,569,974
<u>Less</u> Dividends paid	3.10	-	-	-	-	(2,548,334,625)	(2,548,334,625)
<u>Add</u> Issued share capital	3.11	16,000	8,000	-	-	-	24,000
<u>Add</u> Proceeds from ESOP offering	-	-	61,500	-	-	-	61,500
Balance as at December 31, 2005	16,988,897,500	15,646,769,354	73,500	(621,305)	1,700,000,000	25,920,749,550	60,255,868,599

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 CASH FLOWS

For the three - month periods ended December 31, 2005 and 2004

	<u>CONSOLIDATED</u>		<u>THE COMPANY</u>	
	<u>2005</u>	<u>2004</u> (restated)	<u>2005</u>	<u>2004</u> (restated)
Cash flows from operating activities				
Net profit	3,809,569,974	5,716,971,352	3,809,569,974	5,716,971,352
Adjustment to reconcile net profit to cash provided by (paid from) operating activities :				
Depreciation	3,832,999,426	3,036,069,182	3,825,781,553	3,027,494,446
Income from investments by the equity method	(26,819,815)	(51,771,543)	(41,639,518)	(70,627,985)
Losses on sales of assets	85,038,826	24,179,055	85,038,826	23,680,369
Gain on current investments-available-for-sale securities	(806,500)	(372,025,154)	(143,501)	(371,486,133)
Amortisation of deferred charges	38,691,974	36,403,600	38,691,974	36,403,600
Losses (gains) on foreign currency exchange	(1,221,002,607)	(1,903,837,438)	(1,221,002,607)	(1,903,837,438)
Net profit of minority interests	12,125,212	15,427,998	-	-
Reserve for obsolete inventories	21,436,812	53,119,678	21,436,812	53,119,678
Allowance for doubtful accounts and impairment in value of assets	26,087,493	(4,712,069)	22,923,637	(7,196,065)
Operating profit before changes in operating assets and liabilities	6,577,320,795	6,549,824,661	6,540,657,150	6,504,521,824
Decrease (increase) in operating assets :				
Trade account receivables	(1,521,972,376)	(1,569,685,162)	(1,520,023,682)	(1,564,211,742)
Inventories and supplies	(231,375,605)	(383,276,893)	(231,375,605)	(383,276,893)
Prepaid expenses and deposits	49,594,223	886,229,166	52,473,103	886,259,166
Other current assets	(836,548,118)	(467,264,994)	(849,565,319)	(501,845,501)
Deferred income taxes	(9,841,944)	117,434,970	(8,916,787)	118,225,169
Deferred charges	(531,622,154)	-	(531,622,154)	-
Increase (decrease) in operating liabilities :				
Accrued expenses and other current liabilities	(1,051,392,088)	408,002,029	(1,049,227,183)	410,612,472
Staff pension fund	(1,590,792,090)	(1,436,727,622)	(1,600,371,081)	(1,453,259,393)
Unearned transportation revenue	183,316,454	173,824,311	183,316,454	173,824,311
Unearned transportation revenue	1,235,492,080	1,160,785,009	1,235,492,080	1,160,785,009
Net cash from operating activities	2,272,179,177	5,439,145,475	2,220,836,976	5,351,634,422

