

**(UNOFFICIAL TRANSLATION)**  
**AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION**

**TO: THE SHAREHOLDERS OF THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED**

The Office of the Auditor General of Thailand has reviewed the accompanying consolidated and separate statements of financial position as at September 30, 2012, the related consolidated and separate statements of comprehensive income, statements of changes in shareholders' equity and statements of cash flows for the three and nine-month periods ended September 30, 2012 and 2011 and condensed notes to interim financial statements of Thai Airways International Public Company Limited and its subsidiaries and of Thai Airways International Public Company Limited, respectively. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". The responsibility of the Office of the Auditor General of Thailand is to express a conclusion on this interim financial information based on the review.

**Scope of the Review**

The Office of the Auditor General of Thailand conducted the review in accordance with Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable the Office of the Auditor General of Thailand to obtain assurance that the Office of the Auditor General of Thailand would become aware of all significant matters that might be identified in an audit. Accordingly, the Office of the Auditor General of Thailand does not express an audit opinion.

**Conclusion**

Based on the review, nothing has come to the attention that causes the Office of the Auditor General of Thailand to believe that the interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

**Statements of Financial Position as at December 31, 2011 presented for comparative purposes**

The Office of the Auditor General of Thailand has audited the consolidated and separate financial statements for the year ended December 31, 2011 of Thai Airways International Public Company Limited and its subsidiaries and of Thai Airways International Public Company Limited, respectively, in accordance with Standards on Auditing and expressed an unqualified opinion on those statements in our report dated February 21, 2012. The consolidated and separate statements of financial position as at December 31, 2011, presented for comparative purposes, are part of the aforementioned financial statements. The Office of the Auditor General of Thailand has not performed any other auditing procedures subsequent to the date of that report.

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

*(Signed)*                      *Roongnapa Charoenkunwiwat*  
*(Roongnapa Charoenkunwiwat)*  
*Director of Financial Audit Office No.4*

*Office of the Auditor General*  
November 13, 2012

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2012 AND DECEMBER 31, 2011

Unit : Baht

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		Sep 30, 2012 (Unaudited but reviewed)	Dec 31, 2011	Sep 30, 2012 (Unaudited but reviewed)	Dec 31, 2011
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	2.1	18,237,149,979	16,666,025,016	17,854,637,824	16,629,940,922
Temporary investments		1,539,337,872	419,005,881	-	-
Trade receivables	2.2	17,917,738,843	16,648,726,577	17,856,591,944	16,623,707,215
Prepaid expenses and deposits		10,392,473,285	10,467,893,729	10,353,856,742	10,482,589,799
Inventories and supplies		8,042,319,461	7,710,007,103	8,038,703,777	7,710,007,103
Other current assets	2.3	10,255,125,160	7,120,368,409	9,983,199,482	7,090,660,788
Non-current assets classified as held for sale		7,332,673,152	261,631,778	7,332,673,152	261,631,778
<b>Total Current Assets</b>		<b>73,716,817,752</b>	<b>59,293,658,493</b>	<b>71,419,662,921</b>	<b>58,798,537,605</b>
<b>Non-Current Assets</b>					
Investments in associates	2.5.1	1,385,874,784	1,629,966,047	723,520,500	1,083,520,500
Investments in subsidiaries	2.5.1	-	-	370,209,900	10,209,900
Other long-term investments	2.5.2	83,512,204	179,041,214	78,225,304	79,889,058
Property, plant and equipment	2.7	207,183,282,535	204,994,677,040	206,992,198,893	204,987,311,294
Goodwill		71,355,765	-	-	-
Intangible assets	2.8	657,013,804	623,739,745	578,489,132	617,255,122
Deferred tax assets	2.9	5,245,894,960	5,409,447,315	5,217,263,449	5,398,556,488
Other non-current assets	2.11	3,209,550,049	2,314,170,825	3,188,028,920	2,312,892,713
<b>Total Non-Current Assets</b>		<b>217,836,484,101</b>	<b>215,151,042,186</b>	<b>217,147,936,098</b>	<b>214,489,635,075</b>
<b>Total Assets</b>		<b>291,553,301,853</b>	<b>274,444,700,679</b>	<b>288,567,599,019</b>	<b>273,288,172,680</b>

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

**THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2012 AND DECEMBER 31, 2011**

Unit : Baht

	<u>CONSOLIDATED FINANCIAL STATEMENTS</u>		<u>SEPARATE FINANCIAL STATEMENTS</u>		
	<u>Notes</u>	<u>Sep 30, 2012</u> (Unaudited but reviewed)	<u>Dec 31, 2011</u>	<u>Sep 30, 2012</u> (Unaudited but reviewed)	<u>Dec 31, 2011</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>Current Liabilities</b>					
Trade payables		7,608,944,937	7,362,821,704	7,351,597,322	7,354,684,963
Accrued expenses		15,362,194,329	13,958,939,401	15,159,826,978	13,940,060,094
Current portion of long-term liabilities					
Long-term borrowings from related parties	2.6.1.1	3,310,656,000	2,072,000,000	3,310,656,000	2,072,000,000
Long-term borrowings from other parties		6,930,000,000	2,028,000,000	6,930,000,000	2,028,000,000
Liabilities under finance leases		9,726,574,538	10,102,499,455	9,726,574,538	10,102,499,455
Debentures		4,450,000,000	4,670,000,000	4,500,000,000	4,670,000,000
Current income tax payable		18,080,682	14,507,725	-	-
Other current liabilities					
Accrued dividends		51,814,008	52,032,037	51,735,391	51,960,945
Unearned transportation revenues		27,168,876,479	24,760,701,984	26,756,480,245	24,760,701,984
Others		9,541,510,090	5,653,845,282	9,449,493,167	5,629,595,110
<b>Total Current Liabilities</b>		<b>84,168,651,063</b>	<b>70,675,347,588</b>	<b>83,236,363,641</b>	<b>70,609,502,551</b>
<b>Non-Current Liabilities</b>					
Long-term liabilities					
Long-term borrowings from related parties	2.6.1.1	2,283,000,000	5,235,276,000	2,283,000,000	5,235,276,000
Long-term borrowings from others		41,791,000,000	47,272,000,000	41,791,000,000	47,272,000,000
Liabilities under finance leases		50,577,978,495	47,793,179,638	50,577,978,495	47,793,179,638
Debentures		27,676,790,000	23,126,790,000	27,676,790,000	23,176,790,000
Deferred tax liabilities	2.10	80,191,002	55,761,979	80,191,002	55,761,979
Staff pension fund	2.21	4,774,840,852	4,561,205,013	4,774,840,852	4,561,205,013
Employee benefits obligation	2.12	11,388,690,907	10,631,622,487	11,295,554,163	10,627,153,071
Long-term provisions		845,233,202	1,526,616,686	842,829,527	1,524,216,756
Other non - current liabilities		105,141,263	131,684,668	104,797,144	130,996,430
<b>Total Non-Current Liabilities</b>		<b>139,522,865,721</b>	<b>140,334,136,471</b>	<b>139,426,981,183</b>	<b>140,376,578,887</b>
<b>Total Liabilities</b>		<b>223,691,516,784</b>	<b>211,009,484,059</b>	<b>222,663,344,824</b>	<b>210,986,081,438</b>
<b>Shareholders' Equity</b>					
Share capital	2.13				
Authorized share capital					
2,698.90 million ordinary shares par value of Baht 10 each		<b>26,989,009,500</b>	<b>26,989,009,500</b>	<b>26,989,009,500</b>	<b>26,989,009,500</b>
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		2,469,792,865	2,469,792,865	2,469,792,865	2,469,792,865
Unappropriated		17,201,545,469	13,323,207,378	16,058,518,209	12,456,355,256
Other components of equity		54,210,000	-	-	-
<b>Total Company Shareholders' Equity</b>		<b>67,101,491,455</b>	<b>63,168,943,364</b>	<b>65,904,254,195</b>	<b>62,302,091,242</b>
<b>Non-controlling Interests</b>		<b>760,293,614</b>	<b>266,273,256</b>	<b>-</b>	<b>-</b>
<b>Total Shareholders' Equity</b>		<b>67,861,785,069</b>	<b>63,435,216,620</b>	<b>65,904,254,195</b>	<b>62,302,091,242</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>291,553,301,853</b>	<b>274,444,700,679</b>	<b>288,567,599,019</b>	<b>273,288,172,680</b>

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

(Signed) *Sorajak Kasemsuvan*  
(Sorajak Kasemsuvan)  
President

(Signed) *Wasukarn Visansawatdi*  
(Wasukarn Visansawatdi)  
Executive Vice President  
Finance and Accounting

(Unaudited  
but reviewed)

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE THREE-MONTH PERIODS ENDED SEPTEMBER 30, 2012 AND 2011

Unit : Baht

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2012	2011	2012	2011
<b>Revenues</b>					
<b>Revenues from Sales or Revenues from Services</b>					
Passenger and excess baggage		43,091,968,989	40,206,802,559	41,064,633,848	40,206,802,559
Freight		6,330,515,611	6,688,627,005	6,325,301,560	6,688,627,005
Mail		203,794,699	203,623,135	203,794,699	203,623,134
Other activities		2,087,447,171	2,104,761,725	2,035,537,160	2,022,600,454
<b>Total Revenues from Sales or Revenues from Services</b>		<b>51,713,726,470</b>	<b>49,203,814,424</b>	<b>49,629,267,267</b>	<b>49,121,653,152</b>
<b>Other Income</b>					
Interest income		128,386,549	104,138,289	115,618,060	100,013,593
Other income - Others	2.15	588,722,050	653,346,506	607,967,320	682,280,265
<b>Total Other Income</b>		<b>717,108,599</b>	<b>757,484,795</b>	<b>723,585,380</b>	<b>782,293,858</b>
<b>Total Revenues</b>		<b>52,430,835,069</b>	<b>49,961,299,219</b>	<b>50,352,852,647</b>	<b>49,903,947,010</b>
<b>Expenses</b>					
Fuel and oil		19,138,997,043	20,013,053,176	18,513,866,313	20,013,053,176
Employee benefits expenses	2.14	7,504,625,254	6,470,224,518	7,408,757,091	6,458,548,511
Flight service expenses		5,342,547,780	5,137,027,212	5,196,458,085	5,137,027,212
Crew expenses		1,442,929,124	1,373,464,006	1,404,829,464	1,373,464,006
Aircraft maintenance and overhaul costs		3,185,596,959	3,043,424,499	2,845,400,828	3,043,424,499
Depreciation and amortisation expenses		4,963,037,338	5,113,122,767	4,948,824,421	5,110,373,678
Lease of aircraft and spare parts		1,158,131,844	1,237,056,114	915,324,288	1,237,056,114
Inventories and supplies		2,471,840,293	2,751,406,659	2,436,557,695	2,751,406,659
Selling and advertising expenses		1,665,664,325	1,583,917,422	1,583,909,076	1,549,693,618
Insurance expenses		195,755,092	168,624,442	161,698,347	168,624,442
Impairment loss of assets		352,729,888	264,718,453	352,729,888	264,718,453
Impairment loss of aircrafts		-	180,909,303	-	180,909,303
Other expenses	2.16	1,765,130,185	863,481,271	1,608,230,549	847,578,165
Losses (gains) on foreign currency exchange		120,364,107	(2,298,788,227)	117,475,727	(2,299,902,507)
Finance costs		1,422,916,915	1,466,979,457	1,423,552,093	1,467,614,632
Share of losses (profits) of associates		(211,696,782)	146,239	-	-
<b>Total Expenses</b>		<b>50,518,569,365</b>	<b>47,368,767,311</b>	<b>48,917,613,865</b>	<b>47,303,589,961</b>
<b>Profit before Income Tax Expense</b>		<b>1,912,265,704</b>	<b>2,592,531,908</b>	<b>1,435,238,782</b>	<b>2,600,357,049</b>
Income tax expense	2.18	43,894,666	140,095,579	26,242,565	133,917,188
<b>Profit for the Period</b>		<b>1,868,371,038</b>	<b>2,452,436,329</b>	<b>1,408,996,217</b>	<b>2,466,439,861</b>
Other comprehensive income		-	-	-	-
<b>Total Comprehensive Income for the Period</b>		<b>1,868,371,038</b>	<b>2,452,436,329</b>	<b>1,408,996,217</b>	<b>2,466,439,861</b>
<b>Profit Attributable to:</b>					
<b>Owners of the Parent</b>		<b>1,750,061,241</b>	<b>2,446,981,910</b>	<b>1,408,996,217</b>	<b>2,466,439,861</b>
Non-controlling interests		118,309,797	5,454,419	-	-
		<b>1,868,371,038</b>	<b>2,452,436,329</b>	<b>1,408,996,217</b>	<b>2,466,439,861</b>
<b>Total Comprehensive Income Attributable to:</b>					
<b>Owners of the Parent</b>		<b>1,750,061,241</b>	<b>2,446,981,910</b>	<b>1,408,996,217</b>	<b>2,466,439,861</b>
Non-controlling interests		118,309,797	5,454,419	-	-
		<b>1,868,371,038</b>	<b>2,452,436,329</b>	<b>1,408,996,217</b>	<b>2,466,439,861</b>
<b>Earnings per Share</b>	2.19				
Basic earnings per share		0.80	1.12	0.65	1.13

