

**(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 statements of financial position as at March 31, 2011, the related consolidated and the Company statements of comprehensive income, statements of changes in shareholders' equity and statements of cash flows for the three - month periods ended March 31, 2011 and 2010 (restated), of Thai Airways International Public Company Limited and its subsidiaries and the Company, respectively. The Company's management is responsible for the correctness and completeness of information presented. 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 of Thailand conducted the review in accordance with generally accepted auditing standards. Those standards require that the Office of the Auditor General of Thailand 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 of Thailand 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.

As stated in Notes to interim financial statements No. 2.2 and 3 for the three-month periods ended March 31, 2011, the Company has changed the accounting policy concerning employee benefits. Hence, the compared financial statements for the three-month periods ended March 31, 2010 and the statements of financial position as at December 31, 2010 have been restated due to the effect of such change. The Office of the Auditor General of Thailand audited the retrospective adjustments relating to the statements of financial position as at December 31, 2010 and confirmed that they are appropriate and have been properly applied.

The Office of the Auditor General of Thailand had audited the consolidated and the Company financial statements for the year ended December 31, 2010 of Thai Airways International Public Company Limited and its subsidiaries in conformity with the Generally Accepted Accounting Standards and expressed an unqualified opinion on those financial statements in the report dated February 23, 2011. The consolidated and the Company statements of financial position as at December 31, 2010, presented here to compare, are a component of those financial statements which were audited and reported by the Office of the Auditor General of Thailand without performing any other auditing methods subsequent to the date of that reports, except for the adjustments due to the effect of changes in accounting policies as mentioned in the fourth paragraph.

As stated in Note to the interim financial statements No. 1.2 and 2 for the three-month periods ended March 31, 2011, the Company has adopted the new Thai Financial Reporting Standards issued by the Federation of Accounting Professions, which are effective for the accounting period starting on or after January 1, 2011. Accordingly, the comparative interim financial statements for the three-month periods ended March 31, 2010 and the statement of financial position as at December 31, 2010 have been presented in accordance with the interim financial statements for the three-month periods end March 31, 2011

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

(Signed) *Dawan Wongphayak*  
(Dawan Wongphayak)  
Director of Audit Office

*Office of the Auditor General*  
May 11, 2011

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2011 AND DECEMBER 31, 2010

Units : Baht

	Notes	CONSOLIDATED		THE COMPANY	
		March 31, 2011 (Unaudited, but reviewed)	December 31, 2010 (Restated)	March 31, 2011 (Unaudited, but reviewed)	December 31, 2010 (Restated)
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	4.1	33,495,256,448	37,679,682,021	33,147,320,438	37,601,476,433
Temporary investments		329,261,442	549,631,092	-	-
Trade accounts receivable, net	4.2	16,717,610,056	17,026,522,846	16,684,008,126	16,997,958,124
Inventories and supplies, net		7,556,411,802	6,967,672,684	7,556,411,802	6,967,672,684
Prepaid expenses and deposits		9,565,072,644	9,086,820,600	9,554,268,342	9,080,884,481
Other current assets	4.3	7,195,245,437	6,991,111,837	7,166,697,726	6,963,643,648
<b>Total Current Assets</b>		<b>74,858,857,829</b>	<b>78,301,441,080</b>	<b>74,108,706,434</b>	<b>77,611,635,370</b>
<b>Non-Current Assets</b>					
Investment in associates	4.4.1	1,439,217,605	1,400,993,771	918,520,500	918,520,500
Investment in subsidiaries	4.4.1	-	-	9,229,930	9,229,930
Other long-term investments	4.4.2	79,235,144	78,868,075	79,235,144	78,868,075
Property, plant and equipment, net	4.6	204,404,003,709	206,118,498,576	204,393,316,504	206,106,106,106
Intangible assets, net	4.7	652,303,439	552,355,100	647,298,823	547,622,540
Assets for sales		137,498,400	274,996,800	137,498,400	274,996,800
Deferred income tax assets	4.8	7,689,869,215	7,569,631,669	7,676,041,776	7,555,783,585
Other non-current assets	4.9	2,293,132,991	2,261,025,826	2,292,059,887	2,260,652,011
<b>Total Non-Current Assets</b>		<b>216,695,260,503</b>	<b>218,256,369,817</b>	<b>216,153,200,964</b>	<b>217,751,779,547</b>
<b>Total Assets</b>		<b>291,554,118,332</b>	<b>296,557,810,897</b>	<b>290,261,907,398</b>	<b>295,363,414,917</b>

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

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2011 AND DECEMBER 31, 2010

Units : Baht

	Notes	CONSOLIDATED		THE COMPANY	
		March 31, 2011 (Unaudited, but reviewed)	December 31, 2010 (Restated)	March 31, 2011 (Unaudited, but reviewed)	December 31, 2010 (Restated)
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>Current Liabilities</b>					
Trade accounts payable		8,989,378,566	6,438,803,086	8,980,291,239	6,429,968,646
Current portion of long-term liabilities					
Debentures		11,657,920,000	11,487,920,000	11,657,920,000	11,487,920,000
Long-term loans from related parties	4.5.1.1	2,072,000,000	2,072,000,000	2,072,000,000	2,072,000,000
Liabilities under finance leases		9,725,188,232	9,595,026,378	9,725,188,232	9,595,026,378
Other current liabilities					
Accrued expenses		13,505,941,413	18,897,692,862	13,466,573,744	18,869,584,115
Accrued dividends		71,909,938	72,007,719	71,894,847	72,007,719
Accrued income taxes		204,227,060	16,398,775	172,714,682	-
Unearned transportation revenues		24,210,749,017	25,804,443,193	24,210,749,017	25,804,443,193
Deferred income		253,351,974	509,417,156	253,351,974	509,417,156
Others		5,608,342,453	5,841,986,865	5,585,132,162	5,819,769,875
<b>Total Current Liabilities</b>		<b>76,299,008,653</b>	<b>80,735,696,034</b>	<b>76,195,815,897</b>	<b>80,660,137,082</b>
<b>Non-Current Liabilities</b>					
Long-term liabilities					
Debentures		17,676,790,000	17,846,790,000	17,676,790,000	17,846,790,000
Long-term loans from related parties	4.5.1.1	6,733,392,000	7,245,852,000	6,733,392,000	7,245,852,000
Long-term loans from others		43,300,000,000	43,300,000,000	43,300,000,000	43,300,000,000
Liabilities under finance leases		53,743,225,069	54,732,093,240	53,743,225,069	54,732,093,240
Staff pension fund	4.18	4,577,965,310	4,371,134,750	4,577,965,310	4,371,134,750
Long-term provisions		2,556,971,979	2,556,971,979	2,555,351,979	2,555,351,979
Employee benefit obligation	4.10	9,544,159,593	9,326,022,519	9,540,457,402	9,322,510,535
Other non - current liabilities		107,780,000	61,310,000	107,780,000	61,310,000
<b>Total Non-Current Liabilities</b>		<b>138,240,283,951</b>	<b>139,440,174,488</b>	<b>138,234,961,760</b>	<b>139,435,042,504</b>
<b>Total Liabilities</b>		<b>214,539,292,604</b>	<b>220,175,870,522</b>	<b>214,430,777,657</b>	<b>220,095,179,586</b>
<b>Shareholders' Equity</b>					
Share capital	4.11				
Authorized share capital					
2,698.90 million ordinary shares par value of Baht 10 each		26,989,009,500	26,989,009,500	26,989,009,500	26,989,009,500
Issued and paid-up share capital					
2,182.77 million ordinary shares par value of Baht 10 each		21,827,719,170	21,827,719,170	21,827,719,170	21,827,719,170
Premium on ordinary shares		25,548,223,951	25,548,223,951	25,548,223,951	25,548,223,951
Retained earnings					
Appropriated					
Legal reserve		2,469,792,864	2,469,792,865	2,469,792,864	2,469,792,865
Unappropriated		26,866,321,906	26,247,856,250	25,985,393,756	25,422,499,345
<b>Total Company Shareholders' Equity</b>		<b>76,712,057,891</b>	<b>76,093,592,236</b>	<b>75,831,129,741</b>	<b>75,268,235,331</b>
<b>Non-controlling Interests</b>		<b>302,767,837</b>	<b>288,348,139</b>	<b>-</b>	<b>-</b>
<b>Total Shareholders' Equity</b>		<b>77,014,825,728</b>	<b>76,381,940,375</b>	<b>75,831,129,741</b>	<b>75,268,235,331</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>291,554,118,332</b>	<b>296,557,810,897</b>	<b>290,261,907,398</b>	<b>295,363,414,917</b>

