

(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 June 30, 2015, the related consolidated and separate statements of comprehensive income for the three-month and six-month period ended June 30, 2015, statements of changes in shareholders' equity and statements of cash flows for the six-month period ended June 30, 2015 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".

(Signed) *Pongchomnad Jariyajinda*
(Pongchomnad Jariyajinda)
Deputy Auditor General

(Signed) *Nipaporn Punyanon*
(Nipaporn Punyanon)
Director of Amnatcharoen Provincial Audit Office
Acting Director of Financial Audit Office No.4

Office of the Auditor General
August 6, 2015

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT JUNE 30, 2015

Unit : Baht

	Notes	<u>CONSOLIDATED FINANCIAL STATEMENTS</u>		<u>SEPARATE FINANCIAL STATEMENTS</u>	
		<u>JUNE 30, 2015</u> (Unaudited but reviewed)	<u>DECEMBER 31, 2014</u> (Audited)	<u>JUNE 30, 2015</u> (Unaudited but reviewed)	<u>DECEMBER 31, 2014</u> (Audited)
ASSETS					
Current Assets					
Cash and cash equivalents	7.1	22,525,249,764	23,346,551,299	21,534,298,102	22,605,700,442
Temporary investments		70,000,000	120,000,000	-	-
Trade receivables	7.2	11,694,829,683	12,693,156,288	11,287,336,961	12,421,448,355
Prepaid expenses and deposits		9,263,615,904	8,973,291,938	9,336,163,960	9,247,752,662
Inventories and supplies		5,946,116,930	6,394,407,798	5,920,158,132	6,390,435,351
Other current assets	7.3	9,275,118,217	7,931,830,092	14,912,465,837	11,118,182,978
Non-current assets classified as held for sale	7.4	13,940,303,794	4,825,624,336	13,940,303,794	4,825,624,336
Total Current Assets		72,715,234,292	64,284,861,751	76,930,726,786	66,609,144,124
Non-Current Assets					
Investments in associates	7.5.1	4,833,044,316	4,771,142,799	1,083,520,500	1,083,520,500
Investments in subsidiaries	7.5.1	-	-	810,209,893	810,209,893
Other long-term investments	7.5.2	82,521,609	80,940,004	82,521,609	80,940,004
Property, plant and equipment	7.7	202,335,913,175	224,021,451,558	202,329,872,921	224,013,693,009
Intangible assets	7.8	1,067,133,222	1,263,035,882	1,046,510,366	1,233,074,265
Deferred tax assets	7.9.1	9,413,287,863	7,008,807,127	9,394,048,451	6,991,941,202
Other non-current assets	7.10	5,982,176,469	5,836,938,847	5,977,262,338	5,831,235,015
Total Non-Current Assets		223,714,076,654	242,982,316,217	220,723,946,078	240,044,613,888
Total Assets		296,429,310,946	307,267,177,968	297,654,672,864	306,653,758,012

Notes to the condensed interim financial statements are an integral part of these financial statements.

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT JUNE 30, 2015

Unit : Baht

	<u>CONSOLIDATED FINANCIAL STATEMENTS</u>		<u>SEPARATE FINANCIAL STATEMENTS</u>		
	<u>Notes</u>	<u>JUNE 30, 2015</u> (Unaudited but reviewed)	<u>DECEMBER 31, 2014</u> (Audited)	<u>JUNE 30, 2015</u> (Unaudited but reviewed)	<u>DECEMBER 31, 2014</u> (Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Liabilities					
Trade payables		4,294,200,442	4,874,561,680	4,196,090,083	4,856,382,197
Accrued expenses		20,115,736,400	20,762,483,571	24,713,851,612	24,095,946,587
Current portion of long-term liabilities					
Long-term borrowings from financial institutions		8,192,095,909	7,471,449,581	8,192,095,909	7,471,449,581
Long-term borrowings from related parties		282,000,000	568,000,000	282,000,000	568,000,000
Liabilities under finance leases		13,374,461,287	10,638,027,281	13,374,461,287	10,638,027,281
Debentures		2,300,000,000	3,000,000,000	2,300,000,000	3,000,000,000
Short-term borrowings from financial institutions		9,700,000,000	13,300,000,000	9,700,000,000	13,300,000,000
Short-term borrowings from related parties		8,696,330,000	10,000,000,000	8,696,330,000	10,000,000,000
Short-term provisions		274,549,665	135,235,892	-	-
Income tax payable		7,976,802	10,420,267	-	-
Other current liabilities					
Accrued dividends		54,870,523	54,901,142	54,763,758	54,809,341
Unearned transportation revenues		20,848,576,782	22,602,110,933	20,757,514,128	22,452,816,806
Others		12,810,705,433	8,691,920,949	12,626,739,442	8,549,157,255
Total Current Liabilities		100,951,503,243	102,109,111,296	104,893,846,219	104,986,589,048
Non-Current Liabilities					
Long-term liabilities					
Long-term borrowings from financial institutions		23,858,347,362	28,414,617,915	23,858,347,362	28,414,617,915
Long-term borrowings from related parties		14,614,284,619	15,471,246,741	14,614,284,619	15,471,246,741
Liabilities under finance leases		61,324,734,658	61,388,824,147	61,324,734,658	61,388,824,147
Debentures		46,300,000,000	41,600,000,000	46,300,000,000	41,600,000,000
Deferred tax liabilities	7.9.2	138,835,145	127,934,346	138,835,145	127,934,346
Staff pension fund	7.11	4,784,554,641	4,763,145,821	4,784,554,641	4,763,145,821
Employee benefit obligations	7.12	11,995,815,692	11,508,912,107	11,931,376,031	11,456,349,347
Long-term provisions		414,729,749	412,959,915	412,288,945	410,519,111
Other non-current liabilities		160,824,468	174,493,302	159,766,439	172,982,273
Total Non-Current Liabilities		163,592,126,334	163,862,134,294	163,524,187,840	163,805,619,701
Total Liabilities		264,543,629,577	265,971,245,590	268,418,034,059	268,792,208,749
Shareholders' Equity					
Share capital	7.13				
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		25,545,316,308	25,545,316,308	25,545,316,308	25,545,316,308
Retained earnings					
Appropriated					
Legal reserve		2,691,275,568	2,691,275,568	2,691,275,568	2,691,275,568
Unappropriated		(17,067,130,355)	(8,849,195,269)	(19,654,493,107)	(12,202,761,783)
Other component of equity		(1,173,179,134)	-	(1,173,179,134)	-
Total Company Shareholders' Equity		31,824,001,557	41,215,115,777	29,236,638,805	37,861,549,263
Non-controlling Interests		61,679,812	80,816,601	-	-
Total Shareholders' Equity		31,885,681,369	41,295,932,378	29,236,638,805	37,861,549,263
Total Liabilities and Shareholders' Equity		296,429,310,946	307,267,177,968	297,654,672,864	306,653,758,012

Notes to the condensed interim financial statements are an integral part of these financial statements.

(Signed) *Damri Tunshevavong*
(Damri Tunshevavong)
Director

(Signed) *Champangorn Jotikasthira*
(Champangorn Jotikasthira)
President

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2015

Unit : Baht

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2015	2014	2015	2014
Revenues					
Revenues from Sales or Revenues from Services					
Passenger and excess baggage		34,043,682,702	34,547,192,279	33,040,737,962	34,547,192,279
Freight		4,330,039,318	5,856,067,343	4,330,039,318	5,856,067,343
Mail		139,175,232	203,704,577	139,175,232	203,704,577
Other activities		2,849,827,219	2,160,117,497	3,069,458,700	2,214,271,013
Total Revenues from Sales or Revenues from Services		41,362,724,471	42,767,081,696	40,579,411,212	42,821,235,212
Other Income					
Interest income		90,641,800	61,710,295	86,378,700	58,987,936
Gains (Loss) on foreign currency exchange		(3,678,954,561)	1,008,488,071	(3,632,031,986)	1,008,195,130
Other income - Others	7.14	443,819,238	597,037,147	632,453,556	789,236,803
Total Other Income		(3,144,493,523)	1,667,235,513	(2,913,199,730)	1,856,419,869
Total Revenues		38,218,230,948	44,434,317,209	37,666,211,482	44,677,655,081
Expenses					
Fuel and oil		14,934,323,875	18,717,105,805	14,580,368,116	18,416,286,382
Employee benefit expenses	7.15	7,590,837,938	7,767,935,549	7,520,279,302	7,693,601,195
Termination benefit - Mutual Separation Plan	7.16	3,721,779,884	-	3,721,779,884	-
Flight service expenses		4,765,714,340	5,179,826,717	4,761,832,207	5,046,824,826
Crew expenses		1,290,131,675	1,456,740,866	1,235,967,439	1,433,778,649
Aircraft maintenance and overhaul costs		3,424,581,433	3,051,079,192	3,250,239,393	2,888,394,345
Depreciation and amortisation expenses		4,631,637,166	5,151,361,604	4,630,368,543	5,150,395,479
Lease of aircraft and spare parts		2,132,511,395	1,501,919,151	1,869,106,298	2,217,229,705
Inventories and supplies		1,786,071,457	1,926,549,435	1,739,351,457	1,910,644,799
Selling and advertising expenses		2,273,586,685	1,932,021,997	2,159,850,122	1,908,226,958
Insurance expenses		158,102,839	120,168,459	145,868,815	120,168,459
Impairment loss of assets		113,578,508	95,437,767	113,578,508	95,437,766
Impairment loss of aircraft	7.17	312,592,938	1,119,547,509	312,592,938	1,119,547,509
Other expenses	7.18	2,158,808,805	2,619,805,357	2,117,985,012	2,591,184,639
Finance costs		1,499,094,596	1,652,195,125	1,499,094,596	1,652,195,125
Share of profit of associates		(35,437,936)	47,794,740	-	-
Total Expenses		50,757,915,598	52,339,489,273	49,658,262,630	52,243,915,836
Loss before Income Tax Expense		(12,539,684,650)	(7,905,172,064)	(11,992,051,148)	(7,566,260,755)
Income tax expense (income)	7.19	214,499,712	(250,660,314)	209,054,834	(256,579,255)
Loss for the Period		(12,754,184,362)	(7,654,511,750)	(12,201,105,982)	(7,309,681,500)
Other Comprehensive Income					
Effective portion of changes in fair value of cash flow hedges		(1,466,473,917)	-	(1,466,473,917)	-
Income tax relating to components of other comprehensive income		293,294,783	-	293,294,783	-
Other Comprehensive Income for the Year - Net of Tax		(1,173,179,134)	-	(1,173,179,134)	-
Total Comprehensive Income for the Period		(13,927,363,496)	(7,654,511,750)	(13,374,285,116)	(7,309,681,500)
Profit (Loss) Attributable to:					
Owners of the Parent		(12,759,066,726)	(7,662,350,766)	(12,201,105,982)	(7,309,681,500)
Non-controlling interests		4,882,364	7,839,016	-	-
		(12,754,184,362)	(7,654,511,750)	(12,201,105,982)	(7,309,681,500)
Total Comprehensive Income Attributable to:					
Owners of the Parent		(13,932,245,860)	(7,662,350,766)	(13,374,285,116)	(7,309,681,500)
Non-controlling interests		4,882,364	7,839,016	-	-
		(13,927,363,496)	(7,654,511,750)	(13,374,285,116)	(7,309,681,500)
Loss per Share	7.20				
Basic loss per share		(5.85)	(3.51)	(5.59)	(3.35)

Notes to the condensed interim financial statements are an integral part of these financial statements.

