

(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 September 30, 2010, the related consolidated and the Company statements of income for the three and nine - month periods ended September 30, 2010 and 2009, changes in shareholders' equity and cash flows for the nine - month periods ended September 30, 2010 and 2009, of Thai Airways International Public Company Limited and its subsidiary and the Company, respectively. 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 consolidated and the Company financial statements for the year ended December 31, 2009 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 February 23, 2010. The consolidated and the Company balance sheets as at December 31, 2009, presented here to compare, are one part of the financial statements which were audited and reported by the Office of the Auditor General without applying other auditing methods after the date in those reports.

Without qualifying an opinion on these financial statements, the office of the Auditor General of Thailand would like to draw attention to :

1. Note to the financial statement No. 2.20.2, Contingent Liabilities

In respect of the case that the Company has been alleged and filed suit in violation of the competition law infringement. The Company has already recognized the contingent liabilities in the financial statement amount of THB 4,290.17 million which may materially differ from the real amount.

2. Note to the financial statement No. 2.21, Airbus A330-300 Delivery

The Company took the delivery of 5 Airbus A330-300 aircraft under finance leases which economy class seats have not been installed. The Company may have to repay the loan if the economy class seats have not been installed in the aircraft on time.

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

(Signed) *Dawan Wongphayak*
(Dawan Wongphayak)
Senior Audit Specialist level 9

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

BALANCE SHEETS

AS AT SEPTEMBER 30, 2010 AND DECEMBER 31, 2009

Units : Baht

	<u>Notes</u>	<u>CONSOLIDATED</u>		<u>THE COMPANY</u>	
		<u>30-Sep-10</u> (unaudited) (reviewed)	<u>31-Dec-09</u> (audited)	<u>30-Sep-10</u> (unaudited) (reviewed)	<u>31-Dec-09</u> (audited)
ASSETS					
Current Assets					
Cash and cash equivalents	2.1	27,685,280,082	14,299,680,924	27,657,425,158	14,064,775,967
Temporary investments		549,409,278	350,000,000	-	-
Trade accounts receivable, net	2.2	15,379,287,428	15,307,562,527	15,350,453,053	15,229,390,710
Inventories and supplies, net		6,960,780,651	6,197,959,528	6,960,780,651	6,197,959,528
Prepaid expenses and deposits		4,616,642,503	4,460,219,285	4,609,705,586	4,454,258,206
Other current assets	2.3	7,362,114,526	6,672,942,805	7,326,767,899	6,636,287,703
Total Current Assets		62,553,514,468	47,288,365,069	61,905,132,347	46,582,672,114
Non-Current Assets					
Investment in associates	2.4.1	1,368,965,478	1,240,961,713	723,520,500	723,520,500
Investment in subsidiary	2.4.1	-	-	8,250,000	8,250,000
Other long-term investments	2.4.2	79,166,128	86,413,463	79,166,128	86,413,463
Property, plant and equipment, net	2.6	207,701,195,464	213,505,196,888	207,686,390,887	213,483,314,774
Intangible assets, net	2.7	591,979,076	651,908,453	587,386,994	646,822,436
Assets for sales		798,718,620	883,280,235	798,718,620	883,280,235
Deferred income tax assets	2.8	5,752,340,361	5,730,814,300	5,739,540,996	5,718,494,474
Other non-current assets	2.9	2,417,991,162	2,307,147,036	2,417,617,348	2,306,773,221
Total Non-Current Assets		218,710,356,289	224,405,722,088	218,040,591,473	223,856,869,103
Total Assets		281,263,870,757	271,694,087,157	279,945,723,820	270,439,541,217

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

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

BALANCE SHEETS

AS AT SEPTEMBER 30, 2010 AND DECEMBER 31, 2009

		<u>CONSOLIDATED</u>		<u>THE COMPANY</u>	
	<u>Notes</u>	<u>30-Sep-10</u> <u>(unaudited)</u> <u>(reviewed)</u>	<u>31-Dec-09</u> <u>(audited)</u>	<u>30-Sep-10</u> <u>(unaudited)</u> <u>(reviewed)</u>	<u>31-Dec-09</u> <u>(audited)</u>
Units : Baht					
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Liabilities					
Trade accounts payable		6,138,077,013	6,584,444,469	6,132,645,810	6,579,114,979
Current portion of long-term liabilities					
Debentures		13,500,000,000	10,955,290,000	13,500,000,000	10,955,290,000
Long-term loans from related parties	2.5.1.2	2,072,000,000	2,072,000,000	2,072,000,000	2,072,000,000
Long-term loans from others		1,875,000,000	400,000,000	1,875,000,000	400,000,000
Liabilities under finance leases		9,985,477,203	11,312,930,437	9,985,477,203	11,312,930,437
Promissory notes from related parties	2.5.1.3	-	500,000,000	-	500,000,000
Promissory notes from others		-	250,000,000	-	250,000,000
Short-term loans from related parties	2.5.1.1	-	1,116,109,440	-	1,116,109,440
Short-term provisions		458,200,000	458,200,000	458,200,000	458,200,000
Other current liabilities					
Accrued expenses		13,660,401,477	13,629,235,002	13,638,857,740	13,607,050,871
Accrued dividends		72,161,856	70,615,864	72,161,856	70,615,864
Accrued income taxes		7,297,340	32,134,145	-	-
Unearned transportation revenues		24,485,108,560	24,950,135,646	24,485,108,560	24,950,135,646
Deferred income		880,024,805	1,979,762,723	880,024,805	1,979,762,723
Others		5,568,240,071	6,140,671,214	5,546,106,250	6,116,204,661
Total Current Liabilities		78,701,988,325	80,451,528,940	78,645,582,224	80,367,414,621
Non-Current Liabilities					
Long-term liabilities					
Debentures		23,334,710,000	29,334,710,000	23,334,710,000	29,334,710,000
Long-term loans from related parties	2.5.1.2	7,774,312,000	9,446,672,000	7,774,312,000	9,446,672,000
Long-term loans from others		23,925,000,000	22,600,000,000	23,925,000,000	22,600,000,000
Liabilities under finance leases		58,629,092,439	68,028,272,475	58,629,092,439	68,028,272,475
Staff pension fund	2.18	4,925,298,873	4,708,607,486	4,925,298,873	4,708,607,486
Long-term provisions		3,881,956,949	3,880,336,949	3,880,336,949	3,880,336,949
Other non - current liabilities		15,278,900	-	15,278,900	-
Total Non-Current Liabilities		122,485,649,161	137,998,598,910	122,484,029,161	137,998,598,910
Total Liabilities		201,187,637,486	218,450,127,850	201,129,611,385	218,366,013,531
Shareholders' Equity					
Share capital	2.11				
Authorized					
2,698.90 million ordinary shares par value of Baht 10 each		26,989,009,500	-	26,989,009,500	-
1,700.00 million ordinary shares par value of Baht 10 each		-	17,000,000,000	-	17,000,000,000
Issued and paid-up					
2,182.77 million ordinary shares par value of Baht 10 each		21,827,719,170	-	21,827,719,170	-
1,698.90 million ordinary shares par value of Baht 10 each		-	16,989,009,500	-	16,989,009,500
Premium on ordinary shares		25,660,288,670	15,637,625,278	25,660,288,670	15,637,625,278
Retained earnings					
Appropriated					
Legal reserve		1,700,000,000	1,700,000,000	1,700,000,000	1,700,000,000
Unappropriated		30,607,908,795	18,619,766,346	29,628,104,595	17,746,892,908
Total Company Shareholders' Equity		79,795,916,635	52,946,401,124	78,816,112,435	52,073,527,686
Minority Interests		280,316,636	297,558,183	-	-
Total Shareholders' Equity		80,076,233,271	53,243,959,307	78,816,112,435	52,073,527,686
Total Liabilities and Shareholders' Equity		281,263,870,757	271,694,087,157	279,945,723,820	270,439,541,217

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

(Signed) *Piyasvasti Amranand*
(Piyasvasti Amranand)
President

(Signed) *Kaweepan Raungpaka*
(Kaweepan Raungpaka)
Executive Vice President
Finance and Accounting