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 SUBSIDIARIES**

**STATEMENTS OF COMPREHENSIVE INCOME**

For the three-month periods ended March 31, 2011 and 2010

Units : Baht

	Notes	CONSOLIDATED		THE COMPANY	
		2011	2010 (Restated)	2011	2010 (Restated)
<b>Revenues</b>					
<b>Revenues from Sales or Revenues from Services</b>					
Passenger and excess baggage		41,934,696,762	40,631,137,633	41,934,696,762	40,631,137,633
Freight		6,751,398,574	6,025,362,285	6,751,398,574	6,025,362,285
Mail		204,520,557	227,722,782	204,520,557	227,722,782
Other activities		2,134,631,697	2,029,242,021	2,049,700,735	1,923,766,936
<b>Total Revenues from Sales or Revenues from Services</b>		<b>51,025,247,590</b>	<b>48,913,464,721</b>	<b>50,940,316,628</b>	<b>48,807,989,636</b>
<b>Other Income</b>					
Interest income		119,989,431	30,647,562	116,957,508	27,898,399
Others	4.12	705,859,647	861,437,278	705,759,992	861,588,568
<b>Total Other Income</b>		<b>825,849,078</b>	<b>892,084,840</b>	<b>822,717,500</b>	<b>889,486,967</b>
<b>Total Revenues</b>		<b>51,851,096,668</b>	<b>49,805,549,561</b>	<b>51,763,034,128</b>	<b>49,697,476,603</b>
<b>Expenses</b>					
Fuel and oil		17,510,455,394	14,291,522,988	17,510,455,394	14,291,522,988
Employee benefit expense	4.13	7,739,255,655	7,670,183,325	7,726,102,767	7,658,127,740
Flight service expenses		5,091,054,486	4,988,160,648	5,091,054,486	4,988,160,648
Crew expenses		1,347,154,993	1,351,505,163	1,347,154,993	1,351,505,163
Aircraft maintenance and overhaul costs		2,494,534,009	2,748,903,087	2,494,534,009	2,748,903,087
Depreciation and amortisation expenses		4,795,563,103	5,215,225,993	4,792,290,265	5,212,455,241
Lease of aircraft and spare parts		1,435,740,906	497,641,369	1,435,740,906	497,641,369
Inventories and supplies		2,220,561,743	2,380,988,838	2,220,561,743	2,380,988,838
Selling and advertising expenses		1,334,712,555	1,598,483,870	1,323,784,975	1,589,391,196
Insurance expenses		164,110,063	164,076,172	164,110,063	164,076,172
Impairment loss of assets		356,874,894	88,268,397	356,874,894	88,268,397
Other expenses	4.14	1,978,004,562	2,066,011,785	1,961,899,172	2,051,723,279
Losses (Gains) on foreign currency exchange		3,358,361,702	(5,698,495,077)	3,360,705,015	(5,704,254,066)
<b>Total Expenses</b>		<b>49,826,384,065</b>	<b>37,362,476,558</b>	<b>49,785,268,682</b>	<b>37,318,510,052</b>
Share of loss (profit) of investments by the equity method		(38,223,834)	6,877,126	-	-
<b>Profit before Finance Costs and Income Tax Expenses</b>		<b>2,062,936,437</b>	<b>12,436,195,877</b>	<b>1,977,765,446</b>	<b>12,378,966,551</b>
Finance costs		1,308,815,465	1,344,730,432	1,308,815,465	1,344,730,432
<b>Profit before Income Tax Expenses</b>		<b>754,120,972</b>	<b>11,091,465,445</b>	<b>668,949,981</b>	<b>11,034,236,119</b>
Net income tax expenses	4.15	121,220,529	498,907,144	106,055,571	479,400,133
<b>Comprehensive Income for the Period</b>		<b>632,900,443</b>	<b>10,592,558,301</b>	<b>562,894,410</b>	<b>10,554,835,986</b>
<b>Profit Attributable to:</b>					
Owners of the parent		618,465,655	10,572,488,553	562,894,410	10,554,835,986
Non-controlling interests		14,434,788	20,069,748	-	-
		<b>632,900,443</b>	<b>10,592,558,301</b>	<b>562,894,410</b>	<b>10,554,835,986</b>
<b>Basic Earnings per Share</b>					
Earnings per share	4.16	0.28	6.22	0.26	6.21

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  
but reviewed

**THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**For the three-month periods ended March 31, 2011 and 2010**

Units : Baht

CONSOLIDATED						
Notes	Owner of the parent				Non-controlling Interests	Total
	Share Capital issued and fully paid	Premium on ordinary shares	Retained Earnings	Total Owner of the parent		
<b>Balance as at January 1, 2010 before Adjustment</b>	16,989,009,500	15,637,625,278	20,319,766,345	52,946,401,123	297,558,183	53,243,959,306
<u>Less</u> The effect of changes in accounting policies	-	-	5,921,065,084	5,921,065,084	883,748	5,921,948,832
<b>Balance after Adjustment</b>	16,989,009,500	15,637,625,278	14,398,701,261	47,025,336,039	296,674,435	47,322,010,474
<u>Add</u> Comprehensive income	-	-	10,572,488,553	10,572,488,553	20,069,748	10,592,558,301
<b>Balance as at March 31, 2010</b>	<b>16,989,009,500</b>	<b>15,637,625,278</b>	<b>24,971,189,814</b>	<b>57,597,824,592</b>	<b>316,744,183</b>	<b>57,914,568,775</b>
<b>Balance as at January 1, 2011 before Adjustment</b>	21,827,719,170	25,548,223,951	35,244,758,604	82,620,701,725	289,454,414	82,910,156,139
<u>Less</u> The effect of changes in accounting policies	-	-	6,527,109,489	6,527,109,489	1,106,275	6,528,215,764
<b>Balance after Adjustment</b>	21,827,719,170	25,548,223,951	28,717,649,115	76,093,592,236	288,348,139	76,381,940,375
<u>Add</u> Comprehensive income	-	-	618,465,655	618,465,655	14,434,788	632,900,443
<u>Less</u> Dividends paid to cumulative preferred stock	-	-	-	-	15,090	15,090
<b>Balance as at March 31, 2011</b>	<b>21,827,719,170</b>	<b>25,548,223,951</b>	<b>29,336,114,770</b>	<b>76,712,057,891</b>	<b>302,767,837</b>	<b>77,014,825,728</b>

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

but reviewed

**THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**For the three-month periods ended March 31, 2011 and 2010**

**Units : Baht**

**THE COMPANY**

<i>Notes</i>	<b>Share Capital issued and fully paid</b>	<b>Premium on ordinary shares</b>	<b>Retained Earnings</b>	<b>Total</b>
<b>Balance as at January 1, 2010 before Adjustment</b>	16,989,009,500	15,637,625,278	19,446,892,908	52,073,527,686
<u>Less</u> The effect of changes in accounting policies	3	-	5,919,984,948	5,919,984,948
<b>Balance after Adjustment</b>	16,989,009,500	15,637,625,278	13,526,907,960	46,153,542,738
<u>Add</u> Comprehensive income	-	-	10,554,835,986	10,554,835,986
<b>Balance as at March 31, 2010</b>	<b>16,989,009,500</b>	<b>15,637,625,278</b>	<b>24,081,743,946</b>	<b>56,708,378,724</b>
<b>Balance as at January 1, 2011 before Adjustment</b>	21,827,719,170	25,548,223,951	34,418,049,585	81,793,992,706
<u>Less</u> The effect of changes in accounting policies	3	-	6,525,757,375	6,525,757,375
<b>Balance after Adjustment</b>	21,827,719,170	25,548,223,951	27,892,292,210	75,268,235,331
<u>Add</u> Comprehensive income	-	-	562,894,410	562,894,410
<b>Balance as at March 31, 2011</b>	<b>21,827,719,170</b>	<b>25,548,223,951</b>	<b>28,455,186,620</b>	<b>75,831,129,741</b>

