

(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 June 30, 2004, the related consolidated and the Company statements of income, changes in shareholders' equity and cash flows for the three - month periods and nine - month periods ended June 30, 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

August 11, 2004

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS

AS AT JUNE 30, 2004 AND SEPTEMBER 30, 2003

Unit : Baht

	<u>Notes</u>	<u>CONSOLIDATED</u>		<u>THE COMPANY</u>	
		<u>30 June 2004</u> (reviewed)	<u>30 September 2003</u> (audited)	<u>30 June 2004</u> (reviewed)	<u>30 September 2003</u> (audited)
ASSETS					
Current Assets					
Cash and cash equivalents	3.1	21,562,373,190	9,205,595,942	21,163,861,486	8,852,154,752
Fixed deposits due over 3 months		3,803,409,943	3,266,968,582	3,803,409,943	3,266,968,582
Current investment-available-for-sale securities	3.2	501,322,940	464,698,198	501,322,940	464,698,198
Trade account receivables-net	3.3	13,039,837,089	12,487,308,725	12,985,570,088	12,436,556,840
Inventories and supplies-net		3,982,580,508	3,636,445,054	3,982,580,508	3,636,445,054
Other current assets					
Prepaid expenses and deposits		4,911,428,784	4,506,722,668	4,910,978,669	4,506,358,573
Tax refund		626,590,538	-	626,590,538	-
Others		1,529,435,183	1,027,371,394	1,503,443,267	1,007,199,182
Total Current Assets		49,956,978,175	34,595,110,563	49,477,757,439	34,170,381,181
Non-Current Assets					
Investments using the equity method	3.4.1	1,207,768,418	881,672,921	1,538,192,520	1,175,562,930
Other long-term investments	3.4.2	62,384,020	79,599,757	62,384,020	79,599,757
Loan for investment in aircraft spare parts		22,704,983	22,183,066	22,704,983	22,183,066
Property, Plant and Equipment-Net	3.6				
Aircraft		61,080,486,172	59,427,503,075	61,080,486,172	59,427,503,075
Aircraft under financial leases		58,490,778,117	51,817,987,968	58,490,778,117	51,817,987,968
Aircraft spare parts		8,588,342,277	7,834,461,671	8,588,342,277	7,834,461,671
Land, buildings and improvements		2,614,316,999	2,847,995,639	2,614,316,999	2,847,995,639
Other plant and equipment		6,824,438,685	4,366,034,717	6,732,437,874	4,275,054,813
Other Non-Current Assets					
Deferred charges		883,802,712	345,910,606	883,802,712	345,910,606
Concessions for acquisitions of aircraft and engines		-	258,024,264	-	258,024,264
Deferred income taxes	3.8	5,202,392,504	5,501,927,674	5,195,558,848	5,496,924,651
Total Non-Current Assets		144,977,414,887	133,383,301,358	145,209,004,522	133,581,208,440
Total Assets		194,934,393,062	167,978,411,921	194,686,761,961	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 JUNE 30, 2004 AND SEPTEMBER 30, 2003

Unit : Baht

	Notes	CONSOLIDATED		THE COMPANY	
		30 June 2004 (reviewed)	30 September 2003 (audited)	30 June 2004 (reviewed)	30 September 2003 (audited)
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Liabilities					
Trade account payables		5,632,918,768	4,655,074,192	5,626,215,595	4,647,347,056
Short-term loans	3.9	-	4,009,640,000	-	4,009,640,000
Current portion of long-term loans					
Long-term loans		7,111,954,067	5,295,758,282	7,111,954,067	5,295,758,282
Liabilities under capital leases	3.10	5,262,472,925	7,877,867,258	5,262,472,925	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		11,706,776,655	11,562,809,872	11,697,883,780	11,556,072,646
Accrued dividends		123,493,810	34,161,846	123,493,810	34,161,846
Accrued income taxes		23,409,899	1,094,545,925	-	1,064,347,329
Unearned transportation revenues		16,000,596,113	14,030,371,856	16,000,596,113	14,030,371,856
Others		3,832,223,795	4,154,327,049	3,809,493,489	4,128,485,223
Total Current Liabilities		50,743,846,032	53,764,556,280	50,682,109,779	53,694,051,496
Non-Current Liabilities					
Long-term debts					
Debentures	3.11	10,000,000,000	-	10,000,000,000	-
Long-term loans		27,239,074,569	29,490,714,661	27,239,074,569	29,490,714,661
Liabilities under financial leases	3.10	41,151,538,078	35,292,040,815	41,151,538,078	35,292,040,815
Promissory notes		5,475,000,000	6,300,000,000	5,475,000,000	6,300,000,000
Staff pension fund	3.15	3,951,116,877	3,729,301,165	3,951,116,877	3,729,301,165
Others		355,140,067	347,054,951	355,140,067	347,054,951
Total Non-Current Liabilities		88,171,869,591	75,159,111,592	88,171,869,591	75,159,111,592
Total Liabilities		138,915,715,623	128,923,667,872	138,853,979,370	128,853,163,088
Shareholders' Equity					
Share capital	3.12				
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		15,578,592,273	4,750,000,000	15,578,592,273	4,750,000,000
Unrealised gain on current investment-available-for-sale securities	3.2	491,801,808	454,324,822	491,801,808	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		21,212,388,510	17,994,101,711	21,212,388,510	17,994,101,711
Total Company Shareholders' Equity		55,832,782,591	38,898,426,533	55,832,782,591	38,898,426,533
Minority interests		185,894,848	156,317,516	-	-
Total Shareholders' Equity		56,018,677,439	39,054,744,049	55,832,782,591	38,898,426,533
Total Liabilities and Shareholders' Equity		194,934,393,062	167,978,411,921	194,686,761,961	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 June 30, 2004 and 2003