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF INCOME

For the three - month periods ended September 30, 2010 and 2009

Units : Baht

	Notes	CONSOLIDATED		THE COMPANY	
		2010	2009	2010	2009
Revenues					
Revenues from Sale or revenues from Services					
Passenger and excess baggage		35,387,884,662	32,171,847,200	35,387,884,662	32,171,847,200
Freight		6,988,578,398	4,699,492,830	6,988,578,398	4,699,492,830
Mail		197,726,606	194,396,141	197,726,606	194,396,141
Other activities		1,859,131,112	1,782,576,608	1,781,865,923	1,681,176,874
Total Revenues from Sale or revenues from Services		44,433,320,778	38,848,312,779	44,356,055,589	38,746,913,045
Other Income					
Interest income		42,954,073	31,153,287	40,654,766	29,049,868
Other incomes	2.12	938,085,288	267,231,952	959,286,945	282,353,133
Total Other Incomes		981,039,361	298,385,239	999,941,711	311,403,001
Total Revenues		45,414,360,139	39,146,698,018	45,355,997,300	39,058,316,046
Expenses					
Fuel and oil		13,940,955,449	12,709,871,229	13,940,955,449	12,709,871,229
Personnel		6,881,039,280	6,771,309,551	6,872,113,666	6,756,242,443
Management benefit expenses	2.13	16,602,521	13,454,882	16,295,268	13,122,576
Flight service expenses		4,504,851,183	4,551,010,783	4,504,851,183	4,551,010,783
Crew expenses		1,188,902,400	1,229,822,185	1,188,902,400	1,229,822,185
Aircraft maintenance and overhaul costs		2,052,574,870	2,105,068,637	2,052,574,870	2,105,068,637
Depreciation and amortisation expenses		4,992,919,838	5,356,918,032	4,990,192,527	5,354,010,594
Lease of aircraft and spare parts		1,239,801,603	237,535,101	1,239,801,603	237,535,101
Inventories and supplies		2,328,314,505	2,118,859,639	2,328,314,505	2,118,859,639
Selling and advertising expenses		1,535,092,484	1,614,848,464	1,523,449,664	1,603,900,386
Insurance expenses		174,566,913	175,566,383	174,566,913	175,566,383
Impairment losses of assets		446,905,642	51,775,355	446,905,642	51,775,355
Other expenses	2.14	1,946,770,796	1,886,209,204	1,931,637,635	1,870,970,838
Losses on foreign currency exchange		2,772,608,962	2,735,398,548	2,773,079,792	2,737,043,584
Total Expenses		44,021,906,446	41,557,647,993	43,983,641,117	41,514,799,733
Share of losses (profits) of investments by the equity method		(57,027,088)	26,982,087	-	-
Profits (losses) before Finance Costs and Income Tax Expenses		1,449,480,781	(2,437,932,062)	1,372,356,183	(2,456,483,687)
Finance costs		1,314,689,816	1,423,691,419	1,314,689,816	1,423,691,419
Profits (losses) before Income Tax Expenses		134,790,965	(3,861,623,481)	57,666,367	(3,880,175,106)
Net tax expenses (tax income)	2.15	(14,323,576)	153,669,624	(26,901,460)	135,844,536
Net profits (losses)		149,114,541	(4,015,293,105)	84,567,827	(4,016,019,642)
Profits (losses) Attributable to:					
Equity holders of the parent		136,400,603	(4,034,500,396)	84,567,827	(4,016,019,642)
Minority interest		12,713,938	19,207,291	-	-
		149,114,541	(4,015,293,105)	84,567,827	(4,016,019,642)
Basic earnings per share					
Net profits (losses) per share	2.16	0.08	(2.37)	0.05	(2.36)

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

(Signed) *Piyasvasti Amranand*
(Piyasvasti Amranand)
President

(Signed) *Kaweepan Raungpaka*
(Kaweepan Raungpaka)
Executive Vice President
Finance and Accounting

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF INCOME

For the nine - month periods ended September 30, 2010 and 2009

Units : Baht

	<u>Notes</u>	<u>CONSOLIDATED</u>		<u>THE COMPANY</u>	
		<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Revenues					
Revenues from Sale or revenues from Services					
Passenger and excess baggage		105,897,733,696	95,098,674,493	105,897,733,696	95,098,674,493
Freight		20,006,837,961	12,394,776,238	20,006,837,961	12,394,776,238
Mail		611,553,848	586,255,768	611,553,848	586,255,768
Other activities		5,589,705,977	5,813,817,262	5,343,735,144	5,530,934,182
Total Revenues from Sale or revenues from Services		132,105,831,482	113,893,523,761	131,859,860,649	113,610,640,681
Other Income					
Interest income		107,057,915	145,793,976	99,850,959	134,760,489
Other incomes	2.12	2,641,177,457	1,006,147,299	2,810,224,049	1,161,309,512
Total Other Incomes		2,748,235,372	1,151,941,275	2,910,075,008	1,296,070,001
Total Revenues		134,854,066,854	115,045,465,036	134,769,935,657	114,906,710,682
Expenses					
Fuel and oil		42,033,341,598	33,245,493,923	42,033,341,598	33,245,493,923
Personnel		21,713,896,647	20,365,136,413	21,684,880,524	20,317,874,305
Management benefit expenses	2.13	52,843,546	41,436,131	51,631,562	40,200,795
Flight service expenses		14,012,863,539	13,009,114,344	14,012,863,539	13,009,114,344
Crew expenses		3,774,045,019	3,828,688,789	3,774,045,019	3,828,688,789
Aircraft maintenance and overhaul costs		6,835,087,314	7,143,311,701	6,835,087,314	7,143,311,701
Depreciation and amortisation expenses		15,326,571,710	15,601,857,628	15,318,314,438	15,589,723,172
Lease of aircraft and spare parts		2,748,531,836	947,706,402	2,748,531,836	947,706,402
Inventories and supplies		6,771,691,186	6,272,241,332	6,771,691,186	6,272,241,332
Selling and advertising expenses		4,498,867,986	4,568,641,885	4,469,331,814	4,540,434,505
Insurance expenses		504,744,594	571,438,339	504,744,594	571,438,339
Impairment losses of assets		565,514,387	222,746,999	565,514,387	222,746,999
Other expenses	2.14	6,082,125,393	6,078,907,302	6,034,770,230	6,048,154,390
Gains on foreign currency exchange		(7,317,041,099)	(52,559,113)	(7,325,181,860)	(50,531,184)
Total Expenses		117,603,083,656	111,844,162,075	117,479,566,181	111,726,597,812
Share of profits of investments by the equity method		(225,893,284)	(2,921,801)	-	-
Profits before Finance Costs and Income Tax Expenses		17,476,876,482	3,204,224,762	17,290,369,476	3,180,112,870
Finance costs		3,922,445,862	4,295,630,116	3,922,445,862	4,295,630,116
Profits (losses) before Income Tax Expenses		13,554,430,620	(1,091,405,354)	13,367,923,614	(1,115,517,246)
Net tax expenses	2.15	1,101,454,108	422,924,665	1,062,011,318	370,395,912
Net profits (losses)		12,452,976,512	(1,514,330,019)	12,305,912,296	(1,485,913,158)
Profits (losses) Attributable to:					
Equity holders of the parent		12,412,843,059	(1,569,334,513)	12,305,912,296	(1,485,913,158)
Minority interest		40,133,453	55,004,494	-	-
		12,452,976,512	(1,514,330,019)	12,305,912,296	(1,485,913,158)
Basic earnings per share					
Net profits (losses) per share	2.16	7.25	(0.92)	7.19	(0.87)

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

(Signed) *Piyasvasti Amranand*
(Piyasvasti Amranand)
President

(Signed) *Kaweepan Raungpaka*
(Kaweepan Raungpaka)
Executive Vice President
Finance and Accounting

unaudited
reviewed

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the nine - month periods ended September 30, 2010 and 2009

Units : Baht

CONSOLIDATED

<i>Note</i>	Equity holders of the parent				Minority Interest	Total
	Share Capital issued and fully paid	Premium on ordinary shares	Retained Earnings	Total Equity holders of the parent		
Balance as at January 1, 2009	16,989,009,500	15,637,625,278	12,976,187,481	45,602,822,259	279,310,034	45,882,132,293
<u>Add</u> Net profits (losses)	-	-	(1,569,334,513)	(1,569,334,513)	55,004,494	(1,514,330,019)
<u>Less</u> Dividends paid	-	-	-	-	54,000,000	54,000,000
Balance as at September 30, 2009	16,989,009,500	15,637,625,278	11,406,852,968	44,033,487,746	280,314,528	44,313,802,274
Balance as at January 1, 2010	16,989,009,500	15,637,625,278	20,319,766,345	52,946,401,123	297,558,183	53,243,959,306
<u>Add</u> Net profits	-	-	12,412,843,059	12,412,843,059	40,133,453	12,452,976,512
<u>Less</u> Dividends paid	-	-	424,725,237	424,725,237	57,375,000	482,100,237
<u>Add</u> Returned dividend paid	-	-	24,628	24,628	-	24,628
<u>Add</u> Issued share capital	4,838,709,670	10,161,290,307	-	14,999,999,977	-	14,999,999,977
<u>Less</u> Share offering expense	-	138,626,915	-	138,626,915	-	138,626,915
Balance as at September 30, 2010	21,827,719,170	25,660,288,670	32,307,908,795	79,795,916,635	280,316,636	80,076,233,271

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

(Signed) *Piyasvasti Amranand*
(Piyasvasti Amranand)
President

(Signed) *Kaweepan Raungpaka*
(Kaweepan Raungpaka)
Executive Vice President
Finance and Accounting

unaudited

reviewed

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the nine - month periods ended September 30, 2010 and 2009