(Signed) *Damri Tunshevavong*
(Damri Tunshevavong)
Director(Signed) *Charamporn Jotikasthira*
(Charamporn Jotikasthira)
President

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2015

Unit : Baht

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2015	2014	2015	2014
Revenues					
Revenues from Sales or Revenues from Services					
Passenger and excess baggage		77,566,292,943	75,581,911,461	75,463,525,968	75,581,911,461
Freight		9,082,485,053	11,680,484,983	9,082,485,053	11,680,484,983
Mail		291,658,319	402,742,944	291,658,319	402,742,944
Other activities		5,637,966,290	4,634,786,260	6,025,018,543	4,588,113,388
Total Revenues from Sales or Revenues from Services		92,578,402,605	92,299,925,648	90,862,687,883	92,253,252,776
Other Income					
Interest income		172,740,989	133,311,127	166,483,722	127,726,936
Gains on foreign currency exchange		5,974,957,077	1,998,471,191	6,009,090,437	1,997,968,813
Other income - Others	7.14	794,949,195	974,213,915	1,048,551,792	1,286,575,069
Total Other Income		6,942,647,261	3,105,996,233	7,224,125,951	3,412,270,818
Total Revenues		99,521,049,866	95,405,921,881	98,086,813,834	95,665,523,594
Expenses					
Fuel and oil		29,413,968,798	39,459,349,406	28,733,380,929	39,158,529,984
Employee benefit expenses	7.15	15,093,164,424	15,443,361,836	14,963,562,674	15,378,173,229
Termination benefit - Mutual Separation Plan	7.16	3,721,779,884	-	3,721,779,884	-
Flight service expenses		10,098,991,844	10,801,546,180	9,958,106,571	10,668,544,289
Crew expenses		2,671,919,208	2,927,024,958	2,576,208,580	2,904,062,741
Aircraft maintenance and overhaul costs		6,776,388,634	6,412,542,508	6,421,973,608	6,249,857,660
Depreciation and amortisation expenses		9,723,934,350	10,257,134,749	9,721,381,877	10,255,108,715
Lease of aircraft and spare parts		4,172,569,584	2,920,276,494	3,602,895,912	3,631,413,358
Inventories and supplies		4,019,781,294	4,096,929,849	3,926,428,109	4,080,990,356
Selling and advertising expenses		4,575,496,859	3,930,382,980	4,433,998,355	3,885,478,239
Insurance expenses		305,029,025	238,074,726	287,261,182	238,074,726
Impairment loss of assets		113,578,508	135,866,169	113,578,508	135,866,169
Impairment loss of aircraft	7.17	12,116,754,633	1,162,821,050	12,116,754,633	1,162,821,050
Other expenses	7.18	4,255,633,661	4,942,025,942	4,136,001,503	4,884,976,462
Finance costs		2,908,205,296	3,075,276,748	2,908,205,296	3,075,276,748
Share of profit of associates		(171,657,821)	(110,277,641)	-	-
Total Expenses		109,795,538,181	105,692,335,954	107,621,517,621	105,709,173,726
Loss before Income Tax Expense		(10,274,488,315)	(10,286,414,073)	(9,534,703,787)	(10,043,650,132)
Income tax expense (income)	7.19	(2,069,187,005)	(12,638,247)	(2,082,972,463)	(32,125,355)
Loss for the Period		(8,205,301,310)	(10,273,775,826)	(7,451,731,324)	(10,011,524,777)
Other Comprehensive Income					
Effective portion of changes in fair value of cash flow hedges		(1,466,473,917)	-	(1,466,473,917)	-
Income tax relating to components of other comprehensive income		293,294,783	-	293,294,783	-
Other Comprehensive Income for the Year - Net of Tax		(1,173,179,134)	-	(1,173,179,134)	-
Total Comprehensive Income for the Period		(9,378,480,444)	(10,273,775,826)	(8,624,910,458)	(10,011,524,777)
Profit (Loss) Attributable to:					
Owners of the Parent		(8,217,935,086)	(10,296,461,512)	(7,451,731,324)	(10,011,524,777)
Non-controlling interests		12,633,776	22,685,686	-	-
		(8,205,301,310)	(10,273,775,826)	(7,451,731,324)	(10,011,524,777)
Total Comprehensive Income Attributable to:					
Owners of the Parent		(9,391,114,220)	(10,296,461,512)	(8,624,910,458)	(10,011,524,777)
Non-controlling interests		12,633,776	22,685,686	-	-
		(9,378,480,444)	(10,273,775,826)	(8,624,910,458)	(10,011,524,777)
Loss per Share	7.20				
Basic earning (loss) per share		(3.76)	(4.72)	(3.41)	(4.59)

Notes to the condensed interim financial statements are an integral part of these financial statements.

(Signed) *Damri Tunshevavong*
(Damri Tunshevavong)
Director(Signed) *Charamporn Jotikasthira*
(Charamporn Jotikasthira)
President

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2015

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						
				Effective portion of changes in fair value of cash flow hedges	Actuarial Gains on Employee Benefit Obligations	Income Tax Relating to Components of Other Comprehensive Income	Total Other Components of Equity			
Balance brought forward as at January 1, 2014	21,827,719,170	25,548,223,951	8,408,289,694	-	1,306,764,248	(261,352,850)	1,045,411,398	56,829,644,213	89,094,864	56,918,739,077
Reclassification										
Actuarial gains on employee benefit and income tax	-	-	1,045,411,398	-	(1,306,764,248)	261,352,850	(1,045,411,398)	-	-	-
Changes in Shareholders' Equity										
<u>Less</u> Dividends paid	-	-	-	-	-	-	-	-	(47,250,005)	(47,250,005)
<u>Less</u> Adjustment of share offering expense	-	-	-	-	-	-	-	-	(45,566)	(45,566)
<u>Less</u> Dividends paid to cumulative preferred shares	-	(2,907,643)	-	-	-	-	-	(2,907,643)	-	(2,907,643)
<u>Add</u> Total comprehensive income for the period	-	-	(10,296,461,512)	-	-	-	-	(10,296,461,512)	22,685,686	(10,273,775,826)
Balance carry forward as at June 30, 2014	21,827,719,170	25,545,316,308	(842,760,420)	-	-	-	-	46,530,275,058	64,484,979	46,594,760,037
Balance brought forward as at January 1, 2015	21,827,719,170	25,545,316,308	(6,157,919,701)	-	-	-	-	41,215,115,777	80,816,601	41,295,932,378
Changes in Shareholders' Equity										
<u>Less</u> Dividends paid	-	-	-	-	-	-	-	-	(31,725,000)	(31,725,000)
<u>Less</u> Dividends paid to cumulative preferred shares	-	-	-	-	-	-	-	-	(45,565)	(45,565)
<u>Add</u> Total comprehensive income for the period	-	-	(8,217,935,086)	(1,466,473,917)	-	293,294,783	(1,173,179,134)	(9,391,114,220)	12,633,776	(9,378,480,444)
Balance carry forward as at June 30, 2015	21,827,719,170	25,545,316,308	(14,375,854,787)	(1,466,473,917)	-	293,294,783	(1,173,179,134)	31,824,001,557	61,679,812	31,885,681,369

Notes to the condensed interim financial statements are an integral part of these financial statements.

(Signed) *Damri Tunshevavong*
(Damri Tunshevavong)
Director

(Signed) *Charamporn Jotikasthira*
(Charamporn Jotikasthira)
President

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2015

Unit : Baht

SEPARATE FINANCIAL STATEMENTS

	Issued and Paid-up Share Capital	Premium on Ordinary Shares	Retained Earnings	Other Components of Equity				Total Shareholders' Equity
				Other Comprehensive Income				
				Effective portion of changes in fair value of cash flow hedges	Actuarial Gains on Employee Benefit Obligations	Income Tax Relating to Components of Other Comprehensive Income	Total Other Components of Equity	
Balance brought forward as at January 1, 2014	21,827,719,170	25,548,223,951	4,338,174,443	-	1,307,925,659	(261,585,132)	1,046,340,527	52,760,458,091
Changes in Shareholders' Equity								
Reclassification								
Actuarial gains on employee benefit and income tax	-	-	1,046,340,527	-	(1,307,925,659)	261,585,132	(1,046,340,527)	-
Add Adjustment of share offering expense	-	(2,907,643)	-	-	-	-	-	(2,907,643)
Less Total comprehensive income for the period	-	-	(10,011,524,777)	-	-	-	-	(10,011,524,777)
Balance carry forward as at June 30, 2014	21,827,719,170	25,545,316,308	(4,627,009,807)	-	-	-	-	42,746,025,671
Balance brought forward as at January 1, 2015	21,827,719,170	25,545,316,308	(9,511,486,215)	-	-	-	-	37,861,549,263
Changes in Shareholders' Equity								
Less Total comprehensive income for the period	-	-	(7,451,731,324)	(1,466,473,917)	-	293,294,783	(1,173,179,134)	(8,624,910,458)
Balance carry forward as at June 30, 2015	21,827,719,170	25,545,316,308	(16,963,217,539)	(1,466,473,917)	-	293,294,783	(1,173,179,134)	29,236,638,805

Notes to the condensed interim financial statements are an integral part of these financial statements.

(Signed) *Damri Tunshevavong*
(Damri Tunshevavong)
Director

(Signed) *Charamporn Jotikasthira*
(Charamporn Jotikasthira)
President

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2015

Unit : Baht

	<u>CONSOLIDATED FINANCIAL STATEMENTS</u>		<u>SEPARATE FINANCIAL STATEMENTS</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Cash Flows from Operating Activities				
Loss before income tax expenses	(10,274,488,315)	(10,286,414,073)	(9,534,703,787)	(10,043,650,132)
Adjustment to reconcile profit (loss) before income tax expense to cash received (paid) from operating activities :				
Depreciation and amortisation expenses	9,723,934,350	10,257,134,749	9,721,381,877	10,255,108,715
Aircraft lease fee	87,210,903	70,291,613	87,210,903	70,291,613
Dividends received	(570,602)	(576,100)	(149,101,907)	(307,065,446)
Share of profits of investments by equity method	(171,657,821)	(110,277,641)	-	-
Interest income	(172,740,989)	(133,311,127)	(166,483,722)	(127,726,936)
Interest expenses	2,908,205,296	3,075,276,748	2,908,205,296	3,075,276,748
Gains on sales of assets	(48,716,777)	(9,322,376)	(48,716,777)	(8,949,216)
Loss on sales of aircraft	2,492,735	-	2,492,735	-
Gains on reversal of current liabilities in prior period	(1,252,865)	-	-	-
Gains on foreign currency exchange	(5,617,502,823)	(1,526,742,941)	(5,657,593,370)	(1,527,028,920)
Employee benefit obligations	486,903,584	475,055,523	475,026,684	465,778,762
Provision for obsolete inventories and supplies	297,964,356	373,768,595	297,964,356	373,768,595
Doubtful accounts	(212,167,749)	105,258,962	(212,610,592)	105,216,594
Impairment loss of aircraft	12,116,754,633	1,162,821,050	12,116,754,633	1,162,821,050
Impairment loss of assets	113,578,508	135,866,169	113,578,508	135,866,169
Operating profits before changes in operating assets and liabilities	9,237,946,424	3,588,829,151	9,953,404,837	3,629,707,596
Decrease (increase) in operating assets :				
Trade receivables	984,957,275	1,563,281,146	1,120,913,304	1,568,507,415
Inventories and supplies	150,326,511	(368,155,803)	172,312,863	(368,155,803)
Prepaid expenses and deposits	(72,514,731)	231,130,799	129,397,937	248,338,724
Tax refund	246,995,391	(6,757,317)	246,995,391	(6,757,317)
Other current assets	(1,218,265,349)	293,419,678	(3,671,052,744)	(278,998,321)
Assets for sales	(397,811,332)	(1,164,506,042)	(397,811,332)	(1,164,506,042)
Other assets	109,930,134	60,532,697	109,143,337	60,532,697
Deferred charges	(568,688,092)	(162,009,831)	(568,688,092)	(162,009,831)
Increase (decrease) in operating liabilities :				
Trade payables	(666,804,962)	(630,869,453)	(705,266,351)	(630,982,535)
Accrued expenses and other current liabilities	3,318,944,233	(5,419,907,045)	4,540,061,375	(4,895,300,184)
Staff pension fund	21,408,820	107,313,691	21,408,820	107,313,691
Unearned transportation revenues	(1,754,626,766)	(232,074,411)	(1,696,395,294)	(232,074,411)
Other non-current liabilities	129,008,919	(1,201,269)	(9,851,854)	(1,201,269)
Proceeds from operations	9,520,806,475	(2,140,974,009)	9,244,572,197	(2,125,585,590)
Payment of income tax	(129,590,048)	(142,282,634)	(109,100,842)	(118,516,015)
Net Cash provided by (used in) Operating Activities	9,391,216,427	(2,283,256,643)	9,135,471,355	(2,244,101,605)

Notes to interim financial statements are an integral part of these financial statements.

