

**(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, 2006, the related consolidated and the Company statements of income, changes in shareholders' equity and cash flows for the three - month period ended December 31, 2006 and 2005, 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, 2006 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 20, 2006. The consolidated and the Company balance sheets as at September 30, 2006, 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) *Khunying Jaruvan Maintaka*  
(Khunying Jaruvan Maintaka)  
Auditor General

(Signed) *Rungravee Sahsomswan*  
(Rungravee Sahsomswan)  
Director of Auditor Office

February 9, 2006

**THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**BALANCE SHEETS**  
**AS AT DECEMBER 31, 2006 AND SEPTEMBER 30, 2006**

Units : Baht

	<u>Notes</u>	<u>CONSOLIDATED</u>		<u>THE COMPANY</u>	
		<u>31 December 2006</u> (reviewed)	<u>30 September 2006</u> (audited)	<u>31 December 2006</u> (reviewed)	<u>30 September 2006</u> (restated)
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	4.1	12,368,022,220	9,175,267,322	12,086,651,771	8,937,827,934
Current investment-available-for-sale		103,552,646	102,256,496	-	-
Trade account receivables-net	4.2	18,158,745,585	16,613,734,289	18,118,045,527	16,576,817,194
Inventories and supplies-net		5,139,718,010	5,255,350,885	5,139,718,010	5,255,350,885
Other current assets	4.3	12,699,355,349	14,556,067,780	12,673,510,943	14,524,282,369
<b>Total Current Assets</b>		<b>48,469,393,810</b>	<b>45,702,676,772</b>	<b>48,017,926,251</b>	<b>45,294,278,382</b>
<b>Non-Current Assets</b>					
Investments in associated and subsidiary companies	4.4.1	1,515,535,125	1,523,006,071	907,572,750	907,572,750
Other long-term investments	4.4.2	193,160,300	191,846,188	86,663,780	86,534,540
Property, Plant and Equipment-Net	4.6	207,051,103,873	196,030,545,530	206,965,481,162	195,937,578,431
Intangible Assets-net	4.7	434,109,311	421,211,394	430,643,088	418,776,627
Others	4.8	5,198,495,697	5,165,110,593	5,186,655,846	5,153,503,850
<b>Total Non-Current Assets</b>		<b>214,392,404,306</b>	<b>203,331,719,776</b>	<b>213,577,016,626</b>	<b>202,503,966,198</b>
<b>Total Assets</b>		<b>262,861,798,116</b>	<b>249,034,396,548</b>	<b>261,594,942,877</b>	<b>247,798,244,580</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 DECEMBER 31, 2006 AND SEPTEMBER 30, 2006

Units : Baht

	<u>CONSOLIDATED</u>		<u>THE COMPANY</u>		
	<u>Notes</u>	<u>31 December 2006</u> (reviewed)	<u>30 September 2006</u> (audited)	<u>31 December 2006</u> (reviewed)	<u>30 September 2006</u> (restated)
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>Current Liabilities</b>					
Trade account payables		6,910,274,641	9,423,137,305	6,902,817,679	9,411,603,172
Short-term loans		13,123,650,300	5,606,417,700	13,123,650,300	5,606,417,700
Current portion of long-term loans					
Long-term loans		-	8,023,757,350	-	8,023,757,350
Liabilities under financial leases		7,832,670,253	8,314,392,593	7,832,670,253	8,314,392,593
Promissory notes		1,050,000,000	1,050,000,000	1,050,000,000	1,050,000,000
Other current liabilities					
Accrued expenses		13,091,410,921	16,417,248,467	13,073,819,738	16,398,217,085
Accrued dividends		2,965,875,445	57,863,117	2,860,875,445	57,863,117
Accrued income taxes		1,294,393,565	20,613,157	1,260,872,329	-
Unearned transportation revenues		25,173,064,567	24,287,909,663	25,173,064,567	24,287,909,663
Others		6,004,987,287	4,627,275,264	5,983,694,213	4,605,732,387
<b>Total Current Liabilities</b>		<b>77,446,326,979</b>	<b>77,828,614,616</b>	<b>77,261,464,524</b>	<b>77,755,893,067</b>
<b>Non-Current Liabilities</b>					
Long-term debts					
Debentures		40,000,000,000	40,000,000,000	40,000,000,000	40,000,000,000
Long-term loans		4,201,315,000	4,393,142,000	4,201,315,000	4,393,142,000
Liabilities under financial leases		66,860,737,420	53,485,647,432	66,860,737,420	53,485,647,432
Promissory notes		2,850,000,000	3,150,000,000	2,850,000,000	3,150,000,000
Staff pension fund	4.13	4,632,128,494	4,495,820,618	4,632,128,494	4,495,820,618
<b>Total Non-Current Liabilities</b>		<b>118,544,180,914</b>	<b>105,524,610,050</b>	<b>118,544,180,914</b>	<b>105,524,610,050</b>
<b>Total Liabilities</b>		<b>195,990,507,893</b>	<b>183,353,224,666</b>	<b>195,805,645,438</b>	<b>183,280,503,117</b>
<b>Shareholders' Equity</b>					
Share capital	4.10				
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		16,988,961,500	16,988,961,500	16,988,961,500	16,988,961,500
Premium on share capital		15,643,806,138	15,642,835,031	15,643,806,138	15,642,835,031
Unrealised losses on current investment-available-for-sale securities		(102,355)	-	-	-
Retained earnings					
Appropriated					
Legal reserve		1,700,000,000	1,700,000,000	1,700,000,000	1,700,000,000
Unappropriated		32,325,311,256	31,102,776,657	31,456,529,801	30,185,944,932
<b>Total Company Shareholders' Equity</b>		<b>66,657,976,539</b>	<b>65,434,573,188</b>	<b>65,789,297,439</b>	<b>64,517,741,463</b>
<b>Minority interests</b>		<b>213,313,684</b>	<b>246,598,694</b>	<b>-</b>	<b>-</b>
<b>Total Shareholders' Equity</b>		<b>66,871,290,223</b>	<b>65,681,171,882</b>	<b>65,789,297,439</b>	<b>64,517,741,463</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>262,861,798,116</b>	<b>249,034,396,548</b>	<b>261,594,942,877</b>	<b>247,798,244,580</b>

