

(UNOFFICIAL TRANSLATION)

REVIEWED REPORT OF AUDITOR

TO : THE SHAREHOLDERS OF THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED

The Office of the Auditor General has reviewed the accompanying consolidated and the Company balance sheets as at March 31, 2003, the related consolidated and the Company statements of income, changes in shareholders' equity, retained earnings and cash flows for the three - month and six - month periods ended March 31, 2003 and 2002, of Thai Airways International Public Company Limited and its subsidiaries. These financial statements are the responsibility of the Companies' management as to their correctness and completeness of the presentation. The responsibility of the Office of the Auditor General is to express an opinion on these financial statements based on its reviews.

The Office of the Auditor General conducted the review in accordance with the Auditing Accounting Standards. Those standards require that the Office of the Auditor General plans and performs the review to obtain reasonable assurance about whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of the company personnel and analytical comparison of financial data and thus provides less assurance than an audit according to Generally Accepted Accounting Standards. Therefore, the Office of the Auditor General does not express an opinion to these reviewed financial statements.

Based on this review, nothing has come to the Office of the Auditor General's attention that causes its to believe that these accompanying consolidated and the Company balance sheets are not presented fairly, in all material respects, in accordance with the Generally Accepted Accounting Principles.

The Office of the Auditor General had audited the financial statements for the year ended September 30, 2002 of Thai Airways International Public Company Limited and its subsidiaries in conformity with the Generally Accepted Accounting Standards and expressed an unqualified opinion according to the report dated November 22, 2002. The consolidated and the Company balance sheets as at September 30, 2002, presented here to compare, are one part of the financial statements which were audited and reported by the Office of the Auditor General without applying other auditing methods after the date in those reports.

(Signed) *Jaruvan Maintaka*

(KsunyingJaruvan Maintaka)
Auditor General

(Signed) *Pensri Soranaraks*

(Pensri Soranaraks)
Auditor-in-charge

May 11, 2003

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS

AS AT MARCH 31, 2003 AND SEPTEMBER 30, 2002

Unit : Baht

	<u>Notes</u>	<u>CONSOLIDATED</u>		<u>THE COMPANY</u>	
		<u>31 March 2003</u> (reviewed)	<u>30 September 2002</u> (audited)	<u>31 March 2003</u> (reviewed)	<u>30 September 2002</u> (audited)
ASSETS					
Current Assets					
Cash and cash equivalents	3.1	18,631,090,489	20,117,223,571	18,246,956,144	19,889,254,758
Fixed deposits due over 3 months		632,206,185	632,206,185	632,206,185	632,206,185
Current investments	3.2	438,942,253	149,655,337	438,942,253	149,655,337
Trade account receivables-net	3.3	13,411,815,468	13,201,683,343	13,343,570,671	13,199,668,913
Inventories and supplies-net		3,610,929,560	3,530,547,721	3,610,929,560	3,530,547,721
Other current assets					
Prepaid expenses and deposits		4,726,771,070	4,107,639,784	4,726,435,536	4,107,311,092
Others		1,192,593,575	1,644,888,781	1,252,049,096	1,515,774,884
Total Current Assets		42,644,348,600	43,383,844,722	42,251,089,445	43,024,418,890
Non-Current Assets					
Investments for using the equity method	3.4.1	870,685,291	874,298,101	1,135,822,622	1,129,506,110
Other long-term investments	3.4.2	70,571,428	73,381,486	70,571,428	73,381,486
Loan for investment in aircraft spare parts		30,477,976	27,449,664	30,477,976	27,449,664
Property, Plant and Equipment-Net					
Aircraft		57,651,039,830	55,129,520,462	57,651,039,830	55,129,520,462
Aircraft under capital leases		54,929,796,357	43,072,054,106	54,929,796,357	43,072,054,106
Aircraft spare parts		8,523,532,165	8,385,842,592	8,523,532,165	8,385,842,592
Land, buildings and improvements		3,013,855,866	3,231,407,314	3,013,855,866	3,231,407,314
Other plant and equipment		4,310,002,486	4,348,688,751	4,220,413,052	4,278,249,391
Other Non -Current Assets					
Advance payments for aircraft		-	12,971,766,099	-	12,971,766,099
Concessions for acquisitions of aircraft and engines		202,690,210	260,183,634	202,690,210	260,183,633
Deferred income taxes	3.5	6,170,008,616	6,651,807,517	6,165,321,904	6,647,873,767
Total Non-Current Assets		135,772,660,225	135,026,399,726	135,943,521,410	135,207,234,624
Total Assets		178,417,008,825	178,410,244,448	178,194,610,855	178,231,653,514