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

(Signed) *Sorajak Kasemsuvan*  
(Sorajak Kasemsuvan)  
President

(Signed) *Wasukarn Visansawatdi*  
(Wasukarn Visansawatdi)  
Executive Vice President  
Finance and Accounting

(Unaudited  
but reviewed)

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2012 AND 2011

Unit : Baht

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2012	2011	2012	2011
<b>Revenues</b>					
<b>Revenues from Sales or Revenues from Services</b>					
Passenger and excess baggage		127,195,224,923	117,628,857,566	121,527,323,483	117,628,857,566
Freight		19,308,787,279	20,585,919,165	19,297,250,473	20,585,919,165
Mail		636,203,624	624,753,406	636,203,624	624,753,406
Other activities		6,504,385,189	6,229,154,245	6,497,079,644	5,989,498,539
<b>Total Revenues from Sales or Revenues from Services</b>		<b>153,644,601,015</b>	<b>145,068,684,382</b>	<b>147,957,857,224</b>	<b>144,829,028,676</b>
<b>Other Income</b>					
Interest income		362,110,149	324,996,759	323,174,033	314,846,732
Other income - Others	2.15	1,435,079,780	1,977,736,720	1,724,016,476	2,167,782,382
<b>Total Other Income</b>		<b>1,797,189,929</b>	<b>2,302,733,479</b>	<b>2,047,190,509</b>	<b>2,482,629,114</b>
<b>Total Revenues</b>		<b>155,441,790,944</b>	<b>147,371,417,861</b>	<b>150,005,047,733</b>	<b>147,311,657,790</b>
<b>Expenses</b>					
Fuel and oil		59,143,971,196	56,893,914,073	57,168,237,817	56,893,914,073
Employee benefits expenses	2.14	22,386,313,013	22,897,949,550	22,042,769,416	22,860,768,738
Flight service expenses		15,451,798,380	15,333,143,474	14,993,324,881	15,333,143,474
Crew expenses		4,220,849,738	4,082,641,909	4,111,730,862	4,082,641,909
Aircraft maintenance and overhaul costs		9,475,039,134	8,622,956,824	8,590,307,662	8,622,956,824
Depreciation and amortisation expenses		15,155,250,824	14,915,770,192	15,113,772,450	14,906,982,951
Lease of aircraft and spare parts		3,263,227,160	4,147,613,186	2,644,292,054	4,147,613,186
Inventories and supplies		7,061,272,956	7,119,133,100	6,985,114,510	7,119,133,100
Selling and advertising expenses		4,850,957,883	4,381,263,371	4,624,649,401	4,324,006,530
Insurance expenses		676,144,458	501,747,518	577,752,042	501,747,518
Impairment loss of assets		484,963,412	878,013,051	484,963,412	878,013,051
Impairment loss of aircrafts	2.17	181,143,438	180,909,303	181,143,438	180,909,303
Other expenses	2.16	6,423,997,392	4,915,688,409	6,027,656,916	4,867,462,798
Losses (Gains) on foreign currency exchange		(1,722,813,993)	3,324,660,275	(1,721,871,723)	3,326,588,383
Finance costs		4,340,575,253	4,194,512,516	4,342,468,980	4,195,706,924
Losses on debenture redemption		-	1,427,287	-	-
Share of profits of associates		(319,696,215)	(142,220,757)	-	-
<b>Total Expenses</b>		<b>151,072,994,029</b>	<b>152,249,123,281</b>	<b>146,166,312,118</b>	<b>152,241,588,762</b>
<b>Profit (Loss) before Income Tax Expense</b>		<b>4,368,796,915</b>	<b>(4,877,705,420)</b>	<b>3,838,735,615</b>	<b>(4,929,930,972)</b>
Income tax expense (income)	2.18	291,151,700	(99,039,148)	236,572,662	(130,805,344)
<b>Profit (Loss) for the Period</b>		<b>4,077,645,215</b>	<b>(4,778,666,272)</b>	<b>3,602,162,953</b>	<b>(4,799,125,628)</b>
Other comprehensive income (loss)		54,210,000	-	-	-
<b>Total Comprehensive Income (Expense) for the Period</b>		<b>4,131,855,215</b>	<b>(4,778,666,272)</b>	<b>3,602,162,953</b>	<b>(4,799,125,628)</b>
<b>Profit (Loss) Attributable to:</b>					
<b>Owners of the Parent</b>		<b>3,868,001,727</b>	<b>(4,809,005,746)</b>	<b>3,602,162,953</b>	<b>(4,799,125,628)</b>
Non-controlling interests		209,643,488	30,339,474	-	-
		<b>4,077,645,215</b>	<b>(4,778,666,272)</b>	<b>3,602,162,953</b>	<b>(4,799,125,628)</b>
<b>Total Comprehensive Income (Expense) Attributable to:</b>					
<b>Owners of the Parent</b>		<b>3,922,211,727</b>	<b>(4,809,005,746)</b>	<b>3,602,162,953</b>	<b>(4,799,125,628)</b>
Non-controlling interests		209,643,488	30,339,474	-	-
		<b>4,131,855,215</b>	<b>(4,778,666,272)</b>	<b>3,602,162,953</b>	<b>(4,799,125,628)</b>
<b>Earnings (Loss) per Share</b>	2.19				
Basic earnings (loss) per share		1.77	(2.20)	1.65	(2.20)

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

(Signed) Sorajak Kasemsuvan  
(Sorajak Kasemsuvan)  
President

(Signed) Wasukarn Visansawatdi  
(Wasukarn Visansawatdi)  
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 NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2012 AND 2011**

Unit : Baht

CONSOLIDATED FINANCIAL STATEMENTS

	Owners of the parent					Non-controlling Interests	Total Shareholders' Equity
	Issued and Paid-up Share Capital	Premium on Ordinary Shares	Retained Earnings	Other Components of Equity	Total Owners of the parent		
				Other Comprehensive Income			
<i>Notes</i>							
<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 policy	-	-	(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
<b>Changes in Shareholders' Equity</b>							
<u>Less</u> Dividends paid	-	-	(2,728,464,896)	-	(2,728,464,896)	(57,375,000)	(2,785,839,896)
<u>Add</u> Dividend received	-	-	789,148	-	789,148	-	789,148
<u>Less</u> Dividends paid to preferred shares	-	-	-	-	-	(45,774)	(45,774)
<u>Add</u> Issued and paid-up ordinary shares							
- Thai Flight Training Company Limited	-	-	-	-	-	30	30
- Tour Eurng Luang Company Limited	-	-	-	-	-	510,030	510,030
<u>Add</u> Comprehensive income (expense) for the period	-	-	(4,809,005,746)	-	(4,809,005,746)	30,339,474	(4,778,666,272)
<b>Balance as at September 30, 2011</b>	<b>21,827,719,170</b>	<b>25,548,223,951</b>	<b>21,180,967,621</b>	<b>-</b>	<b>68,556,910,742</b>	<b>261,776,899</b>	<b>68,818,687,641</b>
<b>Balance as at January 1, 2012 before Adjustment</b>	21,827,719,170	25,548,223,951	15,793,000,243	-	63,168,943,364	266,273,256	63,435,216,620
<u>Add</u> The effect of business combination	-	-	-	-	-	463,999,027	463,999,027
<u>Add</u> The effect of changes in accounting policy	-	-	10,336,364	-	10,336,364	13,586,567	23,922,931
<b>Balance after Adjustment</b>	21,827,719,170	25,548,223,951	15,803,336,607	-	63,179,279,728	743,858,850	63,923,138,578
<b>Changes in Shareholders' Equity</b>							
<u>Less</u> Dividends paid to preferred shares	-	-	-	-	-	(68,720)	(68,720)
<u>Less</u> Dividends paid	-	-	-	-	-	(193,140,004)	(193,140,004)
<u>Add</u> Comprehensive income for the period	-	-	3,868,001,727	54,210,000	3,922,211,727	209,643,488	4,131,855,215
<b>Balance as at September 30, 2012</b>	<b>21,827,719,170</b>	<b>25,548,223,951</b>	<b>19,671,338,334</b>	<b>54,210,000</b>	<b>67,101,491,455</b>	<b>760,293,614</b>	<b>67,861,785,069</b>

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

(Signed) *Sorajak Kasemsuvan*  
(Sorajak Kasemsuvan)  
President

(Signed) *Wasukarn Visansawatdi*  
(Wasukarn Visansawatdi)  
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 NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2012 AND 2011

Unit : Baht

SEPARATE FINANCIAL STATEMENTS

<i>Notes</i>	Issued and Paid-up Share Capital	Premium on Ordinary Shares	Retained Earnings	Total Shareholders' Equity
<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 policy	-	-	(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
<b>Changes in Shareholders' Equity</b>				
<u>Less</u> Dividends paid	-	-	(2,728,464,896)	(2,728,464,896)
<u>Add</u> Dividends received	-	-	789,148	789,148
<u>Add</u> Comprehensive expense for the period	-	-	(4,799,125,628)	(4,799,125,628)
<b>Balance as at September 30, 2011</b>	<b>21,827,719,170</b>	<b>25,548,223,951</b>	<b>20,365,490,834</b>	<b>67,741,433,955</b>
<b>Balance as at January 1, 2012</b>	21,827,719,170	25,548,223,951	14,926,148,121	62,302,091,242
<b>Changes in Shareholders' Equity</b>				
<u>Add</u> Comprehensive income for the period	-	-	3,602,162,953	3,602,162,953
<b>Balance as at September 30, 2012</b>	<b>21,827,719,170</b>	<b>25,548,223,951</b>	<b>18,528,311,074</b>	<b>65,904,254,195</b>

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

(Signed) *Sorajak Kasemsuvan*  
(Sorajak Kasemsuvan)  
President

(Signed) *Wasukarn Visansawatdi*  
(Wasukarn Visansawatdi)  
Executive Vice President  
Finance and Accounting



(Unaudited  
but reviewed)

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF CASH FLOWS  
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2012 AND 2011