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

(Signed) *Flg.Off.Apinan Sumanaseni*  
(Apinan Sumanaseni)  
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 period ended December 31, 2006 and 2005

	<u>CONSOLIDATED</u>		<u>THE COMPANY</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
				(restated)
<b>Revenues from the Sale of Goods and the Rendering of Services</b>				
Passenger and excess baggage	39,163,756,918	36,411,303,583	39,163,756,918	36,411,303,583
Freight	6,789,023,959	6,904,091,555	6,789,023,959	6,904,091,555
Mail	284,185,380	304,048,711	284,185,380	304,048,711
Other activities	2,136,036,436	2,258,909,026	2,049,366,790	2,176,446,435
<b>Total Revenues from the Sale of Goods and the Rendering of Services</b>	<b>48,373,002,693</b>	<b>45,878,352,875</b>	<b>48,286,333,047</b>	<b>45,795,890,284</b>
<b>Operating expenses</b>				
Personnel	7,690,548,180	6,665,450,990	7,683,288,902	6,658,006,576
Aircraft fuel	14,707,930,392	14,484,986,746	14,707,930,392	14,484,986,746
Inventories and supplies	2,543,582,056	2,491,794,395	2,543,582,056	2,491,794,395
Lease of aircraft and spare parts	1,699,071,751	1,428,490,756	1,699,071,751	1,428,490,756
Flight operations	9,388,707,259	9,320,410,257	9,388,707,259	9,320,410,257
Depreciation	4,273,761,969	3,832,999,426	4,264,452,907	3,825,781,553
Marketing	807,288,761	673,048,180	797,796,600	665,595,258
Insurance	348,619,237	509,512,507	348,619,237	509,512,507
Remuneration to board of directors	16,341,347	15,822,403	16,214,659	15,700,403
Other operating expenses	1,455,773,111	1,163,459,073	1,434,995,598	1,144,135,089
<b>Total operating expenses</b>	<b>42,931,624,063</b>	<b>40,585,974,733</b>	<b>42,884,659,361</b>	<b>40,544,413,540</b>
<b>Profit from the Sale of Goods and the Rendering of Services</b>	<b>5,441,378,630</b>	<b>5,292,378,142</b>	<b>5,401,673,686</b>	<b>5,251,476,744</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 period ended December 31, 2006 and 2005

	Notes	CONSOLIDATED		THE COMPANY	
		2006	2005	2006	2005
					Units : Baht
					(restated)
<b>Profits from the Sale of Goods and the Rendering of Services</b>		<b>5,441,378,630</b>	<b>5,292,378,142</b>	<b>5,401,673,686</b>	<b>5,251,476,744</b>
<b>Other Income</b>					
Interest income		115,054,758	75,213,937	112,607,985	74,761,686
Others		86,291,645	20,118,624	155,818,229	49,867,457
<b>Total Other Income</b>		<b>201,346,403</b>	<b>95,332,561</b>	<b>268,426,214</b>	<b>124,629,143</b>
<b>Other Expenses</b>					
Gains on foreign currency exchange		(1,664,153,718)	(1,383,821,235)	(1,664,153,718)	(1,383,821,235)
Yields from pension fund		24,664,046	17,719,902	24,664,046	17,719,902
Others		322,628,314	180,437,086	321,775,030	177,256,526
<b>Total Other Expenses</b>		<b>(1,316,861,358)</b>	<b>(1,185,664,247)</b>	<b>(1,317,714,642)</b>	<b>(1,188,844,807)</b>
<b>Profits from Operations</b>		<b>6,959,586,391</b>	<b>6,573,374,950</b>	<b>6,987,814,542</b>	<b>6,564,950,694</b>
<b>Share of Profits from Investments by the Equity Method</b>					
Share of net profit from associated companies		6,929,054	26,819,815	-	-
<b>Total Share of Profits from Investments by the Equity Method</b>	4.4.1	<b>6,929,054</b>	<b>26,819,815</b>	<b>-</b>	<b>-</b>
<b>Profits before Interest Expenses and Income Tax</b>		<b>6,966,515,445</b>	<b>6,600,194,765</b>	<b>6,987,814,542</b>	<b>6,564,950,694</b>
Interest expenses		1,167,292,565	1,148,059,657	1,167,292,565	1,148,059,657
Income tax		1,759,460,898	1,630,439,922	1,746,758,460	1,619,260,581
<b>Profits after Interest Expenses and Income Tax</b>		<b>4,039,761,982</b>	<b>3,821,695,186</b>	<b>4,073,763,517</b>	<b>3,797,630,456</b>
Net profit of minority interest		14,048,735	12,125,212	-	-
<b>Net profits</b>		<b>4,025,713,247</b>	<b>3,809,569,974</b>	<b>4,073,763,517</b>	<b>3,797,630,456</b>
<b>Basic earnings per share</b>	4.11				
Net profits		2.37	2.24	2.40	2.22
<b>Diluted earnings per share</b>	4.11				
Net profits		2.37	2.24	2.40	2.22

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

(Signed) *Flg.Off.Apinan Sumanaseni*  
(Apinan Sumanaseni)  
President

(Signed) *Ngamnit Sombutpibool*  
(Ngamnit Sombutpibool)  
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 period ended December 31, 2006 and 2005**

