



Annual Report 2009

Thai Airways International Public Company Limited

MESSAGE FROM THE CHAIRMAN



Thai Airways International Plc. (THAI) successfully weathered the many extremely difficult challenges in 2009 through unity and personal sacrifice of all THAI employees along with the unwavering trust and support received from THAI's shareholders.

In addition to the effects of the rapidly changing global environment and global warming, the Company was faced with other global issues including the worst economic downturn in 50 years and the 2009 flu pandemic. These major challenges had considerable impact on the commercial airline industry leading to the failure of a number of major international and domestic airlines.

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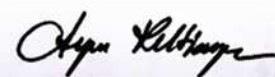
THAI was not impervious to the effects of these major global issues in 2009 as it saw a rise of 30,000 million baht in debt amidst its own internal issues of needing to replace its older and less economical aircraft in the face of competition from the Middle-eastern airlines that have strong capital support, new products and high standard of service.

The Company's Board of Directors has and continues to uphold commitments that were made to its shareholders at the previous annual general shareholders' meeting to adhere to the turnaround measures, reduce remuneration and perks for members of the Board of Directors. Meeting allowance has been cut by 25% while ticket perks have been halved including limiting the benefits of ex-Board Members to half the previous special fare tickets within 3 years post their term as a member of the Board.

Mandates were given to management to expedite the restructuring of its debt profile along with the acquisition of necessary aircraft as per the fleet plan, improving on service quality, rationalizing routes and destinations and enhancing technical and maintenance efficiency. Each measure's ultimate purpose is to financially strengthen the Company through attracting passengers with the highest standard of service supported by appropriate and sufficient aircraft to meet traffic demand.

To ensure management based on ethics and flexibility, the Board of Directors has given full management authority to the Company's senior executives. The President now is able to approve procurements of up to 200 million baht from the previous 50 million baht limit to ensure transparency, good corporate governance while distinctly separating the policy making role from the management role to enhance overall management efficiency. The outcome of drastic measures taken to restructure the Company's short-term financial obligations and overhauling of the management system resulted in THAI posting a stronger than expected net profit and over 30,000 million baht in cash flow.

Despite the many successes achieved in 2009, there is still a lot more to do and there remain a number of risks in which the Company needs to tackle including the issues of human resource development, aircraft fleet rationalization and modernization and minimizing impact of fuel cost fluctuation. To strengthen THAI's future outlook, the Board of Directors along with management have set specific goal in terms of financial structure along with the development of the 10 year strategic plan or the second phase of planning post the turnaround, which bears major structural changes for THAI. These changes lay the foundation for THAI to become a publicly listed company that is managed based on good corporate governance, based on corporate social responsibility while emphasizing greater participation of shareholders in making constructive changes and recognizing the importance of all shareholders' rights to increase THAI's overall capability to compete in a highly competitive industry and ensure the Company's long-term survival.



(Mr. Ampon Kittiampon)
Chairman

MESSAGE FROM THE PRESIDENT



The first quarter of 2009 was the most trying since the May 1960 inception of Thai Airways International Plc. with the most severe liquidity shortage. A short-term turnaround plan was drafted and immediate actions were taken to rectify problems and increase the Company's liquidity position. THAI was able to achieve its goals under the turn around plan by obtaining an EBITDA of 30,297 million baht, a 122% increase over 2008's 13,619 million baht. Net profit for 2009 totaled 7,344 million baht as compared to the previous year's loss of 21,379 million baht. Cash and cash related items increased by over 92% from 7,446 million baht in 2008 to 14,300 million baht in 2009, indicating that THAI successfully in achieved its targets under the short-term turnaround plan with a safety cushion in overall liquidity.

In any case, THAI continues to face many challenges from the still fragile global economy, domestic and international political uncertainties that bear significant impact on the travel industry and thus THAI's business, ongoing fluctuation in fuel price which is a significant proportion of THAI's overall operating expense, increasing competition from strong regional peers and the heightened level of service quality. Market penetration by new airlines with strong capital support, dramatic growth of low cost airlines

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within the region while THAI's operating cost continues to rise and a weak management structure are all factors contributing to the Company's uncertain future.

My commitment upon officially accepting the post of President of THAI this past 19th October was to revive the Company and to bring pride back to this global icon for Thais around the world. As I quickly found out that the probability of achieving my goal was relatively high as there were underlying strengths within the Company. These strengths include:

- o THAI is among the top commercial airlines in its standard of service globally renowned for the Thai cultural approach to providing service by its cabin crew.
- o The quality of employees and senior management of the Company is high. Employee commitment to the Company is high and reflected in achieving the targeted non-fuel cost reduction under the turnaround plan for 2009. Such achievement serves as testament to all THAI employees' commitment and self-sacrifice which enabled the Company to overcome a crippling crisis.
- o Flight operation is of the highest standard and commands a high level of confidence among global airlines.
- o THAI's competitive edge lies in Thailand's geographic location along with its diverse natural tourist attractions and Thailand's unique culture that draws tourists to the Kingdom.

The management team and I have drafted a 5-year plan (2010-2014) approved by the Company's Board of Directors in December of 2009 with the goal of strengthening the Company and ensuring sustainable growth at the heart of this strategy. As 2010 is THAI's 50th Anniversary, the 5-year strategy, appropriately called "Mission TG100," is to ensure sustainable growth for THAI beyond 100 years.

Under the Mission TG 100 strategy, there are 3 key elements to achieving success. The first is for THAI to be Highly Customer Oriented by providing products and services that meet customers' needs and expectations. The second is for the Company to be Highly Competitive where efficiency is imperative enabling THAI to effectively compete with other major airlines around Asia and the world. Providing consistently high quality cost effective service as expected by customers is also a must. The third is for THAI to be Highly Dynamic enabling the Company to make timely decisions and quickly make necessary adjustments to the constantly changing operating environment of the commercial airline industry.

There are 9 key strategies to achieve Mission TG100 :

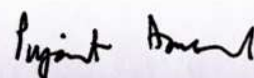
- Establishing THAI's Strategic Position – a "Two-Brand Strategy" where THAI (TG) is the "Premium Service Network Airline" while Nok Air (DD) is designated as THAI's "Regional Leading Budget Carrier."
- Creating Customer Value – the quality and standard of service at every customer touch point will be enhanced to global standards while developing THAI's mileage program Royal Orchid Plus (ROP) to provide customers with the highest value proposition and serves as a means to retain THAI's customers.
- Route Network and Fleet Strategy – takes into review all of THAI's existing route network and places emphasis on increasing flight frequency to destinations that are most profitable before considering launching new destinations. A short-term fleet strategy spanning 3-5 years is to

improve overall fuel efficiency for the fleet while the long-term fleet plan is to ensure that THAI will have the appropriate type and number of highly efficient new generation aircraft with the target of reducing aircraft type diversity.

- Product Strategy – is geared towards upgrading the seating products for THAI’s business class to be at par with industry leaders and also ensuring that seats in economy class are also comparable to peers. A re-assessment of seating mix is being made to meet the demands of the various markets while maximizing utilization of cabin space in the aircraft.
- Pricing, Revenue Management and Distribution Strategies – will be pushing to develop the second phase of the revenue management (Origin and Destination) which is to maximize revenue from available seats on each flight sector. Another key initiative is to facilitate rapid air fare adjustments to better reflect demand and fuel cost. To extend THAI’s reach and accommodate customer flexibility, the distribution channel is being broadened to meet changing passenger needs and lifestyles.
- BU Business Strategy – the goal is for each of THAI’s business units to have independence in management and a separate set of financial statements while bearing the responsibility of the outcome of own actions. Each BU is to have their own clear cut business strategy with measures to optimize efficiency in managing its costs. A new and more appropriate management structure is being considered to enhance each BU’s overall competitiveness.
- Cost Efficiency and Productivity – are areas that need to be improved to ensure an appropriate cost structure while providing THAI with the flexibility and ability to compete under the Lean and Green concept which is the ability to increase revenue while taking care of the environment. Improving on managing fuel cost and effectiveness in fuel hedging are among key initiatives along with enhancing personnel productivity, ensuring sufficient man power while retaining flexibility.
- Organization Effectiveness – emphasizes the need for a change to a performance-based culture by making changes and amendments to policies and guidelines to provide flexibility, enhance transparency, raise the level of ethics while facilitating greater cooperation and information transfer between operating units. Further development of managerial skills and technical knowhow will continue to be important for the Company’s future.
- Financial Strength – will require a capital structure that is robust and is able to fund future investments to support the Company’s ongoing business and maintain a sufficient level of liquidity to weather any crisis or emergency.

Execution of Mission TG100 will require 3 to 5 years to complete but immediate actions have been taken on different initiatives including the new fuel hedging approach, the implementation of a “Whistle Blower” policy to step up corporate ethics and the improved cooperation with Nok Air.

Along with the management team, THAI’s employees and myself are committed to bringing THAI back to the forefront of the commercial airline industry achieving the top 3 ranking for customer satisfaction regionally and top 5 globally. We are confident that through ongoing support from relevant parties that we will be able to not only provide the highest level of customer satisfaction but also provide shareholders with attractive returns while representing the pride of Thailand throughout the world.



(Mr. Piyasvasti Amranand)
President

OPERATIONAL HIGHLIGHTS FOR 2009



- ✿ Launched round-trip flights between Bangkok-Oslo, Norway as part of the THAI's 10-year strategic plan to extend the route network. Oslo is considered to be a strong destination serving the Scandinavian market where travel demand to Thailand is strong and also serves as a gateway to other cities in and around northern Europe, further extending THAI's reach.
- ✿ Launched Royal First Class services to Dubai using the A340-600 aircraft commencing December 1, 2009.
- ✿ Launched direct Phuket-Hong Kong flights using THAI's A330-300 aircraft to accommodate the growing demand.
- ✿ Launched the GOT Campaign (Government of Thailand) where customers, public servants and state enterprise employees around the country are able to use THAI's various products and services while receiving special benefits.
- ✿ THAI was able to achieve its target non-fuel cash cost by over 12,000 million baht for 2009.
- ✿ THAI is the first Asia Pacific airline to sign a Memorandum of Understanding with IATA to study means to compensate for carbon emission reflecting THAI's responsibility towards the environment and society.
- ✿ THAI announced its support for the measures to reduce carbon dioxide emissions by the airline industry as agreed to in The UNFCCC's Conference on Climate Change in Copenhagen, Denmark.
- ✿ THAI and IATA co-hosted the IATA World Cargo Symposium 2009 held at the Centara Grand Central World during March 2-5, 2009.
- ✿ The Cargo and Mail Department was awarded ISO 9001-2008 certification from Bureau Veritas Certification (Thailand) Co., Ltd. ensuring the highest quality service based on international standard for clients of THAI Cargo.






Awards and Honors Received

- ✿ THAI was ranked 2nd among the best Asian airlines from Go Awards by votes of European passengers via the www.goasia.de website during October 2008 until February 15, 2009. THAI was also awarded 2nd among airlines with the best intercontinental services at the Grand Travel Award Ceremony voted by over 1,200 travel agents in Scandinavia.
- ✿ THAI received the Platinum Brand Award for the 10th consecutive year from passenger votes through Reader's Digest magazine poll for the most trusted airline.







- ✿ Received a national award for high safety and hygiene in the work environment in 2009.
- ✿ Received three outstanding airline awards for 2009 from the Smart Travel Asia website ranking in the top three for best in-flight service, best airline and best business class.
- ✿ Winner of National Software Development award 2009 for the Travel and Hotel segment for the development of the Cabin Attendant Pre-Flight Study and Briefing System enabling cabin crew to access various real-time flight related information on-line. This software allows flight crew to prepare for their flight duties pre-flight via a high security internet network from anywhere, anytime.
- ✿ Received certification from the Federal Aviation Administration (FAA) of the United States of America for THAI's ability to repair in-aircraft emergency equipment reflecting a quality of international standard maintenance capability by THAI's Technical Department.
- ✿ The Catering Department received ISO 14001:2004 certification from the Bureau Veritas Certification (Thailand) on September 2, 2009.

Activities in Deference to the Royal Family

- ✿ THAI launched the Miles for Merit project in 2009 for the second year, inviting Royal Orchid Plus members to donate miles in support of HRH Princess Kalyanivathana's intentions to spread Buddhism through supporting travels of monks abroad of the printing of the 40 volume World Tipitaka to be distributed around the world.
- ✿ The Air Crew Association of THAI along with the King Prajadhipok's Institute hosted the "Taan Chiwit Sethakij Porpiang" merit-making event in honor of His Majesty the King. Donations totaling 2,048,675 baht saved the lives of 83 livestock and were given to farmers of Sri Saket, Amnat Chareon and Pichit provinces.
- ✿ THAI's President, management and employees of the various departments signed the guest book in wishing His Majesty a speedy recovery at the Centennial Building, Siriraj Hospital.
- ✿ In honor of His Majesty the King's 82nd Birthday on December 5, 2009, the TG Club Employees Association participated in the Summer Novice Ordination Project by the National Buddhism Office. Thirty of employees' children, age between 11-14 years, were ordained.
- ✿ Eurng Luang Tours arranged the "Jaruk Daen Bhuddabhumi Taam Prasasda" merit-making trip to THAI Boddghaya Temple located in India and also the "Pa Por Lad Fa Jaruk Daen Bhuddabhumi" a trip of prayers and meditation for His Majesty the King on His Birthday.
- ✿ A blood donation drive was part of the 84th Birthday celebrations in honor of HRH Princess Petcharat Ratchasuda Sirisopa Punnawadee.
- ✿ The "9 Nai Duang Jai Terd Phrakiat His Majesty the King" event was on September 9, 2009 at 9.09 am to honor His Majesty the King.

-  THAI along with the TG Club Employees Association held a group ordination into monk hood on December 5, 2009 in honor of His Majesty the King on His 82nd Birthday. A total of 99 employees participated in the ordination at Wat Srakesa Rajavaramavihara and spent their monk hood at Wat Tung Ladya in Kanchanaburi.
-  On September 12, 2009 on HRH the Queen's Birthday "Karn Bin Thai Mob Palang Jai Puea Phu Tee Rai Tee Phung" 77 underprivileged women from the Thanyaburi Welfare Centre were given a tour of THAI's cabin crew cabin training facility and were treated to lunch at THAI's Crew Training Center at Laksi.
-  Sponsored 109 scholarships for monks, novices, elementary school students and high school students who have the capability but lack the means from Khon Kaen province in commemoration of HRH Princess Mother's 109th Birthday at Wat Srijantra in Khon Kaen.
-  The "Karn Bin Thai Srang Fan Palang Jai Hai Dek Thai Puea Nai Luang" project was undertaken in honor of His Majesty the King on His 82nd Birthday December 5, 2009 in support of His Majesty's guidance on developing children and youths. On this special occasion, THAI treated 82 children and youths from the SOS Foundation of Thailand under Royal Patronage to visit THAI's largest aircraft maintenance hangar as a means to open their horizon, foster their growth and enable them to be contributing adults.
-  Sponsored the making and printing of "KING BHUMIBOL : Strength of the Land" book by the National Identity Office for over a 10-year period giving the Thai people, youths and students the opportunity to learn of the King's royal duties that were undertaken over the past 60 years for the benefits and happiness of the Thai people.

Activities Benefiting Society

-  THAI and the TG Club Employees Association donated 483,148 baht in support of the classroom improvement and school food hygiene project for the THAI Border Patrol Police School in Sra Keaw.
-  Sports equipments were donated to the THAI Border Patrol Police School in Sra Keaw province on behalf of donations made by THAI's employees through TG Club Employees Association.
-  The "Winter Clothes Donation" project was organized for donations of winter clothes for youths at the THAI Border Patrol Police School.
-  "Karn Bin Thai Plook Chiwit Hai Paen Din" is a project where THAI was the first to given permission to plant and preserve this reforestation project with the Office of the Royal Development project Boards at the Huay Sai Royal Development Study Centre.
-  Donated to HRH princess Bajrakitiyabha funds derived from the sales of products at the "Puen Pueng 2009" event held at the Rose palace where products were brought from various places served by THAI to support her charitable foundation.
-  Established the SPA Team (Special Process Audit) to follow and audit adherence to procedures to prevent the spread of the Influenza A H1N1.

FINANCIAL HIGHLIGHTS



	Consolidated		
	2009 (Jan-Dec)	2008 (Jan-Dec)	2007 (Jan-Dec)

Statement of Income

Total Revenue	(Million Baht)	163,875	202,606	199,921
Total Expense	(Million Baht)	150,030	*220,720	188,656
Profit (Loss) before Finance Costs and Income Tax Expense	(Million Baht)	13,845	(18,114)	11,265
Net Profit (Loss)	(Million Baht)	7,344	(21,379)	4,368

* Including reserved for potential damages arising from Antitrust and Competition Law as well as an impairment loss on aircraft value in the amount of THB 4,290 million and THB 4,426 million, respectively.

Balance Sheets

Total Assets	(Million Baht)	271,694	259,534	280,275
Total Liabilities	(Million Baht)	218,450	213,652	212,250
Shareholders' Equity	(Million Baht)	53,244	45,882	68,025

Shares

Issued and Paid-up Share Capital	(Million Shares)	1,698.90	1,698.90	1,698.90
Par Value	(Baht)	10.00	10.00	10.00
Earnings Per Share	(Baht)	4.32	(12.58)	2.57
Dividend Per Share	(Baht)		-	1.80

Financial Ratios

Net Profit to Total Revenues	(%)	4.5	(10.6)	2.2
Return on Total Assets	(%)	2.8	(7.9)	1.7
Return of Equity	(%)	14.8	(37.5)	6.5
Total Debt to Equity	(%)	4.1	4.7	3.1

Note: Due to the change in the accounting period to a calendar year (January 1 - December 31) the Company restated the financial statement for the year 2008 in order to compare with the change in accounting period, beginning on or after 2009

OPERATIONS OF THE COMPANY AND ITS SUBSIDIARIES - THE POLICIES OF ASSOCIATED COMPANIES



Thai Airways International Plc. is a state enterprise under the jurisdiction of the Ministry of Transport and is Thailand's national flag carrier flying domestic and international routes. The Aviation Business and Business Units related to air transport form the Company's core business.

AVIATION BUSINESS

The Company's main business is the transport of passengers, cargo and mail on regularly scheduled flights as well as chartered flights to domestic and international destinations.

OPERATIONS OF BUSINESS UNITS RELATED TO AIR TRANSPORT

Air transport supporting operations needs to be managed systematically to ensure timely departures and arrivals, flight safety, quick and convenient services to enhance passengers' trust and confidence in the Company. The Company's business units include :

● Ground Customer Services

- Check-in services include curbside assistance upon passengers arriving at the passenger terminal, travel documents validation and baggage tag
- Passenger head count control passenger transit assistance and arrival gate services
- Special Services for VIP, First Class, Business Class, Elderly and disabled passengers.
- Transportation control services include weight calculation planning, loading and unloading of passenger baggage, including cargo and mail
- Providing First and Business Class passengers and Gold Card Members with access to First and Business Class Lounges, while First and Business Class passengers have access to THAI's Royal Orchid Spa
- Providing service for passengers of customer airlines in terms at departure gate, baggage handling and other special services as required by the customer airlines

● Ground Support Equipment Services

1. Passenger and Crew Transport Service and Baggage Service
 - Transfer of passengers and crew between terminal and aircraft via ramp bus
 - Transfer of passengers' baggage between terminal and aircraft
2. Aircraft Services
 - Aircraft towing tractor service to and from aerobridge remote bay
 - Mobile ramp service for passenger boarding and disembarking
 - Aircraft potable water service
 - Aircraft cabin, toilet and galley cleaning service
 - Air conditioning and ground power services from the Air Conditioning and Ground Power Services mobile truck
 - Hot air engine starter service from the Air Starter Service mobile truck
 - Conveyor belt passenger baggage handling service
 - Cargo transfer service between warehouse and aircraft, and transfer of containers to and from aircraft
 - Aircraft Interior Cleaning Service
3. Maintenance Services
 - Periodic maintenance checks of ground equipment and vehicles
 - Container repair service in accordance with international best practices

● Cargo and Mail Commercial Services

- Cargo and mail reservation service
- Space control and load planning for cargo, mail and baggage
- Warehouse storage service
- Cargo and mail condition check, sorting and weighing service, transfer, loading and unloading and mail documentation service
- Cargo and mail manifesting service
- Compilation of shipment documents and submission of reports on inbound and outbound aircraft to the Customs Department
- Cargo tracking service
- Transfer of electronic information to customer airlines and overseas stations
- Import and export statistics and data service
- Unit load device control service
- Provide tracking information on package and cargo delivery via the internet
- Perishable services area to ensure the quality and freshness of cargo
- Express Service Center

● Catering Services

- Food and beverage preparation for in-flight services for THAI and customer airlines
- Restaurant and snack bar operations at Chiang Mai, Chiang Rai, Phuket, and Krabi Airports
- “Yellow Orchid” restaurant operation at the Operation Center (OPC) building, Suvarnabhumi, and “Puff & Pie Cafeteria” at Rak Khun Tow Fai Building, Don Muang Airport
- Internal and external banquet services, as well as, the operation of “Puff & Pie” bakery outlets at 40 locations (of which 32 locations are in Bangkok and 8 located in the provinces), state institutions and government agencies, including 6 at other privately owned locations
- Food and beverage preparation for meetings at the Company’s head office
- Snack box service for special occasions - religious ceremonies, meetings, and sporting events
- Food preparation at staff canteens at the head office, maintenance buildings, crew center and Operation Center (OPC) building at Suvarnabhumi Airport
- Cooking and bakery courses for the general public
- Food and beverage services at special catering events, such as the World Expo Aigi in Japan, China, and 50,000 take home meal boxes for Wat Pratamakai
- Preparation of fresh and frozen bakery for Gate Gourmet and Cosmo Enterprise Co., Ltd. in Japan.
- Utilizing Rak Khun Tow Fai building, Don Muang Airport for generating additional income- Frozen Meal, Retort Pouch and Pre-Cut/Pre-Cooked Vegetables
- Preparation and delivery of bakery for THAI franchisees “Puff & Pie Supreme Bakery Delight”

