

(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, 2004, the related consolidated and the Company statements of income, changes in shareholders' equity and cash flows for the three - month periods and six - month periods ended March 31, 2004 and 2003, 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

May 13, 2004

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS

AS AT MARCH 31, 2004 AND SEPTEMBER 30, 2003

Unit : Baht

| | <u>Notes</u> | <u>CONSOLIDATED</u> | | <u>THE COMPANY</u> | |
|--|--------------|------------------------------------|---------------------------------------|------------------------------------|---------------------------------------|
| | | <u>31 March 2004</u> (reviewed) | <u>30 September 2003</u> (audited) | <u>31 March 2004</u> (reviewed) | <u>30 September 2003</u> (audited) |
| ASSETS | | | | | |
| Current Assets | | | | | |
| Cash and cash equivalents | 3.1 | 24,426,521,610 | 9,205,595,942 | 24,028,438,702 | 8,852,154,752 |
| Fixed deposits due over 3 months | | 3,756,783,922 | 3,266,968,582 | 3,756,783,922 | 3,266,968,582 |
| Current investment-available-for-sale securities | 3.2 | 474,560,581 | 464,698,198 | 474,560,581 | 464,698,198 |
| Trade account receivables-net | 3.3 | 14,209,153,553 | 12,487,308,725 | 14,155,812,224 | 12,436,556,840 |
| Inventories and supplies-net | | 3,976,165,774 | 3,636,445,054 | 3,976,165,774 | 3,636,445,054 |
| Other current assets | | | | | |
| Prepaid expenses and deposits | | 4,386,609,645 | 4,506,722,668 | 4,386,161,625 | 4,506,358,573 |
| Others | | 2,193,036,305 | 1,027,371,394 | 2,193,152,118 | 1,007,199,182 |
| Total Current Assets | | 53,422,831,390 | 34,595,110,563 | 52,971,074,946 | 34,170,381,181 |
| Non-Current Assets | | | | | |
| Investments using the equity method | 3.4.1 | 921,346,406 | 881,672,921 | 1,231,620,450 | 1,175,562,930 |
| Other long-term investments | 3.4.2 | 61,375,677 | 79,599,757 | 61,375,677 | 79,599,757 |
| Loan for investment in aircraft spare parts | | 21,885,773 | 22,183,066 | 21,885,773 | 22,183,066 |
| Property, Plant and Equipment-Net | | | | | |
| Aircraft | | 70,314,244,131 | 59,427,503,075 | 70,314,244,131 | 59,427,503,075 |
| Aircraft under capital leases | | 49,001,271,578 | 51,817,987,968 | 49,001,271,578 | 51,817,987,968 |
| Aircraft spare parts | | 8,525,499,737 | 7,834,461,671 | 8,525,499,737 | 7,834,461,671 |
| Land, buildings and improvements | | 2,666,503,730 | 2,847,995,639 | 2,666,503,730 | 2,847,995,639 |
| Other plant and equipment | | 5,734,512,480 | 4,366,034,717 | 5,641,663,610 | 4,275,054,813 |
| Other Non-Current Assets | | | | | |
| Deferred charges | | 942,617,412 | 345,910,606 | 942,617,412 | 345,910,606 |
| Concessions for acquisitions of aircraft and engines | | 33,772,292 | 258,024,264 | 33,772,292 | 258,024,264 |
| Deferred income taxes | 3.5 | 5,375,472,346 | 5,501,927,674 | 5,369,701,870 | 5,496,924,651 |
| Total Non-Current Assets | | 143,598,501,562 | 133,383,301,358 | 143,810,156,260 | 133,581,208,440 |
| Total Assets | | 197,021,332,952 | 167,978,411,921 | 196,781,231,206 | 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 MARCH 31, 2004 AND SEPTEMBER 30, 2003

Unit : Baht

| | Notes | CONSOLIDATED | | THE COMPANY | |
|---|-------|-----------------------------|--------------------------------|-----------------------------|--------------------------------|
| | | 31 March 2004 (reviewed) | 30 September 2003 (audited) | 31 March 2004 (reviewed) | 30 September 2003 (audited) |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | | |
| Current Liabilities | | | | | |
| Trade account payables | | 4,752,969,852 | 4,655,074,192 | 4,743,397,879 | 4,647,347,056 |
| Short-term loans | | 3,954,850,000 | 4,009,640,000 | 3,954,850,000 | 4,009,640,000 |
| Current portion of long-term loans | | | | | |
| Long-term loans | | 7,123,643,401 | 5,295,758,282 | 7,123,643,401 | 5,295,758,282 |
| Liabilities under capital leases | | 7,889,447,652 | 7,877,867,258 | 7,889,447,652 | 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 | | 11,583,807,071 | 11,562,809,872 | 11,578,507,398 | 11,556,072,646 |
| Accrued dividends | | 45,398,400 | 34,161,846 | 45,398,400 | 34,161,846 |
| Accrued income taxes | | 3,758,189,576 | 1,094,545,925 | 3,724,698,888 | 1,064,347,329 |
| Unearned transportation revenues | | 14,729,043,477 | 14,030,371,856 | 14,729,043,477 | 14,030,371,856 |
| Others | | 3,772,221,768 | 4,154,327,049 | 3,749,994,928 | 4,128,485,223 |
| Total Current Liabilities | | 58,659,571,197 | 53,764,556,280 | 58,588,982,023 | 53,694,051,496 |
| Non-Current Liabilities | | | | | |
| Long-term debts | | | | | |
| Debentures | 3.7 | 10,000,000,000 | - | 10,000,000,000 | - |
| Long-term loans | | 26,664,935,638 | 29,490,714,661 | 26,664,935,638 | 29,490,714,661 |
| Liabilities under capital leases | | 32,317,458,119 | 35,292,040,815 | 32,317,458,119 | 35,292,040,815 |
| Promissory notes | | 5,775,000,000 | 6,300,000,000 | 5,775,000,000 | 6,300,000,000 |
| Staff pension fund | 3.11 | 3,921,034,456 | 3,729,301,165 | 3,921,034,456 | 3,729,301,165 |
| Others | | 342,312,595 | 347,054,951 | 342,312,595 | 347,054,951 |
| Total Non-Current Liabilities | | 79,020,740,808 | 75,159,111,592 | 79,020,740,808 | 75,159,111,592 |
| Total Liabilities | | 137,680,312,005 | 128,923,667,872 | 137,609,722,831 | 128,853,163,088 |
| Shareholders' Equity | | | | | |
| Share capital | 3.8 | | | | |
| 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 | | 15,580,254,947 | 4,750,000,000 | 15,580,254,947 | 4,750,000,000 |
| Unrealised gain on current investment-available-for-sale securities | 3.2 | 465,039,450 | 454,324,822 | 465,039,450 | 454,324,822 |
| Retained earnings | | | | | |
| Appropriated | | | | | |
| Legal reserve | | 1,700,000,000 | 1,700,000,000 | 1,700,000,000 | 1,700,000,000 |
| Unappropriated | | 24,576,213,978 | 17,994,101,711 | 24,576,213,978 | 17,994,101,711 |
| Total Company Shareholders' Equity | | 59,171,508,375 | 38,898,426,533 | 59,171,508,375 | 38,898,426,533 |
| Minority interests | | 169,512,572 | 156,317,516 | - | - |
| Total Shareholders' Equity | | 59,341,020,947 | 39,054,744,049 | 59,171,508,375 | 38,898,426,533 |
| Total Liabilities and Shareholders' Equity | | 197,021,332,952 | 167,978,411,921 | 196,781,231,206 | 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 March 31, 2004 and 2003