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2015

Unit : Baht

	<u>CONSOLIDATED FINANCIAL STATEMENTS</u>		<u>SEPARATE FINANCIAL STATEMENTS</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Cash Flows from Investing Activities				
Cash paid for acquisition of fixed assets	(1,943,598,833)	(4,482,490,392)	(1,943,522,572)	(4,481,522,644)
Cash paid for intangible assets	(22,524,901)	(412,092,961)	(31,105,745)	(412,092,961)
Proceeds from transferring the rights for advance payment of aircraft and aircraft equipment	938,162,671	475,408,381	938,162,671	475,408,381
Proceeds from sales of assets	488,093,096	12,839,864	488,093,096	12,438,364
Interest income	145,167,493	75,191,749	138,785,743	69,043,211
Dividends received	110,326,907	249,256,650	149,101,907	307,065,446
Investment decrease	-	50,000,000	-	-
Temporary investment decrease	50,000,000	-	-	-
Net Cash used in Investing Activities	(234,373,567)	(4,031,886,709)	(260,484,900)	(4,029,660,203)
Cash Flows from Financing Activities				
Proceeds from debentures	7,000,000,000	3,200,000,000	7,000,000,000	3,200,000,000
Proceeds from short-term borrowings	12,385,795,000	19,000,000,000	12,385,795,000	19,000,000,000
Proceeds from long-term borrowings	3,579,780,679	2,339,099,035	3,579,780,679	2,339,099,035
Proceeds from issued share capital	-	449,999,993	-	-
Cash paid for repayment of short-term borrowings	(17,300,000,000)	(6,000,000,000)	(17,300,000,000)	(6,000,000,000)
Cash paid for repayment of debentures	(3,000,000,000)	(720,000,000)	(3,000,000,000)	(720,000,000)
Cash paid for repayment of long-term borrowings	(10,382,052,682)	(10,306,887,433)	(10,382,052,682)	(10,306,887,433)
Cash paid for borrowings interest	(2,653,653,420)	(2,737,295,850)	(2,653,653,420)	(2,737,295,850)
Dividends paid	(45,584)	(185,359)	(45,584)	(124,159)
Dividends paid to non-controlling interests	(31,755,600)	(47,280,604)	-	-
Net Cash provided by (used in) Financing Activities	(10,401,931,607)	5,177,449,782	(10,370,176,007)	4,774,791,593
Net decrease in cash and cash equivalents	(1,245,088,747)	(1,137,693,570)	(1,495,189,552)	(1,498,970,215)
Cash and cash equivalents at the beginning of the period	23,346,551,299	11,757,473,084	22,605,700,442	11,649,734,484
	22,101,462,552	10,619,779,514	21,110,510,890	10,150,764,269
Effect from changing in exchange rate on cash and cash at banks increase (decrease)	423,787,212	(166,674,990)	423,787,212	(166,674,990)
Cash and Cash Equivalents at the End of the Period	22,525,249,764	10,453,104,524	21,534,298,102	9,984,089,279
Additional Information for Cash Flow				
Non-cash Transactions				
Fixed assets unpaid	144,908,869	498,158,670	144,908,869	498,158,670
Assets under finance leases	7,214,844,336	2,998,330,131	7,214,844,336	2,998,330,131

Notes to the condensed interim financial statements are an integral part of these financial statements.

(Signed) *Damri Tunshevavong*
(Damri Tunshevavong)
Director

(Signed) *Champangorn Jotikasthira*
(Champangorn Jotikasthira)
President

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
For the three-month and six-month periods ended June 30, 2015 (unaudited but reviewed)

1. GENERAL INFORMATION

Thai Airways International Public Company Limited (“the Company”) is incorporated as a public limited company in Thailand and is listed on the Stock Exchange of Thailand. The address of its incorporated and registered office is as follow:

The head office of the Company is located at 89 Vibhavadee Rungsit Road, Chom Phon, Chatuchak, Bangkok, Thailand.

The Company’s principal activity is the operation of airline business and business units which concern directly with transportation.

As at June 30, 2015, the Company has the routes network servicing to 65 destinations in 32 countries all over the world, whereas 4 routes are domestic (excluding Bangkok).

2. BASIS OF FINANCIAL STATEMENTS PREPARATION

The consolidated and the 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 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 as follows:

Company’s Name	Type of Business	Located Country	Percentage of Share Holding	
			2015	2014
Held by the Company:				
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. Thai Smile Airways Company Limited	Air transportation services	Thailand	100%	100%
Held by the Subsidiary of the Company				
A subsidiary held by WingSpan Services Company Limited				
- Tour Eurng Luang Company Limited	Tourism Business	Thailand	49%	49%

Thai Smile Airways Co., Ltd. received the Airline Operator License (AOL), Airline Operator Certificate (AOC) as well as Airline Designator Code from IATA on January 10, March 31 and April 1, 2014, respectively. So, Thai Smile Airways Co., Ltd. commenced its business operations on April 10, 2014.

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 translated 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.

These financial statements are prepared by the historical cost basis to measure the component of financial statements except for the other disclosures in the accounting policies.

Interim Financial Statements Preparation

The interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2014) Interim Financial Reporting. 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 No. 1 (revised 2014) Presentation of Financial Statements, which are effective on January 1, 2015 onwards, and discloses only significant supplementary information in the condensed notes to the interim financial statements.

The preparation of these interim financial statements is to provide additional information to that included in the latest financial statements for the year ended December 31, 2014. 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, 2014.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Accounting Policies applied in these interim financial statements are consistent with those applied in the financial statements for the year ended December 31, 2014 except that the Company has adopted all the new and revised TFRS that are effective for the fiscal years beginning on or after January 1, 2015. The adoption of these new and revised TFRS did not have any material effect on the accounting policies and operating result or financial position of the Company.

4. FINANCIAL REPORTING STANDARD BEING EFFECTIVE IN THE FUTURE

The Financial Reporting Standard which will be effective for the fiscal years beginning on or after January 1, 2016 :

TFRS No. 4 (Revised 2014) Insurance Contracts

For adopting of Financial Reporting Standard, the management of the Company has assessed that the above standard has no material impact to the consolidated and the separate financial statements.

5. IMPLEMENTING THE TRANSFORMATION PLAN

The 6 pronged strategy undertaken as part of the Transformation Plan during the second quarter of 2015 includes route rationalization through reduction of loss making routes; aircraft rationalization through grounding and selling of aircraft to reduce cost of maintenance; enhancing commercial capabilities through sales strategies and broadening sales channels; cost reduction and efficiency improvement through offering of an early retirement package and reduction of non-fuel cash cost; undertaking an internal reorganization to improve decision making process; management of the company's various business units and investments needs to be enhanced to increase effectiveness and value.

Liquidity management under the transformation plan for the second quarter 2015 complies with board approved guidelines which encompasses obtaining financing for 2 B777-300ER aircraft under financial lease terms. Delivery was taken of the first aircraft on June 22, 2015 while final preparations are being made in regarding to financing for the second aircraft which is to be delivered in September 2015. The financing obtained from the Ministry of Finance through the European Commercial Paper (ECP) program was part of the company's debt program (second revision) approved by the Cabinet on March 17, 2015. The draw down is in 3 tranches of USD 50 million each for a duration of 180 days. To date, the first tranche of USD 50 million has been drawn down while the second and the third tranches will be obtained in July and August, respectively. Funds from the facility will be used to retire all outstanding debt on the Company's 6 A340-600 aircraft in preparation for sales. On April 30, 2015, the Company issued THB 7,000 million in long-term bonds (1/2558) and on June 24, 2015, another THB 6,000 million was raised through a Bill of Exchange issuance. As part of the Company's 2015 funding plan, the Company is preparing to issue another THB 8,000 million in long-term debentures based on existing market terms and conditions as planned. Moreover, The commercial banks in Thailand also approved the extension of the Company's committed revolving credit line. Based on the conservative preparation of cash flow forecast for the year 2015, the Company's cash on hand is sufficient to ensure continuity of business operations. The 0.91 times liquidity ratio (not including unearned revenue) is sufficiently strong. Interest bearing debt to equity ratio as of June 30, 2015 was 6.45 times.

6. POTENTIAL IMPACT FROM THE THAI DEPARTMENT OF CIVIL AVIATION (DCA) NOT PASSING ICAO'S SAFETY STANDARDS

The Company has developed a plan to mitigate any potential impact from the potential action to be taken by ICAO against the Thai DCA. Internally, a war room has been established to closely monitor the progress of every aspect in relation to ICAO's safety requirements, provide awareness and understanding to those relevant persons whose actions and activities relate to the safety requirements and inspections to be made and extending to rigorous self-inspection of aircraft and maintenance. Externally, the AOC Evaluation plan was launched whereby authorities from the Thai DCA along with personnel from internationally recognized safety organization to undertake inspection of the Company's operations. The Company's safety benchmark reflects that of international safety standards.

The biggest impact to The Company's operations so far from the various countries for which the Company currently serves is Japan whereby the impact has been limited to charter flights operated by the Company where no new cities can be added. The impact to the Company in this respect is minimal.

On June 18, 2015, the International Civil Aviation Organization (ICAO) announced on their public website findings of Serious Safety Concern (SSC) regarding their audit of the Thai Department of Civil Aviation (DCA) which did not bear impact on the Company's operations. The Company's services to the European continent is unlikely to be impacted as there was no mention of Thailand in the EU Air Safety Committee website update on June 25, 2015.