Units : Baht

		CONSOLIDATED							
Notes	Share Capital issued and fully paid	Premium on share capital	Proceeds from ESOP offering	Unrealised gain (losses) on available- for-sale securities	Legal Reserve	Retained Earnings Unappropriated	Minority Interest	Total	
<b>Balance as at October 1, 2005</b>	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	-	-	-	-	-	(2,548,334,625)	(24,300,000)	(2,572,634,625)	
<u>Add</u> Proceeds from ESOP offering	-	-	73,500	-	-	-	-	73,500	
<u>Add</u> Issued share capital	16,000	8,000	(12,000)	-	-	-	-	12,000	
<b>Balance as at December 31, 2005</b>	<b>16,988,897,500</b>	<b>15,646,769,354</b>	<b>73,500</b>	<b>(621,305)</b>	<b>1,700,000,000</b>	<b>25,920,749,550</b>	<b>205,106,736</b>	<b>60,460,975,335</b>	
<b>Balance as at October 1, 2006</b>	16,988,961,500	15,642,835,031	-	-	1,700,000,000	31,102,776,657	246,598,694	65,681,171,882	
- Unrealised gains on current investment - available-for-sale securities	-	-	-	(102,355)	-	-	(83,745)	(186,100)	
<u>Add</u> Net Profits	-	-	-	-	-	4,025,713,247	14,048,735	4,039,761,982	
<u>Less</u> Dividends paid	4.9	-	-	-	-	(2,803,178,648)	(47,250,000)	(2,850,428,648)	
<u>Add</u> Issued share capital	4.10	971,107	-	-	-	-	-	971,107	
<b>Balance as at December 31, 2006</b>	<b>16,988,961,500</b>	<b>15,643,806,138</b>	<b>-</b>	<b>(102,355)</b>	<b>1,700,000,000</b>	<b>32,325,311,256</b>	<b>213,313,684</b>	<b>66,871,290,223</b>	

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

(Signed) *Flg.Off.Apinan Sumanaseni*  
 (Apinan Sumanaseni)  
 President

(Signed) *Ngamnit Sombutpibool*  
 (Ngamnit Sombutpibool)  
 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 period ended December 31, 2006 and 2005

Units : Baht

	THE COMPANY						Total
	Share Capital issued and fully paid	Premium on share capital	Proceeds from ESOP offering	Unrealised gain (losses) on available- for-sale securities	Legal Reserve	Retained Earnings Unappropriated	
Notes							
<b>Balance as at October 1, 2005 (before adjustment)</b>	16,988,881,500	15,646,761,354	12,000	(477,805)	1,700,000,000	24,659,514,201	58,994,691,250
- Cumulative effect of change in accounting policy for investment by cost method	-	-	-	477,805	-	(760,733,384)	(760,255,579)
Balance as at October 1, 2005 (after adjustment)	16,988,881,500	15,646,761,354	12,000	-	1,700,000,000	23,898,780,817	58,234,435,671
<u>Add</u> Net Profits	-	-	-	-	-	3,797,630,456	3,797,630,456
<u>Less</u> Dividends paid	-	-	-	-	-	(2,548,334,625)	(2,548,334,625)
<u>Add</u> Proceeds from ESOP offering	-	-	73,500	-	-	-	73,500
<u>Add</u> Issued share capital	16,000	8,000	(12,000)	-	-	-	12,000
<b>Balance as at December 31, 2005</b>	<b>16,988,897,500</b>	<b>15,646,769,354</b>	<b>73,500</b>	<b>-</b>	<b>1,700,000,000</b>	<b>25,148,076,648</b>	<b>59,483,817,002</b>
<b>Balance as at October 1, 2006 (before adjustment)</b>	16,988,961,500	15,642,835,031	-	-	1,700,000,000	31,102,776,657	65,434,573,188
- Cumulative effect of change in accounting policy for investment by cost method	-	-	-	-	-	(916,831,725)	(916,831,725)
Balance as at October 1, 2006 (after adjustment)	16,988,961,500	15,642,835,031	-	-	1,700,000,000	30,185,944,932	64,517,741,463
<u>Add</u> Net Profits	-	-	-	-	-	4,073,763,517	4,073,763,517
<u>Less</u> Dividends paid	4.9	-	-	-	-	(2,803,178,648)	(2,803,178,648)
<u>Add</u> Issued share capital	4.10	971,107	-	-	-	-	971,107
<b>Balance as at December 31, 2006</b>	<b>16,988,961,500</b>	<b>15,643,806,138</b>	<b>-</b>	<b>-</b>	<b>1,700,000,000</b>	<b>31,456,529,801</b>	<b>65,789,297,439</b>

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

(Signed) *Flg.Off.Apinan Sumanaseni*  
(Apinan Sumanaseni)  
President

(Signed) *Ngamnit Sombutpibool*  
(Ngamnit Sombutpibool)  
Executive Vice President

## THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

## STATEMENTS OF CASH FLOWS

For the three - month period ended December 31, 2006 and 2005

	<u>CONSOLIDATED</u>		<u>THE COMPANY</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u> (restated)
Units : Baht				
<b>Cash flows from operating activities</b>				
Net profit	4,025,713,247	3,809,569,974	4,073,763,517	3,797,630,456
Adjustment to reconcile net profit to cash provided by (used in) operating activities :				
Depreciation	4,273,761,969	3,832,999,426	4,264,452,907	3,825,781,553
Income from investments by the equity method	(6,929,054)	(26,819,815)	-	-
Losses (gains) on sales of assets	(21,479,398)	85,038,826	(21,479,398)	85,038,826
Gains on current investments-available-for-sale securities	(2,667,122)	(806,500)	-	(143,501)
Amortisation of deferred charges	46,710,225	38,691,974	46,710,225	38,691,974
Gains on foreign currency exchange	(1,250,530,856)	(1,221,002,607)	(1,250,530,856)	(1,221,002,607)
Net profit of minority interests	14,048,735	12,125,212	-	-
Provision for obsolete inventories	964,480	21,436,812	964,480	21,436,812
Allowance for doubtful accounts and impairment in value of assets	141,222,754	26,087,493	140,395,726	22,923,637
Operating profit before changes in operating assets and liabilities	7,220,814,980	6,577,320,795	7,254,276,601	6,570,357,150
Decrease (increase) in operating assets :				
Trade account receivables	(1,582,171,235)	(1,521,972,376)	(1,577,561,245)	(1,520,023,682)
Inventories and supplies	114,668,396	(231,375,605)	114,668,396	(231,375,605)
Prepaid expenses and deposits	(423,309,334)	49,594,223	(421,400,400)	52,473,103
Tax refund	2,314,099,749	-	2,314,099,749	-
Other current assets	(155,360,761)	(836,548,118)	(220,960,700)	(849,565,319)
Deferred income taxes	421,183,802	(9,841,944)	421,416,911	(8,916,787)
Deferred charges	(501,279,132)	(531,622,154)	(501,279,132)	(531,622,154)
Increase (decrease) in operating liabilities :				
Trade account payables	(2,507,533,516)	(1,051,392,088)	(2,503,456,345)	(1,049,227,183)
Accrued expenses and other current liabilities	(640,295,849)	(1,590,792,090)	(651,513,926)	(1,600,371,081)
Staff pension fund	136,307,876	183,316,454	136,307,876	183,316,454
Unearned transportation revenue	923,494,838	1,235,492,080	923,494,838	1,235,492,080
<b>Net cash from operating activities</b>	<b>5,320,619,814</b>	<b>2,272,179,177</b>	<b>5,288,092,623</b>	<b>2,250,536,976</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 three - month period ended December 31, 2006 and 2005**

	<u>CONSOLIDATED</u>		<u>THE COMPANY</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
				(restated)
<b>Units : Baht</b>				
<b>Cash flows from investing activities</b>				
Cash paid for acquisition of fixed assets	(15,285,991,495)	(5,559,322,210)	(15,284,109,365)	(5,557,356,215)
Cash paid for intangible assets	(27,067,345)	(83,517,041)	(25,953,345)	(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	27,320,008	29,651,404	27,320,008	29,651,404
Investments decrease	11,619,785	23,776,358	(2,780,215)	(5,923,642)
<b>Net cash used in investing activities</b>	<b>(15,274,119,047)</b>	<b>(3,523,822,024)</b>	<b>(15,285,522,917)</b>	<b>(3,551,556,029)</b>
<b>Cash flows from financing activities</b>				
Cash received from short-term loans	7,471,964,400	-	7,471,964,400	-
Cash received from long-term loans	17,173,324,732	1,259,525,538	17,173,324,732	1,259,525,538
Cash received from issuing ordinary shares	-	8,000	-	8,000
Cash received from premium on ordinary shares	971,107	4,000	971,107	4,000
Cash received from subscription of ESOP	-	73,500	-	73,500
Cash paid for repayment of long-term loans	(11,106,055,120)	(1,634,552,186)	(11,106,055,120)	(1,634,552,186)
Cash paid for repayment of promissory notes	(300,000,000)	(300,000,000)	(300,000,000)	(300,000,000)
Dividends paid	(166,320)	(153,099)	(166,320)	(153,099)
<b>Net cash from (used in) financing activities</b>	<b>13,240,038,799</b>	<b>(675,094,247)</b>	<b>13,240,038,799</b>	<b>(675,094,247)</b>
Decrease in cash and cash equivalents	3,286,539,566	(1,926,737,094)	3,242,608,505	(1,976,113,300)
Increase (decrease) in the effect from changing in exchange rate on cash and cash equivalents	(93,784,668)	81,461,749	(93,784,668)	81,461,749
Cash and cash equivalents at the beginning of the periods	9,175,267,322	9,930,000,904	8,937,827,934	9,589,521,953
<b>Cash and cash equivalents at the end of the periods</b>	<b>12,368,022,220</b>	<b>8,084,725,559</b>	<b>12,086,651,771</b>	<b>7,694,870,402</b>
<b>Supplementary cash flows information :</b>				
Cash paid during the year for				
Interest expenses	1,932,754,633	1,450,873,111	1,932,754,633	1,450,873,111
Corporate income tax	58,351,814	56,238,401	58,330,001	56,216,588
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) *Flg.Off.Apinan Sumanaseni*  
(Apinan Sumanaseni)  
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 period ended December 31, 2006 (reviewed)**  
**and for the year ended September 30, 2006 (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, 2006. 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, 2006 except for the policy mention in Note No.3.

**3. CHANGE IN ACCOUNTING POLICY**

In the three - month period ended December 31, 2006, the Company has changed its accounting policy regarding the investment in subsidiary and associated companies of the Company's financial statements which formerly recorded by equity method to record by cost method. This is to comply with the Announcement of Federation of Accounting Profession No. 26/2549 and 32/2549. The Company restated its 2006 financial statement as though the Company had consistency followed the new policy. After restating, net profit for the three - month period ended December 31, 2006 and 2005 increased by THB 48.05 million and decreased by THB 11.94 million, respectively. As a result, retained earning of the Company as at October 1, 2006 and 2005 decreased by THB 916.83 million and THB 760.26 million, respectively.