| | <u>CONSOLIDATED</u> | | <u>THE COMPANY</u> | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>2004</u> | <u>2003</u> | <u>2004</u> | <u>2003</u> |
| Revenues from the Sale of Goods and the Rendering of Services | | | | |
| Passenger and excess baggage | 31,944,566,608 | 29,411,317,307 | 31,944,566,608 | 29,411,317,307 |
| Freight | 5,320,460,075 | 5,425,689,532 | 5,320,460,075 | 5,425,689,532 |
| Mail | 236,313,151 | 197,066,621 | 236,313,151 | 197,066,621 |
| Other activities | 1,821,622,163 | 1,643,089,352 | 1,707,194,365 | 1,563,663,711 |
| Total Revenues from the Sale of Goods and the Rendering of Services | | | | |
| Rendering of Services | 39,322,961,997 | 36,677,162,812 | 39,208,534,199 | 36,597,737,171 |
| Selling and Administrative Expenses | | | | |
| Flight operations | 8,863,278,436 | 8,368,122,192 | 8,863,278,436 | 8,368,122,192 |
| Maintenance and overhaul | 4,338,331,593 | 3,517,113,354 | 4,338,331,593 | 3,517,113,354 |
| Ground operations | 5,342,070,582 | 5,287,528,442 | 5,342,070,582 | 5,287,528,442 |
| Passenger services | 4,440,472,597 | 4,058,322,041 | 4,440,472,597 | 4,058,322,041 |
| Marketing | 2,894,369,755 | 2,688,791,394 | 2,894,369,755 | 2,688,791,394 |
| Administration and general | 172,991,927 | 509,195,626 | 155,499,493 | 509,195,626 |
| Remuneration to board of directors | 988,383 | 923,229 | 791,133 | 276,087 |
| Lease of aircraft and spare parts | 1,487,013,647 | 1,875,430,080 | 1,487,013,647 | 1,875,430,080 |
| Depreciation of aircraft | 2,587,639,819 | 2,337,683,293 | 2,587,639,819 | 2,337,683,293 |
| Depreciation of other fixed assets | 360,942,539 | 374,270,781 | 353,356,288 | 368,264,261 |
| Other activities | 195,073,494 | 288,562,692 | 167,899,416 | 252,996,765 |
| Total Selling and Administrative Expenses | 30,683,172,772 | 29,305,943,124 | 30,630,722,759 | 29,263,723,535 |
| Profit from the Sale of Goods and the Rendering of Services | 8,639,789,225 | 7,371,219,688 | 8,577,811,440 | 7,334,013,636 |

Unit : Baht

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

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF INCOME

For the three - month periods ended March 31, 2004 and 2003

| | <u>CONSOLIDATED</u> | | <u>THE COMPANY</u> | |
|--|----------------------|----------------------|----------------------|----------------------|
| | <u>2004</u> | <u>2003</u> | <u>2004</u> | <u>2003</u> |
| | Unit : Baht | | | |
| Profit from the Sale of Goods and the Rendering of Services | 8,639,789,225 | 7,371,219,688 | 8,577,811,440 | 7,334,013,636 |
| Other Income | | | | |
| Interest income | 99,573,483 | 72,564,506 | 99,262,011 | 72,267,162 |
| Others | 378,903,571 | 45,162,523 | 380,969,540 | 43,209,778 |
| Total Other Income | 478,477,054 | 117,727,029 | 480,231,551 | 115,476,940 |
| Other Expenses | | | | |
| Losses (Gains) on foreign currency exchange | 341,905,383 | (624,624,690) | 341,905,383 | (624,624,690) |
| Yields from pension fund | 9,589,326 | 10,231,989 | 9,589,326 | 10,231,989 |
| Others | 86,249,453 | 178,969,851 | 84,739,501 | 178,699,130 |
| Total Other Expenses | 437,744,162 | (435,422,850) | 436,234,210 | (435,693,571) |
| Profit from Operations | 8,680,522,117 | 7,924,369,567 | 8,621,808,781 | 7,885,184,147 |
| Share of Profits from Investments Using the Equity Method | | | | |
| Share of net profit from subsidiary companies | - | - | 22,667,115 | 15,040,332 |
| Share of net profit from associated companies | 44,299,659 | 48,181,806 | 44,299,659 | 48,181,806 |
| Total Share of Profits from Investments Using the Equity Method | 44,299,659 | 48,181,806 | 66,966,774 | 63,222,138 |
| Profit before Interest and Income Tax Expenses | 8,724,821,776 | 7,972,551,373 | 8,688,775,555 | 7,948,406,285 |
| Interest expenses | 1,266,253,224 | 1,125,142,408 | 1,266,253,224 | 1,125,142,408 |
| Income tax expenses | 2,121,994,654 | 2,047,797,240 | 2,104,390,164 | 2,035,855,294 |
| Profit after Tax | 5,336,573,898 | 4,799,611,725 | 5,318,132,167 | 4,787,408,583 |
| Net profit of minority interest | 18,441,731 | 12,203,142 | - | - |
| Net profit | 5,318,132,167 | 4,787,408,583 | 5,318,132,167 | 4,787,408,583 |
| Primary earnings per share | | | | |
| Net profit | 3.16 | 3.42 | 3.16 | 3.42 |