● Technical Services

- Technical, line and light maintenance checks for aircraft in transit or on overnight stop at Don Muang, Suvarnabhumi Airport (24-hour service at Suvarnabhumi Airport) and at other domestic and overseas airports
- Heavy maintenance checks (C and D-Check) for Boeing aircraft (B747, B777, B737), Airbus aircraft (A300-600, A330, A340) and for MD-11s as well as ATR 72s which are manufactured by Aerospatiale, France
- Passenger seat retrofitting and installation of new in-flight entertainment systems for Boeing 747-400 and Boeing 777-200 aircraft. These were performed at the Don Muang maintenance center in Bangkok and at the Utapao maintenance center in Rayong
- Maintenance of General Electric engines, namely CF6-80 and CF6-50 series and other aircraft equipment
- Maintenance service for Nok Air Company Limited’s fleet, the fleet of the Police Aviation Division and major government agencies
- Sending aircraft engineers as Company representatives to Toulouse, France and to Everett, U.S.A. to coordinate with Airbus and Boeing companies overseeing the specification requirements of Airbus A340 and Boeing 777-200ER aircraft

TRANSPORT SUPPORT ACTIVITIES

The goal of the Transport Support Services is to support the Company's marketing efforts by providing customer convenience and enabling passengers to purchase additional services with ease. Such services include :

- Dispatch services that provide information about flight routes and weather conditions to ensure flight safety, including take-off and landing for THAI flights, and that of our customer airlines
- The Company arranged with King Power Marketing and Management Co., Ltd. to operate Duty Free goods for sales on Board
- The Company operate five THAI Shops selling souvenir products at the THAI's Head Office, Larn Luang Office, Silom Office, Chiang Mai Office, Operation Center (OPC), Suvarnabhumi

REVENUE STRUCTURE



Details of the Company's total revenue are as follows:

1. Revenue from passengers and excess baggage for each route including charter flights
2. Revenue from freight by weight, type, size and destination
3. Revenue from mail
4. Revenue from business units and support activities
5. Revenue from subsidiaries
6. Other income

	2009		2008		2007	
	MTHB	%	MTHB	%	MTHB	%
Revenue from domestic transportation						
Passengers and excess baggage	15,177	9.26	16,080	7.94	13,434	6.72
Freight	378	0.23	376	0.18	392	0.19
Mail	1	-	3	-	-	-
Revenue from other activities - domestic						
Business Units	6,821	4.17	7,976	3.94	8,156	4.08
Supporting	574	0.35	692	0.34	787	0.39
Total operating revenue - domestic	22,951	14.01	25,127	12.40	22,769	11.38
Revenue from international transportation						
Passengers and excess baggage	119,302	72.80	148,238	73.19	147,124	73.55
Freight	18,148	11.08	25,464	12.57	25,665	12.83
Mail	822	0.50	911	0.45	978	0.49
Total operating revenue - international	138,272	84.38	174,613	86.21	173,767	86.87
Revenue from subsidiary						
Thai-Amadeus Southeast Asia Co., Ltd.	380	0.23	378	0.19	373	0.19
Total operating revenue	161,603	98.62	200,118	98.80	196,909	98.44
Other income						
Share of profit from associated companies	(9)	(0.01)	(65)	(0.03)	101	0.05
Interest income	178	0.11	493	0.24	745	0.37
Others	2,094	1.28	1,994	0.99	2,267	1.14
Total other income	2,263	1.38	2,422	1.20	3,113	1.56
Total revenue	163,866	100.00	202,540	100.00	200,022	100.00



OPERATING CHANGES



The commercial airline industry in 2009 was still under tremendous pressure from the global economic slowdown and the political unrest here in Thailand since the end of 2008 leading to the closure of Suvarnabhumi Airport and the disruption to the ASEAN Meeting for the Heads of State in April of 2009. Travel confidence to Thailand suffered as a consequence and with the slowdown in travel demand THAI's revenue was adversely impacted, leading to liquidity shortage during the first half of 2009. Despite the ensuing economic recovery in the latter part of 2009, there continued to be ongoing political uncertainty and the ongoing H1N1 flu that plagued travel demand bearing direct impact on THAI's financial performance.

Corrective measures were undertaken strategically to respond to the rapidly changing operating environment by reducing flight capacity to regional and intercontinental destinations while indefinitely suspending intercontinental flights that were loss making. An in-depth review of all long-haul routes that have high fuel cost was undertaken and THAI moved its domestic operations to Suvarnabhumi Airport from Don Muang March 29, 2009 to further enhance THAI's network strength and facilitate convenience for transit passengers to international and domestic destinations. Proactive marketing strategies were undertaken to stimulate travel demand in a weak and competitive market. Effort was also put forth to enhance use of information technology to extend marketing reach directly to customers targeting the increase in proportion of ticket bookings via the internet. Older aircraft that were less fuel efficient have been decommissioned while adding new aircraft to the fleet. Rationalization of aircraft type was undertaken to match travel demand for each destination while minimizing operating expense.



Core Business Operations

Aircraft Fleet

Aircraft Type	Number of Aircraft	
	As at Dec. 31, 2009	As at Dec. 31, 2008
Boeing 747-400	18	18
Boeing 777-300	6	6
Boeing 777-200	8	8
Boeing 777-200ER	6	6
Boeing 737-400 ⁽¹⁾	9	10
Airbus A340-600	6	6
Airbus A340-500	4	4
Airbus A330-300	15	12
Airbus A300-600	17	17
ATR 72	2	2
Total⁽²⁾	91	89

Note : ⁽¹⁾ Discontinued lease of 1 aircraft beginning 2009

⁽²⁾ Total aircraft includes 3 Boeing 737-400 aircraft currently leased to Nok Air

In the Company's efforts to enhance its overall product quality and customer comfort and satisfaction, THAI took delivery of 3 brand new A330-300 aircraft which are currently being used to serve on the Asian and Australian routes along with completing seat retrofits for 5 out of the 6 B777-300 aircraft planned.

On plan also is the sale of THAI's 4 ultra long range A340-500 aircraft as a result of discontinuing THAI's direct flights to New York but in the meantime, the aircraft are currently being used to serve direct flights to Los Angeles and Oslo.

Route Network and Destination Development

Although at the beginning of 2009 jet fuel prices dropped back down to near its pre-crisis lows, for the most part of 2009, THAI still faced ongoing challenges of a weak global economy, domestic political turmoil that culminated in the civil unrest in April and topped by the 2009 flu all bearing significant impact on travel sentiment as reflected in the dramatic drop in the number of travelers mid year.

Immediate corrective actions were taken to mitigate the adverse effect of declining travel demand on the Company's financial performance. A detailed review of the Company's route network enabled the Company to reduce flight frequency on underperforming routes while flights were cancelled where cost did not justify further service. Planned increases in frequency for long-haul flights where fuel cost constituted a larger proportion of flight expense were indefinitely suspended. Capacity was diverted to routes where growth for travel remained optimistic, to destination where fuel cost constituted a smaller proportion of flight expense and destinations earning THAI higher yield. A review of aircraft type use along with flight frequency to match change in travel demand was also undertaken to reduce cost while maximizing income to the Company on each route. Because of fundamental changes in the key underlying drivers of the commercial airline industry, the Company had to review its long-term fleet plan to replace aircraft that are approaching THAI's 20 year threshold for aircraft usage. There was increased utilization of two-engine aircraft on longer haul flights to reduce fuel consumption for both trunk and secondary routes while aircraft size was also taken into consideration to minimize impact while optimizing benefits to THAI.

Consideration for launching new destinations, increases/decreases in flight frequency and flight cancellations were made based on the Commercial Department's plans taking into consideration the existing and potential cabin factor, the number of available aircraft, route profitability and the contribution of a particular route to the network as a whole.

Among THAI's goal is to develop Bangkok into a travel gateway to Southeast Asia, Indo China, the Mekong basin and southern China by providing sufficient direct flights connecting key cities of this region from Bangkok as demand for inter-regional air travel has increased. With neighboring countries opening their doors to tourism and greater travel demand to and from the west, Southeast Asia and Australia, THAI is poised to increase flight frequency and capacity to destinations with strong demand or has the greatest growth potential.

The Company sets its flight schedules into seasons as per IATA's guidelines with 6 month intervals with the summer schedule starting on the last Sunday of March through the last Saturday of March and going through the last Saturday of October and the winter schedule starting the last Sunday of October and going through the last Saturday of March. Despite having fixed flight frequency, aircraft type and timetables for each season, minor adjustments were made during operations to better suit the demand at any given time.

As of December 31, 2009 the Company's route network spans 61 international destinations in 34 countries around the world and serves 12 domestic points.



Domestic Flights

The potential of THAI's performance on domestic operations has since improved dramatically. For secondary and less populated destinations within the country, THAI continued to cooperate with other local airlines to ensure convenience for its passengers to commute while retaining its market share.

As of December 31, 2009 THAI had 346 weekly flights serving the various regions of Thailand. To the north, THAI serves Chiang Mai, Chiang Rai, Mae Hong Son and Phitsnulok. To the southeastern part, THAI serves Udorn Thani, Ubol Rachathani and Kon Kaen. To the south, THAI serves Phuket, Krabi, Surat Thani and Samui. THAI also operates direct flights between Chiang Mai and Phuket, Chiang Mai and Mae Hong Son.

THAI also code shares with PB Air for flights to 6 other destinations – Lampang, Nan, Sakonkakhon, Nakhon Phanom, Roi-Et and Buri Ram enabling THAI to serve its passengers from abroad conveniently and comprehensively to all major cities within Thailand.



International Flights

THAI currently flies 547 weekly flights internationally with 402 flights serving 42 regional destinations spanning 20 countries and another 145 flights serving 19 intercontinental destinations in 14 countries.

Regional Routes

Network development has been adjusted to better reflect the Company's network strategy of making Bangkok the air transport gateway to Asia spanning 42 countries.

Regional flights have been categorized into 5 general areas - Northern, Southern, Eastern, Middle East and Indo China.

Northern Routes

Travel demand and profitability on northern routes has and continues to be the highest for THAI serving 5 countries spanning 15 cities – Hong Kong, Tokyo, Osaka, Nagoya, Fukuoka, Taipei, Manila, Seoul, Pusan, Beijing, Shanghai, Guangzhou, Kunming, Xiamen and Chengdu with 163 weekly flights.

Southern Routes

THAI's southern routes face tight competition from low cost airlines such as Air Asia, Jet Star Asia and Tiger Air. THAI currently serves 3 countries spanning 5 cities – Singapore, Kuala Lumpur, Penang, Denpasar and Jakarta with 65 weekly flights.

Western Routes

Travel demand to THAI's western destinations is high and is experiencing a high rate of growth, especially India. THAI serves 6 countries spanning 16 cities – Delhi, Mumbai, Kolkata, Hyderabad, Bangalore, Taga, Colombo, Kathmandu, Yangon, Chittakong, Chennai, Karachi, Islamabad, Lahor, Paranasri, Bhodgaya with 102 weekly flights.

Middle East Routes

THAI has 13 weekly flights serving 3 countries in the Middle East spanning 3 cities – Muscat, Dubai and Kuwait.

Routes in Indochina

The Indo China region reflects a healthy rate of growth for THAI and remains a key part of THAI's regional network and is among the more profitable routes despite operations by low cost airlines within the region. THAI flies to 3 countries spanning 4 cities – Vientienne, Phnom Phen, Hanoi and Saigon with 56 weekly flights.

Intercontinental

European Routes

THAI's European routes span 11 countries and 13 cities – London, Frankfurt, Paris, Rome, Copenhagen, Stockholm, Zurich, Munich, Athens, Milan, Madrid, Moscow and Oslo with 87 weekly flights. The latest addition to THAI's route network in 2009 has been Oslo, Norway with 7 weekly flights planned for the winter 2009/2010 flight schedule.

For other major cities in Europe and Great Britain where THAI has not commenced flights, THAI has signed code share agreements with members of Star Alliance to enable passengers to reach 19 countries and 54 cities seamlessly.

African Route

Since February 2009 onwards THAI temporarily stopped its direct flights from Bangkok to Johannesburg, Republic of South Africa because of weakening global economic conditions and the reduced number of passengers.



Australia and New Zealand Routes

THAI serves 2 countries spanning 5 cities – Sydney, Melbourne, Brisbane and Perth in Australia and Auckland in New Zealand with 51 weekly flights.

To better serve passengers traveling to and from New Zealand, a code sharing agreement has been signed between Air New Zealand, a member of Star Alliance.

North American Routes

North America air travel demand is very large but there is also a high degree of competition. Success in servicing North America is highly dependent on the ability to provide connectivity to other major cities in the United States of America (USA) and Canada. THAI's current 7 weekly direct flights to the USA are to Los Angeles. United Airlines and Lufthansa Airlines are Star Alliance members who THAI code-shares with in providing connectivity to other destinations in North America including Dallas, Washing D.C., Atlanta, Miami, Denver and Seattle. From the Pacific route, THAI code-shares with United Airlines from Los Angeles enabling passengers to reach Chicago, San Francisco, New York, Denver, Seattle and Washington D.C. From Frankfurt, THAI code-shares with Lufthansa on the Atlantic route to enable passengers to connect to the cities of New York, Atlanta, Miami, Chicago and Washington D.C. etc.



Star Alliance and Partnerships

Star Alliance Members in 2009 welcomed 2 new members – Continental Airlines (25th member) to expand the reach of Star into North America, Latin America, northern transatlantic reach and also the Pacific; Brussels Airlines (26th member) brings greater connectivity to the European continent and the African continent. With the addition of the 2 new members, Star Alliance's reach now spans 1,077 airports in 175 countries with over 19,700 daily flights. The 26 member alliance remains the largest of its kind commanding a global passenger share of 24.6% far exceeding that of its rival alliances. On the invitation list are TAM airlines of Brazil, Aegean of Greece and Indian Airlines all of whom are now in the process of being inducted in 2010.

The onset of the global recession heightened overall competition for the airline industry making cooperative efforts amongst alliance members even more integral in ensuring competitiveness through network traffic for the period from January through September 2009. Contribution from interline sales received from members of Star Alliance totaled 109 million USD and the cooperation yielded new products and services offered by Star – Mileage Upgrade Award was among the new programs.

To meet the changing life style of the travelling public preferring ease and flexibility without time constraint in booking and purchasing of air tickets, in July 2009 THAI and Star Alliance offered the Round-the-World Fare through the Star Alliance web site www.staralliance.com. The web site enabled



language flexibility spanning the reach to a broader market of English, French, German, Korean, Japanese, Spanish, Portuguese and Chinese speaking globe trotters, turning up considerable interest. The Round-the-World Fare was offered online from July – September 2009 not only attracted total sales of 1 million USD but also facilitated ease in completing the purchase of air tickets and minimized time and effort of member airline staff.

The initial success of the Move Under One Roof (MOUR) project initiated by Star Alliance has prompted plans to continue the effort of integrating all member airline lounges into a single lounge concept at various airports to enable a seamless travel experience for passengers while reducing overall cost for each alliance member for using a common area and the same set of equipment. The latest MUOR concept lounges were launched in Heathrow Airport, London and Cairo Airport in Egypt. Another benefit of Star Alliance is the Common Baggage Service Facility (CBSF) at Mexico Airport, Barcelona Airport, Hong Kong, Charlotte North Carolina, United States of America and Heathrow Airport, London.

The joint purchasing and sourcing cooperation among members of Star Alliance is another means for which member airlines can benefit from cost savings through volume purchasing. Examples include the joint purchases of jet fuel at various destinations, joint purchases by the sales and marketing departments and the joint purchases of airport ground services and in-flight equipment where the purchase value totaled 39 million USD, 16 million USD and 8 million USD, respectively.

To seek ways to improve on products and services offered by Star Alliance and its members, the on-line survey was enhanced to optimize response time and obtain comprehensive feedback. Using the on-line feedback channel minimized time and reduced procedure for not only passengers but also THAI's employees while the feedback will help to assist in determining means of improving products and services that meets not only the needs of passengers but also that of international standards. Improvements include enhancing value for Gold Card Star Alliance members in terms of benefits through FFP recognition and priority baggage delivery is being studied.

Commercial Department

To ensure THAI's ability to sustain its operational strength amidst a highly competitive industry and being adversely affected by global economic conditions, fluctuating fuel cost and political uncertainties which are not within THAI's ability to control, for 2009 a comprehensive strategy based on proactive marketing was launched to increase overall revenue and capture a larger market share while retaining its existing clients. Emphasis was placed on targeting premium class passengers (first and business class) including corporate clients while not forgetting coach class passengers.

In addition to modernizing its aircraft fleet, THAI adjusted its flight frequency to better match demand for each route served to maximize revenue and minimize cost. Another thrust as a full network airline was the push for increased network sales through both partner airlines and that of Star Alliance members.

Special promotions geared towards target customers were part of the ongoing strategy to increase revenue and number of passengers during a downturn in tourist travel and also to maintain THAI's overall market share. The "Therm Suk Around Thailand," "Therm Suk Around the World" campaigns along with the 2 for 1 mileage redemption for Royal Orchid Plus (ROP) members and the miles for alms in 2009 where ROP mileage points were redeemable by members and donated to support printing of the complete 40 page international version of the "Tripitak" following the intentions of HRH Princess Galyani Vadhana were some of these promotions.

In increasing value to THAI's products and services, new travel packages were made available for travelers to various destinations within Thailand and also that of international destinations offered by THAI's Royal Orchid Holidays (ROH) to better suit travelers' preference. A total of over 800 travel packages were made available by ROH in 2009 traveling to 127 cities in 34 countries and Euangluang tour promotion packages like "Thailand Plus & More," a special rate air fare combined with 1 night of accommodation at 100 hotels across the country.

Electronically, THAI has been pushing for a more robust booking web site (Royal e-Booking) to enhance its sales revenue via the electronic channel while reducing cost of distribution and uplifting THAI's service standard to that of its peers. The "Click 2 Fly" campaign has been designed to stimulate usage of the web site. The "Romantic Norway" was to promote THAI's new destination while the HKG Spree and Twice the Fun packages were also geared for the same purpose.

Information technology is playing a more important role to further enhance the overall efficiency in operations. There has been ongoing enhancement to the Centralized Intelligent Fares System (CIF) and the CIF On-Line Fare Filling system. Further study is being undertaken to bring in a new system to assist in optimizing revenue by automatically uploading air fares onto the network system so that all travel agents around the world are able to simultaneously access THAI's ticket prices, ensure integrity of ticket prices and readily sell THAI's air tickets at standard prices. The system also provides THAI the ability to have flexible pricing schemes which at times may be necessary in case of a fast changing environment. A centralized warehouse enterprise system is currently being sought to store customer information and enable various business functions within the Company to access and utilize such information for analytical purposes for decision support. The culmination of enhancements in information technology is to further improve THAI's overall financial performance, improve its ability to compete with peers and to ensure sustainable growth for the Company.

Corporate Finance

THAI along with other airlines around the world faced challenges of the global economic downturn and the outbreak of the H1N1 flu which adversely impacted travel demand. Social and political tensions around the world and especially here at home continued to be factors affecting THAI's business and operations. At the height of difficulty, a turnaround plan was implemented with diligence enabling the Company to achieve its targeted non-fuel cost reduction and restructure its debt by replacing short-term loans with long-term borrowings to support investments. To enhance the Company's liquidity position, further long-term borrowings were sought from local financial institutions and issued an additional tranche of debt bringing total borrowings to 35,290 million baht for the year. The Company also sought aircraft financing for the purchase of 6 A330-300 aircraft with 2 being financed in Yen totaling 14,662 million Yen. The remaining 4 aircraft were financed in Euros with the European Export Credit Agencies (ECA) providing the guarantee totalling 235.3 million Euros. On debt repayment, the Company repaid principle of short-term and long-term borrowings totalling 41,548 million baht bringing total outstanding debt and aircraft leasing commitments (including borrowings to be repaid within a year) to 156,016 million baht as of year-end 2009 from 147,181 million baht at the end of 2008.

For the foreseeable future, the Company will need to make further investments in new aircraft and upgrade its in-flight products to meet customer needs and enhance ability to compete. Enhancement in information technology is needed to improve the Company's long-term competitiveness. It is therefore with these long-term strategies that a financial plan was drafted to achieve the following objectives:

- To ensure that the Company has the ability to make necessary investments, expand its business and is financially competitive in the long-term
- To ensure that the Company has sufficient cash to meet its debt obligations in the near future
- To strengthen its capital structure and ensure appropriate matching of fund for asset life so as to enable THAI to once again be at the forefront of the global airline industry
- To ensure sufficient and appropriate liquidity to support operations and ensure the ability to weather the storms faced by the airline industry

A capital restructuring plan has been approved by the Board of Directors drafted with the support of THAI's financial advisors to achieve goals set by the Company with execution to be in 2010.

For management of foreign exchange risk the Company manages the risk through borrowing in the currency for which the Company is long in terms of net revenue to have a natural hedge through increased repayment of debt. Increased baht borrowings have also mitigated the FX risk exposure while there were no cross currency swaps done during the past year. At the end of 2009, the proportion of the Company's outstanding debt in the 4 different currencies stood at USD : EUR : JPY : THB = 2 : 39 : 11 : 48. As for interest rate risk, the Company is vigilantly following the money market and stands ready to enter interest rate swaps (IRS); however none were done in the past year. THAI's outstanding fixed to float debt ratio at year-end 2009 was 50 : 50.

In 2009, TRIS Rating Ltd. undertook the Company's risk rating on its outstanding debt and was given an "A", which is considered to be an investment grade instrument with fairly low repayment default risk.

THAI is currently in the process of developing the Enterprise Resource Planning which is a system that will enable flexibility in real-time information management necessary for decision support. The Company's Board of Directors has approved the introduction of a corporate SAP system that will enable a central corporate MIS system. The initial phase receiving a blessing from the Board of Directors is the SAP Corporate Financial and Accounting system which is currently at the point of hiring a consultant to install the system.

Customer Service

THAI understands its customers to be the heart of the Company's success, especially in an environment where competition within the airline industry is very high and demand for travel has been adversely impacted by the various crises. To achieve its goals and strategies, THAI is proactively and continuously improving the quality of its products and services. Ongoing changes are being made to meet the new challenges of the industry and transforming the culture within to be customer oriented. The "Service from the Heart" campaign emphasizes providing service from the heart with touches of "Thai" including care and intimacy at every touch point of the "Magic Service Ring" to ensure service excellence and consistency. The goal is to provide expedited, comfortable and convenient service that satisfies customers' needs creating a sense of difference in using THAI's service at every touch point. Ultimately, the bottom line is customer satisfaction for a repeat business and in achieving that means achieving the Company's vision of being the "First Choice Carrier With Touches of Thai."