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 three - month periods ended December 31, 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)
Cash flows from investing activities				
Cash paid for acquisition of fixed assets	(5,559,322,210)	(22,145,541,260)	(5,557,356,215)	(22,136,159,040)
Cash paid for intangible assets	(83,517,041)	-	(83,517,041)	-
Cash received from transferring down payment of aircraft and aircraft spare parts	2,065,589,465	-	2,065,589,465	-
Cash received from sales of assets	29,651,404	20,519,755	29,651,404	20,519,755
Investments decrease	23,776,358	45,044,076	23,776,358	45,044,076
Cash received from current investments-available-for-sale securities	-	377,833,554	-	377,833,554
Net cash used in investing activities	<u>(3,523,822,024)</u>	<u>(21,702,143,875)</u>	<u>(3,521,856,029)</u>	<u>(21,692,761,655)</u>
Cash flows from financing activities				
Cash received from debentures	-	15,000,000,000	-	15,000,000,000
Cash received from long-term loans	1,259,525,538	-	1,259,525,538	-
Cash received from issuing ordinary shares	8,000	6,299,450	8,000	6,299,450
Cash received from premium on ordinary shares	4,000	617,964	4,000	617,964
Cash received from subscription of ESOP	73,500	(411)	73,500	(411)
Cash paid for repayment of long-term loans	(1,634,552,186)	(3,393,337,228)	(1,634,552,186)	(3,393,337,228)
Cash paid for repayment of promissory notes	(300,000,000)	(300,000,000)	(300,000,000)	(300,000,000)
Dividends paid	(153,099)	(1,388,239)	(153,099)	(1,388,239)
Net cash from financing activities	<u>(675,094,247)</u>	<u>11,312,191,536</u>	<u>(675,094,247)</u>	<u>11,312,191,536</u>
Decrease in cash and cash equivalents	(1,926,737,094)	(4,950,806,864)	(1,976,113,300)	(5,028,935,697)
Increase in the effect from changing in exchange rate on cash and cash equivalents	81,461,749	9,809,296	81,461,749	9,809,296
Cash and cash equivalents at the beginning of the periods	9,930,000,904	20,888,514,393	9,589,521,953	20,618,162,278
Cash and cash equivalents at the end of the periods	<u>8,084,725,559</u>	<u>15,947,516,825</u>	<u>7,694,870,402</u>	<u>15,599,035,877</u>

Supplementary cash flows information :

Cash paid during the year for

Interest expenses

1,450,873,111 696,531,247 1,450,873,111 696,531,247

Corporate income tax

56,238,401 60,212,008 56,216,588 60,192,357

Non - cash item

Assets under financial lease

16,975,783,568 - 16,975,783,568 -

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

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

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

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

For the three - month periods ended December 31, 2005 (reviewed)
and for the year ended September 30, 2005 (audited)

1. BASIC OF FINANCIAL STATEMENT 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, 2005. 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, 2005.

3. SUPPLEMENTARY INFORMATION

3.1 In this fiscal year, the Company applies the accounting policy regarding to an intangible asset for a computer software which can be separated from the related hardware and amortised as expense on a straight-line basis over an estimated useful life of 5 years.

3.2 Cash and Cash Equivalents

	Consolidated		Unit : Million Baht The Company	
	31-Dec-05	30-Sep-05	31-Dec-05	30-Sep-05
	Cash - Domestic	13.45	13.27	13.45
Cash - Abroad	22.19	27.50	22.19	27.50
Bank Deposits - Domestic	3,538.17	3,907.86	3,148.31	3,567.38
Bank Deposits - Abroad	<u>4,510.92</u>	<u>5,981.37</u>	<u>4,510.92</u>	<u>5,981.37</u>
Total	<u>8,084.73</u>	<u>9,930.00</u>	<u>7,694.87</u>	<u>9,589.52</u>

3.3 Trade Account Receivables - Net

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

	Consolidated		Unit : Million Baht The Company	
	31-Dec-05	30-Sep-05	31-Dec-05	30-Sep-05
	Period of overdue			
Not over 6 months	16,681.86	15,398.90	16,641.54	15,358.19
Over : 6 months to 1 year	151.67	109.04	148.17	106.31
Over : 1 year to 2 years	30.16	59.04	22.68	46.75
Over : 2 years	<u>1,136.64</u>	<u>1,110.20</u>	<u>1,122.42</u>	<u>1,102.37</u>
	18,000.33	16,677.18	17,934.81	16,613.62
<u>Less</u> Allowance for doubtful accounts	<u>(1,235.11)</u>	<u>(1,209.00)</u>	<u>(1,213.52)</u>	<u>(1,190.58)</u>
Trade account receivables - net	<u>16,765.22</u>	<u>15,468.18</u>	<u>16,721.29</u>	<u>15,423.04</u>

