

(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 December 31, 2003, the related consolidated and the Company statements of income, changes in shareholders' equity and cash flows for the three - month periods ended December 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, 2003 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 10, 2003. The consolidated and the Company balance sheets as at September 30, 2003, 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) *Jerarat Noppawong Na Ayutthaya*
(Jerarat Noppawong Na Ayutthaya)
for Auditor General

(Signed) *Pensri Soranaraks*
(Pensri Soranaraks)
Auditor-in-charge

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS

AS AT DECEMBER 31, 2003 AND SEPTEMBER 30, 2003

Unit : Baht

	<u>Notes</u>	<u>CONSOLIDATED</u>		<u>THE COMPANY</u>	
		<u>31 December 2003</u> (reviewed)	<u>30 September 2003</u> (audited)	<u>31 December 2003</u> (reviewed)	<u>30 September 2003</u> (audited)
ASSETS					
Current Assets					
Cash and cash equivalents	3.1	27,827,237,624	9,205,595,942	27,423,901,840	8,852,154,752
Fixed deposits due over 3 months		3,602,502,648	3,266,968,582	3,602,502,648	3,266,968,582
Current investments	3.2	571,455,596	464,698,198	571,455,596	464,698,198
Trade account receivables-net	3.3	14,965,388,326	12,487,308,725	14,909,039,644	12,436,556,840
Inventories and supplies-net		3,819,632,499	3,636,445,054	3,819,632,499	3,636,445,054
Other current assets					
Prepaid expenses and deposits		4,535,203,494	4,506,722,668	4,534,781,378	4,506,358,573
Others		2,754,700,645	1,027,371,394	2,743,647,353	1,007,199,182
Total Current Assets		58,076,120,832	34,595,110,563	57,604,960,958	34,170,381,181
Non-Current Assets					
Investments using the equity method	3.4.1	896,246,747	881,672,921	1,183,853,676	1,175,562,930
Other long-term investments	3.4.2	62,562,080	79,599,757	62,562,080	79,599,757
Loan for investment in aircraft spare parts		23,209,100	22,183,066	23,209,100	22,183,066
Property, Plant and Equipment-Net					
Aircraft		69,041,804,414	59,427,503,075	69,041,804,414	59,427,503,075
Aircraft under capital leases		51,105,368,451	51,817,987,968	51,105,368,451	51,817,987,968
Aircraft spare parts		8,077,906,740	7,834,461,671	8,077,906,740	7,834,461,671
Land, buildings and improvements		2,748,892,276	2,847,995,639	2,748,892,276	2,847,995,639
Other plant and equipment		5,291,572,143	4,366,034,717	5,202,519,851	4,275,054,813
Other Non-Current Assets					
Deferred charges		890,474,436	345,910,606	890,474,436	345,910,606
Concessions for acquisitions of aircraft and engines		80,556,105	258,024,264	80,556,105	258,024,264
Deferred income taxes	3.5	5,448,605,681	5,501,927,674	5,443,245,636	5,496,924,651
Total Non-Current Assets		143,667,198,173	133,383,301,358	143,860,392,765	133,581,208,440
Total Assets		201,743,319,005	167,978,411,921	201,465,353,723	167,751,589,621