Units : Baht

THE COMPANY

<i>Note</i>	Share Capital issued and fully paid	Premium on ordinary shares	Retained Earnings	Total
Balance as at January 1, 2009	16,989,009,500	15,637,625,278	12,029,483,675	44,656,118,453
<u>Less</u> Net losses	-	-	1,485,913,158	1,485,913,158
Balance as at September 30, 2009	16,989,009,500	15,637,625,278	10,543,570,517	43,170,205,295
Balance as at January 1, 2010	16,989,009,500	15,637,625,278	19,446,892,908	52,073,527,686
<u>Add</u> Net profits	-	-	12,305,912,296	12,305,912,296
<u>Less</u> Dividends paid	-	-	424,725,237	424,725,237
<u>Add</u> Returned dividend paid	-	-	24,628	24,628
<u>Add</u> Issued share capital	4,838,709,670	10,161,290,307	-	14,999,999,977
<u>Less</u> Share offering expense	-	138,626,915	-	138,626,915
Balance as at September 30, 2010	21,827,719,170	25,660,288,670	31,328,104,595	78,816,112,435

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

(Signed) *Piyasvasti Amranand*
(Piyasvasti Amranand)
President

(Signed) *Kaweepan Raungpaka*
(Kaweepan Raungpaka)
Executive Vice President
Finance and Accounting

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF CASH FLOWS

For the nine - month periods ended September 30, 2010 and 2009

	<u>CONSOLIDATED</u>		<u>THE COMPANY</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	Units : Baht			
Cash Flows from Operating Activities				
Profits (losses) before Income Tax expenses	13,554,430,620	(1,091,405,354)	13,367,923,614	(1,115,517,246)
Adjustment to reconcile net profit to cash provided by (paid from) operating activities :				
Depreciation and amortisation expenses	15,326,571,710	15,601,857,628	15,318,314,438	15,589,723,172
Dividends income	(35,000)	(297,500)	(168,049,520)	(153,868,370)
Income from investments by equity method	(225,893,284)	(2,921,801)	-	-
Interest income	(107,057,915)	(145,793,976)	(99,850,959)	(134,760,489)
Interest expenses	3,922,445,862	4,295,630,116	3,922,445,862	4,295,630,116
Gains on sales of assets	(77,377,194)	(228,772,563)	(77,377,194)	(228,763,757)
Other non - current liabilities	1,620,000	-	-	-
Gains on foreign currency exchange	(7,002,592,642)	(73,334,406)	(7,001,557,590)	(73,732,416)
Provision for obsolete inventories and supplies	51,062,313	(10,850,047)	51,062,313	(10,850,047)
Doubtful accounts	(69,014,126)	242,547,084	(68,807,191)	260,215,026
Impairment losses of assets	565,514,387	222,746,999	565,514,387	222,746,999
Operating profit before changes in operating assets and liabilities	25,939,674,731	18,809,406,180	25,809,618,160	18,650,822,988
Decrease (increase) in operating assets :				
Trade accounts receivable	(159,179,613)	1,293,311,816	(209,719,123)	1,276,746,910
Inventories and supplies	(813,883,436)	759,446,729	(813,883,436)	759,446,729
Prepaid expenses and deposits	(329,727,704)	132,028,612	(328,751,866)	132,902,508
Tax refund	(28,106,619)	12,609,965	(28,106,619)	12,609,965
Other current assets	(1,312,673,763)	908,870,933	(1,313,236,524)	920,155,228
Other assets	(8,969,918)	(10,508,883)	(8,969,918)	(10,508,882)
Deferred charges	(310,699,998)	(200,105,562)	(310,699,998)	(200,105,562)
Increase (decrease) in operating liabilities :				
Trade accounts payable	(407,071,004)	611,818,427	(407,212,636)	612,516,663
Accrued expenses and other current liabilities	(230,940,362)	(284,570,013)	(227,967,235)	(280,418,961)
Deferred income	(1,090,337,917)	-	(1,090,337,917)	-
Staff pension fund	216,691,387	123,233,839	216,691,387	123,233,839
Unearned transportation revenue	(884,234,849)	(4,176,632,897)	(884,234,849)	(4,176,632,897)
Payment of income tax	(1,163,604,097)	(216,236,442)	(1,098,844,962)	(149,901,282)
Net Cash from Operating Activities	19,416,936,838	17,762,672,704	19,304,344,464	17,670,867,246

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

unaudited
reviewed

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CASH FLOWS

For the nine - month periods ended September 30, 2010 and 2009

Units : Baht

	<u>CONSOLIDATED</u>		<u>THE COMPANY</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Cash Flows from Investing Activities				
Cash received from concessions to reduce cost of aircraft	15,278,900	-	15,278,900	-
Cash paid for acquisition of fixed assets	(5,495,878,850)	(13,998,483,225)	(5,495,193,050)	(13,997,065,006)
Cash paid for intangible assets	(71,661,650)	(31,314,483)	(71,661,650)	(30,096,683)
Cash received from transferring the rights for advance payment of aircraft and aircraft equipment	318,985,741	812,681,912	318,985,741	812,681,912
Cash received from sales of assets	113,968,887	252,448,702	113,968,887	252,439,122
Interest income	102,779,440	134,007,735	94,266,493	121,216,056
Dividends income	97,924,520	87,868,370	168,049,520	153,868,370
Investments increase	-	(51,700)	-	(51,700)
Temporary investments decrease (increase)	(199,969,554)	160,000,000	-	-
Net Cash Used in Investing Activities	(5,118,572,566)	(12,582,842,689)	(4,856,305,159)	(12,687,007,929)
Cash Flows from Financing Activities				
Cash received from debentures	-	4,790,000,000	-	4,790,000,000
Cash received from long-term loans	4,465,338,178	21,092,749,847	4,465,338,178	21,092,749,847
Cash received from issuing ordinary shares	4,838,709,670	-	4,838,709,670	-
Cash received from premium on ordinary shares	10,022,663,392	-	10,022,663,392	-
Cash paid for repayment of short-term loans	(1,116,109,440)	(13,315,089,410)	(1,116,109,440)	(13,315,089,410)
Cash paid for repayment of debenture	(3,455,290,000)	-	(3,455,290,000)	-
Cash paid for repayment of long-term loans	(10,388,325,972)	(8,535,765,136)	(10,388,325,972)	(8,535,765,136)
Cash paid for repayment of promissory notes	(750,000,000)	(750,000,000)	(750,000,000)	(750,000,000)
Cash paid for loan interest	(3,970,277,573)	(3,558,091,375)	(3,970,277,573)	(3,558,091,375)
Dividends paid	(423,154,618)	(373,008)	(423,154,618)	(373,008)
Dividends paid to minority interest	(57,375,000)	(54,000,000)	-	-
Net Cash used in Financing Activities	(833,821,363)	(330,569,082)	(776,446,363)	(276,569,082)
Increase (decrease) in cash and cash equivalents	13,464,542,909	4,849,260,933	13,671,592,942	4,707,290,235
Effect from changing in exchange rate on cash and cash equivalents decrease	(78,943,751)	(75,884,416)	(78,943,751)	(75,884,416)
Cash and cash equivalents at the beginning of the periods	14,299,680,924	7,445,516,396	14,064,775,967	7,403,493,913
Cash and Cash Equivalents at the End of the Periods	27,685,280,082	12,218,892,913	27,657,425,158	12,034,899,732

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

(Signed) *Piyasvasti Amranand*
(Piyasvasti Amranand)
President

(Signed) *Kaweepan Raungpaka*
(Kaweepan Raungpaka)
Executive Vice President
Finance and Accounting

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

For the three and nine-month periods ended September 30, 2010 (unaudited, but reviewed)

1. BASIC OF FINANCIAL STATEMENT PREPARATION

1.1 Financial Statement Preparation

The consolidated and the Company financial statements have been prepared in accordance with generally accepted accounting principles under the Accounting Act B.E. 2543 (2000) being those Thai accounting standards which issued by the Accounting Profession Act B.E. 2547 (2004) and the Financial Reporting Requirements of the Securities and Exchange Commission, Thailand under the Securities and Exchange Act B.E. 2535 (1992).

The 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.

An English language version of the financial statements has been prepared from the statutory financial statements that were issued in Thai language. In case of conflict or difference in understanding, the financial statements in Thai language shall prevail.

1.2 Interim Financial Statement Preparation

The interim financial statements are prepared in accordance with Thai Accounting Standard No.34 "Interim Financial Statements"(revised in 2007),(No.41 old version). The Company presents items in the balance sheets, statements of income, changes in shareholders' equity and cash flows in the same format as the annual financial statements and discloses only significant additional information in the note to financial statements.