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 INCOME

For the six - month periods ended March 31, 2004 and 2003

Unit : Baht

| | <u>CONSOLIDATED</u> | | <u>THE COMPANY</u> | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>2004</u> | <u>2003</u> | <u>2004</u> | <u>2003</u> |
| Revenues from the Sale of Goods and the Rendering of Services | | | | |
| Passenger and excess baggage | 62,724,391,656 | 58,210,372,511 | 62,724,391,656 | 58,210,372,511 |
| Freight | 10,945,200,338 | 11,257,060,982 | 10,945,200,338 | 11,257,060,982 |
| Mail | 495,793,918 | 436,068,887 | 495,793,918 | 436,068,887 |
| Other activities | 3,411,816,749 | 3,350,440,892 | 3,204,489,395 | 3,199,141,838 |
| Total Revenues from the Sale of Goods and the Rendering of Services | | | | |
| Rendering of Services | 77,577,202,661 | 73,253,943,272 | 77,369,875,307 | 73,102,644,218 |
| Selling and Administrative Expenses | | | | |
| Flight operations | 17,026,992,504 | 16,401,110,394 | 17,026,992,504 | 16,401,110,394 |
| Maintenance and overhaul | 8,813,539,921 | 7,429,570,739 | 8,813,539,921 | 7,429,570,739 |
| Ground operations | 10,176,064,203 | 10,657,589,083 | 10,176,064,203 | 10,657,589,083 |
| Passenger services | 8,976,479,740 | 8,273,874,828 | 8,976,479,740 | 8,273,874,828 |
| Marketing | 5,691,966,652 | 5,325,596,764 | 5,691,966,652 | 5,325,596,764 |
| Administration and general | 1,154,549,971 | 1,010,140,395 | 1,118,625,678 | 1,010,140,395 |
| Remuneration to board of directors | 17,704,504 | 2,713,272 | 17,395,045 | 1,949,130 |
| Lease of aircraft and spare parts | 3,014,784,827 | 4,121,182,297 | 3,014,784,827 | 4,121,182,297 |
| Depreciation of aircraft | 5,136,443,198 | 4,552,414,051 | 5,136,443,198 | 4,552,414,051 |
| Depreciation of other fixed assets | 748,395,420 | 794,307,805 | 733,685,855 | 782,875,152 |
| Other activities | 628,853,655 | 932,853,181 | 582,227,709 | 849,465,801 |
| Total Selling and Administrative Expenses | 61,385,774,595 | 59,501,352,809 | 61,288,205,332 | 59,405,768,634 |
| Profit from the Sale of Goods and the Rendering of Services | 16,191,428,066 | 13,752,590,463 | 16,081,669,975 | 13,696,875,584 |

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 six - month periods ended March 31, 2004 and 2003

Unit : Baht

| | <u>Notes</u> | <u>CONSOLIDATED</u> | | <u>THE COMPANY</u> | |
|--|--------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | | <u>2004</u> | <u>2003</u> | <u>2004</u> | <u>2003</u> |
| Profit from the Sale of Goods and the Rendering of Services | | 16,191,428,066 | 13,752,590,463 | 16,081,669,975 | 13,696,875,584 |
| Other Income | | | | | |
| Interest income | | 167,766,912 | 159,146,219 | 167,153,381 | 158,605,191 |
| Others | | 600,022,359 | 250,055,286 | 598,945,890 | 247,718,956 |
| Total Other Income | | 767,789,271 | 409,201,505 | 766,099,271 | 406,324,147 |
| Other Expenses | | | | | |
| Losses (Gains) on foreign currency exchange | | 750,603,802 | (552,577,563) | 750,603,802 | (552,577,563) |
| Yields from pension fund | | 19,053,910 | 21,564,188 | 19,053,910 | 21,564,188 |
| Others | | 384,870,394 | 535,458,284 | 382,258,861 | 534,813,476 |
| Total Other Expenses | | 1,154,528,106 | 4,444,909 | 1,151,916,573 | 3,800,101 |
| Profit from Operations | | 15,804,689,231 | 14,157,347,059 | 15,695,852,673 | 14,099,399,630 |
| Share of Profits from Investments Using the Equity Method | | | | | |
| Share of net profit from subsidiary companies | | - | - | 41,959,034 | 22,304,263 |
| Share of net profit from associated companies | | 67,123,485 | 73,187,250 | 67,123,485 | 73,187,250 |
| Total Share of Profits from Investments Using the Equity Method | 3.4.1 | 67,123,485 | 73,187,250 | 109,082,519 | 95,491,513 |
| Profit before Interest and Income Tax Expenses | | 15,871,812,716 | 14,230,534,309 | 15,804,935,192 | 14,194,891,143 |
| Interest expenses | | 2,197,892,621 | 2,378,400,201 | 2,197,892,621 | 2,378,400,201 |
| Income tax expenses | | 3,972,687,772 | 3,537,463,770 | 3,939,930,304 | 3,519,861,513 |
| Profit after Tax | | 9,701,232,323 | 8,314,670,338 | 9,667,112,267 | 8,296,629,429 |
| Net profit of minority interest | | 34,120,056 | 18,040,909 | - | - |
| Net profit | | 9,667,112,267 | 8,296,629,429 | 9,667,112,267 | 8,296,629,429 |
| Primary earnings per share | | | | | |
| Net profit | | 6.04 | 5.93 | 6.04 | 5.93 |