	<u>CONSOLIDATED</u>		<u>THE COMPANY</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Unit : Baht				
Revenues from the Sale of Goods and the Rendering of Services				
Passenger and excess baggage	27,101,881,820	17,254,624,524	27,101,881,820	17,254,624,524
Freight	5,564,960,457	5,023,605,722	5,564,960,457	5,023,605,722
Mail	249,563,658	208,818,965	249,563,658	208,818,965
Other activities	1,681,920,965	1,195,276,796	1,579,472,355	1,133,743,236
Total Revenues from the Sale of Goods and the Rendering of Services	34,598,326,900	23,682,326,007	34,495,878,290	23,620,792,447
Selling and Administrative Expenses				
Flight operations	9,369,465,231	6,510,420,050	9,369,465,231	6,510,420,050
Maintenance and overhaul	5,087,675,542	4,254,702,051	5,087,675,542	4,254,702,051
Ground operations	5,434,971,492	4,454,070,000	5,434,971,492	4,454,070,000
Passenger services	4,184,934,976	3,109,470,789	4,184,934,976	3,109,470,789
Marketing	3,123,154,639	2,264,686,182	3,123,154,639	2,264,686,182
Administration and general	597,456,469	396,630,461	580,314,830	396,630,461
Remuneration to board of directors	10,775,372	916,750	10,590,122	720,250
Lease of aircraft and spare parts	1,923,275,196	1,866,872,827	1,923,275,196	1,866,872,827
Depreciation of aircraft	2,600,102,151	2,388,310,734	2,600,102,151	2,388,310,734
Depreciation of other fixed assets	328,409,301	380,865,516	320,379,966	374,513,622
Other activities	509,389,198	574,431,700	487,413,351	535,237,118
Total Selling and Administrative Expenses	33,169,609,567	26,201,377,060	33,122,277,496	26,155,634,084
Profit (losses) from the Sale of Goods and the Rendering of Services	1,428,717,333	(2,519,051,053)	1,373,600,794	(2,534,841,637)

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 June 30, 2004 and 2003

	<u>CONSOLIDATED</u>		<u>THE COMPANY</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Profit (losses) from the Sale of Goods and the Rendering of Services	1,428,717,333	(2,519,051,053)	1,373,600,794	(2,534,841,637)
Other Income				
Interest income	83,261,623	65,692,762	82,947,874	65,364,092
Others	121,419,786	191,451,652	121,096,219	189,588,430
Total Other Income	204,681,409	257,144,414	204,044,093	254,952,522
Other Expenses				
Losses (Gains) on foreign currency exchange	1,346,749,003	(1,486,156,593)	1,346,749,003	(1,486,156,593)
Yields from pension fund	9,827,832	8,413,492	9,827,832	8,413,492
Others	93,143,638	82,685,344	89,565,223	82,085,609
Total Other Expenses	1,449,720,473	(1,395,057,757)	1,446,142,058	(1,395,657,492)
Profit (losses) from Operations	183,678,269	(866,848,882)	131,502,829	(884,231,623)
Share of Profits from Investments Using the Equity Method				
Share of net profit from subsidiary companies	-	-	20,150,059	6,745,950
Share of net profit from associated companies	92,595,132	49,724,300	92,595,132	49,724,300
Total Share of Profits from Investments Using the Equity Method	92,595,132	49,724,300	112,745,191	56,470,250
Profit (losses) before Interest and Income Tax Expenses	276,273,401	(817,124,582)	244,248,020	(827,761,373)
Interest expenses	1,486,688,483	1,007,989,814	1,486,688,483	1,007,989,814
Income tax expenses	(390,471,890)	(557,131,017)	(406,114,995)	(562,352,952)
Profit (losses) after Tax	(819,943,192)	(1,267,983,379)	(836,325,468)	(1,273,398,235)
Net profit of minority interest	16,382,276	5,414,856	-	-
Net profit (losses)	(836,325,468)	(1,273,398,235)	(836,325,468)	(1,273,398,235)
Profit (losses) primary earnings per share				
Net profit (losses)	(0.50)	(0.91)	(0.50)	(0.91)

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 nine - month periods ended June 30, 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	89,826,273,476	75,464,997,036	89,826,273,476	75,464,997,036
Freight	16,510,160,795	16,280,666,704	16,510,160,795	16,280,666,704
Mail	745,357,576	644,887,852	745,357,576	644,887,852
Other activities	5,093,737,714	4,545,717,687	4,783,961,751	4,332,885,073
Total Revenues from the Sale of Goods and the Rendering of Services	112,175,529,561	96,936,269,279	111,865,753,598	96,723,436,665
Selling and Administrative Expenses				
Flight operations	26,396,457,734	22,911,530,444	26,396,457,734	22,911,530,444
Maintenance and overhaul	13,901,215,463	11,684,272,790	13,901,215,463	11,684,272,790
Ground operations	15,611,035,694	15,111,659,083	15,611,035,694	15,111,659,083
Passenger services	13,161,414,716	11,383,345,617	13,161,414,716	11,383,345,617
Marketing	8,815,121,292	7,590,282,946	8,815,121,292	7,590,282,946
Administration and general	1,752,006,440	1,406,770,856	1,698,940,509	1,406,770,856
Remuneration to board of directors	28,479,876	3,630,021	27,985,167	2,669,380
Lease of aircraft and spare parts	4,938,060,024	5,988,055,125	4,938,060,024	5,988,055,125
Depreciation of aircraft	7,736,545,349	6,940,724,785	7,736,545,350	6,940,724,785
Depreciation of other fixed assets	1,076,804,721	1,175,173,321	1,054,065,821	1,157,388,773
Other activities	1,138,242,853	1,507,284,881	1,069,641,060	1,384,702,919
Total Selling and Administrative Expenses	94,555,384,162	85,702,729,869	94,410,482,830	85,561,402,718
Profit from the Sale of Goods and the Rendering of Services	17,620,145,399	11,233,539,410	17,455,270,768	11,162,033,947