#### 4. SUPPLEMENTARY INFORMATION

##### 4.1 Cash and Cash Equivalents

	<b>Consolidated</b>		<b>Units : Million Baht The Company</b>	
	<b>31-Dec-06</b>	<b>30-Sep-06</b>	<b>31-Dec-06</b>	<b>30-Sep-06</b>
	Cash - Domestic	18.63	18.13	18.63
Cash - Abroad	25.52	18.91	25.52	18.91
Bank Deposits - Domestic	2,107.60	2,486.93	1,826.23	2,249.49
Bank Deposits - Abroad	<u>10,216.27</u>	<u>6,651.30</u>	<u>10,216.27</u>	<u>6,651.30</u>
<b>Total</b>	<b><u>12,368.02</u></b>	<b><u>9,175.27</u></b>	<b><u>12,086.65</u></b>	<b><u>8,937.83</u></b>

##### 4.2 Trade Account Receivables - Net

	<b>Consolidated</b>		<b>Units : Million Baht The Company</b>	
	<b>31-Dec-06</b>	<b>30-Sep-06</b>	<b>31-Dec-06</b>	<b>30-Sep-06</b>
	Period of overdue			
Not over 6 months	18,078.34	16,522.50	18,039.47	16,488.21
Over : 6 months to 1 year	64.53	109.19	64.51	107.50
Over : 1 year to 2 years	192.57	146.57	185.30	139.42
Over : 2 years	<u>1,143.03</u>	<u>1,141.78</u>	<u>1,121.33</u>	<u>1,121.66</u>
	19,478.47	17,920.04	19,410.61	17,856.79
<u>Less</u> Allowance for doubtful accounts	<u>(1,319.72)</u>	<u>(1,306.30)</u>	<u>(1,292.56)</u>	<u>(1,279.97)</u>
<b>Trade account receivables - net</b>	<b><u>18,158.75</u></b>	<b><u>16,613.74</u></b>	<b><u>18,118.05</u></b>	<b><u>16,576.82</u></b>

##### 4.3 Other Current Assets

	<b>Consolidated</b>		<b>Units : Million Baht The Company</b>	
	<b>31-Dec-06</b>	<b>30-Sep-06</b>	<b>31-Dec-06</b>	<b>30-Sep-06</b>
	Prepaid expenses and deposits	4,743.94	4,366.85	4,736.39
Tax refund	424.52	2,738.62	424.52	2,738.62
Cash and fixed deposits of pension fund	4,213.38	4,270.00	4,213.38	4,270.00
Others	<u>3,317.52</u>	<u>3,180.60</u>	<u>3,299.22</u>	<u>3,154.45</u>
<b>Total</b>	<b><u>12,699.36</u></b>	<b><u>14,556.07</u></b>	<b><u>12,673.51</u></b>	<b><u>14,524.28</u></b>

## 4.4 Investments

### Consolidated

Units : Million Baht

Name of Company	Percentage of Shareholding		Investments				Income on Investments	
	31-Dec-06	30-Sep-06	Cost method		Equity method		31-Dec-06	31-Dec-05
			31-Dec-06	30-Sep-06	31-Dec-06	30-Sep-06		
<b>4.4.1 Investments using the equity method</b>								
Royal Orchid Hotel (Thailand) Public Co., Ltd. (Market value as at December 31, 2006 amount of THB 894.38 Million and September 30, 2006 amount of THB 810.00 million)	24	24	225.00	225.00	326.63	313.81	12.82	13.00
Donmuang International Airport Hotel Company Limited	40	40	48.00	48.00	206.37	219.97	0.80	12.64
Bangkok Aviation Fuel Services Public Company Limited (Market value as at December 31, 2006 amount of THB 998.28 Million and September 30, 2006 amount of THB 1,084.67 million)	22.6	22.6	95.99	95.99	493.66	469.13	24.53	31.33
Phuket Air Catering Company Limited	30	30	30.00	30.00	44.76	44.81	(0.05)	(5.55)
Suvarnabhumi Airport Hotel Company Limited	30	30	305.33	305.33	249.34	278.40	(29.06)	(8.08)
Nok Airlines Co., Ltd.	39	39	195.00	195.00	194.78	196.89	(2.11)	(16.52)
<b>Total investments using the equity method</b>					<b>1,515.54</b>	<b>1,523.01</b>	<b>6.93</b>	<b>26.82</b>
<b>4.4.2 Other long-term investments stated at cost</b>								
Fuel Pipeline Transportation Limited	8.4	8.4	133.00	133.00			-	-
Aeronautical Radio of Thailand Limited	2.8	2.8	18.27	18.27			-	-
SITA Investment Certificate TRADESIAM Company Limited (paid 25% of authorized share capital)	3.5	3.5	1.75	1.75			-	-
SITA Information Networking Computing	-	-	32.87	34.24			-	-
Other Shares	-	-	2.95	2.95			0.53	-
Investment in private fund	-	-	106.50	105.32			-	-
<u>Less</u> Allowance for impairment of Fuel Pipeline Transportation Limited			(133.00)	(133.00)			-	-
<b>Total other long-term investments</b>			<b>193.16</b>	<b>191.85</b>			<b>0.53</b>	-

The Company

Units : Million Baht

Name of Company	Percentage of Shareholding		Investments		Dividend Income	
			Cost method			
	31-Dec-06	30-Sep-06	31-Dec-06	30-Sep-06	31-Dec-06	31-Dec-05
<b>4.4.1 Investments using the cost method</b>						
<b>Subsidiary Company</b>						
Thai-Amadeus Southeast Asia Company Limited	55	55	8.25	8.25	<u>57.75</u>	<u>29.70</u>
<b>Associated Companies</b>						
Royal Orchid Hotel (Thailand) Public Co., Ltd. (Market value as at December 31, 2006 amount of THB 894.38 Million and September 30, 2006 amount of THB 810.00 million)	24	24	225.00	225.00	-	-
Donmuang International Airport Hotel Company Limited	40	40	48.00	48.00	14.40	-
Bangkok Aviation Fuel Services Public Company Limited (Market value as at December 31, 2006 amount of THB 998.28 Million and September 30, 2006 amount of THB 1,084.67 million)	22.6	22.6	95.99	95.99	-	-
Phuket Air Catering Company Limited	30	30	30.00	30.00	-	-
Suvarnabhumi Airport Hotel Company Limited	30	30	305.33	305.33	-	-
Nok Airlines Co., Ltd.	39	39	<u>195.00</u>	<u>195.00</u>	-	-
<b>Total</b>			<b><u>899.32</u></b>	<b><u>899.32</u></b>	<b><u>14.40</u></b>	<b><u>-</u></b>
<b>Total investments using the cost method</b>			<b><u>907.57</u></b>	<b><u>907.57</u></b>	<b><u>72.15</u></b>	<b><u>29.70</u></b>
<b>4.4.2 Other long-term investments stated at cost</b>						
Fuel Pipeline Transportation Limited	8.4	8.4	133.00	133.00	-	-
Aeronautical Radio of Thailand Limited	2.8	2.8	18.27	18.27	-	-
SITA Investment Certificate	-	-	30.82	29.32	-	-
TRADESIAM Company Limited (paid 25% of authorized share capital)	3.5	3.5	1.75	1.75	-	-
SITA Information Networking Computing	-	-	32.87	34.24	-	-
Other Shares	-	-	2.95	2.95	0.53	-
Less Allowance for impairment of Fuel Pipeline Transportation Limited			<u>(133.00)</u>	<u>(133.00)</u>	-	-
<b>Total other long-term investments</b>			<b><u>86.66</u></b>	<b><u>86.53</u></b>	<b><u>0.53</u></b>	<b><u>-</u></b>