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 six - month periods ended March 31, 2004 and 2003

Unit : Baht

| | | CONSOLIDATED | | | | | | |
|---------------------------------------|-----------------------|-----------------------|-----------------------|--------------------|----------------------|--------------------|-----------------------|--|
| | Share Capital | Premium | Retained | Unrealised | Legal | Minority | Total | |
| | issued and | on share | Earnings | Gain | Reserve | Interest | | |
| Note | fully paid | capital | (Deficit) | | | | | |
| 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 current investment | | | | | | | | |
| -available-for-sale securities | - | - | - | 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) | |
| 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 | |
| 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 current investment | | | | | | | | |
| -available-for-sale securities | - | - | - | 10,714,628 | - | - | 10,714,628 | |
| <u>Add</u> Net Profit | - | - | 9,667,112,267 | - | - | 34,120,056 | 9,701,232,323 | |
| <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 | 10,830,254,947 | - | - | - | - | 13,680,254,947 | |
| Balance as at March 31, 2004 | 16,850,000,000 | 15,580,254,947 | 24,576,213,978 | 465,039,450 | 1,700,000,000 | 169,512,572 | 59,341,020,947 | |

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 six - month periods ended March 31, 2004 and 2003

Unit : Baht

| THE COMPANY | | | | | | |
|---------------------------------------|---|--------------------------------|--------------------|----------------------|--|-----------------------|
| | Share Capital issued and fully paid | Premium on share capital | Unrealised Gain | Legal Reserve | Retained Earnings Unappropriated | Total |
| Notes | | | | | | |
| Balance as at October 1, 2002 | 14,000,000,000 | 4,750,000,000 | 138,398,377 | 1,541,881,364 | 7,798,721,071 | 28,229,000,812 |
| Unrealised gain on current investment | | | | | | |
| -available-for-sale securities | - | - | 289,417,280 | - | - | 289,417,280 |
| <u>Add</u> Net Profit | - | - | - | - | 8,296,629,429 | 8,296,629,429 |
| <u>Less</u> Legal reserve | - | - | - | - | (2,100,000,000) | (2,100,000,000) |
| Balance as at March 31, 2003 | 14,000,000,000 | 4,750,000,000 | 427,815,657 | 1,541,881,364 | 13,995,350,500 | 34,715,047,521 |
| Balance as at October 1, 2003 | 14,000,000,000 | 4,750,000,000 | 454,324,822 | 1,700,000,000 | 17,994,101,711 | 38,898,426,533 |
| Unrealised gain on current investment | | | | | | |
| -available-for-sale securities | - | - | 10,714,628 | - | - | 10,714,628 |
| <u>Add</u> Net Profit | - | - | - | - | 9,667,112,267 | 9,667,112,267 |
| <u>Less</u> Dividends paid | 3.9 | - | - | - | (3,085,000,000) | (3,085,000,000) |
| <u>Add</u> Issued share capital | 2,850,000,000 | 10,830,254,947 | - | - | - | 13,680,254,947 |
| Balance as at March 31, 2004 | 16,850,000,000 | 15,580,254,947 | 465,039,450 | 1,700,000,000 | 24,576,213,978 | 59,171,508,375 |

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 CASH FLOWS

For the six - month periods ended March 31, 2004 and 2003

| | <u>CONSOLIDATED</u> | | <u>THE COMPANY</u> | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>2004</u> | <u>2003</u> | <u>2004</u> | <u>2003</u> |
| | Unit : Baht | | | |
| Cash flows from operating activities | | | | |
| Net profit | 9,667,112,267 | 8,296,629,429 | 9,667,112,267 | 8,296,629,429 |
| Adjustment to reconcile net profit to cash provided by (paid from) operating activities : | | | | |
| Depreciation | 5,884,838,618 | 5,346,721,856 | 5,870,129,053 | 5,335,289,202 |
| Income from investments using the equity method | (67,123,486) | (73,187,250) | (109,082,519) | (95,491,513) |
| Losses on sales of assets | 116,872,989 | 4,928,811 | 116,872,989 | 4,928,811 |
| Gain on current investments-available-for-sale securities | (38,884,439) | - | (38,884,439) | - |
| Amortisation of deferred charges | 91,228,688 | - | 91,228,688 | - |
| Losses on foreign currency exchange | 793,400,084 | 177,804,072 | 793,400,084 | 177,804,072 |
| Net profit of minority interests | 34,120,056 | 18,040,909 | - | - |
| Reserve for obsolete inventories | 35,068,956 | 76,911,100 | 35,068,956 | 76,911,100 |
| Allowance for doubtful accounts and impairment in value of assets | 67,866,416 | 138,194,875 | 65,278,641 | 137,565,001 |
| Operating profit before changes in operating assets and liabilities | 16,584,500,149 | 13,986,043,802 | 16,491,123,720 | 13,933,636,102 |
| Decrease (increase) in operating assets : | | | | |
| Trade account receivables | (1,806,365,542) | (406,903,674) | (1,801,188,322) | (340,043,432) |
| Inventories and supplies | (374,789,676) | (157,292,939) | (374,789,676) | (157,292,939) |
| Prepaid expenses and deposits | 132,769,170 | (650,551,159) | 132,853,095 | (650,544,317) |
| Other current assets | (1,162,922,389) | 445,558,942 | (1,183,210,414) | 256,989,524 |
| Deferred income taxes | 126,455,329 | 481,798,901 | 127,222,781 | 482,551,864 |
| Deferred charges | (687,935,494) | - | (687,935,494) | - |
| Concessions for acquisitions of aircraft and engines | 209,971,532 | 48,110,529 | 209,971,532 | 48,110,529 |
| Increase (decrease) in operating liabilities : | | | | |
| Trade account payables | 61,567,091 | 1,174,710,987 | 59,722,254 | 1,169,351,351 |
| Accrued expenses and other current liabilities | 2,210,411,243 | 1,307,138,242 | 2,212,171,690 | 1,277,731,751 |
| Staff pension fund | 191,733,291 | 197,707,535 | 191,733,291 | 197,707,535 |
| Unearned transportation revenue | 698,671,622 | (143,457,736) | 698,671,622 | (143,457,736) |
| Net cash from operating activities | 16,184,066,326 | 16,282,863,430 | 16,076,346,079 | 16,074,740,232 |