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 nine - month periods ended June 30, 2004 and 2003

	<u>CONSOLIDATED</u>		<u>THE COMPANY</u>	
<u>Notes</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Profit from the Sale of Goods and the Rendering of Services	17,620,145,399	11,233,539,410	17,455,270,768	11,162,033,947
Other Income				
Interest income	251,028,536	224,838,982	250,101,255	223,969,283
Others	721,442,145	441,506,937	720,042,109	437,307,387
Total Other Income	972,470,681	666,345,919	970,143,364	661,276,670
Other Expenses				
Losses (Gains) on foreign currency exchange	2,097,352,805	(2,038,734,156)	2,097,352,805	(2,038,734,156)
Yields from pension fund	28,881,742	29,977,680	28,881,742	29,977,680
Others	478,014,033	618,143,628	471,824,084	616,899,085
Total Other Expenses	2,604,248,580	(1,390,612,848)	2,598,058,631	(1,391,857,391)
Profit from Operations	15,988,367,500	13,290,498,177	15,827,355,501	13,215,168,008
Share of Profits from Investments Using the Equity Method				
Share of net profit from subsidiary companies	-	-	62,109,094	29,050,213
Share of net profit from associated companies	159,718,617	122,911,550	159,718,617	122,911,550
Total Share of Profits from Investments Using the Equity Method	3.4.1 159,718,617	122,911,550	221,827,711	151,961,763
Profit before Interest and Income Tax Expenses	16,148,086,117	13,413,409,727	16,049,183,212	13,367,129,771
Interest expenses	3,684,581,104	3,386,390,016	3,684,581,104	3,386,390,016
Income tax expenses	3,582,215,882	2,980,332,753	3,533,815,309	2,957,508,561
Profit after Tax	8,881,289,131	7,046,686,958	8,830,786,799	7,023,231,194
Net profit of minority interest	50,502,332	23,455,764	-	-
Net profit	8,830,786,799	7,023,231,194	8,830,786,799	7,023,231,194
Primary earnings per share				
Net profit	5.43	5.02	5.43	5.02

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 CHANGES IN SHAREHOLDERS' EQUITY

For the nine - month periods ended June 30, 2004 and 2003

Unit : Baht

		CONSOLIDATED						
		Share Capital	Premium	Unrealised gain	Legal	Retained	Minority	Total
		issued and	on share	available-for-	Reserve	Earnings	Interest	
Notes		fully paid	capital	sale securities		unappropriated		
	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	125,066,583	28,354,067,395
	Unrealised gain on current investment							
	-available-for-sale securities	-	-	370,321,321	-	-	-	370,321,321
<u>Add</u>	Net Profit	-	-	-	-	7,023,231,194	23,455,764	7,046,686,958
<u>Less</u>	Dividends paid	-	-	-	-	(2,100,000,000)	(10,125,000)	(2,110,125,000)
	Balance as at June 30, 2003	14,000,000,000	4,750,000,000	508,719,698	1,541,881,364	12,721,952,265	138,397,347	33,660,950,674
	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	156,317,516	39,054,744,049
	Unrealised gain on current investment							
	-available-for-sale securities	-	-	37,476,986	-	-	-	37,476,986
<u>Add</u>	Net Profit	-	-	-	-	8,830,786,799	50,502,332	8,881,289,131
<u>Less</u>	Dividends paid	3.13	-	-	-	(5,612,500,000)	(20,925,000)	(5,633,425,000)
<u>Add</u>	Issued share capital	3.12	2,850,000,000	10,828,592,273	-	-	-	13,678,592,273
	Balance as at June 30, 2004	16,850,000,000	15,578,592,273	491,801,808	1,700,000,000	21,212,388,510	185,894,848	56,018,677,439

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 nine - month periods ended June 30, 2004 and 2003

Unit : Baht

THE COMPANY						
	Share Capital issued and fully paid	Premium on share capital	Unrealised gain available-for- sale securities	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	-	-	370,321,321	-	-	370,321,321
<u>Add</u> Net Profit	-	-	-	-	7,023,231,194	7,023,231,194
<u>Less</u> Dividends paid	-	-	-	-	(2,100,000,000)	(2,100,000,000)
Balance as at June 30, 2003	14,000,000,000	4,750,000,000	508,719,698	1,541,881,364	12,721,952,265	33,522,553,327
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	-	-	37,476,986	-	-	37,476,986
<u>Add</u> Net Profit	-	-	-	-	8,830,786,799	8,830,786,799
<u>Less</u> Dividends paid	3.13	-	-	-	(5,612,500,000)	(5,612,500,000)
<u>Add</u> Issued share capital	3.12	2,850,000,000	10,828,592,273	-	-	13,678,592,273
Balance as at June 30, 2004	16,850,000,000	15,578,592,273	491,801,808	1,700,000,000	21,212,388,510	55,832,782,591