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

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS

AS AT DECEMBER 31, 2003 AND SEPTEMBER 30, 2003

Unit : Baht

	Notes	<u>CONSOLIDATED</u>		<u>THE COMPANY</u>	
		<u>31 December 2003</u> (reviewed)	<u>30 September 2003</u> (audited)	<u>31 December 2003</u> (reviewed)	<u>30 September 2003</u> (audited)
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Liabilities					
Trade account payables		4,876,461,096	4,655,074,192	4,872,897,100	4,647,347,056
Short-term loans		7,947,560,000	4,009,640,000	7,947,560,000	4,009,640,000
Current portion of long-term loans					
Long-term loans		7,116,473,986	5,295,758,282	7,116,473,986	5,295,758,282
Liabilities under capital leases		8,647,747,632	7,877,867,258	8,647,747,632	7,877,867,258
Promissory notes		1,050,000,000	1,050,000,000	1,050,000,000	1,050,000,000
Other current liabilities					
Accrued expenses		9,961,362,512	11,562,809,872	9,951,725,860	11,556,072,646
Accrued dividends		1,781,986,180	34,161,846	1,735,486,180	34,161,846
Accrued income taxes		2,850,497,802	1,094,545,925	2,804,811,912	1,064,347,329
Unearned transportation revenues		15,891,884,684	14,030,371,856	15,891,884,684	14,030,371,856
Others		4,616,628,475	4,154,327,049	4,595,120,571	4,128,485,223
Total Current Liabilities		64,740,602,367	53,764,556,280	64,613,707,925	53,694,051,496
Non-Current Liabilities					
Long-term debts					
Debentures	3.6	10,000,000,000	-	10,000,000,000	-
Long-term loans		27,341,318,792	29,490,714,661	27,341,318,792	29,490,714,661
Liabilities under capital leases		34,772,948,703	35,292,040,815	34,772,948,703	35,292,040,815
Promissory notes		6,000,000,000	6,300,000,000	6,000,000,000	6,300,000,000
Staff pension fund	3.10	3,874,081,812	3,729,301,165	3,874,081,812	3,729,301,165
Others		343,951,084	347,054,951	343,951,084	347,054,951
Total Non-Current Liabilities		82,332,300,391	75,159,111,592	82,332,300,391	75,159,111,592
Total Liabilities		147,072,902,758	128,923,667,872	146,946,008,316	128,853,163,088
Shareholders' Equity					
Share capital	3.7				
Authorized					
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 par value of Baht 10 each		-	14,000,000,000	-	14,000,000,000
1,685 million ordinary shares par value of Baht 10 each		16,850,000,000	-	16,850,000,000	-
Premium on share capital		16,150,000,000	4,750,000,000	16,150,000,000	4,750,000,000
Unrealised gain on change in market valuation	3.2	561,263,596	454,324,822	561,263,596	454,324,822
Retained Earnings (Deficit)					
Appropriated					
Legal reserve		1,700,000,000	1,700,000,000	1,700,000,000	1,700,000,000
Unappropriated		19,258,081,811	17,994,101,711	19,258,081,811	17,994,101,711
Total Company Shareholders' Equity		54,519,345,407	38,898,426,533	54,519,345,407	38,898,426,533
Minority interests		151,070,840	156,317,516	-	-
Total Shareholders' Equity		54,670,416,247	39,054,744,049	54,519,345,407	38,898,426,533
Total Liabilities and Shareholders' Equity		201,743,319,005	167,978,411,921	201,465,353,723	167,751,589,621

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

(Signed) *Kanok Abhiradee*
(Kanok Abhiradee)
President

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

Reviewed

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF INCOME

For the three - month periods ended December 31, 2003 and 2002

	<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	30,779,825,048	28,799,055,204	30,779,825,048	28,799,055,204
Freight	5,624,740,262	5,831,371,450	5,624,740,262	5,831,371,450
Mail	259,480,767	239,002,266	259,480,767	239,002,266
Other activities	1,590,194,586	1,707,351,540	1,497,295,031	1,635,478,127
Total Revenues from the Sale of Goods and the Rendering of Services				
Rendering of Services	38,254,240,663	36,576,780,460	38,161,341,108	36,504,907,047
Selling and Administrative Expenses				
Flight operations	8,163,714,067	8,032,988,202	8,163,714,067	8,032,988,202
Maintenance and overhaul	4,475,208,328	3,912,457,385	4,475,208,328	3,912,457,385
Ground operations	5,020,386,111	5,370,060,642	5,020,386,111	5,370,060,642
Passenger services	4,536,007,143	4,215,552,786	4,536,007,143	4,215,552,786
Marketing	2,797,596,898	2,636,805,370	2,797,596,898	2,636,805,370
Administration and general	963,126,185	500,944,769	963,126,185	500,944,769
Remuneration to board of directors	16,716,121	1,790,042	16,603,912	1,673,042
Lease of aircraft and spare parts	1,527,771,181	2,245,752,218	1,527,771,181	2,245,752,218
Depreciation of aircraft	2,548,803,379	2,214,730,758	2,548,803,379	2,214,730,758
Depreciation of other fixed assets	387,452,881	420,037,024	380,329,568	414,610,890
Other activities	265,819,529	644,290,489	227,935,802	596,469,037
Total Selling and Administrative Expenses	30,702,601,823	30,195,409,685	30,657,482,574	30,142,045,099
Profit from the Sale of Goods and the Rendering of Services	7,551,638,840	6,381,370,775	7,503,858,534	6,362,861,948

