

(UNOFFICIAL TRANSLATION)
REVIEWED REPORT OF AUDITOR

TO : THE SHAREHOLDERS OF THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED

The Office of the Auditor General has reviewed the accompanying consolidated and the Company balance sheets as at December 31, 2004, the related consolidated and the Company statements of income, changes in shareholders' equity and cash flows for the three - month periods ended December 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, 2004 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 21, 2004. The consolidated and the Company balance sheets as at September 30, 2004, 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) *Pensri Soranaraks*
(Pensri Soranaraks)
Deputy Auditor General, for Auditor General

(Signed) *Peeraporn Methawikul*
(Peeraporn Methawikul)
Auditor-in-charge

February 9, 2005

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS

AS AT DECEMBER 31, 2004 AND SEPTEMBER 30, 2004

Unit : Baht

	<u>Notes</u>	<u>CONSOLIDATED</u>		<u>THE COMPANY</u>	
		<u>31 December 2004</u> (reviewed)	<u>30 September 2004</u> (audited)	<u>31 December 2004</u> (reviewed)	<u>30 September 2004</u> (audited)
ASSETS					
Current Assets					
Cash and cash equivalents	3.1	15,959,191,871	20,978,440,673	15,610,710,922	20,708,088,557
Fixed deposits due over 3 months		3,872,032,497	3,807,937,115	3,872,032,497	3,807,937,115
Current investment-available-for-sale securities	3.2	-	323,455,999	-	323,455,999
Trade account receivables-net	3.3	16,606,895,862	15,022,384,683	16,555,956,971	14,974,435,217
Inventories and supplies-net		4,598,981,039	4,275,361,532	4,598,981,039	4,275,361,532
Other current assets		6,975,600,101	7,583,727,003	6,986,826,218	7,560,402,613
Total Current Assets		48,012,701,370	51,991,307,005	47,624,507,647	51,649,681,033
Non-Current Assets					
Investments by the equity method	3.4.1	1,374,241,403	1,322,469,860	1,599,890,323	1,572,280,901
Other long-term investments	3.4.2	149,104,279	152,137,142	48,502,997	51,859,311
Property, Plant and Equipment-Net	3.6	153,562,736,880	134,041,264,755	153,477,093,700	133,955,930,373
Others	3.7	5,099,353,982	5,703,353,701	5,091,429,692	5,696,219,610
Total Non-Current Assets		160,185,436,544	141,219,225,458	160,216,916,712	141,276,290,195
Total Assets		208,198,137,914	193,210,532,463	207,841,424,359	192,925,971,228

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

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS

AS AT DECEMBER 31, 2004 AND SEPTEMBER 30, 2004

Unit : Baht

	Notes	<u>CONSOLIDATED</u>		<u>THE COMPANY</u>	
		<u>31 December 2004</u>	<u>30 September 2004</u>	<u>31 December 2004</u>	<u>30 September 2004</u>
		(reviewed)	(audited)	(reviewed)	(audited)
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Liabilities					
Trade account payables		7,072,289,458	6,713,530,109	7,069,363,542	6,707,993,751
Current portion of long-term loans					
Long-term loans		7,746,952,057	10,283,623,939	7,746,952,057	10,283,623,939
Liabilities under financial leases		5,159,562,859	5,248,494,457	5,159,562,859	5,248,494,457
Promissory notes		1,050,000,000	1,050,000,000	1,050,000,000	1,050,000,000
Other current liabilities					
Accrued expenses		10,487,945,589	14,833,485,877	10,475,473,966	14,823,537,623
Accrued dividends		1,819,295,345	50,607,384	1,741,295,345	50,607,384
Accrued income taxes		2,311,352,630	41,326,321	2,254,521,493	-
Unearned transportation revenues		17,668,050,047	16,507,265,038	17,668,050,047	16,507,265,038
Others		5,220,544,221	4,728,893,165	5,198,681,186	4,705,533,715
Total Current Liabilities		58,535,992,206	59,457,226,290	58,363,900,495	59,377,055,907
Non-Current Liabilities					
Long-term debts					
Debentures	3.9	25,000,000,000	10,000,000,000	25,000,000,000	10,000,000,000
Long-term loans		19,427,759,863	20,286,806,946	19,427,759,863	20,286,806,946
Liabilities under financial leases		37,871,217,704	39,671,971,402	37,871,217,704	39,671,971,402
Promissory notes		4,950,000,000	5,250,000,000	4,950,000,000	5,250,000,000
Staff pension fund	3.13	4,394,595,704	4,220,771,393	4,394,595,704	4,220,771,393
Total Non-Current Liabilities		91,643,573,271	79,429,549,741	91,643,573,271	79,429,549,741
Total Liabilities		150,179,565,477	138,886,776,031	150,007,473,766	138,806,605,648
Shareholders' Equity					
Share capital	3.10				
Authorized					
1,700.00 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					
1,692.08 million ordinary shares par value of Baht 10 each		16,920,762,000	16,850,000,000	16,920,762,000	16,850,000,000
Premium on share capital		15,613,399,721	15,580,550,482	15,613,399,721	15,580,550,482
Proceeds from ESOP offering		38,250	96,732,486	38,250	96,732,486
Unrealised gain (losses) on current investment-available-for-sale securities		(83,467)	317,143,675	(83,467)	317,143,675
Retained earnings					
Appropriated					
Legal reserve		1,700,000,000	1,700,000,000	1,700,000,000	1,700,000,000
Unappropriated		23,599,834,089	19,574,938,937	23,599,834,089	19,574,938,937
Total Company Shareholders' Equity		57,833,950,593	54,119,365,580	57,833,950,593	54,119,365,580
Minority interests		184,621,844	204,390,852	-	-
Total Shareholders' Equity		58,018,572,437	54,323,756,432	57,833,950,593	54,119,365,580
Total Liabilities and Shareholders' Equity		208,198,137,914	193,210,532,463	207,841,424,359	192,925,971,228