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

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS

AS AT MARCH 31, 2003 AND SEPTEMBER 30, 2002

Unit : Baht

	Notes	<u>CONSOLIDATED</u>		<u>THE COMPANY</u>	
		<u>31 March 2003</u> (reviewed)	<u>30 September 2002</u> (audited)	<u>31 March 2003</u> (reviewed)	<u>30 September 2002</u> (audited)
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Liabilities					
Trade account payables		5,014,353,275	3,872,767,705	5,005,566,782	3,869,340,849
Short-term loans		4,301,000,000	12,175,240,000	4,301,000,000	12,175,240,000
Current portion of long-term loans					
Long-term loans		4,531,912,446	10,926,105,121	4,531,912,446	10,926,105,121
Liabilities under capital leases		9,408,597,237	8,651,931,490	9,408,597,237	8,651,931,490
Promissory notes		1,050,000,000	1,050,000,000	1,050,000,000	1,050,000,000
Other current liabilities					
Accrued expenses		9,970,156,215	11,002,519,650	9,926,865,120	10,998,785,010
Accrued dividends		37,505,421	26,870,757	36,380,421	26,870,757
Accrued income taxes		2,975,299,336	1,799,939,805	2,956,972,686	1,778,010,536
Unearned transportation revenues		12,581,035,498	12,724,493,234	12,581,035,498	12,724,493,234
Others		6,026,427,483	5,021,512,368	6,008,541,243	4,997,078,782
Total Current Liabilities		55,896,286,911	67,251,380,130	55,806,871,433	67,197,855,779
Non-Current Liabilities					
Long-term debts					
Long-term loans		35,489,468,204	36,824,867,614	35,489,468,204	36,824,867,614
Liabilities under capital leases		41,337,387,013	34,800,841,704	41,337,387,013	34,800,841,704
Promissory notes		6,825,000,000	7,350,000,000	6,825,000,000	7,350,000,000
Staff pension fund	3.6	3,650,427,425	3,452,719,890	3,650,427,425	3,452,719,890
Other non-current liabilities		370,409,259	376,367,715	370,409,259	376,367,715
Total Non-Current Liabilities		87,672,691,901	82,804,796,923	87,672,691,901	82,804,796,923
Total Liabilities		143,568,978,812	150,056,177,053	143,479,563,334	150,002,652,702
Shareholders' Equity					
Share capital					
Authorised					
1,700 million ordinary shares par value of Baht 10 each		17,000,000,000	17,000,000,000	17,000,000,000	17,000,000,000
Issued and paid-up					
1,400 million ordinary shares paid-up		14,000,000,000	14,000,000,000	14,000,000,000	14,000,000,000
Premium on common stocks		4,750,000,000	4,750,000,000	4,750,000,000	4,750,000,000
Unrealised gain on change in market valuation	3.2	427,815,657	138,398,377	427,815,657	138,398,377
Retained Earnings (Deficit)					
Appropriated					
Legal reserve		1,541,881,364	1,541,881,364	1,541,881,364	1,541,881,364
Unappropriated		13,995,350,500	7,798,721,071	13,995,350,500	7,798,721,071
Total The Company Shareholders' Equity		34,715,047,521	28,229,000,812	34,715,047,521	28,229,000,812
Minority interest		132,982,492	125,066,583	-	-
Total Shareholders' Equity		34,848,030,013	28,354,067,395	34,715,047,521	28,229,000,812
Total Liabilities and Shareholders' Equity		178,417,008,825	178,410,244,448	178,194,610,855	178,231,653,514

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

SignedSignature.....
(Kanok Abhiradee)
President

SignedSignature.....
(Kaweepan Raungpaka)
Executive Vice President
Finance and Accounting