3.4 Other Current Assets

	Consolidated		Unit : Million Baht The Company	
	31-Dec-05	30-Sep-05	31-Dec-05	30-Sep-05
	Prepaid expenses and deposits	4,877.61	4,920.62	4,871.55
Tax refund	2,289.84	2,289.84	2,289.84	2,289.84
Cash and fixed deposits of pension fund	4,109.58	4,126.62	4,109.58	4,126.62
Others	<u>3,189.57</u>	<u>2,317.05</u>	<u>3,182.51</u>	<u>2,296.97</u>
Total	<u>14,466.60</u>	<u>13,654.13</u>	<u>14,453.48</u>	<u>13,630.87</u>

Cash and fixed deposits of the Company's pension fund was discussed in Note 3.14.

3.5 Investments

Consolidated

Unit : Million Baht

Name of Company	Percentage of Shareholding		Investments				Income on investments	
	31-Dec-05	30-Sep-05	Cost method		Equity method		31-Dec-05	31-Dec-04
			31-Dec-05	30-Sep-05	31-Dec-05	30-Sep-05		
3.5.1 Investments using the equity method								
Royal Orchid Hotel (Thailand) Public Co., Ltd. (Market value as at December 31, 2005 amount of THB 720.00 Million and September 30, 2005 amount of THB 630.00 million)	24	24	225.00	225.00	307.72	294.72	13.00	12.24
Donmuang International Airport Hotel Company Limited	40	40	48.00	48.00	188.33	175.69	12.64	16.88
Bangkok Aviation Fuel Services Public Company Limited (Market value as at December 31, 2005 amount of THB 873.50 Million and September 30, 2005 amount of THB 863.90 million)	22.6	22.6	76.79	76.79	456.21	424.88	31.33	46.26
Phuket Air Catering Company Limited	30	30	30.00	30.00	38.90	44.45	(5.55)	-
Suvarnabhumi Airport Hotel Company Limited	30	30	305.33	305.33	289.69	297.77	(8.08)	-
Sky Asia Company Limited	39	39	195.00	195.00	<u>148.09</u>	<u>164.61</u>	<u>(16.52)</u>	<u>(23.61)</u>
Total investments using the equity method					<u>1,428.94</u>	<u>1,402.12</u>	<u>26.82</u>	<u>51.77</u>
3.5.2 Other long-term investments stated at cost								
Fuel Pipeline Transportation Limited	8.4	8.4	133.00	133.00			-	-
Aeronautical Radio of Thailand Limited	2.9	2.9	19.17	19.17			-	-
SITA Investment Certificate TRADESIAM Company Limited (paid 25% of authorized share capital)	-	-	32.15	28.29			-	-
SITA Information Networking Computing	3.5	3.5	1.75	1.75			-	-
Other Shares	-	-	37.47	36.19			-	-
Investment in private fund	-	-	2.98	2.98			-	-
<u>Less</u> Allowance for impairment of Fuel Pipeline Transportation Limited	-	-	102.04	101.63			-	-
Total other long-term investments			<u>(133.00)</u>	<u>(133.00)</u>			<u>-</u>	<u>-</u>