The preparation of these interim financial statements are intended to provide additional information to that included in the latest annual financial statements for the year ended December 31, 2009. Accordingly, the interim financial statements focus on supporting of new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

1.3 Thai Accounting Standards, New Financial Reporting Standards and Revised Accounting Standards

During the year 2010, the Federation of Accounting Professions (FAP) announced the revised Thai Accounting Standards, Financial Reporting Standards in which there are a renumbering of New Accounting Standards, which are effective for financial statements having accounting periods beginning on or after January 1, 2011 and January 1, 2013 and were not early adopted by the Company are as follows:

- Effective for accounting periods on or after January 1, 2011 onwards:
Accounting Framework (revised 2009)
 - No.1 (revised 2009) Presentation of Financial Statements
 - No.2 (revised 2009) Inventories
 - No.7 (revised 2009) Cash Flow Statements
 - No.8 (revised 2009) Accounting Policies, Change in Accounting Estimates and Errors
 - No.10 (revised 2009) Events After the Reporting Period
 - No.11 (revised 2009) Construction Contracts
 - No.17 (revised 2009) Leases
 - No.23 (revised 2009) Borrowing Costs
 - No.24 (revised 2009) Related Party Disclosures
 - No.27 (revised 2009) Consolidated and Separate Financial Statements
 - No.28 (revised 2009) Investments in Associates
 - No.29 Financial Reporting in Hyperinflationary Economies
 - No.31 (revised 2009) Interests in Joint Ventures
 - No.33 (revised 2009) Earnings Per Share
 - No.34 (revised 2009) Interim Financial Reporting
 - No.36 (revised 2009) Impairment of Assets
 - No.37 (revised 2009) Provisions, Contingent Liabilities and Contingent Assets
 - No.38 (revised 2009) Intangible Assets
 - No.40 (revised 2009) Investment Property
 - Financial Reporting Standards No.3 (revised 2009) Business Combinations
 - Financial Reporting Standards No.5 (revised 2009) Non-current Assets Held for Sale and Discontinued Operations
 - Financial Reporting Standards No.6 Exploration for and Evaluation of Mineral Resources

- Effective for accounting periods on or after January 1, 2013 onwards:
 - No.12 Income Taxes
 - No.20 (revised 2009) Accounting for Government Grants and Disclosure of Government Assistance

Management of the Company has assessed and expected that the above standards have no material impact on the consolidated and the Company's financial statements.

1.4 Effect of a Change in Accounting Policies

The Company has changed its accounting policy for recording fixed assets by increasing a value of fixed asset per unit from THB 3,000 to THB 20,000 and up which became effective from January 1, 2010 onwards, in order to present the proper values of fixed assets in its financial statements. As a result, the Company's expenses increased in the three and nine - month periods ended September 30, 2010 amount of THB 8.29 million and THB 19.23 million, respectively as compared with the previous accounting policy.

2. SUPPLEMENTARY INFORMATION

2.1 Cash and Cash Equivalents

	Consolidated		Units : Million Baht The Company	
	30-Sep-10	31-Dec-09	30-Sep-10	31-Dec-09
	Cash - Domestic	76.37	32.32	76.37
Cash - Abroad	19.50	25.20	19.50	25.20
Bank Deposits - Domestic	19,181.75	2,681.25	19,153.90	2,446.35
Bank Deposits - Abroad	<u>8,407.66</u>	<u>11,560.91</u>	<u>8,407.66</u>	<u>11,560.91</u>
Total	<u>27,685.28</u>	<u>14,299.68</u>	<u>27,657.43</u>	<u>14,064.78</u>

2.2 Trade Account Receivables, net

Trade accounts receivable are classified according to their stages of delinquency.

	Consolidated		Units : Million Baht The Company	
	30-Sep-10	31-Dec-09	30-Sep-10	31-Dec-09
	Period overdue			
Not over 6 months	15,381.06	15,259.04	15,352.22	15,180.76
Over 6 months to 1 year	82.85	84.37	82.83	84.82
Over 1 year to 2 years	84.46	224.10	84.56	223.62
Over 2 years	<u>1,440.34</u>	<u>1,421.79</u>	<u>1,411.48</u>	<u>1,392.93</u>
	16,988.71	16,989.30	16,931.09	16,882.13
Less Allowance for doubtful accounts	<u>(1,609.42)</u>	<u>(1,681.73)</u>	<u>(1,580.64)</u>	<u>(1,652.74)</u>
Trade account receivables - net	<u>15,379.29</u>	<u>15,307.57</u>	<u>15,350.45</u>	<u>15,229.39</u>

Trade account receivables, not government agencies and state enterprises, are set an allowance for doubtful accounts by analysing a payment history and connection data together with aging analysis of each trade account receivable.

2.3 Other Current Assets

	Consolidated		Units : Million Baht The Company	
	30-Sep-10	31-Dec-09	30-Sep-10	31-Dec-09
	Tax refund	241.10	218.85	241.10
Cash and bank deposits of pension fund	4,841.20	3,346.11	4,841.20	3,346.11
Others	<u>2,279.81</u>	<u>3,107.98</u>	<u>2,244.47</u>	<u>3,071.33</u>
Total	<u>7,362.11</u>	<u>6,672.94</u>	<u>7,326.77</u>	<u>6,636.29</u>

2.4 Investments

Consolidated

Units : Million Baht

Name of Company	Percentage of Shareholding		Investments				Income on Investments for the nine-month periods	
			Cost method		Equity method		30-Sep-10	30-Sep-09
	30-Sep-10	31-Dec-09	30-Sep-10	31-Dec-09	30-Sep-10	31-Dec-09		
2.4.1 Investments using the equity method								
Royal Orchid Hotel (Thailand) Public Company Limited (Market value as at 30 Sep 10 amount of THB 596.25 million and as at 31 Dec 09 amount of THB 697.50 million)	24	24	225.00	225.00	212.03	248.14	(36.11)	(17.60)
Donmuang International Airport Hotel Company Limited	40	40	48.00	48.00	114.04	158.48	(10.83)	(10.96)
Bangkok Aviation Fuel Services Public Company Limited (Market value as at 30 Sep 10 amount of THB 1,134.59 million and as at 31 Dec 09 amount of THB 921.49 million)	22.6	22.6	115.19	115.19	621.36	615.87	60.77	46.20
Phuket Air Catering Company Limited	30	30	30.00	30.00	113.63	88.50	34.13	30.74
Suvarnabhumi Airport Hotel Company Limited	30	30	305.33	305.33	111.82	129.97	(18.16)	(45.46)
Nok Airlines Company Limited	39	39	195.00	195.00	196.09	-	196.09	-
<u>Less</u> Allowance for impairment of Nok Airlines Company Limited			(195.00)	(195.00)	-	-	-	-
Total investments using the equity method					<u>1,368.97</u>	<u>1,240.96</u>	<u>225.89</u>	<u>2.92</u>
2.4.2 Other long-term investments stated at cost								
Fuel Pipeline Transportation Limited	8.4	8.4	133.00	133.00			-	-
Aeronautical Radio of Thailand Limited	2.5	2.7	16.58	18.01			-	-
SITA Investment Certificate	-	-	30.36	33.32			-	-
Trade Siam Company Limited (paid 25% of authorized share capital)	3.5	3.5	1.75	1.75			-	-
SITA Information Networking Computing	-	-	27.68	30.37			-	-
Other Shares	-	-	2.80	2.96			-	0.30
<u>Less</u> Allowance for impairment of Fuel Pipeline Transportation Limited			(133.00)	(133.00)			-	-
Total other long-term investments			<u>79.17</u>	<u>86.41</u>			<u>-</u>	<u>0.30</u>

The Company

Units : Million Baht

Name of Company	Percentage of Shareholding		Investments		Dividend Income for the nine - month periods	
			Cost method			
	30-Sep-10	31-Dec-09	30-Sep-10	31-Dec-09	30-Sep-10	30-Sep-09
2.4.1 Investments using the cost method						
Subsidiary Company						
Thai-Amadeus Southeast Asia Company Limited	55	55	<u>8.25</u>	<u>8.25</u>	<u>70.12</u>	<u>66.00</u>
Associated Companies						
Royal Orchid Hotel (Thailand) Public Company Limited (Market value as at 30 Sep 10 amount of THB 596.25 million and as at 31 Dec 09 amount of THB 697.50 million)	24	24	225.00	225.00	-	18.00
Donmuang International Airport Hotel Company Limited	40	40	48.00	48.00	33.60	16.80
Bangkok Aviation Fuel Services Public Company Limited (Market value as at 30 Sep 10 amount of THB 1,134.59 million and as at 31 Dec 09 amount of THB 921.49 million)	22.6	22.6	115.19	115.19	55.29	43.77
Phuket Air Catering Company Limited	30	30	30.00	30.00	9.00	9.00
Suvarnabhumi Airport Hotel Company Limited	30	30	305.33	305.33	-	-
Nok Airlines Company Limited	39	39	195.00	195.00	-	-
Less Allowance for impairment of Nok Airlines Company Limited			(195.00)	(195.00)	-	-
Total			<u>723.52</u>	<u>723.52</u>	<u>97.89</u>	<u>87.57</u>
Total investments using the cost method			<u>731.77</u>	<u>731.77</u>	<u>168.01</u>	<u>153.57</u>
2.4.2 Other long-term investments stated at cost						
Fuel Pipeline Transportation Limited	8.4	8.4	133.00	133.00	-	-
Aeronautical Radio of Thailand Limited	2.5	2.7	16.58	18.01	-	-
SITA Investment Certificate	-	-	30.36	33.32	-	-
TRADESIAM Company Limited (paid 25% of authorized share capital)	3.5	3.5	1.75	1.75	-	-
SITA Information Networking Computing	-	-	27.68	30.37	-	-
Other Shares	-	-	2.80	2.96	-	0.30
Less Allowance for impairment of Fuel Pipeline Transportation Limited			(133.00)	(133.00)	-	-
Total other long-term investments			<u>79.17</u>	<u>86.41</u>	<u>-</u>	<u>0.30</u>

2.4.3 Financial Data Summary of Subsidiary and Associated Companies

Name of Company	Units : Million Baht			
	Assets	Liabilities	Income	Gains (Losses)
<u>Subsidiary Company</u>				
Thai-Amadeus Southeast Asia Company Limited	681.27	58.35	245.72	89.19
<u>Associated Companies</u>				
Royal Orchid Hotel (Thailand) Public Company Limited	1,742.19	858.73	341.54	(117.90)
Donmuang International Airport Hotel Company Limited	331.16	46.06	81.92	(22.24)
Bangkok Aviation Fuel Services Public Company Limited	5,354.11	2,511.75	845.97	231.80
Phuket Air Catering Company Limited	392.55	13.78	217.20	101.04
Suvarnabhumi Airport Hotel Company Limited	1,914.13	1,541.41	533.54	(60.52)
Nok Airlines Company Limited	1,090.81	588.02	1,998.25	367.61

The Company used the financial statements of associated companies as at June 30, 2010 to record the investment by equity method in the consolidated financial statements and by cost method in the Company's financial statements. Because the associated companies cannot submit their financial statements to the Company in time for accounting closing. This was no material impact to the Company.