#### 4.5 Related Parties The Company

##### 4.5.1 Major shareholders

	Units : Million Baht	
	<u>31-Dec-06</u>	<u>30-Sep-06</u>
Ministry of Finance		
Guaranteed loans	-	150.00
Loans via the Ministry of Finance	17,324.97	17,873.32

##### 4.5.2 Subsidiary company

Name of Company	31-Dec-06			30-Sep-06		
	Sales	Trade Account	Other Account	Sales	Trade Account	Other Account
		<u>Receivables</u>	<u>Receivables</u>		<u>Receivables</u>	<u>Receivables</u>
Thai-Amadeus Southeast Asia Company Limited	8.64	-	5.91	49.12	0.02	10.61

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

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

##### Consolidated

	Units : Million Baht					
	Aircraft	Aircraft under financial leases	Aircraft spare parts	Land buildings and development	Other plant and equipment	Total
<b>Cost</b>						
As at October 1, 2006	154,518.30	108,895.50	28,238.39	17,018.88	27,960.26	<b>336,631.33</b>
- Adjust/Transfer	(9,928.40)	8,205.09	(360.58)	(449.95)	(1,594.28)	<b>(4,128.12)</b>
- Increased asset	4,370.47	9,688.95	909.50	304.68	2,183.59	<b>17,457.19</b>
- Sold	(90.73)	-	(277.27)	(18.18)	(27.36)	<b>(413.54)</b>
As at December 31, 2006	<b>148,869.64</b>	<b>126,789.54</b>	<b>28,510.04</b>	<b>16,855.43</b>	<b>28,522.21</b>	<b>349,546.86</b>
<b>Accumulated depreciation</b>						
As at October 1, 2006	79,511.41	19,205.06	16,989.67	8,125.01	16,769.63	<b>140,600.78</b>
- Depreciation	1,712.53	1,423.26	500.34	189.43	434.04	<b>4,259.60</b>
- Adjust/Transfer	253.25	(1,976.54)	(368.76)	-	-	<b>(2,092.05)</b>
- Sold	(90.73)	-	(142.08)	(12.55)	(27.21)	<b>(272.57)</b>
As at December 31, 2006	<b>81,386.46</b>	<b>18,651.78</b>	<b>16,979.17</b>	<b>8,301.89</b>	<b>17,176.46</b>	<b>142,495.76</b>
<b>Net book value</b>						
As at September 30, 2006	<b>75,006.89</b>	<b>89,690.44</b>	<b>11,248.72</b>	<b>8,893.87</b>	<b>11,190.63</b>	<b>196,030.55</b>
As at December 31, 2006	<b>67,483.18</b>	<b>108,137.76</b>	<b>11,530.87</b>	<b>8,553.54</b>	<b>11,345.75</b>	<b>207,051.10</b>

The Company

Units : Million Baht

	Aircraft	Aircraft under financial leases	Aircraft spare parts	Land buildings and development	Other plant and equipment	Total
<b>Cost</b>						
As at October 1, 2006	154,518.30	108,895.50	28,238.39	17,018.88	27,713.08	<b>336,384.15</b>
- Adjust/Transfer	(9,928.40)	8,205.09	(360.58)	(449.95)	(1,578.53)	<b>(4,112.37)</b>
- Increased asset	4,370.47	9,688.95	909.50	304.68	2,165.95	<b>17,439.55</b>
- Sold	(90.73)	-	(277.27)	(18.18)	(27.36)	<b>(413.54)</b>
As at December 31, 2006	<b>148,869.64</b>	<b>126,789.54</b>	<b>28,510.04</b>	<b>16,855.43</b>	<b>28,273.14</b>	<b>349,297.79</b>
<b>Accumulated depreciation</b>						
As at October 1, 2006	79,511.41	19,205.06	16,989.67	8,125.01	16,615.42	<b>140,446.57</b>
- Depreciation	1,712.53	1,423.26	500.34	189.43	424.80	<b>4,250.36</b>
- Adjust/Transfer	253.25	(1,976.54)	(368.76)	-	-	<b>(2,092.05)</b>
- Sold	(90.73)	-	(142.08)	(12.55)	(27.21)	<b>(272.57)</b>
As at December 31, 2006	<b>81,386.46</b>	<b>18,651.78</b>	<b>16,979.17</b>	<b>8,301.89</b>	<b>17,013.01</b>	<b>142,332.31</b>
<b>Net book value</b>						
As at September 30, 2006	<b>75,006.89</b>	<b>89,690.44</b>	<b>11,248.72</b>	<b>8,893.87</b>	<b>11,097.66</b>	<b>195,937.58</b>
As at December 31, 2006	<b>67,483.18</b>	<b>108,137.76</b>	<b>11,530.87</b>	<b>8,553.54</b>	<b>11,260.13</b>	<b>206,965.48</b>

In this fiscal year, there are 91 aircraft in the Company's fleet consisting of 56 own aircraft which 5 aircraft are leased by other company, 23 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 11,345.75 million (consolidated) and THB 11,260.13 millions (the Company) have already included the work in progress of Suvarnabhumi project amount of THB 3,240.18 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 38,069.14 million that are now fully depreciated.