The Company

Unit : Million Baht

Name of Company	Percentage of Shareholding		Investments				Income on investments	
	31-Dec-05	30-Sep-05	Cost method		Equity method		31-Dec-05	31-Dec-04
			31-Dec-05	30-Sep-05	31-Dec-05	30-Sep-05		
3.5.1 Investments using the equity method								
Subsidiary Companies								
Thai-Amadeus Southeast Asia Company Limited	55	55	8.25	8.25	250.68	265.71	14.82	18.86
Associated Companies								
Royal Orchid Hotel (Thailand) Public Co., Ltd. (Market value as at December 31, 2005 amount of THB 720.00 Million and September 30, 2005 amount of THB 630.00 million)	24	24	225.00	225.00	307.72	294.72	13.00	12.24
Donmuang International Airport Hotel Company Limited	40	40	48.00	48.00	188.33	175.69	12.64	16.88
Bangkok Aviation Fuel Services Public Company Limited (Market value as at December 31, 2005 amount of THB 873.50 Million and September 30, 2005 amount of THB 863.90 million)	22.6	22.6	76.79	76.79	456.21	424.88	31.33	46.26
Phuket Air Catering Company Limited	30	30	30.00	30.00	38.90	44.45	(5.55)	-
Suvarnabhumi Airport Hotel Company Limited	30	30	305.33	305.33	289.69	297.77	(8.08)	-
Sky Asia Company Limited	39	39	195.00	195.00	148.09	164.61	(16.52)	(23.61)
Total					1,428.94	1,402.12	26.82	51.77
Total investments using the equity method					1,679.62	1,667.83	41.64	70.63
3.5.2 Other long-term investments stated at cost								
Fuel Pipeline Transportation Limited	8.4	8.4	133.00	133.00			-	-
Aeronautical Radio of Thailand Limited	2.9	2.9	19.17	19.17			-	-
SITA Investment Certificate	-	-	32.15	28.29			-	-
TRADESIAM Company Limited (paid 25% of authorized share capital)	3.5	3.5	1.75	1.75			-	-
SITA Information Networking Computing	-	-	37.47	36.19			-	-
Other Shares	-	-	2.98	2.98			-	-
<u>Less</u> Allowance for impairment of Fuel Pipeline Transportation Limited			(133.00)	(133.00)			-	-
Total other long-term investments			93.52	88.38			-	-

3.6 Related Parties The Company

3.6.1 Major shareholders

	Unit : Million Baht	
	<u>31-Dec-05</u>	<u>30-Sep-05</u>
Ministry of Finance		
Guaranteed loans	300.00	450.00
Loans via the Ministry of Finance	19,247.93	19,476.59

3.6.2 Subsidiary company

Name of Company	31-Dec-05			30-Sep-05		
	Sales	Trade Account Receivables	Other Account Receivables	Sales	Trade Account Receivables	Other Account Receivables
	_____	_____	_____	_____	_____	_____
Thai-Amadeus Southeast Asia Company Limited	14.50	-	14.55	55.13	0.14	15.44

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

3.7 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
Cost						
As at October 1, 2005	158,772.65	87,301.66	29,139.57	10,330.67	30,852.13	316,396.68
- Adjust/Transfer	(7,894.72)	(7.87)	(534.82)	37.65	184.49	(8,215.27)
- Increased asset	3,988.87	21,825.44	1,596.22	5.12	664.93	28,080.58
- Sold	(59.89)	(28.79)	(187.13)	(13.46)	(97.26)	(386.53)
As at December 31, 2005	154,806.91	109,090.44	30,013.84	10,359.98	31,604.29	335,875.46
Accumulated depreciation						
As at October 1, 2005	80,237.36	14,058.49	17,250.30	7,817.29	16,049.94	135,413.38
- Depreciation	1,690.91	1,218.24	556.39	94.95	271.05	3,831.54
- Adjust/Transfer	(558.80)	-	(29.78)	-	-	(588.58)
- Sold	(59.89)	(24.00)	(77.54)	(13.39)	(97.03)	(271.85)
As at December 31, 2005	81,309.58	15,252.73	17,699.37	7,898.85	16,223.96	138,384.49
Net book value						
As at September 30, 2005	78,535.29	73,243.17	11,889.27	2,513.38	14,802.19	180,983.30
As at December 31, 2005	73,497.33	93,837.71	12,314.47	2,461.13	15,380.33	197,490.97