7. SUPPLEMENTARY INFORMATION

7.1 Cash and Cash Equivalents

	<u>Consolidated Financial Statements</u>		<u>Unit : Million Baht</u> <u>Separate Financial Statements</u>	
	<u>Jun 30, 2015</u>	<u>Dec 31, 2014</u>	<u>Jun 30, 2015</u>	<u>Dec 31, 2014</u>
	Cash - Domestic	18.11	10.96	18.11
Cash - Abroad	30.91	14.51	30.91	14.51
Cash at Banks - Domestic	9,780.19	11,982.90	8,789.24	11,242.05
Cash at Banks - Abroad	<u>12,696.04</u>	<u>11,338.18</u>	<u>12,696.04</u>	<u>11,338.18</u>
Total	<u>22,525.25</u>	<u>23,346.55</u>	<u>21,534.30</u>	<u>22,605.70</u>

7.2 Trade Receivables aging analysis is as follows:

	<u>Consolidated Financial Statements</u>		<u>Unit : Million Baht</u> <u>Separate Financial Statements</u>	
	<u>Jun 30, 2015</u>	<u>Dec 31, 2014</u>	<u>Jun 30, 2015</u>	<u>Dec 31, 2014</u>
	Accounts Receivable Aging :			
Not over 6 months	11,492.95	12,425.82	11,088.44	12,156.81
Over 6 months to 1 year	173.98	334.55	173.90	328.69
Over 1 year to 2 years	251.85	252.65	250.08	252.65
Over 2 years	<u>946.55</u>	<u>849.27</u>	<u>915.89</u>	<u>823.23</u>
	12,865.33	13,862.29	12,428.31	13,561.38
<u>Less Allowance for doubtful accounts</u>	<u>(1,170.50)</u>	<u>(1,169.13)</u>	<u>(1,140.97)</u>	<u>(1,139.93)</u>
Trade receivables - net	<u>11,694.83</u>	<u>12,693.16</u>	<u>11,287.34</u>	<u>12,421.45</u>

7.3 Other Current Assets

	<u>Consolidated Financial Statements</u>		<u>Unit : Million Baht</u>	
			<u>Separate Financial Statements</u>	
	<u>Jun 30, 2015</u>	<u>Dec 31, 2014</u>	<u>Jun 30, 2015</u>	<u>Dec 31, 2014</u>
Tax refund	238.15	390.99	238.15	390.99
Cash and cash at bank of pension fund	4,918.82	4,883.18	4,918.82	4,883.18
Others	<u>4,118.15</u>	<u>2,657.66</u>	<u>9,755.49</u>	<u>5,844.01</u>
Total	<u>9,275.12</u>	<u>7,931.83</u>	<u>14,912.46</u>	<u>11,118.18</u>

7.4 Non-current assets classified as held for sale Separate financial statements

As at January 1, 2015, Non-current assets classified as held for sale composed of 8 A300-600, 4 A340-500, 4 B737-400, 1 B747-400, 2 ATR 72 and 3 A330-300 aircraft, totaling of 22 aircraft in an aggregate of THB 4,791.04 million. As well as other fixed assets, amount of THB 34.59 million, which made a grand total of THB 4,825.63 million. During the six-month period ended June 30, 2015, the non-current assets classified as held for sale increased by THB 9,390.03 million which consisting of 5 A330-300, 6 A340-600 and 2 B747-400, totaling of 13 aircraft as well as by THB 60.81 million from other fixed assets, the total increase in this period is THB 9,450.84 million. Therefore, the Company has a total of 35 aircraft as held for sale, amount of THB 14,181.07 million and already transferred the two title of aircraft, 1 A300-600 and 1 B747-400 aircraft, amount of THB 336.17 million to the buyer. As at June 30, 2015, there are the remaining of 33 aircraft as held for sale amount of THB 13,844.90 million as well as other fixed assets amount of THB 95.40 million, which made a grand total of Non-current assets classified as held for sale amount of THB 13,940.30 million .

As at June 30, 2015, non-current assets classified as held for sale composed of 7 A300-600, 4 A340-500, 6 A340-600, 4 B737-400, 2 B747-400, 2 ATR72, and 8 A330-300 aircraft, totaling of 33 aircraft in an aggregate of THB 13,844.90 million, as well as other fixed assets amount of THB 95.40 million, which made a grand total of THB 13,940.30 million.

7.5 Investments

Consolidated Financial Statements

Unit : Million Baht

Name of Company	Percentage of Shareholding		Investments				Income on Investments	
	Jun 30, 2015	Dec 31, 2014	Cost Method		Equity Method		Jun 30, 2015	Jun 30, 2014
			Jun 30, 2015	Dec 31, 2014	Jun 30, 2015	Dec 31, 2014		
7.5.1 Investments in associated companies recorded by equity method								
Royal Orchid Hotel (Thailand) Public Company Limited (Fair value as at June 30, 2015 amount of THB 585.00 million and as at December 31, 2014 amount of THB 544.50 million)	24.00	24.00	225.00	225.00	242.55	231.06	11.49	(21.59)
Donmuang International Airport Hotel Company Limited	40.00	40.00	48.00	48.00	105.16	115.08	11.68	11.70
Bangkok Aviation Fuel Services Public Company Limited (Fair value as at June 30, 2015 amount of THB 2,966.05 million and as at December 31, 2014 amount of THB 3,599.58 million)	22.59	22.59	115.19	115.19	963.25	920.66	108.24	92.42
Phuket Air Catering Company Limited	30.00	30.00	30.00	30.00	303.66	292.05	34.12	50.94
Suvarnabhumi Airport Hotel Company Limited	30.00	30.00	305.33	305.33	159.59	155.15	4.44	23.20
Nok Airlines Public Company Limited (Fair value as at June 30, 2015 amount of THB 2,437.75 million and as at December 31, 2014 amount of THB 3,209.50 million)	39.20	39.20	360.00	360.00	<u>3,058.83</u>	<u>3,057.14</u>	<u>1.69</u>	<u>(46.39)</u>
Total investments recorded by equity method					<u>4,833.04</u>	<u>4,771.14</u>	<u>171.66</u>	<u>110.28</u>
7.5.2 Other long-term investments recorded by cost method								
Fuel Pipeline Transportation Limited	0.00026	0.00026	0.00067	0.00067			0.0001	0.0001
Aeronautical Radio of Thailand Limited	1.42	1.42	9.37	9.37			-	-
SITA Investment Certificate	-	-	36.95	36.06			-	-
Trade Siam Company Limited (paid 25% of authorized share capital)	3.50	3.50	1.75	1.75			0.33	0.33
SITA Information Networking Computing	-	-	30.75	30.00			-	-
Other Shares	-	-	2.70	2.76			0.24	0.25
Investment in Debentures	-	-	-	-			-	-
Investment in Vayupak Fund	-	-	<u>1.00</u>	<u>1.00</u>			<u>-</u>	<u>-</u>
Total other long-term investments			<u>82.52</u>	<u>80.94</u>			<u>0.57</u>	<u>0.58</u>

Separate Financial Statements

Unit : Million Baht

Name of Company	Percentage of Shareholding		Investments		Dividend Income	
			Cost Method			
	Jun 30, 2015	Dec 31, 2014	Jun 30, 2015	Dec 31, 2014	Jun 30, 2015	Jun 30, 2014
7.5.1 Investments recorded by cost method						
Subsidiary Companies						
Thai-Amadeus Southeast Asia Company Limited	55.00	55.00	8.25	8.25	38.77	57.75
Wing Span Services Company Limited	49.00	49.00	0.98	0.98	-	0.06
Thai Flight Training Company Limited	49.00	49.00	0.98	0.98	-	-
Thai Smile Airways Company Limited	100.00	100.00	800.00	800.00	-	-
Total			810.21	810.21	38.77	57.81
Associated Companies						
Royal Orchid Hotel (Thailand) Public Company Limited (Fair value as at June 30, 2015 amount of THB 585.00 million and as at December 31, 2014 amount of THB 544.50 million)	24.00	24.00	225.00	225.00	-	13.50
Donmuang International Airport Hotel Company Limited	40.00	40.00	48.00	48.00	21.60	12.00
Bangkok Aviation Fuel Services Public Company Limited (Fair value as at June 30, 2015 amount of THB 2,966.05 million and as at December 31, 2014 amount of THB 3,599.58 million)	22.59	22.59	115.19	115.19	65.66	80.63
Phuket Air Catering Company Limited	30.00	30.00	30.00	30.00	22.50	22.50
Suvarnabhumi Airport Hotel Company Limited	30.00	30.00	305.33	305.33	-	-
Nok Airlines Public Company Limited (Fair value as at June 30, 2015 amount of THB 2,437.75 million and as at December 31, 2014 amount of THB 3,209.50 million)	39.20	39.20	360.00	360.00	-	120.05
Total			1,083.52	1,083.52	109.76	248.68
Total investments recorded by cost method			1,893.73	1,893.73	148.53	306.49
7.5.2 Other long-term investments recorded by cost method						
Fuel Pipeline Transportation Limited	0.00026	0.00026	0.00067	0.00067	0.0001	0.0001
Aeronautical Radio of Thailand Limited	1.42	1.42	9.37	9.37	-	-
SITA Investment Certificate	-	-	36.95	36.06	-	-
TRADESIAM Company Limited (paid 25% of authorized share capital)	3.50	3.50	1.75	1.75	0.33	0.33
SITA Information Networking Computing	-	-	30.75	30.00	-	-
Other Shares	-	-	2.70	2.76	0.24	0.25
Investment in Vayupak Fund	-	-	1.00	1.00	-	-
Total other long-term investments			82.52	80.94	0.57	0.58

7.5.3 Financial Information Summary of Subsidiaries

Unit : Million Baht

Name of Company	Assets	Liabilities	Income	Gains (Losses)
Subsidiary Companies				
Thai-Amadeus Southeast Asia Company Limited	221.25	87.61	133.49	27.97
WingSpan Services Company Limited	556.54	380.38	474.99	22.45
Thai Flight Training Company Limited	16.18	4.62	14.99	5.29
Tour Eurng Luang Company Limited	5.50	2.83	0.72	(0.04)
Thai Smile Airways Company Limited	5,815.99	6,428.88	2,128.27	(832.30)

The Company used the financial statements of subsidiary and associated companies, some of which are unreviewed by the CPA, as at June 30, 2015 to record the investment by equity method in the consolidated financial statement and by cost method in the separate financial statement.

7.6 Significant Transactions with Related Parties

7.6.1 Related Transactions with Major Shareholders

7.6.1.1 Short-term borrowings from related parties

Unit : Million Baht

	Jun 30, 2015	Dec 31, 2014
Foreign borrowings via the Ministry of Finance	1,696.33	-
Government Saving Bank	7,000.00	7,000.00
Islamic Bank of Thailand	-	<u>3,000.00</u>
Total	<u>8,696.33</u>	<u>10,000.00</u>

7.6.1.2 Long-term borrowings from related parties

Unit : Million Baht

	Jun 30, 2015	Dec 31, 2014
Foreign borrowings via the Ministry of Finance	14,614.28	15,471.25
Government Saving Bank	<u>282.00</u>	<u>568.00</u>
Total	<u>14,896.28</u>	<u>16,039.25</u>

7.6.2 Related Transactions with Subsidiary Companies

7.6.2.1 Loans to Subsidiary

Unit : Million Baht

	Jun 30, 2015	Dec 31, 2014
WingSpan Services Company Limited	<u>20.00</u>	<u>20.00</u>
Total	<u>20.00</u>	<u>20.00</u>

7.6.2.2 Sales and Purchases

Unit : Million Baht

	Three-month period				Six-month period			
	Apr – Jun 2015		Apr – Jun 2014		Jan – Jun 2015		Jan – Jun 2014	
	Sales	Purchase	Sales	Purchase	Sales	Purchase	Sales	Purchase
Thai-Amadeus Southeast Asia Company Limited	0.41	-	0.61	0.03	0.85	-	1.28	0.03
WingSpan Services Company Limited	1.76	259.46	1.15	186.43	2.61	425.45	4.04	439.48
Thai Flight Training Company Limited	2.02	-	6.33	0.09	4.10	-	13.03	0.09
Tour Eurng Luang Company Limited	3.37	0.03	9.63	7.04	21.84	0.03	27.99	15.28
Thai Smile Airways Company Limited	1,442.46	8.57	641.81	962.10	2,654.09	15.67	641.81	962.10

7.6.2.3 Account Receivables and Account Payables

Unit : Million Baht

	Jun 30, 2015		Dec 31, 2014	
	Account Receivables	Account Payables	Account Receivables	Account Payables
Thai-Amadeus Southeast Asia Company Limited	0.14	0.16	0.14	0.16
WingSpan Services Company Limited	228.72	989.98	320.59	412.10
Thai Flight Training Company Limited	1.92	-	4.46	-
Tour Eurng Luang Company Limited	2.00	-	9.56	-
Thai Smile Airways Company Limited	5,280.80	2,564.73	2,825.91	2,549.06

Related account receivables and account payables of WingSpan Service Co., Ltd. have included prepaid and accrued expenses amount of THB 227.37 million and THB 359.35 million.

Related account receivables and account payables of Thai Smile Airways Co., Ltd. have included accrued income amount of THB 115.41 million and total amount of accrued expenses.