There is ongoing improvement and development in the range of food and beverage served in-flight including special delicacies on flights to various countries, halal meals and Thai meals where THAI has painstakingly chosen the best of raw material and ensure the highest quality and hygiene in the preparation process at par with international standards of safety.

As one of THAI's key strategic goals is being a high customer oriented organization, THAI always puts every effort to improving our services at every touch point to be able to consistently deliver the best travel experiences to our customers. In order to ensure effective development and improvement of products and services, THAI has conducted customer satisfaction surveys on a quarterly basis. The surveys are among the tools used in evaluating customer satisfaction at each touch point according to the Magic Service Ring. In addition, THAI also conducts other customer surveys relating to customers' needs, behaviors and attitudes, which will be incorporated in the company's plan to further improve and develop quality products and services. For customer retention, THAI utilizes CFMS (Customer Feedback Management System) to help analyze while allowing THAI to better improve its products and services. Moreover, customers' comments and suggestions are qualitatively analyzed in order to deliver products and services that meet customers' expectations. Enabling THAI to move towards the company's goal of being among the top three leading airlines in Asia and the top five in the world, THAI benchmarks its services against peers based on other surveys to differentiate and create competitive advantages for its products and services based on with customers' needs.

Flight Operations

Underlying the Company's sustainable growth is the ability to provide ease, timely, quality and safety in passenger, cargo and mail transportation to designated destinations. Emphasis is placed on operating safety for which THAI's standards meet the guidelines of not only Thailand's Department of Civil Aviation (DCA) but also that of the International Civil Aviation Organization (ICAO) and the Federal Aviation Administration (FAA). THAI's operating safety is also assessed by the International Air Transport Association (IATA).

A key factor in ensuring the highest level of safety is the stringent standard in flight crew selection. Applicants must possess not only physical wellbeing but must also be knowledgeable, possess necessary skills and having the right mind set. On top of the above qualifications, each candidate must pass both the aptitude test and a psychological assessment by an expert in aviation psychology from Sweden. Each candidate has to also pass a flight related technical and skills test to ensure the highest standard and quality of flight crew for THAI.

Flight Crew

Cockpit Crew

In ensuring the highest safety standard and the highest quality cockpit crew, THAI requires those that have passed the rigorous screening process to attend a 12 month pilot training course provided by an internationally accredited pilot training school to obtain a permit from the Department of Civil Aviation for training to fly commercial airplanes. Upon obtaining the permit, the candidates undergo the Airline Transition Training course before going on to the Aircraft Type course for a total duration of another 8 months. Upon completion of the above 2 courses the candidates are given a license to fly commercial airplanes as co-pilots for 4-8 years before they can pass another stringent set of screening and testing process before they can become a Pilot in Command.

THAI's cockpit crew have access to the latest in flight simulators located at the Company's head office where not only THAI's cockpit crew can readily access and refresh training but the simulators are also accessible for cockpit crew of other airlines at a fee. Simulation can be made for take-off and landings at any airport around the world under all types of weather under normal conditions and in case of emergencies. Throughout their career, a pilot has to undergo flight simulator training as refreshers to handle emergencies every 6 months along with attending ongoing course training with regular assessment. Another hurdle on a timed basis is a complete health test including random alcohol and drug testing.

Cabin Crew

In an industry where competition is tight, THAI has had to ensure that quick changes can be made to operating strategy to ensure the ability to rapidly respond to new situations, which could mean a competitive edge for THAI. Cabin crews continue to play an important role in differentiating THAI's product and quality of service.

THAI stresses having the most well trained cabin crew therefore the training regiment of a newly accepted crew member begins the first day and continues through their career for change in aircraft type and also for promotions in rank. Safety refresher courses are required of all cabin crew at least once a year for course work and in practice to ensure familiarity. It is therefore the goal of THAI to have the most professional cabin crew with complete knowledge of not only cultural differences and etiquettes in providing service to customers but also being service minded with emphasis being placed on safety.

Among the various training programs available for the cabin crew, THAI provides programs that are more specific such as Personality Development, Special Passenger Handling to enable personal improvement to better execute their tasks.

Both positive and negative customer feedback are deemed to be very important for all levels of in-flight crew as the analysis of these feedbacks are linked to determining future training programs. To ensure the highest level of in-flight service for all seating class, an In-flight Service Consistency program has been developed to assess performance of each cabin crew.

Security and Operations Safety

To achieve the Company's overall goals, a comprehensive strategy, a strong set of goals and objectives, a strong management structure along with having a suitable operating structure, standard of operations, standard of training and having a robust system to assimilate information are all necessary. A comprehensive system to analyze Company operations and having a robust audit system are also essential in achieving the established goals. THAI will continue to take a proactive approach to enhancing the Company's overall safety standard and aviation security to be competitive and to boost confidence in THAI's operations, products and services while ensuring abidance with all guidelines, regulation, standards and legal requirements. An emergency operating procedure has also been put in place in the event of an unforeseen occurrence ensuring uninterrupted operations to provide confidence to not only THAI's customers but also that of THAI's employees and stakeholders.

Both the Company Safety Committee (CSC) and the Aviation Security Committee (ASC) consisting of representatives from various departments meet on a regular basis to analyze, review and assess the effectiveness of THAI's operations and aviation security procedures. Resolutions reached at the meetings serve as operating guidelines to ensure robust safety management standards and ensure greater efficiency in executing safety processes and enhancing overall aviation security.

THAI closely adheres to the Standard and Recommended Practices (SARPs) of ICAO requiring commercial airlines to have a Safety Management System (SMS) that takes into consideration the most concise, proactive and comprehensive safety management practice. The resulting safety system for which the Company adheres to is the THAI Safety Management System (TSMS) which spans to cover its aircraft operations and maintenance organization under ICAO guidelines. THAI has also drafted a THAI Safety and Quality Manual based on the elements of the ICAO guidelines to ensure a robust set of safety guidelines. A Corporate Safety Information System (CSIS) was put in place in 2007 and staff training on flight safety was undertaken based on the TSMS raising the level of awareness and efficiency in preventing accidents.

Aviation security is among the top priorities for THAI to ensure the highest level of safety for everyone in times of peace and in times of emergency by having in place an active management process and a system to enhance the standard of aviation security on an ongoing basis that meets all legal guidelines, regulations and international standards of aviation security of countries for which THAI serves. Emergency procedures, as certified by the Department of Civil Aviation, have also been drafted to ensure that THAI's operations will continue even in case of unforeseen events serving as a testament to THAI's commitment to maintaining the highest level of aviation security. Underlying the success of achieving the highest standard of aviation security is based on the cooperation of each and every THAI employee. At the heart of the success is the conscience and culture that has been instilled into all THAI employees through course training and information derived from various activities related to aviation security.

A network has been established to track and follow news and information along with developing the capability to assess the situation and associated risk in relation to aviation security for each station for which THAI serves. This ability to assess situations at each station enables THAI to proactively and efficiently implement appropriate risk management measures in anticipating and/or in reaction to developing situations. A process of review and audit along with regular training sessions with the relevant government agencies has been undertaken to ensure the highest level of aviation security at all times.

For its efforts in maintaining the highest standard of safety and aviation security, THAI has received certification from IATA Operational Safety Audit (IOSA) the standard established by the International Air Transport Association (IATA) since 2003.

Among the various assessments and reviews undertaken in relation to safety and aviation security for THAI's operating facilities in 2009, THAI not only passed the International Civil Aviation Organization's (ICAO) Corrective Action Plan assessment under the Universal Security Audit Program (USAP) but also that of the Transportation Security Administration (TSA) – U.S. Department of Homeland Security from the United States of America and the Office of Transport Security (OTS) of Australia.

In having received certification by various domestic and international governing bodies for the latest in safety management techniques and a comprehensive safety operating procedure means that THAI has at heart customers, employees and stakeholders' safety.

Information Technology

Ongoing information technology development is part of the Company's overall emphasis with proactive impetus for all units within the Company to maximize utilization of IT tools to enhance service quality and launch new products and services to provide quick solutions and prompt response to customer needs. At the heart of using IT is to reduce formalities and processes to enhance overall customer satisfaction. In addition to the concern for operating efficiency, personnel development and cost control to maximize benefit for the Company, a plan is in place to review and enhance the process in developing the IT master plan. A comprehensive approach is being taken to review the IT infrastructure, investments and IT research and development along with hardware and software requirements enabling common platforms to achieve the Company's strategy in IT competitiveness and meet the challenges of the airline industry.

In 2009, the Company has enhanced e-services to better serve customers i.e. revamping www.thaiairways.com website for ease and fast accessibility to support internet sales and concerned activities; providing e-ticket payment channel through more than 5000 Counter Services with immediate payment status sending via SMS, also facilitating THAI Passenger Self Check-in via Kiosk -- Common Use Self Service that was first implemented in Kuala Lumpur Airport, Malaysia. Thru Internet Check-in, the passengers themselves are able to print their boarding passes on A4 paper for all domestic flights and THAI plans to expand to international flights in the near future. The integration of wholesalers' travel system to the Royal Orchid Holidays system (ROH) will enable and boost ROH tour & hotel information as well as increase ROH product sales to THAI.

Enhancing internet self - accessibility for Royal Orchid Plus members, they can purchase more points to top up their accounts in case of insufficient miles and redeem for their preferred awards via Mileage Purchase system. Another features, members can request for retro-credit miles to their accounts on THAI flights via Claim THAI Missing Miles system.

For Cargo and Mail services on www.thaicargo.com website, the registered cargo agents and customers can pay for the storage charge of import shipment which is automatically debits from bank accounts via Cargo e-Payment system. Apart from mailing allotment sales to Thailand Post company, the Company implemented the valued added service system i.e. Thailand Post Tracking system to track their mailing status by themselves.

With the Air Crew system, the Flight Operations Department is able to better manage the flight resource of pilots' and cabin attendants in order to provide standard on-board services and effective control cost. Moreover, Cabin Attendant and Pre-flight Study System was designed and developed by THAI staff. The system provided THAI crew member with on-line real time content of flight information, crew schedule, passenger information, meal and services equipment, aircraft information, emergency information, destination information (e.g. weather, culture, local language with Text-to-Speech in 10 languages) and etc. on all corporate and personal computer devices including all kinds of mobile phone through high secured internet (SSL VPN with OTP Token). It will enable THAI crew member for high standards of passenger services and enhance THAI services consistency and competitiveness. The system also won the Thailand ICT Award 2009 and Asia Pacific ICT Alliance Award 2009 in category of Tourism and Hospitality.

In addition, the Company successfully established a Disaster Recovery Site served as the Company's data back-up and recovery center in case of damage caused to the main system from disasters or unforeseen events to ensure continuous and uninterrupted operations or at least minimize overall disruption to the Company's operations or limit disruption to the shortest time period. The IT Safety and Security Working Team established by the Company has set up standard policies and processes in maintaining IT safety and security. These guidelines becomes effective in 2010 providing confidence and the integrity of using the Company's communication network and in the safety and security of executing transactions via the Company's electronic channels.

Moreover, the Company is also committed to continuously modernize customer - focused IT systems, to leverage e-business initiatives, enhance competitive advantages and assuring greatest efficiency of overall IT Governance process including THAI customers satisfaction. Many projects are under development including the mobile services to provide customers with easier access to information and services via mobile phone e.g. flight reservation, check-in, track reservation status, check flight schedule, cargo reservation, etc. The Commercial and Corporate Data Warehouse is to capture all relevant data and perform broad analysis and in depth in different dimensions to effectively support planning and decision making in areas of sales and marketing, flight planning as well as customer service as a whole. The Pricing & Fare Management System will help THAI to establish appropriate ticket price and fares in highly competitive markets. The new Finance and Accounting system is being developed as the core system and planned to integrate with other related systems, by implementing Enterprise Resource Planning System. Also other supportive systems i.e. e-Document Management, e-Learning, Knowledge Management that improves working efficiency, knowledge and skills of staff., etc. With the proactive planning and design of infrastructure system, THAI is now undertaking to ensure the effectiveness of all IT systems integration in terms of the data and business system processes across platforms, both internal and external organizations.

Human Resource Management

It is recognized that THAI's employees will be a major factor in determining the Company's success in achieving its established goal of becoming a strong leading airline with outstanding touches of Thai service quality and ensuring the highest level of customer satisfaction. The Company has developed a comprehensive human resource management and development strategy that fosters professionalism, equality and ethics while promoting teamwork to enhance overall operating efficiency. Building a sense of affinity, loyalty and pride in being part of this prestigious organization is at the heart of the efforts of the Human Resource Department which is to be achieved through transparency, equal treatment based on ethics. Enhancing the use of information technology in management and the screening and selection process of candidates is important in building a strong organization structure. Having a fair and equal hiring practice, having competitive compensation packages and having a structured career path all works towards that end. It is also important to foster and encourage participation in activities related to good corporate governance, social responsibility, environmental conservation and the general public.

THAI has also undergone an organizational restructuring and undergoing manpower planning to ensure that there will be the necessary employee skills and capabilities to support the Company's vision and missions. An assessment is being taken on job value of each position and changes are being made to the evaluation process of individual performance which is to be compensation linked. Career paths in combination with skill and technical knowhow development are being developed to prepare personnel to support future business expansion. At the core of it all however, is the conducting of business based on morals and ethics along with ensuring self-conduct based on THAI's Code of Ethics – honesty, integrity and being responsible for one's duties and its resulting outcome while protecting the Company's rightful benefits.

For personnel development, THAI is undergoing a cultural change based on the concept of THAI Spirit. The "T" stands for Teamwork & Trust – where constructive cooperation and acceptance of different viewpoints are conducive for work effectiveness; "H" Happiness & Hospitality – having peace of mind and therefore a sense of being attentive to customer needs and delivering the standard of service as expected by customers; "A" Awakening & Accountability – having the sense of vibrancy and eagerness in performing one's duties and being responsible for the outcome of one's work; "I" Inspiration & Integrity – possessing the motivation and desire to perform one's duties along with being honest, moral and ethical while protecting the Company's rightful benefits but also being responsible towards stakeholders. The purpose of the THAI Spirit initiative is geared towards propelling THAI to the forefront in customer satisfaction among leading global airlines.

Seminars were held in 2009 to foster and develop the culture of THAI Spirit and encouraging employees to apply these principles in their daily work. For management level employees, emphasis was placed on the “Sense of Ownership” and building value for the organization through THAI Spirit. Aggregating knowledge and experience under the “Culture for Value” project to find means to increase revenue reduce waste and enhance efficiency in the office. Many attendees of the THAI Spirit seminar have been successful in integrating the principles into their daily operations.

THAI has stepped up its efforts in elevating the level of knowledge for employees of the whole Company by providing course studies related to the Airline Industry, other course studies and training while ensuring quality adherence to that of international standards. The course training and seminars are designed to support the Company in achieving its vision of being the “First Choice Carrier.” Courses include marketing, station management, cargo and mail services, ground equipment services including safety training along with knowledge about hygiene to meet safety requirements and legal guidelines. Language training and understanding of cultural differences are all part of enhancing the knowledge and experience of THAI’s employees in providing quality service to customers of diverse cultural background.

The Company also provided General Management Training in conjunction with other activities to foster the THAI Spirit culture for employees to develop a positive outlook and values so that duties can be performed as per the principles of THAI Spirit along with the development of individual competency.

To extend the reach and provide time flexibility, electronic media and network multimedia have been used extensively to support training. THAI cooperated with different academic and educational institutions along with hiring third party institutions to train and develop THAI’s personnel. The Training Department has also received invitation to hold offsite training sessions for other companies.

Ground Customer Services

At the heart of THAI’s ground customer services is to provide unsurpassed quality service with Thai charm, warmth and attention to detail maximizing customer satisfaction at every touch point. The best in product, service and amenities at international standards are made available to THAI’s first and business class passengers beginning with a curbside service, a Royal First Check-in Lounge and a Royal Orchid Premium sit down check-in service. A fast track immigrations service is made separate for THAI’s premium class outbound passengers while a one stop service point at the airport is to assist passengers for seat booking, providing travel related information and making special travel arrangements for those requiring assistance. Meet and assist services are also readily available at additional cost from

curbside assistance until the passenger arrives and departs the airport of destination. In addition to providing service to THAI's own customers, ground service is also rendered to 62 other international airlines at Suvarnabhumi Airport. To facilitate passenger comfort, THAI has lounges for its first class, business class and Royal Orchid Plus Gold Members. First Class passengers are treated to an A-La-Carte Restaurant concept dining, access to slumber rooms, family rooms, kids' room, shower room, sauna and a luxurious spa lounge (Royal Orchid Spa). For 2009, THAI's Royal First Lounge was awarded the Best First Class Airline Lounge Award by Skytrax. Courtesy for lounge access was also extended to non-airline passengers who are customers of K-bank, Bank Thai, Citibank and Krungsri Ayuttaya Bank.

Enhancing the capacity and the application of information technology on a total IT solution approach has been ongoing to strengthen THAI's competitive edge to improve the quality of seamless service provided to THAI's passengers at Suvarnabhumi Airport. The enhancement program is based on the Magic Service Ring to more effectively serve passengers for example, internet check-in service for both domestic and international passengers and self-service check-in to obtain boarding pass which is currently only available for domestic travel.

To be able to provide outstanding ground service to its passengers, THAI established the Ground Operations Control Center (GOCC) as the center for controlling and ensuring coordinated and smooth operations of all ground services. Such seamless coordination of ground services results in on-time performance of flights and maximizes aircraft rotation. Key performance areas include timely transfer of passenger and baggage and the ability to rectify any irregularities bears impact on operating cost reduction.

Through focusing on improving work processes and introducing new products and services including the skill and knowhow of the ground service staff, enabled THAI to achieve its goal of providing a high standard of passenger service which ultimately leads to achieving the vision of being the first choice carrier and the leader in ground services. The success in providing unsurpassed quality service paves the road for THAI's sustainable growth and ongoing success.



Ground Support and Equipment Services

In THAI's effort to be the First Choice Ground Support and Equipment Services provider, a 3 pronged approach has been taken to achieve the goal. First is to ensure international standard quality service with attention being given to every minute detail in the operating procedure. Second is to have the highest safety standard where customer airlines can have confidence and peace of mind in services rendered by THAI. Third is to ensure completion of such services based on customer airline designation through having well trained and experienced staff in using modern equipment and technology. In being able to achieve the above thrusts, THAI has been and continues to be the leader in ground and equipment services entrusted by over 80 airlines servicing over 180,000 flights annually. THAI's ground support service has the flexibility to provide services to all parts of Suvarnabhumi Airport.

The Ground Support and Equipment Services provides direct service to the air transport business in tandem with other departments such as the Ground Services Department, Cargo and Mail Department, the Maintenance Department and the Catering Department. With such comprehensive services, THAI has the competitive advantage as a one-stop-service at Suvarnabhumi Airport, DonMueang Airport and other domestic airports where THAI serves.

New ground support equipment is being sought in conjunction with the preparation of sufficient skilled staff to enhance overall customer satisfaction to handle a growing number of flights into Suvarnabhumi Airport and to better compete with other ground service providers more efficiently and effectively while meeting ISO 9001 : 2000 standards. To provide the most efficient aircraft cabin service to airline customers the safety guidelines currently being adhered to at all of THAI's ground operations facilities is based on International Air Transport Association's (IATA) Ground Damage



Prevention Program (GDPP). The quality and safety of aircraft cabin service is readily assessed to international standards by the IATA Operational Safety Audit (IOSA).

In addition to guidelines in managing safety, hygiene and the environment, THAI has in place robust operational guidelines that comply with the laws, regulations and guidelines stipulated by the Department of Air Transportation and that of the Airports Authority of Thailand Public Co., Ltd. to minimize the risk of international terrorism. To enhance overall safety, THAI has installed closed circuit television (CCTVs) and biometric access control systems to screen access to operationally sensitive areas.

Another strength that THAI has in its ground support and equipment services is the “Secure Clean” standard in aircraft cabin services certified from Great Britain. The cleaning process utilizes aircraft cabin approved disinfectant to clean 36-Touch Points most frequently touched by passengers. The 36-Touch Point and ventilator is cleaned with Anti-Germ solution. As such, the cleaning process not only provides greater overall level of quality and safety to passengers but also ensures the Company’s stature of efficient, quality and safe airline.

Cost control has been a significant initiative for THAI this past year to improve the Company’s overall financial performance through enhancing efficiency in managing fuel consumption for ground service machinery and vehicles along with enhancing the management process of spare parts to minimize inventory expense. Effective asset utilization has also been among the most important initiatives to bring down cost along with the modification of the equipment maintenance program to minimize asset down time and the amount of spare parts on hand. By better managing the ground support equipment fleet to match aircraft needs leads to improved efficiency in providing ground services to customer airlines.

In addition to the rigorous measures implemented to reduce cost, THAI has also placed great importance on being able to pursue new customer airlines while also retaining existing ones. The key to achieving this is by providing service flexibility catering to the needs of each customer airline, regularly holding meetings with customer airlines to assess their needs and satisfaction, ensuring that commercials and advertisements communicates to THAI's target customers and advertising via web site www.thaigse.com.

Ground service along with tools and equipment have been upgraded at the various airports in Thailand especially at the Chiang Mai and Phuket Airports to enable greater capability in providing ground services and meet aircraft needs for both THAI's flights and that of increased customer airline flights. These improvements also include modernizing facilities at key airports and integrating, to a greater extent, the use of technology and management information system. Also of importance is the readiness of ground equipment and ensuring availability of capable and qualified manpower at each of the airports within the country.

Cargo and Mail Services

With the strategy to be the leading provider of air cargo and mail services, THAI Cargo and Mail Services, through the years, built a strong foundation for providing quality product and service. THAI Cargo places great emphasis on providing quality service at every stage of process to maximize customers' satisfaction and thus a long-term relationship by providing friendly service with touches of Thai. All employees are instilled with the concept of adding value to the value chain while being cognizant of safety, hygiene and ensuring both a healthy working environment and healthy external environment. As part of the modus operandi "Always Deliver the Best" speed of service has also been enhanced through the introduction of information technology at various service stages consistent with the philosophy of providing customers with the best service.

Activities of the Cargo and Mail Services

THAI Cargo and Mail provides air cargo and mail services spanning domestic and international destinations carried in the belly of THAI's passenger aircraft with passenger baggage having priority. Block space or lease space on partner airline's aircraft is used to extend THAI's cargo capacity on certain routes where there is high cargo demand. Further capacity is obtained from Special Prorate Agreements (SPAs), Blocked Space Agreement (BSA) on alliance partners' aircraft and chartering aircraft for cargo shipments. Capacity requirement is dependent upon demand and to boost demand, THAI Cargo has cooperated with Global Forwarding Agents to build up cargo volume for all routes and building Bangkok into a key transit hub for cargo.