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

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

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

Reviewed

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF INCOME

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

	<u>CONSOLIDATED</u>		<u>THE COMPANY</u>	
	<u>2004</u>	<u>2003</u> (restated)	<u>2004</u>	<u>2003</u> (restated)
Unit : Baht				
Revenues from the Sale of Goods and the Rendering of Services				
Passenger and excess baggage	34,442,204,762	30,779,825,048	34,442,204,762	30,779,825,048
Freight	6,348,925,742	5,624,740,262	6,348,925,742	5,624,740,262
Mail	313,169,512	259,480,767	313,169,512	259,480,767
Other activities	1,958,319,271	1,590,194,586	1,859,835,170	1,497,295,031
Total Revenues from the Sale of Goods and the Rendering of Services				
Rendering of Services	43,062,619,287	38,254,240,663	42,964,135,186	38,161,341,108
Operating expenses :				
Personnel	7,035,910,003	6,516,917,550	7,030,079,104	6,511,815,056
Fuel and oil	11,230,693,945	6,434,790,313	11,230,693,945	6,434,790,313
Inventories and supplies	2,198,515,157	2,119,571,432	2,198,515,157	2,119,571,432
Lease of aircraft and spare parts	1,598,681,278	1,580,383,765	1,598,681,278	1,580,383,765
Flight operations	8,943,179,027	8,543,578,272	8,943,179,027	8,543,578,272
Depreciation	3,036,069,182	2,969,747,585	3,027,494,446	2,962,624,272
Marketing	788,491,706	678,550,063	779,490,991	667,858,971
Insurance	468,554,915	399,731,507	468,554,915	399,731,507
Remuneration to board of directors	25,515,381	16,715,326	25,312,131	16,603,117
Other operating expenses	1,330,835,351	1,548,697,189	1,305,473,054	1,526,607,049
Total operating expenses	36,656,445,945	30,808,683,002	36,607,474,048	30,763,563,754
Profit from the Sale of Goods and the Rendering of Services	6,406,173,342	7,445,557,661	6,356,661,138	7,397,777,354

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

Reviewed

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF INCOME

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

Unit : Baht

	Notes	CONSOLIDATED		THE COMPANY	
		2004	2003 (restated)	2004	2003 (restated)
Profit from the Sale of Goods and the Rendering of Services		6,406,173,342	7,445,557,661	6,356,661,138	7,397,777,354
Other Income					
Interest income		110,281,165	68,193,429	110,090,039	67,891,369
Others		782,954,491	221,118,788	781,140,142	217,976,351
Total Other Income		893,235,656	289,312,217	891,230,181	285,867,720
Other Expenses					
Losses (gains) on foreign currency exchange		(2,055,441,692)	408,698,419	(2,055,441,692)	408,698,419
Yields from pension fund		10,095,986	9,464,585	10,095,986	9,464,585
Others		324,086,755	291,807,835	321,587,785	290,706,253
Total Other Expenses		(1,721,258,951)	709,970,839	(1,723,757,921)	708,869,257
Profit from Operations		9,020,667,949	7,024,899,039	8,971,649,240	6,974,775,817
Share of Profits from Investments by the Equity Method					
Share of net profit from subsidiary companies		-	-	18,856,442	19,291,919
Share of net profit from associated companies		51,771,543	22,823,827	51,771,543	22,823,827
Total Share of Profits from Investments by the Equity Method	3.4.1	51,771,543	22,823,827	70,627,985	42,115,746
Profits before Interest and Income Tax Expenses		9,072,439,492	7,047,722,866	9,042,277,225	7,016,891,563
Interest expenses		900,418,053	931,639,397	900,418,053	931,639,397
Income tax expenses		2,439,622,089	1,850,693,119	2,424,887,820	1,835,540,140
Profits after Tax		5,732,399,350	4,265,390,350	5,716,971,352	4,249,712,026
Net profit of minority interest		15,427,998	15,678,324	-	-
Net profits		5,716,971,352	4,249,712,026	5,716,971,352	4,249,712,026
Basic earnings per share	3.11				
Net profits		3.38	2.81	3.38	2.81
Diluted earnings per share	3.11				
Net profits		3.37	-	3.37	-