The Company

Unit : Million Baht

	Aircraft	Aircraft under financial leases	Aircraft spare parts	Land and buildings	Other plant and equipment	Total
Cost						
As at October 1, 2005	158,772.65	87,301.66	29,139.57	10,330.67	30,671.32	316,215.87
- Adjust/Transfer	(7,894.72)	(7.87)	(534.82)	37.65	184.49	(8,215.27)
- Increased asset	3,988.87	21,825.44	1,596.22	5.12	663.04	28,078.69
- Sold	(59.89)	(28.79)	(187.13)	(13.46)	(97.26)	(386.53)
As at December 31, 2005	154,806.91	109,090.44	30,013.84	10,359.98	31,421.59	335,692.76
Accumulated depreciation						
As at October 1, 2005	80,237.36	14,058.49	17,250.30	7,817.29	15,911.56	135,275.00
- Depreciation	1,690.91	1,218.24	556.39	94.95	263.83	3,824.32
- Adjust/Transfer	(558.80)	-	(29.78)	-	-	(588.58)
- Sold	(59.89)	(24.00)	(77.54)	(13.39)	(97.03)	(271.85)
As at December 31, 2005	81,309.58	15,252.73	17,699.37	7,898.85	16,078.36	138,238.89
Net book value						
As at September 30, 2005	78,535.29	73,243.17	11,889.27	2,513.38	14,759.76	180,940.87
As at December 31, 2005	73,497.33	93,837.71	12,314.47	2,461.13	15,343.23	197,453.87

In this fiscal year, there are 91 aircraft in the Company's fleet consisting of 59 own aircraft which 3 aircraft are leased by other company, 20 aircraft under financial leases and 12 aircraft under operating leases.

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

Other plants and equipment-net amount of THB 15,380.33 million (consolidated) and THB 15,343.23 millions (the Company) have already included the work in progress of Suvarnabhumi project amount of THB 10,242.81 million consisting of building, facilities, equipment and information technology which support to the services in Suvarnabhumi Airport.

The Company uses buildings and equipment of THB 35,373.53 million that are now fully depreciated.

3.8 Intangible Assets-net

Unit : Million Baht

	Consolidated	The Company
Cost		
As at October 1, 2005	-	-
- Assets increase	83.59	83.52
As at December 31, 2005	83.59	83.52
Accumulated depreciation		
As at October 1, 2005	-	-
- Depreciation	1.46	1.46
As at December 31, 2005	1.46	1.46
Net book value		
As at September 30, 2005	-	-
As at December 31, 2005	82.13	82.06

3.9 Non - Current Assets - Others

Unit : Million Baht

	Consolidated		The Company	
	<u>31-Dec-05</u>	<u>30-Sep-05</u>	<u>31-Dec-05</u>	<u>30-Sep-05</u>
Deferred charges	1,283.53	775.06	1,283.53	775.06
Deferred income taxes	<u>4,149.34</u>	<u>4,139.49</u>	<u>4,139.10</u>	<u>4,130.19</u>
Total	<u>5,432.87</u>	<u>4,914.55</u>	<u>5,422.63</u>	<u>4,905.25</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.

3.10 Dividends the Company

According to the Annual General Shareholders' Meeting for the year 2005 held on December 23, 2005 approved the Company to pay the dividends for the year 2005 operation at THB 1.50 per share for an aggregate of THB 2,548.33 million.

3.11 Share Capital

As at December 31, 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 billion, issued and paid-up ordinary shares amount of THB 16,988.89 million. The details are as follows:

	No. of Shares (Shares)	Issued and Paid-up Shares (THB)
As at September 30, 2005	1,698,888,150	16,988,881,500
On October 17, 2005, the employees 5 th exercised type - one warrants and 3 rd exercised type-two warrants.	<u>1,600</u>	<u>16,000</u>
Total	<u>1,698,889,750</u>	<u>16,988,897,500</u>

The Company determined the 6th exercise of type-one warrants and 4th exercise of type-two warrants to purchase ordinary shares during December 27, 2005 - January 3, 2006. As at December 31, 2005, the proceeds from these shares are THB 0.07 million presented in shareholders' equity under "the proceeds from ESOP offering".

3.21 Earnings Per Share Consolidated and the Company

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

Diluted earnings per share is calculated by dividing net profit 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.