Commercial advertisements and press releases have readily been communicated via multiple channels including print media, electronic channels and via THAI Cargo's web site www.thaicargo.com and using Brand Contact advertisement at each customer touch point to ensure broad exposure of THAI Cargo's quality service. Attendance and participation at various conventions and expositions within Thailand and abroad forms part of the effort to extend customer reach. Activities and functions involving existing customers is part of the effort to continue building working relationships. A new IT system has been brought online to facilitate service for customers, minimize errors, enhance management and ensure service quality more effectively. The new system facilitates communication with business partners thus simplifying the whole shipping experience for recipients, shippers and freight forwarders while providing information for shipment tracking and flight schedules via the www.thaicargo.com web site accessible 24 hours around the world.

A number of other initiatives have also been launched to improve on delivering unrivalled air cargo transport service while minimizing overall operating cost. Leading the way in achieving that level of service is the push for electronic based information transfer including the e-Booking system linked to the online banking system or e-Payment. The e-Freight, Cargo 2000 and Secure Freight systems are all internet based services facilitating customer transaction and benefiting THAI Cargo in the ability to rapidly expand its base of General Sales Agents (GSA) in areas of highest cargo traffic and for offline stations.

THAI Cargo has targeted carrying higher margin cargo such as live animals, fresh produce (TG Fresh), time sensitive products with performance insurance (TG Force) and cooperating with local freight forwarders a domestic door to door cargo service under Thai Express Cargo (TEC). THAIPAC is specifically designed to handle small shipments and to assist tourists visiting Thailand to ship goods for which otherwise excess baggage charge would far exceed the cost of THAIPAC service.

The Cargo Business

In planning for the move to the new Suvarnabhumi Airport, THAI envisioned a cargo facility that would be able to support the growing air freight business and enabling THAI the ability to compete effectively under ISO 9001:2008 quality standards. THAI has 18,000 square meters of space dedicated for domestic air cargo services that is able to handle around 117,800 tons of cargo per annum. Another 87,000 square meters of space is dedicated for international cargo with a handling capacity of around 1,226,000 tons per annum. Of the 36,000 square meters of space, 34,000 square meters is dedicated for THAI's own cargo services and that of Star Alliance members. Another 34,000 square meters is dedicated for THAI's customer airlines while 7,000 square meters serves those who require expedited cargo services and the balance of 10,000 square meters is dedicated as the perishables area. To enhance overall space



management, an area of 1,116 square meters has been dedicated for huge cargo storage while the “conventional rack” and “heavy rack” mobiles are used to enhance vertical storage management. The shelf rack is currently being extended higher to enable storing a larger volume of cargo packaged in skids. An empty plot of land of 7,500 square meters juxtaposed to the current cargo facility is still available for capacity expansion while the Company still leases space in Airports of Thailand Public Company Limited’s number 4 storage facility for which THAI currently serves 82 customer airlines and others that may choose Thailand as their future destination.

The Express Cargo Center was established to facilitate customs formalities for target group customers through Customs EDI Service requiring an expedited customs processing but this service is only available to exporters and freight forwarders who have registered with the Customs Department.

To ensure customers the highest level of quality and safety of fresh produce, an area has been set to provide full time climate controlled environment that can be set to the specific needs of clients’ various products to ensure maximum freshness. The “cool chain” begins where goods and products are received, movement of such goods and products within the facility and to the removal of such goods and products from the cargo facility is all under climate control. Medicine and pharmaceuticals are handled with extra care and meets all stipulated requirements by the customer to ensure quality of product from beginning to delivery.



Catering

In achieving the vision of being the First Choice Carrier and the goal of achieving the premier regional airline, THAI's catering has continued to emphasize enhancing its standards and capability while much effort has been put towards ensuring providing of quality of product and service. THAI Catering believes that through achieving 3 thrusts-high trust, world class and Thai touch along with a mission statement stressing "Answering Your Needs with Integrity," customer satisfaction is guaranteed.

THAI Catering has 2 different lines of business the first being preparation and delivery of food for aircraft uplift and the second being food preparation for ground distribution. Ground distributions include managing airport restaurants, snack bars, Puff & Pie bakery, on and off-site catering service, sale of key festivities related products and box sets for various occasions along with operating the staff canteens at THAI's various operating sites.

THAI Catering at Suvarnabhumi Airport produces meals for aircraft uplift for THAI's international flights and another 38 airlines operating regularly to Thailand along with another 18 chartered airlines. THAI's Don Muang catering facilities support meals on THAI's domestic flights while also supporting snack bar operations, supporting 40 Puff & Pie outlets, 6 mobile outlets and another 42 wholesale outlets for Puff & Pie Supreme Bakery Delight. The combined production capacity of the 2 catering facilities total 65,000 meals per day or equivalent to approximately 23.7 million meals per annum

where Suvarnabhumi's facility produces the lion share of 72.3% or 47,000 meals per day and the Don Muang facility produces 18,000 meals per day or the balance of 27.7%.

To provide customers with the highest level of confidence in quality of service provided, THAI Catering employs the World Health Organization approved Quality Hygiene and Safety (QHS) standard where this standard combines the ISO 9001 certification, the Good manufacturing Practice (GMP) and the Hazard Analysis and Critical Control Point (HACCP) standards into one. THAI Catering has also cooperated with the Chulalongkorn University's The Halal Science Center to develop and implement Halal-GMP/HACCP to its Halal kitchen. The Halal kitchen located at THAI Catering's Suvarnabhumi facility has received the Hygiene-Assurance-Liability Quality System (Hal-Q) certification and has also received Halal Acknowledgement (Halal Kitchen) from the Islamic Committee Chairman of Samutprakarn. Another important milestone is receiving approval to use the Halal emblem by The President of the Central Islamic Committee Of Thailand. THAI Catering has in place stringent controls on raw materials to be used in preparing meals ensuring the highest quality and safety.

Furthering food safety, THAI in conjunction with Kasetsart University, is undertaking Good Agricultural Practice (GAP) to ensure the cleanest and the highest quality of raw material used for THAI's catering services. Since the inception of this cooperation 7 years ago, THAI has received the Mercury Award from the International Travel Catering Association (ITCA) in the fourth category for new developments where THAI's new development is in the area of introducing Good Agricultural Practice in controlling the quality of raw material. THAI benefits from the efforts put forth to ensure the best of quality raw material in maximizing customer satisfaction for THAI and customer airlines but is also a step forward in setting the international standard for Thailand's agricultural products. Farmers are also likely to earn higher income from employing a higher standard in crop production.

An important factor in ensuring overall quality, safety and hygiene in preparing meals for THAI and customer airlines which cannot be overlooked is ensuring the health of those working at the catering facilities. THAI Catering's human resource guidelines meet all legal guidelines, customer airline requirements and all other such guidelines and/or requirements. Further ensuring quality, safety and hygiene is the OHSAS 18001 : 2007 certification achieved for both the Suvarnabhumi and Don Muang Airport catering facilities since August 4 ,2008.

The transformation of waste material into bio gas and fertilizer has been carried out by the THAI Catering Department to not only minimize pollution but also to maximize the utilization of available raw material. Minimizing carbon footprint is another initiative that has been launched by THAI Catering to reduce air pollution and also reduce overall operating cost. THAI Catering's initiatives earned a ISO 14001 certification in September 2009.

The operating environment for 2009 has been very demanding as the global economic slowdown and high fuel cost bore direct impact in lowering revenue while cost trended upwards. A shift in strategy and operational approach was necessary to mitigate the overall impact by enabling THAI Catering to compete effectively. Measures implemented enabled THAI Catering to rationalize operating cost under the concept of lean management to reduce waste from operating procedures to reduce cost of production, increase quality and increase value. Additional revenue was sought from the improved utilization of existing assets, tools and equipment to maximum benefit by producing frozen bread and bakery for Gate Gourmet and Cosmo Enterprise Co., Ltd. in Japan. THAI Catering began selling other products under the “Euangluang” brand such as Thai curry and chili paste in retort pouches.

In summary, THAI Catering not only contributes revenue and earnings to THAI but also the ability to grow its business is a reflection of the level of confidence that customer airlines have in THAI Catering’s ability to deliver outstanding product and service which is a result of the combined effort put forth by management and staff of all levels.

Technical and Maintenance

THAI’s Technical Department aims to uphold the highest standard of safety in aircraft maintenance services and emphasizes enhancing its capabilities and efficiency to improve on international air transport safety standard per the guidelines of the Federal Aviation Administration (FAA), European Aviation Safety Agency (EASA) and other relevant authorities of THAI’s customers along with the ISO 9001 and ISO 14001 guidelines. Over 50 airlines from around the world trust high standard of safety and quality of THAI technical and maintenance services.

THAI’s Suvarnabhumi maintenance facility is able to handle line and light maintenance of 3 large sized aircrafts at the same time, while the Don Muang facility and Utapao facility in Rayong province are able to handle heavy maintenance services for 8 aircrafts simultaneously.

During 2009, THAI’s Technical Department undertook line maintenance totaled 37,019 checks and light maintenance by 674 A-checks at Suvarnabhumi Airport facility and also heavy maintenance (C-check and D-check) was undertaken 49 checks at Don Muang facility and Utapao facility. In addition, 42 engines of THAI and customer had to be repaired.

Through year-end 2009, the Technical Department undertook retrofitting of 6 Boeing 777-200 ER aircrafts with the last 3 being completed in 2009 combining the down time of aircraft for scheduled heavy maintenance check to minimize ground time for each aircraft.

THAI's Technical Department also provides services to customer airlines emphasizing 3 areas of service – service quality, turnaround time and appropriate pricing. Over the past ten years, THAI has enjoyed the confidence of its airline customers for all service levels but especially for heavy maintenance services preferred by major airlines like the Japanese and European carriers.

THAI Technical Department endeavors to increase its revenue by enhancing the capability of THAI's maintenance corps, upgrading its equipment and expanding capacity at the Don Muang and Utapao facilities to handle increased maintenance work. The ATEC Series 6 project enhances THAI's ability to serve electronic equipment testing and the Universal IDG / CSD / Gen Starter / Gen test Stand to serve hydro-mechanical equipment testing for new generation aircraft. Tentative in planning is a Passenger to Freighter Aircraft conversion project and a 3-bay hangar project and IMC (Increase Maintenance Capacity).

To better utilize assets of THAI's Technical Department, Suvarnabhumi's hangar is now equipped to perform line and light maintenance and perform C-checks for A330/340 and B777 aircraft.

To further enhance operating efficiency and effectiveness within the Technical and Maintenance Department, the Electronic Log Book is now interfaced into the SAP system to expedite the data recording process for pilots and technical staff. THAI's Technical Department is using the balanced scorecard and Six Sigma management approach along with ISO 9001 and ISO 14001 environment management guidelines to continuously improve on THAI's maintenance capability and ability to serve customers and be environmentally responsible.

Operations within the Technical and Maintenance Department is based on goals and objectives set on a balanced scorecard measuring the various aspects of the department's performance. The Six Sigma management approach is a strong part in transforming the department's operations while the ISO 9001 and ISO 14001 certifications are reflections of the department's attention to quality and environmental impact.

Environmental Management

As the issue of environmental impact and safety has become a topic of global concern, THAI as Thailand's National Flag carrier and among the leading commercial airlines of the world, understands its important role in managing the environment. To this end, each and every of THAI's operating units has environmental management guidelines which is considered to be a basic responsibility to society and is actively managed.

In ensuring that THAI is doing its part in managing the environment THAI sought, ISO 14001 Environment Management System certification from the Bureau Veritas Certification (BVC). Such certification was obtained for its head office, Laksi office, Larn Luang office, THAI's Operations Center at Suvarnabhumi Airport, aircraft maintenance centers at Suvarnabhumi, Don Muang and Utapao Airports. For 2009, THAI's Catering facility at Suvarnabhumi Airport was also accredited with ISO 14001 Environment Management System, reflecting THAI's commitment to environmental management and demonstrating THAI's management capability in meeting international environmental management standards.

To meet international standards of environment management, THAI has had to develop robust plans and operating procedures – the management of waste from THAI's Catering entails the separation of organic waste, hazardous waste and general waste. Recycled waste is sold for recycling while organic waste is fermented to produce fertilizer, cleaning liquid and bio-gas to be used instead of cooking gas. Used vegetable oil is converted to produce bio-diesel to optimize the use of natural resource and maximize benefit for the Company and the environment.

Training and seminars along with activities have been held to get THAI's employees and outsourced staff to be aware of eco-friendliness in their daily operations. Internal operating guidelines along with joint activities with both the public and private sectors in the areas of energy conservation, minimizing paper usage and waste recycling have been some of the eco-friendly activities where THAI's employees and staff have been actively involved. Furthering THAI's efforts in the area of eco-friendliness, all vehicle used in its operations is maintained as best possible to ensure lowest emissions and meet all legal guidelines.

To ensure eco-friendliness, THAI's aircraft fleet is continually being modernized with new replacing older aircraft. All future aircraft to be acquired by THAI will be more environmentally friendly with less noise pollution, less fuel consumption and reduced exhaust emission.

In receiving ISO 14001 certification for many of THAI's operating facilities, THAI's customers can be assured of the highest quality, highest standard of safety and eco-friendly service at every touch point whether it be in the air or on the ground.



SUBSIDIARY AND AFFILIATED COMPANIES



THAI-AMADEUS SOUTHEAST ASIA COMPANY LIMITED

Thai-Amadeus Southeast Asia Co., Ltd. (Thai-Amadeus) provides leading distribution and technology solutions serving the World's travel and tourism industry for travel related concerns including air travel reservation, hotel and car rental reservations and also issues air tickets and provides travel insurance. THAI is party to the joint venture launching Thai-Amadeus Southeast Asia Co., Ltd. with the purpose of complementing and supporting THAI's core operations of providing air travel service through ease of seat reservation. The company has issued and paid-up capital worth 15 million baht in which THAI has a shareholding of 55% in the company's paid-up capital totaling 8.25 million baht.

Net Profit earned for the year ending December 31, 2009 by Thai-Amadeus Southeast Asia Co., Ltd. totaled 160.55 million baht.

ROYAL ORCHID HOTEL (THAILAND) PUBLIC COMPANY LIMITED

The Royal Orchid Hotel (Thailand) Plc. - THAI was among the founders of the Royal Orchid Sheraton Hotel, a premium hotel providing food and beverage service along with other services related to the hospitality industry. The purpose of this joint venture was for THAI to be able to provide its passengers with value added service and enable THAI to be competitive against other airlines by providing its passengers a comprehensive one stop service. The company has issued and paid-up capital worth 937.50 million baht. THAI has a shareholding of 24% in this company's paid-up capital totaling 225 million baht. The amount of investment by THAI via equity method is 248.14 million baht.

Net profit earned for the year ending December 31, 2008 by Royal Orchid Hotel (Thailand) Plc. totaled 213.52 million baht.

DON MUANG INTERNATIONAL AIRPORT HOTEL COMPANY LIMITED

The Don Muang International Airport Hotel Company Limited runs a hotel and related services at called the Amari Don Muang Airport Hotel. The company has issued and paid-up capital of 120 million baht. THAI has a shareholding of 40% in this company's paid-up capital totaling 48 million baht. The amount of investment by THAI via equity method is 158.48 million baht. THAI jointly invested in the hotel venture with the purpose of providing passengers the convenience of using the hotel as a transit point and as the designated hotel in case of delays or any flight irregularities. Since moving to Suvarnabhumi Airport, the hotel has changed its strategy by focusing more in hosting group events, banquets and seminars.

Net loss for the year ending December 31, 2008 earned by Don Muang International Airport Hotel Co., Ltd. totaled 18.10 million baht.

BANGKOK AVIATION FUEL SERVICES PUBLIC COMPANY LIMITED (BAFS)

The Bangkok Aviation Fuel Services Public Company Limited provides storage service for aviation fuel and provides aircraft refueling service at both Don Muang Airport and Suvarnabhumi Airport. The company has issued and paid-up capital of 510 million baht. THAI has a shareholding of 22.59% in this company's paid-up capital totaling 115.19 million baht. The amount of investment by THAI via equity method is 615.87million baht.

BAFS earned 437.73 million baht in net profit for the year ending December 31, 2008.

PHUKET AIR CATERING COMPANY LIMITED

Phuket Air Catering Co., Ltd. provides in-flight meal catering for various airlines on international flights from Phuket International Airport. THAI entered this joint venture to provide catering services for THAI's own flights at Phuket International Airport but the business has expanded to provide catering services for other airlines. The company has issued and paid-up capital of 100 million baht. THAI has a shareholding of 30% in this company's paid-up capital totaling 30 million baht. The amount of investment by THAI via equity method is 88.50 million baht.

Phuket Air Catering Co., Ltd. earned a net profit totaling 88.55 million baht for the year ending December 31, 2008.

Suvarnabhumi Airport Hotel Company Limited

The joint investment in the Suvarnabhumi Airport Hotel Co., Ltd. was made with the purpose of complementing THAI's travel services and to enable THAI to provide passengers with an overnight stay should it be a necessity. The hotel provides a complete range of hospitality services for not only THAI but also to the general public. The company has issued and paid-up share capital of 1,017.78 million baht. THAI has a shareholding of 30% in this company's paid-up capital totaling 305.33 million baht. The amount of investment by THAI via equity method is 129.97 million baht.

As a recent start-up, the hotel is still incurring a slight loss of 209.91 million baht for the year ending September 30, 2009.

NOK AIRLINES COMPANY LIMITED

THAI's low cost budget carrier Nok Air was established to enhance THAI's network and also serve as a fighting brand to protect THAI's domestic and regional market share especially with the liberalization of the Thai aviation industry. The lower cost structure of Nok Air and through its competitive pricing appeals to a larger customer base and growing the overall demand for air travel. The company has issued and paid-up capital of 500 million baht. THAI has a shareholding of 39% in this company's paid-up capital totaling 195 million baht.

As of the year ending December 31, 2009 Nok Air earned a net loss of 502.45 million baht. Other than the above investments in subsidiaries and affiliates, other investments for which THAI holds less than 10% shareholding in the company's issued and paid-up capital include :

- Aeronautical Radio of Thailand Limited is a non-profit organization with the purpose of providing aerial surveillance at the various airports in Thailand THAI holds a 2.73% shareholding of issued and paid up capital totaling 660 million baht.
- Fuel Pipeline Transportation Limited stores and transports aviation fuel via underground pipes for which THAI holds a 8.35% of issued and paid-up capital totaling 1,592 million baht.
- TradeSiam Company Limited runs an Electronic Data Interchange Center with THAI holding 3.5% of the company's issued and paid-up capital totaling 50 million baht.
- The Syndicate of Thai Hotels and Tourists Enterprises Ltd. is the company that owns the land for which has been leased for the development of the Grand Hyatt Erawan Hotel. THAI currently holds 1.25% of the company's issued and paid-up capital totaling 140 million baht.

COMPLIANCE WITH THE OFFICIAL INFORMATION ACT, B.E. 2540



COMPLIANCE WITH THE OFFICIAL INFORMATION ACT, B.E. 2540

In realizing the importance of information as part of today's life style and also to comply with the Official Information Act B.E. 2540, Thai Airways International Plc. established the Information Center on November 16, 1998 enabling the general public to access various operating information.

THAI's Information Center was selected by the Ministry of Transportation as per the Ministers' resolution dated December 29, 1998 as an exemplary model in providing information to the general public. The choice was made based on the comprehensive storage and cataloging system supported by the use of a computer to further facilitate information location for users and information disclosure. In 2003 and 2007, THAI received certificates from the Official Information Commission acknowledging THAI's Information Center to be of a high standard facilitating information disclosure to the general public as per the Official Information Act B.E. 2540.

The following are activities undertaken by THAI as per the Official Information Act:

PROVIDING NEWS AND INFORMATION TO THE GENERAL PUBLIC

During 2009, 652 persons visited the Company's information center, a reduction of 37.30% from the previous year. Survey results from those having used the Company's information center yielded a "very high" level of satisfaction in terms of information sufficiency, employee knowledge of information needed and the facility provided to contact for information access. As compared to the previous year, the satisfaction level rose by 10.25%, indicating that the outcome has been appreciated by the improvements made in terms of information access at the facility. Statistics indicate that information access by the general public has been to a greater extent through the Company's website www.thaiairways.com followed by telephone, fax, e-mail and direct contact at the information room located at the Company's head office. Information most frequently sought were the Company's history and background, names of the Company's management, the Company's organization structure, information regarding the Commercial Department, Corporate press releases, human resource information and other general information.

PROVIDING ELECTRONIC NEWS AND INFORMATION SERVICE

Information access by the general public was mostly into the "about THAI" section in the www.thaiairways.com website. Search was mostly in the area of THAI's investments, flight destinations and

general airline industry information. On average, there were approximately 155,221 monthly hits to THAI's website in 2009.

The Company has also put up all its procurement orders in electronic form and has in filing the sor kor ro. 1 forms which are results of the various procurements and complies with Section 9 of the Official Information Act, B.E. 2540. All documentation has been filed at the THAI Information Center and is readily accessible by the general public.

COOPERATION WITH THE GOVERNMENT SECTOR

Participation by the Company with the Government Sector in 2009

- Participated in a seminar on standard for information disclosure and transparency measures for State Enterprises as per the guidelines stated in the Official Information Act, B.E. 2540 prepared by the Office of the Permanent Secretary
- Participated in a seminar on guidelines for information disclosure and transparency measures for State Enterprises as per the guidelines stated in the Official Information Act, B.E. 2540 for State Enterprises in the Northeast, South and at the National level.
- Attended a lecture on "Increasing knowledge and understanding of the Official Information Act, B.E. 2540" held by the Ministry of Transport with guest speaker Assistant Professor Dr.Kittisak Prokati a professor of law from Thammasat University and Honorary Director to the Official Information Commission, Office of the Prime Minister.

UPDATING COMPANY EMPLOYEES ON THE OFFICIAL INFORMATION ACT, B.E. 2540

THAI's web site has been updated to better provide its employees with a broader range of information to include the Official Information Act, B.E. 2540's policies, resolutions to various issues on information disclosure, news updates, legal guidelines along with issues of interest in regards to the Official Information Act, B.E. 2540 and also information regarding the Company's various activities related to information disclosure.