7.6.2.4 Aircraft Lease Between Related Parties

The Company signed A320-200 aircraft sublease agreements with Thai Smile Airways Co., Ltd. for a period of 3 years for which such contracts can be extended for another 3 years. As at June 30, 2015, a total of such aircraft are 13 aircraft consisting of 10 of the A320-200 aircraft which were back to back operating leases while 3 were aircraft for which the Company acquired under finance lease and were quarterly subleased to Thai Smile.

7.6.3 Related Transactions with Associated Companies

7.6.3.1 Sales and Purchases

Unit : Million Baht

	Three-month period				Six-month period			
	Apr – Jun 2015		Apr – Jun 2014		Jan – Jun 2015		Jan – Jun 2014	
	Sales	Purchase	Sales	Purchase	Sales	Purchase	Sales	Purchase
Royal Orchid Hotel (Thailand) Public Company Limited	-	0.35	-	0.96	-	0.69	-	1.74
Donmuang International Airport Hotel Company Limited	-	-	-	-	-	0.05	-	0.01
Bangkok Aviation Fuel Services Public Company Limited	0.01	80.40	0.01	47.17	0.01	156.64	0.01	131.11
Phuket Air Catering Company Limited	0.53	4.98	0.36	6.59	1.05	13.66	0.71	15.33
Suvarnabhumi Airport Hotel Company Limited	-	7.27	-	6.03	-	12.24	-	9.83
Nok Airlines Public Company Limited	39.05	0.02	13.37	3.76	76.88	0.11	33.40	7.88

7.6.3.2 Account Receivables and Account Payables

Unit : Million Baht

	Jun 30, 2015		Dec 31, 2014	
	Account Receivables	Account Payables	Account Receivables	Account Payables
Royal Orchid Hotel (Thailand) Public Company Limited	-	0.03	-	0.01
Donmuang International Airport Hotel Company Limited	-	-	-	-
Bangkok Aviation Fuel Services Public Company Limited	-	21.58	-	30.96
Phuket Air Catering Company Limited	0.003	0.40	0.004	0.07
Suvarnabhumi Airport Hotel Company Limited	-	0.47	-	0.43
Nok Airlines Public Company Limited	82.56	0.01	46.56	0.08

The Company's pricing policy is to purchases goods and services at market price from related parties on normal commercial term as unrelated parties.

7.6.4 Key Executives Separate financial statements

Unit : Million Baht

	Three-month period		Six-month period	
	Apr – Jun 2015	Apr – Jun 2014	Jan – Jun 2015	Jan – Jun 2014
Remuneration for Management Executives	18.82	14.79	38.30	31.19
Remuneration for Board of Directors	4.34	3.96	8.57	7.55
Total	<u>23.16</u>	<u>18.75</u>	<u>46.87</u>	<u>38.74</u>

The Company's Executives are the same criteria as Note No. 7.15, employee benefits expenses.

7.7 Property, Plant and Equipment

Consolidated Financial Statements As at June 30, 2015

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
Cost											
As at January 1, 2015	12,367.65	136,691.33	188,545.91	36,754.25	1,273.70	936.30	2,514.52	10,791.51	4,801.44	31,143.56	425,820.17
- Adjust/Transfers	(6,019.46)	(21,768.56)	(27,631.64)	834.93	-	-	-	-	0.23	105.31	(54,479.19)
- Additions	1,086.82	42.47	8,199.21	226.22	(813.42)	-	-	-	13.34	869.70	9,624.34
- Disposals/Amortized	-	(44.30)	(157.57)	(786.96)	-	-	-	-	(1.99)	(247.08)	(1,237.90)
As at June 30, 2015	7,435.01	114,920.94	168,955.91	37,028.44	460.28	936.30	2,514.52	10,791.51	4,813.02	31,871.49	379,727.42
Accumulated depreciation											
As at January 1, 2015	-	85,369.19	53,935.09	23,563.13	-	-	2,410.50	5,784.11	4,398.91	26,337.79	201,798.72
- Depreciation	-	3,073.02	4,507.63	961.17	-	-	19.95	114.13	78.88	730.63	9,485.41
- Adjust/Transfers	-	(16,628.36)	(16,334.19)	(264.96)	-	-	-	-	0.23	105.53	(33,121.75)
- Disposals/Amortized	-	(44.30)	(157.57)	(321.98)	-	-	-	-	(1.77)	(245.25)	(770.87)
As at June 30, 2015	-	71,769.55	41,950.96	23,937.36	-	-	2,430.45	5,898.24	4,476.25	26,928.70	177,391.51
Net book value											
As at December 31, 2014	12,367.65	51,322.14	134,610.82	13,191.12	1,273.70	936.30	104.02	5,007.40	402.53	4,805.77	224,021.45
As at June 30, 2015	7,435.01	43,151.39	127,004.95	13,091.08	460.28	936.30	84.07	4,893.27	336.77	4,942.79	202,335.91

Consolidated Financial Statements
As at June 30, 2014

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
Cost											
As at January 1, 2014	17,986.26	157,455.89	169,334.64	34,878.89	1,112.72	935.74	2,513.10	10,791.51	4,663.51	30,657.47	430,329.73
- Adjust/Transfers	(2,786.94)	(11,521.76)	2,209.83	319.32	-	0.56	1.42	-	63.96	48.80	(11,664.81)
- Additions	2,515.75	456.78	3,419.23	953.11	87.26	-	-	-	38.42	665.35	8,135.90
- Disposals/Amortized	-	(404.31)	-	(215.94)	-	-	-	-	(87.37)	(578.00)	(1,285.62)
As at June 30, 2014	17,715.07	145,986.60	174,963.70	35,935.38	1,199.98	936.30	2,514.52	10,791.51	4,678.52	30,793.62	425,515.20
Accumulated Depreciation											
As at January 1, 2014	-	93,365.17	45,243.35	22,375.17	-	-	2,368.20	5,553.95	4,270.26	25,704.90	198,881.00
- Depreciation	-	3,880.13	4,292.41	1,012.31	-	-	20.59	114.13	71.99	666.97	10,058.53
- Adjust/Transfers	-	(8,696.31)	-	(79.61)	-	-	1.42	-	63.81	50.05	(8,660.64)
- Disposals/Amortized	-	(390.16)	-	(199.11)	-	-	-	-	(87.22)	(556.45)	(1,232.94)
As at June 30, 2014	-	88,158.83	49,535.76	23,108.76	-	-	2,390.21	5,668.08	4,318.84	25,865.47	199,045.95
Net book value											
As at December 31, 2013	17,986.26	64,090.72	124,091.29	12,503.72	1,112.72	935.74	144.90	5,237.56	393.25	4,952.57	231,448.73
As at June 30, 2014	17,715.07	57,827.77	125,427.94	12,826.62	1,199.98	936.30	124.31	5,123.43	359.68	4,928.15	226,469.25

**Separate Financial Statements
As at June 30, 2015**

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
Cost											
As at January 1, 2015	12,367.65	136,691.33	188,545.91	36,754.25	1,273.70	936.30	2,514.52	10,791.51	4,801.44	31,045.29	425,721.90
- Adjust/Transfers	(6,019.46)	(21,768.56)	(27,631.64)	834.93	-	-	-	-	0.23	105.31	(54,479.19)
- Additions	1,086.82	42.47	8,199.21	226.22	(813.42)	-	-	-	13.34	868.55	9,623.19
- Disposals/Amortized	-	(44.30)	(157.57)	(786.96)	-	-	-	-	(1.99)	(245.65)	(1,236.47)
As at June 30, 2015	7,435.01	114,920.94	168,955.91	37,028.44	460.28	936.30	2,514.52	10,791.51	4,813.02	31,773.50	379,629.43
Accumulated Depreciation											
As at January 1, 2015	-	85,369.19	53,935.09	23,563.13	-	-	2,410.50	5,784.11	4,398.91	26,247.28	201,708.21
- Depreciation	-	3,073.02	4,507.63	961.17	-	-	19.95	114.13	78.88	729.19	9,483.97
- Adjust/Transfers	-	(16,628.36)	(16,334.19)	(264.96)	-	-	-	-	0.23	105.53	(33,121.75)
- Disposals/Amortized	-	(44.30)	(157.57)	(321.98)	-	-	-	-	(1.77)	(245.25)	(770.87)
As at June 30, 2015	-	71,769.55	41,950.96	23,937.36	-	-	2,430.45	5,898.24	4,476.25	26,836.75	177,299.56
Net book value											
As at December 31, 2014	12,367.65	51,322.14	134,610.82	13,191.12	1,273.70	936.30	104.02	5,007.40	402.53	4,798.01	224,013.69
As at June 30, 2015	7,435.01	43,151.39	127,004.95	13,091.08	460.28	936.30	84.07	4,893.27	336.77	4,936.75	202,329.87

**Separate Financial Statements
As at June 30, 2014**

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
Cost											
As at January 1, 2014	17,986.26	157,455.89	169,334.64	34,878.89	1,112.72	935.74	2,513.10	10,791.51	4,663.51	30,467.53	430,139.79
- Adjust/Transfers	(2,786.94)	(11,521.76)	2,209.83	319.32	-	0.56	1.42	-	63.96	48.80	(11,664.81)
- Additions	2,515.75	456.78	3,419.23	953.11	87.26	-	-	-	38.42	664.41	8,134.96
- Disposals/Amortized	-	(404.31)	-	(215.94)	-	-	-	-	(87.37)	(493.58)	(1,201.20)
As at June 30, 2014	17,715.07	145,986.60	174,963.70	35,935.38	1,199.98	936.30	2,514.52	10,791.51	4,678.52	30,687.16	425,408.74
Accumulated depreciation											
As at January 1, 2014	-	93,365.17	45,243.35	22,375.17	-	-	2,368.20	5,553.95	4,270.26	25,522.88	198,698.98
- Depreciation	-	3,880.13	4,292.41	1,012.31	-	-	20.59	114.13	71.99	665.42	10,056.98
- Adjust/Transfers	-	(8,696.31)	-	(79.61)	-	-	1.42	-	63.81	50.05	(8,660.64)
- Disposals/Amortized	-	(390.16)	-	(199.11)	-	-	-	-	(87.22)	(472.03)	(1,148.52)
As at June 30, 2014	-	88,158.83	49,535.76	23,108.76	-	-	2,390.21	5,668.08	4,318.84	25,766.32	198,946.80
Net book value											
As at December 31, 2013	17,986.26	64,090.72	124,091.29	12,503.72	1,112.72	935.74	144.90	5,237.56	393.25	4,944.65	231,440.81
As at June 30, 2014	17,715.07	57,827.77	125,427.94	12,826.62	1,199.98	936.30	124.31	5,123.43	359.68	4,920.84	226,461.94

In this period, there are 94 aircraft represented in the Company's fleet consisting of 27 own aircraft, 35 aircraft under finance leases, and 32 aircraft under operating leases which excluded 33 aircraft for sales with a carrying amount of THB 13,844.90 million.

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 56,764.50 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 Airport with a lease term of 30 years starting from September 28, 2006 to September 29, 2036 and at Donmuang Airport 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. On August 10, 2012, the Company has issued the letter of intent to Airports of Thailand Public Company Limited for such leasehold buildings at Donmuang Airport with a lease term of 3 years starting from September 28, 2012 to September 27, 2015, and the proposal is under the negotiation. In this regard, Airports of Thailand Public Company Limited has collected aforementioned rental at the same rate of previous agreement.

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.

At present, the official appraisal value of the Company's domestic land is THB 4,216.29 million consisting of land in Bangkok amount of THB 3,981.09 million and land in provinces amount of THB 235.20 million.