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 six - month periods ended March 31, 2004 and 2003

| | <u>CONSOLIDATED</u> | | <u>THE COMPANY</u> | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | <u>2004</u> | <u>2003</u> | <u>2004</u> | <u>2003</u> |
| Unit : Baht | | | | |
| Cash flows from investing activities | | | | |
| Fixed deposits due over 3 months | (489,815,340) | - | (489,815,340) | - |
| Cash paid for acquisition of fixed assets | (16,040,049,649) | (6,699,138,213) | (16,023,471,120) | (6,668,555,486) |
| Cash received from sales of assets | 90,289,457 | 58,540,166 | 90,289,457 | 58,540,166 |
| Investments | 44,654,382 | 79,162,834 | 70,229,382 | 91,537,774 |
| Cash received from current investments-available-for-sale securities | 39,555,308 | - | 39,555,308 | - |
| Cash received from loan for investing in aircraft spare parts | - | (3,346,200) | - | (3,346,200) |
| Net cash used in investing activities | (16,355,365,842) | (6,564,781,413) | (16,313,212,313) | (6,521,823,746) |
| 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 | 4,290,000,000 | 4,010,000,000 | 4,290,000,000 |
| 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 | 10,830,254,947 | - | 10,830,254,947 | - |
| Cash paid for repayment of short-term loans | (4,009,640,000) | (12,175,240,000) | (4,009,640,000) | (12,175,240,000) |
| Cash paid for repayment of long-term loans | (5,366,588,589) | (10,664,670,450) | (5,366,588,589) | (10,664,670,450) |
| Cash paid for repayment of promissory notes | (525,000,000) | (525,000,000) | (525,000,000) | (525,000,000) |
| Dividends paid | (3,094,688,446) | (2,099,490,336) | (3,073,763,446) | (2,090,490,336) |
| Net cash from (used in) financing activities | 15,386,001,415 | (10,872,225,339) | 15,406,926,415 | (10,863,225,339) |
| Increase (decrease) in cash and cash equivalents | 15,214,701,899 | (1,154,143,322) | 15,170,060,181 | (1,310,308,853) |
| Increase (decrease) effects of exchange rate changes on cash and bank balances | 6,223,769 | (331,989,760) | 6,223,769 | (331,989,761) |
| 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 | 24,426,521,610 | 18,631,090,489 | 24,028,438,702 | 18,246,956,144 |
| Supplementary cash flows information : | | | | |
| Cash paid during the year for | | | | |
| Interest expenses | 2,006,677,202 | 2,408,765,777 | 2,006,677,202 | 2,408,765,777 |
| Corporate income tax | 1,162,221,188 | 1,799,939,805 | 1,131,988,358 | 1,778,010,536 |

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 and six - month periods ended March 31, 2004 (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

| | Unit : Million Baht | | | |
|--------------------------|----------------------------|-------------------------|-------------------------|-------------------------|
| | Consolidated | | The Company | |
| | <u>31-Mar-04</u> | <u>30-Sep-03</u> | <u>31-Mar-04</u> | <u>30-Sep-03</u> |
| Cash - Domestic | 11.64 | 10.65 | 11.64 | 10.65 |
| Cash - Abroad | 16.26 | 20.79 | 16.26 | 20.79 |
| Bank Deposits - Domestic | 15,409.51 | 5,218.39 | 15,011.43 | 4,864.95 |
| Bank Deposits - Abroad | <u>8,989.11</u> | <u>3,955.76</u> | <u>8,989.11</u> | <u>3,955.76</u> |
| Total | <u>24,426.52</u> | <u>9,205.59</u> | <u>24,028.44</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 3.11.

3.2 Current Investments-Available-for-Sale-Securities

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. On February 3, 2004, the Company sold 33,500 shares at a price of EUR 24.105. The Company has gain on sales of shares amount of Baht 38.88 million. The rest of shares are as follows:

| Name of Company | No. of Shares | Market Value/Share (at Bourse de Paris) March 31, 2004 | Amount (Million) | Amount THB (Million) |
|--|---------------|--|---------------------|----------------------------|
| FRANCE TELECOM | 475,437 | EUR 20.82 | EUR 9.90 | 474.56 |
| Cost value | | | US\$ 0.24 | <u>9.52</u> |
| Unrealised gain on change in market value | | | | <u>465.04</u> |
| (Exchange rate EUR 1 : THB 47.9422 and US\$1: THB 39.2000) | | | | |

The Company recorded a gain on remeasurement to market value as “unrealised gain on available-for-sale securities” 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 | | | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| | Consolidated | | The Company | |
| | <u>31-Mar-04</u> | <u>30-Sep-03</u> | <u>31-Mar-04</u> | <u>30-Sep-03</u> |
| Period of overdue | | | | |
| Not over 6 months | 14,138.19 | 12,406.42 | 14,087.55 | 12,356.65 |
| Over : 6 months to 1 year | 92.75 | 103.94 | 87.77 | 102.94 |
| Over : 1 year to 2 years | 98.39 | 115.68 | 97.54 | 113.74 |
| Over : 2 years | <u>1,199.50</u> | <u>1,106.32</u> | <u>1,196.10</u> | <u>1,104.34</u> |
| | 15,528.83 | 13,732.36 | 15,468.96 | 13,677.67 |
| <u>Less</u> Allowance for doubtful accounts | <u>(1,319.68)</u> | <u>(1,245.05)</u> | <u>(1,313.15)</u> | <u>(1,241.11)</u> |
| Trade account receivables - net | <u>14,209.15</u> | <u>12,487.31</u> | <u>14,155.81</u> | <u>12,436.56</u> |