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF INCOME

For three - month periods ended March 31, 2003 and 2002

Unit : Baht

	<u>CONSOLIDATED</u>		<u>THE COMPANY</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Revenues from the Sale of Goods and the Rendering of Services				
Passenger and excess baggage	29,411,317,307	26,498,113,163	29,411,317,307	26,498,113,163
Freight	5,425,689,532	4,651,255,834	5,425,689,532	4,651,255,834
Mail	197,066,621	179,211,741	197,066,621	179,211,741
Other activities	1,643,089,352	1,546,907,122	1,563,663,711	1,465,530,011
Total Revenues from the Sale of Goods and the Rendering of Services	36,677,162,812	32,875,487,860	36,597,737,171	32,794,110,749
Selling and Administrative Expenses				
Flight operations	8,368,122,192	5,955,782,742	8,368,122,192	5,955,782,742
Maintenance and overhaul	3,517,113,354	3,476,944,785	3,517,113,354	3,476,944,785
Ground operations	5,287,528,442	4,992,316,486	5,287,528,442	4,992,316,486
Passenger services	4,058,322,041	3,573,120,918	4,058,322,041	3,573,120,918
Marketing	2,688,791,394	2,585,916,050	2,688,791,394	2,585,916,050
Administration and general	509,195,626	411,662,885	509,195,626	411,662,885
Remuneration to board of directors	923,229	902,332	276,087	395,833
Lease of aircraft and spare parts	1,875,430,080	2,247,044,283	1,875,430,080	2,247,044,283
Depreciation of aircraft	2,337,683,293	2,110,385,877	2,337,683,293	2,110,385,877
Depreciation of other fixed assets	374,270,781	425,814,544	368,264,261	422,315,526
Other activities	288,562,692	468,036,298	252,996,765	435,029,347
Total Selling and Administrative Expenses	29,305,943,124	26,247,927,200	29,263,723,535	26,210,914,732
Profit from the Sale of Goods and the Rendering of Services Brought Forward	7,371,219,688	6,627,560,660	7,334,013,636	6,583,196,017

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

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF INCOME

For three - month periods ended March 31, 2003 and 2002

Unit : Baht

	<u>CONSOLIDATED</u>		<u>THE COMPANY</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Profit from the Sale of Goods and the Rendering of Services Carried Forward	7,371,219,688	6,627,560,660	7,334,013,636	6,583,196,017
Other Incomes				
Interest income	72,564,506	77,309,568	72,267,162	77,084,170
Others	45,162,523	129,869,425	43,209,778	129,859,801
Total Other Incomes	117,727,029	207,178,993	115,476,940	206,943,971
Other Expenses				
Losses (Gains) on foreign currency exchange	(624,624,690)	(1,847,642,912)	(624,624,690)	(1,847,642,912)
Yields from pension fund	10,231,989	11,861,954	10,231,989	11,861,954
Others	178,969,851	380,075,343	178,699,130	379,856,367
Total Other Expenses	(435,422,850)	(1,455,705,615)	(435,693,571)	(1,455,924,591)
Profit from Operations	7,924,369,567	8,290,445,268	7,885,184,147	8,246,064,579
Share of Profits from Investments for Using the Equity Method				
Share of net profit from subsidiary companies	-	-	15,040,332	16,973,235
Share of net profit from associated companies	48,181,806	(57,120,711)	48,181,806	(57,120,711)
Total Share of Profits from Investments for Using the Equity Method	48,181,806	(57,120,711)	63,222,138	(40,147,476)
Profit before Interest and Income Tax Expenses	7,972,551,373	8,233,324,557	7,948,406,285	8,205,917,103
Interest expenses	1,125,142,408	1,460,132,599	1,125,142,408	1,460,125,211
Income tax expenses	2,047,797,240	2,035,691,209	2,035,855,294	2,022,077,382
Profit after Tax	4,799,611,725	4,737,500,749	4,787,408,583	4,723,714,510
Net profit of minority interest	12,203,142	13,786,239	-	-
Net profit	4,787,408,583	4,723,714,510	4,787,408,583	4,723,714,510
Primary earnings per share				
Net profit	3.42	3.37	3.42	3.37

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

SignedSignature.....
(Kanok Abhiradee)
President

SignedSignature.....
(Kaweepan Raungpaka)
Executive Vice President
Finance and Accounting