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 SUBSIDIARIES**

**STATEMENTS OF CASH FLOWS**

**For the three-month periods ended March 31, 2011 and 2010**

	Units : Baht			
	<u>CONSOLIDATED</u>		<u>THE COMPANY</u>	
	<u>2011</u>	<u>2010</u> (Restated)	<u>2011</u>	<u>2010</u> (Restated)
<b>Cash Flows from Operating Activities</b>				
Profits before income tax expenses	754,120,973	11,091,465,445	668,949,981	11,034,236,119
Adjustment to reconcile profit before tax to cash provided by (paid from) operating activities :				
Depreciation and amortisation expenses	4,795,563,103	5,215,225,993	4,792,290,265	5,212,455,241
Share of losses (profits) of investments by equity method	(38,223,834)	6,877,126	-	-
Interest income	(119,989,431)	(30,647,562)	(116,957,508)	(27,898,399)
Interest expenses	1,308,815,465	1,344,730,432	1,308,815,465	1,344,730,432
Gains on sales of assets	(1,620,278)	(1,055,771)	(1,620,278)	(1,055,771)
Loss(Gain) on foreign currency exchange	3,053,837,591	(5,115,359,245)	3,054,342,862	(5,116,346,152)
Employee benefit obligation	218,137,073	216,523,904	217,946,867	216,347,294
Provision for obsolete inventories and supplies	6,786,812	15,359,203	6,786,812	15,359,203
Doubtful accounts	9,093,246	(15,580,126)	9,116,872	(15,675,739)
Impairment losses of assets	356,874,894	88,247,477	356,874,894	88,247,477
Operating profits before changes in operating assets and liabilities	10,343,395,614	12,815,786,876	10,296,546,232	12,750,399,705
Decrease (increase) in operating assets :				
Trade accounts receivable	464,590,200	(987,774,495)	469,059,543	(1,026,123,379)
Inventories and supplies	(595,525,930)	(293,378,994)	(595,525,930)	(293,378,994)
Prepaid expenses and deposits	(492,447,786)	(322,137,797)	(487,579,603)	(321,449,570)
Tax refund	(6,990,256)	(5,798,810)	(6,990,256)	(5,798,810)
Other current assets	(169,388,758)	(1,309,252,347)	(168,585,961)	(1,309,359,299)
Assets for sales	137,498,400	-	137,498,400	-
Other assets	(140,709,924)	29,290,018	(140,010,635)	29,290,018
Deferred charges	34,543,458	(238,220,837)	34,543,458	(238,220,837)
Increase (decrease) in operating liabilities :				
Trade accounts payable	2,569,471,131	634,990,052	2,569,257,211	634,320,874
Accrued expenses and other current liabilities	(5,412,472,812)	1,216,637,389	(5,424,725,035)	1,213,352,687
Deferred income	(256,065,181)	(353,150,962)	(256,065,181)	(353,150,962)
Staff pension fund	206,830,560	150,337,490	206,830,560	150,337,490
Unearned transportation revenues	(1,401,511,039)	(1,165,545,757)	(1,401,511,039)	(1,165,545,757)
<b>Cash received from operations</b>	<b>5,281,217,677</b>	<b>10,171,781,826</b>	<b>5,232,741,764</b>	<b>10,064,673,166</b>
Payment of income tax	(53,629,790)	(53,541,650)	(53,599,080)	(53,505,063)
<b>Net Cash from Operating Activities</b>	<b>5,227,587,887</b>	<b>10,118,240,176</b>	<b>5,179,142,684</b>	<b>10,011,168,103</b>

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



**Unaudited  
but reviewed**

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

**For the three-month periods ended March 31, 2011 and 2010**

	<u>CONSOLIDATED</u>		<u>THE COMPANY</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
		(restated)		(restated)
<b>Units : Baht</b>				
<b>Cash Flows from Investing Activities</b>				
Cash received from operational assistance subsidy	46,470,000	-	46,470,000	-
Cash paid for acquisition of fixed assets	(3,485,698,508)	(913,836,530)	(3,484,233,184)	(913,737,980)
Cash paid for intangible assets	(168,998,093)	(25,719,238)	(168,623,788)	(25,719,238)
Cash received from transferring the rights for advance payment of aircraft and aircraft equipment	-	318,985,741	-	318,985,741
Cash received from sales of assets	138,283,318	1,158,985	138,283,318	1,158,985
Interest income	87,523,581	17,093,820	85,969,690	14,643,888
Temporary investments decrease (increase)	221,570,957	(301,357,073)	-	-
<b>Net Cash Used in Investing Activities</b>	<b>(3,160,848,745)</b>	<b>(903,674,295)</b>	<b>(3,382,133,964)</b>	<b>(604,668,604)</b>
<b>Cash Flows from Financing Activities</b>				
Cash received from long-term loans	-	1,465,338,178	-	1,465,338,178
Cash paid for repayment of short-term loans	-	(1,116,109,440)	-	(1,116,109,440)
Cash paid for repayment of long-term loans	(4,611,333,235)	(3,516,540,084)	(4,611,333,235)	(3,516,540,084)
Cash paid for repayment of promissory notes	-	(225,000,000)	-	(225,000,000)
Cash paid for loan interest	(1,392,996,615)	(1,463,803,129)	(1,392,996,615)	(1,463,803,129)
Dividends paid	(112,871)	(40,275)	(112,871)	(40,275)
<b>Net Cash used in Financing Activities</b>	<b>(6,004,442,721)</b>	<b>(4,856,154,750)</b>	<b>(6,004,442,721)</b>	<b>(4,856,154,750)</b>
Increase (decrease) in cash and cash equivalents	(3,937,703,579)	4,358,411,131	(4,207,434,001)	4,550,344,749
Effect from changing in exchange rate on cash and cash equivalents increase (decrease)	(246,721,994)	(246,334,455)	(246,721,994)	(246,334,455)
Cash and cash equivalents at the beginning of the periods	37,679,682,021	14,299,680,924	37,601,476,433	14,064,775,967
<b>Cash and Cash Equivalents at the End of the Periods</b>	<b>33,495,256,448</b>	<b>18,411,757,600</b>	<b>33,147,320,438</b>	<b>18,368,786,261</b>

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 SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the three-month period ended March 31, 2011 and 2010 (unaudited, but reviewed)**

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**1. BASIS 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 subsidiaries, Thai-Amadeus Southeast Asia Company Limited, in which the Company holds equity interests of 55%, as well as WingSpan Services Company Limited, in which the Company holds equity interests of 49% of ordinary shares controlling by the Company. Significant transactions between the Company and its subsidiaries 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 2009). The Company presents items in the statements of financial position, statements of comprehensive income, statements of changes in shareholders' equity and statements of cash flows which complied with TAS 1 (revised 2009) Presentation of Financial Statements, which is effective on January 1, 2011 onwards, 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, 2010. 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.

During the year 2010, The Federation of Accounting Professions (FAP) announced the revised Thai Accounting Standards and Thai Financial Reporting Standards, which will be effective on or after January 1, 2011 as follows:

TAS	1	(revised 2009)	Presentation of Financial Statements
TAS	2	(revised 2009)	Inventories
TAS	7	(revised 2009)	Statements of Cash Flow
TAS	8	(revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS	10	(revised 2009)	Events After the Reporting Period
TAS	11	(revised 2009)	Construction Contracts
TAS	16	(revised 2009)	Property, Plant and Equipment
TAS	17	(revised 2009)	Leases
TAS	18	(revised 2009)	Revenue
TAS	19		Employee Benefits
TAS	23	(revised 2009)	Borrowing Costs
TAS	24	(revised 2009)	Related Party Disclosures
TAS	26		Accounting and Reporting by Retirement Benefit Plans
TAS	27	(revised 2009)	Consolidated and Separate Financial Statements
TAS	28	(revised 2009)	Investments in Associates
TAS	29		Financial Reporting in Hyperinflationary Economics
TAS	31	(revised 2009)	Interests in Joint Ventures
TAS	33	(revised 2009)	Earnings Per Share
TAS	34	(revised 2009)	Interim Financial Reporting
TAS	36	(revised 2009)	Impairment of Assets
TAS	37	(revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS	38	(revised 2009)	Intangible Assets
TAS	40	(revised 2009)	Investment Property
TFRS	2		Share-Based Payments
TFRS	3	(revised 2009)	Business Combinations
TFRS	5	(revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS	6		Exploration for and Evaluation of Mineral Resources

Besides the mentioned Accounting Standards and Financial Reporting Standards, the Federation of Accounting Professions (FAP) has announced the other Accounting Standards during the year 2010, which will be effective on January 1, 2013 onwards. The 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.

## **2. CHANGES IN ACCOUNTING POLICIES**

In order to comply with Thai Accounting Standards (TAS) and Thai Financial Reporting Standards (TFRS) which are effective on January 1, 2011, the Company has changed in the accounting policies as follows:

### **2.1 Presentation of Financial Statements**

The Company has adopted TAS 1 (Revised 2009) Presentation of Financial Statements. Under the revised TAS 1, the Company's financial statements consist of statements of financial position, statement of comprehensive income, statement of changes in shareholders' equity, statements of cash flow and notes to financial statement.