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 nine - month periods ended June 30, 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	8,830,786,799	7,023,231,194	8,830,786,799	7,023,231,194
Adjustment to reconcile net profit to cash provided by (paid from) operating activities :				
Depreciation	8,813,350,070	8,115,898,106	8,790,611,171	8,098,113,558
Income from investments using the equity method	(159,718,617)	(122,911,550)	(221,827,711)	(151,961,763)
Losses on sales of assets	370,077,401	67,015,609	370,077,401	67,015,609
Gain on current investments-available-for-sale securities	(38,884,439)	-	(38,884,439)	-
Amortisation of deferred charges	150,043,388	-	150,043,388	-
Losses on foreign currency exchange	2,318,406,297	(1,519,026,565)	2,318,406,297	(1,519,026,565)
Net profit of minority interests	50,502,332	23,455,764	-	-
Reserve for obsolete inventories	57,010,601	145,830,206	57,010,601	145,830,206
Allowance for doubtful accounts and impairment in value of assets	57,582,436	18,978,756	51,430,727	18,142,796
Operating profit before changes in operating assets and liabilities	20,449,156,268	13,752,471,520	20,307,654,234	13,681,345,035
Decrease (increase) in operating assets :				
Trade account receivables	(625,259,011)	4,149,260,589	(615,592,186)	4,179,607,354
Inventories and supplies	(403,146,054)	(314,763,338)	(403,146,054)	(314,763,338)
Prepaid expenses and deposits	(304,591,960)	(586,638,042)	(304,505,940)	(586,634,213)
Tax refund	(630,713,144)	(746,411,126)	(630,713,144)	(746,411,126)
Other current assets	(490,071,475)	430,285,558	(484,251,771)	200,428,908
Deferred income taxes	299,535,171	690,931,880	301,365,804	691,806,668
Deferred charges	(687,935,494)	-	(687,935,494)	-
Concessions for acquisitions of aircraft and engines	247,550,739	(36,850,450)	247,550,739	(36,850,450)
Increase (decrease) in operating liabilities :				
Trade account payables	908,994,505	304,491,988	910,018,468	302,512,041
Accrued expenses and other current liabilities	(1,384,759,986)	(1,554,398,589)	(1,377,015,418)	(1,543,098,184)
Staff pension fund	221,815,712	234,091,645	221,815,712	234,091,645
Unearned transportation revenue	1,970,224,257	(1,014,520,351)	1,970,224,257	(1,014,520,351)
Net cash from operating activities	19,570,799,528	15,307,951,284	19,455,469,207	15,047,513,989

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 nine - month periods ended June 30, 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 decrease (increase)	(536,441,361)	24,064,185	(536,441,361)	24,064,185
Cash paid for acquisition of fixed assets	(20,649,595,612)	(7,643,550,801)	(20,625,835,805)	(7,608,816,654)
Cash received from sales of assets	161,788,960	126,866,207	161,788,960	126,866,207
Investments decrease (increase)	(149,172,498)	139,085,524	(123,597,498)	151,460,524
Cash received from current investments-available-for-sale securities	39,555,308	-	39,555,308	-
Net cash used in investing activities	(21,133,865,203)	(7,353,534,885)	(21,084,530,396)	(7,306,425,738)
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	10,468,243,651	10,302,175,447	10,468,243,651	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	10,828,592,273	-	10,828,592,273	-
Cash paid for repayment of short-term loans	(8,019,640,000)	(12,175,240,000)	(8,019,640,000)	(12,175,240,000)
Cash paid for repayment of long-term loans	(10,014,146,833)	(13,898,816,705)	(10,014,146,833)	(13,898,816,705)
Cash paid for repayment of promissory notes	(825,000,000)	(825,000,000)	(825,000,000)	(825,000,000)
Dividends paid	(5,544,093,036)	(2,102,564,979)	(5,523,168,036)	(2,092,439,979)
Net cash from (used in) financing activities	13,753,956,055	(14,409,446,237)	13,774,881,055	(14,399,321,237)
Increase (decrease) in cash and cash equivalents	12,190,890,380	(6,455,029,838)	12,145,819,866	(6,658,232,986)
Increase (decrease) effects of exchange rate changes on cash and bank balances	165,886,868	(330,171,909)	165,886,868	(330,171,909)
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 period	21,562,373,190	13,332,021,824	21,163,861,486	12,900,849,863
Supplementary cash flows information :				
Cash paid during the year for				
Interest expenses	3,239,660,741	3,079,811,894	3,239,660,741	3,079,811,894
Corporate income tax	4,960,039,584	4,751,386,742	4,903,019,681	4,718,627,774

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 nine - month periods ended June 30, 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			
	<u>Consolidated</u>		<u>The Company</u>	
	<u>30-Jun-04</u>	<u>30-Sep-03</u>	<u>30-Jun-04</u>	<u>30-Sep-03</u>
Cash - Domestic	11.94	10.65	11.94	10.65
Cash - Abroad	27.70	20.79	27.70	20.79
Bank Deposits - Domestic	11,844.70	5,218.39	11,446.19	4,864.95
Bank Deposits - Abroad	<u>9,678.03</u>	<u>3,955.76</u>	<u>9,678.03</u>	<u>3,955.76</u>
Total	<u>21,562.37</u>	<u>9,205.59</u>	<u>21,163.86</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 3.15.

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 THB 38.88 million. The rest of shares are as follows:

Name of Company	No. of Shares	Market Value/Share (at Bourse de Paris) June 30, 2004	Amount (Million)	Amount THB (Million)
FRANCE TELECOM	475,437	EUR 21.42	EUR 10.18	501.32
Cost value			USD 0.24	<u>9.52</u>
Unrealised gain on change in market value				<u>491.80</u>
(Exchange rate EUR 1 : THB 49.2272 and USD 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>30-Jun-04</u>	<u>30-Sep-03</u>	<u>30-Jun-04</u>	<u>30-Sep-03</u>
Period of overdue				
Not over 6 months	12,959.62	12,406.42	12,910.53	12,356.65
Over : 6 months to 1 year	114.86	103.94	105.84	102.94
Over : 1 year to 2 years	91.19	115.68	88.50	113.74
Over : 2 years	<u>1,183.56</u>	<u>1,106.32</u>	<u>1,180.00</u>	<u>1,104.34</u>
	14,349.23	13,732.36	14,284.87	13,677.67
<u>Less</u> Allowance for doubtful accounts	<u>(1,309.39)</u>	<u>(1,245.05)</u>	<u>(1,299.30)</u>	<u>(1,241.11)</u>
Trade account receivables - net	<u>13,039.84</u>	<u>12,487.31</u>	<u>12,985.57</u>	<u>12,436.56</u>