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF INCOME

For six - month periods ended March 31, 2003 and 2002

Unit : Baht

	<u>CONSOLIDATED</u>		<u>THE COMPANY</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Revenues from the Sale of Goods and the Rendering of Services				
Passenger and excess baggage	58,210,372,511	50,031,091,806	58,210,372,511	50,031,091,806
Freight	11,257,060,982	9,622,004,714	11,257,060,982	9,622,004,714
Mail	436,068,887	376,207,938	436,068,887	376,207,938
Other activities	3,350,440,892	3,090,938,850	3,199,141,838	2,951,080,777
Total Revenues from the Sale of Goods and the Rendering of Services	<u>73,253,943,272</u>	<u>63,120,243,308</u>	<u>73,102,644,218</u>	<u>62,980,385,235</u>
Selling and Administrative Expenses				
Flight operations	16,401,110,394	12,552,706,557	16,401,110,394	12,552,706,557
Maintenance and overhaul	7,429,570,739	8,749,087,237	7,429,570,739	8,749,087,237
Ground operations	10,657,589,083	9,750,364,871	10,657,589,083	9,750,364,871
Passenger services	8,273,874,828	7,364,074,073	8,273,874,828	7,364,074,073
Marketing	5,325,596,764	5,569,841,308	5,325,596,764	5,569,841,308
Administration and general	1,010,140,395	873,776,371	1,010,140,395	873,776,371
Remuneration to board of directors	2,713,272	2,614,761	1,949,130	1,894,261
Lease of aircraft and spare parts	4,121,182,297	4,505,729,504	4,121,182,297	4,505,729,504
Depreciation of aircraft	4,552,414,051	4,231,071,309	4,552,414,051	4,231,071,309
Depreciation of other fixed assets	794,307,805	850,269,855	782,875,152	843,598,520
Other activities	932,853,181	1,137,010,513	849,465,801	1,067,316,009
Total Selling and Administrative Expenses	<u>59,501,352,809</u>	<u>55,586,546,359</u>	<u>59,405,768,634</u>	<u>55,509,460,020</u>
Profit from the Sale of Goods and the Rendering of Services Brought Forward	<u>13,752,590,463</u>	<u>7,533,696,949</u>	<u>13,696,875,584</u>	<u>7,470,925,215</u>

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

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF INCOME

For six - month periods ended March 31, 2003 and 2002

Unit : Baht

	<u>CONSOLIDATED</u>		<u>THE COMPANY</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Profit from the Sale of Goods and the Rendering of Services Carried Forward	13,752,590,463	7,533,696,949	13,696,875,584	7,470,925,215
Other Incomes				
Interest income	159,146,219	133,611,163	158,605,191	133,162,363
Others	250,055,286	313,077,924	247,718,956	313,058,664
Total Other Incomes	409,201,505	446,689,087	406,324,147	446,221,027
Other Expenses				
Losses (Gains) on foreign currency exchange	(552,577,563)	(4,000,522,437)	(552,577,563)	(4,000,522,437)
Yields from pension fund	21,564,188	23,716,601	21,564,188	23,716,601
Others	535,458,284	537,676,797	534,813,476	537,118,674
Total Other Expenses	4,444,909	(3,439,129,039)	3,800,101	(3,439,687,162)
Profit from Operations	14,157,347,059	11,419,515,075	14,099,399,630	11,356,833,404
Share of Profits from Investments for Using the Equity Method				
Share of net profit from subsidiary companies	-	-	22,304,263	23,949,593
Share of net profit from associated companies	73,187,250	(18,339,339)	73,187,250	(18,339,339)
Total Share of Profits from Investments for Using the Equity Method	73,187,250	(18,339,339)	95,491,513	5,610,254
Profit before Interest and Income Tax Expenses	14,230,534,309	11,401,175,736	14,194,891,143	11,362,443,658
Interest expenses	2,378,400,201	3,108,978,574	2,378,400,201	3,108,963,614
Income tax expenses	3,537,463,770	2,499,197,603	3,519,861,513	2,479,869,724
Profit after Tax	8,314,670,338	5,792,999,559	8,296,629,429	5,773,610,320
Net profit of minority interest	18,040,909	19,389,239	-	-
Net profit	8,296,629,429	5,773,610,320	8,296,629,429	5,773,610,320
Primary earnings per share				
Net profit	5.93	4.12	5.93	4.12

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

SignedSignature.....
(Kanok Abhiradee)
President

SignedSignature.....
(Kaweepan Raungpaka)
Executive Vice President
Finance and Accounting

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the six - month periods ended March 31, 2003 and 2002