Some items in the statements of comprehensive income for the three-month periods ended March 31, 2010, which have been included in the interim financial statements for

the comparative purpose to the year 2011, are reclassified to comply with the presentation of interim financial statements.

## 2.2 Employee Benefits

The Company has adopted TAS 19 Employee Benefits. Under the Company's defined benefit plans and other long-term employee benefits are recognised in the financial statements based on calculations by a qualified actuary using the projected unit credit method. Previously, these obligations were recognised as occurred.

The Company has opted to record the entire amount of the employee benefits obligation as retrospective adjustment.

The changes in those accounting policies have effected only on the presentation of financial statements, but have no effect on profit or earnings per share, except for the employee benefits as stated in Note 3.

## 3. EFFECT OF THE FIRST TIME ADOPTION OF THAI ACCOUNTING STANDARDS AND THAI FINANCIAL REPORTING STANDARDS

As the Company has adopted the newly issued and revised TAS and TFRS, which are effective on January 1, 2011, the effects are as follows:

### Statement of Financial Position as at December 31, 2010

	Units : Million Baht	
	Consolidated	The Company
Retained earnings as at December 31, 2010 as reported previously	35,244.76	34,418.05
Increase in employee benefit obligation	(9,324.44)	(9,322.51)
Increase in deferred tax asset	<u>2,797.33</u>	<u>2,796.75</u>
Retained earnings as at January 1, 2011	<u>28,717.65</u>	<u>27,892.29</u>

### Statement of Comprehensive Income for the three-month periods ended March 31, 2010

	Units : Million Baht	
	Consolidated	The Company
Increase in expenses		
Increase in employee benefit expenses	216.52	216.35
Decrease in tax expenses	(64.96)	(64.91)
Decrease in profit	<u>151.56</u>	<u>151.44</u>
Decrease in earnings per share		
Basic earnings per share (THB)	0.09	0.09

#### 4.1 Cash and Cash Equivalents

	<b>Consolidated</b>		<b>Units : Million Baht</b>	
			<b>The Company</b>	
	<u>Mar 31, 2011</u>	<u>Dec 31, 2010</u>	<u>Mar 31, 2011</u>	<u>Dec 31, 2010</u>
Cash - Domestic	63.36	133.01	63.36	133.01
Cash – Abroad	33.02	18.59	33.02	18.59
Bank Deposits - Domestic	12,492.93	22,984.35	12,144.99	22,906.15
Bank Deposits - Abroad	<u>20,905.95</u>	<u>14,543.73</u>	<u>20,905.95</u>	<u>14,543.73</u>
<b>Total</b>	<b><u>33,495.26</u></b>	<b><u>37,679.68</u></b>	<b><u>33,147.32</u></b>	<b><u>37,601.48</u></b>

#### 4.2 Trade Accounts Receivable - Net

	<b>Consolidated</b>		<b>Units : Million Baht</b>	
			<b>The Company</b>	
	<u>Mar 31, 2011</u>	<u>Dec 31, 2010</u>	<u>Mar 31, 2011</u>	<u>Dec 31, 2010</u>
Period overdue				
Not over 6 months	16,702.04	17,008.81	16,668.44	16,980.24
Over 6 months to 1 year	69.70	89.86	69.69	89.85
Over 1 year to 2 years	61.32	91.53	61.31	91.61
Over 2 years	<u>1,496.40</u>	<u>1,456.66</u>	<u>1,467.66</u>	<u>1,427.82</u>
	18,329.46	18,646.86	18,267.10	18,589.52
<u>Less</u> Allowance for doubtful accounts	<u>(1,611.85)</u>	<u>(1,620.34)</u>	<u>(1,583.09)</u>	<u>(1,591.56)</u>
<b>Trade accounts receivable - net</b>	<b><u>16,717.61</u></b>	<b><u>17,026.52</u></b>	<b><u>16,684.01</u></b>	<b><u>16,997.96</u></b>

#### 4.3 Other Current Assets

	<b>Consolidated</b>		<b>Units : Million Baht</b>	
			<b>The Company</b>	
	<u>Mar 31, 2011</u>	<u>Dec 31, 2010</u>	<u>Mar 31, 2011</u>	<u>Dec 31, 2010</u>
Tax refund	272.58	265.59	272.58	265.59
Cash and bank deposits of pension fund	4,299.56	4,650.13	4,299.56	4,650.13
Others	<u>2,623.11</u>	<u>2,075.39</u>	<u>2,594.56</u>	<u>2,047.92</u>
<b>Total</b>	<b><u>7,195.25</u></b>	<b><u>6,991.11</u></b>	<b><u>7,166.70</u></b>	<b><u>6,963.64</u></b>

#### 4.4 Investments

#### Consolidated

Units : Million Baht

Name of Company	Percentage of Shareholding		Investments				Income on investments	
	Mar 31, 2011	Dec 31, 2010	Cost method		Equity method		Mar 31, 2011	Mar 31, 2010
			Mar 31, 2011	Dec 31, 2010	Mar 31, 2011	Dec 31, 2010		
<b>4.4.1 Investments using the equity method</b>								
Royal Orchid Hotel (Thailand) Public Company Limited (Market value as at March 31, 2011 amount of THB 497.25 million and as at December 31, 2010 amount of THB 562.50 million)	24	24	225.00	225.00	169.53	185.11	(15.58)	(7.81)
Donmuang International Airport Hotel Company Limited	40	40	48.00	48.00	110.15	112.31	(2.16)	(1.94)
Bangkok Aviation Fuel Services Public Company Limited (Market value as at March 31, 2011 amount of THB 1,255.53 million and as at December 31, 2010 amount of THB 1,232.50 million)	22.6	22.6	115.19	115.19	667.39	659.83	7.56	8.41
Phuket Air Catering Company Limited	30	30	30.00	30.00	113.07	108.95	4.12	3.82
Suvarnabhumi Airport Hotel Company Limited	30	30	305.33	305.33	91.76	100.07	(8.31)	(9.36)
Nok Airlines Company Limited	39	39	195.00	195.00	<u>287.32</u>	<u>234.72</u>	<u>52.60</u>	<u>-</u>
<b>Total investments using the equity Method</b>					<b><u>1,439.22</u></b>	<b><u>1,400.99</u></b>	<b><u>38.23</u></b>	<b><u>(6.88)</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	2.5	2.5	16.58	16.58			-	-
SITA Investment Certificate	-	-	30.50	30.34			-	-
Trade Siam Company Limited (paid 25% of authorized share capital)	3.5	3.5	1.75	1.75			-	-
SITA Information Networking Computing	-	-	27.57	27.44			-	-
Other Shares	-	-	2.83	2.76			-	-
<u>Less</u> Allowance for impairment of Fuel Pipeline Transportation Ltd.			<u>(133.00)</u>	<u>(133.00)</u>			<u>-</u>	<u>-</u>
<b>Total other long-term investments</b>			<b><u>79.23</u></b>	<b><u>78.87</u></b>			<b><u>-</u></b>	<b><u>-</u></b>

Name of Company	Percentage of Shareholding		Investments		Dividend Income	
			Cost method			
	Mar 31, 2011	Dec 31, 2010	Mar 31, 2011	Dec 31, 2010	Mar 31, 2011	Mar 31, 2010
<b>4.4.1 Investments using the cost method</b>						
<b>Subsidiary Companies</b>						
Thai-Amadeus Southeast Asia Company Limited	55	55	8.25	8.25	-	-
Wing Span Services Company Limited	49	49	<u>0.98</u>	<u>0.98</u>	-	-
<b>Total</b>			<b><u>9.23</u></b>	<b><u>9.23</u></b>	-	-
<b>Associated Companies</b>						
Royal Orchid Hotel (Thailand) Public Company Limited (Market value as at March 31, 2011 amount of THB 497.25 million and as at December 31, 2010 amount of THB 562.50 million)	24	24	225.00	225.00	-	-
Donmuang International Airport Hotel Company Limited	40	40	48.00	48.00	-	-
Bangkok Aviation Fuel Services Public Company Limited (Market value as at March 31, 2011 amount of THB 1,255.53 million and as at December 31, 2010 amount of THB 1,232.50 million)	22.6	22.6	115.19	115.19	-	-
Phuket Air Catering Company Limited	30	30	30.00	30.00	-	-
Suvarnabhumi Airport Hotel Company Limited	30	30	305.33	305.33	-	-
Nok Airlines Company Limited	39	39	<u>195.00</u>	<u>195.00</u>	-	-
<b>Total</b>			<b><u>918.52</u></b>	<b><u>918.52</u></b>	-	-
<b>Total investments using the cost method</b>			<b><u>927.75</u></b>	<b><u>927.75</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	2.5	2.5	16.58	16.58	-	-
SITA Investment Certificate	-	-	30.50	30.34	-	-
TRADESIAM Company Limited (paid 25% of authorized share capital)	3.5	3.5	1.75	1.75	-	-
SITA Information Networking Computing	-	-	27.57	27.44	-	-
Other Shares	-	-	2.83	2.76	-	-
<u>Less</u> 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>79.23</u></b>	<b><u>78.87</u></b>	-	-