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

7.8 Intangible Assets

	Unit : Million Baht	
	Consolidated Financial Statements	Separate Financial Statements
Cost		
As at January 1, 2015	3,323.80	3,285.25
- Additions	30.69	38.93
As at June 30, 2015	3,354.49	3,324.18
Accumulated amortization		
As at January 1, 2015	2,060.76	2,052.18
- Amortization	226.60	225.49
As at June 30, 2015	2,287.36	2,277.67
Net book value		
As at December 31, 2014	1,263.04	1,233.07
As at June 30, 2015	1,067.13	1,046.51

7.9 Deferred Tax Assets , Deferred Tax Liabilities

7.9.1 Deferred tax assets arising from the temporary differences between the book values and tax base of assets and liabilities in the statements of financial position are as follows:

	Unit : Million Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	<u>Jun 30, 2015</u>	<u>Dec 31, 2014</u>	<u>Jun 30, 2015</u>	<u>Dec 31, 2014</u>
Contribution to staff provident fund	68.13	68.90	68.13	68.90
Contribution to staff pension fund	423.36	431.03	423.36	431.03
Allowance for obsolete inventories	654.36	594.77	654.36	594.77
Allowance for doubtful accounts	278.10	329.56	273.85	325.31
Allowance for impairment in value of assets	4,519.22	2,561.08	4,519.22	2,561.08
Estimated accrual expenses	726.63	659.48	726.14	658.99
Intangible assets	49.41	60.59	49.41	60.59
Employee benefits obligation	2,399.16	2,301.78	2,386.28	2,291.27
Effective portion of changes in fair value of cash flow hedges	293.30	-	293.30	-
Others	<u>1.62</u>	<u>1.62</u>	<u>-</u>	<u>-</u>
Total	<u>9,413.29</u>	<u>7,008.81</u>	<u>9,394.05</u>	<u>6,991.94</u>

7.9.2 Deferred Tax Liabilities

	Unit : Million Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	<u>Jun 30, 2015</u>	<u>Dec 31, 2014</u>	<u>Jun 30, 2015</u>	<u>Dec 31, 2014</u>
Intangible assets	138.84	127.93	138.84	127.93

Tax rates used for measuring asset value and deferred tax income are 20%.

7.10 Other Non-Current Assets

	Unit : Million Baht			
	<u>Consolidated</u>		<u>Separate</u>	
	<u>Financial Statements</u>		<u>Financial Statements</u>	
	<u>Jun 30, 2015</u>	<u>Dec 31, 2014</u>	<u>Jun 30, 2015</u>	<u>Dec 31, 2014</u>
Deferred charges	5,363.46	5,108.29	5,363.46	5,108.29
Others	<u>618.71</u>	<u>728.65</u>	<u>613.80</u>	<u>722.94</u>
Total	<u>5,982.17</u>	<u>5,836.94</u>	<u>5,977.26</u>	<u>5,831.23</u>

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

7.11 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 statements of financial position. Interest and expenses arising from fund operations are recognized as income and expenses of the Company. The details are as follows:

	Unit : Million Baht	
	<u>Jun 30, 2015</u>	<u>Dec 31, 2014</u>
Current assets	4,918.82	4,883.18
Others	<u>110.41</u>	<u>73.87</u>
Total	<u>5,029.23</u>	<u>4,957.05</u>
Other current liabilities	244.67	193.90
Pension fund	<u>4,784.56</u>	<u>4,763.15</u>
Total	<u>5,029.23</u>	<u>4,957.05</u>

As at June 30, 2015, the fund balance was THB 4,784.56 million and was 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 19.92 million, which came from contributions at a rate equivalent to 10% of employee salaries in the amount of THB 102.83 million less the amount to match the Company's obligation of THB 82.91 million.)

7.12 Employee Benefit Obligations

	<u>Consolidated</u>		Unit : Million Baht	
	<u>Financial Statements</u>		<u>Separate</u>	
	<u>Jun 30, 2015</u>	<u>Dec 31, 2014</u>	<u>Jun 30, 2015</u>	<u>Dec 31, 2014</u>
Beginning balance - Employee benefit obligations	11,508.91	10,545.97	11,456.35	10,511.75
Current service cost	250.86	498.87	239.97	481.54
Interest cost	236.04	451.03	235.06	450.02
Benefits paid	-	13.04	-	13.04
Ending Balance - Employee Benefit Obligations	<u>11,995.81</u>	<u>11,508.91</u>	<u>11,931.38</u>	<u>11,456.35</u>

7.13 Share Capital

As at June 30, 2015, 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.

7.14 Other Income - Others

	Unit : Million Baht			
	<u>Consolidated Financial Statements</u>			
	<u>Three-month Period</u>		<u>Six-month Period</u>	
	<u>Apr-Jun, 2015</u>	<u>Apr-Jun, 2014</u>	<u>Jan-Jun, 2015</u>	<u>Jan-Jun, 2014</u>
Gains on sales of assets	46.64	5.32	48.72	8.95
Revenue from other services of Aircraft Maintenance Department	124.40	179.42	273.17	373.58
Other fine revenues	17.46	24.83	37.51	53.28
Insurance compensation from the flood disaster	-	23.10	-	57.25
Revenue from Royal Orchid Lounge service	27.49	23.09	56.81	43.66
Others	227.83	341.28	378.74	437.49
Total	443.82	597.04	794.95	974.21

	Unit : Million Baht			
	<u>Separate Financial Statements</u>			
	<u>Three-month Period</u>		<u>Six-month Period</u>	
	<u>Apr-Jun, 2015</u>	<u>Apr-Jun, 2014</u>	<u>Jan-Jun, 2015</u>	<u>Jan-Jun, 2014</u>
Gains on sales of assets	46.64	5.32	48.72	8.95
Dividends from associated and subsidiary companies	148.53	186.44	148.53	306.49
Revenue from other services of Aircraft Maintenance Department	124.40	179.42	273.17	373.58
Other fine revenues	17.46	24.83	37.51	53.28
Insurance compensation from the flood disaster	-	23.10	-	57.25
Revenue from Royal Orchid Lounge service	27.49	23.09	56.81	43.66
Revenue from service to Thai Smile Airways passenger	49.88	30.18	103.67	30.18
Others	218.05	316.86	380.14	413.18
Total	632.45	789.24	1,048.55	1,286.58

7.15 Employee Benefit Expenses

Unit : Million Baht

	Consolidated Financial Statements			
	Three-month Period		Six-month Period	
	Apr-Jun, 2015	Apr-Jun, 2014	Jan-Jun, 2015	Jan-Jun, 2014
Personnel expenses	7,322.24	7,508.58	14,556.06	14,924.90
Employee benefits	243.78	237.53	486.90	475.06
Executive remuneration	19.54	16.82	40.20	34.16
Board of Directors remuneration	5.28	5.01	10.00	9.24
Total	7,590.84	7,767.94	15,093.16	15,443.36

Unit : Million Baht

	Separate Financial Statements			
	Three-month Period		Six-month Period	
	Apr-Jun, 2015	Apr-Jun, 2014	Jan-Jun, 2015	Jan-Jun, 2014
Personnel expenses	7,259.61	7,441.96	14,441.67	14,873.66
Employee benefits	237.51	232.89	475.02	465.77
Executive remuneration	18.82	14.79	38.30	31.19
Board of Directors remuneration	4.34	3.96	8.57	7.55
Total	7,520.28	7,693.60	14,963.56	15,378.17

Managements refer to the Company's Board of Directors, Chief Executives, persons in the next four executive levels below the chief executives, and in similar position, including accounting or finance department managers or above according to Securities and Exchange Mandate.

Moreover, the Directors of the Company obtain the ticket benefits. For the period as at June 30, 2015 and 2014, they issued the tickets for themselves and their related parties amount of 0 and 153 tickets with the value of THB 0 and THB 13.41 million, respectively, calculating from the full fare tickets in those traveling classes.

7.16 Termination benefit – Mutual Separation Plan and Golden Handshake

According to the Board of Director meeting No. 6/2558 held on June 15, 2015 approved the Mutual Separation Plan and Golden Handshake. There are 1,401 employees have been authorized to join the plan in 4 periods of time, which are July 1, 2015, October 1, 2015, December 1, 2015 and March 1, 2016. The Company has to pay the benefit according such plans amount of THB 857.13 million, 1,111.56 million, 1,187.03 million and 566.06 million, respectively, in an aggregate of THB 3,721.78 million.

7.17 Impairment Loss of Aircraft Separate Financial Statements

In the six-month period ended June 30, 2015, the Company has phased out 13 aircraft from the fleet and are under the selling process (Notes 7.4), when comparing the net book value with the fair value less cost to sell, it appears that the fair value less cost to sell is lower than the net book value of 5 A330-300, 6 A340-600 and 2 B747-400 amount of THB 12,116.75 million. Therefore, the Company recognized the mentioned amount impairment loss of such aircraft in the statements of comprehensive income in this period.

7.18 Other Expenses

Unit : Million Baht

	Consolidated Financial Statements			
	Three-month Period		Six-month Period	
	Apr-Jun, 2015	Apr-Jun, 2014	Jan-Jun, 2015	Jan-Jun, 2014
Rentals and utilities	688.61	707.09	1,328.71	1,427.15
Office supplies	46.98	55.36	75.16	97.09
Repair of building and equipment	132.38	179.05	251.88	333.04
Outsource services	365.02	321.58	751.47	636.77
Consultant and service fees	118.37	165.99	296.00	329.94
Legal fee for Antitrust/ Competition Law	4.21	23.44	9.17	40.71
Computer service expenses	182.30	107.55	328.05	182.59
Rental of communication devices and office equipment	39.53	91.89	103.99	201.74
Travelling and transportation expenses	122.75	146.90	249.10	296.50
Concession fees	88.26	103.04	194.43	208.86
Passenger claim expenses	63.02	56.23	125.27	106.74
Damages from flood disaster	-	23.10	-	57.25
Provision for disposal and unused spare parts	146.29	200.26	283.46	373.61
Service cargo expenses	26.24	34.30	56.20	73.11
Joint venture expenses in STAR Alliance	2.48	35.31	5.13	45.31
Company business and municipal taxes	47.64	62.25	83.62	103.93
Bad debts and provision for bad debts	7.34	79.81	(212.17)	105.22
Service fee for IT HOSTING system	21.77	13.63	37.95	14.00
Fine and interest expenses	69.92	0.15	70.09	0.62
Others	(14.30)	212.88	218.12	307.85
Total	2,158.81	2,619.81	4,255.63	4,942.03

Unit : Million Baht

	Separate Financial Statements			
	Three-month Period		Six-month Period	
	Apr-Jun, 2015	Apr-Jun, 2014	Jan-Jun, 2015	Jan-Jun, 2014
Rentals and utilities	688.61	707.09	1,328.71	1,427.15
Office supplies	46.98	55.36	75.16	97.09
Repair of building and equipment	132.38	179.05	251.88	333.04
Outsource services	365.02	321.58	751.47	636.77
Consultant and service fees	118.37	165.99	296.00	329.94
Legal fee for Antitrust/ Competition Law	4.21	23.44	9.17	40.71
Computer service expenses	182.30	107.55	328.05	182.59
Rental of communication devices and office equipment	39.53	91.89	103.99	201.74
Travelling and transportation expenses	122.75	146.90	249.10	296.50
Concession fees	88.26	103.04	194.43	208.86
Passenger claim expenses	63.02	56.23	125.27	106.74
Damages from flood disaster	-	23.10	-	57.25
Provision for disposal and unused spare parts	146.29	200.26	283.46	373.61
Service cargo expenses	26.24	34.30	56.20	73.11
Joint venture expenses in STAR Alliance	2.48	35.31	5.13	45.31
Company business and municipal taxes	47.64	62.25	83.62	103.93
Bad debts and provision for bad debts	7.24	79.81	(212.61)	105.22
Service fee for IT HOSTING system	21.77	13.63	37.95	14.00
Fine and interest expenses	69.92	0.15	70.09	0.62
Others	(55.02)	184.25	98.93	250.80
Total	2,117.99	2,591.18	4,136.00	4,884.98

7.19 Income Tax Expense (Income)

Unit : Million Baht

	Consolidated Financial Statements			
	Three-month Period		Six-month Period	
	Apr-Jun, 2015	Apr-Jun, 2014	Jan-Jun, 2015	Jan-Jun, 2014
Tax expense (income) from taxable profit for the period	14.19	15.43	31.10	38.29
Add(less): deferred tax asset/ liability from temporary different increase/ decrease	200.31	(266.09)	(2,100.29)	(50.93)
Tax expenses (income)	214.50	(250.66)	(2,069.19)	(12.64)

Unit : Million Baht

	Separate Financial Statements			
	Three-month Period		Six-month Period	
	Apr-Jun, 2015	Apr-Jun, 2014	Jan-Jun, 2015	Jan-Jun, 2014
Tax expense (income) from taxable profit for the period	7.50	8.58	14.94	16.95
Add(less): deferred tax asset/ liability from temporary different increase/ decrease	201.55	(265.16)	(2,097.91)	(49.08)
Tax expenses (income)	209.05	(256.58)	(2,082.97)	(32.13)

7.20 Earnings (Loss) Per Share

Basic earnings (loss) per share is calculated by dividing profit or loss attributable to owners of the parent for the period by the weighted average number of ordinary shares outstanding during the periods.