2.5 Related Parties The Company

2.5.1 Major Shareholders

2.5.1.1 Short-term loans from related parties

	Units : Million Baht	
	30-Sep-10	31-Dec-09
Foreign loans via the Ministry of Finance	-	1,116.11

2.5.1.2 Long-term loans from related parties

	Units : Million Baht	
	30-Sep-10	31-Dec-09
Foreign loans via the Ministry of Finance	1,222.31	1,340.67
Government Saving Bank	6,999.00	8,178.00
Islamic Bank of Thailand	<u>1,625.00</u>	<u>2,000.00</u>
Total	<u>9,846.31</u>	<u>11,518.67</u>

2.5.1.3 Promissory notes from related parties

	Units : Million Baht	
	30-Sep-10	31-Dec-09
Government Saving Bank	-	500.00

2.5.2 Subsidiary Company

2.5.2.1 Related sales and purchases of goods and services

	Units : Million Baht							
	The three-month periods				The nine-month periods			
	Jul-Sep'10		Jul-Sep'09		Jan-Sep'10		Jan-Sep'09	
	Sales	Purchase	Sales	Purchase	Sales	Purchase	Sales	Purchase
Thai - Amadeus Southeast Asia Company Limited	0.74	-	1.04	-	2.37	-	3.08	-

2.5.2.2 Related receivables and payables

	Units : Million Baht			
	30-Sep-10		31-Dec-09	
	Account Receivables	Account Payables	Account Receivables	Account Payables
Thai-Amadeus Southeast Asia Company Limited	0.32	-	0.29	-

2.5.3 Associated Companies

2.5.3.1 Related sales and purchases of goods and services

	Units : Million Baht							
	The three-month periods				The nine-month periods			
	Jul-Sep'10		Jul-Sep'09		Jan-Sep'10		Jan-Sep'09	
	Sales	Purchase	Sales	Purchase	Sales	Purchase	Sales	Purchase
Royal Orchid Hotel (Thailand) Public Company Limited	0.22	0.57	0.26	1.20	0.22	3.09	0.26	5.92
Donmuang International Airport Hotel Company Limited	-	0.06	-	1.04	-	0.38	-	1.76
Bangkok Aviation Fuel Services Public Company Limited	0.01	89.82	0.01	89.57	0.02	272.98	0.03	261.48
Phuket Air Catering Company Limited	0.71	4.08	0.68	0.78	2.26	7.62	2.39	2.49
Suvarnabhumi Airport Hotel Company Limited	-	3.62	0.01	9.55	-	17.78	0.01	32.56
Nok Airlines Company Limited	378.02	-	225.27	-	1,171.22	-	650.91	-

2.5.3.2 Related receivables and payables

	Units : Million Baht			
	30-Sep-10		31-Dec-09	
	Account Receivables	Account Payables	Account Receivables	Account Payables
Royal Orchid Hotel (Thailand) Public Company Limited	0.23	-	-	-
Donmuang International Airport Hotel Company Limited	-	-	-	0.03
Bangkok Aviation Fuel Services Public Company Limited	0.01	33.45	0.01	37.14
Phuket Air Catering Company Limited	0.47	3.09	0.22	0.77
Suvarnabhumi Airport Hotel Company Limited	-	0.73	-	-
Nok Airlines Company Limited	59.40	-	122.28	-

The Company purchases goods and services at a market price from related parties on normal commercial term as unrelated parties.

2.6 Property, Plant and Equipment, net

Consolidated

Units : Million Baht

	Aircraft	Aircraft under finance leases	Aircraft spare parts	Land, buildings and Improvements	Other plant and equipment	Total
Cost						
As at January 1, 2010	141,512.15	171,315.11	31,100.48	18,861.34	29,594.62	392,383.70
- Adjust/Transfers	(3,127.55)	3,195.24	(83.28)	18.83	109.12	112.36
- Additions	3,321.69	4,982.80	1,430.24	69.36	(164.66)	9,639.43
- Disposals	(327.67)	(33.12)	(1,293.81)	(47.01)	(249.72)	(1,951.33)
As at September 30, 2010	141,378.62	179,460.03	31,153.63	18,902.52	29,289.36	400,184.16
Impairment Allowance	950.40	3,475.19	-	-	-	4,425.59
Accumulated depreciation						
As at January 1, 2010	78,309.40	43,509.96	20,655.57	10,273.49	21,704.50	174,452.92
- Depreciation	4,748.65	7,014.57	1,331.89	520.71	1,417.40	15,033.22
- Adjust/Transfers	(84.56)	-	(51.30)	-	34.31	(101.55)
- Disposals	(327.67)	(33.12)	(688.26)	(39.74)	(238.42)	(1,327.21)
As at September 30, 2010	83,596.22	53,966.60	21,247.90	10,754.46	22,917.79	192,482.97
Net book value						
As at December 31, 2009	62,252.35	124,329.96	10,444.91	8,587.85	7,890.12	213,505.19
As at September 30, 2010	57,782.40	125,493.43	9,905.73	8,148.06	6,371.57	207,701.19

The Company

Units : Million Baht

	Aircraft	Aircraft under finance leases	Aircraft spare parts	Land, buildings and Improvements	Other plant and equipment	Total
Cost						
As at January 1, 2010	141,512.15	171,315.11	31,100.48	18,861.34	29,382.57	392,171.65
- Adjust/Transfers	(3,127.55)	3,195.24	(83.28)	18.83	109.12	112.36
- Additions	3,321.69	4,982.80	1,430.24	69.36	(165.34)	9,638.75
- Disposals	(327.67)	(33.12)	(1,293.81)	(47.01)	(249.72)	(1,951.33)
As at September 30, 2010	141,378.62	179,460.03	31,153.63	18,902.52	29,076.63	399,971.43
Impairment Allowance	950.40	3,475.19	-	-	-	4,425.59
Accumulated depreciation						
As at January 1, 2010	78,309.40	43,509.96	20,655.57	10,273.49	21,514.33	174,262.75
- Depreciation	4,748.65	7,014.57	1,331.89	520.71	1,409.64	15,025.46
- Adjust/Transfers	(84.56)	-	(51.30)	-	34.31	(101.55)
- Disposals	(327.67)	(33.12)	(688.26)	(39.74)	(238.42)	(1,327.21)
As at September 30, 2010	83,596.22	53,966.60	21,247.90	10,754.46	22,719.86	192,285.04
Net book value						
As at December 31, 2009	62,252.35	124,329.96	10,444.91	8,587.85	7,868.24	213,483.31
As at September 30, 2010	57,782.40	125,493.43	9,905.73	8,148.06	6,356.77	207,686.39

In this period, there are 95 aircraft in the Company's fleet consisting of 51 own aircraft, 34 aircraft under finance leases according to Note to financial statement no. 2.21 and 10 aircraft under operating leases (including 3 B777-300ER aircraft leased from JET AIRWAYS).

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

Other plants and equipment-net amount of THB 6,371.57 million (consolidated) and THB 6,356.77 million (the Company).

The Company uses buildings and equipment amount of THB 51,988.33 million that are now fully depreciated including the leasehold buildings amount of THB 3,918.75 million.

Financial leased assets are aircraft under finance leases which the purchase contracts are made in USD currency but the finance leases are made in EUR, JPY and USD currencies.

In this year, the financial leased assets increased amount of THB 4,027.20 million.