Units : Million Baht				
Name of Company	Assets	Liabilities	Income	Gains (Losses)
<b><u>Subsidiary Companies</u></b>				
Thai-Amadeus Southeast Asia Company Limited	779.71	109.16	91.01	32.04
WingSpan Services Company Limited	1.85	0.17	-	(0.26)
<b><u>Associated Companies</u></b>				
Royal Orchid Hotel (Thailand) Public Company Limited	1,605.24	898.86	601.03	(294.98)
Donmuang International Airport Hotel Company Limited	298.14	22.78	183.52	(31.98)
Bangkok Aviation Fuel Services Public Company Limited	5,421.10	2,466.72	1,721.53	435.62
Phuket Air Catering Company Limited	439.11	62.22	355.82	99.15
Suvarnabhumi Airport Hotel Company Limited	1,824.83	1,518.96	156.86	(27.70)
Nok Airlines Company Limited	1,385.07	648.35	4,191.71	601.53

The Company used the financial statements of associated companies as at December 31, 2010 to record the investment by equity method in the consolidated financial statement and by cost method in the Company's financial statement. Because the associated companies cannot submit their financial statements to the Company in time for accounting closing. This is no material effect to the Company.

#### 4.5 Related Parties The Company

##### 4.5.1 Major Shareholders

##### 4.5.1.1 Long-term loans from related parties

Units : Million Baht		
	Mar 31, 2011	Dec 31, 2010
Foreign loans via the Ministry of Finance	1,217.39	1,211.85
Government Saving Bank	6,213.00	6,606.00
Islamic Bank of Thailand	<u>1,375.00</u>	<u>1,500.00</u>
<b>Total</b>	<b><u>8,805.39</u></b>	<b><u>9,317.85</u></b>

##### 4.5.2 Subsidiary Company

##### 4.5.2.1 Sales and Purchase

Units : Million Baht				
	Mar 31, 2011		Mar 31, 2010	
	Sales	Purchase	Sales	Purchase
Thai-Amadeus Southeast Asia Company Limited	0.92	-	0.85	-
WingSpan Services Company Limited	-	-	-	-

##### 4.5.2.2 Account Receivables and Account Payables



**Units : Million Baht**

	Mar 31, 2011		Dec 31, 2010	
	Account Receivables	Account Payables	Account Receivables	Account Payables
Thai-Amadeus Southeast Asia Company Limited	0.76	-	0.27	-
WingSpan Services Company Limited	0.06	-	-	-

### 4.5.3 Associated Companies

#### 4.5.3.1 Sales and Purchase

**Units : Million Baht**

	Mar 31, 2011		Mar 31, 2010	
	Sales	Purchase	Sales	Purchase
Royal Orchid Hotel (Thailand) Public Company Limited	-	1.55	-	2.47
Donmuang International Airport Hotel Company Limited	-	0.05	-	0.21
Bangkok Aviation Fuel Services Public Company Limited	0.02	95.76	0.01	96.26
Phuket Air Catering Company Limited	0.78	4.37	0.87	1.31
Suvarnabhumi Airport Hotel Company Limited	-	9.53	-	12.14
Nok Airlines Company Limited	405.85	-	352.46	-

#### 4.5.3.2 Account Receivables and Account Payables

**Units : Million Baht**

	Mar 31, 2011		Dec 31, 2010	
	Account Receivables	Account Payables	Account Receivables	Account Payables
Royal Orchid Hotel (Thailand) Public Company Limited	-	0.16	-	0.01
Donmuang International Airport Hotel Company Limited	-	-	-	-
Bangkok Aviation Fuel Services Public Company Limited	0.02	36.84	-	37.15
Phuket Air Catering Company Limited	0.49	2.91	0.26	2.93
Suvarnabhumi Airport Hotel Company Limited	-	1.48	-	3.35
Nok Airlines Company Limited	38.74	-	69.30	-

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

## 4.6 Property, Plant and Equipment – Net

**Consolidated**

Units : Million Baht

	<b>Aircraft</b>	<b>Aircraft under finance leases</b>	<b>Aircraft spare parts</b>	<b>Land, buildings and Improvements</b>	<b>Other plant and equipment</b>	<b>Total</b>
<b>Cost</b>						
As at January 1, 2011	158,463.87	163,245.67	28,946.93	18,902.09	29,555.03	<b>399,113.59</b>
- Adjust/Transfers	1,715.95	-	(34.86)	10.79	102.00	<b>1,793.88</b>
- Additions	1,586.23	402.04	704.55	20.84	524.68	<b>3,238.34</b>
- Disposals	(1,991.07)	-	(648.03)	(11.75)	(38.75)	<b>(2,689.60)</b>
As at March 31, 2011	<b>159,774.98</b>	<b>163,647.71</b>	<b>28,968.59</b>	<b>18,921.97</b>	<b>30,142.96</b>	<b>401,456.21</b>
<b>Impairment Allowance</b>	950.40	3,475.19	-	-	-	<b>4,425.59</b>
<b>Accumulated depreciation</b>						
As at January 1, 2011	91,898.70	44,345.33	18,124.77	10,914.65	23,286.05	<b>188,569.50</b>
- Depreciation	1,621.20	2,036.20	420.54	168.65	456.43	<b>4,703.02</b>
- Adjust/Transfers	1,472.05	-	(31.40)	(1.54)	1.50	<b>1,440.61</b>
- Disposals	(1,747.57)	-	(289.66)	(10.76)	(38.52)	<b>(2,086.51)</b>
As at March 31, 2011	<b>94,194.78</b>	<b>49,856.72</b>	<b>18,224.25</b>	<b>11,071.00</b>	<b>23,705.46</b>	<b>197,052.21</b>
<b>Net book value</b>						
As at December 31, 2010	<b>65,614.77</b>	<b>115,425.15</b>	<b>10,822.16</b>	<b>7,987.44</b>	<b>6,268.98</b>	<b>206,118.50</b>
As at March 31, 2011	<b>65,580.20</b>	<b>113,790.99</b>	<b>10,744.34</b>	<b>7,850.97</b>	<b>6,437.50</b>	<b>204,404.00</b>

**The Company**

Units : Million Baht

	<b>Aircraft</b>	<b>Aircraft under finance leases</b>	<b>Aircraft spare parts</b>	<b>Land, buildings and Improvements</b>	<b>Other plant and equipment</b>	<b>Total</b>
<b>Cost</b>						
As at January 1, 2011	158,463.87	163,245.67	28,946.93	18,902.09	29,341.45	<b>398,900.01</b>
- Adjust/Transfers	1,715.95	-	(34.86)	10.79	102.00	<b>1,793.88</b>
- Additions	1,586.23	402.04	704.55	20.84	523.39	<b>3,236.95</b>
- Disposals	(1,991.07)	-	(648.03)	(11.75)	(38.75)	<b>(2,689.60)</b>
As at March 31, 2011	<b>159,774.98</b>	<b>163,647.71</b>	<b>28,968.59</b>	<b>18,921.97</b>	<b>29,927.99</b>	<b>401,241.24</b>
<b>Impairment Allowance</b>	950.40	3,475.19	-	-	-	<b>4,425.59</b>
<b>Accumulated depreciation</b>						
As at January 1, 2011	91,898.70	44,345.33	18,124.77	10,914.65	23,084.86	<b>188,368.31</b>
- Depreciation	1,621.20	2,036.20	420.54	168.65	453.33	<b>4,699.92</b>
- Adjust/Transfers	1,472.05	-	(31.40)	(1.54)	1.50	<b>1,440.61</b>
- Disposals	(1,747.57)	-	(289.66)	(10.76)	(38.52)	<b>(2,086.51)</b>
As at March 31, 2011	<b>94,194.78</b>	<b>49,856.72</b>	<b>18,224.25</b>	<b>11,071.00</b>	<b>23,501.17</b>	<b>196,847.92</b>
<b>Net book value</b>						
As at December 31, 2010	<b>65,614.77</b>	<b>115,425.15</b>	<b>10,822.16</b>	<b>7,987.44</b>	<b>6,256.59</b>	<b>206,106.11</b>
As at March 31, 2011	<b>65,580.20</b>	<b>113,790.99</b>	<b>10,744.34</b>	<b>7,850.97</b>	<b>6,426.82</b>	<b>204,393.32</b>

In this fiscal year, there are 91 aircrafts represented in the Company's fleet consisting of 50 own aircrafts, 31 aircrafts under financial leases according to Note to financial statement No. 4.21, and 10 aircrafts under operating leases (including 3 B777-300ER aircrafts leased from JET AIRWAYS).