3.4 Investments

Consolidated

Unit : Million Baht

Name of Company	Percentage of Shareholding		Investments				Income on investments	
	Jun-04	Sep-03	Cost method		Equity method		Jun-04	Jun-03
			Jun-04	Sep-03	Jun-04	Sep-03		
3.4.1 Investments using the equity method								
Royal Orchid Hotel (Thailand) Public Co., Ltd. (Market value as at June 30, 2004 amount of THB 630.00 million and as at September 30, 2003 amount of THB 697.50 million)	24	24	225.00	225.00	287.16	279.57	26.94	32.99
Donmuang International Airport Hotel Company Limited	40	40	48.00	48.00	199.95	192.14	51.00	42.83
Bangkok Aviation Fuel Services Public Company Limited (Market value as at June 30, 2004 amount of THB 829.34 million and as September 30, 2003 amount of THB 867.74 million)	22.6	22.6	76.79	76.79	424.10	381.14	67.53	40.10
Phuket Air Catering Company Limited	30	30	30.00	30.00	38.56	28.82	14.25	6.99
Suvarnabhumi Airport Hotel Company Limited	30	-	63.00	-	63.00	-	-	-
Sky Asia Company Limited	39	-	195.00	-	195.00	-	-	-
Total investments using the equity method					1,207.77	881.67	159.72	122.91
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	-	-	27.05	29.75			-	-
TRADESIAM Company Limited (paid 25% of authorized share capital)	3.5	3.5	1.75	1.75			-	-
Other Shares			7.98	22.50			1.75	0.7
<u>Less</u> Allowance for impairment of Fuel Pipeline Transportation Limited			(133.00)	(133.00)			-	-
Total other long-term investments			62.38	79.60			1.75	0.7

The Company

Unit : Million Baht

Name of Company	Percentage of Shareholding		Investments				Income on investments	
	Jun-04	Sep-03	Cost method		Equity method		Jun-04	Jun-03
			Jun-04	Sep-03	Jun-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	103.22	102.84	0.38	0.38
Thai-Amadeus Southeast Asia Company Limited	55	55	8.25	8.25	227.20	191.05	61.73	28.67
Total					330.42	293.89	62.11	29.05
Associated Companies								
Royal Orchid Hotel (Thailand) Public Co., Ltd. (Market value as at June 30, 2004 amount of THB 630.00 million and as at September 30, 2003 amount of THB 697.50 million)	24	24	225.00	225.00	287.16	279.57	26.94	32.99
Donmuang International Airport Hotel Company Limited	40	40	48.00	48.00	199.95	192.14	51.00	42.83
Bangkok Aviation Fuel Services Public Company Limited (Market value as at June 30, 2004 amount of THB 829.34 million and as at September 30, 2003 amount of THB 867.74 million)	22.6	22.6	76.79	76.79	424.10	381.14	67.53	40.10
Phuket Air Catering Company Limited	30	30	30.00	30.00	38.56	28.82	14.25	6.99
Suvarnabhumi Airport Hotel Company Limited	30	-	63.00	-	63.00	-	-	-
Sky Asia Company Limited	39	-	195.00	-	195.00	-	-	-
Total					1,207.77	881.67	159.72	122.91
Total investments using the equity method					1,538.19	1,175.56	221.83	151.96
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	-	-	27.05	29.75			-	-
TRADESIAM Company Limited (paid 25% of authorized share capital)	3.5	3.5	1.75	1.75			-	-
Other Shares			7.98	22.50			1.75	0.7
<u>Less</u> Allowance for impairment of Fuel Pipeline Transportation Limited			(133.00)	(133.00)			-	-
Total other long-term investments			62.38	79.60			1.75	0.7

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 Related Parties The Company

3.5.1 Major shareholders

	Unit : Million Baht	
	<u>30- Jun-04</u>	<u>30-Sep-03</u>
Ministry of Finance		
Guaranteed loans	2,382.47	3,732.07
Loans via the Ministry of Finance	31,968.55	35,064.04
Government Saving Bank		
Loans payable and promissory notes	4,075.00	4,550.00

3.5.2 Subsidiary companies

	Unit : Million Baht			
	Sales			
	<u>Three-month periods</u>		<u>Nine-month periods</u>	
	<u>Apr-Jun'04</u>	<u>Apr-Jun'03</u>	<u>Oct'03-Jun'04</u>	<u>Oct'02-Jun'03</u>
Thai-Amadeus Southeast Asia Company Limited	17.14	62.46	54.48	66.66

	Unit : Million Baht			
	<u>Trade Account Receivables</u>		<u>Other Account Receivables</u>	
	<u>30-Jun-04</u>	<u>30-Sep-03</u>	<u>30-Jun-04</u>	<u>30-Sep-03</u>
Thai-Amadeus Southeast Asia Company Limited	0.12	0.06	16.48	13.61
Thai Information Solution Company Limited	<u>-</u>	<u>-</u>	<u>0.09</u>	<u>0.06</u>
	<u>0.12</u>	<u>0.06</u>	<u>16.57</u>	<u>13.67</u>