VISITATIONS TO THAI'S INFORMATION CENTER

The following public entities visited THAI's Information Center in 2009 :

- Mr. Satit Wongnongtoey, Prime Minister's Office Minister as the Chairman of the Official Information Commission along with its members visited THAI's Information Center and provided THAI with the Committee's overall strategy and operational guidelines.
- THAI provided public relations representatives from the Transport Co., Ltd. a tour and explanation of how THAI's Information Center is operated.
- THAI provided representatives of the Naval Information Center (Bangkok Center) upon their visit to THAI's Information Center, a summary of operating guidelines that the naval representatives could take back to better serve the general public in information disclosure as per the legal guidelines.
- The Secretariat of the House of Representatives visited THAI's Information Center and exchanged ideas on managing information and how to maximize benefits from available information.

COMPETITION

AND AIRLINE INDUSTRY OUTLOOK



Competition and Airline Industry Outlook

The year 2009 proved to be another year of challenges for the commercial airline industry with the ongoing fallout from the global economic slowdown and the H1N1 pandemic impacting demand for global air travel. In addition, the Thai government's open skies policy including the rapid expansion of low cost airlines in the region has tightened competition for air travel passengers. Capacity was reduced to minimize impact to THAI's financial performance. All areas of expense were scrutinized but to stimulate demand, promotional air fares were initiated along with special value packages to make THAI's products and services more attractive to passengers in a difficult operating environment.

For the first half of 2009, fuel cost was in favour of commercial airlines reaching its trough in February but started its climb again through the latter part of 2009. To offset the rise in fuel expense, fuel surcharge was adjusted more rapidly to better reflect fuel cost.

Compounding the already difficult operating environment was the domestic political unrest which led to the stand-off in April of 2009 which further exacerbated confidence and thus lowered air travel demand to Thailand through till the end of June 2009. A turnaround plan was immediately implemented with short-term action plans to provide confidence for all related parties. The immediate concern was the liquidity shortfall during a period of slower demand for air travel. A second and longer phase plan was also drafted emphasizing THAI's competitiveness to ensure the Company's survival in the long run. International Air Transport Association's (IATA) forecast is for continued economic recovery in 2010 which bodes well for both the passenger and the cargo businesses but the volume of international air cargo transport is expected to grow by 5.5%. To this end, THAI is taking measures to ensure sufficient capacity to support the rate of growth.

Outlook for Passenger Transport

For the period from January through November 2009 the global passenger air transport industry saw a 4.2% drop in overall travel demand over the previous year. The region which saw the biggest drop in air travel demand was Africa and Asia where demand declined by 7.8 and 6.8%, respectively while the Middle East was the only region to see a 10.4% demand growth.

For 2009, IATA forecast global passenger travel to decrease by an average of 6.9% which is affected by the decline in economic growth for all regions. By far Africa is the worst off with a negative 8.3% growth because private sector investments dropped and income from exports decreased markedly. For the Asia-pacific region, economic growth saw a negative growth 6.4%. However, the expectation is for international air travel to rise by 3.7% with global economic recovery.

For Thailand, the number of passengers to Thailand declined, reflecting the impact of high fuel cost and the impact of the global economic slow down including the H1N1 pandemic and political uncertainty. In January to November 2009 the total number of passengers travelling to Thailand totalled 29.4 million passengers which was a decrease of 8.7% compared to the same period the previous year.

THAI had to make strategic management adjustments to lower costs while increasing competitiveness given the shrinking global air travel market. Because of the difficulties experienced towards the end of 2008 that carried into 2009, THAI had to implement a turnaround strategy that consisted of both short-term high impact actions and that of longer-term adjustments that are needed to ensure THAI's long-term survival. The strategic plan spanning 2010 and 2011 have also been adjusted to get THAI back on track for stable growth while ensuring sound operations and financial stability.

Outlook for Cargo and Mail

From January through November 2009, the volume of international air cargo transport dropped 12.7% compared to the same year prior. Air cargo volume dropped most significantly from European nations by 17.7% while regional Asia saw a 12.4% decline.

IATA forecasts the global air transport volume to drop by 14% for 2009. North America's traffic volume dropped by 16.4% while that of Latin-America and Europe dropped 15.6% and 14.4% respectively. For 2010 the global air transport volume is expected to grow by 5% with the global economic recovery.

Cargo from Thailand continued to experience difficulties from 2008 as volume is expected to drop by 15.5% to 547,976 tons compared to the previous year. THAI carried a total of 234,239 tons of cargo in 2009, a 12.7% decline from the previous year while inbound cargo carried by THAI also dropped by 17.1% to 185,283 tons. Regional countries with the highest volume of cargo traffic include China, Japan, Korea and Taiwan while intercontinental destinations such as Germany, Australia, Denmark, Sweden and Switzerland.

Competition within the Domestic Air Travel Industry

Currently there are 28 airports in and around the country being served by 5 regularly scheduled airlines for which THAI is among the 5. THAI serves all domestic operations from Suvarnabhumi Airport while THAI's sister budget airline Nok Air serves domestic points of interest from Don Muang Airport.

At the beginning of 2009, THAI was still serving the domestic market from 2 airports but integrated 23 flights operated out of Don Muang Airport to Suvarnabhumi Airport on March 29, 2009. In addition to supporting Suvarnabhumi Airport as a regional hub, the shifting of all its domestic operations to Suvarnabhumi was to expedite connectivity for passengers within the Star Alliance network reducing overall travel time and expense for both passengers and cargo.

For the first half of 2009, there was severe competition amongst all airlines serving the domestic market and travel demand dwindled as a repercussion of the global economic slowdown and the domestic political instability. However, demand for air travel recovered strongly towards the year-end.

Domestic travel from January through November 2009 totaled 18.9 million travelers, which was a 1.6% increase while THAI's proportion of market share was 5.7 million passengers or constituting 30.2% of the total market and an 8.4% increase in number of passengers carried over the previous year.

Competition in International Air Transport

In the effort of countries within ASEAN to stimulate travel demand the ASEAN open skies policy will be implemented in 2015 which may attract a number of new airlines to fly in and out of Thailand. The expected impact would be for greater competition from not only traditional airlines but also that of low cost airlines and chartered flights. But even today, THAI has already seen greater competition all around in combination with weaker travel demand in the recent year.

As of ending November 2009, there were a total of 90 different airlines serving Thailand carrying a total of 29.4 million passengers from the beginning through November 2009, a decline of 8.7 million travelers from the previous year. Of total travelers, THAI carried 10.5 million which was an 11.27% decline from the previous year but constituting the lion's share of about 35.7% of total travelers. Based on IATA's statistics, THAI is the 12th largest airline and is the 3rd largest in the region based on number of passengers carried.

At the forefront is the strategy to provide customers with unsurpassed service quality to create a barrier to entry in the face of expected tightening competition within the commercial airline industry. On the other side of the equation in addition to high service standards is the ability of THAI to enhance its international competitiveness while ensuring organizational flexibility for rapid adjustments to the changing operating environment ensuring long-term stability and sustainable growth.

RISK FACTORS



With risks brought on by higher competition at the global level, the slowing of tourism to Thailand due to the global financial meltdown, the political instability within along with the fluctuations in fuel cost and currency exchange rate, THAI has taken steps to mitigate their potential impact on its operations.

To this end, the Company consequently takes risk management seriously by considering both internal and external factors to ensure a higher level of confidence for stakeholders on THAI's strengths and stability. Risk factors are identified and rated according to the degree of their importance along with devising effective measures that meet international standards and that at the State Enterprise Policy Committee to cope with the various identified risks and having in place a robust review process to evaluate and prevent such risks. As risk remains the core concern, all departments are required to use risk management as a tool in managing daily operations. In turn, the utilization of risk management to control operations reflects a culture in which transparency, ethics, good corporate governance yields maximum benefit for all.

In an effort to ensure the most effective risk management encompassing every aspect of business operations, the Risk Management Committee is responsible for oversight in setting the corporate risk management policy, framework and to audit efficient means of mitigation. Risks at the operational level, the responsibility rests on the shoulders of senior management to monitor the performance of the risk management guidelines and to ensure sufficient risk control measures and appropriate mitigation plan are in place to minimize risks at the corporate and departmental levels to an acceptable level or the potential adverse impact to be minimal. The Company's Executive Management Board, Business Unit Executive Board, Risk Management Committee and the Company's Board of Directors are regularly updated on corporate risks bearing significant impact along with actions taken to mitigate those risks. The risk management process enables close and effective monitoring while ensuring achievement of established objectives and goals.

1. Risk related to the Thai Tourism Industry

THAI's business is directly related to the health of Thailand's tourism industry because passengers are mostly tourists travelling to the various parts of Thailand. With this close correlation, THAI's growth is to an extent dependent on the growth of the Thai tourism industry. External factors affecting the world economy such as the financial crisis in the United States and Europe resulted in a slow down in travel around the world and the H1N1 2009 flu pandemic that began March 2009 was affecting the number of passengers traveling in and out of countries with H1N1 outbreaks. Adding to the already difficult situation is the announcement by the World Health Organization (WHO) of a second round of the mutated H1N1 flu while vaccines are being tested.

The Company recognizes the seriousness of the situation and has put in place preventive measures. The establishment of the Special Process Audit (SPA) is to keep track and monitor operations of all agencies in order to comply with all preventive measures and to ensure the highest safety standard provided to passengers. Internal factors arising from events, the closure of Suvarnabhumi Airport during the end of 2008 still caused negative sentiment towards travellers even though confidence in Thailand's stability has been strengthened through positive press. Reaffirmation of confidence and the country's image require a period of time.

The Commercial Department has monitored and launched special promotional campaigns to stimulate travel demand and establishing the Kingdom as a convention venue in conjunction with the Tourism Authority of Thailand (TAT) and Thailand Convention and Exhibition Bureau (TCEB) and other private sector entities. Examples of key events are "Thailand Recovery MICE Lead Generation Campaign 2009" during March to September 2009, "Conference on Tradition Medicine in ASEAN Countries", and "The World Medical Health Tourism Conference 2009" which were held in cooperation with Starwood Hotels, Ministry of Public Health, and SOS Medical Tourism Service, respectively.

2. Risk from fuel price fluctuation

With the cost of fuel being the largest portion of operating expense which continued to fluctuate during the early part of the year where jet fuel was around 55-60 USD per barrel and rose to 80-85 USD per barrel in Q4 of 2009 which had direct negative impact to the company. THAI had undertaken jet fuel price hedging to mitigate the impact of the rising fuel expense. Fuel management enhancement strategies were constantly applied while fuel surcharge was levied and timely adjusted route by route to better cope with higher fuel price. For improved fuel management, THAI suspended flights to Johannesburg while launching direct flights to Oslo where margins are more attractive.

3. Risk from currency exchange fluctuation

The Company earns revenue in over 40 different currencies which constitutes around 72% of the Company's total revenue while its debts and expenses are mostly in 4 major currencies : USD, JPY, EUR and THB. To mitigate the fluctuation of exchange rate, THAI manages its foreign currency exposure by using policy of natural hedging through a process of optimizing the matching of currency between revenues and expenses and to restructure loan to coincide with net operating cash flow, and at the same time, to decrease the fluctuation of gain and loss from foreign exchange rate in the financial statement. The Company has managed this risk by using financial instrument such as Cross Currency Swaps (CCS) when the financial market benefits to the Company. As December 31, 2009, the proportion of the company's outstanding debt after swap in each currency was USD : EUR : JPY : THB = 3 : 43 : 15 : 39 percent (excluding off balance sheet liabilities on aircraft leases).

4. Risk on the Company is being investigated

The Company has been investigated, alleged and sued for a conduct of joint infringement against anti-competition laws where the Company conspired with the other airlines to set rates, fuel surcharge and other surcharges.

The Cases that the Company is being investigated.

The company has been investigated by the US Department of Justice on suspicion of infringement of US Antitrust law. However, it cannot be confirmed whether the allegation will be made against the Company or not.

The Cases that the Company is being alleged.

- The Company has been alleged by the Commission of the European Communities that it breached the EU law. The amount of fines has not been specified yet. The extent of fines will be determined by the Commission in the event that the Commission renders its decision that the Company is guilty.
- The Company has been investigated by the Korea Fair Trade Commission (KFTC) and the KFTC Examiner's Report suggests the KFTC to allege the Company of the breaches of the Korean Fair Trade Law. At the moment, the Company is preparing a rebuttal brief against the said Examiner's Report.

The Cases that the Company is being sued.

- Group of air transporters and group of passengers brought cases to the US Civil Court against the Company on the ground that the Company conspired with the other airlines to set the fares, tariffs and other surcharges which is deemed an infringement of US Antitrust law. The present state of the case is on the process of fact findings in order to rebut the allegations and proceed to the discovery stage. The extent of compensations have, therefore, not yet been specified.
- The Australian Competition and Consumer Commission (ACCC) has brought a case to the Court against the Company on the ground that the Company had breached the Australian Trade Competition law. The fines and requested expenses have not yet been specified.
- The New Zealand Commerce Commission has brought a case to the Court against the Company on the ground that the Company had breached the New Zealand's Trade Competition law. The fines and requested expenses have not yet been specified.

However, after the Company had received the Statement of Objection from the Commission of the European Communities in 2008, the Company had prepared and distributed to its employees its internal rules and guidelines to prevent its employees from any conducts which may be considered as an infringement against the law of the other countries including antitrust laws.

5. Risk on EU Emissions Trading Scheme

The European Commission will be enforcing ETS for the aviation industry the same way as for other sectors, which will become effective in 2012. The scope covers emissions from all international flights into EU countries.

The total allowance for CO₂ emissions for each airline will be capped by each airline's average emissions for baseline years from 2004-2006. Any increase in emissions beyond the cap requires airlines to buy extra allowances to cover those emissions by investing in emission-saving projects carried out under the Kyoto Protocol's flexible tool, Clean Development Mechanism (CDM) that reduces emissions and uses the resulting Certified Emission Reductions (CERs) to meet the reduction targets with ongoing improvements will help achieve the reduction target of the European Commission. Auction guidelines have been set under the EUAs (EU Allowance) form and the auction of additional allowances will be done at the EU market.

THAI is currently under study by the Emission Trading Department of German Authority/DEHSt (Deutsche Emissionhandelsstelle) and since August 2009. THAI has forwarded information on its fuel management and consumption along with verifying the planned fuel burn for 2010 and beyond both for annual emissions and ton-kilometer. At the end of the year, THAI will receive tradable allowances to emit a certain level of CO₂ per year from all flights to EU.

To achieve the emission reduction, THAI invested in emission mitigation measures through many approaches as provided by IATA:

- Technology - Investing in more efficient planes, fostering development and deployment of technology, including alternative fuels, in a sustainable manner.
- Operations - Adopting best practices to operate aircraft as efficiently as possible.
- Infrastructure - Promoting the implementation of efficient infrastructure – whether from existing runway capacity or air traffic management (ATM) procedures.
- Economic measures – Closing the gap of all measures must be cost-effective measures of which could be done by emission trading, carbon offset.

THAI like many other airlines will be adversely impacted by emissions control because of increased emissions since the base years with growth in THAI's operations. THAI is using 2010 emissions as a benchmark in preparing for expenditures that will arise and means to mitigate this impact.

6. Risk from interest rate fluctuation

THAI is obliged to pay interest on loans and to manage its interest rate risk. With the correctly low rates of interest and a trend that is likely to see interest rates moving up in the future, THAI took the opportunity through Interest Rate Swap (IRS), lock in relatively low fixed interest rates.

In managing the above risk, the proportion of fixed rate interest on the Company's outstanding debt rose to 50% as of year-end 2009 (does not include off balance sheet obligations related to aircraft leasing) with an average funding cost of 3.38%

SHAREHOLDER AND MANAGEMENT STRUCTURE



Shareholders

The names of major shareholders, number of shares held and percentage of shareholding as of the April 2, 2009 Share Register Book closure date are as follows:

Ranking	Name of Shareholders	Number of Shares	Percentage
1	Ministry of Finance	866,997,841	51.033
2	Vayupak Fund 1 by MFC Asset Management Pcl.	145,458,350	8.562
3	Vayupak Fund 1 by Krung Thai Asset Management Pcl.	145,458,350	8.562
4	Thai NVDR Company Limited	76,521,546	4.504
5	Government Saving Bank	46,409,885	2.732
6	Mellon Bank, N.A.	26,156,136	1.540
7	Citibank Nominees Singapore PTE. LTD. -UBS AG London Branch-NRB	16,224,700	0.955
8	NORTRUST Nominees Limited-NTGS	15,079,700	0.888
9	Social Security Office	14,826,600	0.873
	Total paid up capital	1,698,900,950	100.000
	Thai Shareholders	1,564,274,985	92.08
	Foreign Shareholders	134,625,965	7.92

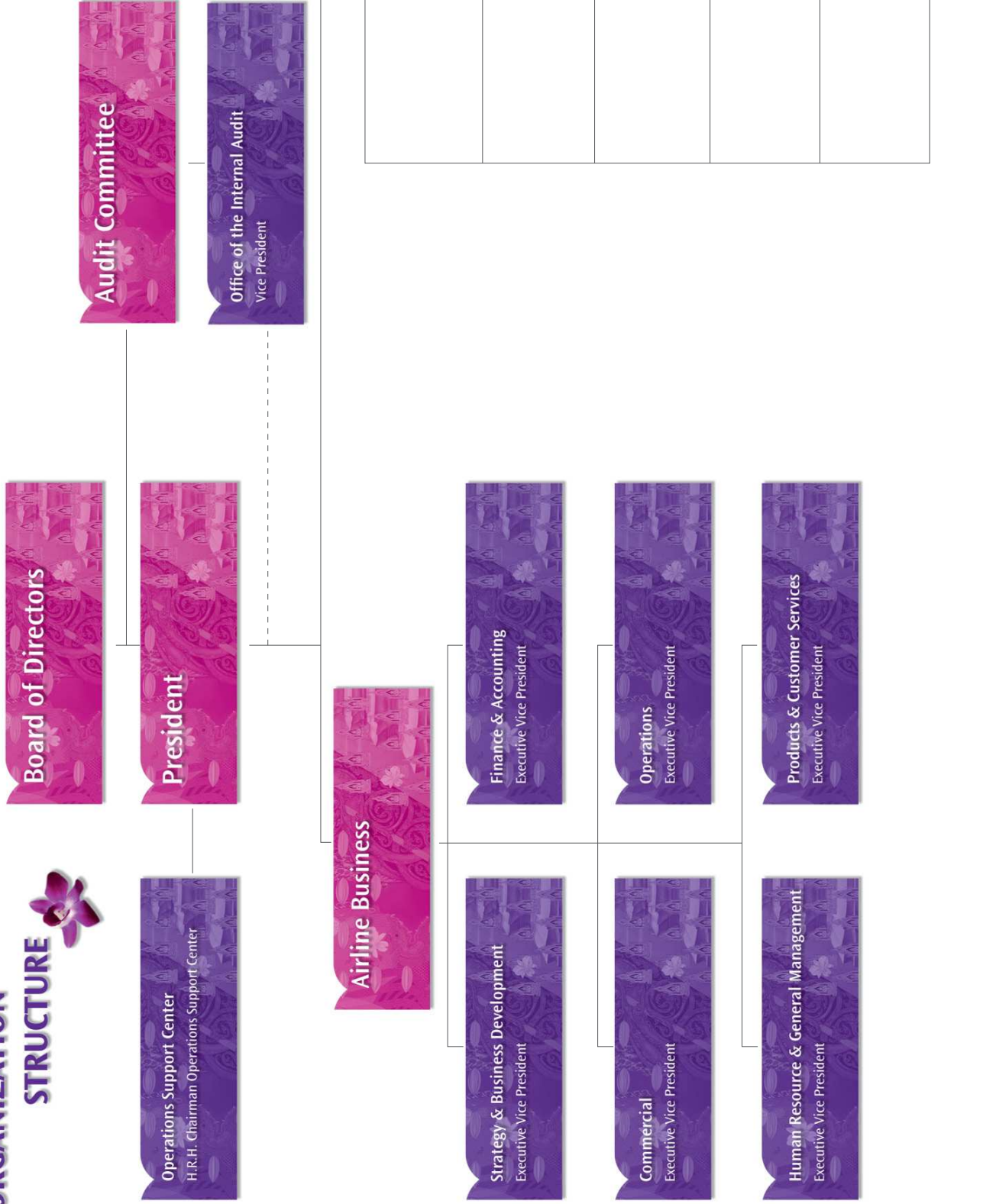
As of the book closing date April 2, 2009 for shareholders to receive dividend payment, the Government held a 53.765% stake in the Company. Shareholding was through the Ministry of Finance and the Government Saving Bank, which is a State Enterprise. With greater than 50% shareholding by the Government, THAI is subject to the following Government guidelines:

1. THAI must obtain approval from the Cabinet for investments of significant value.
2. The Office of the Auditor General is responsible for auditing the Company's financial statements.

Dividend Policy

THAI's dividend policy is to pay an annual dividend of not less than 25% of profit before consideration of gain/loss from foreign currency exchange on the Company's consolidated financial statements and is subject to consideration of future investment plans and other relevant factors.

ORGANIZATION STRUCTURE

MANAGEMENT STRUCTURE

BOARD OF DIRECTORS

As of December 31, 2009 the Company's Board of Directors consist of the following members:

1. Mr. Ampon	Kittiampon	Chairman
2. Mr. Surachai	Tansitpong	1 st Vice Chairman, Independent Director
3. Mr. Sathit	Limpongpan	2 nd Vice Chairman
4. Mr. Chaikasem	Nitisiri	3 rd Vice Chairman, Independent Director
5. Mr. Banyong	Pongpanich	Independent Director
6. Mr. Weerawong	Chittmittrapap	Independent Director
7. Mr. Amornsuk	Noparumpa	Independent Director
8. Mr. Pichai	Chunhavajira	Independent Director
9. ACM Satitpong	Sukvimol	Independent Director
10. Mr. Wallop	Bhukkanasut	Independent Director
11. Mr. Chaisak	Angkasuwan	Director
12. Mr. Areepong	Bhoocha-oom	Director
13. Mr. Kanit	Sangsubhan	Director
14. Mr. Apiporn	Pasawat	Director
15. Mr. Piyasvasti	Amranand	Director

Directors Authorized to Sign Legal and Binding Contracts on the Company's Behalf

Signatures of Mr. Ampon Kittiampon, Chairman of the Board of Directors and either Mr. Chaikasem Nitisiri or Mr. Chaisak Angkasuwan or Mr. Kanit Sangsubhan or Mr. Wallop Bhukkanasut or Mr. Weerawong Chittmittrapap or Mr. Piyasvasti Amranand or Mr. Apiporn Pasawat along with the Company seal are required for a binding contract. Signature of 3 of the following Board Members Mr. Chaikasem Nitisiri or Mr. Chaisak Angkasuwan or Mr. Kanit Sangsubhan or Mr. Wallop Bhukkanasut or Mr. Weerawong Chittmittrapap or Mr. Piyasvasti Amranand or Mr. Apiporn Pasawat along with a Company seal constitutes a binding contract.