Unit : Baht

	<u>CONSOLIDATED FINANCIAL STATEMENTS</u>		<u>SEPARATE FINANCIAL STATEMENTS</u>		
	<u>Notes</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<b>Cash Flows from Operating Activities</b>					
Profits (losses) before income tax expenses		4,368,796,915	(4,877,705,420)	3,838,735,615	(4,929,930,972)
Adjustment to reconcile profit before tax to cash provided by (paid from) operating activities :					
Depreciation and amortisation expenses		15,155,250,824	14,915,770,192	15,113,772,450	14,906,982,951
Aircraft lease amortization		2,691,882	-	2,691,882	-
Dividends received		(288,750)	(66,500)	(319,382,501)	(189,955,265)
Share of profits of investments by equity method		(319,696,215)	(142,220,757)	-	-
Interest income		(362,110,149)	(324,562,753)	(323,174,033)	(314,846,732)
Interest expenses		4,340,575,253	4,194,512,516	4,342,468,980	4,195,706,924
Gains on sales of assets		(35,754,513)	(9,841,196)	(36,507,934)	(9,841,196)
Loss (gain) on foreign currency exchange		(1,533,100,401)	2,930,895,222	(1,536,751,348)	2,931,020,660
Employee benefits obligation		683,519,318	654,411,223	668,401,092	653,840,603
Provision for obsolete inventories and supplies		288,744,170	90,084,329	288,744,170	90,084,329
Doubtful accounts		94,193,678	48,534,655	94,027,586	48,567,140
Impairment loss of aircrafts		181,143,438	180,909,303	181,143,438	180,909,303
Impairment loss of assets		484,963,412	878,013,051	484,963,412	878,013,051
Operating profits before changes in operating assets and liabilities		23,348,928,862	18,538,733,865	22,799,132,809	18,440,550,796
Decrease (increase) in operating assets :					
Trade receivables		(1,417,331,804)	1,489,934,645	(1,402,227,151)	1,493,747,353
Inventories and supplies		(616,413,139)	(579,528,551)	(617,440,844)	(579,528,551)
Prepaid expenses and deposits		(51,292,119)	(1,111,857,380)	(122,626,645)	(1,122,922,417)
Tax refund		(3,539,622)	(8,894,203)	(3,539,622)	(8,894,203)
Other current assets		(3,038,803,776)	538,444,360	(3,040,691,265)	545,331,377
Assets for sales		(296,361,911)	3,163,998	(296,361,911)	3,163,998
Other assets		47,595,208	(125,290,353)	48,232,004	(124,586,055)
Deferred charges		(1,138,451,990)	(207,634,599)	(1,138,451,990)	(207,634,599)
Increase (decrease) in operating liabilities :					
Trade payables		(2,679,513,572)	(1,794,141,691)	(2,608,147,108)	(1,792,793,542)
Accrued expenses and other current liabilities		4,896,069,067	(5,378,117,155)	4,917,323,305	(5,389,329,309)
Deferred income		-	(488,427,669)	-	(488,427,669)
Staff pension fund		213,635,839	333,989,005	213,635,839	333,989,005
Unearned transportation revenues		2,359,028,975	(2,307,253,430)	2,239,696,588	(2,307,253,430)
Other non-current liabilities		(635,555,571)	(1,122,726,708)	(635,559,315)	(1,122,726,708)
<b>Cash received from operations</b>		<b>20,987,994,447</b>	<b>7,780,394,134</b>	<b>20,352,974,694</b>	<b>7,672,686,046</b>
Payment of income tax		(270,195,590)	(226,097,835)	(190,100,578)	(183,785,634)
<b>Net Cash from Operating Activities</b>		<b>20,717,798,857</b>	<b>7,554,296,299</b>	<b>20,162,874,116</b>	<b>7,488,900,412</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 NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2012 AND 2011

Unit : Baht

	<u>CONSOLIDATED FINANCIAL STATEMENTS</u>		<u>SEPARATE FINANCIAL STATEMENTS</u>		
	<u>Notes</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<b>Cash Flows from Investing Activities</b>					
Cash received from operational assistance subsidy		-	122,085,000	-	122,085,000
Cash paid for acquisition of fixed assets		(12,231,839,820)	(9,654,147,141)	(12,187,404,946)	(9,650,122,843)
Cash paid for intangible assets		(30,232,796)	(226,699,930)	(23,419,923)	(225,764,922)
Cash received from transferring the rights for advance payment of aircraft and aircraft equipment		1,262,171,144	-	1,262,171,144	-
Cash received from sales of assets		82,371,383	284,423,160	81,822,895	284,423,160
Interest income		392,746,986	293,054,292	364,091,664	287,737,424
Dividend received		98,244,359	119,830,265	319,137,501	189,955,265
Investment decrease (increase)		98,994,478	(49,331,138)	-	236,430
Cash received (paid) from temporary investment		(68,906,111)	110,969,660	-	-
Cash received from investment in subsidiaries		197,098,688	-	-	-
<b>Net Cash used in Investing Activities</b>		<b>(10,199,351,689)</b>	<b>(8,999,815,832)</b>	<b>(10,183,601,665)</b>	<b>(8,991,450,486)</b>
<b>Cash Flows from Financing Activities</b>					
Cash received from debentures		4,500,000,000	8,000,000,000	4,500,000,000	8,000,000,000
Cash received from long-term borrowings		965,011,937	2,000,000,000	965,011,937	2,000,000,000
Cash received from stock		-	980,000	-	-
Cash received from preferred stock		-	510,030	-	-
Cash paid for repayment of debentures		(170,000,000)	(6,050,000,000)	(170,000,000)	(6,000,000,000)
Cash paid for repayment of long-term borrowings		(10,090,570,704)	(12,880,175,761)	(10,090,570,704)	(12,880,175,761)
Cash paid for borrowings interest		(3,905,081,649)	(4,087,730,961)	(3,906,338,198)	(4,088,014,030)
Dividends paid		(225,555)	(2,747,467,753)	(225,555)	(2,747,467,753)
Dividends paid for non-controlling interests		(193,226,858)	(57,375,000)	-	-
<b>Net Cash used in Financing Activities</b>		<b>(8,894,092,829)</b>	<b>(15,821,259,445)</b>	<b>(8,702,122,520)</b>	<b>(15,715,657,544)</b>
Increase (decrease) in cash and cash equivalents		1,624,354,339	(17,266,778,978)	1,277,149,931	(17,218,207,618)
Effect from changing in exchange rate on cash and cash equivalents increase (decrease)		(53,229,376)	55,842,584	(52,453,029)	55,842,584
Cash and cash equivalents at the beginning of the periods		16,666,025,016	37,679,682,021	16,629,940,922	37,601,476,433
<b>Cash and Cash Equivalents at the End of the Periods</b>		<b>18,237,149,979</b>	<b>20,468,745,627</b>	<b>17,854,637,824</b>	<b>20,439,111,399</b>
<b>Additional Information for Cash Flow</b>					
<b>Non-cash transactions</b>					
Fixed assets unpaid		717,841,826	1,010,930,217	717,841,826	1,010,930,217
Assets under finance leases		9,416,232,136	-	9,416,232,136	-

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

(Signed) Sorajak Kasemsuvan  
(Sorajak Kasemsuvan)  
President

(Signed) Wasukarn Visansawatdi  
(Wasukarn Visansawatdi)  
Executive Vice President  
Finance and Accounting

**THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**For the three and nine-month periods ended September 30, 2012 and 2011 (unaudited but reviewed)**

**1. BASIS OF FINANCIAL STATEMENT PREPARATION**

**1.1 Financial Statement Preparation**

The consolidated and separate 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 separate financial statements consist of Thai Airways International Public Company Limited and the Company's staff pension fund.

The consolidated financial statements consist of the separate financial statements and its subsidiaries as follows:

Company's Name	Type of Business	Located Country	Percentage of Share Holding	
			<u>Sep 30, 2012</u>	<u>Dec 31, 2011</u>
<b>Held by the Company:</b>				
1. Thai-Amadeus Southeast Asia Company Limited	Information technology company for travel services	Thailand	55%	55%
2. WingSpan Services Company Limited	Providing special personnel services to the Company	Thailand	49%	49%
3. Thai Flight Training Company Limited	Aviation training services	Thailand	49%	49%
4. Nok Airlines Company Limited	Air transportation services	Thailand	49%	49%
<b>Held by a subsidiary of the Company</b>				
A subsidiary held by WingSpan Services Company Limited - Tour Eurng Luang Company Limited	Tourism Business	Thailand	49%	49%

The subsidiaries are controlled by the Company, directly or indirectly, in determining the financial policies and operations of such subsidiaries. Significant accounting 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 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, 2011. 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 financial statements for the year ended December 31, 2011.

## 2. SUPPLEMENTARY INFORMATION

### 2.1 Cash and Cash Equivalents

	Units : Million Baht			
	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	<u>Sep 30, 2012</u>	<u>Dec 31, 2011</u>	<u>Sep 30, 2012</u>	<u>Dec 31, 2011</u>
Cash - Domestic	144.63	26.81	144.63	26.81
Cash – Abroad	595.45	26.29	595.45	26.29
Bank Deposits - Domestic	4,320.05	10,751.44	3,937.54	10,715.35
Bank Deposits - Abroad	<u>13,177.02</u>	<u>5,861.49</u>	<u>13,177.02</u>	<u>5,861.49</u>
<b>Total</b>	<b><u>18,237.15</u></b>	<b><u>16,666.03</u></b>	<b><u>17,854.64</u></b>	<b><u>16,629.94</u></b>

### 2.2 Trade Receivables Classified by Aging as follows:

	Units : Million Baht			
	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	<u>Sep 30, 2012</u>	<u>Dec 31, 2011</u>	<u>Sep 30, 2012</u>	<u>Dec 31, 2011</u>
Period overdue				
Not over 6 months	17,446.49	16,635.00	17,385.34	16,609.98
Over 6 months to 1 year	261.83	48.32	261.83	48.31
Over 1 year to 2 years	54.55	61.77	54.53	61.75
Over 2 years	<u>1,798.51</u>	<u>1,548.05</u>	<u>1,773.29</u>	<u>1,519.32</u>
	19,561.38	18,293.14	19,474.99	18,239.36
<u>Less</u> Allowance for doubtful accounts	<u>(1,643.64)</u>	<u>(1,644.41)</u>	<u>(1,618.40)</u>	<u>(1,615.65)</u>
<b>Trade receivables - net</b>	<b><u>17,917.74</u></b>	<b><u>16,648.73</u></b>	<b><u>17,856.59</u></b>	<b><u>16,623.71</u></b>

### 2.3 Other Current Assets

	Units : Million Baht			
	<u>Consolidated Financial Statements</u>		<u>Separate Financial Statements</u>	
	<u>Sep 30, 2012</u>	<u>Dec 31, 2011</u>	<u>Sep 30, 2012</u>	<u>Dec 31, 2011</u>
Tax refund	487.13	324.33	487.13	324.33
Cash and bank deposits of pension fund	4,737.70	4,434.59	4,737.70	4,434.59
Others	<u>5,030.30</u>	<u>2,361.45</u>	<u>4,758.37</u>	<u>2,331.74</u>
<b>Total</b>	<b><u>10,255.13</u></b>	<b><u>7,120.37</u></b>	<b><u>9,983.20</u></b>	<b><u>7,090.66</u></b>

## 2.4 The Purchase of Nok Airlines Company Limited Shares

On October 14, 2011, the Company's Board of Directors approved the Company to purchase 5 million ordinary shares of Nok Airlines Company Limited from Krung Thai Bank Public Company Limited or 10% of issued and paid capital totaling of THB 165 million. On November 29, 2011, the Company purchased such shares which increased the share portion in Nok Airlines Company Limited from 39% to 49%.

On December 22, 2011, Board of Directors of Nok Airlines Company Limited appointed Mr. Piyasvasti Amranand as a Director of Nok Airlines Company Limited, increasing director's seats from 4 to 5 in Nok Airlines Company Limited. Thus, the Company has the power to control Nok Airlines Company Limited since then.