#### 4.7 Intangible Assets-net

Units : Million Baht

	<b>Consolidated</b>	<b>The Company</b>
<b>Cost</b>		
As at October 1, 2006	455.61	453.13
- Assets increase	27.07	25.95
As at December 31, 2006	482.68	479.08
<b>Accumulated depreciation</b>		
As at October 1, 2006	34.40	34.35
- Depreciation	14.17	14.09
As at December 31, 2006	48.57	48.44
<b>Net book value</b>		
As at September 30, 2006	<b>421.21</b>	<b>418.78</b>
As at December 31, 2006	<b>434.11</b>	<b>430.64</b>

#### 4.8 Non - Current Assets - Others

Units : Million Baht

	<b>Consolidated</b>		<b>The Company</b>	
	<b>31-Dec-06</b>	<b>30-Sep-06</b>	<b>31-Dec-06</b>	<b>30-Sep-06</b>
Deferred charges	1,599.36	1,144.79	1,599.36	1,144.79
Deferred income taxes	<u>3,599.13</u>	<u>4,020.32</u>	<u>3,587.29</u>	<u>4,008.71</u>
<b>Total</b>	<b><u>5,198.49</u></b>	<b><u>5,165.11</u></b>	<b><u>5,186.65</u></b>	<b><u>5,153.50</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 of aircraft are amortized as expenses over the period of due payment loans in each accounting period.

#### 4.9 Dividends the Company

According to the Annual General Shareholders' Meeting for the year 2006 held on December 27, 2006 approved the Company to pay the dividends for the year 2006 operation at THB 1.65 per share for an aggregate of THB 2,803.18 million.



#### 4.10 Share Capital

As at December 31, 2006, 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 16,988.96 million.

The Company determined the next exercise of type-one and type two warrants to purchase ordinary shares during December 26, 2006 to January 3, 2007. As at December 31, 2006, there is no exercise of those warrants by the employees.

#### 4.11 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

##### For the three-month period ended December 31, 2006 and 2005

	<u>Gains</u>		<u>No. of Shares</u>		<u>Earnings per share</u>	
	<u>31-Dec-06</u>	<u>31-Dec-05</u>	<u>31-Dec-06</u>	<u>31-Dec-05</u>	<u>31-Dec-06</u>	<u>31-Dec-05</u>
	Million Baht	Million Baht	Million Shares	Million Shares	Baht	Baht
<b>Basic earnings per share</b>						
Net Profits attributable to ordinary shareholders	4,025.71	3,809.57	1,698.90	1,698.89	2.37	2.24
<b>Effects of dilutive potential ordinary shares</b>						
Warrants to purchase ordinary shares not exercising the rights	-	-	0.01	0.01		
<b>Diluted earnings per share</b>						
Net Profits attributable to ordinary shareholders under conversion assumption to ordinary shares	<u>4,025.71</u>	<u>3,809.57</u>	<u>1,698.91</u>	<u>1,698.90</u>	2.37	2.24

**The Company**

**For the three-month period ended December 31, 2006 and 2005**

	<u>Gains</u>		<u>No. of Shares</u>		<u>Earnings per share</u>	
	<u>31-Dec-06</u>	<u>31-Dec-05</u>	<u>31-Dec-06</u>	<u>31-Dec-05</u>	<u>31-Dec-06</u>	<u>31-Dec-05</u>
	Million Baht	Million Baht	Million Shares	Million Shares	Baht	Baht
<b>Basic earnings per share</b>						
Net Profits attributable to ordinary shareholders	4,073.76	3,797.63	1,698.90	1,698.89	2.40	2.22
<b>Effects of dilutive potential ordinary shares</b>						
Warrants to purchase ordinary shares not exercising the rights	-	-	0.01	0.01		
<b>Diluted earnings per share</b>						
Net Profits attributable to ordinary shareholders under conversion assumption to ordinary shares	<u>4,073.76</u>	<u>3,797.63</u>	<u>1,698.91</u>	<u>1,698.90</u>	<u>2.40</u>	<u>2.22</u>

**4.12 Financial Information by Segment Consolidated**

4.12.1 Business segments

**Statements of Income**

**For the three-month period ended December 31, 2006 and 2005**

	Units : Million Baht							
	<u>Revenues</u>		<u>Inter - Segment Revenues</u>		<u>Total Revenues</u>		<u>Segment Results</u>	
	<u>31-Dec-06</u>	<u>31-Dec-05</u>	<u>31-Dec-06</u>	<u>31-Dec-05</u>	<u>31-Dec-06</u>	<u>31-Dec-05</u>	<u>31-Dec-06</u>	<u>31-Dec-05</u>
Air transportation	46,236.97	43,619.44	-	-	46,236.97	43,619.44	4,802.03	3,835.21
Business Units	1,834.71	1,991.49	4,018.65	3,434.69	5,853.36	5,426.18	606.19	1,355.28
Other activities	301.32	267.42	95.36	73.52	396.68	340.94	33.16	101.89
Eliminations	-	-	(4,114.01)	(3,508.21)	-	-	-	-
Operating profits							5,441.38	5,292.38
Share of net profit from subsidiary and associated companies							6.93	26.82
Interest expenses-net							(1,052.24)	(1,072.84)
Gain on foreign currency exchange							1,664.15	1,383.82
Other revenues							(261.00)	(178.04)
Minority interests							(14.05)	(12.13)
Income taxes							(1,759.46)	(1,630.44)
<b>Net profits</b>							<u>4,025.71</u>	<u>3,809.57</u>