2.7 Intangible Assets, net

	Units : Million Baht	
	Consolidated	The Company
Cost		
As at January 1, 2010	1,308.14	1,301.42
- Additions	163.12	163.12
As at September 30, 2010	1,471.26	1,464.54
Accumulated amortisation		
As at January 1, 2010	656.23	654.60
- Amortisation	223.05	222.55
As at September 30, 2010	879.28	877.15
Net book value		
As at December 31, 2009	651.91	646.82
As at September 30, 2010	591.98	587.39

2.8 Deferred Income Taxes Assets

	Consolidated		Units : Million Baht The Company	
	30-Sep-10	31-Dec-09	30-Sep-10	31-Dec-09
	Contribution to staff pension fund	1,012.63	964.30	1,012.63
Allowance for obsolete inventories	602.07	594.74	602.07	594.74
Allowance for doubtful accounts	538.79	560.62	530.15	551.92
Allowance for impairment in value of assets	1,596.06	1,645.15	1,596.06	1,645.15
Estimated accrual expenses	1,839.43	1,795.93	1,838.95	1,795.93
Frequent flyer program (ROP)	-	13.11	-	13.11
Loss on foreign currency exchange	134.16	134.31	134.16	134.31
Others	<u>29.20</u>	<u>22.65</u>	<u>25.52</u>	<u>19.03</u>
Total	<u>5,752.34</u>	<u>5,730.81</u>	<u>5,739.54</u>	<u>5,718.49</u>

2.9 Other Non-Current Assets

	Consolidated		Units : Million Baht The Company	
	30-Sep-10	31-Dec-09	30-Sep-10	31-Dec-09
	Deferred charges	2,042.05	1,940.15	2,042.05
Others	<u>375.94</u>	<u>367.00</u>	<u>375.57</u>	<u>366.62</u>
Total	<u>2,417.99</u>	<u>2,307.15</u>	<u>2,417.62</u>	<u>2,306.77</u>

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.

2.10 Dividends payment the Company

According to the Resolution of the 2010 Annual General Shareholders' Meeting held on April 28, 2010 approved the Company to pay the dividend for the year 2009 operating result to the shareholders of 1,698.90 million shares at THB 0.25 per share amounting to THB 424.73 million. But the Company paid the dividends amount of THB 424.70 million because there are 98,512 nominee shares having no rights to receive the dividend amount of THB 0.03 million.

2.11 Share Capital

On April 28, 2010, the Annual General Shareholders' Meeting 2010 approved the Company to decrease its registered share capital by canceling the 1.10 million unoffered registered shares, totalling to THB 10.99 million and to increase in the registered share capital by issuing and offering 1,000 million new ordinary shares to the public and the Ministry of Finance at the same price. Still, the Ministry of Finance is the major shareholder holding at 51.03% of the total paid-up share capital.

On June 3, 2010, the Company has registered 1,000 million additional ordinary shares at par value of THB 10 each, totalling to 2,698.90 million authorized ordinary shares or THB 26,989.01 million.

On September 16 and 17, 2010, the Company has already offered such increased ordinary shares to the public amount of 483.87 million shares at the following share allotment. Ministry of Finance 246.93 million shares, existing shareholders (excluding Ministry of Finance) 221.83 million shares, and retail investors 15.11 million shares. So, the Company already received the amount of ordinary shares issuance on September 24, 2010.

As at September 30, 2010, the Company has authorized ordinary shares amount of 2,698.90 million shares at par value THB 10 each for an aggregate of THB 26,989.01 million, issued and paid-up ordinary shares amount of THB 21,827.72 million.

2.12 Other Incomes

Text	Units : Million Baht			
	Consolidated			
	For the three-month periods		For the nine-month periods	
	Jul-Sep'10	Jul-Sep'09	Jan-Sep'10	Jan-Sep'09
Gains on sales of assets	74.71	0.83	77.38	228.77
Revenue from other services of Aircraft Maintenance Department	64.81	70.48	202.68	249.14
Revenue from airport fees collected from passengers	267.20	61.81	801.59	185.43
Compensation revenue from the delay delivery of aircraft	370.61	-	1,090.34	-
Other incomes	160.76	134.11	469.19	342.81
Total	938.09	267.23	2,641.18	1,006.15

Text	Units : Million Baht			
	The Company			
	For the three-month periods		For the nine-month periods	
	Jul-Sep'10	Jul-Sep'09	Jan-Sep'10	Jan-Sep'09
Gains on sales of assets	74.71	0.83	77.38	228.76
Dividend from subsidiary and associated companies	20.73	14.97	168.01	153.57
Revenue from other services of Aircraft Maintenance Department	64.81	70.48	202.68	249.14
Revenue from airport fees collected from passengers	267.20	61.81	801.59	185.43
Compensation revenue from the delay delivery of aircraft	370.61	-	1,090.34	-
Other incomes	161.23	134.26	470.22	344.41
Total	959.29	282.35	2,810.22	1,161.31

2.13 Management Benefit Expenses

Managements refer to the Company's Board of directors, chief executive, persons in the next four executive levels below the chief executive, and in similar position, and accounting or finance department managers or above according to the regulation of the Stock Exchange of Thailand.

Text	Units : Million Baht			
	Consolidated			
	For the three-month periods		For the nine-month periods	
	Jul-Sep'10	Jul-Sep'09	Jan-Sep'10	Jan-Sep'09
Board of Directors' benefit expenses	3.46	3.43	12.63	11.41
Executives' benefit expenses	13.14	10.02	40.21	30.03
Total	16.60	13.45	52.84	41.44

Text	Units : Million Baht			
	The Company			
	For the three-month periods		For the nine-month periods	
	Jul-Sep'10	Jul-Sep'09	Jan-Sep'10	Jan-Sep'09
Board of Directors' benefit expenses	3.16	3.10	11.42	10.17
Executives' benefit expenses	13.14	10.02	40.21	30.03
Total	16.30	13.12	51.63	40.20

Moreover, the Directors of the Company obtain the ticket benefits. For the nine-month periods ended September 30, 2010 and 2009, they issued the tickets for themselves and their related parties amount of 127 and 142 tickets with the value of THB 16.82 million and 19.76 million, respectively, calculating from the full fare tickets in those traveling classes.

2.14 Other Expenses

Text	Units : Million Baht			
	Consolidated			
	For the three-month periods		For the nine-month periods	
	Jul-Sep'10	Jul-Sep'09	Jan-Sep'10	Jan-Sep'09
Rentals and utilities	699.45	726.78	2,108.33	2,137.25
Office supplies	50.76	53.32	174.63	173.57
Repair of building and equipment	162.77	119.51	385.66	304.43
Outsource services	206.69	296.87	693.53	864.64
Consultant and service fees	143.50	121.21	399.43	317.24
Legal fee for Antitrust/ Competition Law	25.47	22.90	159.00	44.85
Computer service expenses	90.27	93.65	287.42	291.36
Travelling and transportation expenses	146.74	136.90	420.38	420.98
Concession fees	77.80	58.50	219.76	182.86
Passenger claim expenses	39.35	46.15	230.64	178.18
Others	303.97	210.42	1,003.35	1,163.55
Total	1,946.77	1,886.21	6,082.13	6,078.91

Units : Million Baht

Text	The Company			
	For the three-month periods		For the nine-month periods	
	Jul-Sep'10	Jul-Sep'09	Jan-Sep'10	Jan-Sep'09
Rentals and utilities	699.45	726.78	2,108.33	2,137.25
Office supplies	50.76	53.32	174.63	173.57
Repair of building and equipment	162.77	119.51	385.66	304.43
Outsource services	206.69	296.87	693.53	864.64
Consultant and service fees	143.50	121.21	399.43	317.24
Legal fee for Antitrust/ Competition Law	25.47	22.90	159.00	44.85
Computer service expenses	90.27	93.65	287.42	291.36
Travelling and transportation expenses	146.74	136.90	420.38	420.98
Concession fees	77.80	58.50	219.76	182.86
Passenger claim expenses	39.35	46.15	230.64	178.18
Others	288.84	195.18	955.99	1,132.79
Total	1,931.64	1,870.97	6,034.77	6,048.15

2.15 Net Tax Expenses

Units : Million Baht

Text	Consolidated			
	For the three-month periods		For the nine-month periods	
	Jul-Sep'10	Jul-Sep'09	Jan-Sep'10	Jan-Sep'09
Tax expense from taxable profit for the period	65.28	26.49	1,122.98	78.02
<u>Add</u> : deferred tax asset/ liability from temporary different increase/ decrease	(79.60)	127.18	(21.53)	344.90
Net tax expenses (income)	(14.32)	153.67	1,101.45	422.92

Units : Million Baht

Text	The Company			
	For the three-month periods		For the nine-month periods	
	Jul-Sep'10	Jul-Sep'09	Jan-Sep'10	Jan-Sep'09
Tax expense from taxable profit for the period	52.71	8.69	1,083.06	30.82
<u>Add</u> : deferred tax asset/ liability from temporary different increase/ decrease	(79.61)	127.15	(21.05)	339.58
Net tax expenses (income)	(26.90)	135.84	1,062.01	370.40

2.16 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.