On July 27, 2012, the Company's Board of Directors for strategic planning No.1/2012 agreed to appoint Mr. Niruj Maneepan as a Director of Nok Airlines Company Limited to replace Mr. Piyasvasti Amranand.

Details of the net assets acquired and goodwill acquired are as follows:

Units : Million Baht

The consideration transferred	165.00
Fair value of the investment held previously	365.21
<b>Total</b>	<b>530.21</b>
Assets and liabilities arising from business combination	
Cash and cash equivalents	197.10
Temporary investments	1,050.00
Trade receivables	328.52
Inventories	8.80
Other current assets	141.30
Long-term investments	4.47
Equipment - net	171.29
Intangible assets	75.91
Deferred tax assets	26.64
Other non-current assets	150.79
Trade payables and other payables	(1,000.46)
Other current liabilities	(144.42)
Non-current liabilities	(73.50)
Total acquisition-date fair value of net identifiable assets	936.44
<u>Less</u> fair value of non-controlling interest	(477.59)
Goodwill	71.36
<b>Total</b>	<b>530.21</b>

As at September 30, 2012, the Company is in the process of reviewing the concerning accounting policies and the fair value of the additional net assets. The fair value of the net assets stated above will be adjusted when the initial purchasing expenses have been completely allocated.

## 2.5 Investments

## Consolidated Financial Statements

Units : Million Baht

Name of Company	Percentage of Shareholding		Investments				Income on investments	
			Cost method		Equity method		Sep 30, 2012	Sep 30, 2011
	Sep 30, 2012	Dec 31, 2011	Sep 30, 2012	Dec 31, 2011	Sep 30, 2012	Dec 31, 2011		
<b>2.5.1 Investments using the equity method</b>								
Royal Orchid Hotel (Thailand) Public Company Limited (Market value as at September 30, 2012 amount of THB 434.25 million and as at December 31, 2011 amount of THB 495.00 million)	24	24	225.00	225.00	260.57	113.71	146.86	(35.66)
Donmuang International Airport Hotel Company Limited	40	40	48.00	48.00	92.16	92.90	(0.73)	(4.46)
Bangkok Aviation Fuel Services Public Company Limited (Market value as at September 30, 2012 amount of THB 1,923.61 million and as at December 31, 2011 amount of THB 1,313.13 million)	22.6	22.6	115.19	115.19	756.01	698.42	134.77	80.63
Phuket Air Catering Company Limited	30	30	30.00	30.00	164.95	144.53	41.42	43.66
Suvarnabhumi Airport Hotel Company Limited	30	30	305.33	305.33	112.18	114.80	(2.62)	(30.98)
Nok Airlines Company Limited	-	49	-	360.00	-	465.61	-	89.03
<b>Total investments using the equity Method</b>					<b>1,385.87</b>	<b>1,629.97</b>	<b>319.70</b>	<b>142.22</b>
<b>2.5.2 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	2.3	2.3	15.36	15.36			-	-
SITA Investment Certificate	-	-	30.30	31.14			-	-
Trade Siam Company Limited (paid 25% of authorized share capital)	3.5	3.5	1.75	1.75			-	-
SITA Information Networking Computing	-	-	28.06	28.85			-	-
Other Shares	-	-	2.76	2.79			0.04	0.07
Investment in Debentures	-	-	5.28	99.15			-	-
<u>Less</u> Allowance for impairment of Fuel Pipeline Transportation Ltd.			(133.00)	(133.00)			-	-
<b>Total other long-term investments</b>			<b>83.51</b>	<b>179.04</b>			<b>0.04</b>	<b>0.07</b>

Separate Financial Statements

Units : Million Baht

Name of Company	Percentage of Shareholding		Investments		Dividend Income	
			Cost method			
	Sep 30, 2012	Dec 31, 2011	Sep 30, 2012	Dec 31, 2011	Sep 30, 2012	Sep 30, 2011
<b>2.5.1 Investments using the cost method</b>						
<b>Subsidiary Companies</b>						
Thai-Amadeus Southeast Asia Company Limited	55	55	8.25	8.25	165.00	70.13
Wing Span Services Company Limited	49	49	0.98	0.98	0.06	-
Thai Flight Training Company Limited	49	49	0.98	0.98	-	-
Nok Airlines Company Limited	49	-	<u>360.00</u>	<u>-</u>	<u>55.86</u>	<u>-</u>
<b>Total</b>			<b><u>370.21</u></b>	<b><u>10.21</u></b>	<b><u>220.92</u></b>	<b><u>70.13</u></b>
<b>Associated Companies</b>						
Royal Orchid Hotel (Thailand) Public Company Limited (Market value as at September 30, 2012 amount of THB 434.25 million and as at December 31, 2011 amount of THB 495.00 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 September 30, 2012 amount of THB 1,923.61 million and as at December 31, 2011 amount of THB 1,313.13 million)	22.6	22.6	115.19	115.19	77.17	70.26
Phuket Air Catering Company Limited	30	30	30.00	30.00	21.00	10.50
Suvarnabhumi Airport Hotel Company Limited	30	30	305.33	305.33	-	-
Nok Airlines Company Limited	-	49	<u>-</u>	<u>360.00</u>	<u>-</u>	<u>39.00</u>
<b>Total</b>			<b><u>723.52</u></b>	<b><u>1,083.52</u></b>	<b><u>98.17</u></b>	<b><u>119.76</u></b>
<b>Total investments using the cost method</b>			<b><u>1,093.73</u></b>	<b><u>1,093.73</u></b>	<b><u>319.09</u></b>	<b><u>189.89</u></b>
<b>2.5.2 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	2.3	2.3	15.36	15.36	-	-
SITA Investment Certificate	-	-	30.30	31.14	-	-
TRADESIAM Company Limited (paid 25% of authorized share capital)	3.5	3.5	1.75	1.75	-	-
SITA Information Networking Computing	-	-	28.06	28.85	-	-
Other Shares	-	-	2.76	2.79	0.04	0.07
<u>Less</u> Allowance for impairment of Fuel Pipeline Transportation Limited			<u>(133.00)</u>	<u>(133.00)</u>	<u>-</u>	<u>-</u>
<b>Total other long-term investments</b>			<b><u>78.23</u></b>	<b><u>79.89</u></b>	<b><u>0.04</u></b>	<b><u>0.07</u></b>

### 2.5.3 Financial Data Summary of Subsidiary and Associated Companies

**Units : Million Baht**

Name of Company	Assets	Liabilities	Income	Gains (Losses)
<b><u>Subsidiary Companies</u></b>				
Thai-Amadeus Southeast Asia Company Limited	463.55	83.58	262.89	91.66
WingSpan Services Company Limited	220.94	160.04	355.62	54.11
Thai Flight Training Company Limited	11.08	9.85	19.61	(1.75)
Tour Eurng Luang Company Limited	2.68	1.62	0.62	0.19
Nok Airlines Company Limited	2,287.61	1,274.11	5,863.90	330.05
<b><u>Associated Companies</u></b>				
Royal Orchid Hotel (Thailand) Public Company Limited	1,866.06	780.35	1,312.74	611.91
Donmuang International Airport Hotel Company Limited	309.05	78.64	162.45	(1.84)
Bangkok Aviation Fuel Services Public Company Limited	6,218.87	2,872.21	1,594.65	596.66
Phuket Air Catering Company Limited	594.62	44.79	390.30	138.94
Suvarnabhumi Airport Hotel Company Limited	1,739.35	1,365.41	559.28	(8.73)

The Company used the financial statements of subsidiary and associated companies as at September 30, 2012 to record the investment by equity method in the consolidated financial statement and by cost method in the separate financial statement.

## 2.6 Related Parties

### 2.6.1 Major Shareholders

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

**Units : Million Baht**

	Sep 30, 2012	Dec 31, 2011
Foreign loans via the Ministry of Finance	1,238.66	1,273.28
Government Saving Bank	3,855.00	5,034.00
Islamic Bank of Thailand	<u>500.00</u>	<u>1,000.00</u>
<b>Total</b>	<b><u>5,593.66</u></b>	<b><u>7,307.28</u></b>

### 2.6.2 Subsidiary Company

#### 2.6.2.1 Bonds and Bond Investments

**Units : Million Baht**

	Sep 30, 2012	Dec 31, 2011
Thai-Amadeus Southeast Asia Company Limited	<u>50.11</u>	<u>50.78</u>
<b>Total</b>	<b><u>50.11</u></b>	<b><u>50.78</u></b>



2.6.2.2 Sales and Purchase

Units : Million Baht

	Three-month periods				Nine-month periods			
	Jul – Sep 2012		Jul – Sep 2011		Jan – Sep 2012		Jan – Sep 2011	
	Sales	Purchase	Sales	Purchase	Sales	Purchase	Sales	Purchase
Thai-Amadeus Southeast Asia Company Limited	0.73	-	0.58	-	1.94	-	2.28	-
WingSpan Services Company Limited	0.11	180.65	0.10	21.30	0.32	353.06	0.26	31.86
Thai Flight Training Company Limited	5.47	-	3.59	-	10.67	-	3.59	-
Nok Airlines Company Limited	97.72	1.08	-	-	476.28	6.61	-	-
Tour Eurng Luang Company Limited	0.96	-	-	-	0.96	-	-	-

2.6.2.3 Account Receivables and Account Payables

Units : Million Baht

	Sep 30, 2012		Dec 31, 2011	
	Account Receivables	Account Payables	Account Receivables	Account Payables
Thai-Amadeus Southeast Asia Company Limited	0.03	-	0.32	-
WingSpan Services Company Limited	0.08	10.33	-	2.53
Thai Flight Training Company Limited	4.36	-	-	-
Nok Airlines Company Limited	87.31	-	-	-
Tour Eurng Luang Company Limited	0.95	-	-	-

2.6.3 Associated Companies

2.6.3.1 Sales and Purchase

Units : Million Baht

	Three-month periods				Nine-month periods			
	Jul – Sep 2012		Jul – Sep 2011		Jan – Sep 2012		Jan – Sep 2011	
	Sales	Purchase	Sales	Purchase	Sales	Purchase	Sales	Purchase
Royal Orchid Hotel (Thailand) Public Company Limited	0.10	0.53	-	1.82	0.15	2.03	0.15	4.00
Donmuang International Airport Hotel Company Limited	-	-	-	0.36	-	-	-	0.41
Bangkok Aviation Fuel Services Public Company Limited	0.03	57.18	0.01	103.76	0.04	231.81	0.03	298.71
Phuket Air Catering Company Limited	0.82	4.31	0.76	0.92	3.44	11.59	2.27	7.82
Suvarnabhumi Airport Hotel Company Limited	0.02	10.02	-	10.01	0.02	16.37	0.02	23.88
Nok Airlines Company Limited	-	-	107.73	-	-	-	678.43	-

2.6.3.2 Account Receivables and Account Payables

Units : Million Baht

	Sep 30, 2012		Dec 31, 2011	
	Account Receivables	Account Payables	Account Receivables	Account Payables
Royal Orchid Hotel (Thailand) Public Company Limited	0.11	0.10	-	0.03
Donmuang International Airport Hotel Company Limited	-	-	-	-
Bangkok Aviation Fuel Services Public Company Limited	0.03	32.05	-	36.36
Phuket Air Catering Company Limited	0.83	-	0.88	3.20
Suvarnabhumi Airport Hotel Company Limited	0.02	1.11	-	0.45
Nok Airlines Company Limited	-	-	110.73	-

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

On June 21, 2011, The Strategy Steering Committee approved to waive the wages for the 4 employees who perform secondment duty at WingSpan Services Company Limited for 2 years since the year 2010-2012.