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

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

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

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

Unit : Baht

Notes	CONSOLIDATED							Total
	Share Capital issued and fully paid	Premium on share capital	Proceeds from ESOP offering	Unrealised gain (losses) available-for-sale securities	Legal Reserve	Retained Earnings Unappropriated	Minority Interest	
Balance as at October 1, 2003 (before adjustment)	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
- Cumulative effect of change in accounting policy for D-check	-	-	-	-	-	(1,652,114,839)	-	(1,652,114,839)
- Cumulative effect of change in accounting policy for depreciation of aircraft seats	-	-	-	-	-	(580,558,742)	-	(580,558,742)
- Cumulative effect of change in accounting policy for depreciation of in-flight equipment	-	-	-	-	-	(650,827,643)	-	(650,827,643)
Balance as at October 1, 2003 (after adjustment)	14,000,000,000	4,750,000,000	-	454,324,822	1,700,000,000	15,110,600,487	156,317,516	36,171,242,825
- Unrealised gain (losses) on current investment - available-for-sale securities	-	-	-	106,938,774	-	-	-	106,938,774
<u>Add</u> Net Profit	-	-	-	-	-	4,249,712,026	15,678,324	4,265,390,350
<u>Less</u> Dividends paid	-	-	-	-	-	(3,085,000,000)	(20,925,000)	(3,105,925,000)
<u>Add</u> Issued share capital	2,850,000,000	11,400,000,000	-	-	-	-	-	14,250,000,000
Balance as at December 31, 2003	16,850,000,000	16,150,000,000	-	561,263,596	1,700,000,000	16,275,312,513	151,070,840	51,687,646,949
Balance as at October 1, 2004	16,850,000,000	15,580,550,482	96,732,486	317,143,675	1,700,000,000	19,574,938,937	204,390,852	54,323,756,432
- Unrealised gain (losses) on current investment - available-for-sale securities	-	-	-	(317,227,142)	-	-	(97,006)	(317,324,148)
<u>Add</u> Net Profit	-	-	-	-	-	5,716,971,352	15,427,998	5,732,399,350
<u>Less</u> Dividends paid	3.8	-	-	-	-	(1,692,076,200)	(35,100,000)	(1,727,176,200)
<u>Add</u> Issued share capital	3.10	70,762,000	32,849,239	-	-	-	-	103,611,239
<u>Add</u> Proceeds from ESOP offering	-	-	(96,694,236)	-	-	-	-	(96,694,236)
Balance as at December 31, 2004	16,920,762,000	15,613,399,721	38,250	(83,467)	1,700,000,000	23,599,834,089	184,621,844	58,018,572,437

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

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

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

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

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

Unit : Baht

Notes	THE COMPANY						Total
	Share Capital issued and fully paid	Premium on share capital	Proceeds from ESOP offering	Unrealised gain (losses) available- for-sale securities	Legal Reserve	Retained Earnings Unappropriated	
Balance as at October 1, 2003 (before adjustment)	14,000,000,000	4,750,000,000	-	454,324,822	1,700,000,000	17,994,101,711	38,898,426,533
- Cumulative effect of change in accounting policy for D-check	-	-	-	-	-	(1,652,114,839)	(1,652,114,839)
- Cumulative effect of change in accounting policy for depreciation of aircraft seats	-	-	-	-	-	(580,558,742)	(580,558,742)
- Cumulative effect of change in accounting policy for depreciation of in-flight equipment	-	-	-	-	-	(650,827,643)	(650,827,643)
Balance as at October 1, 2003 (after adjustment)	14,000,000,000	4,750,000,000	-	454,324,822	1,700,000,000	15,110,600,487	36,014,925,309
- Unrealised gain (losses) on current investment - available-for-sale securities	-	-	-	106,938,774	-	-	106,938,774
<u>Add</u> Net Profit	-	-	-	-	-	4,249,712,026	4,249,712,026
<u>Less</u> Dividends paid	-	-	-	-	-	(3,085,000,000)	(3,085,000,000)
<u>Add</u> Issued share capital	2,850,000,000	11,400,000,000	-	-	-	-	14,250,000,000
Balance as at December 31, 2003	16,850,000,000	16,150,000,000	-	561,263,596	1,700,000,000	16,275,312,513	51,536,576,109
Balance as at October 1, 2004	16,850,000,000	15,580,550,482	96,732,486	317,143,675	1,700,000,000	19,574,938,937	54,119,365,580
- Unrealised gain (losses) on current investment - available-for-sale securities	-	-	-	(317,227,142)	-	-	(317,227,142)
<u>Add</u> Net Profit	-	-	-	-	-	5,716,971,352	5,716,971,352
<u>Less</u> Dividends paid	3.8	-	-	-	-	(1,692,076,200)	(1,692,076,200)
<u>Add</u> Issued share capital	3.10	70,762,000	32,849,239	-	-	-	103,611,239
<u>Add</u> Proceeds from ESOP offering	-	-	(96,694,236)	-	-	-	(96,694,236)
Balance as at December 31, 2004	16,920,762,000	15,613,399,721	38,250	(83,467)	1,700,000,000	23,599,834,089	57,833,950,593

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 three - month periods ended December 31, 2004 and 2003