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

Reviewed

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF INCOME

For the three - month periods ended December 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	7,551,638,840	6,381,370,775	7,503,858,534	6,362,861,948
Other Income				
Interest income	68,193,429	86,581,713	67,891,369	86,338,029
Others	221,118,788	204,892,763	217,976,351	204,509,178
Total Other Income	289,312,217	291,474,476	285,867,720	290,847,207
Other Expenses				
Losses (Gains) on foreign currency exchange	408,698,419	72,047,127	408,698,419	72,047,127
Yields from pension fund	9,464,585	11,332,199	9,464,585	11,332,199
Others	298,620,941	356,488,433	297,519,359	356,114,346
Total Other Expenses	716,783,945	439,867,759	715,682,363	439,493,672
Profit from Operations	7,124,167,112	6,232,977,492	7,074,043,891	6,214,215,483
Share of Profits from Investments Using the Equity Method				
Share of net profit from subsidiary companies	-	-	19,291,919	7,263,931
Share of net profit from associated companies	22,823,827	25,005,444	22,823,827	25,005,444
Total Share of Profits from Investments Using the Equity Method	22,823,827	25,005,444	42,115,746	32,269,375
Profit before Interest and Income Tax Expenses	7,146,990,939	6,257,982,936	7,116,159,637	6,246,484,858
Interest expenses	931,639,397	1,253,257,793	931,639,397	1,253,257,793
Income tax expenses	1,850,693,118	1,489,666,530	1,835,540,140	1,484,006,219
Profit after Tax	4,364,658,424	3,515,058,613	4,348,980,100	3,509,220,846
Net profit of minority interest	15,678,324	5,837,767	-	-
Net profit	4,348,980,100	3,509,220,846	4,348,980,100	3,509,220,846
Primary earnings per share				
Net profit	2.87	2.51	2.87	2.51

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

(Signed) *Kanok Abhiradee*
(Kanok Abhiradee)
President

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

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the three - month periods ended December 31, 2003 and 2002

Unit : Baht

	CONSOLIDATED						Total
	Share Capital	Premium	Retained Earnings	Unrealised	Legal	Minority	
	issued and fully paid	on share capital	(Deficit)	Gain	Reserve	Interest	
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	-	-	-	228,660,585	-	-	228,660,585
<u>Add</u> Net Profit	-	-	3,509,220,846	-	-	5,837,767	3,515,058,613
<u>Less</u> Dividends paid	-	-	(2,100,000,000)	-	-	-	(2,100,000,000)
Balance as at December 31, 2002	14,000,000,000	4,750,000,000	9,207,941,917	367,058,962	1,541,881,364	130,904,350	29,997,786,593
Balance as at October 1, 2003	14,000,000,000	4,750,000,000	17,994,101,711	454,324,822	1,700,000,000	156,317,516	39,054,744,049
Unrealised gain on change in market valuation	-	-	-	106,938,774	-	-	106,938,774
<u>Add</u> Net Profit	-	-	4,348,980,100	-	-	15,678,324	4,364,658,424
<u>Less</u> Dividends paid	-	-	(3,085,000,000)	-	-	(20,925,000)	(3,105,925,000)
<u>Add</u> Issued share capital	2,850,000,000	11,400,000,000	-	-	-	-	14,250,000,000
Balance as at December 31, 2003	16,850,000,000	16,150,000,000	19,258,081,811	561,263,596	1,700,000,000	151,070,840	54,670,416,247

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

(Signed) *Kanok Abhiradee*
(Kanok Abhiradee)
President

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

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the three - month periods ended December 31, 2003 and 2002