## 2.7 Property, Plant and Equipment

### Consolidated Financial Statements As at September 30, 2012

Unit : Million Baht

	Prepaid Aircraft and Spare Engines	Aircraft	Aircraft under finance leases	Aircraft spare parts	Work In Progress	Land	Buildings	Leasehold Buildings	Building Improvement	Other plant and equipment	Total
<b>Cost</b>											
As at January 1, 2012	21,278.98	143,581.91	165,320.53	29,096.59	2,838.21	938.41	2,524.30	10,793.20	4,639.84	29,502.55	<b>410,514.52</b>
- Business purchase	-	-	-	-	-	-	-	-	-	221.66	<b>221.66</b>
- Adjust/Transfers	(1,352.67)	(978.41)	(19,238.76)	18.87	-	(2.67)	(11.20)	(4.19)	(70.20)	209.53	<b>(21,429.70)</b>
- Additions	2,647.29	3,152.26	13,772.32	3,566.33	1,060.83	-	-	-	21.38	339.70	<b>24,560.11</b>
- Disposals	-	(1,460.54)	(266.81)	(841.72)	-	-	-	(0.10)	(40.19)	(585.87)	<b>(3,195.23)</b>
As at September 30, 2012	<b>22,573.60</b>	<b>144,295.22</b>	<b>159,587.28</b>	<b>31,840.07</b>	<b>3,899.04</b>	<b>935.74</b>	<b>2,513.10</b>	<b>10,788.91</b>	<b>4,550.83</b>	<b>29,687.57</b>	<b>410,671.36</b>
<b>Impairment Allowance</b>	-	950.40	3,475.19	-	-	-	-	-	-	-	<b>4,425.59</b>
<b>Accumulated depreciation</b>											
As at January 1, 2012	-	96,527.20	49,794.73	18,730.03	-	-	2,266.38	5,098.03	4,067.88	24,610.01	<b>201,094.26</b>
- Business purchase	-	-	-	-	-	-	-	-	-	151.08	<b>151.08</b>
- Depreciation	-	5,007.91	7,008.20	1,418.43	-	-	50.51	172.24	132.31	1,035.98	<b>14,825.58</b>
- Adjust/Transfers	-	(2,762.47)	(11,580.49)	464.05	-	-	(9.74)	(4.19)	(71.62)	(189.93)	<b>(14,154.39)</b>
- Disposals	-	(1,454.70)	(262.79)	(555.09)	-	-	-	(0.10)	(38.87)	(573.19)	<b>(2,884.74)</b>
<b>Provision for flood damages</b>	-	-	-	-	-	-	-	-	-	30.70	<b>30.70</b>
As at September 30, 2012	-	<b>98,268.34</b>	<b>48,434.84</b>	<b>20,057.42</b>	-	-	<b>2,307.15</b>	<b>5,265.98</b>	<b>4,089.70</b>	<b>25,064.65</b>	<b>203,488.08</b>
<b>Net book value</b>											
As at December 31, 2011	<b>21,278.98</b>	<b>46,104.31</b>	<b>112,050.61</b>	<b>10,366.56</b>	<b>2,838.21</b>	<b>938.41</b>	<b>257.92</b>	<b>5,695.17</b>	<b>571.96</b>	<b>4,892.54</b>	<b>204,994.67</b>
As at September 30, 2012	<b>22,573.60</b>	<b>46,026.88</b>	<b>111,152.44</b>	<b>11,782.65</b>	<b>3,899.04</b>	<b>935.74</b>	<b>205.95</b>	<b>5,522.93</b>	<b>461.13</b>	<b>4,622.92</b>	<b>207,183.28</b>

**Consolidated Financial Statements  
As at September 30, 2011**

Unit : Million Baht

	<b>Prepaid Aircraft and Spare Engines</b>	<b>Aircraft</b>	<b>Aircraft under finance leases</b>	<b>Aircraft spare parts</b>	<b>Work In Progress</b>	<b>Land</b>	<b>Buildings</b>	<b>Leasehold Buildings</b>	<b>Building Improvement</b>	<b>Other plant and equipment</b>	<b>Total</b>
<b>Cost</b>											
As at January 1, 2011	17,982.74	141,437.22	163,441.09	27,718.15	310.68	938.41	2,524.69	10,782.61	4,656.38	29,321.66	<b>399,113.63</b>
- Adjust/Transfers	-	(3,885.01)	(1.10)	(177.95)	-	-	-	-	18.46	97.21	<b>(3,948.39)</b>
- Additions	6,032.87	1,609.51	661.40	2,204.39	2,080.32	-	-	19.08	32.66	301.50	<b>12,941.73</b>
- Disposals	-	(1,136.36)	(598.80)	(1,765.76)	-	-	(0.39)	(6.99)	(84.09)	(296.13)	<b>(3,888.52)</b>
As at September 30, 2011	<b>24,015.61</b>	<b>138,025.36</b>	<b>163,502.59</b>	<b>27,978.83</b>	<b>2,391.00</b>	<b>938.41</b>	<b>2,524.30</b>	<b>10,794.70</b>	<b>4,623.41</b>	<b>29,424.24</b>	<b>404,218.45</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	44,345.32	18,124.77	-	-	2,199.03	4,875.09	3,840.54	23,286.05	<b>188,569.50</b>
- Depreciation	-	4,978.12	6,727.29	1,284.47	-	-	50.80	173.33	271.25	1,327.91	<b>14,813.17</b>
- Adjust/Transfers	-	(3,618.19)	8.97	(117.65)	-	-	-	-	(1.55)	1.50	<b>(3,726.92)</b>
- Disposals	-	(1,134.66)	(598.80)	(881.75)	-	-	(0.39)	(6.99)	(83.08)	(296.27)	<b>(3,001.94)</b>
As at September 30, 2011	-	<b>93,074.37</b>	<b>53,957.97</b>	<b>18,409.84</b>	-	-	<b>2,249.44</b>	<b>5,041.43</b>	<b>4,027.16</b>	<b>24,319.19</b>	<b>201,079.40</b>
<b>Net book value</b>											
As at December 31, 2010	<b>17,982.74</b>	<b>48,588.12</b>	<b>115,620.58</b>	<b>9,593.38</b>	<b>310.68</b>	<b>938.41</b>	<b>325.66</b>	<b>5,907.52</b>	<b>815.84</b>	<b>6,035.57</b>	<b>206,118.50</b>
As at September 30, 2011	<b>24,015.61</b>	<b>44,950.99</b>	<b>109,544.62</b>	<b>9,568.99</b>	<b>2,391.00</b>	<b>938.41</b>	<b>274.86</b>	<b>5,753.27</b>	<b>596.25</b>	<b>5,105.05</b>	<b>203,139.05</b>

**Separate Financial Statements  
As at September 30, 2012**

Unit : Million Baht

	<b>Prepaid Aircraft and Spare Engines</b>	<b>Aircraft</b>	<b>Aircraft under finance leases</b>	<b>Aircraft spare parts</b>	<b>Work In Progress</b>	<b>Land</b>	<b>Buildings</b>	<b>Leasehold Buildings</b>	<b>Building Improvement</b>	<b>Other plant and equipment</b>	<b>Total</b>
<b>Cost</b>											
As at January 1, 2012	21,278.98	143,581.91	165,320.53	29,096.59	2,838.21	938.41	2,524.30	10,793.20	4,639.84	29,284.28	<b>410,296.25</b>
- Adjust/Transfers	(1,352.67)	(978.41)	(19,238.76)	18.87	-	(2.67)	(11.20)	(4.19)	(70.20)	108.83	<b>(21,530.40)</b>
- Additions	2,647.29	3,152.26	13,772.32	3,566.33	1,060.83	-	-	-	21.38	294.27	<b>24,514.68</b>
- Disposals	-	(1,460.54)	(266.81)	(841.72)	-	-	-	(0.10)	(40.19)	(582.31)	<b>(3,191.67)</b>
As at September 30, 2012	<b>22,573.60</b>	<b>144,295.22</b>	<b>159,587.28</b>	<b>31,840.07</b>	<b>3,899.04</b>	<b>935.74</b>	<b>2,513.10</b>	<b>10,788.91</b>	<b>4,550.83</b>	<b>29,105.07</b>	<b>410,088.86</b>
<b>Impairment Allowance</b>	-	950.40	3,475.19	-	-	-	-	-	-	-	<b>4,425.59</b>
<b>Accumulated depreciation</b>											
As at January 1, 2012	-	96,527.20	49,794.73	18,730.03	-	-	2,266.38	5,098.03	4,067.88	24,399.10	<b>200,883.35</b>
- Depreciation	-	5,007.91	7,008.20	1,418.43	-	-	50.51	172.24	132.31	1,005.19	<b>14,794.79</b>
- Adjust/Transfers	-	(2,762.47)	(11,580.49)	464.05	-	-	(9.74)	(4.19)	(71.62)	(189.93)	<b>(14,154.39)</b>
- Disposals	-	(1,454.70)	(262.79)	(555.09)	-	-	-	(0.10)	(38.87)	(571.83)	<b>(2,883.38)</b>
<b>Provision for flood damages</b>	-	-	-	-	-	-	-	-	-	30.70	<b>30.70</b>
As at September 30, 2012	-	<b>98,268.34</b>	<b>48,434.84</b>	<b>20,057.42</b>	-	-	<b>2,307.15</b>	<b>5,265.98</b>	<b>4,089.70</b>	<b>24,673.23</b>	<b>203,096.66</b>
<b>Net book value</b>											
As at December 31, 2011	<b>21,278.98</b>	<b>46,104.31</b>	<b>112,050.61</b>	<b>10,366.56</b>	<b>2,838.21</b>	<b>938.41</b>	<b>257.92</b>	<b>5,695.17</b>	<b>571.96</b>	<b>4,885.18</b>	<b>204,987.31</b>
As at September 30, 2012	<b>22,573.60</b>	<b>46,026.88</b>	<b>111,152.44</b>	<b>11,782.65</b>	<b>3,899.04</b>	<b>935.74</b>	<b>205.95</b>	<b>5,522.93</b>	<b>461.13</b>	<b>4,431.84</b>	<b>206,992.20</b>

**Separate Financial Statements  
As at September 30, 2011**

Unit : Million Baht

	<b>Prepaid Aircraft and Spare Engines</b>	<b>Aircraft</b>	<b>Aircraft under finance leases</b>	<b>Aircraft spare parts</b>	<b>Work In Progress</b>	<b>Land</b>	<b>Buildings</b>	<b>Leasehold Buildings</b>	<b>Building Improvement</b>	<b>Other plant and equipment</b>	<b>Total</b>
<b>Cost</b>											
As at January 1, 2011	17,982.74	141,437.22	163,441.09	27,718.15	310.68	938.41	2,524.69	10,782.61	4,656.38	29,108.04	<b>398,900.01</b>
- Adjust/Transfers	-	(3,885.01)	(1.10)	(177.95)	-	-	-	-	18.46	97.21	<b>(3,948.39)</b>
- Additions	6,032.87	1,609.51	661.40	2,204.39	2,080.32	-	-	19.08	32.66	297.51	<b>12,937.74</b>
- Disposals	-	(1,136.36)	(598.80)	(1,765.76)	-	-	(0.39)	(6.99)	(84.09)	(296.13)	<b>(3,888.52)</b>
As at September 30, 2011	<b>24,015.61</b>	<b>138,025.36</b>	<b>163,502.59</b>	<b>27,978.83</b>	<b>2,391.00</b>	<b>938.41</b>	<b>2,524.30</b>	<b>10,794.70</b>	<b>4,623.41</b>	<b>29,206.63</b>	<b>404,000.84</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	44,345.32	18,124.77	-	-	2,199.03	4,875.09	3,840.54	23,084.86	<b>188,368.31</b>
- Depreciation	-	4,978.12	6,727.29	1,284.47	-	-	50.80	173.33	271.25	1,319.66	<b>14,804.92</b>
- Adjust/Transfers	-	(3,618.19)	8.97	(117.65)	-	-	-	-	(1.55)	1.50	<b>(3,726.92)</b>
- Disposals	-	(1,134.66)	(598.80)	(881.75)	-	-	(0.39)	(6.99)	(83.08)	(296.27)	<b>(3,001.94)</b>
As at September 30, 2011	-	<b>93,074.37</b>	<b>53,957.97</b>	<b>18,409.84</b>	-	-	<b>2,249.44</b>	<b>5,041.43</b>	<b>4,027.16</b>	<b>24,109.75</b>	<b>200,869.96</b>
<b>Net book value</b>											
As at December 31, 2010	<b>17,982.74</b>	<b>48,588.12</b>	<b>115,620.58</b>	<b>9,593.38</b>	<b>310.68</b>	<b>938.41</b>	<b>325.66</b>	<b>5,907.52</b>	<b>815.84</b>	<b>6,023.18</b>	<b>206,106.11</b>
As at September 30, 2011	<b>24,015.61</b>	<b>44,950.99</b>	<b>109,544.62</b>	<b>9,568.99</b>	<b>2,391.00</b>	<b>938.41</b>	<b>274.86</b>	<b>5,753.27</b>	<b>596.25</b>	<b>5,096.88</b>	<b>203,130.88</b>

In this period, there are 97 aircraft represented in the Company's fleet consisting of 50 own aircraft, 30 aircraft under finance leases, and 17 aircraft under operating leases which excluded 9 aircraft for sales, with a carrying amount of THB 7,323.60 million. Moreover, the engine for sales, CF6-80C2 engine with a carrying amount of THB 3.75 million, is in the process of follow-up payment from TPA Co., Ltd., the purchaser of such engine, and 1 A330-300 aircraft delivered on September 18, 2012 is excluded, but will be ready for service on October 2, 2012.