3.4 Investments

Consolidated

Unit : Million Baht

| Name of Company | Percentage of Shareholding | | Investments | | | | Income on investments | |
|---|----------------------------|--------|--------------|--------------|---------------|---------------|-----------------------|--------------|
| | Mar-04 | Sep-03 | Cost method | | Equity method | | Mar-04 | Mar-03 |
| | | | Mar-04 | Sep-03 | Mar-04 | Sep-03 | | |
| 3.4.1 Investments using the equity method | | | | | | | | |
| Royal Orchid Hotel (Thailand) Public Co., Ltd. (Market value as at March 31, 2004 amount of Baht 697.50 million and as at September 30, 2003 amount of Baht 697.50 million) | 24 | 24 | 225.00 | 225.00 | 291.15 | 279.57 | 11.58 | 21.00 |
| Donmuang International Airport Hotel Company Limited | 40 | 40 | 48.00 | 48.00 | 175.35 | 192.14 | 26.41 | 29.62 |
| Bangkok Aviation Fuel Services Public Company Limited (Market value as at March 31, 2004 amount of Baht 852.38 million and as September 30, 2003 amount of Baht 867.74 million) | 22.6 | 22.6 | 76.79 | 76.79 | 407.55 | 381.14 | 26.40 | 16.94 |
| Phuket Air Catering Company Limited | 30 | 30 | 30.00 | 30.00 | 31.55 | 28.82 | 2.73 | 5.63 |
| Suvarnaphumi Airport Hotel Company Limited (paid 25% of authorized share capital) | 30 | - | 15.75 | - | 15.75 | - | - | - |
| Total investments using the equity method | | | | | 921.35 | 881.67 | 67.12 | 73.19 |
| 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 | - | - | 26.08 | 29.75 | | | - | - |
| TRADESIAM Company Limited (paid 25% of authorized share capital) | 3.5 | 3.5 | 1.75 | 1.75 | | | - | - |
| Other Shares | | | 7.95 | 22.50 | | | - | - |
| <u>Less</u> Allowance for impairment of Fuel Pipeline Transportation Limited | | | (133.00) | (133.00) | | | - | - |
| Total other long-term investments | | | 61.38 | 79.60 | | | - | - |

The Company

Unit : Million Baht

| Name of Company | Percentage of Shareholding | | Investments | | | | Income on investments | |
|---|----------------------------|--------|--------------|--------------|-----------------|-----------------|-----------------------|--------------|
| | Mar-04 | Sep-03 | Cost method | | Equity method | | Mar-04 | Mar-03 |
| | | | Mar-04 | Sep-03 | Mar-04 | 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 | 103.09 | 102.84 | 0.26 | 0.25 |
| Thai-Amadeus Southeast Asia Company Limited | 55 | 55 | 8.25 | 8.25 | 207.18 | 191.05 | 41.70 | 22.05 |
| Total | | | | | 310.27 | 293.89 | 41.96 | 22.30 |
| Associated Companies | | | | | | | | |
| Royal Orchid Hotel (Thailand) Public Co., Ltd. (Market value as at March 31, 2004 amount of Baht 697.50 million and as at September 30, 2003 amount of Baht 697.50 million) | 24 | 24 | 225.00 | 225.00 | 291.15 | 279.57 | 11.58 | 21.00 |
| Donmuang International Airport Hotel Company Limited | 40 | 40 | 48.00 | 48.00 | 175.35 | 192.14 | 26.41 | 29.62 |
| Bangkok Aviation Fuel Services Public Company Limited (Market value as at March 31, 2004 amount of Baht 852.38 million and as at September 30, 2003 amount of Baht 867.74 million) | 22.6 | 22.6 | 76.79 | 76.79 | 407.55 | 381.14 | 26.40 | 16.94 |
| Phuket Air Catering Company Limited | 30 | 30 | 30.00 | 30.00 | 31.55 | 28.82 | 2.73 | 5.63 |
| Suvarnaphumi Airport Hotel Company Limited (paid 25% of authorized share capital) | 30 | - | 15.75 | - | 15.75 | - | - | - |
| Total | | | | | 921.35 | 881.67 | 67.12 | 73.19 |
| Total investments using the equity method | | | | | 1,231.62 | 1,175.56 | 109.08 | 95.49 |
| 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 | - | - | 26.08 | 29.75 | | | - | - |
| TRADESIAM Company Limited (paid 25% of authorized share capital) | 3.5 | 3.5 | 1.75 | 1.75 | | | - | - |
| Other Shares | | | 7.95 | 22.50 | | | - | - |
| <u>Less</u> Allowance for impairment of Fuel Pipeline Transportation Limited | | | (133.00) | (133.00) | | | - | - |
| Total other long-term investments | | | 61.38 | 79.60 | | | - | - |

The Company does not have any authority in the management or control of its associated companies except for voting rights and board representation according to the Company's share ownership of the associated company.

After Thai Information Solution Company Limited was established, it did not conduct any business. Now, the Company is in the process of registering to dissolution this company according to a resolution of THAI's Board of directors passed on January 29, 2003 and a resolution of a cabinet passed on March 30, 2004.