Unit : Baht

	CONSOLIDATED						Total
	Share Capital issued and paid-up	Premium on share capital	Retained Earnings (Deficit) (restated)	Unrealised Gain	Legal Reserve	Minority Interest	
Balance as at October 1, 2001	14,000,000,000	4,750,000,000	(7,255,268,487)	-	1,032,785,577	101,890,963	12,629,408,053
- Adjustment of recording of exemption tax from losses on foreign currency	-	-	5,381,169,610	-	-	-	5,381,169,610
Balance after adjustment	14,000,000,000	4,750,000,000	(1,874,098,877)	-	1,032,785,577	101,890,963	18,010,577,663
<u>Add</u> Net Profit	-	-	5,773,610,320	-	-	19,389,239	5,792,999,559
<u>Less</u> Dividends paid	-	-	-	-	-	(6,750,000)	(6,750,000)
Balance as at March 31, 2002	14,000,000,000	4,750,000,000	3,899,511,443	-	1,032,785,577	114,530,202	23,796,827,222
Balance as at October 1, 2002	14,000,000,000	4,750,000,000	7,798,721,071	138,398,377	1,541,881,364	125,066,583	28,354,067,395
Unrealised gain on change in market valuation	-	-	-	289,417,280	-	-	289,417,280
<u>Add</u> Net Profit	-	-	8,296,629,429	-	-	18,040,909	8,314,670,338
<u>Less</u> Dividends paid	-	-	(2,100,000,000)	-	-	(10,125,000)	(2,110,125,000)
<u>Less</u> Legal reserve	-	-	-	-	-	-	-
Balance as at March 31, 2003	14,000,000,000	4,750,000,000	13,995,350,500	427,815,657	1,541,881,364	132,982,492	34,848,030,013

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

SignedSignature.....
(Kanok Abhiradee)
President

SignedSignature.....
(Kaweepan Raungpaka)
Executive Vice President
Finance and Accounting

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the six - month periods ended March 31, 2003 and 2002

Unit : Baht

	THE COMPANY					Total
	Share Capital	Premium	Retained Earnings	Unrealised	Legal	
	issued and paid-up	on share capital	(Deficit) (restated)	Gain	Reserve	
Balance as at October 1, 2001	14,000,000,000	4,750,000,000	(7,255,268,487)	-	1,032,785,577	12,527,517,090
- Adjustment of recording of exemption tax from losses on foreign currency	-	-	5,381,169,610	-	-	5,381,169,610
Balance after adjustment	14,000,000,000	4,750,000,000	(1,874,098,877)	-	1,032,785,577	17,908,686,700
<u>Add</u> Net Profit	-	-	5,773,610,320	-	-	5,773,610,320
<u>Less</u> Dividends paid	-	-	-	-	-	-
Balance as at March 31, 2002	14,000,000,000	4,750,000,000	3,899,511,443	-	1,032,785,577	23,682,297,020
Balance as at October 1, 2002	14,000,000,000	4,750,000,000	7,798,721,071	138,398,377	1,541,881,364	28,229,000,812
Unrealised gain on change in market valuation	-	-	-	289,417,280	-	289,417,280
<u>Add</u> Net Profit	-	-	8,296,629,429	-	-	8,296,629,429
<u>Less</u> Dividends paid	-	-	(2,100,000,000)	-	-	(2,100,000,000)
<u>Less</u> Legal reserve	-	-	-	-	-	-
Balance as at March 31, 2003	14,000,000,000	4,750,000,000	13,995,350,500	427,815,657	1,541,881,364	34,715,047,521

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

SignedSignature.....
(Kanok Abhiradee)
President

SignedSignature.....
(Kaweepan Raungpaka)
Executive Vice President
Finance and Accounting

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

For the six - month periods ended March 31, 2003 and 2002

Unit : Baht

	<u>CONSOLIDATED</u>		<u>THE COMPANY</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Cash flows from operating activities				
Net profit	8,296,629,429	5,773,610,320	8,296,629,429	5,773,610,320
Adjustment to reconcile net profit to cash provided by (paid from) operating activities :				
Depreciation	5,346,721,856	5,081,341,164	5,335,289,202	5,074,669,829
Incomes from investments for using the equity method	(73,187,250)	18,339,339	(95,491,513)	(5,610,254)
Losses on sales of assets	4,928,811	237,279,302	4,928,811	237,279,302
Losses (gains) on foreign currency exchange	177,804,072	(4,376,048,028)	177,804,072	(4,376,048,028)
Net profit of minority interest	18,040,909	19,389,239	-	-
Reserve for obsolete inventories	76,911,100	124,721,215	76,911,100	124,721,215
Allowance for doubtful accounts, impairment in value of assets	138,194,875	67,489,047	137,565,001	66,631,820
Operating profit before changes in operating assets and liabilities	13,986,043,802	6,946,121,598	13,933,636,102	6,895,254,204
Decrease (increase) in operating assets :				
Trade account receivables	(406,903,674)	(1,675,602,218)	(340,043,432)	(1,674,379,121)
Inventories and supplies	(157,292,939)	8,535,441	(157,292,939)	8,535,441
Prepaid expenses and deposits	(650,551,159)	436,810,336	(650,544,317)	436,860,791
Tax refund	-	2,785,459,667	-	2,785,459,667
Other current assets	445,558,942	1,882,370,047	256,989,524	1,930,115,467
Deferred income taxes	481,798,901	761,019,410	482,551,864	761,276,578
Concessions for acquisitions of aircraft and engines	48,110,529	130,053,879	48,110,529	130,053,879
Increase (decrease) in operating liabilities :				
Trade account payables	1,174,710,987	227,104,207	1,169,351,351	226,643,440
Accrued expenses and other current liabilities	1,307,138,242	973,749,502	1,277,731,751	961,987,071
Staff pension fund	197,707,535	178,089,613	197,707,535	178,089,613
Unearned transportation revenue	(143,457,736)	(2,231,493,184)	(143,457,736)	(2,231,493,184)
Net cash from operating activities	16,282,863,430	10,422,218,298	16,074,740,232	10,408,403,846