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

The Company uses buildings and equipment that are now fully depreciated with historical cost of THB 65,919.73 million including the leasehold buildings amount of THB 3,924.94 million.

Leasehold buildings are leased from Airports of Thailand Public Company Limited at Suvarnabhumi with a lease term of 30 years starting from September 28, 2006 to September 29, 2036 and at Donmuang with a lease term of 3 years starting from September 27, 2009 to September 28, 2012. The title of the buildings and elements will be passed to The Ministry of Finance at the end of the lease term.

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.

Leased aircraft are aircraft under finance leases which the purchase contracts were made in USD currency but the finance leases were made in EUR, USD, and JPY currency.

On March 30, 2012, the Company received 1 Boeing 747-400 aircraft for cargo services, and the other one on May 4, 2012 totaling 2 aircraft which were modified from passenger aircraft.

## 2.8 Intangible Assets-net

Units : Million Baht

	Consolidated Financial Statements	Separate Financial Statements
<b>Cost</b>		
As at January 1, 2012	1,855.16	1,844.93
- Business purchase	101.71	-
- Additions	189.71	144.60
As at September 30, 2012	2,146.58	1,989.53
<b>Accumulated amortisation</b>		
As at January 1, 2012	1,231.42	1,227.67
- Business purchase	64.10	-
- Amortisation	194.05	183.37
As at September 30, 2012	1,489.57	1,411.04
<b>Net book value</b>		
As at December 31, 2011	<b>623.74</b>	<b>617.26</b>
As at September 30, 2012	<b>657.01</b>	<b>578.49</b>

## 2.9 Deferred Income Tax Assets

The deferred income tax asset is calculated from temporary differences between the carrying amount and its tax base of assets and liabilities in the statement of financial position.

	<u>Consolidated</u>		<u>Units : Million Baht</u>	
	<u>Financial Statements</u>		<u>Separate</u>	
	<u>Sep 30, 2012</u>	<u>Dec 31, 2011</u>	<u>Sep 30, 2012</u>	<u>Dec 31, 2011</u>
Contribution to staff provident fund	84.96	85.75	84.96	85.75
Contribution to staff pension fund	501.29	475.91	501.29	475.91
Allowance for obsolete inventories	367.27	421.24	367.27	421.24
Allowance for doubtful accounts	385.13	371.79	378.51	365.17
Allowance for impairment in value of assets	854.79	849.56	854.79	849.56
Estimated accrual expenses	641.18	890.18	634.67	889.63
Loss on foreign currency exchange	-	77.03	-	77.03
Intangible assets	107.20	101.42	107.20	101.42
Employee benefits obligation	2,292.47	2,126.75	2,279.51	2,125.77
Others	<u>11.60</u>	<u>9.82</u>	<u>9.06</u>	<u>7.08</u>
<b>Total</b>	<b><u>5,245.89</u></b>	<b><u>5,409.45</u></b>	<b><u>5,217.26</u></b>	<b><u>5,398.56</u></b>

## 2.10 Deferred Income Tax Liabilities

	<u>Consolidated</u>		<u>Units : Million Baht</u>	
	<u>Financial Statements</u>		<u>Separate</u>	
	<u>Sep 30, 2012</u>	<u>Dec 31, 2011</u>	<u>Sep 30, 2012</u>	<u>Dec 31, 2011</u>
Intangible assets	80.19	55.76	80.19	55.76

## 2.11 Other Non-Current Assets

	<u>Consolidated</u>		<u>Units : Million Baht</u>	
	<u>Financial Statements</u>		<u>Separate</u>	
	<u>Sep 30, 2012</u>	<u>Dec 31, 2011</u>	<u>Sep 30, 2012</u>	<u>Dec 31, 2011</u>
Deferred charges	2,940.03	2,030.72	2,940.03	2,030.72
Others	<u>269.52</u>	<u>283.45</u>	<u>248.00</u>	<u>282.17</u>
<b>Total</b>	<b><u>3,209.55</u></b>	<b><u>2,314.17</u></b>	<b><u>3,188.03</u></b>	<b><u>2,312.89</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.



## 2.12 Employee Benefits Obligation

	<u>Consolidated</u>		<u>Units : Million Baht</u>	
	<u>Financial Statements</u>		<u>Separate</u>	
	<u>Sep 30, 2012</u>	<u>Dec 31, 2011</u>	<u>Sep 30, 2012</u>	<u>Dec 31, 2011</u>
Beginning Balance – Employee Benefits Obligation	10,631.62	9,326.02	10,627.15	9,322.51
Adjustment of Employee Benefits Obligation for associated companies	73.55	-	-	-
Employee benefits for the period	683.52	872.75	668.40	871.79
Benefits paid during the period	-	(469.45)	-	(469.45)
Actuarial loss	-	902.30	-	902.30
<b>Ending Balance – Employee Benefits Obligation</b>	<b><u>11,388.69</u></b>	<b><u>10,631.62</u></b>	<b><u>11,295.55</u></b>	<b><u>10,627.15</u></b>

## 2.13 Share Capital

As at September 30, 2012, 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.

## 2.14 Employee Benefit Expenses

	<u>Units : Million Baht</u>			
	<u>Consolidated Financial Statements</u>			
	<u>Three-month Periods</u>		<u>Nine-month Periods</u>	
	<u>Jul-Sep 2012</u>	<u>Jul-Sep 2011</u>	<u>Jan-Sep 2012</u>	<u>Jan-Sep 2011</u>
Personnel Expenses	7,258.41	6,225.99	21,638.44	22,151.73
Employee Benefit Expenses	226.33	218.14	683.52	654.41
Executive benefit expenses	13.93	21.51	47.82	65.93
Board of Directors benefit expenses	5.96	4.58	16.53	25.88
<b>Total</b>	<b><u>7,504.63</u></b>	<b><u>6,470.22</u></b>	<b><u>22,386.31</u></b>	<b><u>22,897.95</u></b>

	<u>Units : Million Baht</u>			
	<u>Separate Financial Statements</u>			
	<u>Three-month Periods</u>		<u>Nine-month Periods</u>	
	<u>Jul-Sep 2012</u>	<u>Jul-Sep 2011</u>	<u>Jan-Sep 2012</u>	<u>Jan-Sep 2011</u>
Personnel Expenses	7,167.85	6,214.86	21,316.75	22,116.47
Employee Benefit Expenses	222.80	217.95	668.40	653.84
Executive benefit expenses	13.07	21.48	44.88	65.87
Board of Directors benefit expenses	5.04	4.26	12.74	24.59
<b>Total</b>	<b><u>7,408.76</u></b>	<b><u>6,458.55</u></b>	<b><u>22,042.77</u></b>	<b><u>22,860.77</u></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 nine-month periods ended September 30, 2012 and 2011, they issued the tickets for themselves and their related parties amount of 204 and 150 tickets with the value of THB 21.82 million and THB 17.80 million, respectively, calculating from the full fare tickets in those traveling classes.

## 2.15 Other Incomes

Units : Million Baht

	Consolidated Financial Statements			
	Three-month Periods		Nine-month Periods	
	Jul-Sep 2012	Jul-Sep 2011	Jan-Sep 2012	Jan-Sep 2011
Gains on sales of assets	2.45	4.29	36.51	9.84
Revenue from other services of Aircraft Maintenance Department	42.77	83.15	274.28	265.87
Revenue from airport fees collected from passengers	78.32	198.41	234.95	595.24
Compensation revenue from the delay delivery of aircraft	218.13	106.24	218.13	488.43
Insurance compensation from the flood disaster	98.04	-	265.71	-
Others	149.01	261.25	405.50	618.36
<b>Total</b>	<b>588.72</b>	<b>653.34</b>	<b>1,435.08</b>	<b>1,977.74</b>

Units : Million Baht

	Separate Financial Statements			
	Three-month Periods		Nine-month Periods	
	Jul-Sep 2012	Jul-Sep 2011	Jan-Sep 2012	Jan-Sep 2011
Gains on sales of assets	2.45	4.29	36.51	9.84
Dividend from associated companies and subsidiary companies	31.10	28.80	319.09	189.89
Revenue from other services of Aircraft Maintenance Department	42.77	83.15	274.28	265.87
Revenue from airport fees collected from passengers	78.32	198.41	234.95	595.24
Compensation revenue from the delay delivery of aircraft	218.13	106.24	218.13	488.43
Insurance compensation from the flood disaster	98.04	-	265.71	-
Others	137.16	261.39	375.35	618.51
<b>Total</b>	<b>607.97</b>	<b>682.28</b>	<b>1,724.02</b>	<b>2,167.78</b>

## 2.16 Other Expenses

Units : Million Baht

	Consolidated Financial Statements			
	Three-month Periods		Nine-month Periods	
	Jul-Sep 2012	Jul-Sep 2011	Jan-Sep 2012	Jan-Sep 2011
Rentals and utilities	676.06	700.72	2,020.28	2,055.64
Office supplies	44.82	56.40	166.19	177.22
Repair of building and equipment	141.01	156.96	424.70	417.19
Outsource services	270.42	239.45	756.69	737.14
Consultant and service fees	111.01	151.35	361.64	361.67
Legal fee for Antitrust/ Competition Law	(554.03)	(985.64)	(444.66)	(867.07)
Computer service expenses	126.26	85.38	317.59	299.19
Travelling and transportation expenses	166.54	151.90	466.47	476.78
Concession fees	87.23	88.55	254.15	267.48
Passenger claim expenses	69.63	37.89	194.82	136.21
Damages from flood disaster	98.04	-	265.71	-
Others	528.14	180.52	1,640.42	854.24
<b>Total</b>	<b>1,765.13</b>	<b>863.48</b>	<b>6,424.00</b>	<b>4,915.69</b>

Units : Million Baht

	Separate Financial Statements			
	Three-month Periods		Nine-month Periods	
	Jul-Sep 2012	Jul-Sep 2011	Jan-Sep 2012	Jan-Sep 2011
Rentals and utilities	676.06	700.72	2,020.28	2,055.64
Office supplies	44.82	56.40	166.19	177.22
Repair of building and equipment	141.01	156.96	424.70	417.19
Outsource services	270.42	239.45	756.69	737.14
Consultant and service fees	111.01	151.35	361.64	361.67
Legal fee for Antitrust/ Competition Law	(554.03)	(985.64)	(444.66)	(867.07)
Computer service expenses	126.26	85.38	317.59	299.19
Travelling and transportation expenses	166.54	151.90	466.47	476.78
Concession fees	87.23	88.55	254.15	267.48
Passenger claim expenses	69.63	37.89	194.82	136.21
Damages from flood disaster	98.04	-	265.71	-
Others	371.24	164.62	1,244.08	806.01
<b>Total</b>	<b>1,608.23</b>	<b>847.58</b>	<b>6,027.66</b>	<b>4,867.46</b>

## 2.17 Impairment Loss of Aircraft

In March 2012, 2 A300-600 own aircraft have been phased out from the fleet as aircraft for sales. When comparing the net book value with the fair value after deducting the selling cost, it appears that the fair value after deducting the selling cost is lower than the net book value. Therefore, the Company recognized the impairment loss of such aircraft amount of THB 181.14 million. Moreover, 3 A340-500 own aircraft have also been phased out from the fleet in June 2012. When comparing the net book value with the appraisal value of such aircraft, the difference is insignificant so the Company did not recognize the impairment loss of such A340-500 aircraft.