Consolidated Financial Statements For the three-month period ended June 30, 2015

	<u>Loss</u>		<u>Number of Shares</u>		<u>Loss per Share</u>	
	<u>Jun 30, 2015</u>	<u>Jun 30, 2014</u>	<u>Jun 30, 2015</u>	<u>Jun 30, 2014</u>	<u>Jun 30, 2015</u>	<u>Jun 30, 2014</u>
	Million Baht	Million Baht	Million Share	Million Share	Baht	Baht
Basic Loss per Share						
Loss attributable to owners of the parent	(12,759.07)	(7,662.35)	2,182.77	2,182.77	(5.85)	(3.51)

Separate Financial Statements For the three-month period ended June 30, 2015

	<u>Loss</u>		<u>Number of Shares</u>		<u>Loss per Share</u>	
	<u>Jun 30, 2015</u>	<u>Jun 30, 2014</u>	<u>Jun 30, 2015</u>	<u>Jun 30, 2014</u>	<u>Jun 30, 2015</u>	<u>Jun 30, 2014</u>
	Million Baht	Million Baht	Million Share	Million Share	Baht	Baht
Basic Loss per Share						
Loss attributable to owners of the parent	(12,201.11)	(7,309.68)	2,182.77	2,182.77	(5.59)	(3.35)

Consolidated Financial Statements For the six-month period ended June 30, 2015

	<u>Loss</u>		<u>Number of Shares</u>		<u>Loss per Share</u>	
	<u>Jun 30, 2015</u>	<u>Jun 30, 2014</u>	<u>Jun 30, 2015</u>	<u>Jun 30, 2014</u>	<u>Jun 30, 2015</u>	<u>Jun 30, 2014</u>
	Million Baht	Million Baht	Million Share	Million Share	Baht	Baht
Basic Loss per Share						
Loss attributable to owners of the parent	(8,217.94)	(10,296.46)	2,182.77	2,182.77	(3.76)	(4.72)

Separate Financial Statements For the six-month period ended June 30, 2015

	<u>Loss</u>		<u>Number of Shares</u>		<u>Loss per Share</u>	
	<u>Jun 30, 2015</u>	<u>Jun 30, 2014</u>	<u>Jun 30, 2015</u>	<u>Jun 30, 2014</u>	<u>Jun 30, 2015</u>	<u>Jun 30, 2014</u>
	Million Baht	Million Baht	Million Share	Million Share	Baht	Baht
Basic Loss per Share						
Loss attributable to owners of the parent	(7,451.73)	(10,011.52)	2,182.77	2,182.77	(3.41)	(4.59)

7.21 Financial Information by Segment Consolidated financial statements

7.21.1 Business segments

Statements of Income For the three-month period ended June 30, 2015

	Unit : Million Baht							
	<u>Air Transportation</u>		<u>Business Units</u>		<u>Other Activities</u>		<u>Total</u>	
	<u>Jun 30, 2015</u>	<u>Jun 30, 2014</u>	<u>Jun 30, 2015</u>	<u>Jun 30, 2014</u>	<u>Jun 30, 2015</u>	<u>Jun 30, 2014</u>	<u>Jun 30, 2015</u>	<u>Jun 30, 2014</u>
External Revenues	38,512.90	40,606.96	2,198.66	1,834.05	651.16	326.07	41,362.72	42,767.08
Inter - segment revenues	-	-	2,091.50	2,091.55	1,036.57	1,213.36	3,128.07	3,304.91
Interest income	86.38	58.99	-	-	4.26	2.72	90.64	61.71
Finance costs	(1,499.09)	(1,652.20)	-	-	-	-	(1,499.09)	(1,652.20)
Finance costs - net	(1,412.71)	(1,593.21)	-	-	4.26	2.72	(1,408.45)	(1,590.49)
Depreciation and amortization expenses	(4,187.68)	(4,766.39)	(203.02)	(189.54)	(240.93)	(195.43)	(4,631.63)	(5,151.36)
Fuel and oil	(14,580.37)	(18,416.29)	-	-	(353.95)	(300.82)	(14,934.32)	(18,717.11)
Employee benefits expenses	(8,231.72)	(4,468.03)	(1,866.90)	(1,957.36)	(1,214.00)	(1,342.55)	(11,312.62)	(7,767.94)
Tax income (expenses)	(209.05)	256.58	-	-	(5.44)	(5.92)	(214.49)	250.66
Profit (loss) on investment in associates	35.44	(47.79)	-	-	-	-	35.44	(47.79)
Gain (loss) on foreign currency exchange	(3,632.03)	1,008.20	-	-	(46.92)	0.29	(3,678.95)	1,008.49
Impairment loss of assets and aircraft	(426.17)	(1,214.99)	-	-	-	-	(426.17)	(1,214.99)
Gain (loss) by segments	(12,154.32)	(7,954.64)	715.71	219.01	(1,101.07)	(169.54)	(12,539.68)	(7,905.17)

Statements of Income For the six-month period ended June 30, 2015

	Unit : Million Baht							
	<u>Air Transportation</u>		<u>Business Units</u>		<u>Other Activities</u>		<u>Total</u>	
	<u>Jun 30, 2015</u>	<u>Jun 30, 2014</u>	<u>Jun 30, 2015</u>	<u>Jun 30, 2014</u>	<u>Jun 30, 2015</u>	<u>Jun 30, 2014</u>	<u>Jun 30, 2015</u>	<u>Jun 30, 2014</u>
External Revenues	86,940.44	87,665.14	4,515.64	3,721.83	1,122.32	912.96	92,578.40	92,299.93
Inter - segment revenues	-	-	4,417.68	4,463.18	2,240.80	2,688.61	6,658.48	7,151.79
Interest income	166.48	127.73	-	-	6.26	5.58	172.74	133.31
Finance costs	(2,908.21)	(3,075.28)	-	-	-	-	(2,908.21)	(3,075.28)
Finance costs - net	(2,741.72)	(2,947.55)	-	-	6.26	5.58	(2,735.46)	(2,941.97)
Depreciation and amortization expenses	(8,813.31)	(9,493.89)	(396.06)	(376.73)	(514.56)	(386.51)	(9,723.93)	(10,257.13)
Fuel and oil	(28,733.38)	(39,158.53)	-	-	(680.59)	(300.82)	(29,413.97)	(39,459.35)
Employee benefit expenses	(12,545.04)	(9,053.69)	(3,691.26)	(3,808.76)	(2,578.64)	(2,580.91)	(18,814.94)	(15,443.36)
Tax income (expenses)	2,082.97	32.13	-	-	(13.78)	(19.49)	2,069.19	12.64
Profit on investment in associates	171.66	110.28	-	-	-	-	171.66	110.28
Gain on foreign currency exchange	6,009.09	1,997.97	-	-	(34.13)	0.50	5,974.96	1,998.47
Impairment loss of assets and aircraft	(12,230.33)	(1,298.69)	-	-	-	-	(12,230.33)	(1,298.69)
Gain (loss) by segments	(9,557.19)	(11,383.32)	1,737.53	835.24	(2,454.83)	261.67	(10,274.49)	(10,286.41)

**Assets and Liabilities
As at June 30, 2015**

	Unit : Million Baht							
	<u>Air Transportation</u>		<u>Business Units</u>		<u>Other Activities</u>		<u>Total</u>	
	<u>Jun 30, 2015</u>	<u>Dec 31, 2014</u>	<u>Jun 30, 2015</u>	<u>Dec 31, 2014</u>	<u>Jun 30, 2015</u>	<u>Dec 31, 2014</u>	<u>Jun 30, 2015</u>	<u>Dec 31, 2014</u>
Current assets	61,964.98	54,615.59	625.16	603.99	6,619.98	4,999.65	69,210.12	60,219.23
Investments	4,914.55	4,851.06	-	-	1.02	1.02	4,915.57	4,852.08
Property, plant and equipment	194,269.91	215,510.01	4,551.57	4,802.08	3,514.43	3,709.36	202,335.91	224,021.45
Other non-current assets	16,407.12	14,041.80	0.79	1.54	54.69	65.45	16,462.60	14,108.79
Non-allocated assets	-	-	-	-	-	-	<u>3,505.11</u>	<u>4,065.63</u>
Total assets							<u>296,429.31</u>	<u>307,267.18</u>
Current liabilities	92,984.72	96,252.69	281.84	234.67	6,848.94	4,403.09	100,115.50	100,890.45
Non-current liabilities	163,524.19	163,805.62	-	-	67.94	56.52	163,592.13	163,862.14
Non-allocated liabilities	-	-	-	-	-	-	<u>836.00</u>	<u>1,218.66</u>
Total Liabilities							<u>264,543.63</u>	<u>265,971.25</u>

The Company has 3 reported segments, consisting of air transportation activities segment, business units segment, and other activities segment. Air transportation activities segment composed of passenger, freight, and mail services. The business units segments related directly to transportation activities, which include cargo and mail commercial, ground customer services, ground support equipment services, and catering services. Other activities segment are transportation supporting activities, which include dispatch services, sales on board, THAI shop, technical services and operation of subsidiaries.

Total gain (loss) before income tax by segments was derived from revenues net of costs and operating expenses.

The Company records inter-segment revenue transfers at market price charged to its unaffiliated customer net of discount, for ground customer services segment recorded at cost net of discount, and for other activities segment and technical services recorded at budget cost. Those transferred transaction will be eliminated in consolidated financial statements.

Segment assets are the assets used for the operation or related to such activity.

Segment liabilities are the liabilities used for the operation or related to such activity.

7.21.2 Geographical Segments

	Domestic Revenues			Foreign Revenues					Charter Revenues and Others	Other Income			Total
	Transportation	Business Unit	Others	Regional Asia	Europe	North Pacific	Australia & New Zealand	Africa		Interest Income	Other Income	Gain (loss) on Foreign Currency Exchange	
For the three-month period													
Apr-Jun 2015	2,446.25	2,198.67	651.16	22,195.67	9,622.05	650.84	3,512.29	0.18	85.62	90.64	443.82	(3,678.96)	38,218.23
Apr-Jun 2014	1,894.65	1,834.05	326.07	21,317.99	11,982.86	704.49	3,922.64	302.52	481.81	61.71	597.04	1,008.49	44,434.32
For the six-month period													
Jan-Jun 2015	5,896.84	4,515.65	1,122.32	47,184.04	24,136.90	1,372.76	7,779.45	56.18	514.27	172.74	794.95	5,974.95	99,521.05
Jan-Jun 2014	5,611.57	3,721.82	912.96	42,994.43	27,753.51	1,412.67	8,348.63	585.78	958.56	133.31	974.21	1,998.47	95,405.92

7.22 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 617.63 million for this fiscal year.