Unit : Baht

	THE COMPANY					Total
	Share Capital	Premium	Retained Earnings	Unrealised	Legal	
	issued and fully paid	on share capital	(Deficit)	Gain	Reserve	
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	-	-	-	228,660,585	-	228,660,585
<u>Add</u> Net Profit	-	-	3,509,220,846	-	-	3,509,220,846
<u>Less</u> Legal reserve	-	-	(2,100,000,000)	-	-	(2,100,000,000)
Balance as at December 31, 2002	14,000,000,000	4,750,000,000	9,207,941,917	367,058,962	1,541,881,364	29,866,882,243
Balance as at October 1, 2003	14,000,000,000	4,750,000,000	17,994,101,711	454,324,822	1,700,000,000	38,898,426,533
Unrealised gain on change in market valuation	-	-	-	106,938,774	-	106,938,774
<u>Add</u> Net Profit	-	-	4,348,980,100	-	-	4,348,980,100
<u>Less</u> Dividends paid	-	-	(3,085,000,000)	-	-	(3,085,000,000)
<u>Add</u> Issued share capital	2,850,000,000	11,400,000,000	-	-	-	14,250,000,000
Balance as at December 31, 2003	16,850,000,000	16,150,000,000	19,258,081,811	561,263,596	1,700,000,000	54,519,345,407

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

(Signed) *Kanok Abhiradee*
(Kanok Abhiradee)
President

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

Reviewed

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

For the three - month periods ended December 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	4,348,980,100	3,509,220,846	4,348,980,100	3,509,220,846
Adjustment to reconcile net profit to cash provided by (paid from) operating activities :				
Depreciation	2,936,256,260	2,634,767,782	2,929,132,947	2,629,341,648
Income from investments using the equity method	(22,823,827)	(25,005,444)	(42,115,746)	(32,269,375)
Losses on sales of assets	183,306,798	(2,464,875)	183,306,798	(2,464,875)
Amortisation of deferred charges	35,135,576	-	35,135,576	-
Losses (gains) on foreign currency exchange	305,406,823	517,157,744	305,406,823	517,157,744
Net profit of minority interests	15,678,324	5,837,767	-	-
Reserve for obsolete inventories	32,243,745	28,357,154	32,243,745	28,357,154
Allowance for doubtful accounts, impairment in value of assets	15,613,514	64,525,315	14,522,441	64,156,504
Operating profit before changes in operating assets and liabilities	7,849,797,313	6,732,396,289	7,806,612,684	6,713,499,646
Decrease (increase) in operating assets :				
Trade account receivables	(2,444,514,772)	86,898,453	(2,437,826,902)	87,199,277
Inventories and supplies	(215,431,189)	(65,741,127)	(215,431,189)	(65,741,127)
Prepaid expenses and deposits	(32,683,526)	(652,361,369)	(32,625,505)	(652,190,695)
Other current assets	(1,724,833,594)	(550,280,873)	(1,733,952,514)	(617,015,333)
Deferred income taxes	53,321,993	103,106,083	53,679,015	103,705,726
Deferred charges	(579,699,407)	-	(579,699,407)	-
Concessions for acquisitions of aircraft and engines	177,211,562	35,913,926	177,211,562	35,913,926
Increase (decrease) in operating liabilities :				
Trade account payables	189,179,985	(311,192,080)	193,343,125	(314,104,961)
Accrued expenses and other current liabilities	487,293,064	2,361,248,796	473,240,266	2,326,104,867
Staff pension fund	144,780,647	151,510,933	144,780,647	151,510,933
Unearned transportation revenue	1,861,512,828	24,834,185	1,861,512,828	24,834,185
Net cash from operating activities	5,765,934,904	7,916,333,216	5,710,844,610	7,793,716,444