Scope of Authority and Responsibilities of Board of Directors

Members of the Board of Directors (BoD) are required to perform their duties in compliance with legal and Company objectives and to execute resolutions as reached at the Ordinary Shareholders' Meeting. The BoD may appoint a person to run the Company's operations but such person must report to the BoD. The BoD may provide a proxy to persons to act on behalf of the Company in accordance with the stipulation and within the given time frame as deemed appropriate by the BoD but the BoD has the power to nullify, rescind, modify or change in part or in whole the proxy in which such appointed person is to act on behalf of the Company.

The Company's Board of Directors met in total 19 times for 2009. During the year, a number of Committees were appointed to undertake specific tasks including the following :

AUDIT COMMITTEE

To ensure abidance with policies on good corporate governance as stipulated by the Ministry of Finance and the Stock Exchange of Thailand to increase shareholder and investor confidence, the Company's Board of Directors appointed the following persons, on December 31, 2009 to the Audit Committee consisting of non-executive Board members.

- | | | | |
|----|----------------|----------------|-----------|
| 1. | Mr. Chaikasem | Nitisiri | Chairman |
| 2. | Mr. Banyong | Pongpanich | Member |
| 3. | Mr. Weerawong | Chittmittrapap | Member |
| 4. | Vice President | | Secretary |

Office of the Internal Audit

Mrs. Keseree Narongdej and Ms. Raweepon Kuhiran served as advisors to the Audit Committee.

Audit Committee's Authority and Responsibilities

1. Helps audit the Company's financial statements and ensure sufficient and correct disclosure of financial information.
2. Ensures adequate and efficient internal control measures and internal audit process that is effective while also ensuring the independence of the Internal Audit Department. The Committee's responsibility is also to provide consent on the appointment, transfer of or the firing of the head of the Audit Department.
3. Ensures the Company adheres to all Stock Exchange of Thailand rules and regulations and all other related legal guidelines as per the business of the Company.
4. Consider, screen and submit for approval qualified independent persons to undertake the function of the Company's financial auditor along with submitting for approval the applicable auditor's fees. It is also required that the Audit Committee meet with the Company's financial auditor at least once without the presence of the Company's management.
5. Review all transactions determined to be related party transactions or have conflicts of interest and ensuring adherence to all legal guidelines and regulations that of the Stock Exchange of Thailand and determine appropriateness of the transactions yielding the Company maximum benefit.
6. Prepare an Audit Committee statement that is to be disclosed in the Company's annual report and must contain not only the content as stipulated by the Stock Exchange of Thailand but also the signature of the Chairman of the Audit Committee.
7. Undertake other activities that may be prescribed by the Company's Board of Directors within the scope of the Audit Committee's function.
8. Upon finding or have any questions regarding transaction or actions taken which may bear significant impact on the Company's financial stability and financial performance, the Audit Committee must report such findings and/or query to the Company's Board of Directors for immediate corrective action within the time period as stipulated by the Audit Committee. These include :
 - (1) Transactions that create conflict in benefits
 - (2) Corruption or something out of the ordinary or any fault or loophole in the internal audit process
 - (3) Breaking any of the legal guidelines, rules and regulations of the Stock Exchange of Thailand or any other related rules and regulations applicable to governing the Company's business.

The Audit Committee met a total of 9 times in 2009 and progress reports were made to the Company's Board of Directors.

INDEPENDENT COMMITTEE

To ensure that THAI meets the principles of good corporate governance as stipulated by the Ministry of Finance, the Stock Exchange of Thailand, the guidelines for which the Company is assessed on an annual basis and to be at par with internationally accepted standards, the Board of Directors appointed the following persons, on December 31, 2009 to the Independent Committee :

1. Mr. Chaikasem	Nitisiri	Member
2. Mr. Banyong	Pongpanich	Member
3. Mr. Weerawong	Chittmittrapap	Member
4. Mr. Surachai	Tansitpong	Member
5. Mr. Amornsuk	Noparumpa	Member
6. ACM Satitpong	Sukvimol	Member
7. Mr. Pichai	Chunhavajira	Member
8. Mr. Wallop	Bhukkanasut	Member

Qualifications of an Independent Director as Specified by the Company

An Independent Director is a Director possessing the qualities of the Independent Board of Directors as stipulated in the Company's Board of Directors Handbook set as a minimum requirement as stipulated by the Stock Exchange of Thailand. These qualities include:

1. Is not in the employment or serving as a consultant receiving a regular remuneration or any other benefit from the Company, subsidiary, affiliates or related companies.
2. Holds no more than 0.5% of the Company's, subsidiary's, affiliates or related companies' paid-up capital.
3. Is able to look after the benefits and ensure equal treatment of all shareholders.
4. Is able to ensure that there will be no conflicts of interest between the Company and its management, major shareholder or other companies which may have the same management or major shareholder.
5. Is able to attend Board Meetings to vote on key issues.

Note : Thai Airways International Plc. has stipulated the shareholding limits of an Independent Director in clause 2 which is more stringent than the requirement by both the Securities and Exchange Commission and the Stock Exchange of Thailand where the maximum shareholding limit is less than 1%.

Independent Committee's Authority and Responsibilities

1. Freely provide comments/suggestions and/or provide progress reports on undertakings as assigned by the Board of Directors to ensure that the Company has corporate governance which complies with the Ministry of Finance and the Stock Exchange of Thailand's guidelines and guidelines for which the Company is evaluated annually including international best practices.
2. The Committee has the authority to obtain documents and summon relevant persons to provide information in regards to assigned task(s).
3. Execute other matters as assigned by the Board of Directors.

The duty of this Committee is to provide independent thoughts and comments while ensuring equal benefits for all shareholders.

GOOD CORPORATE GOVERNANCE COMMITTEE

To ensure integrity of the Company's operations with respect to the principles of good corporate governance as stipulated by both the Ministry of Finance and the Stock Exchange of Thailand and is in line with international best practices, the Company's Board of Directors appointed the following persons, on December 31, 2009 to the Good Corporate Governance Committee along with appointing a Committee secretary and assistant secretary :

- | | | |
|--|---------------|----------------------|
| 1. Mr. Sathit | Limpongpan | Chairman |
| 2. Mr. Areepong | Bhoocha-oom | Member |
| 3. Mr. Kanit | Sangsubhan | Member |
| 4. Mr. Weerawong | Chittmitrapap | Member |
| 5. ACM Satitpong | Sukvimol | Member |
| 6. Mr. Piyasvasti | Amranand | Member |
| 7. Vice President
Legal & Compliance | | Member and Secretary |
| 8. Director of the Compliance Department | | Assistant Secretary |

Good Corporate Governance Committee's Authority and Responsibilities

1. Audit and make recommendations to the Company's Board of Directors to enhance the Company's Good Corporate Governance as per the guidelines as stipulated by the Company's Ethics Committee.
2. Support, disclose and instill THAI's ethics to ensure that THAI's employees are aware, understand and that all levels of employees adhere to these guidelines.
3. Follow, review, enforce and abide by THAI's Ethics Code including having a robust assessment, enhance, amend and add to THAI's Ethics Code to better reflect existing conditions and ensure that these guidelines are current. The Committee is also tasked to make suggestions to the Company's Board of Directors to establish regulations, guidelines and action plans which facilitates the application of THAI's Ethics Code and where protection and discreetness are necessary for those that may be adversely impacted by adhering to the Ethics Code. Means of protection is being sought for persons negatively affected by charges being levied against them as per THAI's Ethics Code and also for the employees who have willingly disclosed incriminating information against being mistreated by their superior.
4. Appoint sub-committees or working groups or as may be appropriate submit for approval an appointment of advisors as deemed appropriate and necessary.
5. Contact and coordinate with the Company's Board of Directors and related sub-committees or working groups including the authority to question management, employees or other related persons to provide a statement and/or view point including the authority to request documents or other necessary items to assist in decision making.
6. Other undertakings as may be designated by the Board of Directors

The Committee met in total 6 times in 2009 and provided progress reports to the Company's Board of Directors.

NOMINATION, REMUNERATION AND HUMAN RESOURCE DEVELOPMENT COMMITTEE

Following the good corporate governance principles of both the Ministry of Finance, that of the Stock Exchange of Thailand and international best practices, the Company's Board of Directors appointed the following members, on December 31, 2009 to the Nomination, Remuneration and Human Resource Development Committee :

1.	Mr. Surachai	Tansitpong	Chairman
2.	ACM Satitpong	Sukvimol	Member
3.	Mr. Chaisak	Angkasuwan	Member
4.	Mr. Amornsuk	Noparumpa	Member
5.	Mr. Pichai	Chunhavajira	Member
6.	Mr. Piyasvasti	Amranand	Member
7.	Executive Vice President		Secretary

Human Resources and General Management Department

Nomination, Remuneration and Human Resource Development Committee's Authority and Responsibilities

1. The Committee is charged with the obligation to establish a selection and appointment process for the Company's Board members along with the Company's senior management and means to develop the Company's human resource. Such process must be ethical and comply with the good corporate governance principles as stipulated by the Ministry of Finance and the Stock Exchange of Thailand and conforms to international best practices. Such process must reflect the latest approach in human resource management to acquire persons with the highest qualification and quality to sit on the Company's Board of Directors and senior management posts. The selection process must be fair, just, transparent and is subject to audit.
2. The Committee is also responsible for determining the appropriate level of compensation for members of the Board of Directors, Sub-Committees, the Company's management and outsiders who have been commissioned to perform tasks on the Company's behalf. The compensation scheme should be comparable to companies within the industry but must be sufficient to attract and retain persons possessing desired qualities. Board members who have been assigned additional tasks and responsibilities are also appropriately compensated for their extra effort and commitment. For members of the Board with management responsibilities and that of the Company's senior management, compensation is tied to the Company's overall performance and each individual's effort and contribution. Such guidelines reflect the Company's efforts in fulfilling the good corporate governance guidelines stipulated by both the Ministry of Finance and the Stock Exchange of Thailand while observing international best practices.
3. The Committee has the authority to obtain documents and summon relevant persons to provide information in regards to assigned task(s).
4. Execute other matters as assigned by the Board of Directors.
5. The Committee is charged with the authority encompassing the consideration of the appropriateness of each of the various positions of the Company's employees especially for senior management positions.

The Committee met a total of 10 times in 2009 and provided progress reports to the Company's Board of Directors.

RISK MANAGEMENT COMMITTEE

To ensure that the Company has a robust risk management system that not only conforms to the Ministry of Finance and the Stock Exchange of Thailand's good corporate governance guidelines and meeting international best practices, the Risk Management Committee was established to ensure adherence to the stipulated guidelines as it forms part of the Company's annual performance assessment. The Company's Board of Directors appointed the following persons, on December 31, 2009 to the Risk Management Committee :

1.	Mr. Pichai	Chunhavajira	Chairman
2.	Mr. Areepong	Bhoocha-oom	Member
3.	Mr. Banyong	Pongpanich	Member
4.	Mr. Apiporn	Pasawat	Member
5.	Mr. Piyasvasti	Amranand	Member
6.	Vice President		Secretary

Risk Management and Insurance Department

Risk Management Committee's Authority and Responsibilities

1. Provide advice and consultation on risk issues and the management of such risks spanning all areas of the Company's operations.
2. Has the authority to summon relevant persons and documents to clarify matters under consideration.
3. Execute other matters as assigned by the Board of Directors.

The Risk Management Committee met 4 times in 2009 and provided progress reports to the Company's Board of Directors.

THE COMPANY'S EXECUTIVE BOARD

The Executive Board consisting of the persons below were appointed on December 31, 2009 and given the responsibility to ensure that the Company is run with maximum efficiency and to be able to meet the challenges of a dynamic operating environment while ensuring maximum benefit to the Company.

1.	Mr. Wallop	Bhukkanasut	Chairman
2.	Mr. Chaisak	Angkasuwan	Member
3.	Mr. Amornsuk	Noparumpa	Member
4.	Mr. Kanit	Sangsubhan	Member
5.	Mr. Piyasvasti	Amranand	Member
6.	Mr. Niruj	Maneepon	Secretary
7.	Ft. Lt. Charatpong	Burutratanaphan	Assistant Secretary

The Executive Board's Authority and Responsibilities

1. Oversee the various aspects of the Company's operations to ensure abidance with corporate policies, corporate plans and that of the Company's Board of Directors.
2. Screen issues to be submitted for Board of Directors' consideration.
3. Provide suggestions in regards to approach and measures to improve effectiveness and efficiency in the Company's operations.

4. Approve purchases within budget approved by the Board of Directors, which comply with Board resolutions and the Company's charter as follows :
 - Company's procurement policies
 - Company's human resource management policies
 - Company's financial guidelines
5. Has the authority to approve non-budgeted investments of more than 1 million baht and less than 50 million baht and must report such authorizations to the Board of Directors.
6. Has the authority to summon relevant staff and documents to clarify matters under consideration.
7. Has the authority to appoint sub-committees and working groups as deemed appropriate.
8. Execute other matters as assigned by the Board of Directors.
9. In case of necessity, the Executive Board may propose for the Board of Directors to approve hiring of consultants to perform tasks on the Company's behalf.
10. At each meeting of the Executive Board, at least half of the members must be present in order to constitute a quorum. The Chairman is the Chairperson of the meeting and if the Chairman is unable to attend the meeting or is unable to execute his duties, the Chairman is to appoint another Board member to act as the Chairperson on his/her behalf. In case that the Chairman is not able to appoint another Board member to act as Chairperson, members of the Executive Board present at the meeting shall vote amongst themselves for a member of the Executive Board to act as Chairperson. A majority vote by Members of the Executive Board determines a resolution with each member of the Board having one vote. Board Members that may have conflicts of interest on a particular issue must leave the room during discussion and does not have the right to vote on the particular issue. Should there be a tie in the votes the Chairperson will have a second vote to break the tie.
11. The Executive Board must meet at least once a month.
12. The Chairman or a person appointed by the Chairman must designate the date, time and place of the Executive Board Meeting.
13. In calling an Executive Board Meeting, the Chairman of the Executive Board or an appointed person by the Chairman must send a letter of invitation to attend the meeting at least 3 days ahead of the meeting date.

The Executive Board met a total of 19 times in 2009.

The Board of Directors also appointed various committees and sub-committees including the sub-committee overseeing the purchase of aviation fuel and the Legal sub-committee.

THAI MANAGEMENT EXECUTIVES

As of December 31, 2009, the Company had 10 Senior Management positions : President - 1, Executive Vice President- 6, Vice Presidents - 3, comprising :

- | | | | |
|----|----------------|-----------|---|
| 1. | Mr. Piyasvasti | Amranand | President |
| 2. | Mr. Kaweepan | Raungpaka | Executive Vice President
Finance & Accounting Department |
| 3. | Mr. Chokchai | Panyayong | Executive Vice President
Strategy & Business
Development Department |

4. Flg. Off. Norahuch	Ployyai	Executive Vice President Operations Department
5. Mr. Pandit	Chanapai	Executive Vice President human Resource & General Management Department
6. Flt. Lt. Montree	Jumrieng	Managing Director, Technical Department Executive Vice President Level
7. Mr. Pruet	Boobphakam	Executive Vice President Commercial Department
8. Mr. Thongchai	Singhakul	Vice President Financial Accounting Department
9. Mr. Pichait	Riengvattanasuk	Vice President Corporate Finance Department
10. Mrs. Charita	Leelayudth	Vice President Management Accounting and Budget Department

Note: "Management Executives" are as per the definition of "Management" denoted by the Securities and Exchange Commission

The President's Authority and Responsibilities

The President's authority and responsibilities as stipulated by the Company's guidelines include:

1. Authority and duties stated in the "Policies of Thai Airways International Plc." under the General Administration Section 2007.

The President is responsible for managing the Company's operations and to achieve corporate objectives as set by the Board of Directors. The President oversees the Company's management and staff and is subject to the Company's guidelines or directives as mandated by the Company's Board of Directors.

2. Authority and duties under the Procurement Guideline - B.E. 2546.

In accordance with corporate guidelines, the President is responsible for upholding Company guidelines and has the authority to approve or enter into binding contracts on behalf of the Company with regard to procurement or disposal of supplies. This includes procurement of supplies, hiring, leasing of or to lease supplies to others. The President may issue orders as per the given guidelines that refer to the President's authority in approving such transactions subject to authorized limits per the stipulated guidelines.

- Contracts to obtain consultant services - up to 15 million baht
- Contracts or transactions related to supplies procurement through special process - up to 25 million baht
- Contracts or transactions related to supplies procurement through normal procedures - up to 200 million baht
- Contracts or transactions related to procuring aviation fuel, equipment and advertising and promotion products, procuring insurance for other assets, purchase of pre-packaged food and beverage, services and merchandising at the various service stations in the provinces or abroad, leasing of office space and staff housing (within 1 year duration), ad hoc and planned procurement of aviation fuel for a period not exceeding a year - up to 100 million baht

- Procurement of aviation fuel with better terms - up to 200 million baht
 - Aircraft and/or passenger insurance - up to 500 million baht
 - Emergency procurement of aviation fuel - no pre-set limit Transaction value exceeding the President's authorized limit must be submitted to the Board of Directors for approval.
3. Authority and duties under the Company's Financial Authority and Duties B.E. 2549.

The President has the authority to enter financial contracts and approve financial undertakings as per the guidelines approved by the Board of Directors and contracts related to the Company's operations must also observe the Company's stipulated guidelines.

The President may not approve or enter into transactions beyond the pre-approved guidelines.

According to the Board meeting resolution 14/2002 on November 27, 2002, the Company's Board of Directors entrusts the President to handle all routine matters but does not enable the President to undertake transactions in which involves the President or persons that may be considered to have conflicts of interest (these include : (A) a Company executive, (B) Company's major shareholder, (C) persons with management control, (D) a direct family member, a spouse or someone legally registered with (A), (B) or (C) such as parents, spouse, children or a close relative and (E) a legal entity in which (A), (B) or (C) holds shares, controls or has direct or indirect vested interest or a person stipulated by the Securities and Exchange Commission). Persons that may have vested interest or may have any conflicts of interest with the Company or its subsidiaries are also prohibited.

APPOINTMENT OF THE BOARD OF DIRECTORS AND MANAGEMENT EXECUTIVES

The Company's Board of Directors

Per the Company's rules and regulations, the Board of Directors must comprise of at least 5 and a maximum of 15 members for which the number is to be decided upon at the Annual General Shareholders' Meeting. At least half of the Board members must reside in Thailand and each person must possess the appropriate qualifications and is not subject to any legal prohibitions. Directors are appointed by majority vote at the Annual General Shareholders' Meeting in accordance with the following guidelines and procedures:

1. Each shareholder shall have one vote for each share held.
2. Shareholders must vote all votes by selecting one or several persons as Director but the votes may not be divided.
3. The person(s) receiving the most votes in descending order will be appointed as Director according to the number of Directors to be elected. In case that there is a tie for the last Directorship, a lottery is to be drawn to choose the last member.

In case that a Board seat becomes vacant other than due to term completion, the Company's Board of Directors shall elect any person who has the qualifications and is not subject to legal prohibitions to fill the vacant seat at the next Board Meeting. The inducted Board member must receive at least a 75% vote from the remaining Board members. Unless the remaining term of the outgoing Board member is less than 2 months, the inducted Board member will remain part of the Board for the remaining duration of the outgoing Board member's term.

Board members can be voted out by no less than three fourths of eligible shareholder votes in attendance. The number of shares shall not be less than one-half of shares held by shareholders present and eligible to vote. At every Annual General Shareholders Meeting, one-third of the Directors shall retire from office. If the numbers of Directors do not match one-third exactly, the nearest amount to one-third shall be deemed appropriate.

The names of Directors to retire during the first and second year after the Company's listing will be drawn by lots. Subsequent retirements are based on length of service but Directors retiring by term can be re-appointed (Corporate regulation No.17).

Other Committees

Other Committees established by the Company's Board of Directors include the Audit Committee, the Independent Committee, the Good Corporate Governance Committee, the Nomination, Remuneration and Human Resource Development Committee, the Risk Management Committee and the Executive Board.

The Scope and Limitations of Independent Directors are as follows:

1. Must hold no more than 1 percent of the total outstanding voting stock of THAI, its subsidiary or its affiliated companies, its major shareholders or persons having control over the Company. Shareholding of the Independent Director includes shares held by persons related to the particular Independent Director.
2. Is not currently or has been part of management, staff, employee or consultant receiving regular remuneration or having the ability to govern or dictate the direction of the Company, parent company, subsidiary, affiliates or affiliates of the same level, major shareholder or a person/entity having the ability to govern or dictate the Company's direction unless the position has been terminated for over 2 years. However, this restriction does not apply to Independent Directors having been a public servant or served as consultant to the government unit which is the Company's major shareholder or that of the entity that is able to govern or dictate the Company's direction.
3. Is not a person that is related by blood or is related through legal bonding that includes the father, mother, spouse, siblings and children including spouses of the children to management, the major shareholder, entity with the authority to govern or dictate the direction of the Company or any person that has received nomination to become a manager or an entity that has authority to govern or dictate the Company's direction or its subsidiary.

Never have or used to have business relationships with the Company, parent Company, subsidiary, affiliates, major shareholder or persons having ability to govern or dictate the Company's direction which may distract one's independent judgment. This also includes not having been or has been a shareholder of significance or a person possessing the authority to govern or dictate an entity of an entity that has a business relationship with the Company, the parent Company, subsidiary, affiliates, major shareholder or a person with management authority unless the person's term has been terminated by at least 2 years.

4. Is not or has been the auditor of the Company, parent Company, subsidiary, affiliates, major shareholder or a person with authority to govern or dictate the Company and is not a shareholder of significance, a person with ability to control or a partner to an audit firm that has an auditor providing service to the Company, parent Company, subsidiary or affiliates,

the major shareholder or a person of authority as part of the firm unless the position has been terminated for at least 2 years.