## 2.18 Net Tax Expenses (Income)

Units : Million Baht

	Consolidated Financial Statements			
	Three-month Periods		Nine-month Periods	
	Jul-Sep 2012	Jul-Sep 2011	Jan-Sep 2012	Jan-Sep 2011
Tax expense from taxable profit for the period	10.52	27.41	76.53	44.92
Add(less): deferred tax asset/ liability from temporary different increase/ decrease	33.37	112.69	214.62	(143.96)
<b>Net tax expenses (income)</b>	<b>43.89</b>	<b>140.10</b>	<b>291.15</b>	<b>(99.04)</b>

Units : Million Baht

	Separate Financial Statements			
	Three-month Periods		Nine-month Periods	
	Jul-Sep 2012	Jul-Sep 2011	Jan-Sep 2012	Jan-Sep 2011
Tax expense from taxable profit for the period	10.28	21.16	30.85	13.06
Add(less): deferred tax asset/ liability from temporary different increase/ decrease	15.96	112.76	205.72	(143.87)
<b>Net tax expenses (income)</b>	<b>26.24</b>	<b>133.92</b>	<b>236.57</b>	<b>(130.81)</b>

## 2.19 Earnings (Loss) Per Share

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 Financial Statements For the three-month periods ended September 30, 2012 and 2011

	Profit		Number of Shares		Earnings Per Share	
	Sep 30, 2012	Sep 30, 2011	Sep 30, 2012	Sep 30, 2011	Sep 30, 2012	Sep 30, 2011
	Million Baht	Million Baht	Million Shares	Million Shares	Baht	Baht
<b>Basic earnings per share</b>						
Net profit attributable to owners of the parent	1,750.06	2,446.98	2,182.77	2,182.77	0.80	1.12

### Separate Financial Statements For the three-month periods ended September 30, 2012 and 2011

	Profit		Number of Shares		Earnings Per Share	
	Sep 30, 2012	Sep 30, 2011	Sep 30, 2012	Sep 30, 2011	Sep 30, 2012	Sep 30, 2011
	Million Baht	Million Baht	Million Shares	Million Shares	Baht	Baht
<b>Basic earnings per share</b>						
Net profit attributable to owners of the parent	1,409.00	2,466.44	2,182.77	2,182.77	0.65	1.13

**Consolidated Financial Statements**  
**For the nine-month periods ended September 30, 2012 and 2011**

	<u>Profit (Loss)</u>		<u>Number of Shares</u>		<u>Earnings (Loss) Per Share</u>	
	<u>Sep 30, 2012</u>	<u>Sep 30, 2011</u>	<u>Sep 30, 2012</u>	<u>Sep 30, 2011</u>	<u>Sep 30, 2012</u>	<u>Sep 30, 2011</u>
	Million Baht	Million Baht	Million Shares	Million Shares	Baht	Baht
<b>Basic earnings (loss) per share</b>						
Net profit (loss) attributable to owners of the parent	3,868.00	(4,809.01)	2,182.77	2,182.77	1.77	(2.20)

**Separate Financial Statements**  
**For the nine-month periods ended September 30, 2012 and 2011**

	<u>Profit (Loss)</u>		<u>Number of Shares</u>		<u>Earnings (Loss) Per Share</u>	
	<u>Sep 30, 2012</u>	<u>Sep 30, 2011</u>	<u>Sep 30, 2012</u>	<u>Sep 30, 2011</u>	<u>Sep 30, 2012</u>	<u>Sep 30, 2011</u>
	Million Baht	Million Baht	Million Shares	Million Shares	Baht	Baht
<b>Basic earnings (loss) per share</b>						
Net profit (loss) attributable to owners of the parent	3,602.16	(4,799.13)	2,182.77	2,182.77	1.65	(2.20)

**2.20 Financial Information by Segment Consolidated**

2.20.1 Business Segments

**Statements of Income**  
**For the three-month periods ended September 30, 2012 and 2011**

Units : Million Baht

	<u>Revenues</u>		<u>Inter - Segment Revenues</u>		<u>Total Revenues</u>		<u>Segment Results</u>	
	<u>Sep 30, 2012</u>	<u>Sep 30, 2011</u>	<u>Sep 30, 2012</u>	<u>Sep 30, 2011</u>	<u>Sep 30, 2012</u>	<u>Sep 30, 2011</u>	<u>Sep 30, 2012</u>	<u>Sep 30, 2011</u>
Air transportation	49,626.28	47,099.05	-	-	49,626.28	47,099.05	5,918.49	691.30
Business Units	1,568.21	1,553.77	2,400.48	2,547.95	3,968.69	4,101.72	(683.84)	710.87
Other activities	519.23	551.00	1,423.96	1,412.36	1,943.19	1,963.36	(2,261.87)	180.35
Eliminations	-	-	(3,824.44)	(3,960.31)	(3,824.44)	(3,960.31)	-	-
Operating profits							2,972.78	1,582.52
Share of profit (loss) of investments by the equity method							211.70	(0.15)
Finance costs - net							(1,294.53)	(1,362.84)
Gain (loss) on foreign currency exchange							(120.37)	2,298.79
Other income - net							142.68	74.21
Non-controlling interests							(118.31)	(5.45)
Net tax income							(43.89)	(140.10)
<b>Profit – attributable to owners of the parent</b>							<b><u>1,750.06</u></b>	<b><u>2,446.98</u></b>

**Statements of Income**  
For the nine-month periods ended September 30, 2012 and 2011

Units : Million Baht

	<u>Revenues</u>		<u>Inter - Segment Revenues</u>		<u>Total Revenues</u>		<u>Segment Results</u>	
	<u>Sep 30, 2012</u>	<u>Sep 30, 2011</u>	<u>Sep 30, 2012</u>	<u>Sep 30, 2011</u>	<u>Sep 30, 2012</u>	<u>Sep 30, 2011</u>	<u>Sep 30, 2012</u>	<u>Sep 30, 2011</u>
	Air transportation	147,140.22	138,839.53	-	-	147,140.22	138,839.53	11,675.55
Business Units	5,064.88	4,691.06	7,440.18	7,611.44	12,508.06	12,302.50	248.72	1,366.90
Other activities	1,439.51	1,538.10	4,037.65	4,186.77	5,477.16	5,724.87	(5,979.22)	(501.40)
Eliminations	-	-	(11,477.83)	(11,798.21)	(11,477.83)	(11,798.21)	-	-
Operating profits							5,945.05	1,511.75
Losses on redemption of debentures							-	(1.43)
Share of profits of investments by the equity method							319.70	142.22
Finance costs - net							(3,978.47)	(3,869.52)
Gain (loss) on foreign currency exchange							1,722.81	(3,324.66)
Other income - net							359.71	663.93
Non-controlling interests							(209.65)	(30.34)
Net tax expenses (income)							(291.15)	99.04
<b>Profit (loss) – attributable to owners of the parent</b>							<b><u>3,868.00</u></b>	<b><u>(4,809.01)</u></b>

**Assets and Liabilities**  
As At September 30, 2012 and 2011

	<u>Current Assets</u>		<u>Non-Current Assets</u>		<u>Total Assets</u>	
	<u>Sep 30, 2012</u>	<u>Dec 31, 2011</u>	<u>Sep 30, 2012</u>	<u>Dec 31, 2011</u>	<u>Sep 30, 2012</u>	<u>Dec 31, 2011</u>
	Air transportation	69,437.52	55,674.27	209,118.54	206,076.42	278,556.06
Business Units	691.88	599.48	6,048.18	6,544.93	6,740.06	7,144.41
Other activities	2,879.43	709.31	2,669.76	2,529.69	5,549.19	3,239.00
Non-allocated assets	<u>707.99</u>	<u>2,310.60</u>	<u>-</u>	<u>-</u>	<u>707.99</u>	<u>2,310.60</u>
<b>Total</b>	<b><u>73,716.82</u></b>	<b><u>59,293.66</u></b>	<b><u>217,836.48</u></b>	<b><u>215,151.04</u></b>	<b><u>291,553.30</u></b>	<b><u>274,444.70</u></b>

	<u>Current Liabilities</u>		<u>Non-Current Liabilities</u>		<u>Total Liabilities</u>	
	<u>Sep 30, 2012</u>	<u>Dec 31, 2011</u>	<u>Sep 30, 2012</u>	<u>Dec 31, 2011</u>	<u>Sep 30, 2012</u>	<u>Dec 31, 2011</u>
	Air transportation	81,610.75	69,466.92	139,410.08	140,302.56	221,020.83
Business Units	634.49	645.19	10.12	14.59	644.61	659.78
Other activities	1,479.15	195.98	102.67	16.99	1,581.82	212.97
Non-allocated liabilities	<u>444.26</u>	<u>367.26</u>	<u>-</u>	<u>-</u>	<u>444.26</u>	<u>367.26</u>
<b>Total</b>	<b><u>84,168.65</u></b>	<b><u>70,675.35</u></b>	<b><u>139,522.87</u></b>	<b><u>140,334.14</u></b>	<b><u>223,691.52</u></b>	<b><u>211,009.49</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.

## 2.20.2 Geographical Segments

	<b>Three-month Periods</b>		<b>Units : Million Baht</b>	
			<b>Nine-month Periods</b>	
	<b>Jul-Sep 2012</b>	<b>Jul-Sep 2011</b>	<b>Jan-Sep 2012</b>	<b>Jan-Sep 2011</b>
Domestic Revenues				
Transportation	5,575.14	3,319.86	13,266.68	10,418.57
Business units	1,568.21	1,553.77	5,064.88	4,691.05
Other activities	<u>519.24</u>	<u>550.99</u>	<u>5,086.39</u>	<u>1,538.10</u>
Total domestic revenues	<u>7,662.59</u>	<u>5,424.62</u>	<u>23,417.95</u>	<u>16,647.72</u>
Foreign Transportation Revenues				
Regional Asia	18,823.48	17,793.18	55,360.36	52,370.85
Europe	9,538.44	10,448.86	28,916.56	32,589.63
North Pacific	607.16	828.46	2,018.53	2,744.84
Australia & New Zealand	4,801.90	4,705.43	13,479.97	13,009.45
Africa	<u>276.34</u>	<u>284.29</u>	<u>799.47</u>	<u>875.25</u>
Total foreign transportation revenues	<u>34,047.32</u>	<u>34,060.22</u>	<u>100,574.89</u>	<u>101,590.02</u>
Charter revenues and others	2,534.04	2,450.71	7,252.45	7,762.82
Insurance surcharge from passengers	403.41	426.69	1,219.79	1,290.30
Fuel surcharge from passengers	7,066.37	6,841.57	21,179.52	17,777.82
Interest income	128.39	104.14	362.11	325.00
Other income	<u>588.72</u>	<u>653.35</u>	<u>1,435.08</u>	<u>1,977.74</u>
<b>Total</b>	<b><u>52,430.84</u></b>	<b><u>49,961.30</u></b>	<b><u>155,441.79</u></b>	<b><u>147,371.42</u></b>

## 2.21 Staff Pension Fund Consolidated and Separate Financial Statements

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>Sep 30, 2012</b>	<b>Dec 31, 2011</b>
Current assets	4,774.02	4,511.18
Others	<u>33.30</u>	<u>65.92</u>
Total	<u>4,807.32</u>	<u>4,577.10</u>
Other current liabilities	32.48	15.89
Pension fund	<u>4,774.84</u>	<u>4,561.21</u>
Total	<u>4,807.32</u>	<u>4,577.10</u>

As at September 30, 2012, the fund balance was THB 4,774.84 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 140.00 million, which comes from contributions at a rate equivalent to 10% of employee salaries in the amount of THB 167.78 million less the amount to match the Company's obligation of THB 27.78 million.)