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

Reviewed

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

For the three - month periods ended December 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				
Fixed deposits due over 3 months	(335,534,066)	-	(335,534,066)	-
Cash paid for acquisition of fixed assets	(13,109,008,227)	(5,588,305,074)	(13,103,812,527)	(5,574,538,924)
Cash received from sales of assets	17,884,216	7,578,077	17,884,216	7,578,077
Investments	50,005,774	38,400,000	50,005,774	38,400,000
Cash received from loan for investing in aircraft spare parts	1,240,000	-	1,240,000	-
Net cash used in investing activities	(13,375,412,303)	(5,542,326,997)	(13,370,216,603)	(5,528,560,847)
Cash flows from financing activities				
Cash received from debentures	10,000,000,000	-	10,000,000,000	-
Cash received from short-term loans	4,010,000,000	-	4,010,000,000	-
Cash received from long-term loans	691,663,503	10,302,175,447	691,663,503	10,302,175,447
Cash received from issued ordinary shares	2,850,000,000	-	2,850,000,000	-
Cash received from premium on ordinary shares	11,400,000,000	-	11,400,000,000	-
Cash paid for repayment of short-term loans	-	(12,175,240,000)	-	(12,175,240,000)
Cash paid for repayment of long-term loans	(1,239,400,635)	(1,810,205,149)	(1,239,400,635)	(1,810,205,149)
Cash paid for repayment of promissory notes	(300,000,000)	(300,000,000)	(300,000,000)	(300,000,000)
Dividends paid	(1,383,675,666)	(12,285)	(1,383,675,666)	(12,285)
Net cash used in financing activities	26,028,587,202	(3,983,281,987)	26,028,587,202	(3,983,281,987)
Increase (decrease) in cash and cash equivalents	18,419,109,803	(1,609,275,768)	18,369,215,209	(1,718,126,390)
Increase (decrease) effects of exchange rate changes on cash and bank balances	202,531,879	(277,538,707)	202,531,879	(277,538,707)
Cash and cash equivalents at the beginning of the year	9,205,595,942	20,117,223,571	8,852,154,752	19,889,254,758
Cash and cash equivalents at the end of the year	27,827,237,624	18,230,409,096	27,423,901,840	17,893,589,661
Supplementary cash flows information :				
Cash paid during the year for				
Interest expenses	583,351,520	778,892,779	583,351,520	778,892,779
Corporate income tax	41,419,248	35,074,495	41,396,542	35,065,326

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

(Signed) *Kanok Abhiradee*
(Kanok Abhiradee)
President

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

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
For the three - month periods ended December 31, 2003 (reviewed)
and for the year ended September 30, 2003 (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, retained earnings 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, 2003. So, the use of these interim financial statements should be applied together with the year financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In preparation of the interim financial statements, the Company applies the accounting policies and the calculation methods which are similar to the annual financial statements ended September 30, 2003.

3. SUPPLEMENTARY INFORMATION

3.1 Cash and Cash Equivalents

	Consolidated		Unit : Million Baht	
	31-Dec-03	30-Sep-03	The Company	
	<u>31-Dec-03</u>	<u>30-Sep-03</u>	<u>31-Dec-03</u>	<u>30-Sep-03</u>
Cash – Domestic	9.79	10.65	9.79	10.65
Cash – Abroad	23.78	20.79	23.78	20.79
Bank Deposits - Domestic	17,299.19	5,218.39	16,895.85	4,864.95
Bank Deposits - Abroad	<u>10,494.48</u>	<u>3,955.76</u>	<u>10,494.48</u>	<u>3,955.76</u>
Total	<u>27,827.24</u>	<u>9,205.59</u>	<u>27,423.90</u>	<u>8,852.15</u>

Cash and cash equivalents have already included cash and cash equivalent of the Company's staff pension discussed in Note 3.10.

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) December 31, 2003	Amount (Million)	Amount THB (Million)
FRANCE TELECOM	508,937	EUR 22.66	EUR 11.53	571.45
Cost value			US\$ 0.26	<u>10.19</u>
Unrealised gain on change in market value				<u>561.26</u>

(Exchange rate EUR 1 : THB 49.5517 and US\$1: THB 39.2000)

The Company classified these shares as available-for-sale securities. Unrealised gain 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 schedule below.