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-Mar-04</u> | <u>30-Sep-03</u> | <u>31-Mar-04</u> | <u>30-Sep-03</u> |
| | Contribution to staff pension funds | 961.13 | 919.05 | 961.13 |
| Allowance for obsolete inventories | 665.19 | 654.68 | 665.19 | 654.68 |
| Allowance for doubtful debts | 475.20 | 454.84 | 473.24 | 453.66 |
| Allowance for impairment in value of securities | 39.90 | 39.90 | 39.90 | 39.90 |
| Deposits | 3.81 | 3.82 | - | - |
| Estimated accrual expenses | 582.84 | 527.31 | 582.84 | 527.31 |
| Tax exemption from loss on foreign currency exchange | <u>2,647.40</u> | <u>2,902.33</u> | <u>2,647.40</u> | <u>2,902.33</u> |
| Total | <u>5,375.47</u> | <u>5,501.93</u> | <u>5,369.70</u> | <u>5,496.93</u> |

3.6 Related Parties The Company

3.6.1 Major shareholders

| | Unit : Million Baht | |
|------------------------------------|----------------------------|-------------------------|
| | <u>31- Mar-04</u> | <u>30-Sep-03</u> |
| Ministry of Finance | | |
| Guaranteed loans | 2,663.61 | 3,732.07 |
| Loans via the Ministry of Finance | 35,079.82 | 35,064.04 |
| Government Saving Bank | | |
| Loans payable and promissory notes | 4,225.00 | 4,550.00 |

3.6.2 Subsidiary companies

| | Unit : Million Baht | | | |
|-----------------------------|---------------------|-------------------|----------------------|----------------------|
| | Sales | | | |
| | Three-month periods | | Six-month periods | |
| | <u>Jan-Mar'04</u> | <u>Jan-Mar'03</u> | <u>Oct'03-Mar'04</u> | <u>Oct'02-Mar'03</u> |
| Thai-Amadeus Southeast Asia | 18.64 | 1.93 | 37.34 | 4.20 |

| | Unit : Million Baht | | | |
|---|------------------------------|--------------------|------------------------------|---------------------|
| | Trade Account Receivables | | Other Account Receivables | |
| | <u>31-Mar-04</u> | <u>30-Sep-03</u> | <u>31-Mar-04</u> | <u>30-Sep-03</u> |
| Thai-Amadeus Southeast Asia | 0.86 | 0.06 | 35.24 | 13.61 |
| Thai Information Solution Company Limited | <u>-</u> | <u>-</u> | <u>0.09</u> | <u>0.06</u> |
| | <u>0.86</u> | <u>0.06</u> | <u>35.33</u> | <u>13.67</u> |

The Company purchases goods and services from related parties on normal commercial terms.

3.7 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.

3.8 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 net off share offering expenses of Baht 569.75 million, leaving the premium on shares amount of Baht 10,830.25 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 March 31, 2004 amounted to 1,685 million shares for an aggregate of Baht 16,850.00 million and premium on shares amount of Baht 15,580.25 million.

3.9 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). The aggregate dividends amounted to Baht 3,085.00 million.

3.10 Segment Information Consolidated

3.10.1 Business segments

| | Unit : Million Baht | | | | | | | |
|--|---------------------|------------|-------------------------|------------|----------------|------------|------------------------|------------------------|
| | Revenues | | Inter -Segment Revenues | | Total Revenues | | Segment Result | |
| | Jan-Mar'04 | Jan-Mar'03 | Jan-Mar'04 | Jan-Mar'03 | Jan-Mar'04 | Jan-Mar'03 | Jan-Mar'04 | Jan-Mar'03 |
| Air transportation | 37,501.34 | 35,034.07 | - | - | 37,501.34 | 35,034.07 | 7,098.58 | 6,278.44 |
| Technical services | 318.38 | 330.35 | 1,553.57 | 1,349.28 | 1,871.94 | 1,679.63 | 565.87 | 440.85 |
| Customer services | 275.09 | 221.27 | 412.23 | 317.34 | 687.32 | 538.61 | 118.75 | 60.83 |
| Ground support equipment services | 319.67 | 254.50 | 328.73 | 244.70 | 648.40 | 499.20 | 212.87 | 99.40 |
| Cargo services | 308.03 | 279.21 | 116.36 | 77.45 | 424.39 | 356.66 | 121.94 | 80.31 |
| Catering | 429.89 | 413.09 | 987.46 | 859.03 | 1,417.35 | 1,272.12 | 407.21 | 347.86 |
| Collective sale agents | 114.43 | 79.43 | - | - | 114.43 | 79.43 | 61.98 | 37.21 |
| Other activities | 56.13 | 65.24 | 84.20 | 64.76 | 140.33 | 130.00 | 52.59 | 26.32 |
| Eliminations | - | - | (3,482.55) | (2,912.56) | - | - | - | - |
| Operating profit | | | | | | | 8,639.79 | 7,371.22 |
| Share of net profit from subsidiaries and associated companies | | | | | | | 44.30 | 48.18 |
| Interest expenses-net | | | | | | | (1,166.68) | (1,052.57) |
| Gains (losses) on foreign currency exchange | | | | | | | (341.91) | 624.62 |
| Other expenses | | | | | | | 283.06 | (144.04) |
| Minority interests | | | | | | | (18.44) | (12.20) |
| Income taxes | | | | | | | (2,121.99) | (2,047.80) |
| Net profit | | | | | | | <u>5,318.13</u> | <u>4,787.41</u> |