## 2.22 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 903.13 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).

## 2.23 Action Taken for Claiming Damages Arising from Koito's Delay in Delivery of Economy Class Seats

On December 9, 2011, Macfarlanes LLP, a legal consultant of the Company filed a lawsuit against Koito Industries Limited and Asia Fleet Services (Singapore) Pte., Ltd. for breach of General Terms Agreement in relation to economy class seats of Airbus A330-300, A380-800 and Boeing B777-300 aircraft to the Court in England. At present, Koito Industries Limited (KI Holdings Limited) and Asia Fleet Services (Singapore) Pte., Ltd. have already filed defence and counterclaim. The case is currently under the court's consideration.

## 2.24 Action Taken for Execution of Block Space Agreement with Southern Air Inc. (SAI)

The Company has already engaged SKADDEN, ARPS, SLATE, MEAGHER & FLOM to provide advices and act as a representative to proceed with legal proceedings against Southern Air Inc. (SAI). At present, the case is under the consideration in order to proceed with legal proceedings.

## 2.25 Contingent Liabilities

2.25.1 The Company has contingent liabilities and not presented in the financial statement as follows:

	Units : Million Baht	
	<u>Sep 30, 2012</u>	<u>Dec 31, 2011</u>
Guarantee by banks (in Thailand)	205.09	30.96
Guarantee by banks (foreign countries)	378.87	397.19
The following lawsuits filed against the Company:		
Labour cases	1,460.66	1,343.33
Damage cases	<u>2,610.82</u>	<u>2,597.98</u>
<b>Total</b>	<b><u>4,655.44</u></b>	<b><u>4,369.46</u></b>



2.25.2 The Company had estimated damages and fines and had acknowledged such damages and fines in the financial statement of 2008 in the amount of THB 4,290.17 million. The Company had decreased an amount of the reserve with respect to damages and fines to THB 1,783.19 million and THB 1,042.05 million in the financial statements of 2010 and 2011, respectively. In the nine-month periods ended September 30, 2012, the Company has decreased an amount of the reserve for damages and fines totaling of THB 682.17 million. Therefore, the amount of such reserve will be 782.76 million Baht. The progress of Antitrust/Competition cases has details as follows:

1. Regarding an investigation conducted by the United States' Department of Justice (DOJ), it can be divided into 2 cases.

1.1 Cargo US DOJ Investigation: The Company was unofficially informed that DOJ has already terminated the investigation.

1.2 Passenger US DOJ Investigation: DOJ had started to investigate the Company by sending summon for documents to the Company. It is now in the process of investigation. Correspondingly, the Company has already hired a local attorney to correspond with the DOJ. However, it is still uncertain as to whether an allegation is being sought and when it will occur.

2. With respect to the investigation by the Australian Competition and Consumer Commission (ACCC), on 28 October 2009, the ACCC has subsequently filed a lawsuit against the Company for violating Trade Practices Act 1974. Yet, the amount of fines and expenses has not yet been specified by the ACCC. At the moment, the case is currently undergoing the court procedures.

3. On the subject of an investigation by the Korean Fair Trade Commission (KFTC), the Company received an official decision of the KFTC on November 30, 2010 which imposed a fine totaling an amount of KRW 2,877 million but dropped the criminal charges against the Company and the relevant staff. The Company has appealed the KFTC Commissioners' decision to the competent court. Then, the appeal of the Company for both ex Korea route and ex Hong Kong route was dismissed i.e. the Company shall pay for the fine totaling an amount of KRW 2,198 million or approximately THB 59.79 million (Exchange Rate: KRW 1 = THB 0.0272) for ex Korea route and an amount of KRW 679 million or approximately THB 18.47 million for ex Hong Kong route. The Company has already appealed to the Supreme Court and the case is currently undergoing the Supreme Court procedures.

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 impose a fine and expenses to the Company according to the law. However, these fine and expenses remained unspecified at the time of filing the lawsuit. At present, the case is currently undergoing the court procedures.

5. For the case where lawsuits were filed against the Company at the Superior Court of Los Angeles and the San Francisco County Superior Court alleging that the Company had violated the Antitrust law of the United States by committing fares and surcharges fixing conspiracy. Presently, the Judicial Panel on Multi-district Litigation has ordered to combine the cases to be considered by the court at San Francisco as a single case, however, the disputed amount of claims has not yet been determined until the court makes a final decision that the Company is guilty. The case is currently undergoing the court procedures.

According to the Board of Directors Meeting No. 10/2554 (2011) held on August 19, 2011, the meeting has resolved to apply the local currency of each foreign country which the Company has the obligation to pay for the reserve in the future instead of applying the Thai currency and the current currency exchange rate of Bank of Thailand will be applied on the end date of fiscal period.

The Company has estimated the damages with the estimation guidelines as follows:

1. The above adjustment of damages and fines is based on the progress and strategy of the cases which have become more apparent and is considered from the opportunities that the Company may be alleged by the authorities of each country which conducts the investigation and from the calculation of the lowest fine rates that may be used in case that the courts rule or sentence that the Company has committed guiltiness as alleged or claimed. In addition, the damages and fines are adjusted to be in compliance with the current foreign currency exchange.

2. The above estimated damages and fine amounts are based on the fines in respect of the investigations and claims made by the competent authority in the aforesaid countries including the initial estimate of the damages in the Civil Class Action case in the United States, though the disputed amount of claims has not yet been set in the complaint and the plaintiffs still have to prove the damages.

3. The sentence or decision on the cases might 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 based for calculation of fine or damages is therefore unaware.

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

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

## 2.26 Contractual Obligations

### 2.26.1 Obligation to Purchase Aircraft

The Company has a payment obligation to purchase 23 aircraft totaling of THB 89,107.86 million, which consisted of 5 A380-800, 3 A330-300, 5 A320-200, 4 A350-900XWB, and 6 Boeing 777-300ER aircraft, expected to take delivery during the year 2012-2017.

Obligation	Unit : Million Baht	
	Within 1 year	Over 1 year – 5 years
Purchase of aircraft	20,188.16	68,919.70

### 2.26.2 Leases and Obligations of Aircraft

The Company has obligations from entering into operating leases for 42 aircraft amount of USD 4,901.15 million or approximately to THB 151,770.92 million consisting of 6 A320-200, 2 A330-300, 8 A350-900, 3 Boeing 737-400, 2 Boeing 777-200, 13 Boeing 777-300ER, 6 Boeing 787-8, and 2 Boeing 787-9 aircraft.

There are 25 aircraft which have not been scheduled delivery yet. The Company entered into the operating lease of 8 Boeing 777-300ER with the BOC Aviation Pte. Ltd. (BOCA) according to the Predelivery Commitment Agreement and Aircraft Lease Agreement dated October 22, 2010. Therefore, the Company has an obligation for the commitment fee, up to the date of aircraft delivery, amount of USD 12.19 million or approximately THB 377.50 million, starting from the signing date in the Agreement until the delivery date of such 7 aircraft. When the Company takes the delivery of such aircraft within 2012 and 2013, the commitment fee will be recognized in the Company's statement of income with a straight-line method over the lease term. The operating leases of those 42 aircraft will be expired during 2013-2029.

Lease obligation and commitment fee can be classified as follows:

Obligation	Unit : Million Baht		
	Within 1 year	Over 1 year – 5 years	Over 5 years
Rent	2,099.96	25,961.97	123,331.49
Commitment Fee	276.28	101.22	-
<b>Total</b>	<b>2,376.24</b>	<b>26,063.19</b>	<b>123,331.49</b>

## 2.27 Estimated Damages from the Flood Disaster

2.27.1 On October 26, 2011, the flood reached Don Muang Airport causing the damages to the Company's assets which the insurance will cover for such damages.

The Company has primarily recorded the damages from flood disaster, which consisted of two Airbus A300-600 aircraft phased out from the fleet as aircraft for sales, consumable parts and supplies of Technical Department, tool repairment of Technical Department and raw material of Catering. On January 18, 2012, the Company received THB 50 million as the first insurance compensation from the insurance company, and total of USD 5 million or approximately THB 156.81 million on January 27, January 31, 2012 and February 13, 2012, respectively. The Company received more compensation amount of THB 10 million, USD 24.81 million or approximately THB 757.99 million, and THB 0.21 million on March 16, March 28, 2012 and May 17, 2012, respectively. Moreover, the Company received more compensation amount of THB 50 million, USD 0.19 million or approximately THB 6.02 million, and THB 13 million on July 10, July 30, 2012 and August 10, 2012, respectively. The Company recognized the insurance compensation from the flood disaster of THB 440.71 million. Such compensation has been recognized in the statements of comprehensive income for the year 2011 and for the nine-month periods ended September 30, 2012 at the amount of THB 175 million and THB 265.71 million, respectively. However, all the damaged assets which are covered by the insurance policy are under claiming process with the insurance company.

#### 2.27.2 Employee Grant for Flood Disaster

The Company has extended the deadline for the employee to apply for Support until February 29, 2012 in case such employees encountered the flood disaster. From the information as at February 3, 2012, the Company estimated that 6,000 staffs will apply for the support until February 29, 2012. The estimate such grant amounted to THB 400.00 million. The Company has already recognized such amount as expenses in the statements of comprehensive income for the year 2011. And for the nine-month periods ended September 30, 2012, the Company has gradually paid THB 200.64 million to the qualified staffs according to the Company's regulations. The Company also decreased the supporting amount of THB 190 million and remains THB 9.36 million left balance. Meanwhile, The Company terminated the support on October 15, 2012 according to the Board of Directors Meeting held on October 5, 2012.

### 2.28 Events after the Reporting Period

2.28.1 On October 1, 2012, the Company has repaid an early partial prepayment to the bank for the loan of A330-300 No.13 (HS-TEN) aircraft for the amount of JPY 870.98 million or approximately THB 349.76 million paying by using the security deposit arising by the way of Mark to Market (M to M).

2.28.2 On October 3, 2012, the Company has signed the Amendment and Restatement Agreement to amend the loan agreement between the Company and Standard Chartered Bank Thailand, by changing the loan repayment from THB currency to EUR currency.

2.28.3 The Company has issued THAI debentures to major investors and/or the institutions totaling of THB 7,000 million with fixed interest rate, composing of 5-year debenture of THB 4,000 million, 7-year debenture of THB 1,500 million and 10-year debenture of THB 1,500 million. On October 11, 2012, the Company has already received THB 7,000 million from such debenture issuing.

2.28.4 On October 19, 2012, the Company took the delivery of Airbus A330-300 No. 25 (MSN 1348) aircraft, which is the aircraft under finance leases.

## **2.29 Approval of Financial Statements**

These financial statements were approved by the Audit Committee, the Authorized Board of Directors, on November 13, 2012.

---