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

3.6 Property, Plant and Equipment - Net

Consolidated

Unit : Million Baht

	Aircraft	Aircraft under financial leases	Aircraft spare parts	Land and buildings	Other plant and equipment	Total
Cost						
As at September 30, 2003	122,850.64	64,349.41	23,333.00	9,963.55	19,220.57	239,717.17
- Adjust/Transfer	2,991.88	(6,917.49)	(171.89)	4.85	73.41	(4,019.24)
- Increased asset	6,401.17	12,231.30	2,695.25	56.88	3,167.17	24,551.77
- Sold	(253.95)	-	(1,241.57)	(9.88)	(144.57)	(1,649.97)
As at June 30, 2004	131,989.74	69,663.22	24,614.79	10,015.40	22,316.58	258,599.73
Accumulated depreciation						
As at September 30, 2003	63,423.14	12,531.42	15,498.54	7,115.55	14,854.54	113,423.19
- Depreciation	4,049.12	2,331.97	1,355.46	295.07	781.73	8,813.35
- Adjust/Transfer	3,690.95	(3,690.95)	(117.07)	-	0.01	(117.06)
- Sold	(253.95)	-	(710.48)	(9.54)	(144.14)	(1,118.11)
As at June 30, 2004	70,909.26	11,172.44	16,026.45	7,401.08	15,492.14	121,001.37
Net book value						
As at September 30, 2003	59,427.50	51,817.99	7,834.46	2,848.00	4,366.03	126,293.98
As at June 30, 2004	61,080.48	58,490.78	8,588.34	2,614.32	6,824.44	137,598.36

The Company

Unit : Million Baht

	Aircraft	Aircraft under financial leases	Aircraft spare parts	Land and buildings	Other plant and equipment	Total
Cost						
As at September 30, 2003	122,850.64	64,349.41	23,333.00	9,963.55	19,081.44	239,578.04
- Adjust/Transfer	2,991.88	(6,917.49)	(171.89)	4.85	73.41	(4,019.24)
- Increased asset	6,401.17	12,231.30	2,695.25	56.88	3,143.41	24,528.01
- Sold	(253.95)	-	(1,241.57)	(9.88)	(144.57)	(1,649.97)
As at June 30, 2004	131,989.74	69,663.22	24,614.79	10,015.40	22,153.69	258,436.84
Accumulated depreciation						
As at September 30, 2003	63,423.14	12,531.42	15,498.54	7,115.55	14,806.39	113,375.04
- Depreciation	4,049.12	2,331.97	1,355.46	295.07	758.99	8,790.61
- Adjust/Transfer	3,690.95	(3,690.95)	(117.07)	-	0.01	(117.06)
- Sold	(253.95)	-	(710.48)	(9.54)	(144.14)	(1,118.11)
As at June 30, 2004	70,909.26	11,172.44	16,026.45	7,401.08	15,421.25	120,930.48
Net book value						
As at September 30, 2003	59,427.50	51,817.99	7,834.46	2,848.00	4,275.05	126,203.00
As at June 30, 2004	61,080.48	58,490.78	8,588.34	2,614.32	6,732.44	137,506.36

In this fiscal year, there are 83 aircraft in the Company's fleet consisting of 52 own aircraft, 13 aircraft under financial leases, and 18 aircraft under operating leases.

Aircraft spare parts consist of aircraft engines manufactured by General Electric, Pratt and Whitney, Rolls-Royce and CFM International, and other aircraft spare parts.

Other plant and equipment amount of THB 6,824.44 million (consolidated) and THB 6,732.44 millions (the Company) have already included the work in progress of Suvarnabhumi project amount of THB 2,897.98 million.

The Company uses buildings and equipment purchased at THB 28,981.87 million that are now fully depreciated.

3.7 Contractual Obligations

3.7.1 Obligation to Purchase Aircraft

The Company purchased three Airbus 340-500 and five Airbus 340-600 for an aggregate of THB 41,843.99 million. The Company has already paid an advance payment amount of THB 6,606.20 million. Therefore, the Company has a payment obligation of THB 35,237.79 million.

3.7.2 Contractual Obligation and Memorandum Agreement

The Company has entered into a contractual and memorandum agreement in Suvarnabhumi project for an aggregate of THB 10,513.85 million. The Company has already paid amount of THB 2,897.98 million, leaving the payment obligation of THB 7,615.87 million.

3.7.3 Leases Aircraft Obligations

The Company has entered into operating leases with foreign companies for 18 aircraft with lease terms of 10-11 years. The aggregate repayment obligations of the Company under the rest of the lease term 3-5 years amounted to USD 862.35 million or approximately THB 35,382.65 million using a LIBOR interest rate of 5.5% according to the lease. With the payment condition, the interest can be increased or decreased according to the LIBOR rate at the payment date. (exchange rate USD 1 : THB 41.0305)

3.8 Deferred Income Tax

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

	Consolidated		Unit : Million Baht The Company	
	<u>30-Jun-04</u>	<u>30-Sep-03</u>	<u>30-Jun-04</u>	<u>30-Sep-03</u>
Contribution to staff pension funds	966.60	919.05	966.60	919.05
Allowance for obsolete inventories	671.78	654.68	671.78	654.68
Allowance for doubtful debts	472.11	454.84	469.08	453.66
Allowance for impairment in value of securities	39.90	39.90	39.90	39.90
Deposits	3.80	3.82	-	-
Estimated accrual expenses	521.21	527.31	521.21	527.31
A frequent flyer programme (ROP)	125.76	-	125.76	-
Tax exemption from loss on foreign currency exchange	<u>2,401.23</u>	<u>2,902.33</u>	<u>2,401.23</u>	<u>2,902.33</u>
Total	<u>5,202.39</u>	<u>5,501.93</u>	<u>5,195.56</u>	<u>5,496.93</u>

3.9 Short-term Loans

The Company has already repaid all the short-term loans, borrowed from the Ministry of Finance in the form of European Commercial Paper (ECP), amount of USD 200 million or approximately THB 8,019.64 million consisting of the brought forward balance as at September 30, 2003 amount of USD 100.00 million or approximately THB 4,009.64 million and the borrowed balance during the period amount of USD 100 million or approximately THB 4,010.00 million.