	Unit : Million Baht			
	<u>Consolidated</u>		<u>The Company</u>	
	<u>31-Dec-03</u>	<u>30-Sep-03</u>	<u>31-Dec-03</u>	<u>30-Sep-03</u>
Period of overdue				
Not over 6 months	14,913.26	12,406.42	14,858.78	12,356.65
Over : 6 months to 1 year	44.64	103.94	41.54	102.94
Over : 1 year to 2 years	119.23	115.68	117.94	113.74
Over : 2 years	<u>1,148.92</u>	<u>1,106.32</u>	<u>1,146.41</u>	<u>1,104.34</u>
	16,226.05	13,732.36	16,164.67	13,677.67
<u>Less</u> Allowance for doubtful accounts	<u>(1,260.66)</u>	<u>(1,245.05)</u>	<u>(1,255.63)</u>	<u>(1,241.11)</u>
Trade account receivables - net	<u>14,965.39</u>	<u>12,487.31</u>	<u>14,909.04</u>	<u>12,436.56</u>

3.4 Investments

Consolidated

Unit : Million Baht

Name of Company	Percentage of Shareholding		Investments				Income on investments	
	Dec-03	Sep-03	Cost method		Equity method		Dec-03	Dec-02
			Dec-03	Sep-03	Dec-03	Sep-03		
3.4.1 Investments using the equity method								
Royal Orchid Hotel (Thailand) Public Co., Ltd. (Market value as at December 31, 2003 amount of Baht 675.00 Million and as at December 31, 2002 amount of Baht 697.50 million)	24	24	225.00	225.00	279.24	279.57	(0.33)	5.79
Donmuang International Airport Hotel Company Limited	40	40	48.00	48.00	181.35	192.14	13.20	13.00
Bangkok Aviation Fuel Services Public Company Limited (Market value as at December 31, 2003 amount of Baht 982.92 million and as December 31, 2002 amount of Baht 598.97 million)	22.6	22.6	76.79	76.79	389.73	381.14	8.58	4.56
Phuket Air Catering Company Limited	30	30	30.00	30.00	30.18	28.82	1.37	1.66
Suvarnaphumi Airport Hotel Company Limited (paid 25% of authorized share capital)	30	-	15.75	-	15.75	-	-	-
Total investments using the equity method					896.25	881.67	22.82	25.01
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	3.9	25.60	25.60			-	-
SITA Investment Certificate	-	-	27.22	29.75			-	-
TRADESIAM Company Limited (paid 25% of authorized share capital)	3.5	3.5	1.75	1.75			-	-
Other Shares			7.99	22.50			-	-
<u>Less</u> Allowance for impairment of Fuel Pipeline Transportation Limited			(133.00)	(133.00)			-	-
Total other long-term investments			62.56	79.60			-	-

The Company

Unit : Million Baht

Name of Company	Percentage of Shareholding		Investments				Income on investments	
	Dec-03	Sep-03	Cost method		Equity method		Dec-03	Dec-02
			Dec-03	Sep-03	Dec-03	Sep-03		
3.4.1 Investments using the equity method								
Subsidiary Companies								
Thai Information Solution Company Limited (paid 25% of authorized share capital)	100	100	125.00	125.00	102.96	102.84	0.13	0.13
Thai-Amadeus Southeast Asia Company Limited	55	55	8.25	8.25	184.64	191.05	19.16	7.13
Total					287.60	293.89	19.29	7.26
Associated Companies								
Royal Orchid Hotel (Thailand) Public Co., Ltd. (Market value as at December 31, 2003 amount of Baht 675.00 million and as at December 31, 2002 amount of Baht 697.50 million)	24	24	225.00	225.00	279.24	279.57	(0.33)	5.79
Donmuang International Airport Hotel Company Limited	40	40	48.00	48.00	181.35	192.14	13.20	13.00
Bangkok Aviation Fuel Services Public Company Limited (Market value as at December 31, 2003 amount of Baht 982.92 million and as at December 31, 2002 amount of Baht 598.97 million)	22.6	22.6	76.79	76.79	389.73	381.14	8.58	4.56
Phuket Air Catering Company Limited	30	30	30.00	30.00	30.18	28.82	1.37	1.66
Suvarnaphumi Airport Hotel Company Limited (paid 25% of authorized share capital)	30	-	15.75	-	15.75	-	-	-
Total					896.25	881.67	22.82	25.01
Total investments using the equity method					1,183.85	1,175.56	42.11	32.27
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	3.9	3.9	25.60	25.60			-	-
SITA Investment Certificate	-	-	27.22	29.75			-	-
TRADESIAM Company Limited (paid 25% of authorized share capital)	3.5	3.5	1.75	1.75			-	-
Other Shares			7.99	22.50			-	-
<u>Less</u> Allowance for impairment of Fuel Pipeline Transportation Limited			(133.00)	(133.00)			-	-
Total other long-term investments			62.56	79.60			-	-