## Assets and Liabilities

As at December 31, 2006 and September 30, 2006

	<u>Current Assets</u>		<u>Non-Current Assets</u>		<u>Units : Million Baht</u> <u>Total Assets</u>	
	<u>31-Dec-06</u>	<u>30-Sep-06</u>	<u>31-Dec-06</u>	<u>30-Sep-06</u>	<u>31-Dec-06</u>	<u>30-Sep-06</u>
	Air transportation	45,088.27	42,633.50	207,487.95	196,444.79	252,576.22
Business Units	492.80	487.28	6,697.02	6,674.61	7,189.82	7,161.89
Other activities	457.37	419.02	207.43	212.32	664.80	631.34
Non-allocated assets	<u>2,430.95</u>	<u>2,162.88</u>	-	-	<u>2,430.95</u>	<u>2,162.88</u>
<b>Total</b>	<b><u>48,469.39</u></b>	<b><u>45,702.68</u></b>	<b><u>214,392.40</u></b>	<b><u>203,331.72</u></b>	<b><u>262,861.79</u></b>	<b><u>249,034.40</u></b>

	<u>Current Liabilities</u>		<u>Non-Current Liabilities</u>		<u>Units : Million Baht</u> <u>Total Liabilities</u>	
	<u>31-Dec-06</u>	<u>30-Sep-06</u>	<u>31-Dec-06</u>	<u>30-Sep-06</u>	<u>31-Dec-06</u>	<u>30-Sep-06</u>
	Air transportation	76,180.09	77,224.84	118,486.13	105,469.87	194,666.22
Business Units	775.94	248.04	58.05	54.74	833.99	302.78
Other activities	190.77	83.35	-	-	190.77	83.35
Non-allocated liabilities	<u>299.53</u>	<u>272.38</u>	-	-	<u>299.53</u>	<u>272.38</u>
<b>Total</b>	<b><u>77,446.33</u></b>	<b><u>77,828.61</u></b>	<b><u>118,544.18</u></b>	<b><u>105,524.61</u></b>	<b><u>195,990.51</u></b>	<b><u>183,353.22</u></b>

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.

### 4.12.2 Geographical segments

	<u>Units : Million Baht</u>	
	<u>31-Dec-06</u>	<u>31-Dec-05</u>
Domestic Revenues		
Transportation	2,923.26	2,985.79
Business units	1,834.72	1,991.49
Other activities	<u>301.32</u>	<u>267.42</u>
Total domestic revenues	<u>5,059.30</u>	<u>5,244.70</u>
Foreign Transportation Revenues		
Regional Asia	18,233.56	18,211.17
Europe	12,613.53	11,808.20
North Pacific	1,360.06	1,390.28
Australia & New Zealand	3,897.23	3,295.09
Africa	<u>219.30</u>	<u>-</u>
Total foreign transportation revenues	<u>36,323.68</u>	<u>34,704.74</u>
Charter revenues and others	1,936.67	1,703.31
Insurance surcharge from passengers	639.56	647.42
Fuel surcharge from passengers	<u>4,413.79</u>	<u>3,578.18</u>
<b>Total</b>	<b><u>48,373.00</u></b>	<b><u>45,878.35</u></b>

#### 4.13 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:

	<b>Units : Million Baht</b>	
	<b><u>31-Dec-06</u></b>	<b><u>30-Sep-06</u></b>
Current assets	4,629.30	4,485.25
Other	<u>37.83</u>	<u>45.79</u>
Total	<u>4,667.13</u>	<u>4,531.04</u>
Other current liabilities	35.00	35.22
Pension fund	<u>4,632.13</u>	<u>4,495.82</u>
Total	<u>4,667.13</u>	<u>4,531.04</u>

As at December 31, 2006, the fund balance was THB 4,632.13 million, equal to the Company's obligation to its staff under the fund. The total Company contribution to the fund in this fiscal year was THB 262.76 million, consisting of contributions at a rate equivalent to 10% of employee salaries in the amount of THB 62.09 million and additional amounts to match the Company's obligation of THB 200.67 million.

#### 4.14 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 247.29 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).

#### 4.15 Contingent Liabilities

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

	<b>Units : Million Baht</b>	
	<b><u>Consolidate and the Company</u></b>	
	<b><u>31-Dec-06</u></b>	<b><u>30-Sep-06</u></b>
Letters of guarantee issued by banks		
The Company as defendant in		
Labour dispute cases	3.80	6.07
Damage claims cases	539.21	515.70
	<u>251.02</u>	<u>290.63</u>
<b>Total</b>	<b><u>794.03</u></b>	<b><u>812.40</u></b>

#### **4.16 Contractual Obligations**

##### **4.16.1 Obligation to Purchase Aircraft**

The Company has a payment obligation to purchase aircraft amount of THB 58,042.06 million.

##### **4.16.2 Leases and Obligations of aircraft**

The Company has entered into operating leases amount of USD 322.73 million or approximately THB 11,692.72 million (exchange rate USD 1 : THB 36.2308).

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

On January 18, 2006, there was a fire incident at Thai's Catering building at Suvarnabhumi Airport which was under a construction. This caused the damage on some parts of building, system, and assets of the Company. Such Catering building is under a recovery process. From the fire incident, the Company received a compensation from Dhipaya Insurance Public Company Limited amount of THB 1,150.00 million on September 21, 2006. These are an indemnity for the Company's asset amount of THB 506.75 million and the damage under the constructors' responsibility amount of THB 643.25 million which will use to recovery the building.

The Company has an payment obligation to the constructors according to the contracts approximately of THB 250.62 million for recovering which is expected to be finished in March 2007.

#### **4.17 Approval of Financial Statements**

These financial statements were approved by the authorized Board of Directors on February 9, 2007.

---