Consolidated and the Company

For the three-month periods ended December 31, 2005 and 2004

	<u>Gains</u>		<u>No. of Shares</u>		<u>Earnings per share</u>	
	<u>31-Dec-05</u>	<u>31-Dec-04</u>	<u>31-Dec-05</u>	<u>31-Dec-04</u>	<u>31-Dec-05</u>	<u>31-Dec-04</u>
	Million Baht	Million Baht	Million Shares	Million Shares	Baht	Baht
Basic earnings per share						
Net Profits attributable to ordinary shareholders	3,809.57	5,716.97	1,698.89	1,691.00	2.24	3.38
Effects of dilutive potential ordinary shares						
Ordinary shares not exercising the rights	-	-	-	5.04		
Warrants to purchase ordinary shares not exercising the rights	<u>-</u>	<u>-</u>	<u>0.01</u>	<u>0.11</u>		
Diluted earnings per share						
Net Profits attributable to ordinary shareholders under conversion assumption to ordinary shares	<u>3,809.57</u>	<u>5,716.97</u>	<u>1,698.90</u>	<u>1,696.15</u>	2.24	3.37

3.13 Financial Information by Segment Consolidated

3.13.1 Business segments

Statements of Income

For the three-month periods ended December 31, 2005 and 2004

	Unit : Million Baht							
	<u>Revenues</u>		<u>Inter - Segment Revenues</u>		<u>Total Revenues</u>		<u>Segment Results</u>	
	<u>31-Dec-05</u>	<u>31-Dec-04</u>	<u>31-Dec-05</u>	<u>31-Dec-04</u>	<u>31-Dec-05</u>	<u>31-Dec-04</u>	<u>31-Dec-05</u>	<u>31-Dec-04</u>
Air transportation	43,619.44	41,104.30	-	-	43,619.44	41,104.30	3,835.21	5,387.87
Business Units	1,991.49	1,676.07	3,434.69	3,348.31	5,426.18	5,024.38	1,355.28	769.27
Other activities	267.42	282.25	73.52	73.72	340.94	355.97	101.89	99.64
Eliminations	-	-	(3,508.21)	(3,422.03)	-	-	-	-
Operating profits							5,292.38	6,256.78
Share of net profit from subsidiary and associated companies							26.82	51.77
Interest expenses-net							(1,072.84)	(815.12)
Gains on foreign currency exchange							1,383.82	2,055.44
Other revenues (expenses)							(178.04)	623.15
Minority interests							(12.13)	(15.43)
Income taxes							(1,630.44)	(2,439.62)
Net profits							<u>3,809.57</u>	<u>5,716.97</u>

Assets and Liabilities

As at December 31, 2005 and September 30, 2005

	Unit : Million Baht					
	<u>Current Assets</u>		<u>Non-Current Assets</u>		<u>Total Assets</u>	
	<u>31-Dec-05</u>	<u>30-Sep-05</u>	<u>31-Dec-05</u>	<u>30-Sep-05</u>	<u>31-Dec-05</u>	<u>30-Sep-05</u>
Air transportation	40,884.10	40,679.67	202,275.67	185,118.28	243,159.77	225,797.95
Business Units	965.10	882.63	2,205.34	2,218.33	3,170.44	3,100.96
Other activities	461.46	424.47	149.45	153.37	610.91	577.84
Non-allocated assets	<u>2,311.81</u>	<u>2,161.53</u>	-	-	<u>2,311.81</u>	<u>2,161.53</u>
Total	<u>44,622.47</u>	<u>44,148.30</u>	<u>204,630.46</u>	<u>187,489.98</u>	<u>249,252.93</u>	<u>231,638.28</u>

	Unit : Million Baht					
	<u>Current Liabilities</u>		<u>Non-Current Liabilities</u>		<u>Total Liabilities</u>	
	<u>31-Dec-05</u>	<u>30-Sep-05</u>	<u>31-Dec-05</u>	<u>30-Sep-05</u>	<u>31-Dec-05</u>	<u>30-Sep-05</u>
Air transportation	72,660.23	60,198.68	115,317.55	111,572.45	187,977.78	171,771.13
Business Units	205.51	214.83	81.58	80.79	287.09	295.62
Other activities	155.11	94.73	-	-	155.11	94.73
Non-allocated liabilities	<u>371.98</u>	<u>264.71</u>	-	-	<u>371.98</u>	<u>264.71</u>
Total	<u>73,392.83</u>	<u>60,772.95</u>	<u>115,399.13</u>	<u>111,653.24</u>	<u>188,791.96</u>	<u>172,426.19</u>

Segment results derive from segment revenues net of segment 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. Those transfers are eliminated in consolidation.