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

Other plants and equipment-net amounted to THB 6,437.50 million (consolidated) and THB 6,426.82 million (the Company).

The Company uses buildings and equipment that are now fully depreciated with historical cost of THB 56,929.56 million including the leasehold buildings amount of THB 3,918.75 million.

The Company has provided a land located in Bangkok for security meanwhile the Company is now in the procedure of appealing against the judgement of the court of first instance who has made a decision that compelled the Company to provide compensation in the amount of THB 27.63 million with interest due to ceasing of wine purchase.

Finance leased assets are aircrafts under finance leases which the purchase contracts were made in USD currency but the finance leases were made in EUR currency.

#### 4.7 Intangible Assets-net

	Units : Million Baht	
	Consolidated	The Company
<b>Cost</b>		
As at January 1, 2011	1,502.79	1,495.74
- Additions	169.07	168.63
As at March 31, 2011	1,671.86	1,664.37
<b>Accumulated amortisation</b>		
As at January 1, 2011	950.43	948.12
- Amortisation	69.13	68.95
As at March 31, 2011	1,019.56	1,017.07
<b>Net book value</b>		
As at December 31, 2010	<b>552.36</b>	<b>547.62</b>
As at March 31, 2011	<b>652.30</b>	<b>647.30</b>

#### 4.8 Deferred Income Tax Assets

	<b>Consolidated</b>		<b>Units : Million Baht The Company</b>	
	<b>Mar 31, 2011</b>	<b>Dec 31, 2010</b>	<b>Mar 31, 2011</b>	<b>Dec 31, 2010</b>
	Contribution to staff pension fund	872.91	820.92	872.91
Allowance for obsolete inventories	585.27	583.23	585.27	583.23
Allowance for doubtful accounts	541.74	542.05	533.11	533.42
Allowance for impairment in value of assets	1,352.10	1,341.82	1,352.10	1,341.82
Estimated accrual expenses	1,319.41	1,326.71	1,318.93	1,326.23
Loss on foreign currency exchange	134.06	134.11	134.06	134.11
Employee benefits obligation	2,863.24	2,797.81	2,862.13	2,796.75
Others	<u>21.14</u>	<u>22.98</u>	<u>17.53</u>	<u>19.30</u>
<b>Total</b>	<b><u>7,689.87</u></b>	<b><u>7,569.63</u></b>	<b><u>7,676.04</u></b>	<b><u>7,555.78</u></b>

#### 4.9 Other Non-Current Assets

	<b>Consolidated</b>		<b>Units : Million Baht The Company</b>	
	<b>Mar 31, 2011</b>	<b>Dec 31, 2010</b>	<b>Mar 31, 2011</b>	<b>Dec 31, 2010</b>
	Deferred charges	1,813.73	1,918.80	1,813.73
Others	<u>479.40</u>	<u>342.23</u>	<u>478.33</u>	<u>341.85</u>
<b>Total</b>	<b><u>2,293.13</u></b>	<b><u>2,261.03</u></b>	<b><u>2,292.06</u></b>	<b><u>2,260.65</u></b>

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

#### 4.10 Employee Benefits Obligation The Company

Employee benefits obligations are classified into 5 projects as follows:

4.10.1 Legal Severance Payments are paid to the retired employees who work with the Company from 5 to less than 15 years, receiving 180 days of the latest salary rate. For the retired employees who work with the Company from 15 years onwards will get paid for 300 days of the latest salary rate.

4.10.2 Post-Retirement Medical Benefits are provided to the retired and early retired employees together with their spouses and unmarried children less than 20 years of age with no expenses at all medical centers of the Company.

4.10.3 Encashment of Unutilised Holiday Leaves is paid to the employees who have their vacations left, which can be accumulated not more than 3 years.

4.10.4 Long Service Awards (Pin/Ring) will be rewarded to the employees who have been working with the Company for 15, 25 and 35 years.

4.10.5 Long Service Awards (Air ticket) – the employees who have been working with the Company for 15 years will get rewards for 1 free confirmed ticket on the Company’s routes, and every next 5 years for present employees. The employees can accumulate and use these awards whenever they desire.

**Principal actuarial assumptions :**

Discount rate	4.2%
Price inflation	3.5%
Average salary increase rates	
Domestic staff	3.0% – 7.0%
Oversea staff	5%
Staff turnover rate	
Domestic staff	0.0% - 1.5%
Oversea staff	0.0% - 9.0%
Medical cost inflation	6%
Mortality rate	TM097 (Thai mortality table year 1997)

**Changes in Present Value of the Employee Benefits Obligation**

	<b>Consolidated</b>		<b>Units : Million Baht The Company</b>	
	<b>Mar 31, 2011</b>	<b>Dec 31, 2010</b>	<b>Mar 31, 2011</b>	<b>Dec 31, 2010</b>
	Beginning Balance – Employee Benefits Obligation	9,326.02	10,499.58	9,322.51
Employee Benefit Expenses for the period	218.14	866.10	217.95	865.39
Benefits paid during the period	-	(2,039.66)	-	(2,039.66)
Ending Balance – Employee Benefits Obligation	<b><u>9,544.16</u></b>	<b><u>9,326.02</u></b>	<b><u>9,540.46</u></b>	<b><u>9,322.51</u></b>

**4.11 Share Capital**

As at March 31, 2011, 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.

**4.12 Other Incomes**

	<b>Units : Million Baht</b>			
	<b>Consolidated</b>		<b>The Company</b>	
	<b>Mar 31, 2011</b>	<b>Mar 31, 2010</b>	<b>Mar 31, 2011</b>	<b>Mar 31, 2010</b>
Gains on sales of assets	1.62	1.06	1.62	1.06
Revenue from other services of Aircraft Maintenance Department	101.45	80.07	101.45	80.07
Revenue from airport fees collected from passengers	198.41	267.20	198.41	267.20
Compensation revenue from the delay delivery of aircraft	256.07	353.15	256.07	353.15
Others	148.31	159.96	148.21	160.11
<b>Total</b>	<b>705.86</b>	<b>861.44</b>	<b>705.76</b>	<b>861.59</b>

**4.13 Employee Benefit Expenses**

**Units : Million Baht**

	Consolidated		The Company	
	Mar 31, 2011	Mar 31, 2010	Mar 31, 2011	Mar 31, 2010
Personnel Expenses	7,490.81	7,436.64	7,478.52	7,424.97
Employee Benefit Expenses	218.14	216.52	217.95	216.35
Executive benefit expenses	26.48	13.55	26.48	13.55
Board of Directors benefit expenses	3.83	3.47	3.15	3.26
<b>Total</b>	<b>7,739.26</b>	<b>7,670.18</b>	<b>7,726.10</b>	<b>7,658.13</b>

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.

Moreover, the Directors of the Company obtain the ticket benefits. For the three-month periods ended March 31, 2011 and 2010, they issued the tickets for themselves and their related parties amount of 49 and 36 tickets with the value of THB 5.03 million and THB 4.39 million, respectively, calculating from the full fare tickets in those traveling classes.