	Units : Million Baht/Million Shares			
	For the three-month periods			
	Consolidated		The Company	
	Jul-Sep'10	Jul-Sep'09	Jul-Sep'10	Jul-Sep'09
Profits (losses) attributable to Company Shareholders' Equity	136.40	(4,034.50)	84.57	(4,016.02)
Number of ordinary shares in issued as at July 1, 2010	1,698.90	1,698.90	1,698.90	1,698.90
An effect from issued share capital on September 24, 2010	<u>36.82</u>	<u>-</u>	<u>36.82</u>	<u>-</u>
Number of weighted average ordinary shares	<u>1,735.72</u>	<u>1,698.90</u>	<u>1,735.72</u>	<u>1,698.90</u>
Basic earnings per share (THB)	<u>0.08</u>	<u>(2.37)</u>	<u>0.05</u>	<u>(2.36)</u>

	Units : Million Baht/Million Shares			
	For the nine-month periods			
	Consolidated		The Company	
	Jan-Sep'10	Jan-Sep'09	Jan-Sep'10	Jan-Sep'09
Profits (losses) attributable to Company Shareholders' Equity	12,412.84	(1,569.33)	12,305.91	(1,485.91)
Number of ordinary shares in issued as at July 1, 2010	1,698.90	1,698.90	1,698.90	1,698.90
An effect from issued share capital on September 24, 2010	<u>12.41</u>	<u>-</u>	<u>12.41</u>	<u>-</u>
Number of weighted average ordinary shares	<u>1,711.31</u>	<u>1,698.90</u>	<u>1,711.31</u>	<u>1,698.90</u>
Basic earnings per share (THB)	<u>7.25</u>	<u>(0.92)</u>	<u>7.19</u>	<u>(0.87)</u>

2.17 Financial Information by Segment Consolidated

2.17.1 Business Segments

Statements of Income For the three - month periods ended September 30, 2010 and 2009

	Units : Million Baht							
	Revenues		Inter - Segment Revenues		Total Revenues		Segment Results	
	<u>30-Sep-10</u>	<u>30-Sep-09</u>	<u>30-Sep-10</u>	<u>30-Sep-09</u>	<u>30-Sep-10</u>	<u>30-Sep-09</u>	<u>30-Sep-10</u>	<u>30-Sep-09</u>
Air transportation	42,574.19	37,065.74	-	-	42,574.19	37,065.74	3,688.26	(110.54)
Business Units	1,587.76	1,559.02	3,728.78	3,758.67	5,316.54	5,317.69	(34.46)	173.44
Other activities	271.37	223.55	84.70	90.34	356.07	313.89	49.56	139.47
Eliminations	-	-	(3,813.48)	(3,849.01)	-	-	-	-
Operating profits							3,703.36	202.37
Share of profits (losses) of investments by the equity method							57.03	(26.98)
Net Finance costs							(1,271.74)	(1,392.54)
Losses on foreign currency exchange							(2,772.61)	(2,735.40)
Other expenses							418.75	90.93
Minority interests							(12.71)	(19.21)
Net tax income (expenses)							<u>14.32</u>	<u>(153.67)</u>
Net profits (losses)							<u>136.40</u>	<u>(4,034.50)</u>

Statements of Income
For the nine - month periods ended September 30, 2010 and 2009

Units : Million Baht

	<u>Revenues</u>		<u>Inter - Segment Revenues</u>		<u>Total Revenues</u>		<u>Segment Results</u>	
	<u>30-Sep-10</u>	<u>30-Sep-09</u>	<u>30-Sep-10</u>	<u>30-Sep-09</u>	<u>30-Sep-10</u>	<u>30-Sep-09</u>	<u>30-Sep-10</u>	<u>30-Sep-09</u>
	Air transportation	126,516.13	108,079.71	-	-	126,516.13	108,079.71	8,064.47
Business Units	4,798.19	5,112.69	10,833.09	10,186.65	15,631.28	15,299.34	(211.00)	(564.37)
Other activities	791.51	701.13	255.46	261.85	1,046.97	962.98	238.85	351.95
Eliminations	-	-	(11,088.55)	(10,448.50)	-	-	-	-
Operating profits							8,092.32	2,478.15
Share of profits of investments by the equity method							225.89	2.92
Net Finance costs							(3,815.39)	(4,149.84)
Gains on foreign currency exchange							7,317.04	52.56
Other expenses							1,734.56	524.80
Minority interests							(40.13)	(55.00)
Net tax expenses							(1,101.45)	(422.92)
Net profits (losses)							<u>12,412.84</u>	<u>(1,569.33)</u>

Assets and Liabilities
As At September 30, 2010 and December 31, 2009

	<u>Current Assets</u>		<u>Non-Current Assets</u>		<u>Units : Million Baht Total Assets</u>	
	<u>30-Sep-10</u>	<u>31-Dec-09</u>	<u>30-Sep-10</u>	<u>31-Dec-09</u>	<u>30-Sep-10</u>	<u>31-Dec-09</u>
	Air transportation	59,201.47	43,935.57	208,658.32	213,270.15	267,859.79
Business Units	487.52	550.72	10,019.47	11,095.91	10,506.99	11,646.63
Other activities	648.70	705.99	32.57	39.66	681.27	745.65
Non-allocated assets	<u>2,215.82</u>	<u>2,096.09</u>	-	-	<u>2,215.82</u>	<u>2,096.09</u>
Total	<u>62,553.51</u>	<u>47,288.37</u>	<u>218,710.36</u>	<u>224,405.72</u>	<u>281,263.87</u>	<u>271,694.09</u>

	<u>Current Liabilities</u>		<u>Non-Current Liabilities</u>		<u>Units : Million Baht Total Liabilities</u>	
	<u>30-Sep-10</u>	<u>31-Dec-09</u>	<u>30-Sep-10</u>	<u>31-Dec-09</u>	<u>30-Sep-10</u>	<u>31-Dec-09</u>
	Air transportation	77,137.25	79,131.05	122,436.77	137,947.66	199,574.02
Business Units	1,132.51	957.91	47.26	50.94	1,179.77	1,008.85
Other activities	56.73	84.41	1.62	-	58.35	84.41
Non-allocated liabilities	<u>375.50</u>	<u>278.16</u>	-	-	<u>375.50</u>	<u>278.16</u>
Total	<u>78,701.99</u>	<u>80,451.53</u>	<u>122,485.65</u>	<u>137,998.60</u>	<u>201,187.64</u>	<u>218,450.13</u>

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

Segment current and non-current assets are those operating assets that are employed by a segment in its operating activities.

Segment current and non-current liabilities are those operating liabilities that result from the operating activities of a segment.

The Company records inter-segment revenue transfers at market price charged to its unaffiliated customer net of discount. As for Technical Department, the inter-segment revenue is recorded at cost plus. Those transfers are eliminated in consolidation.

2.17.2 Geographical Segments

	Units : Million Baht			
	<u>The three -month Periods</u>		<u>The six -month Periods</u>	
	<u>Jul-Sep'10</u>	<u>Jul-Sep'09</u>	<u>Jan-Sep'10</u>	<u>Jan-Sep'09</u>
Domestic Revenues				
Transportation	3,008.20	2,809.11	9,171.53	8,863.20
Business units	1,587.77	1,559.03	4,798.20	5,112.69
Other activities	271.37	223.55	791.51	701.13
Total domestic revenues	<u>4,867.34</u>	<u>4,591.69</u>	<u>14,761.24</u>	<u>14,677.02</u>
Foreign Transportation Revenues				
Regional Asia	15,580.49	13,268.43	46,344.34	38,298.80
Europe	10,333.83	10,028.99	31,551.39	28,859.66
North Pacific	911.81	538.92	2,690.06	1,597.23
Australia & New Zealand	3,593.65	3,398.85	10,862.38	9,592.59
Africa	274.22	-	382.55	45.70
Total foreign transportation revenues	<u>30,694.00</u>	<u>27,235.19</u>	<u>91,830.72</u>	<u>78,393.98</u>
Charter revenues and others	2,220.31	1,049.75	6,313.61	2,646.00
Insurance surcharge from passengers	491.19	598.10	1,431.89	1,758.52
Fuel surcharge from passengers	6,160.49	5,373.59	17,768.37	16,418.00
Interest income	42.95	31.15	107.06	145.79
Other revenues	938.08	267.23	2,641.18	1,006.15
Total	<u>45,414.36</u>	<u>39,146.70</u>	<u>134,854.07</u>	<u>115,045.46</u>

2.18 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, liabilities and balance are presented in the Company's balance sheet. Interest and expenses arising from fund operations are recognised as income and expenses of the Company. The details are as follows:

	Units : Million Baht	
	<u>30-Sep-10</u>	<u>31-Dec-09</u>
Current assets	4,971.33	4,727.32
Others	14.94	22.13
Total	<u>4,986.27</u>	<u>4,749.45</u>
Other current liabilities	60.97	40.84
Pension fund	4,925.30	4,708.61
Total	<u>4,986.27</u>	<u>4,749.45</u>

As at September 30, 2010, the fund balance was THB 4,925.30 million, equal to the Company's obligation to its staff under the fund. The total Company contribution to the fund in this accounting periods was THB 224.84 million, consisting of contributions at a rate equivalent to 10% of employee salaries in the amount of THB 175.93 million and the amounts to match the Company's obligation of THB 48.91 million.

2.19 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 835.52 million in this periods.