3.13.2 Geographical segments

	Unit : Million Baht	
	<u>31-Dec-05</u>	<u>31-Dec-04</u>
Domestic Revenues		
Transportation	2,985.79	3,050.04
Business units	1,991.49	1,676.07
Other activities	<u>267.42</u>	<u>282.25</u>
Total domestic revenues	<u>5,244.70</u>	<u>5,008.36</u>
Foreign Transportation Revenues		
Regional Asia	18,211.17	18,844.73
Europe	11,808.20	12,082.06
North Pacific	1,390.28	824.32
Australia & New Zealand	<u>3,295.09</u>	<u>3,508.10</u>
Total foreign transportation revenues	<u>34,704.74</u>	<u>35,259.21</u>
Charter revenues and others	1,703.31	1,129.73
Insurance surcharge from passengers	647.42	691.61
Fuel surcharge from passengers	<u>3,578.18</u>	<u>973.71</u>
Total	<u>45,878.35</u>	<u>43,062.62</u>

3.14 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>31-Dec-05</u>	<u>30-Sep-05</u>
Cash and cash equivalents	139.43	162.37
Fixed deposits due over 3 months	3,970.15	3,964.25
Other current assets	<u>18.13</u>	<u>15.43</u>
	<u>4,127.71</u>	<u>4,142.05</u>
Other current liabilities	26.78	14.49
Pension fund	<u>4,726.06</u>	<u>4,542.74</u>
	<u>4,752.84</u>	<u>4,557.23</u>

As at December 31, 2005, the fund balance was THB 4,726.06 million, equal to the Company's obligation to its staff under the fund. The total Company contribution to the fund in fiscal year 2005 was THB 275.38 million, consisting of contributions at a rate equivalent to 10% of employee salaries in the amount of THB 65.43 million, and additional amounts to match the Company's obligation of THB 209.95 million.

3.15 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 218.25 million in this fiscal year.

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

3.16 Contingent Liabilities

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

	Unit : Million Baht	
	<u>The Company</u>	
	<u>31-Dec-05</u>	<u>30-Sep-05</u>
Letters of guarantee issued by banks	7.24	11.06
The Company as defendant in		
Labour dispute cases	571.43	519.74
Damage claims cases	<u>289.34</u>	<u>288.58</u>
Total	<u>868.01</u>	<u>819.38</u>

3.17 Events After the Balance Sheet Date

According to the Annual General Shareholders' Meeting for the year 2005 held on December 23, 2005 approved the Company issuing and offering of THB debentures and/or other currencies not exceeding in the amount of THB 60 billion or equivalent within 5 years by using the exchange rate at the issuing and offering date in each period.

The Company has registered the increase in paid-up share capital from THB 16,988.90 million to THB 16,988.95 million on January 18, 2006 for the exercise of warrants amount of 5,200 shares.

The fire incident took place at the Company's Catering Building, Suvarnabhumi Airport, on January 18, 2006 which is being estimated for the damage under the insurance's liability. This is no impact on the Company's operation because the Company has the reserved plan for the opening of Suvarnabhumi Airport.

3.18 Contractual Obligations

3.18.1 Obligation to Purchase Aircraft

The Company has a payment obligation to purchase aircraft amount of THB 89,256.48 million.

3.18.2 Leases and Obligations of aircraft

The Company has entered into operating leases amount of USD 326.64 million or approximately THB 13,449.27 million (exchange rate USD 1 : THB 41.1746).

3.18.3 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 13,406.55 million. The Company recorded this item as work in progress amount of THB 10,242.81 million consisting of building, facilities, equipment and information technology with support to the services in Suvarnabhumi Airport, leaving the payment obligation of THB 3,163.74 million.