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

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

For the six - month periods ended March 31, 2003 and 2002

Unit : Baht

	<u>CONSOLIDATED</u>		<u>THE COMPANY</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Cash flows from investing activities				
Decrease in short-term investments	-	751,402,869	-	751,402,869
Cash paid for acquisition of fixed assets	(6,699,138,213)	(2,628,254,400)	(6,668,555,486)	(2,615,230,525)
Cash received from sales on assets	58,540,166	152,987,003	58,540,166	152,987,003
Investment	79,162,834	71,826,020	91,537,774	71,826,020
Loan for investment in aircraft spare parts	(3,346,200)	-	(3,346,200)	-
Net cash used in investing activities	(6,564,781,413)	(1,652,038,508)	(6,521,823,746)	(1,639,014,633)
Cash flows from financing activities				
Cash received from short-term loans	4,290,000,000	4,430,000,000	4,290,000,000	4,430,000,000
Cash received from long-term loans	10,302,175,447	8,210,310,000	10,302,175,447	8,210,310,000
Cash paid for repayment of short-term loans	(12,175,240,000)	-	(12,175,240,000)	-
Cash paid for repayment of long-term loans	(10,664,670,450)	(13,240,837,178)	(10,664,670,450)	(13,240,837,178)
Cash paid to promissory notes	(525,000,000)	(525,000,000)	(525,000,000)	(525,000,000)
Dividends paid	(2,099,490,336)	(50,055)	(2,090,490,336)	(23,805)
Net cash used in financing activities	(10,872,225,339)	(1,125,577,233)	(10,863,225,339)	(1,125,550,983)
Increase (decrease) in cash and cash equivalents	(1,154,143,322)	7,644,602,557	(1,310,308,853)	7,643,838,230
Effects of exchange rate changes on decreasing in cash and bank balance	(331,989,760)	(103,143,835)	(331,989,761)	(103,143,835)
Cash and cash equivalents at the beginning of the periods	20,117,223,571	8,027,726,204	19,889,254,758	7,774,017,477
Cash and cash equivalents at the end of the periods	18,631,090,489	15,569,184,926	18,246,956,144	15,314,711,872
Supplementary cash flows information :				
Cash paid during the year for				
Interest expenses	2,408,765,777	3,281,035,806	2,408,765,777	3,281,035,806
Corporate income tax	1,799,939,805	99,404,253	1,778,010,536	70,057,375

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

SignedSignature.....
(Kanok Abhiradee)
President

SignedSignature.....
(Kaweepan Raungpaka)
Executive Vice President
Finance and Accounting

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

**For the six - month periods ended March 31, 2003 (reviewed)
and for the year ended September 30, 2002 (audited)**

1. BASIC OF FINANCIAL STATEMENTS PREPARATION

1.1 Consolidated financial statements

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 two subsidiaries, Thai-Amadeus Southeast Asia Company Limited and Thai Information Solution Company Limited, in which the Company holds equity interests of 55% and 100%, respectively. Significant transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.

1.2 Interim financial statements

The interim financial statements have been prepared in accordance with the Accounting Standard No. 41, the interim financial statements, by indicating the items in balance sheet, statement of income, changes in shareholders' equity and cash flows which are similar to the annual financial statements. As for the supplementary information, only the crucial ones are indicated.

The purpose of preparation the interim financial statements is to add more information to the year financial statements ended September 30, 2002. So, the use of these interim financial statements should be applied together with the year financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in conformity with the Accounting Standards in Thailand on a basis consistent with the annual financial statements ended September 30, 2002.