#### 4.14 Other Expenses

	Units : Million Baht			
	Consolidated		The Company	
	Mar 31, 2011	Mar 31, 2010	Mar 31, 2011	Mar 31, 2010
Rentals and utilities	672.85	702.43	672.85	702.43
Office supplies	57.29	67.62	57.29	67.62
Repair of building and equipment	109.16	111.35	109.16	111.35
Outsource services	256.19	229.06	256.19	229.06
Consultant and service fees	99.15	114.57	99.15	114.57
Legal fee for Antitrust/ Competition Law	66.98	76.66	66.98	76.66
Computer service expenses	94.51	81.68	94.51	81.68
Travelling and transportation expenses	164.04	138.38	164.04	138.38
Concession fees	90.04	84.59	90.04	84.59
Passenger claim expenses	43.62	93.10	43.62	93.10
Others	324.17	366.57	308.07	352.28
<b>Total</b>	<b>1,978.00</b>	<b>2,066.01</b>	<b>1,961.90</b>	<b>2,051.72</b>

#### 4.15 Net Tax Expenses

	Units : Million Baht			
	Consolidated		The Company	
	Mar 31, 2011	Mar 31, 2010	Mar 31, 2011	Mar 31, 2010
Tax expense (income) from taxable profit for the period	241.46	619.37	226.31	599.72
Add(less): deferred tax asset/ liability from temporary different increase/ decrease	(120.24)	(120.46)	(120.26)	(120.32)
<b>Net tax expenses</b>	<b>121.22</b>	<b>498.91</b>	<b>106.05</b>	<b>479.40</b>

#### 4.16 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.

**Consolidated**  
**For the three-month periods ended March 31, 2011 and 2010**

	<u>Profit</u>		<u>Number of Shares</u>		<u>Earnings Per Share</u>	
	<u>Mar 31, 2011</u>	<u>Mar 31, 2010</u>	<u>Mar 31, 2011</u>	<u>Mar 31, 2010</u>	<u>Mar 31, 2011</u>	<u>Mar 31, 2010</u>
	Million Baht	Million Baht	Million Share	Million Share	Baht	Baht
<b>Basic earnings per share</b>						
Profits (losses) attributable to Equity holders	618.47	10,572.49	2,182.77	1,698.90	0.28	6.22

**The Company**  
**For the three-month periods ended March 31, 2011 and 2010**

	<u>Profit</u>		<u>Number of Shares</u>		<u>Earnings Per Share</u>	
	<u>Mar 31, 2011</u>	<u>Mar 31, 2010</u>	<u>Mar 31, 2011</u>	<u>Mar 31, 2010</u>	<u>Mar 31, 2011</u>	<u>Mar 31, 2010</u>
	Million Baht	Million Baht	Million Share	Million Share	Baht	Baht
<b>Basic earnings per share</b>						
Profits (losses) attributable to Equity holders	562.89	10,554.84	2,182.77	1,698.90	0.26	6.21

## 4.17 Financial Information by Segment Consolidated

### 4.17.1 Business Segments

**Statements of Income**  
**For the three-month periods ended March 31, 2011 and 2010**

Units : Million Baht

	<u>Revenues</u>		<u>Inter - Segment Revenues</u>		<u>Total Revenues</u>		<u>Segment Results</u>	
	<u>Mar 31, 2011</u>	<u>Mar 31, 2010</u>	<u>Mar 31, 2011</u>	<u>Mar 31, 2010</u>	<u>Mar 31, 2011</u>	<u>Mar 31, 2010</u>	<u>Mar 31, 2011</u>	<u>Mar 31, 2010</u>
Air transportation	48,890.62	46,884.22	-	-	48,890.62	46,884.22	4,597.80	5,781.96
Business Units	1,624.60	1,540.02	2,618.36	2,504.79	4,242.96	4,044.81	620.43	445.55
Other activities	510.03	489.22	1,429.87	1,227.40	1,939.90	1,716.62	(238.75)	(140.75)
Eliminations	-	-	(4,048.23)	(3,732.19)	(4,048.23)	(3,732.19)	-	-
Operating profits							4,979.48	6,086.76
Share of profits (losses) of investments by the equity method							38.22	(6.88)
Finance costs							(1,188.82)	(1,314.08)
Gains on foreign currency exchange							(3,358.36)	5,698.50
Other income							283.60	627.17
Minority interests							(14.43)	(20.07)
Net tax expenses							(121.22)	(498.91)
<b>Net profits</b>							<b>618.47</b>	<b>10,572.49</b>

	<u>Current Assets</u>		<u>Non-Current Assets</u>		<u>Units : Million Baht</u> <u>Total Assets</u>	
	<u>Mar 31, 2011</u>	<u>Dec 31, 2010</u>	<u>Mar 31, 2011</u>	<u>Dec 31, 2010</u>	<u>Mar 31, 2011</u>	<u>Dec 31, 2010</u>
	Air transportation	70,647.76	74,382.06	207,226.44	208,560.40	277,874.20
Business Units	551.92	517.25	7,063.41	7,215.99	7,615.33	7,733.24
Other activities	1,173.14	1,033.26	2,405.41	2,479.98	3,578.55	3,513.24
Non-allocated assets	<u>2,486.04</u>	<u>2,368.87</u>	<u>-</u>	<u>-</u>	<u>2,486.04</u>	<u>2,368.87</u>
<b>Total</b>	<b><u>74,858.86</u></b>	<b><u>78,301.44</u></b>	<b><u>216,695.26</u></b>	<b><u>218,256.37</u></b>	<b><u>291,554.12</u></b>	<b><u>296,557.81</u></b>

	<u>Current Liabilities</u>		<u>Non-Current Liabilities</u>		<u>Units : Million Baht</u> <u>Total Liabilities</u>	
	<u>Mar 31, 2011</u>	<u>Dec 31, 2010</u>	<u>Mar 31, 2011</u>	<u>Dec 31, 2010</u>	<u>Mar 31, 2011</u>	<u>Dec 31, 2010</u>
	Air transportation	74,841.12	79,101.24	138,192.65	139,391.34	213,033.77
Business Units	878.78	1,077.15	25.23	26.73	904.01	1,103.88
Other activities	254.89	224.02	22.40	22.10	277.29	246.12
Non-allocated liabilities	<u>324.22</u>	<u>333.29</u>	<u>-</u>	<u>-</u>	<u>324.22</u>	<u>333.29</u>
<b>Total</b>	<b><u>76,299.01</u></b>	<b><u>80,735.70</u></b>	<b><u>138,240.28</u></b>	<b><u>139,440.17</u></b>	<b><u>214,539.29</u></b>	<b><u>220,175.87</u></b>

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 the Technical Department, the inter-segment revenue is recorded at cost plus. Those transfers are eliminated in consolidation.



Domestic Revenues		
Transportation	4,125.08	3,559.61
Business units	1,624.60	1,540.02
Other activities	<u>510.03</u>	<u>489.22</u>
Total domestic revenues	<u>6,259.71</u>	<u>5,588.85</u>
Foreign Transportation Revenues		
Regional Asia	18,411.31	16,871.86
Europe	12,521.09	12,714.08
North Pacific	969.83	887.68
Australia & New Zealand	4,057.88	3,986.30
Africa	<u>323.55</u>	<u>-</u>
Total foreign transportation revenues	<u>36,283.66</u>	<u>34,459.92</u>
Charter revenues and others	2,406.53	1,794.09
Insurance surcharge from passengers	473.55	524.19
Fuel surcharge from passengers	5,601.79	6,546.42
Interest income	119.99	30.64
Other income	<u>705.86</u>	<u>861.44</u>
<b>Total</b>	<b><u>51,851.09</u></b>	<b><u>49,805.55</u></b>

#### 4.18 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:

	<b>Units : Million Baht</b>	
	<b><u>Mar 31, 2011</u></b>	<b><u>Dec 31, 2011</u></b>
Current assets	4,562.28	4,761.11
Others	<u>36.83</u>	<u>31.37</u>
Total	<u>4,599.11</u>	<u>4,792.48</u>
Other current liabilities	21.14	421.34
Pension fund	<u>4,577.97</u>	<u>4,371.14</u>
Total	<u>4,599.11</u>	<u>4,792.48</u>

As at March 31, 2011, the fund balance was THB 4,577.97 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 205.51 million, consisting of contributions at a rate equivalent to 10% of employee salaries in the amount of THB 53.76 million and the amounts to match the Company's obligation of THB 151.75 million.

#### 4.19 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 279.52 million for this period.

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

-17-

#### 4.20 Contingent Liabilities

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

	Units : Million Baht	
	<u>Mar 31, 2011</u>	<u>Dec 31, 2010</u>
Letters of guarantee issued by banks – Domestic	103.58	132.48
Letters of guarantee issued by banks – Abroad	209.86	203.63
The Company as defendant in		
Labor dispute cases	1,807.68	1,751.71
Damage claims cases	<u>2,645.86</u>	<u>2,308.62</u>
<b>Total</b>	<b><u>4,766.98</u></b>	<b><u>4,396.44</u></b>

4.20.2 The Company may be in debt but still cannot specify the exact amount of claim; however the Company already estimated the amounts of compensation and penalty and recognised them in the financial statement of fiscal year 2008 in the amount of THB 4,290.17 million. In the financial statement of fiscal year 2010, the Company recognised the estimated amounts of compensation and penalty amount of THB 2,506.98 million, which reduced by THB 1,783.19 million. The details are as follows:

1. The Company still has the competition law allegation pending against it. 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. In addition and at present, the class Plaintiff and the Company has subsequently entered into a settlement of 3,500,000 US Dollars or approximately 109.23 million Baht (Exchange Rate: 31.1500 Baht = 1 US dollar). The Parties are currently in the process of petition filing in order for the court to render a judgment in accordance with the mediated settlement.