5. Is not or has been a professional service provider that includes being a legal advisor or financial advisor that has received remuneration of over 2 million baht per annum from the Company, parent Company, subsidiary, affiliates, the major shareholder or an entity that has authority to govern the Company and is not a shareholder of significance, person of authority to govern or a partner of a professional service provider unless that position has been terminated for at least 2 year.
6. An Independent Director is not a Director appointed as a representative of the Company's Board of Directors, major shareholder or a shareholder that is related to the major shareholder.
7. Must not operate or own a similar type of business that is a direct competitor to the Company or its subsidiary or is not a major partner in a limited partnership or is a Director with management authority, staff, employee, a consultant earning regular remuneration or hold more than 1% of total voting shares of other companies that operates a similar type of business and is deemed to be a direct competitor to that of the Company or subsidiary.
9. There are no other issues that would prevent such person to provide an independent point of view related to the Company's operations.

An Independent Director possessing qualifications from 1 through 9 may be given authority through collective decision to allow such person to run the Company's operations including the parent Company, subsidiary, affiliates, affiliate of similar level, major shareholders or persons with the ability to dictate or govern the direction of the Company.

In case the person appointed to the position of Independent Director has or has had business relationship or a relationship with a professional service provider with remuneration exceeding section 4 or section 6 of the guidelines, the Company's Board of Directors may consider relaxing the guidelines if it is determined that the qualifications of the person appointed does not bear impact upon the role and the independence of his/her judgment. The Company must disclose such information regarding the Independent Director in the section on the appointment of independent directors as part of the invitation for the shareholders' meeting.

- (1) Business relationships or professions which would cause this candidate to not meet the stipulated criteria.
- (2) Reason and necessity for retaining or appointing such person as the Company's Independent Director.
- (3) A comment by the Company's Board of Directors regarding the proposed candidate to be appointed as Independent Director

Management Executives

In appointing the Company's President, the Board of Directors must appoint a Nomination Committee comprising of the Permanent Secretary of the Ministry of Finance, the Secretary General of the National Economic and Social Development Board (NESDB), the Permanent Secretary of the Ministry of Transport, 1 representative from the State Enterprise Labor Relations Committee and 1 representative from the Board of Directors. This Committee draws up qualifications and screens suitable candidates according to the Act of Standard Qualifications of the State Enterprise Directors and Staff B.E. 2518 and

that of the amended version. The Nominating Committee will submit for a majority vote by the Company's Board of Directors persons whose qualifications meet the minimum requirements.

For other members of management, the Board of Directors has mandated the Nomination, Remuneration and Human Resource Development Committee to select the most appropriate candidate to fill each available position.

REMUNERATION FOR MEMBERS OF THE BOARD OF DIRECTORS

The resolution reached on remuneration for members of the Board are as proposed by the Nomination, Remuneration and Human Resource Development Committee and the Board of Directors for which received shareholder approval on April 22, 2009 for the period from 2009.

Monetary Remuneration

- Each Board member receives a fixed 50,000 baht monthly remuneration and a monthly allowance of no more than 30,000 baht for Board Meeting attendance. The Chairman and the Vice Chairman receive meeting allowance that is 25% and 12.5% higher than other Board members, respectively.
- Upon being appointed by the Board or the Chairman of the Board to a Committee, a Sub-Committee or a Working Group, the Director receives an additional THB 10,000 per meeting attendance. However, the maximum allowance paid is 10,000 baht no matter how many meetings are called.
- Members of the Audit Committee receive a monthly remuneration equivalent to that of meeting allowance of Board members whether or not a meeting is called.
- The Board of Directors shall received annual bonus at 0.5% of dividend payment, under rules and regulations set by the Board of Directors.

Other Remuneration

Ticket benefits for Board Members are to be subject to the Company's stipulated guidelines. Since THAI was suffering from the global economic slowdown that caused an adverse impact to the Company's financial performance, the Company's Board of Directors deemed it appropriate to reduce remuneration, meeting allowance and air ticket benefits starting 1 May 2009 through 30 April 2010.

1. Remuneration and meeting allowance has been reduced by a quarter
2. Board Members are able to use no more than half of their entitled air tickets

Board member remuneration for the year 2009 ending December 31, 2009

Unit : Million Baht

	Number of Persons	Remuneration including allowance and bonus
Company's Board of Directors ¹⁾	26	12.37
Audit Committee ²⁾	6	0.79
Other Committees ³⁾	25	1.37

Note : ¹⁾ Remuneration plus meeting allowance for Board of Directors, meeting allowance for the sub Committee (excluding audit committees) and the annual reward in term of the position to be accounted as an actual amount during 1 January 2009 to 31 December 2009.

²⁾ The company's committee appointed as an audit committee

³⁾ Other Committees appointed from the external individuals

Remuneration for Management Executives

Monetary Remuneration

Compensation for Management Executive for fiscal year 2009 ending December 31, 2009.

Unit : Million Baht

	Number of Persons	Compensation including salary, bonus & benefits
Management Executive	10	29.22

Other Compensation

Company Executive Officers, their spouse and children receive bookable air tickets at no charge while the parents of such officers are entitled to air tickets at discounts similar to staff rates.

Per the resolution reached at the Extraordinary Shareholders' Meeting 1/2002 held on August 30, 2002, Company Executive Officers and staff received the same benefits from the Employee Securities Option Plan (ESOP).

Benefits received from both the provident fund and the pension fund for Executive Officers are the same as that of other staff.

Provident Fund - The Company's Provident Fund was registered on June 26, 1992, for which contributions are made by both staff and the Company. A 9% contribution is made to the fund by the Company for staff whose tenure is less than 20 years while those with tenures greater than 20 years receive a 10% contribution. Each employee is required to make contributions not less than 2% of monthly salary and no more than the Company's contribution.

Pension Fund - The Company established a staff pension fund with a policy of contributing 10% of staff's salary for which the funds are invested and earn interest. Should there be a shortfall of available funds against its liabilities the Company will make a one-time contribution to the fund to match its liabilities.

Staff must have worked for the Company at 3 years before being eligible to receive payment upon resignation, retirement or death. Staff hired post the inception of the provident fund in June of 1992 are only allowed to participate in the Staff Provident Fund. As a result, no new members have been added to the Pension Fund since June 1992.

Total contribution made to Management Executive's provident fund and pension fund for fiscal year 2009 ending December 31, 2009.

Unit : Million Baht

	Number of Persons	Total Amount
Management Executive	10	1.76

GOOD CORPORATE GOVERNANCE COMMITTEE REPORT



THAI's operations and management is based on the principles of Good Corporate Governance for State Enterprises stipulated by the Ministry of Finance, similar principles of Good Corporate Governance as per the guidelines of the Stock Exchange of Thailand and according to International Best Practices. This is reflected through the core belief of enhancing overall shareholder value by fostering transparent management, ethics and upholding the rights of all stakeholders including the environment, society and the Country.

Corporate ethics was initially introduced into the Company on October 28, 2002 while guidelines on ethics and good corporate governance were introduced on July 28, 2003 to foster a culture observing good corporate governance by the Company's Board of Directors, Management and employees. The ultimate benefit for shareholders, investors and all stakeholders derived from a culture based on strong ethics and principles of good corporate governance is greater value from increased management efficiency and effectiveness that is transparent and just.

The Company's Board of Directors appointed an Ethics Committee in 2002 served by Members of the Board and management with the objective of ensuring the Committee's function to be current, reflecting the current operating environment while ensuring overall strong corporate governance. Various sub-committee appointments were made by the Ethics Committee to oversee various parts of the Company's operations. Among other things the Committee established ethical guidelines for the Company in undertaking its business operations along with operational guidelines for operators to comply. THAI's Ethics Handbook has been updated to better reflect the current environment and in compliance with Section 279 of the Constitution of the Kingdom of Thailand B.E. 2007 requiring all public service arms to have an Ethics Code and establishing clear guidelines for each position be it political, public servant or government employee to have a coherent and effective means of enforcing these guidelines with stipulated penalties in line with the degree of wrong doing.

Through adherence to the principles of Good Corporate Governance, THAI has continuously been given a rating of "very good" by independent entities since 2003. This past year, THAI's principles of corporate governance were evaluated by the Thai Institute of Directors (IOD) and received a similar rating of "very good" for a fourth year running. Of the areas of measurement, THAI was rated "outstanding" for 3 areas namely shareholders' rights, equal treatment of shareholders, information disclosure and transparency. The cumulative point rating and point rating for each area of measurement is on average higher than that of 2008.

The outcome from the evaluation of THAI's corporate governance reflects commitment by the Company's Board of Directors, management and its employees placing importance on transparent operations, auditable processes and equal treatment of all stakeholders. These achievements serve as basis for sustaining THAI's growth while benefit the country as a whole.

A handwritten signature in black ink, appearing to read 'Sathit Limpongpan', is located above the printed name.

(Mr. Sathit Limpongpan)
Chairman

GOOD CORPORATE GOVERNANCE



As a publicly listed company, THAI understands the importance of having good corporate governance and diligently observes such principles in practice. To ensure comprehensiveness in observing such principles, the Company's Board of Directors appointed a Good Corporate Governance Committee and its various subcommittees, a Corporate Secretariat Department, an Investor Relations Department and a Risk Management Department with mandates to function and observe the principles of good corporate governance. The goal is to instill a culture of good corporate governance to enhance THAI's competitiveness leading to long-term sustainable growth and building shareholder value over time. For THAI's efforts in embracing principles of good corporate governance as per the guideline of the SET and that of the SEC. THAI was recognized in 2004 as "Good" and was subsequently given a "Very Good" rating for 2005, 2006, 2008 and 2009 by Thai Rating and Information Services Company Limited (TRIS) for 2004 and the Thai Institute of Directors Association (IOD) for the remaining years.

The results of THAI's rating for the fifth consecutive year reflects the commitment of the Company's Board of Directors, management and employees towards good corporate governance. Providing equitable treatment to all stakeholders will serve to enable the Company to sustain growth in the longer term.

THAI strictly adheres to all legal guidelines, guidelines of both the Stock Exchange of Thailand and the Securities and Exchange Commission along with other good corporate governance guidelines as follows:

1. POLICIES ON GOOD CORPORATE GOVERNANCE

THAI is fully committed to the principles of good corporate governance to ensure long-term sustainable growth for the Company. This commitment to good corporate governance is reflected in the Board of Directors' resolution on October 28, 2002 approving the principles of Good Corporate Governance. These principles are to ensure that Board of Directors, management and employees are conscious of undertaking actions based on these principles and serve as a strong foundation for improving efficiency and effectiveness in managing the Company. The purpose is to ensure equitable treatment of all stakeholders, build confidence in the Company and enable the Company to operate transparently and ethically. On 28 July 2003, the Company's Board of Directors approved THAI's new Ethics Policies and Principles of Good Corporate Governance by providing clearer guidelines encompassing the following :

THAI's slogan is "Uphold Ethics in Thought and in Action"

Ethics Policy

- Upholding integrity means honesty by Members of the Board, management and employees in executing one's duties and to avoid any wrong doing with respect to one's own duties.
- Responsiveness to customer and stakeholder needs means being attentive to the needs of the Company's shareholders, customers, business partners and employees, respectively. However, in case that there be diverging needs by the respective parties, the most amiable resolution will be sought.
- Upholding transparency means ensuring transparent operations through disclosing sufficient information that is in line with legal requirements and guidelines of entities that govern the Company – Ministry of Transport, Ministry of Finance and the Stock Exchange of Thailand. The main purpose is to build trust and provide relevant parties or stakeholders the opportunity to seek clarification or undertake review.
- Taking responsibility means that Members of the Board, management and employees are to execute their tasks with utmost ability and efficiency to achieve established objectives.

- Accountability refers to Members of the Board, management and employees standing ready to be accountable for the outcome of one's own actions and being able to explain the reasoning behind decisions made and one's own actions bearing impact on stakeholders especially shareholders, customers, business partners and employees.
- Upholding fairness refers to Members of the Board, management and employees must treat all stakeholders equally without unfair discrimination.
- Having vision refers to the Board of Directors and management possessing the vision to enhance the Company's long-term business value by not destroying the Company's short-term capabilities to enhance the Company's ability to compete on all fronts. This is also to build confidence for shareholders and investors in regards to the Company's ability to provide healthy financial performance today and in the future.
- Upholding ethics refers to have conscience and conduct that mirrors good business ethics and morals in undertaking business operations by executing duties honestly by Members of the Board and management.

As for the Company's Principles of Good Corporate Governance, the Company abides by the principles and guidelines of good corporate governance for state enterprises as stipulated by the Ministry of Finance. THAI also abides by the Stock Exchange of Thailand's Principles of Good Corporate Governance for publicly listed companies B.E. 2549 and follows international best practices.

The Board of Directors appointed a Good Corporate Governance Committee comprising members of the Board, management and qualified persons charging them with the responsibility of reviewing and advising the Board on good corporate governance practices. The Committee is also responsible for ensuring adherence to such principles as stated by the Ministry of Finance, the Stock Exchange of Thailand and that of international best practices. The Committee may coordinate with the Audit Committee, the Risk Management Committee and other committees as deemed necessary to accomplish their tasks. The Good Corporate Governance Committee is also responsible for devising a comprehensive review process and making necessary adjustments to good corporate governance policies on an ongoing basis. All Board members are encouraged to attend seminars provided by IOD and other institutions on relevant topics concerning Good Corporate Governance.

The Company's Ethics Committee appointed an Ethics sub-committee to oversee the drafting of strategy to foster the development of ethics for the Company's various operating units and ensure clarity of strategy, systematic in procedure and is to be implemented comprehensively. The Ethics Sub-Committee is also tasked to support, disseminate and inculcate ethics for all to be aware, ensure understanding and ensure abundance by employees of all levels.

2. SHAREHOLDERS : RIGHTS AND EQUITABLE TREATMENT

Shareholders' Rights

THAI recognizes the importance of shareholders and their rights in order to gain the confidence and trust of shareholders to invest in the Company. To this end, THAI has implemented policies to protect the basic rights of its shareholders which include the right to purchase, sell or transfer Company shares, a share in the Company's profits, receive sufficient and timely Company information, participating in the Annual General Shareholders' Meeting (AGM), give proxy to vote on shareholder's behalf, make inquiries during the AGM, have rights to submit the issues for meeting agenda and also be able to nominate the appropriate individuals for further consideration as a member of Board of Directors.

Equitable Treatment of All Shareholders

THAI's policy is to facilitate the needs of its shareholders and to ensure equitable and fair treatment which also complies with applicable laws and guidelines protecting shareholders' basic rights where voting rights are based on a one vote per share basis with Independent Directors mandated to look after the benefits of minority shareholders. Measures have been taken to prevent insider trading and the misuse of internal information by the Company's Board members, management including their spouses and their under aged children. Board members and those that have retired from office of no more than 6 months are prohibited from making any transactions in regards to THAI's shares from 1 month prior and 3 days post disclosure of the Company's financial performance. The Company's Board members and its executives are required to disclose their investments in THAI's shares and reports of their holding must be updated and submitted to the Board of Directors on a regular basis. These measures are to ensure the integrity of members of the Board and that of management.

3. STAKEHOLDERS' RIGHTS

THAI's main goal is to provide comprehensive air transport services encompassing domestic and international routes, focusing on safety, convenience and unsurpassed quality service to satisfy its customers and gain their trust. Effective and efficient management at par with international standards combined with satisfactory financial performance serves to maximize shareholders' value. To optimize staff effectiveness and growth potential, the Company seeks to provide a stable, safe and friendly working environment so that everyone can feel proud to be part of the success story. THAI, in its role as the national carrier, supports the nation through its various charity and social contributions.

To achieve the Company's objectives, it is important to take into consideration the rights of each of the Company's internal stakeholders including shareholders, the Company's Board members and the Company's employees and external stakeholders including customers, business partners, creditors, competitors, regulatory bodies and other entities for which the Company interacts. THAI's internal and external interactions are founded on the basis of Corporate Social Responsibility (CSR). Written guidelines in the Thai Airways International Code of Conduct of 2005 lays the ground rules for which Board members, management and employees are expected to abide. The Good Corporate Governance Committee has revised Thai Airways International Code of Conduct to be more encompassing, more precise and better reflect the current operating environment. The revision process took into consideration constructive feedback from the Company's employees. Upon completion of the revision, each employee was given their own copy of the code of conduct and the contents were also distributed through THAI's print circular "TG Update", video TV and seminars were held to facilitate understanding of the importance of THAI's code of conduct. Stakeholder rights observed by the Company include:

Ethics guidelines were printed in the Thai Ethics Code in 2003 providing the Board of Directors, management and employees the ground rules for which to abide. In 2006, the Board of Directors tasked the Ethics Committee to review the Company's Ethics Code to be encompassing, has clarity and is appropriate for the Company's operations. THAI employees were given the opportunity to participate in the development of the THAI Ethics Code which took into consideration all stakeholders' rights.

Shareholders

THAI's modus operandi is based on honesty, transparency and equality to provide shareholders confidence that for every decision that is made by the Company has been scrutinized and analyzed based on maximizing shareholder benefit and that of related parties. Every effort is made in each decision process to consistently maximize return to shareholders and ensure equal treatment of all shareholders through the following guidelines :

- Perform duties with honesty, integrity and fairness for the benefit of major and minor shareholders as well as other related parties.
- Manage for stable long-term sustainable growth while maximizing shareholder wealth.
- Knowledgeably execute responsibilities with utmost care and professionalism.
- Safeguard the Company's assets.
- Disclose sufficient and accurate financial and non-financial information on a consistent and timely manner reflecting the Company's operating and financial status.

Customers

To enable all THAI employees to contribute in ensuring the highest level of customer satisfaction at every customer service touchpoint, the Company is actively seeking ways and means to more efficiently and effectively meet the needs and expectations of customers through the following guidelines :

- Adopt a positive attitude with emphasis placed on customer care and service, providing service with enthusiasm and courtesy, keeping customer's personal information confidential and ensure equitable treatment of all customers to provide unsurpassed service quality leaving passengers with an indelible experience.
- Study and understand customers' needs to develop products to suit their needs and to ensure the highest standard of service for each customer touch point. THAI's employees are encouraged to keep abreast of the latest in information and build experience through field work to gain expertise and efficiency. The expectation is for THAI's employees to use their experience to provide unsurpassed service quality and through customer satisfaction, customer retention is achieved.
- Establish a strong working relationship to build customer loyalty. It's products and services while having a system that quickly and satisfactorily handle customer complaints.

Business Partners, Creditors and Debtors

THAI's corporate policy in regards to business partners and/or creditors or debtors is of equal treatment and to ensure fairness for both parties, avoid situations where conflicts of interest may arise and abide by the terms of contract, provide factual information and ensure integrity of reports while resolutions to conflicts is based on the relationship of the business. The following policies serve as codes of conduct with business partners, creditors and debtors :

- Any money, gift or benefit worth more than 3,000 baht from any of the above parties is prohibited
- The solicitation, acceptance, payment or offer for payment any benefit that is not considered to be transparent with a business partner and solicitation, acceptance, payment or offer for payment any benefit that is not considered to be transparent with creditors and/or debtors are prohibited.
- Should there be evidence of solicitation, acceptance, payment or offer for payment benefits of any sort that is not considered to be transparent, immediate action must be taken to rectify the situation in accordance with the stipulated procedure and based on fairness.
- Uphold and abide by the terms and conditions of contracts made with business partners and/or creditors in totality and should there be a chance for non-performance on any covenant, the respective business partner or creditor must be notified immediately to find means to resolve the problem.

Competitors

The Company's policy is to treat all competitors as per the international standard under relevant legal guidelines pertaining to competition where corporate espionage is not allowed and has the following provisions :

- Abide by the framework of fair competition.
- Avoid defamation of competitors through negative information or false accusations.
- Avoid illegal access of competitor's confidential information.

In Relation to Society and Community

- Undertake activities that are of mutual benefit to the Company and that of the community. Avoid activities that will tarnish the country's image, adverse impact on natural resources and the environment and that of the general public.
- Provide ongoing support for activities that are beneficial to the general public.
- Instill a culture of being socially responsible for all employee levels.
- Avoid undertaking illegal actions or being accessory to illegal acts.
- Manage the Company free of political agenda.

4. ANNUAL GENERAL SHAREHOLDERS' MEETING

The Company held its 2007 Annual General Shareholders' Meeting for the period October 1, 2006 to September 30, 2007 in accordance with the guidelines of the Stock Exchange of Thailand and that of the Securities and Exchange Commission (SEC). The format of the meeting took into consideration recommendations made by the Thai Rating and Information Services Company Limited (TRIS) along with recommendations from the Thai Institute of Directors Association (IOD). An Annual General Shareholders' Meeting Checklist was used in preparation of holding the Annual General Shareholders' Meeting (AGM), which is the basis for which publicly listed companies will be rated by the Thai Investors Association and the Securities and Exchange Commission (SEC) to enhance the quality of AGM. Areas of evaluation include the following :

Date, Time and Place to hold the Annual General Shareholders' Meeting

At the Board of Directors' meeting 4/2009 held on March 18, 2009, a resolution was reached by the Company's Board of Directors to hold the second AGM for 2009. February 26, 2008, and the Company's website beginning March 7, 2008, which complies with the articles of association of Thai Airways International Public Company Limited requiring the AGM to be held within 4 months after posting its financial performance for 2007. The venue for the AGM was held the Makawanrangsang Hall, third floor, at the Royal Thai Military Club on Vibhavadee Rangsit Road, Bangkok. A total of 2,275 shareholders and proxies attended the meeting representing a total of 1,367,248,565 shares which was more than one third of the Company's paid-up capital constituting a quorum.

Prior to the AGM

To ensure abidance with the guidelines of good corporate governance and recognizing shareholders' rights, THAI enabled its shareholders to submit name(s) of qualified candidates to be considered for election to the Company's Board of Directors for both AGMs. The time frame allowing submission of names of candidates for the first period was from September 27, 2007 to October 31, 2007, and the second period from January 8, 2008 to February 8, 2008. Applicable guidelines and qualifications for persons to be considered for Board membership was posted on the Company's website <http://thaiairways.com>. A letter stipulating qualifications of potential Board candidates signed by the Company Secretariat was submitted to the President of the Stock Exchange of Thailand.