3. SUPPLEMENTARY INFORMATION

3.1 Cash and Cash Equivalents

	Unit : Million Baht			
	<u>Consolidated</u>		<u>The Company</u>	
	31-Mar-03	30-Sep-02	31-Mar-03	30-Sep-02
Cash - Domestic	11.64	11.53	11.64	11.53
Cash - Abroad	36.92	25.72	36.92	25.72
Bank Deposits - Domestic	1,581.30	2,605.31	1,299.68	2,479.60
Bank Deposits - Abroad	9,089.28	5,086.48	9,089.28	5,086.48
Short - term Investments - Domestic	3,605.96	2,672.81	3,503.45	2,570.55
Short - term Investments - Abroad	4,938.20	10,347.58	4,938.20	10,347.58
Less Fixed Deposits due over 3 months	(632.21)	(632.21)	(632.21)	(632.21)
Total	18,631.09	20,117.22	18,246.96	19,889.25

3.2 Current Investments

On June 27, 2002, the Company received 508,937 shares in FRANCE TELECOM, listed on the Bourse de Paris and the New York Stock Exchange, from SITA. The details are as follows:

Name of Company	No. of Shares	Market Value/Share (at Bourse de Paris) March 31, 2003	Amount (Million)	Amount THB (Million)
FRANCE TELECOM	508,937	EUR 18.69	EUR 9.51	438.94
Cost value			US\$ 0.26	11.13
Unrealised gain on change in market value				427.81

(Exchange rate EUR 1:THB 46.1460 and US\$ 1:THB 42.7946)

The Company classified these shares as available-for-sale securities. Unrealised gains on changes in market value are presented under shareholders' equity.

3.3 Trade Account Receivables-Net

Trade account receivables are classified according to their stages of delinquency, as expressed in the aging schedule below.

	<u>Consolidated</u>		<u>Unit : Million Baht</u> <u>The Company</u>	
	<u>31-Mar-03</u>	<u>30-Sep-02</u>	<u>31-Mar-03</u>	<u>30-Sep-02</u>
Period overdue				
Not over 6 months	13,304.79	13,086.01	13,237.47	13,085.37
Over 6 months to 1 year	118.13	188.29	117.79	186.54
Over 1 year to 2 years	191.84	86.14	188.83	84.14
Over 2 years	1,280.45	1,186.44	1,279.50	1,186.08
	14,895.21	14,546.88	14,823.59	14,542.13
<u>Less</u> Allowance for doubtful accounts	(1,483.39)	(1,345.20)	(1,480.02)	(1,342.46)
Trade account receivables-net	13,411.82	13,201.68	13,343.57	13,199.67

3.4 Investments

Consolidated

Unit : Million Baht

Name of Company	Percentage of Shareholding		Investments				Incomes on investments	
	Mar-03	Sep-02	Cost method		Equity method		Mar-03	Mar-02
			Mar-03	Sep-02	Mar-03	Sep-02		
3.4.1 Investments using the equity method								
Royal Orchid Hotel (Thailand) Public Co., Ltd. (Market value as at March 31, 2003 amount of Baht 697.50 Million and as at September 30, 2002 amount of Baht 675.00 million)	24	24	225.00	225.00	312.05	291.05	21.00	14.30
Donmuang International Airport Hotel Company Limited	40	40	48.00	48.00	165.73	212.91	29.62	26.53
Bangkok Aviation Fuel Services Public Company Limited (Market value as at March 31, 2003 amount of Baht 598.97 million and September 30, 2002 amount of Baht 622.01 million)	22.6	22.6	76.79	76.79	366.82	349.88	16.94	(65.78)
Phuket Air Catering Company Limited	30	30	30.00	30.00	26.09	20.46	5.63	6.61
Total investments using the equity method					870.69	874.30	73.19	(18.34)
3.4.2 Other long-term investments stated at cost								
Fuel Pipeline Transportation Limited	8.4	8.4	133.00	133.00			-	-
Aeronautical Radio of Thailand Limited	4.0	4.0	26.18	26.18			-	-
SITA Investment Certificate	-	-	35.87	38.68			-	-
TRADESIAM Company Limited (paid 25% of authorised share capital)	3.5	3.5	1.75	1.75			-	-
Other Shares	-	-	6.77	6.77			-	-
<u>Less</u> Allowance for impairment of Fuel Pipeline Transportation Limited			(133.00)	(133.00)			-	-
Total other long-term investments			70.57	73.38			-	-