	Unit : Baht			
	<u>CONSOLIDATED</u>		<u>THE COMPANY</u>	
	<u>2004</u>	<u>2003</u> (restated)	<u>2004</u>	<u>2003</u> (restated)
Cash flows from operating activities				
Net profit	5,716,971,352	4,249,712,026	5,716,971,352	4,249,712,026
Adjustment to reconcile net profit to cash provided by (paid from) operating activities :				
Depreciation	3,036,069,182	2,969,747,585	3,027,494,446	2,962,624,272
Income from investments by the equity method	(51,771,543)	(22,823,827)	(70,627,985)	(42,115,746)
Losses on sales of assets	24,179,055	183,306,798	23,680,369	183,306,798
Cumulative effect of change in accounting policies	-	65,776,749	-	65,776,749
Gain on current investments-available-for-sale securities	(372,025,154)	-	(371,486,133)	-
Amortisation of deferred charges	36,403,600	35,135,576	36,403,600	35,135,576
Losses (gains) on foreign currency exchange	(1,903,837,438)	305,406,823	(1,903,837,438)	305,406,823
Net profit of minority interests	15,427,998	15,678,324	-	-
Reserve for obsolete inventories	53,119,678	32,243,745	53,119,678	32,243,745
Allowance for doubtful accounts and impairment in value of assets	(4,712,069)	15,613,514	(7,196,065)	14,522,441
Operating profit before changes in operating assets and liabilities	6,549,824,661	7,849,797,313	6,504,521,824	7,806,612,684
Decrease (increase) in operating assets :				
Trade account receivables	(1,569,685,162)	(2,444,514,772)	(1,564,211,742)	(2,437,826,902)
Inventories and supplies	(383,276,893)	(215,431,189)	(383,276,893)	(215,431,189)
Prepaid expenses and deposits	886,229,166	(32,683,526)	886,259,166	(32,625,505)
Other current assets	(481,420,846)	(1,724,833,594)	(516,001,353)	(1,733,952,514)
Deferred income taxes	117,434,971	53,321,993	118,225,169	53,679,015
Deferred charges	-	(579,699,407)	-	(579,699,407)
Concessions for acquisitions of aircraft and engines	-	177,211,562	-	177,211,562
Increase (decrease) in operating liabilities :				
Trade account payables	408,002,029	189,179,985	410,612,472	193,343,125
Accrued expenses and other current liabilities	(1,436,727,622)	487,293,064	(1,453,259,393)	473,240,266
Staff pension fund	173,824,311	144,780,647	173,824,311	144,780,647
Unearned transportation revenue	1,160,785,009	1,861,512,828	1,160,785,009	1,861,512,828
Net cash from operating activities	5,424,989,624	5,765,934,904	5,337,478,570	5,710,844,610

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

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

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

	<u>CONSOLIDATED</u>		<u>THE COMPANY</u>	
	<u>2004</u>	<u>2003</u> (restated)	<u>2004</u>	<u>2003</u> (restated)
Unit : Baht				
Cash flows from investing activities				
Fixed deposits due over 3 months increase	(64,095,382)	(335,534,066)	(64,095,382)	(335,534,066)
Cash paid for acquisition of fixed assets	(22,145,541,260)	(13,109,008,227)	(22,136,159,040)	(13,103,812,527)
Cash received from sales of assets	20,519,755	17,884,216	20,519,755	17,884,216
Investments decrease	45,044,076	50,005,774	45,044,076	50,005,774
Cash received from current investments-available-for-sale securities	377,833,554	-	377,833,554	-
Cash received from loan for investing aircraft spare parts	-	1,240,000	-	1,240,000
Net cash used in investing activities	(21,766,239,257)	(13,375,412,303)	(21,756,857,037)	(13,370,216,603)
Cash flows from financing activities				
Cash received from debentures	15,000,000,000	10,000,000,000	15,000,000,000	10,000,000,000
Cash received from short-term loans	-	4,010,000,000	-	4,010,000,000
Cash received from long-term loans	-	691,663,503	-	691,663,503
Cash received from issued ordinary shares	6,299,450	2,850,000,000	6,299,450	2,850,000,000
Cash received from premium on ordinary shares	617,964	11,400,000,000	617,964	11,400,000,000
Cash received from subscription of ESOP	(411)	-	(411)	-
Cash paid for repayment of long-term loans	(3,393,337,228)	(1,239,400,635)	(3,393,337,228)	(1,239,400,635)
Cash paid for repayment of promissory notes	(300,000,000)	(300,000,000)	(300,000,000)	(300,000,000)
Dividends paid	(1,388,239)	(1,383,675,666)	(1,388,239)	(1,383,675,666)
Net cash from (used in) financing activities	11,312,191,536	26,028,587,202	11,312,191,536	26,028,587,202
Increase (decrease) in cash and cash equivalents	(5,029,058,097)	18,419,109,803	(5,107,186,931)	18,369,215,209
Increase effects of exchange rate changes on cash and bank balances	9,809,296	202,531,879	9,809,296	202,531,879
Cash and cash equivalents at the beginning of the periods	20,978,440,672	9,205,595,942	20,708,088,557	8,852,154,752
Cash and cash equivalents at the end of the periods	15,959,191,871	27,827,237,624	15,610,710,922	27,423,901,840
Supplementary cash flows information :				
Cash paid during the year for				
Interest expenses	696,531,247	583,351,520	696,531,247	583,351,520
Corporate income tax	60,212,008	41,419,248	60,192,357	41,396,542

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

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

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

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
For the three - month periods ended December 31, 2004 (reviewed)
and for the year ended September 30, 2004 (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 its subsidiary, Thai-Amadeus Southeast Asia Company Limited, in which the Company holds equity interests of 55%. Significant transactions between the Company and its subsidiary have been eliminated from the consolidated financial statements.

1.2 Interim financial statements

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

The purpose of preparation the interim financial statements is to add more information to the year financial statements ended September 30, 2004. 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, 2004.