2. A total of 19 lawsuits were brought against 12 airlines including the Company. Two lawsuits were filed at the Superior Court of Los Angeles while other 17 were filed at the San Francisco County Superior Court. The airlines were accused of violating the Sherman Antitrust Act of 1890 and the Clayton Antitrust Act of 1914 by committing price fixing conspiracy in respect of Trans-pacific carriers. Presently, 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, however, the amount of the compensatory damages has not yet been determined. The case is currently undergoing 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 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. However, the Commission of the European Communities later dropped charges against the Company on November 9, 2010. A penalty has therefore never been imposed on the Company.

4. As for the case involving the New Zealand Commerce Commission (NZCC) filing a lawsuit against the Company and other 13 airlines at the Auckland High Court and

alleging that the Company, jointly with other airlines, fixed the fuel surcharge and security surcharge, constituting a violation against the Commerce Act of New Zealand, the NZCC requested the court to fine the Company according to the law. However, these fines remained unspecified at the time of filing the lawsuit and were, thus, left for the court to decide afterwards. At present, a statement of defence has already been submitted and the case is currently in the court trial.

5. Regarding an examination by the United States' Department of Justice (DOJ), summon for documents were sent to the Company during the ongoing investigation. Correspondingly, the company has already hired a local attorney to cooperate with the DOJ. However, it is still uncertain as to whether an allegation is being sought.

6. With respect to the investigation by the Australian Competition and Consumer Commission (ACCC) on October 28, 2009, the ACCC has subsequently filed a lawsuit against the Company for violating Trade Practices Act 1974. Yet, the amount of fines has not yet been specified by the ACCC. At the moment, the Company has already submitted a statement of defence to the court and the case is currently in the process of discovery.

7. On the subject of an investigation by the Korean Fair Trade Commission (KFTC), the Company received an Examiner's Report on October 29, 2009, alleging that the Company has violated the Korean's Antitrust Law. In addition, the report further suggested KFTC to bring a criminal complaint against the company and its relevant staff for having involved in the determination of the extra On November 30, 2010, an official decision of the Korean commission had been made. However, on January 20, 2011 KFTC then issued the amended Examiner's Report ordering an alteration of the amount of fine totaling an amount of KRW 2,877 million or approximately 77.45 million Baht (Exchange Rate: 0.026921 Won = 1 Baht). The fine includes an amount of KRW 2,198 million or approximately 59.17 million Baht for the Ex – Korea Route and KRW 679 million or approximately 18.28 million Baht for the Ex – Hong Kong Route. Nevertheless, the Company has already appealed the KFTC Commissioners' decision to the competent court.

According to the board of directors meeting no. 1/2554 held on January 14, 2011, the Company agreed to decrease an amount of loss reserve as well as the aforementioned fines or penalties. Correspondingly, the Company's Department of Legal Affairs and Business Administration has modified the estimation guidelines as follows:

1. The above estimated damages and fines are subject to the status of the case which has become more apparent as to the direction of the trial and are calculated from the lowest fine rates that may be used in case the courts rule or sentence that the Company has committed guiltiness as alleged or claimed.

2. The above estimated fine amounts are the estimate of fine figured by the competent authority of each country which has carried out an investigation and litigation including the initial estimate of the compensation in the Civil Class Actions of both cargo and passenger cases in the United States. Both Civil cases have not yet been determined the amount of claim and the plaintiffs still have the legal obligations to prove the actual damages.

-19-

3. The sentence or decision on the cases shall be given separately in the next forth coming different fiscal years.

4. The above provision may be substantially deviate from the truth due to:

4.1 In the countries where investigations are initiated and no allegation is filed yet, there is no clear fact as to whether an allegation will be filed against the Company. And if such an allegation is filed against the Company, in which locations that such allegation may cover. The turnover amount of such locations which shall be base for calculation of fine or damages is unaware then.

4.2 The determination of fine and damages is up to the discretion of the deciding body. Other facts of the cases may need to be considered by such deciding body.

4.3 Before the decision is made, there may be a compromise of fine or damages amount, depending on the policy of each country and the case aspects.

4.20.3 The Company was sued by CEAT for the use of Website Thaiairway.com in America and the Company has been requested to provide compensations for the costs of legal proceeding. The Company is now providing necessary information to the lawyer retained by AMADEUS to represent the Company in legal proceeding.

#### **4.21 Airbus A330-300 Delivery**

On December 23, 2009 and March 29, 2010, the Company took delivery of 3 and 2 Airbus A330-300, totalling 5 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 5 Airbus A330-300 aircraft within the limited time. The 2 Airbus were delivered on March 25 and April 11, 2011, respectively. The rest of 3 aircraft will be delivered on May, June and July 2011, respectively.

Under the ECA Loan Agreement for the 5 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 5 aircraft whilst the Aircraft Preservation Agreement between the Company and Airbus S.A.S has been extended until October 22, 2011. As for the obligation expenses such as seat installation expenses, storage and maintenance of aircraft in flight ready expenses, and monthly survey and parking fee, the Company has already recorded those expenses amount of THB 127.16 million.

#### **4.22 Contractual Obligations**

#### 4.22.1 Obligation to Purchase Aircraft

The Company has a payment obligation to purchase 6 A380-800 aircraft and 7 A330-300 aircraft amount of THB 53,774.59 million, expected to take delivery during the year 2011-2013.

#### 4.22.2 Leases and obligations of aircraft

The Company has obligations from entering into operating leases amount of USD 1,585.26 million or approximately to THB 48,247.01 million (exchange rate USD 1 : THB 30.4348) consisting of 2 A330-300, 3 B737-400, 2 B777-200 aircraft and 11 B777-300ER aircraft, including 8 Boeing 777-300ER aircraft which are not in the Company fleet. The Company has entered into the Predelivery Commitment Agreement and Aircraft Lease Agreement with BOC Aviation Pte. Ltd. (BOCA) on October 22, 2010. The 8 Boeing 777-300ER will be delivered in 2012 and 2013. For aircraft under operating leases, the leases will be expired during 2013-2025.

#### 4.22.3 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 58.80 million or approximately to THB 1,789.57 million per block space for 2 aircraft. The lease will be expired in the year 2012.

### **4.23 Events after the Reporting Period**

4.23.1 On April 28, 2010, the Company's Annual General Shareholders' Meeting 2010 approved the Company to issue and offer the debenture for the amount not exceed THB 40,000 million or equivalent within 5 years. On February 25, 2011, Board of Directors approved the appointment of Bangkok Bank Public Company Limited and Kasikorn Bank Public Company Limited as Financial Advisors and Underwriters for the issuance of 8 billion baht domestic debentures. The Company has issued the Offering Circular to the Securities and Exchange Commission and The Securities Exchange of Thailand, which is effective on April 27, 2011. The debenture will be issued during May 9-12, 2011.

4.23.2 With respect to the Board of Directors' resolution dated on December 17, 2010 approved the Company to revise the covenant provision regarding the shareholding ratio of the Ministry of Finance and/or Government Agencies in the financing agreements in accordance with the policy of the Ministry of Finance, the Company has completed the shareholding covenant amendment of the B777-200ER No. 6's financing agreement and repaid such loan at the amount of EUR 11.64 million or approximately THB 502.52 million on April 29, 2011.

4.23.3 On April 20, 2011, the Company has signed the Letter of Intent (LOI) with Jet Airways (India) Limited for 2 years lease of 2 B777-300ER aircraft, which will be delivered in October 2011 and November 2011.

4.23.4 On April 27, 2011, the Annual General Shareholders' Meeting approved a dividend payment of THB 1.25 per share for 2010 fiscal year for 2,182.77 million shares, totalling to THB 2,728.46 million. Dividend payment will be made to shareholders whose name

appears on the list as of the Record Date of March 15, 2011 for rights to receive dividend payment. The dividend will be paid on May 20, 2011.

#### **4.24 Approval of Financial Statements**

These financial statements were approved by the Audit Committee, the Authorized Board of Directors, on May 11, 2011.

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