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

2.20 Contingent Liabilities

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

	Units : Million Baht	
	<u>30-Sep-10</u>	<u>31-Dec-09</u>
Letters of guarantee issued by banks – Domestic	109.80	135.91
Letters of guarantee issued by banks – Abroad	204.11	225.60
The Company as defendant in		
Labour dispute cases	1,763.42	1,667.80
Damage claims cases	<u>2,259.39</u>	<u>2,661.19</u>
Total	<u>4,336.72</u>	<u>4,690.50</u>

2.20.2 The Company has a contingent liabilities from the dispute cases which the amount cannot be determined. But the Company estimated and recognised in the financial statements amount of THB 4,290.17 million as follows:

1. The Company still has the competition law infringement. A group of 35 cargo shippers have brought an action against the Company before the Civil Court of New York alleging that the Company jointly with other 38 airlines fixed fuel surcharge, war risk surcharge and other fees in violation of the Sherman Antitrust Act of 1890 and the Clayton Antitrust Act of 1914 and European Union laws causing damages to them. They sought the court's order for compensation by the Company.

2. A group of passengers has brought actions against the Company before the Civil Court in Los Angeles and San Francisco totally 19 cases alleging that conspiracy among 12 airlines to fix, maintain, and /or stabilize prices for long haul passenger transpacific flights to and from the United States (Price Fixing in respect of Transpacific carriers) in violation of the Sherman Antitrust Act of 1890 and the Clayton Antitrust Act of 1914. The Judicial Panel on Multi-district Litigation has ordered to combine the 19 cases to be considered by the court at San Francisco as a single case. In both cases (at the Civil Court of New York and at San Francisco) are civil class action where at the time of complaints, the Plaintiffs have not determined the amount of compensation and shall request to the courts later.

In both litigation, the Company has retained the expert law firms and has joined the Joint Defense Group. The cases are now being considered by the courts. The damages in both cases are yet to be determined until the Company would have been found guilty. In case that the courts rule that the Company is guilty, the courts shall determine the damages and compensations and penalty which, under the law, could be up to 3 times of the damages proven by the Plaintiffs. At present, the amount of the compensatory damages in the US. cases cannot be determined. Currently, during the process of gathering and filing the evidences according to the process of discovery.

3. The Company received the Statement of Objections from the Commission of the European Communities alleging that the Company and other 27 airlines infringed the Treaty establishing the European Community (the EC Treaty) by coordinating pricing behavior in the provision of air freight services on a global basis with respect to the fuel surcharge, the security surcharge, the war surcharge, freight rates and the payment of commission to forwarders on surcharges causing damages to air freight shippers. The law sets forth penalty provisions in a fine of 30% of the turnover of freight service transport to and from and within EU in the preceding business year before decision times the number of years of infringement but not exceed 10% of the total worldwide turnover of a company in the preceding business year before decision. The Company has retained an expert law firm to take charges of the case. At present, the Company is not aware of the amount of the fine as to which turnover shall be calculated. The case is now being considered by the Commission. In case that the Commission considers that the Company is guilty, the Company shall be fined in what amount, and from which turnover, are yet to be determined.

4. The case where the New Zealand Commerce Commission (NZCC) has filed suit against the Company and other 13 airlines before the court at Auckland alleging that the Company jointly with other airlines fixed the fuel surcharge and security surcharge in violation of Commerce Act of New Zealand and requests the court to order to fine the Company according to the law, at the time of the suit was filed, the NZCC has not specified the amount of fine and compensation. The matters will be considered and judged by the court. At present, the company has submitted the answers to the court. Currently in the court trial.

5. The investigation cases by the US. Department of Justice (DOJ) are now in the process of investigation, and subpoenas requiring for documents have been served to the Company. The Company has retained local lawyer to coordinate with the DOJ. The Company is not aware as to whether allegation is being sought.

6. The Company was investigated by the Australian Competition and Consumer Commission (ACCC) on October 28, 2009. The ACCC has filed suit against the Company alleging that the Company is in violation of the Trade Practices Act 1974. At the time of the filing, no fine nor compensation was requested yet. At present, the company has submitted the answers to the court. Currently in the process of discovery.

7. The case where the Company was investigated by Republic of Korea Fair Trade Commission (KFTC) on October 29, 2009, the Company received the examiner's report alleging that the Company is in violation of antitrust law. The report recommended KFTC to take criminal action against the Company and related staff on a charge of conspiracy in determining of special fee. KFTC Commissioners has considered and publicized the decision through the press in Republic of Korea on 27 May 2010 ordering the Company to pay a fine in the amount of 2,784,000,000 KRW or approximately 72.66 Thai million baht. (exchange rate of 0.0261 KRW to 1 Baht) without taking any criminal action against the Company and related staff. The Company will consider to exercise the right to appeal the decision of KFTC Commissioners to the competent court upon the receipt of the official decision notification.

The Criteria for estimation are as follows:

1. The estimate of damages and fines as described above is based on the minimum fine amount that might be imposed in case the court has ordered or judged that the Company has committed as alleged or charged.

2. The estimated fine amount above is the estimate amount of fine to be determined by each country where investigation and legal suit take place excluding the cargo and passenger Civil Class Actions in the US in which the amount of claim does not appear in the statement of claim, and the claimant must prove the damage.

3. The order or judgment in various cases shall be given in this fiscal year or the coming fiscal years, anyway the mentioned damages and fines may incur in different time period.

4. The estimate may materially differ from the real amount due to:

4.1 In the country where investigation takes place and allegation has not been filed, no clear fact has been found as to whether there will be allegation or not. If there is an allegation, the place where the offence occurs shall be specified. The company is not aware of the amount of turnover of such area which shall be base for the fine calculation.

4.2 Imposition of a fine is subject to the discretion of the judicial body in which other facts of case shall be considered.

4.3 Prior to the order or judgment, a compromise on a fine may be reached, subject to each country's policy and the nature of case.

2.21 Airbus A330-300 Delivery

On December 23, 2009 and March 29, 2010, the Company took delivery of three and two Airbus A330-300, totalling five aircraft under financial leases. The aircraft have not been in the Company's fleet to operate for commercial purpose yet because the economy class seats for such aircraft have not been installed. The aircraft are under preservation awaiting for the seat installation in Bordeaux in France. Koito Industries Limited informed the Company that the economy class seats cannot be delivered within September 20, 2010. On August 3, 2010, the Company has sent the Notice of Termination of General Terms Agreement with Koito. Also, the Company already assigned The Legal and Compliance Department to retain the specialized attorney to claim damage from Koito for the late delivery of economy seats.

On July 2, 2010, the Company has entered into an agreement with another seat manufacturer namely Zim Flugsitz GmbH to produce and deliver the economy class seats for such five Airbus A330-300 aircraft. It is expected that the first shipset to be delivered within February 2011.

Under the ECA Loan Agreement for the five aircraft, the Company shall mandatory prepay the outstanding amount of the loan if the economy class seats have not been installed on the aircraft by October 22, 2011, the date that the Company got a written approval from a Bank Representative and ECA Facility Agent to extend the Economy Seat Installation Long-Stop Date for such five aircraft whilst the Aircraft Preservation Agreement between the Company and Airbus S.A.S has been extended until October 22, 2011.

2.22 Contractual Obligations

2.22.1 Obligation to Purchase Aircraft

The Company has a payment obligation to purchase 6 A380-800 aircraft and 7 A330-300 aircraft amount of THB 53,422.65 million, expected to take delivery during the year 2011-2013.

2.22.2 Leases and obligations of aircraft

The Company has obligations from entering into operating leases amount of USD 257.77 million or approximately to THB 7,876.75 million (exchange rate USD 1 : THB 30.5578) consisting of 3 B737-400, 2 B777-200, 2 A330-300 aircraft and 3 B777-300ER aircraft. These operating leases will be expired during the year 2013-2018.

2.22.3 Lease and obligation of Cargo Block Space

The Company has an obligation of cargo block space which is determined a minimum block hour amount of USD 97.20 million or approximately to THB 2,970.22 million per block space for 2 aircraft. The lease will be expired in the year 2012.

2.23 Events After the Balance Sheet Date

2.23.1 On Oct 6, 2010, the Company entered into a loan agreement with the Thanachart Bank Public Company Limited amount of THB 2,000 million for a 7-year term loan which principle repayment will be started in 36th month after draw down month. The Company will receive the loan within December 2010.

2.23.2 On October 8, 2010, the Company's Board of Directors approved the Company operating the Mutual Separation Plan for the year 2010 to restructure personnel according to manpower management strategy which will result in an effective personnel cost restructuring.

2.23.3 On October 11, 2010, there was a fire incident at the Company's Catering building at Donmuang Airport. Currently, the insurance company assigned a representative to observe the damage and cause of fire incident but the result has not yet been confirmed as it is still in the process. Nonetheless, the primary estimation of the damage is approximately between 20 – 30 million baht.

2.23.4 On Oct 28, 2010, the Company entered into a loan agreement with the Industrial and Commercial Bank of China (Thai) Public Company Limited amount of THB 1,500 million for a 7-year term loan which principle repayment will be started in October 2012. The Company will receive the loan amount of THB 1,000 million within December 2010 and THB 500 million within June 2011.

2.24 Approval of Financial Statements

These financial statements were approved by the Audit Committee, the Authorized Board of Directors, on November 9, 2010.