3. SUPPLEMENTARY INFORMATION

3.1 Cash and Cash Equivalents

	<u>Consolidated</u>		<u>Unit : Million Baht</u> <u>The Company</u>	
	<u>31-Dec-04</u>	<u>30-Sep-04</u>	<u>31-Dec-04</u>	<u>30-Sep-04</u>
Cash - Domestic	10.64	11.71	10.64	11.71
Cash - Abroad	30.16	17.00	30.16	17.00
Bank Deposits - Domestic	9,020.72	3,907.72	8,672.24	3,637.37
Bank Deposits - Abroad	<u>6,897.67</u>	<u>17,042.01</u>	<u>6,897.67</u>	<u>17,042.01</u>
Total	<u>15,959.19</u>	<u>20,978.44</u>	<u>15,610.71</u>	<u>20,708.09</u>

Cash and cash equivalents have already included cash and cash equivalent of the Company's staff pension discussed in Note 3.13.

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. In this period, the Company sold all 316,957 shares amount of THB 377.83 million. The Company has gain on sales of shares amount of THB 371.49 million.

3.3 Trade Account Receivables - Net

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

	Unit : Million Baht			
	<u>Consolidated</u>		<u>The Company</u>	
	<u>31-Dec-04</u>	<u>30-Sep-04</u>	<u>31-Dec-04</u>	<u>30-Sep-04</u>
Period of overdue				
Not over 6 months	16,548.60	14,969.86	16,502.21	14,926.95
Over : 6 months to 1 year	86.15	84.47	82.50	76.85
Over : 1 year to 2 years	61.00	41.14	50.01	36.25
Over : 2 years	<u>1,179.95</u>	<u>1,200.41</u>	<u>1,176.53</u>	<u>1,196.87</u>
	17,875.70	16,295.88	17,811.25	16,236.92
<u>Less</u> Allowance for doubtful accounts	<u>(1,268.80)</u>	<u>(1,273.50)</u>	<u>(1,255.29)</u>	<u>(1,262.48)</u>
Trade account receivables - net	<u>16,606.90</u>	<u>15,022.38</u>	<u>16,555.96</u>	<u>14,974.44</u>

3.4 Investments

Consolidated

Unit : Million Baht

Name of Company	Percentage of Shareholding		Investments				Income on investments	
	Dec-04	Sep-04	Cost method		Equity method		Dec-04	Dec-03
			Dec-04	Sep-04	Dec-04	Sep-04		
3.4.1 Investments using the equity method								
Thai Information Solution Company Limited (in the process of liquidating)	100	100	125.00	125.00	103.27	103.27	-	-
Royal Orchid Hotel (Thailand) Public Co., Ltd. (Market value as at December 31, 2004 amount of THB 630.00 Million and September 30, 2004 amount of THB 630.00 million)	24	24	225.00	225.00	295.97	283.74	12.24	(0.33)
Donmuang International Airport Hotel Company Limited	40	40	48.00	48.00	174.27	157.38	16.88	13.20
Bangkok Aviation Fuel Services Public Company Limited (Market value as at December 31, 2004 amount of THB 821.66 million and September 30, 2004 amount of THB 829.34 million)	22.6	22.6	76.79	76.79	461.78	415.52	46.26	8.58
Phuket Air Catering Company Limited	30	30	30.00	30.00	43.98	43.98	-	1.37
Suvarnabhumi Airport Hotel Company Limited (fully paid-up of the first authorized share and paid 25% of increased share capital)	30	30	123.58	123.58	123.58	123.58	-	-
Sky Asia Company Limited	39	39	195.00	195.00	171.39	195.00	(23.61)	-
Total investments using the equity method					<u>1,374.24</u>	<u>1,322.47</u>	<u>51.77</u>	<u>22.82</u>
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	3.5	3.5	22.94	22.94			-	-
SITA Investment Certificate	-	-	20.74	24.15			-	-
TRADESIAM Company Limited (paid 25% of authorized share capital)	3.5	3.5	1.75	1.75			-	-
Other Shares			3.07	3.02			-	-
Investment in private fund			100.60	100.28			-	-
<u>Less</u> Allowance for impairment of Fuel Pipeline Transportation Limited			(133.00)	(133.00)			-	-
Total other long-term investments			<u>149.10</u>	<u>152.14</u>			-	-