3.10 Liabilities under Financial Leases

On March 31, 2004, the Company repaid liabilities under financial leases amount of USD 18.50 million and JPY 4,167.10 million or approximately THB 2,225.84 million. In addition, the Company early exercised an option to purchase Airbus 330-300 No.6 before the expiration of financial lease in March 2007.

The Company has entered into a long-term loan contract in the form of Asset-Based Financing for Boeing 747-400 No.17 and 18, an aggregate of JPY 26,161.50 million or approximately THB 9,925.88 million which the US Export-Import Bank is a guarantor.

3.11 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.

3.12 Share Capital

The Company offered its increased 300 million shares capital to retail investors amount of 285 million shares at THB 50 per share (par value of THB 10 per share and premium on share of THB 40 per share) for an aggregate of THB 14,250.00 million consisting of par value amount of THB 2,850.00 million and premium on shares amount of THB 11,400.00 million net off share offering expenses of THB 571.41 million, leaving the premium on shares amount of THB 10,828.59 million. The rest of 15 million shares will be appropriated to its staff in accordance with a Resolution of the Cabinet passed on 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 THB 16,850.00 million and premium on shares amount of THB 15,578.59 million.

3.13 Dividends the Company

In this fiscal year, the Company paid interim dividends for the half-year 2002/03 operation amount of THB 1.00 per share for an aggregate of THB 1,400.00 million according to THAI's Board of Directors Resolution No.12/2546 dated October 29, 2003. In addition, the Shareholders' Ordinary Meeting for the year 2003 held on December 23, 2003 approved the Company to pay the dividends for the year 2002/03 amount of THB 1.00 per share for an aggregate of THB 1,685.00 million (1,400 million old shares plus 285 million new shares totalling 1,685 million shares). The aggregate dividends amounted to THB 3,085.00 million.

According to THAI's Board of Directors Resolution No.5/2547 held on May 26, 2004 approved the Company to pay the interim dividend for the first half-year 2003/04 operation of THB 1.50 per share for an aggregate of THB 2,527.50 million which were paid on June 25, 2004.

3.14 Financial Information by Segment Consolidated

3.14.1 Business segments

Statements of Income

For the three-month periods ended June 30, 2004 and 2003

Unit : Million Baht

	<u>Revenues</u>		<u>Inter - Segment Revenues</u>		<u>Total Revenues</u>		<u>Segment Result</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
	Air transportation	32,916.41	22,487.05	-	-	32,916.41	22,487.05	336.01
Technical services	254.80	224.95	1,455.38	1,197.10	1,710.18	1,422.05	395.39	252.34
Customer services	263.47	152.80	389.97	261.16	653.44	413.96	52.55	(29.61)
Ground support equipment services	301.54	188.40	313.22	200.42	614.76	388.82	157.59	(12.83)
Cargo services	302.21	253.30	112.04	59.89	414.25	313.19	87.36	27.23
Catering	407.00	252.54	911.35	585.76	1,318.35	838.30	306.25	69.77
Collective sale agents	102.45	61.53	-	-	102.45	61.53	55.12	15.79
Other activities	50.45	61.76	76.44	72.53	126.89	134.29	38.45	32.08
Eliminations	-	-	(3,258.40)	(2,376.86)	-	-	-	-
Gains(losses) operating profit							1,428.72	(2,519.05)
Share of net profit from subsidiaries and associated companies							92.59	49.72
Interest expenses-net							(1,403.43)	(942.30)
Gains (losses) on foreign currency exchange							(1,346.75)	1,486.16
Other expenses							18.45	100.35
Minority interests							(16.38)	(5.41)
Income taxes							<u>390.47</u>	<u>557.13</u>
Net profit (losses)							<u>(836.33)</u>	<u>(1,273.40)</u>

Statements of Income

For the nine-month periods ended June 30, 2004 and 2003

Unit : Million Baht

	<u>Revenues</u>		<u>Inter - Segment Revenues</u>		<u>Total Revenues</u>		<u>Segment Result</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
	Air transportation	107,081.79	92,390.55	-	-	107,081.79	92,390.55	13,944.76
Technical services	777.49	945.37	4,741.84	3,827.92	5,519.33	4,773.29	1,413.91	1,002.05
Customer services	787.30	597.72	1,207.04	902.83	1,994.34	1,500.55	189.40	60.38
Ground support equipment services	912.98	700.71	964.90	691.60	1,877.88	1,392.31	488.61	135.46
Cargo services	921.88	819.33	342.50	215.29	1,264.38	1,034.62	298.48	169.06
Catering	1,227.57	1,065.47	2,826.58	2,295.34	4,054.15	3,360.81	995.87	709.75
Collective sale agents	309.78	212.83	-	-	309.78	212.83	164.87	71.51
Other activities	156.74	204.29	256.20	193.30	412.94	397.59	124.24	67.38
Eliminations	-	-	(10,339.06)	(8,126.28)	-	-	-	-
Operating profit							17,620.14	11,233.54
Share of net profit from subsidiaries and associated companies							159.72	122.91
Interest expenses-net							(3,433.55)	(3,161.55)
Gains (losses) on foreign currency exchange							(2,097.35)	2,038.73
Other income (expenses)							214.55	(206.61)
Minority interests							(50.50)	(23.46)
Income taxes							(3,582.22)	(2,980.33)
Net profit							<u>8,830.79</u>	<u>7,023.23</u>

