



Thai Airways International Public Company Limited
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[Translation]

Registration No. 0107537001757

DE/1C- 056

17 October 2011

Subject : Acquisition of Shares of Nok Airlines Co., Ltd.

To : President,
The Stock Exchange of Thailand

Thai Airways International Public Company Limited ("the Company") held the Board Meeting No. 13/2011 on 14 October 2011, at the Conference Room, 22nd Floor, Head Office Building, No. 89 Vibhavadi Rangsit Road, Khwaeng Jompol, Khet Chatuchak, Bangkok Metropolis. The meeting has passed a resolution for the Company to acquire 5 million shares of Nok Airlines Co., Ltd. ("Nok Air") from Krung Thai Bank Public Company Limited ("KTB") at 33 Baht per share, totaling to Baht 165 million. After the acquisition, the Company's shareholding in Nok Air will be increased from 39% to 49%.

This transaction is a connected transaction according to the Notification of the Stock Exchange of Thailand Regarding Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, 2003. The transaction value is equal to 0.25% of the Company's net tangible assets according to the most recent reviewed financial statements as of 30 June 2011. This transaction required the Company to seek approval from the board of directors but not from the shareholders.

This transaction is also an asset acquisition transaction of a listed company according to the Notification of the Stock Exchange of Thailand Regarding Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets with the highest transaction value of 0.11%, calculated by asset value criteria.

The transaction value when consolidated with other transaction in the past 6 months, which is the acquisition of 37 aircraft where the Company has already disclosed to the Stock Exchange on 13 June 2011 and reported to the shareholders on 21 June 2011, is equal to 40.74% of total assets of the Company according to the most recent reviewed financial statements as of 30 June 2011. This transaction falls into Category 2 of the Notification of the Stock Exchange of Thailand Regarding Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets. Therefore, the Company would like to disclose details as attached.

This report is also a disclosure of information regarding a 10% investment in another company.

This matter is being reported for your information.

Wasukarn Visansawatdi
Executive Vice President
Finance and Accounting

[Translation]

Thai Airways International Public Company Limited

**Report of Information on the Connected Transaction and Acquisition of
Shares of Nok Airlines Co., Ltd.**

The Board Meeting No. 13/2011 of Thai Airways International Public Company Limited ("the Company") held on 14 October 2011 has passed a resolution for the Company to acquire shares of Nok Airlines Co., Ltd. ("Nok Air") from Krung Thai Bank Public Company Limited ("KTB") which is a connected party of the Company with details as follows:

1. Date of Implementation and Contracting Parties

The company will proceed to acquire shares of Nok Air from KTB immediately after condition precedents to the Shareholders Agreement of Nok Air are completed.

Contracting Parties

Buyer	Thai Airways International Public Company Limited
Seller	Krung Thai Bank Public Company Limited

2. General Characteristic of the Transaction

The Company will acquire 5 million ordinary shares or 10% of the paid up shares of Nok Air from KTB at 33 Baht per share, totaling to Baht 165 million. After the acquisition, the Company's shareholding in Nok Air will be increased from 39% to 49%.

3. Details of Connected Persons

Ministry of Finance, a major shareholder of the Company, holds 51.03% in the Company shares and has control over KTB through Financial Institution Development Fund, the major shareholder of KTB, holding 55.15% in KTB. Furthermore, Mr. Areepong Bhoocha-oom, a member of the Board of Director of the Company is the Permanent Secretary to the Ministry of Finance, the highest administrative position of the Ministry.

4. Total Value of the Transaction and Criteria Used to Determine the Total Value

This transaction is a connected transaction according to the Notification of the Stock Exchange of Thailand Regarding Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, 2003. The transaction value of Baht 165 million, calculated by total value of the consideration paid for, is equal to 0.25% of the Company's net tangible assets according to the most recent reviewed financial statements as

of 30 June 2011 which is a medium value transaction, greater than 0.03% but not exceeding 3%. This transaction required the Company to seek approval from the board of directors and disclose information to the Stock Exchange, without seeking approval from the shareholders.

5. Source of Funding and Adequacy of Working Capital

The investment amount for acquiring of 5 million shares of Nok Air at 33 Baht per share totaling to Baht 165 million has been prepared for in 2011 budget. The Company has adequate working capital to fund the investment.

6. Anticipated Benefits

The Company has a strategy to join forces to support and strengthen passenger transportation business in order to accommodate intense competition in the future, including fully liberalization of regional aviation. Increase in ownership of Nok Air from 39% to 49% enables the Company to increase the Board seats in Nok Air from 4 to 5 which allow the Company to manage Nok Air. The business plan can be integrated and unify consistently with the strategy of the Company and nation as a whole. Nok Air is a Fighting Brand that can compete with other low cost airlines. The company can maintain market share and targeting multiple segments of potential customers and have loyal customers through a well known brand. Furthermore, collaboration of the Company and Nok Air will also create an extensive knowledge transfer of the airline business.

7. Board of Directors who have conflict of interest and/or are Related Party did not attend the meeting and have no voting right

Mr.Areepong Bhoocha-oom, the Permanent Secretary of the Finance Ministry and Mr.Chulasingh Vasantasingh, the Chairman of the Audit Committee of the Company and KTB did not attend the meeting and have no voting right.

8. Board of Directors' Opinion on the Transaction

The Board of Directors had the opinion that the acquiring of shares is reasonable. Based on the value of Nok Air from past operations, it is expected that the Company will be receiving return on investment of approximately 20%. Based on performance estimates in 2012-2015, Nok Air has satisfactory operations. Therefore, the purchase price of 33 Baht per share is appropriate. Furthermore, the price of 33 Baht is based on an actual transfer price in August

2011 by Nok Air managements through Nok Air Management Co., Ltd. from 3 former shareholders, namely, Dhipaya Insurance Public Co., Ltd., Government Pension Fund and Thailand Prosperity Fund. The sellers are not a Related Party to the Company.

9. Opinion of the Board of Directors and/or Audit Committee which is differ from those of the other members of the Board of Directors in item 8

-none-

Information on Nok Airlines Co., Ltd.

Company Name : Nok Airlines Co., Ltd.
 Registered and Paid Up Capital : 500,000,000 Baht (five hundred million Baht)
 Type of Business Operation : provide passenger air transportation services

Shareholders (after share acquisition)

Thai Airways International Public Company Limited	49%
Nok Air Management Co., Ltd.	25%
CPB Equity Co., Ltd.	6%
Siam Commercial Bank Public Company Limited	5%
King Power International Group Co., Ltd.	5%
Mr.Suppapong Assawinwichit	5%
Mr.Patee Sarasin	5%

Board of Directors

1. Mr.Apiporn Pasawat
2. Mr.Somchainuk Engtrakul
3. Mr.Pongsathon Siriyothin
4. Mr.Weerawong Chittmitrapap
5. Mr.Chokchai Panyayong
6. Mr.Teerapol Chotichanapibal
7. Mr.Michael David Selby
8. Mr.Patee Sarasin
9. Mr.Surasak Kaoroptham

(Information as of 14 October 2011 which may be changed after the share acquisition. The Company's Board of Directors has approved an appointment of Mr.Piyasvasti Amranand as a representative from the Company to be a member of the Board of Directors of Nok Air.)

Summary of 2010 Financial Statements

Total Assets	1,385.07 Million Baht
Total Liabilities	648.35 Million Baht
Total Revenue	4,191.71 Million Baht
Net Profit	601.53 Million Baht
Earning Per Share	12.03 Baht / Share