3.5 Deferred Income Tax

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

	Consolidated		Unit : Million Baht The Company	
	<u>31-Dec-03</u>	<u>30-Sep-03</u>	<u>31-Dec-03</u>	<u>30-Sep-03</u>
Contribution to staff pension funds	950.58	919.05	950.58	919.05
Allowance for obsolete inventories	664.35	654.68	664.35	654.68
Allowance for doubtful debts	459.52	454.84	458.01	453.66
Allowance for impairment in value of securities	39.90	39.90	39.90	39.90
Deposits	3.85	3.82	-	-
Estimated accrual expenses	614.39	527.31	614.39	527.31
Tax exemption from loss on foreign currency exchange	<u>2,716.02</u>	<u>2,902.33</u>	<u>2,716.02</u>	<u>2,902.33</u>
Total	<u>5,448.61</u>	<u>5,501.93</u>	<u>5,443.25</u>	<u>5,496.93</u>

3.6 Debenture Bonds

The Company issued two tranches of debenture bonds with a total value of Baht 10.00 billion according to the Resolution of Extraordinary Shareholders' Meeting No. 1/2546 held on September 2, 2003. The first tranche amount of Baht 5,500.00 millions was offered to the institutional investors with 5 - year maturities and fixed coupons rate at 3.00% per annum. The second tranche amount of Baht 4,500.00 million was offered to both institutional investors and retail investors with 7 - year maturities and fixed coupons rate at 3.70% per annum. The subscribed money has been transferred to the Company's account on October 9, 2003. Also, the Company has registered these debentures with the Thai Bond Dealing Centre (THAI BDC) and entered into the bond market exchange of the Stock Exchange of Thailand.

3.7 Share Capital

The Company offered its increased 300 million shares capital to retail investors amount of 285 million shares at Baht 50 per share (par value of Baht 10 per share and premium on share of Baht 40 per share) for an aggregate of Baht 14,250.00 million consisting of par value amount of Baht 2,850.00 million and premium on shares amount of Baht 11,400.00 million. The rest of 15 million shares will appropriate to its staff in accordance with the Resolution of the Cabinet dated September 16, 2003. As a result, the issued and paid-up ordinary shares as at December 31, 2003 amounted to 1,685 million shares for an aggregate of Baht 16,850.00 million and premium on shares amount of Baht 16,150.00 million.

3.8 Dividends the Company

In this fiscal year, the Company paid interim dividends for the half-year 2002/03 operation amount of Baht 1.00 per share for an aggregate of Baht 1,400.00 million according to THAI's Board of director resolution No.12/2546 dated October 29, 2003. In addition, the Shareholders' Ordinary Meeting for 2003 helded on December 23, 2003 approved to pay the dividends for the year 2002/03 amount of Baht 1.00 per share for an aggregate of Baht 1,685.00 million (1,400 million old shares plus 285 million new shares totalling 1,685 million shares).