The Company

Unit : Million Baht

Name of Company	Percentage of Shareholding		Investments				Income on investments	
			Cost method		Equity method		Dec-04	Dec-03
	Dec-04	Sep-04	Dec-04	Sep-04	Dec-04	Sep-04	Dec-04	Dec-03
3.4.1 Investments using the equity method								
Subsidiary Companies								
Thai-Amadeus Southeast Asia Company Limited	55	55	8.25	8.25	225.65	249.81	18.86	19.16
Thai Information Solution Company Limited (in the process of liquidating)	100	100	125.00	125.00	103.27	103.27	-	0.13
Total					<u>328.92</u>	<u>353.08</u>	<u>18.86</u>	<u>19.29</u>
Associated Companies								
Royal Orchid Hotel (Thailand) Public Co., Ltd. (Market value as at December 31, 2004 amount of THB 630.00 Million and September 30, 2004 amount of THB 630.00 million)	24	24	225.00	225.00	295.97	283.74	12.24	(0.33)
Donmuang International Airport Hotel Company Limited	40	40	48.00	48.00	174.27	157.38	16.88	13.20
Bangkok Aviation Fuel Services Public Company Limited (Market value as at December 31, 2004 amount of THB 821.66 million and September 30, 2004 amount of THB 829.34 million)	22.6	22.6	76.79	76.79	461.78	415.52	46.26	8.58
Phuket Air Catering Company Limited	30	30	30.00	30.00	43.98	43.98	-	1.37
Suvarnabhumi Airport Hotel Company Limited (fully paid-up of the first authorized share and paid 25% of increased share capital)	30	30	123.58	123.58	123.58	123.58	-	-
Sky Asia Company Limited	39	39	195.00	195.00	171.39	195.00	(23.61)	-
Total					<u>1,270.97</u>	<u>1,219.20</u>	<u>51.77</u>	<u>22.82</u>
Total investments using the equity method					<u>1,599.89</u>	<u>1,572.28</u>	<u>70.63</u>	<u>42.11</u>
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	3.5	3.5	22.94	22.94			-	-
SITA Investment Certificate	-	-	20.74	24.15			-	-
TRADESIAM Company Limited (paid 25% of authorized share capital)	3.5	3.5	1.75	1.75			-	-
Other Shares			3.07	3.02			-	-
<u>Less</u> Allowance for impairment of Fuel Pipeline Transportation Limited			(133.00)	(133.00)			-	-
Total other long-term investments			<u>48.50</u>	<u>51.86</u>			-	-

3.5 Related Parties The Company

3.5.1 Major shareholders

	Unit : Million Baht	
	<u>31-Dec-04</u>	<u>30-Sep-04</u>
Ministry of Finance		
Guaranteed loans	1,285.65	1,677.42
Loans via the Ministry of Finance	25,889.06	28,893.01

3.5.2 Subsidiary companies

	<u>31-Dec-2004</u>			<u>30-Sep-2004</u>		
	<u>Sales</u>	<u>Trade Account Receivables</u>	<u>Other Account Receivables</u>	<u>Sales</u>	<u>Trade Account Receivables</u>	<u>Other Account Receivables</u>
Thai-Amadeus Southeast Asia Company Limited	4.01	0.09	35.09	72.00	0.17	15.82

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 October 1, 2004	133,963.88	66,648.10	25,231.18	10,213.45	22,863.03	258,919.64
- Adjust/Transfer	(675.67)	21.52	(101.23)	33.43	144.53	(577.42)
- Increased asset	19,241.21	25.39	628.09	4.43	2,545.90	22,445.02
- Sold	-	(110.11)	(98.42)	(10.77)	(434.87)	(654.17)
As at December 31, 2004	152,529.42	66,584.90	25,659.62	10,240.54	25,118.59	280,133.07
Accumulated depreciation						
As at October 1, 2004	74,665.51	10,712.23	16,356.78	7,494.92	15,648.94	124,878.38
- Depreciation	1,427.61	781.93	485.91	90.06	250.56	3,036.07
- Adjust/Transfer	(680.40)	5.92	(51.27)	-	(1.85)	(727.60)
- Sold	-	(95.57)	(75.72)	(10.50)	(434.72)	(616.51)
As at December 31, 2004	75,412.72	11,404.51	16,715.70	7,574.48	15,462.93	126,570.34
Net book value						
As at September 30, 2004	59,298.37	55,935.87	8,874.40	2,718.53	7,214.09	134,041.26
As at December 31, 2004	77,116.70	55,180.39	8,943.92	2,666.06	9,655.66	153,562.73

The Company

Unit : Million Baht

	Aircraft	Aircraft under financial leases	Aircraft spare parts	Land and buildings	Other plant and equipment	Total
Cost						
As at October 1, 2004	133,963.88	66,648.10	25,231.18	10,213.45	22,698.62	258,755.23
- Adjust/Transfer	(675.67)	21.52	(101.23)	33.43	146.88	(575.07)
- Increased asset	19,241.21	25.39	628.09	4.43	2,536.52	22,435.64
- Sold	-	(110.11)	(98.42)	(10.77)	(434.87)	(654.17)
As at December 31, 2004	152,529.42	66,584.90	25,659.62	10,240.54	24,947.15	279,961.63
Accumulated depreciation						
As at October 1, 2004	74,665.51	10,712.23	16,356.78	7,494.92	15,569.86	124,799.30
- Depreciation	1,427.61	781.93	485.91	90.06	241.98	3,027.49
- Adjust/Transfer	(680.40)	5.92	(51.27)	-	-	(725.75)
- Sold	-	(95.57)	(75.72)	(10.50)	(434.72)	(616.51)
As at December 31, 2004	75,412.72	11,404.51	16,715.70	7,574.48	15,377.12	126,484.53
Net book value						
As at September 30, 2004	59,298.37	55,935.87	8,874.40	2,718.53	7,128.76	133,955.93
As at December 31, 2004	77,116.70	55,180.39	8,943.92	2,666.06	9,570.03	153,477.10

In this period, there are 83 aircraft in the Company's fleet consisting of 59 own aircraft, 12 aircraft under financial leases, and 12 aircraft under operating leases.

Aircraft spare parts consist of aircraft engines and other aircraft spare parts.

Other plant and equipment-net amount of THB 9,655.66 million (consolidated) and THB 9,570.03 millions (the Company) have already included the work in progress of Suvarnabhumi project amount of THB 5,562.89 million consisting of building, facilities, equipment and information technology which support to the services in Suvarnabhumi Airport.

The Company uses buildings and equipment amount of THB 29,607.35 million that are now fully depreciated.