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

7.23 Contingent Liabilities

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

	Unit : Million Baht	
	<u>Jun 30, 2015</u>	<u>Dec 31, 2014</u>
Letters of guarantee issued by banks - Domestic	42.12	37.24
Letters of guarantee issued by banks - Abroad	266.47	357.37
The Company as defendant in		
Labor dispute cases	1,336.22	1,321.01
Damage claims cases	<u>1,682.40</u>	<u>2,247.42</u>
Total	<u>3,327.21</u>	<u>3,963.04</u>

7.23.2 There are antitrust cases which have been filed alleged and conducted a criminal investigation against the Company as follows:

1. Regarding a Passenger US DOJ 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: The Company has not been contacted by DOJ and therefore it is assumed that DOJ should terminate any proceedings against the Company.

2. 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. The amount of fines and expenses has not yet been specified by the ACCC in the lawsuit.

At present, the Company has already entered into a settlement with ACCC in order to pay a fine in the amount of AUD 7.5 million including the legal fees of ACCC in the amount of AUD 0.5 million, the total amount is AUD 8 million. On December 14, 2012, the court rendered a judgment as per the settlement agreed between the Company and ACCC. The Company can pay the fine by 7 installments within 3 years period.

The Company has already paid for the fine of the first to the sixth installments as per the settlement agreement.

3. 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.

At present, the Company has agreed to settle with the plaintiffs in the amount of USD 9.7 million including expenses for delivery of notice to class action members and legal fees of the plaintiffs' lawyers. In this regard, the Company has already paid the first and second installment of the settlement amount into the escrow account as per the settlement agreement. On June 11, 2015, the San Francisco court, California, the United States approved the Company's settlement.

4. The case where the respondents in Cargo Civil Class Action Case in Australia filed a cross claim application against the Company:

British Airways, Singapore Airlines (together with Singapore Airlines Cargo), Cathay Pacific Airways and Lufthansa Cargo had filed an application to the court in order to bring the Company into the Class Action as a cross-respondent. On September 18, 2013, the court made the order granting those respondents to file a cross claim application against the Company and other airlines for proportional contribution in the event that damages are awarded by the court against the respondents. The case is currently pending the preparation of the written order of the court approving the settlement.

Presently, the Company has already agreed to settle with the applicant group members and the respondents in the amount of AUD 500,000. The court has also approved the settlement agreement between the applicant group members, respondents and cross-respondents (including the Company). The case is currently pending the preparation of the written order of the court approving the settlement.

5. The case where British Airways, which is a defendant in Cargo Civil Class Action Case in the UK, issued a cross claim against the Company:

On February 4, 2014, the Company has received a notice from an English lawyer representing British Airways informed that British Airways, who is the defendant in the Cargo Civil Class Action Case in the UK and being claimed for damages arisen from fuel and security surcharges fixing during 1999-2007 under such case, has issued a cross claim against 18 airlines, including the Company on November 28, 2013. The Company is not the main party to the proceedings. The case is currently undergoing the process of disclosure.

6. The Cargo Civil Case filed against the Company in the Republic of Korea:

The Company has been informed by the branch office in the Republic of Korea on January 22, 2014 that LG Group Companies, including LG Chemical, LG Electronics, LG Display and LG Life Science, have filed a civil lawsuit against 12 airlines, including the Company, on November 27, 2013 in order to claim damages arisen from the conduct of conspiracy to fix fuel and security surcharges during 2003-2007. LG Group Companies have asserted the amount of claim at KRW 404,000,000 with interest or approximately THB 12.28 million and reserved their rights to amend the Plaintiff to increase the amount of claim if they can prove their claims to the court later on. The case is currently undergoing the court procedures.

7. Regarding the case where British Airways, Lufthansa and KLM-AF, who are the defendants in the Cargo Civil Class Action case in the Netherlands, requested that the court give them leave to implead the Company, in the early July 2015, the Company received the writs of summons from British Airways, Lufthansa and KLM-AF. Moreover, British Airways, Lufthansa and KLM-AF have served the writs of summons to the Company and more than other 20 airlines for the case where the plaintiff filed a lawsuit against Koninklijke Luchtvaart Maatschappij N.V., Martin Air Holland N.V., Société Air France S.A. (collectively referred to as "KLM-AF"), Deutsche Lufthansa and Lufthansa Cargo A.G. (collectively referred to as "Lufthansa"), Singapore Airlines and Singapore Airlines Cargo (collectively referred to as "Singapore Airlines") and British Airways as defendants since December 24, 2013 alleging surcharges fixing among such airlines. On June 25, 2014, such airlines requested that the court give them leave to implead other airlines involving in surcharges fixing arrangement. After that, on March 25, 2015, the court granted permission according to such airlines' request. However, the Company was not filed a lawsuit against as the defendant in the main case and currently the Company is preparing to attend the first hearing.

7.24 Actions Taken in Relation to Entering to Block Space Agreement With Southern Air Inc., (SAI)

Since Southern Air Inc. (SAI) has files an application for the rehabilitation (Chapter 11) with the bankruptcy court in Delaware, the United States of America, on November 28, 2012, the Company filed a debt repayment application in the case where Southern Air Inc., (SAI) requested for the rehabilitation by assigning SKADDEN, ARPS, SLATE, MEAGHER & FLOM to be a local lawyer of the Company.

On June 12, 2014, Southern Air Inc.,(SAI) filed civil law suit case against the Company claiming damages for the breach of the Block Space Agreement.

At present, the Company has entered into settlement agreement with Southern Air Inc., (SAI) amounting to USD 2 million in order to settle the civil and bankruptcy case. The court has already approved the settlement between the Company and Southern Air Inc., (SAI).

In addition, the Company has already made a payment according to settlement agreement.

7.25 Actions Taken in Relation to Claiming for Damages Arising from the Delay of KOITO Economy Class Seats Delivery

On December 9, 2011, Macfarlanes LLP, the Company's lawyer, filed a lawsuit against Koito Industries Limited and Asia Fleet Services(s) Pte., Ltd. at the court in England for breaching of general terms agreements (economy class seats) for A330-300, A380-800 and B777-300 aircraft. At present, Koito Industries Limited (KI Holding Limited) and Asia Fleet Services(s) Pte., Ltd. has already files their defence and counter claim.

At present, the English court has rendered a judgment ordering Koito to make a payment to the Company for the principal amount and interest calculated until June 8, 2015 totaling USD 94,921,275.52 , EUR 22,636,671.48 and THB 5,391,901.52 or approximately USD 124,284,189.29 or THB 4,179.30 million and partial litigation costs.

On July 3, 2015, Koito filed an application for stay and on July 17, 2015, the court held a hearing for such application from Koito and payment of damages to the Company by virtue of the judgment. Eventually, the court ordered a stay under the condition that Koito makes a payment of damages to the Company at the amount of USD 60 million within 14 days, which would be due on July 31, 2015. Moreover, the court also ordered Koito to make a payment for preparation and participation of this hearing to the Company in the amount of GBP 11,400 within 14 days.

On July 29, 2015, Koito had transferred the damages by virtue of the court order in the amount of USD 60 million and expenses in the amount of GBP 11,400. Nevertheless, currently the Company and Koito have filed an application for permission to appeal to the court of appeal; hence, the case is still ongoing.

7.26 Cash Flow Hedge Accounting

For the three-month and six-month periods ended June 30, 2015, the Company recognized in profit and loss THB 154.21 million from application of hedge accounting to foreign currency borrowings and forecasted future revenue (Revenue Hedging).

7.27 Contractual Obligations

7.27.1 Obligation to Purchase Aircraft

The Company has a payment obligation to purchase, 2 A320-200, 4 A350-900XWB, and 1 B777-300ER aircraft amount of THB 25,011.66 million, expected to take delivery during the year 2015-2018 which consisted of:

Obligation	Unit : Million Baht	
	Within 1 year	Over 1 year – 5 years
Purchase of aircraft	5,844.42	19,167.24

7.27.2 Leases and Obligations of Aircraft

The Company has obligations from entering into operating leases for 43 aircraft amount of USD 4,462.44 million or approximately to THB 151,395.37 million consisting of 15 A320-200, 2 A330-300, 8 A350-900, 2 B777-200, 8 B777-300ER, 6 B787-8, and 2 B787-9 aircraft. As at June 30, 2015, there are 32 aircraft which have been already taken the delivery. In addition, there are the 11 aircraft which have not been taken deliver yet.

Also, there are 8 and 35 aircraft which the operating leases will expire in 2016 - 2019 and 2020 - 2030, respectively.

Lease obligation for 43 aircraft operating leases can be classified as follows:

Obligation	Unit : Million Baht		
	Within 1 year	Over 1 year – 5 years	Over 5 years
Operating leases	8,755.33	50,629.29	92,010.75

7.28 Damages from the Flood Disaster

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

The Company has recorded the damages from flood disaster, which consisted of two Airbus A300-600 aircraft, consumable parts and supplies of Technical Department, tool repairment of Technical Department and raw material of Catering. As at June 30, 2015, the Company received the insurance compensation amount of THB 1,759.02 million. The Company recognized the insurance compensation from the flood disaster as an income amount of THB 1,759.02 million. Such compensation has been recognized in the statements of comprehensive income for the year 2011, 2012, 2013 and 2014 at the amount of THB 175 million, THB 284.23 million, THB 1,135.09 million and THB 164.70 million, respectively. However, all the damaged assets which are covered by the insurance policy are under claiming process with the insurance company.

7.29 Damages from the Aircraft Flights TG679

On September 8, 2013, Flight TG679 (Aircraft Type Airbus A330-300/Registration HS-TEF) skidded off run-way after landing at Suvarnabhumi International Airport. 80 passengers were reported injury and there was no fatality in this incident. Aircraft sustained severe damage. The aircraft is insured with the Agreed Value of USD 32.45 million or approximately to THB 1,014.01 million.

In this cases, the Company's Aviation Insurers are fully aware of the matter and already appointed Lawyers and Loss Adjusters to coordinate and work with THAI in respect of claims, litigation and settlement for passengers. The Team appointed by Insurers shall also make assessment for the damage of the aircraft under these cases. On September 18, 2013, the Company received the first interim payment from Insurers in the amount of USD 250,000 or approximately to THB 7.92 million.

At the present, the Company and Insurers' Loss Adjusters work together on the assessment for costs and expenses related to the repair of the aircraft. The manufacturer of the aircraft, Airbus Industries, is also engaged for "Full Repair Assessment" and it comes to the conclusion that the repair costs and expenses is higher than the insured value of the aircraft. Therefore, this case is considered to be "Constructive Total Loss (CTL)" under terms and conditions of the Company's aviation insurance policy. As the consequence of the above, the Company already received an insurance compensation in related to the damage of the aircraft from Insurers in the total amount of USD 33.54 million or approximately THB 1,087.28 million consisting of the full insured value of the aircraft agreed under the Insurance Policy at USD 32.45 million plus additional costs of working and inflight entertainment in the total amount of USD 1.09 million.

Till date, the Company has received more than 30 claims from Thai and Chinese passengers including claims from Airport Authority of Thailand Public Company Limited. All claims are being handled by the Company with close coordination with the lawyers appointed by aviation insurers. Costs and expenses in this respect will be absorbed by aviation insurers.

7.30 Events after the Reporting Period

7.30.1 On July 3, 2015, the Company entered into a cross currency swap (CCS) in the amount of THB 3,006 million with financial institutions swapping outstanding floating rate Thai Baht loan into fixed rate Yen exposure with maturity on December 20, 2020.

7.30.2 On July 6, 27 and 29, 2015, the Company repaid outstanding borrowings on 3 A340-600 aircraft amount of EUR 72.37 million or approximately THB 2,654.31 million, which were early terminations of finance leases and title for the 3 aircraft were transferred to the Company in preparation for sales.

7.31 Approval of Financial Statements

These financial statements were approved by the Audit Committee, the Authorized Board of Directors, on August 6, 2015.