3.9 Segment Information Consolidated

3.9.1 Business segments

	Unit : Million Baht							
	Revenues		Inter -Segment Revenues		Total Revenues		Segment Result	
	31-Dec-03	31-Dec-02	31-Dec-03	31-Dec-02	31-Dec-03	31-Dec-02	31-Dec-03	31-Dec-02
Air transportation	36,664.05	34,869.43	-	-	36,664.05	34,869.43	6,510.18	5,613.33
Technical services	204.30	390.08	1,732.90	1,281.54	1,937.20	1,671.62	452.65	308.87
Customer services	248.73	223.64	404.84	324.33	653.57	547.97	18.10	29.16
Ground support equipment services	291.78	257.81	322.95	246.48	614.73	504.29	118.15	48.88
Cargo services	311.64	286.82	114.09	77.95	425.73	364.77	89.17	61.52
Catering	390.68	399.84	927.77	850.55	1,318.45	1,250.39	282.41	292.12
Collective sale agents	92.90	71.87	-	-	92.90	71.87	47.78	18.51
Other activities	50.16	77.29	95.56	56.01	145.72	133.30	33.20	8.98
Eliminations	-	-	(3,598.11)	(2,836.86)	-	-	-	-
Operating profit							7,551.64	6,381.37
Share of net profit from subsidiaries and associated companies							22.82	25.01
Interest expenses-net							(863.44)	(1,166.68)
Gain on foreign currency exchange							(408.70)	(72.05)
Other expenses							(86.97)	(162.93)
Minority interests							(15.68)	(5.84)
Income taxes							(1,850.69)	(1,489.66)
Net profit							<u>4,348.98</u>	<u>3,509.22</u>

	Unit : Million Baht					
	Net Fixed Assets		Other Assets		Total Assets	
	31-Dec-03	30-Sep-03	31-Dec-03	30-Sep-03	31-Dec-03	30-Sep-03
Air transportation	133,798.18	123,814.76	62,795.91	39,113.89	196,594.09	162,928.65
Technical services	1,352.73	1,445.83	20.43	15.41	1,373.16	1,461.24
Customer services	80.31	49.31	8.58	8.63	88.89	57.94
Ground support equipment services	182.97	136.93	169.64	168.65	352.61	305.58
Cargo services	123.43	100.11	27.02	31.80	150.45	131.91
Catering	638.87	656.06	189.27	163.71	828.14	819.77
Collective sale agents	89.05	90.98	391.16	340.54	480.21	431.52
Unallocated corporate assets	-	-	1,875.77	1,841.80	1,875.77	1,841.80
Total	<u>136,265.54</u>	<u>126,293.98</u>	<u>65,477.78</u>	<u>41,684.43</u>	<u>201,743.32</u>	<u>167,978.41</u>

Operating profit of each activity derive from total revenues net of operating expenses of each activity excluding interest expenses, gains(losses) on foreign currency exchange, other expenses, and income taxes.

Fixed and other assets of each activity are related to those activities

3.9.2 Geographical segments

	Unit : Million Baht	
	<u>31-Dec-03</u>	<u>31-Dec-02</u>
Domestic Revenues		
Transportation	3,277.67	3,217.66
Business units	1,540.03	1,630.06
Other activities	<u>50.16</u>	<u>77.29</u>
Total domestic revenues	<u>4,867.86</u>	<u>4,925.01</u>
Foreign Transportation Revenues		
Regional Asia	17,177.24	17,148.29
Europe	10,487.61	10,050.16
North Pacific	1,350.03	1,347.33
Australia & New Zealand	<u>3,139.98</u>	<u>2,876.59</u>
Total foreign transportation revenues	<u>32,154.86</u>	<u>31,422.37</u>
Charter revenues and others	<u>1,231.52</u>	<u>229.40</u>
Total	<u>38,254.24</u>	<u>36,576.78</u>

3.10 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	
	<u>31-Dec-03</u>	<u>30-Sep-03</u>
Cash and cash equivalents	7.34	360.88
Fixed deposits due over 3 months	3,602.50	3,266.97
Other current assets	20.04	7.43
Non-current assets	0.01	0.01
Other current liabilities	19.86	18.37
Pension fund	3,874.08	3,729.30

As at December 31, 2003, the fund balance was Baht 3,874.08 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 56.80 million plus an obligation amount of Baht 151.67 million, totalling Baht 208.47 million.

3.11 Contingent Liabilities

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

	Unit : Million Baht	
	The Company	
	<u>31-Dec-03</u>	<u>30-Sep-03</u>
The Company as defendant in		
Labour dispute cases	402.60	395.32
Damage claims cases	<u>553.39</u>	<u>532.43</u>
Total	<u>955.99</u>	<u>927.75</u>