3.7 Non - Current Assets - Others

	Unit : Million Baht			
	<u>Consolidated</u>		<u>The Company</u>	
	<u>31-Dec-2004</u>	<u>30-Sep-2004</u>	<u>31-Dec-2004</u>	<u>30-Sep-2004</u>
Deferred charges	338.42	824.99	338.42	824.99
Deferred income taxes	<u>4,760.93</u>	<u>4,878.36</u>	<u>4,753.01</u>	<u>4,871.23</u>
Total	<u>5,099.35</u>	<u>5,703.35</u>	<u>5,091.43</u>	<u>5,696.22</u>

3.8 Dividends The Company

According to the Annual General Shareholders' Meeting for the year 2004 held on December 17, 2004 approved the Company to pay the dividends for the last half-year 2004 operation at THB 1.00 per share for an aggregate of THB 1,692.08 million (1,685,000,000 old shares plus 7,076,200 new shares totalling 1,692,076,200 shares).

3.9 Debenture Bonds

According to the Resolution of Extraordinary Shareholders' Meeting No. 1/2546 held on September 2, 2003 approved the Company issuing debentures in the amount of THB 40 billion. The first and the second issue of the Company's debentures amount of THB 10 billion and THB 15 billion have been transferred to the Company's account on October 9, 2003 and October 21, 2004, respectively. The total value is THB 25 billion. The details are as follows:

	Tenor (Year)	Interest Rate Pay every 6 months (%)	Amount (MTHB)	Maturity date
	5	3.00	5,500	October 8, 2008
	7	3.70	<u>4,500</u>	October 8, 2010
The balance as at September 30, 2004			<u>10,000</u>	
	5	4.65	7,500	October 20, 2009
	7	5.20	4,500	October 20, 2011
	10	5.80	<u>3,000</u>	October 20, 2014
			<u>15,000</u>	
The balance as at December 31, 2004			<u>25,000</u>	

The Company has registered these debentures with the Thai Bond Dealing Center (THAI BDC) in the bond electronic exchange of the Stock Exchange of Thailand.

3.10 Share Capital

As at September 30, 2004, the Company has authorized ordinary shares amount of 1,700 million shares at per value THB 10 each for an aggregate of THB 17,000 million, issued and paid-up ordinary shares amount of THB 16,850 million.

As at October 15, 2004, the Company has already registered the increase share capital of THB 16,920.76 million due to the employee subscriptions of ordinary shares and the 1st exercise of type-one warrant under the ESOP of the Company amount of 7,076,200 shares at THB 15 per share, par value of THB 70.76 million and premium on share of THB 35.38 million.

As at December 31, 2004, the proceeds from the 2nd exercise of type-one warrant, from December 27, 2004 to January 3, 2005, amounted to THB 38,250 which is presented in shareholders' equity under "the proceeds from ESOP offering" item.

3.11 Basic Earnings Per Share Consolidated and the Company

Basic earnings per share is calculated by dividing net profit for the period by the weighted average number of ordinary shares outstanding during the periods.

Diluted earnings per share is calculated by dividing net profit for the period by the weighted average number of ordinary shares outstanding during the period adjusted by all dilutive potential ordinary shares under the assumptions that all dilutive potential ordinary shares are converted into ordinary shares. The dilutive potential ordinary shares of the Company are ordinary shares and warrants to purchase the ordinary shares under ESOP.

	31 December 2004		
	Profit	No. of Shares	Earnings per share
	(THB)	(Share)	(THB)
Basic earnings per share			
Net profits attributable to ordinary shareholders	5,716,971,352	1,690,999,386.96	3.38
Effects of dilutive potential ordinary shares			
Ordinary shares not exercising the rights	-	5,042,892.03	
Warrants to purchase ordinary shares not exercising the rights	-	<u>107,084.90</u>	
Diluted earnings per share			
Net profits attributable to ordinary shareholders under conversion assumption to ordinary shares	<u>5,716,971,352</u>	<u>1,696,149,363.89</u>	3.37

3.12 Financial Information by Segment Consolidated

3.12.1 Business segments

Statements of Income

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

Unit : Million Baht

	<u>Revenues</u>		<u>Inter - Segment Revenues</u>		<u>Total Revenues</u>		<u>Segment Results</u>	
	<u>31-Dec-04</u>	<u>31-Dec-03</u>	<u>31-Dec-04</u>	<u>31-Dec-03</u>	<u>31-Dec-04</u>	<u>31-Dec-03</u>	<u>31-Dec-04</u>	<u>31-Dec-03</u>
	Air transportation	41,104.30	36,664.05	-	-	41,104.30	36,664.05	5,537.26
Business Units	1,676.07	1,447.13	3,348.31	3,502.55	5,024.38	4,949.68	769.27	960.48
Other activities	282.25	143.06	73.72	95.56	355.97	238.62	99.64	80.98
Eliminations	-	-	(3,422.03)	(3,598.11)	-	-	-	-
Operating profits							6,406.17	7,445.53
Share of net profit from subsidiaries and associated companies							51.77	22.82
Interest expenses-net							(790.13)	(863.42)
Gains (losses) on foreign currency exchange							2,055.44	(408.70)
Other (expenses) revenues							448.77	(80.15)
Minority interests							(15.43)	(15.68)
Income taxes							<u>(2,439.62)</u>	<u>(1,850.69)</u>
Net profits							<u>5,716.97</u>	<u>4,249.71</u>