The Company

Unit : Million Baht

Name of Company	Percentage of Shareholding		Investments				Incomes on investments	
	Mar-03	Sep-02	Cost method		Equity method		Mar-03	Mar-02
			Mar-03	Sep-02	Mar-03	Sep-02		
3.4.1 Investments using the equity method								
Subsidiary Companies								
Thai Information Solution Company Limited (paid 25% of authorised share capital)	100	100	125.00	125.00	102.60	102.35	0.25	0.25
Thai-Amadeus Southeast Asia Company Limited	55	55	8.25	8.25	162.53	152.86	22.05	23.70
Total					265.13	255.21	22.30	23.95
Associated Companies								
Royal Orchid Hotel (Thailand) Public Co., Ltd. (Market value as at March 31, 2003 amount of Baht 697.50 Million and as at September 30, 2002 amount of Baht 675.00 million)	24	24	225.00	225.00	312.05	291.05	21.00	14.30
Donmuang International Airport Hotel Company Limited	40	40	48.00	48.00	165.73	212.91	29.62	26.53
Bangkok Aviation Fuel Services Public Company Limited (Market value as at March 31, 2003 amount of Baht 598.97 million and as at September 30, 2002 amount of Baht 622.01 million)	22.6	22.6	76.79	76.79	366.82	349.88	16.94	(65.78)
Phuket Air Catering Company Limited	30	30	30.00	30.00	26.09	20.46	5.63	6.61
Total					870.69	874.30	73.19	(18.34)
Total investments using the equity method					1,135.82	1,129.51	95.49	5.61
3.4.2 Other long-term investments stated at cost								
Fuel Pipeline Transportation Limited	8.4	8.4	133.00	133.00			-	-
Aeronautical Radio of Thailand Limited	4.0	4.0	26.18	26.18			-	-
SITA Investment Certificate	-	-	35.87	38.68			-	-
TRADESIAM Company Limited (paid 25% of authorised share capital)	3.5	3.5	1.75	1.75			-	-
Other Shares	-	-	6.77	6.77			-	-
<u>Less</u> Allowance for impairment of Fuel Pipeline Transportation Limited			(133.00)	(133.00)			-	-
Total other long-term investments			70.57	73.38			-	-

3.5 Deferred Income Tax

Temporary differences between net book value and the corresponding tax base are as follows :

	Unit : Million Baht			
	<u>Consolidated</u>		<u>The Company</u>	
	31-Mar-03	30-Sep-02	31-Mar-03	30-Sep-02
Contribution to staff pension funds	901.04	856.30	901.04	856.30
Allowance for obsolete inventories	617.88	596.45	617.88	596.45
Allowance for doubtful debts	526.34	484.88	525.33	484.06
Allowance for impairment in value of securities	39.90	39.90	39.90	39.90
Deposits	3.68	3.11	-	-
Estimated accrual expenses	608.21	480.65	608.21	480.65
Tax exemption from loss on foreign currency exchange	3,472.96	4,190.51	3,472.96	4,190.51
Total	6,170.01	6,651.80	6,165.32	6,647.87

3.6 Staff Pension Fund Consolidated and the Company

The Company has established a staff pension fund, contributing 10% of employee salaries to the fund each month. The fund's assets and liabilities are presented in the Company's balance sheet. Interest and expenses arising from fund operations are recognised as income and expenses of the Company. The details are as follows:

	Unit : Million Baht	
	31-Mar-03	30-Sep-02
Cash and cash equivalents	5.05	776.19
Fixed deposits	3,503.45	2,570.55
Fixed assets	0.02	0.03
Other current assets	12.46	22.27
	3,520.98	3,369.04
Other current liabilities	13.85	11.43
Pension fund	3,650.43	3,452.72
	3,664.28	3,464.15

As at March 31, 2003, the fund balance was Baht 3,650.43 million, equal to the Company's obligation to its staff under the fund. In the current fiscal year, the Company contributes to the fund at the rate of 10% in the amount of Baht 54.89 million plus an obligation amount of Baht 143.30 million, totalling Baht 198.19 million.

3.7 Contingent Liabilities

The Company has contingent liabilities, not presented in the financial statements, resulting from the following commitments:

	Unit : Million Baht	
	<u>The Company</u>	
	31-Mar-03	30-Sep-02
The Company as defendant in		
Labour dispute cases	239.08	37.42
Damage claims cases	423.83	447.81
Total	662.91	485.23

3.8 Reclassification of Items in Financial Statements

The Company has reclassified items in the income statement for the three - month and six - month periods ended March 31, 2002 and rearranged a form of the changes in shareholders' equity statement for the six - month periods ended March 31, 2002 for comparative purpose according to the regulation of the Department of Commercial Registration dated September 14, 2001, issued according to Section 11, clause 3 of the Accounting Act B.E. 2543. This is no impact to the reported net profit or shareholders' equity.