| | Unit : Million Baht | | | | | | | |
|--|----------------------|----------------------|--------------------------------|----------------------|-----------------------|----------------------|------------------------|------------------------|
| | <u>Revenues</u> | | <u>Inter -Segment Revenues</u> | | <u>Total Revenues</u> | | <u>Segment Result</u> | |
| | <u>Oct'03-Mar'04</u> | <u>Oct'02-Mar'03</u> | <u>Oct'03-Mar'04</u> | <u>Oct'02-Mar'03</u> | <u>Oct'03-Mar'04</u> | <u>Oct'02-Mar'03</u> | <u>Oct'03-Mar'04</u> | <u>Oct'02-Mar'03</u> |
| Air transportation | 74,165.39 | 69,903.50 | - | - | 74,165.39 | 69,903.50 | 13,608.75 | 11,891.77 |
| Technical services | 522.68 | 720.42 | 3,286.46 | 2,630.82 | 3,809.14 | 3,351.24 | 1,018.52 | 749.72 |
| Customer services | 523.82 | 444.91 | 817.07 | 641.66 | 1,340.89 | 1,086.57 | 136.85 | 89.99 |
| Ground support equipment services | 611.45 | 512.31 | 651.68 | 491.19 | 1,263.13 | 1,003.50 | 331.02 | 148.28 |
| Cargo services | 619.67 | 566.03 | 230.46 | 155.40 | 850.13 | 721.43 | 211.12 | 141.83 |
| Catering | 820.57 | 812.94 | 1,915.23 | 1,709.58 | 2,735.80 | 2,522.52 | 689.62 | 639.98 |
| Collective sale agents | 207.33 | 151.30 | - | - | 207.33 | 151.30 | 109.76 | 55.72 |
| Other activities | 106.29 | 142.53 | 179.76 | 120.77 | 286.05 | 263.30 | 85.79 | 35.30 |
| Eliminations | - | - | (7,080.66) | (5,749.42) | - | - | - | - |
| Operating profit | | | | | | | 16,191.43 | 13,752.59 |
| Share of net profit from subsidiaries and associated companies | | | | | | | 67.12 | 73.18 |
| Interest expenses-net | | | | | | | (2,030.13) | (2,219.25) |
| Gains (losses) on foreign currency exchange | | | | | | | (750.60) | 552.58 |
| Other expenses | | | | | | | 196.10 | (306.97) |
| Minority interests | | | | | | | (34.12) | (18.04) |
| Income taxes | | | | | | | <u>(3,972.69)</u> | <u>(3,537.46)</u> |
| Net profit | | | | | | | <u>9,667.11</u> | <u>8,296.63</u> |

| | Unit : Million Baht | | | | | |
|-----------------------------------|--------------------------|--------------------------|-------------------------|-------------------------|--------------------------|--------------------------|
| | <u>Net Fixed Assets</u> | | <u>Other Assets</u> | | <u>Total Assets</u> | |
| | <u>31-Mar-04</u> | <u>30-Sep-03</u> | <u>31-Mar-04</u> | <u>30-Sep-03</u> | <u>31-Mar-04</u> | <u>30-Sep-03</u> |
| Air transportation | 133,794.58 | 123,814.76 | 57,987.94 | 39,113.89 | 191,782.52 | 162,928.65 |
| Technical services | 1,202.44 | 1,445.83 | 12.45 | 15.41 | 1,214.89 | 1,461.24 |
| Customer services | 80.43 | 49.31 | 7.24 | 8.63 | 87.67 | 57.94 |
| Ground support equipment services | 320.29 | 136.93 | 171.37 | 168.65 | 491.66 | 305.58 |
| Cargo services | 116.16 | 100.11 | 26.58 | 31.80 | 142.74 | 131.91 |
| Catering | 635.28 | 656.06 | 188.48 | 163.71 | 823.76 | 819.77 |
| Collective sale agents | 92.85 | 90.98 | 390.53 | 340.54 | 483.38 | 431.52 |
| Unallocated corporate assets | - | - | 1,994.71 | 1,841.80 | 1,994.71 | 1,841.80 |
| Total | <u>136,242.03</u> | <u>126,293.98</u> | <u>60,779.30</u> | <u>41,684.43</u> | <u>197,021.33</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

3.10.2 Geographical segments

| | Unit : Million Baht | | | |
|---------------------------------------|----------------------------|-------------------------|--------------------------|-------------------------|
| | <u>Three-month periods</u> | | <u>Six-month periods</u> | |
| | <u>Jan-Mar'04</u> | <u>Jan-Mar'03</u> | <u>Oct'03-Mar'04</u> | <u>Oct'02-Mar'03</u> |
| Domestic Revenues | | | | |
| Transportation | 3,379.49 | 3,247.25 | 6,657.16 | 6,464.91 |
| Business units | 1,765.49 | 1,577.85 | 3,305.53 | 3,207.91 |
| Other activities | <u>56.13</u> | <u>65.24</u> | <u>106.29</u> | <u>142.53</u> |
| Total domestic revenues | <u>5,201.11</u> | <u>4,890.34</u> | <u>10,068.98</u> | <u>9,815.35</u> |
| Foreign Transportation Revenues | | | | |
| Regional Asia | 16,725.84 | 16,846.33 | 33,903.08 | 33,994.61 |
| Europe | 11,439.94 | 10,400.21 | 21,927.55 | 20,450.37 |
| North Pacific | 1,264.43 | 1,281.80 | 2,614.46 | 2,629.14 |
| Australia & New Zealand | <u>3,235.40</u> | <u>2,845.59</u> | <u>6,375.37</u> | <u>5,722.18</u> |
| Total foreign transportation revenues | <u>32,665.61</u> | <u>31,373.93</u> | <u>64,820.46</u> | <u>62,796.30</u> |
| Charter revenues and others | <u>1,456.24</u> | <u>412.89</u> | <u>2,687.76</u> | <u>642.29</u> |
| Total | <u>39,322.96</u> | <u>36,677.16</u> | <u>77,577.20</u> | <u>73,253.94</u> |

3.11 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-Mar-04</u> | <u>30-Sep-03</u> |
| Cash and cash equivalents | 7.84 | 360.88 |
| Fixed deposits due over 3 months | 3,756.78 | 3,266.97 |
| Other current assets | 33.74 | 7.43 |
| Non-current assets | 0.01 | 0.01 |
| Other current liabilities | 18.27 | 18.37 |
| Staff pension fund | 3,921.03 | 3,729.30 |

As at March 31, 2004, the fund balance was Baht 3,921.03 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 113.59 million plus an obligation amount of Baht 140.94 million, totalling Baht 254.53 million.

3.12 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-Mar-04</u> | <u>30-Sep-03</u> |
| The Company as defendant in | | |
| Labour dispute cases | 377.57 | 395.32 |
| Damage claims cases | <u>557.12</u> | <u>532.43</u> |
| Total | <u>934.69</u> | <u>927.75</u> |

3.13 Obligation to Purchase Aircraft

The Company purchased three Airbus 340-500 and five Airbus 340-600 for an aggregate value of Baht 40,486.70 million. The Company has already paid an advance payment amount of Baht 4,390.33 million. Therefore, the Company has a payment obligation of Baht 36,096.37 million.