Assets and Liabilities

As at December 31, 2004 and September 30, 2004

	<u>Current Assets</u>		<u>Non-Current Assets</u>		<u>Unit : Million Baht Total Assets</u>	
	<u>31-Dec-04</u>	<u>30-Sep-04</u>	<u>31-Dec-04</u>	<u>30-Sep-04</u>	<u>31-Dec-04</u>	<u>30-Sep-04</u>
	Air transportation	45,036.53	49,198.21	157,574.50	138,559.50	202,611.03
Business Units	452.61	429.30	2,416.77	2,466.98	2,869.38	2,896.28
Other activities	<u>2,523.56</u>	<u>2,363.80</u>	<u>194.17</u>	<u>192.74</u>	<u>2,717.73</u>	<u>2,556.54</u>
Total	<u>48,012.70</u>	<u>51,991.31</u>	<u>160,185.44</u>	<u>141,219.22</u>	<u>208,198.14</u>	<u>193,210.53</u>

	<u>Current Liabilities</u>		<u>Non-Current Liabilities</u>		<u>Unit : Million Baht Total Liabilities</u>	
	<u>31-Dec-04</u>	<u>30-Sep-04</u>	<u>31-Dec-04</u>	<u>30-Sep-04</u>	<u>31-Dec-04</u>	<u>30-Sep-04</u>
	Air transportation	57,876.55	58,958.75	91,464.82	79,305.99	149,341.37
Business Units	183.44	170.12	178.75	123.56	362.19	293.68
Other activities	<u>476.00</u>	<u>328.36</u>	<u>-</u>	<u>-</u>	<u>476.00</u>	<u>328.36</u>
Total	<u>58,535.99</u>	<u>59,457.23</u>	<u>91,643.57</u>	<u>79,429.55</u>	<u>150,179.56</u>	<u>138,886.78</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.

3.12.2 Geographical segments

	<u>Unit : Million Baht</u>	
	<u>31-Dec-04</u>	<u>31-Dec-03</u>
Domestic Revenues		
Transportation	3,050.04	3,223.59
Business units	1,676.07	1,447.13
Other activities	<u>282.25</u>	<u>143.06</u>
Total domestic revenues	<u>5,008.36</u>	<u>4,813.78</u>
Foreign Transportation Revenues		
Regional Asia	18,844.73	17,191.53
Europe	12,082.06	10,497.10
North Pacific	824.32	1,351.05
Australia & New Zealand	<u>3,508.10</u>	<u>3,142.56</u>
Total foreign transportation revenues	<u>35,259.21</u>	<u>32,182.24</u>
Charter revenues and others	1,129.73	639.30
Insurance surcharge from passengers	691.61	618.92
Fuel surcharge from passengers	<u>973.71</u>	<u>-</u>
Total	<u>43,062.62</u>	<u>38,254.24</u>

3.13 Staff Pension Fund Consolidated and the Company

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

	Unit : Million Baht	
	<u>31-Dec-04</u>	<u>30-Sep-04</u>
Cash and cash equivalents	11.67	89.93
Fixed deposits due over 3 months	3,872.03	3,807.94
Other current assets	<u>24.32</u>	<u>14.89</u>
	<u>3,908.02</u>	<u>3,912.76</u>
Other current liabilities	13.32	14.69
Staff pension fund	<u>4,394.59</u>	<u>4,220.77</u>
	<u>4,407.91</u>	<u>4,235.46</u>

As at December 31, 2004, the fund balance was THB 4,394.59 million, equal to the Company's obligation to its staff under the fund. In this period, the Company contributes to the fund at the rate of 10% in the amount of THB 61.97 million plus an obligation amount of THB 174.38 million, totalling THB 236.35 million.

3.14 Staff Provident Fund

The Company contributes to the provident fund at the rate of 9% members having not more than 20 years of services and 10% for members having more than 20 years of services, representing amounts of THB 192.16 million in this period.

3.15 Contingent Liabilities

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

	Unit : Million Baht	
	<u>The Company</u>	
	<u>31-Dec-04</u>	<u>30-Sep-04</u>
The Company as defendant in		
Labour dispute cases	759.71	750.55
Damage claims cases	<u>572.04</u>	<u>564.86</u>
Total	<u>1,331.75</u>	<u>1,315.41</u>

3.16 Events After the Balance Sheet Date

The Company has already registered the increase share capital from THB 16,920.76 million to THB 16,920.80 million on January 13, 2005 for the exercised type-one warrants 3,350 shares.

3.17 Contractual Obligations

3.17.1 Obligation to Purchase Aircraft

The Company has a payment obligation to purchase aircraft amount of THB 61,039.43 million.

3.17.2 Leases Aircraft Obligations

The Company has entered into operating leases with foreign companies for 12 aircraft with lease terms of 10-11 years. The aggregate lease payment obligations of the Company under the rest of the lease term 3-5 years amounted to USD 415.55 million or approximately THB 16,290.59 million (exchange rate USD 1 : THB 39.2025).

3.17.3 Contractual Obligation and Memorandum Agreement in Suvarnabhumi Airport Project

The Company has entered into a contractual and memorandum agreement in Suvarnabhumi Airport project for an aggregate of THB 11,354.13 million by recording as work in progress amount of THB 5,562.89 million, leaving the payment obligation of THB 5,791.24 million.