Asset and Liabilities

As at June 30, 2004 and September 30, 2003

	<u>Current Assets</u>		<u>Non Current Assets</u>		<u>Unit : Million Baht Total Assets</u>	
	<u>30-Jun-04</u>	<u>30-Sep-03</u>	<u>30-Jun-04</u>	<u>30-Sep-03</u>	<u>30-Jun-04</u>	<u>30-Sep-03</u>
	Air transportation	47,272.78	32,029.58	142,358.62	130,899.08	189,631.40
Technical services	19.84	15.41	1,134.09	1,445.83	1,153.93	1,461.24
Customer services	39.36	8.63	73.42	49.31	112.78	57.94
Ground support equipment services	166.70	168.65	570.96	136.93	737.66	305.58
Cargo services	39.50	31.80	118.42	100.11	157.92	131.91
Catering	202.44	163.71	622.90	656.06	825.34	819.77
Collective sale agents	392.61	335.53	99.00	95.98	491.61	431.51
Unallocated corporate assets	<u>1,823.75</u>	<u>1,841.80</u>	<u>-</u>	<u>-</u>	<u>1,823.75</u>	<u>1,841.80</u>
Total	<u>49,956.98</u>	<u>34,595.11</u>	<u>144,977.41</u>	<u>133,383.30</u>	<u>194,934.39</u>	<u>167,978.41</u>

	<u>Current Liabilities</u>		<u>Non Current Liabilities</u>		<u>Unit : Million Baht Total Liabilities</u>	
	<u>30-Jun-04</u>	<u>30-Sep-03</u>	<u>30-Jun-04</u>	<u>30-Sep-03</u>	<u>30-Jun-04</u>	<u>30-Sep-03</u>
	Air transportation	50,296.74	53,383.74	88,127.57	75,116.46	138,424.31
Technical services	1.74	2.53	14.05	13.80	15.79	16.33
Customer services	28.88	16.56	7.10	6.47	35.98	23.03
Ground support equipment services	18.84	15.62	6.42	6.14	25.26	21.76
Cargo services	25.79	15.94	9.54	8.98	35.33	24.92
Catering	68.84	63.68	7.19	7.26	76.03	70.94
Collective sale agents	78.34	84.14	-	-	78.34	84.14
Unallocated corporate liabilities	<u>224.68</u>	<u>182.35</u>	<u>-</u>	<u>-</u>	<u>224.68</u>	<u>182.35</u>
Total	<u>50,743.85</u>	<u>53,764.56</u>	<u>88,171.87</u>	<u>75,159.11</u>	<u>138,915.72</u>	<u>128,923.67</u>

Segment results derive from segment revenues net off segment expenses excluding interest expenses, gains(losses) on foreign currency exchange, other expenses, and income taxes.

Segment assets are those operating assets that are employed by a segment in its operating activities.

Segment liabilities are those operating liabilities that result from the operating activities of a segment.

The Company records inter-segment revenue transfers at market price charged to its unaffiliated customer net off discount. Those transfers are eliminated in consolidation.

3.14.2 Geographical segments

	Unit : Million Baht			
	<u>Three-month periods</u>		<u>Nine-month periods</u>	
	<u>Apr-Jun'04</u>	<u>Apr-Jun'03</u>	<u>Oct'03-Jun'04</u>	<u>Oct'02-Jun'03</u>
Domestic Revenues				
Transportation	2,513.56	2,357.12	9,146.21	8,830.52
Business units	1,631.47	1,133.51	4,937.00	4,341.43
Other activities	<u>50.45</u>	<u>61.76</u>	<u>156.74</u>	<u>204.29</u>
Total domestic revenues	<u>4,195.48</u>	<u>3,552.39</u>	<u>14,239.95</u>	<u>13,376.24</u>
Foreign Transportation Revenues				
Regional Asia	16,276.62	9,948.35	50,193.98	43,942.96
Europe	9,180.69	6,973.29	31,117.72	27,423.66
North Pacific	770.01	649.03	3,385.50	3,278.17
Australia & New Zealand	<u>2,804.44</u>	<u>2,398.55</u>	<u>9,182.40</u>	<u>8,120.72</u>
Total foreign transportation revenues	<u>29,031.76</u>	<u>19,969.22</u>	<u>93,879.60</u>	<u>82,765.51</u>
Charter revenues and others	<u>1,371.09</u>	<u>160.72</u>	<u>4,055.98</u>	<u>794.52</u>
Total	<u>34,598.33</u>	<u>23,682.33</u>	<u>112,175.53</u>	<u>96,936.27</u>

3.15 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>30-Jun-04</u>	<u>30-Sep-03</u>
Cash and cash equivalents	5.69	360.88
Fixed deposits due over 3 months	3,803.41	3,266.97
Other current assets	38.84	7.43
Non-current assets	0.01	0.01
Other current liabilities	13.00	18.37
Staff pension fund	3,951.12	3,729.30

As at June 30, 2004, the fund balance was THB 3,951.12 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 THB 170.26 million plus an obligation amount of THB 116.17 million, totalling THB 286.43 million.

3.16 Contingent Liabilities

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

	Unit : Million Baht	
	The Company	
	<u>30-Jun-04</u>	<u>30-Sep-03</u>
The Company as defendant in		
Labour dispute cases	857.68	395.32
Damage claims cases	<u>557.07</u>	<u>532.43</u>
Total	<u>1,414.75</u>	<u>927.75</u>

3.17 Events After the Balance Sheet Date

A Resolution of the Cabinet passed on July 20, 2004 approved the Company to increase its staff salaries at the rate of 6% across the payscale inclusive of the cost living allowance retroactive from October 1, 2003. As a result, the salary expenses of the Company increased amount of THB 459.11 million which has already paid on July 22, 2004. In addition, the Company was approved to pay a special payment which is not more than 5% of its staff whose salaries have hit the ceiling of their payscales in fiscal year 2003 for an aggregate of THB 42.72 million depending on the performance evaluation of each staff. The payment will be paid when the evaluation is finished.