Information Packet and Proxy Application Form

Along with the letter of invitation to attend the AGM, details of the various issues which were to be considered for approval were also included in the information packet in accordance with legal requirements, SET guidelines and the Company's own guidelines. Adequate information and details were provided to shareholders on each issue to ensure that shareholders have appropriate and sufficient

information to make sound decisions. Clear identification was made for each issue as whether it was just “for your information”, “for approval” or “for consideration”. The Company also provided shareholders with a viewpoint from the Board of Directors on each issue for better insight. Included in the information packet were the minutes to the previous year’s AGM, a copy of the previous fiscal year’s annual report, copies of relevant information and a copy of a proxy along with detailed procedures to be observed.

Day of the Annual General Shareholders’ Meeting Attendance and Registration

Information relevant to the AGM was also included in the information packet sent to shareholders along with the letter of invitation to attend the AGM to enable shareholders to have sufficient information to make sound decisions on the various issues proposed for consideration. The time and date of the AGM was clearly disclosed while the meeting location was selected to ensure maximum security for shareholders. Shareholders and their proxies were expedited through the registration process with a large number of employees on hand to facilitate the process. Registration to attend the AGM began 2 hours prior to the meeting commencement and continued through the end of the AGM. A small token of appreciation was also given upon registration and shareholders were treated to snacks and refreshments.

Attendance of Board Members at the Annual General Shareholders’ Meeting

In 2009, the Chairman of the Audit Committee and Independent Director served as the Chairman at the AGM with representation by senior management of the various departments. The Company’s management was also in attendance to observe and provide answers to shareholders.

- | | | | |
|-----|-------------------|---------------|--|
| 1. | ACM Narongsak | Sangapong | Senior Executive Vice President
Corporate Secretariat Department,
Acting President and Secretary to the Board of Directors |
| 2. | Mr. Tummasak | Chutiwong | Managing Director Technical Department
Executive Vice President Level |
| 3. | Mrs. Ngamnit | Sombutpibool | Executive Vice President Finance and
Accounting Department |
| 4. | Flg.Off. Norahuch | Ployyai | Executive Vice President
Operations Department |
| 5. | Mr. Pandit | Chanapai | Executive Vice President
Commercial Department |
| 6. | Flt. Lt. Montree | Jumrieng | Executive Vice President
Human Resources
and General Management Department |
| 7. | Mr. Apichart | Danivan | Vice President Risk
Management Department |
| 8. | Mr. Chokchai | Panyayong | Vice President Suvarnabhumi Project |
| 9. | Mrs. Suvakhon | Nawongs | Vice President Office of the Internal Audit |
| 10. | Mrs. Sunathee | Isvaphornchai | Special Activities Advisor Office of the President |
| 11. | Mr. Prakobkiat | Ninnad | Special Activities Advisor Office of the President |
| 12. | Squ. Ldr. Pairat | Pawskul | Vice President Technical Support Department |

13. Mr. Pridi	Boonsue	Vice President Alliance and Royalty Management Department
14. Mrs. Chuda	Dhannabhumi	Special Activities Advisor Office of the President
15. Mrs. Nareeluck	Wimooktanon	Vice President VVIP/VIP Travel Planning and Coordination
16. Mr. Raj	Tanta-Nanta	Vice President Investor Relations Department
17. Mr. Pichait	Riengvattanasuk	Vice President Corporate Finance Department
18. Mr. Teeratat	Pornpiboon	Vice President Corporate Planning Department
19. Mr. Thongchai	Singhakul	Vice President Financial Accounting Department
20. Mr. Teerapol	Chotichanapibal	Vice President Commercial Development and Support Department
21. Flt.Lt. Sopit	Pokasoowan	Vice President Aviation Personnel Development Department
22. Mr. Danuj	Bunnag	Vice President Market Planning and Revenue Management Department
23. Mr. Sarinthorn	Dhanabhuthi	Managing Director Ground Support Equipment Services Department
24. Flt. Lt. Charatpong	Burutranaphan	Vice President General Administration Department
25. Flg.Off. Naruj	Komalarajun	Vice President Operations Department
26. Mrs. Bhinkham	Rohitasthira	Vice President In-Flight Services Department
27. Mr. Pichai	Chunganuwad	Vice President Sales and Distribution Department
28. Mr. Smith	Pirunsarn	Director Catering Department
29. Mr. Lek	Klinvibul	Managing Director Ground Customer Services Department
30. Mr. Pruet	Boobphakam	Managing Director Cargo and Mail Commercial Department
31. Mrs. Charita	Leelayudth	Vice President Budget Department
32. Mr. Niruj	Maneepon	Vice President Legal

Post the Annual General Shareholders' Meeting Resolution Disclosure

Resolutions reached at the AGM are disclosed the following business day to the general public via the Stock Exchange of Thailand's information channel. Details regarding the approved/disapproved resolution and the vote counts (approve/disapprove/refrain from votes) have been clearly indicated for each issue that was submitted for consideration. The detailed minutes to the AGM containing names of Board members and management attending the meeting along with the resulting resolutions, (approved/disapproved) and the vote count (approve/disapprove/refrain from votes) on issues posed for shareholder consideration along with major issues posed by shareholders and the response made by the Company were submitted to the Stock Exchange of Thailand and other relevant government bodies within 14 days post the AGM. The minutes to the AGM has also been posted on the Company's web site <http://www.thaiairways.com>

5. LEADERSHIP AND VISION

THAI's Board of Directors is made up of knowledgeable and qualified persons of diverse backgrounds and experience including the areas of commercial airline industry, finance, accounting, legal, executives and high ranking government officials representing the respective Ministries. Each Board member clearly understands their roles and responsibilities thus enabling the Board of Directors to function smoothly. Members of the Board actively contribute in various areas of the Company's operations including the Company's vision, mission, objectives, strategies, goals and approving the Company's strategic directions and policies. The Board of Directors is also responsible for development of the annual plan and the corresponding budget while overseeing management and ensuring adherence to and the effectiveness in meeting corporate strategies and the established budget. The Board needs to also ensure that all activities undertaken by the Company are in compliance with all legal and regulatory guidelines, the Company's own regulations and guidelines including those of the respective Ministries overseeing THAI along with the resolutions reached at the AGM. A robust internal audit process must be in place and a comprehensive risk management system must also be in effect to ensure maximum benefit for the Company and for the Company's stakeholders complying with the principles of good corporate governance to increase the Company's economic value and provide shareholders with the greatest level of security.

6. CONFLICTS OF INTEREST

One aim of the principles of good corporate governance is to prevent conflicts of interest. The Board of Directors screens transactions based on moral guidelines for transactions that may have conflicts of interest including related party transactions or transactions amongst business units within. It is required of everyone within the Company from Board members down to the Company's employees to strictly adhere to the guidelines below as stipulated by the SET.

A guideline was announced in regards to disclosure of information on related party transactions as per the guidelines and procedures as stipulated by the SET since September 2004 to let members of the Board and management know that information disclosure is a must in case there be any relationship that falls within the definition as stipulated by the SEC. Disclosure is made on the person and business entity that is related and every time there is a new management appointment, the Company Secretariat sends the "Details of Related Persons Form as per the SEC's guidelines relating to information disclosure for listed companies on related party transactions, B.E. 2546" for the newly appointed person to fill and sign-off on the integrity of information provided. The document must be returned to the Company's Secretariat who is responsible for summarizing the information of related persons and business entities for review purposes and send copies to management and persons responsible for tracking related party information for each business unit. The information provided to each business unit serves as reference for screening proposals seeking management or Board of Directors approval. If there is an issue that requires information disclosure, the respective units must prepare the necessary related party documents to be disclosed to the SET. Related party transactions have been disclosed in the Annual Report (form 56-2) and the annual disclosure of the Company's information (form 56-1).

To improve disclosure on related party transactions and compliance with the Stock Exchange of Thailand's guidelines and that of accounting standards, THAI released an announcement in January of 2005 on "Transfer Pricing Guidelines for Thai Airways International Plc." The announcement details the application of non-related party pricing as benchmark but provides flexibility for using conditional pricing for related party transactions. In abidance of the above procedure, THAI is in compliance with SET's guidelines and meets the generally accepted accounting standards.

In addition, at each monthly Board of Directors' meeting and Management's meeting, the Company Secretariat prepares a summary on related party transactions that is submitted to the Board of Directors and management on a monthly basis.

7. BUSINESS MORALS

The Company asserts its commitment to all its stakeholders and takes to heart concerns over environment and social issues and upholding national interests while conducting ongoing transparent, honest and ethical business in line with the principles of good corporate governance. The Company regards Thai Airways International Code of Conduct to be very important as it is considered to be an element to THAI's ongoing success. Revisions were made to the "Thai Airways International Code of Conduct" handbook which was drafted and approved in 2002 to better reflect the changing environment and better serve as guiding principles for THAI employees of all levels to achieve THAI's vision and goals.

Effort has been put forth in incorporating ethics into the corporate culture at THAI by getting employees involved in the process of making changes to Thai Airways International Code of Conduct, participating in a good corporate governance slogan competition and attending seminars on good corporate governance such as the Good Corporate Governance seminars for middle management by the King Prajadhipok's Institute. Changes in job processes for front line service and supporting functions were undertaken to comply with the principles of good corporate governance and the increased utilization of computers as a means to increase efficiency and effectiveness in operations management benefiting both stakeholders and the nation as a whole.

The Company holds at heart the responsibility towards all stakeholders including the environment, society and the country through its commitment to transparent operations, honesty and fairness within the legal framework and based on the principles of good corporate governance. Great emphasis is placed on the THAI Ethics Code as it is considered to be the key factor contributing to THAI's operational successes. Amendments were made to the THAI Ethics Code drafted since 2002 to better reflect the stipulations by section 279 of the Thai Constitution B.E. 2007 requiring code of ethics stipulating ethical standards for those holding a political post, public servants or government official positions along with values as suggested by the General Auditors' Office to be observed. There must be a means and robust process in place to efficiently enforce these standards while also stipulating the related penalties appropriate for each degree of seriousness for not observing the Ethics Code. The THAI Ethics Code is to be used in enforcing abidance by employees of all levels in conjunction with the announcement, rule and regulation, orders

and procedure guidelines to abide by. Uphold pride and honor that justifies the trust bestowed while building the trust of customers and the general public and to ensure cooperation while conscientiously recognizing responsibility and duty, having honesty and integrity, ensuring personal integrity and having empathy towards one another projecting a corporate image that commands reverence.

Significant effort has been put forth by the Company to promote personal ethics for THAI's employees through various activities involving participation by employees through the contribution to the re-drafting of the THAI Ethics Code, an ethics slogan contest and attending courses on ethics from various institutions. An example is a course on ethics for middle management at the Rama VI Institute. Operating procedures have been changed to better reflect principles of good corporate governance related to providing customer service and supporting functions. The latest in information technology was introduced as a management tool to increase operating efficiency to optimize benefits to all stakeholders including society and the nation.

8. BALANCE OF POWER BY NON-EXECUTIVE DIRECTORS

Prior to Board members being approved by the AGM, candidates were screened by the Nomination, Remuneration and Human Resource Development Committee and then reviewed by the Company's Board of Directors as per the Company's guidelines. The Company's Board of Directors is made up of at least 5 persons but not more than 15. As of December 31, 2009 the Company's Board of Directors consisted of 15 persons.

- Non-Executive Board Members - 6
- Independent Directors - 8
- Executive Directors - 1

Of the 15 Board members, 93.33% are Non-Executive Directors and 46.67% are Independent Directors, which is considered to be sufficient to have a built-in check and balance system. With the current composition of Board members, stakeholders can be rest assured that shareholders' interests are upheld with an adequate check and balance system.

The Company's Board of Directors has the responsibility of ensuring that the Company's operations abide by the relevant rules and regulations, purpose and the Company's regulations including the resolutions reached at the AGM. Board members are expected to execute their responsibilities with honesty and due care in protecting shareholders' benefits. Each Board member has a fixed tenure as stipulated by the Company's regulations requiring that at least one third of the existing Board members retire based on the length of tenure at each AGM.

9. EVALUATION OF BOARD MEMBERS

The Company's Board of Directors has mandated that there be an annual self-assessment for the purpose of assessing the effectiveness of its actions and to reflect upon the problems and obstacles faced by the Company over the past year. There are 2 parts to the evaluation. The first part is an individual

self assessment and a cross evaluation of Board members and the second is an assessment of the whole Board. The result of the assessment by the Board is prepared and submitted for Board review. The Board uses the assessment as a guideline for improving Board of effectiveness. The assessment guidelines are in line with the principles of good corporate governance and the duties of the Board.

10. COMBINED AND SEGREGATION OF POSITIONS

The Chairman of the Board of Directors does not hold a management position within the Company and is not the same person holding the position of Company President. The Chairman of the Board has no relations to other members of the Board or members of Management. There is also a clear written segregation in roles of the Company's Board of Directors and that of the Company's Management.

11. REMUNERATION FOR DIRECTORS AND MANAGEMENT

The Company's Board of Directors appointed the Nomination, Remuneration and Human Resource Development Committee and tasked the Committee to determine the appropriate level of remuneration for members of the Board, member of various sub-committees and the Company's management. This also includes setting remuneration for non-company personnel hired to execute tasks for the Company. The remuneration guidelines are clear and transparent while being attractive to retain qualified Board members and is benchmarked against other companies in the industry. Board members who took on additional responsibility were given an appropriate level of extra remuneration. As for Executive Board members and remuneration for management is determined based on the Company's financial performance along with the performance of each Board member and Senior Executive Management need to be taken into consideration. To comply with the Ministry of Finance's good corporate governance principles and that of the SET including internationally accepted guidelines, remuneration for Board members must comply with the amount approved at the AGM. For the year 2009, the Board and Management Executive remuneration has been disclosed in the Board and Management Executive Remuneration section.

12. BOARD OF DIRECTORS MEETINGS

Board meetings have been scheduled ahead for the fiscal year with monthly meetings held on the second Wednesday of the month and special rounds of meetings are called as necessary. Both the agenda and details are provided for each Board member 7 days prior to each Board meeting. There is also a follow-up section in regards to resolutions reached at the previous Board meeting for which the Company Secretariat has been charged to provide progress updates. Prior to the Board meeting, an invitation to attend the meeting along with the supporting documents are submitted 7 days ahead of time for each Board member to review. For the year 2008, the Board convened 23 times with attendance details for each Board member provided in the Board of Director's Shareholding and Meeting Attendance.

The Company Secretariat prepares minutes to each Board meeting and submits the minutes to each Board member for review prior to the ratification of the minutes at the next Board meeting. Agendas approved by the Board are filed and can be reviewed by the Board and other related departments.

13. SUB-COMMITTEES

The Company's Board of Directors appointed knowledgeable and experienced Board members to various sub-committees to assist in analyzing and screening of important issues that may require close monitoring in the various areas of operations. The various sub-committees are expected to provide thoughts, comments and recommendations to the Board of Directors for consideration and decision making. The various sub-committees as defined by the principles of Good Corporate Governance, the Company assigned these sub-committees to be responsible for various areas. Information on the sub-committees has been detailed in the Board of Directors and Sub-Committees Section.

14. INTERNAL CONTROL AND INTERNAL AUDIT

THAI has managed to establish a sufficient internal control system for its efficient operations. The procedures of regular monitoring and evaluation have been set up to ensure a stable process in a changing environment and in line with the risk tolerance level. The company has developed the internal control structure according to international standard components comprising of control environment, risk assessment, control activities, information and communications, and monitoring. An Internal Control Policy and Corporate Internal Control handbook have been distributed to all managers and staff as an operational guidance in order to help achieve the Company's objectives. Moreover, all departments have performed a self-assessment process to comply with the 2001 State Audit Commission guidelines. THAI submits an internal control assessment report to the Company's Audit Committee, the Company's Board of Directors, and the State Audit Commission on a yearly basis.

The company recognizes and emphasizes the importance of transparency and corporate governance by assigning the Internal Audit Department to be responsible for assuring of the efficiency and effectiveness of the internal control of the Company's business / work process and importantly Information Technology System. The Internal Audit Department follows the risk-based audit plan which has been approved by the Board of Directors prior to the commencement, in which risk factors are clearly identified and ranked according to the degree of potential impact and likelihood that may effect the achievement of the company's goals. In addition, the role of the Internal Audit Department includes special audit assignment ordered by the Audit Committee or the President (with the consent of the Audit Committee). Furthermore, the Internal Audit Department also serves a consultancy role to the management on the improvement of the internal control as well as giving recommendation and clarification of the company's rules and regulations to enhance the efficiency and the effectiveness of the Company's overall operations. In order to achieve the Internal Audit goals requires the full cooperation from the concerned departments and also enabling auditors to perform their tasks independently, the functional structure of the Internal Audit Department has been established in such a way that the head of Internal Audit reports directly to the Audit Committee which in turn has been appointed by the Board of Directors to oversee overall performance of the Internal Audit Department. Results of audit findings shall be submitted to the head of the concerned functions with a copy submitted to the President and the summaries of which are also sent to the Audit Committee on a quarterly basis. Observations or detections on high impact issues which may lead to negative results, the head of the Internal Audit Department shall

immediately notify the President and the Audit Committee to instruct the concerned functions for immediate corrective actions.

The Audit Committee is responsible for the sufficiency of the Company's internal control process including ensuring that operations are in line with all relevant laws, guidelines, covenants and policies and also reviews the performance undertaken by the Internal Audit Department along with that of the Company's independent auditors on an ongoing basis. In case of important issues emerged or when any critical misconduct / mishap / mishandling are found, the Audit Committee will directly report the matter to the Board of Directors in order to suggest the management to be aware and consider their prompt actions accordingly.

Therefore, the Company's Board of Directors deem that THAI has a sufficient and appropriate internal control system for the company's business operations.

15. BOARD OF DIRECTORS' REPORT

The Board of Directors is responsible for preparing a summary of the Company's performance and discuss issues that impacted the Company's operations during the year. The Board is also responsible for putting in place a strong and effective risk management and internal control process. An Internal Audit Committee was appointed to ensure comprehensive and transparent disclosure of financial information and ensure that the Company has a robust internal control process that is in abidance with generally accepted accounting standards. Both the Board of Directors and the Audit Committee have provided summary statements regarding their respective areas of concern in the annual report.

16. INVESTOR RELATIONS

THAI puts emphasis on enhancing the knowledge and understanding of the Company's operations while also fostering a working relationship between the Company and its shareholders, investors, analysts and other related institutions both domestic and international. THAI has appointed a Vice President of Investor Relations charged with the responsibility of being the center of for both financial and operational information disclosure to all of the Company's stakeholders. Enhancing the Company's image through transparent information disclosure and supporting good corporate governance policies while keeping the Board of Directors and management abreast of shareholder concerns and value.

Senior management has been supportive and has participated in a number of road shows to not only develop a working relationship with investors but also to clarify and build a deeper understanding of the Company for investors. Regular analyst meetings have been arranged to keep everyone abreast of the Company's overall operating strategy and clarify any issues of importance.

The channels of communication used to communicate corporate information directly and indirectly include :

1. Via the Stock Exchange of Thailand
 - 1.1 In conjunction with the SET holding company visits for analysts and investors
 - 1.2 Holding the Annual General Shareholders' Meeting
 - 1.3 Quarterly briefings on financial and operational performance
2. The Securities and Exchange Commission
3. The Commerce Ministry

4. Meetings by request of analysts, investors and management of various related institutions
5. Information disclosure through media channels – newspapers, magazines and online news
6. Traveling abroad to attend conferences and non-deal road shows (NDRs)
7. Responding to questions through e-mail, telephone and facsimile

Direct Channel : The Company provides disclosure of financial and operating statistics on a regular basis to investors, analysts, fund managers, employees and other stakeholders. Analyst meetings, road shows, conference calls, Company visits arranged for retail investors in conjunction with the Stock Exchange of Thailand and related parties are able to make requests for meetings with management to clarify operating issues form part of the Company’s overall communications regiment. For 2009 activities undertaken by the Investor Relations Department includes :

	Times in 2009
Domestic Road Show	3
International Road Show	9
Meetings with Management/Conference Calls	77
Responding to Information Inquiry via Telephone & e-mail	3-5 / day
Quarterly Financial and Operational Review	4
Company Visits	3
Regular Information Updates	3 / week

Indirectly : A number of operational and statistical data is made available for all stakeholders including the Company’s financial and other reports that are submitted to the SET which have been posted on the www.thaiair.com web site.

The Investor Relations Department email is

http://www.thaiair.com/About_thai/Investor_Relations/default.htm

To contact the Vice President of Investor Relations - Tel : 66-2545-2113 Fax : 66-2545-3971

17. OFFICE OF THE SECRETARIAT

The Company’s Board of Directors understands the importance of the role and responsibilities of the Corporate Secretariat and the need to comply with the requirement of the Board of Directors to establish a Corporate Secretariat to undertake actions on behalf of the Company or the Company’s Board of Directors. Mr. Niruj Maneepun Vice President Legal & Compliance Department was appointed acting Corporate Secretary reporting directly to the President and also to serve as secretary to the Company’s Board of Directors with the following divisions under management :

- Legal Matter
- Litigation and Investigation

The Secretariat is charged with the following duties :

- Coordinate and manage the various activities of the Board of Directors to ensure compliance with laws and regulations and resolution of the AGMs
- Prepare and file Board of Directors registry
- Prepare and file complete Board of Directors appointments, Board of Directors' Meeting documents, and board of Directors' Meeting reports
- Prepare and file complete Shareholders' appointments, Shareholders' Meeting documents, and Shareholders' Meeting reports within the legal time limit
- Keeping a report on interest filed by a Director or an executive
- Prepare the minutes of the Board and Shareholders' meetings within a reasonable time
- Prepare and file all concerned Board meetings and AGM's documents and also coordinate with concerned parties
- Serve as consultant and secretary to the Board of Directors
- Serve as consultant and coordinator and serve as secretary for the various sub-committees that the Board has established
- Oversee good corporate governance issues
- Ensure legal compliance and compliance of the Company's internal guidelines
- Coordinate between legal advisor and the financial auditor
- Serve as a communications center and provide information to members of the Board, committees and external parties
- Provide advice to the Board regarding legal issues and the Company rules and regulations and ensure compliance with such rules and regulations. Report changes or amendments of such rules or regulations to the Board of Directors
- Direct, oversee, and is responsible for filling annual reports (Form 56-2) and copies of THAI's 2008 annual report (Form 56-1)

18. POLICIES ON INSIDER INFORMATION

THAI strictly adheres to and abides by the guidelines of both the SET and the SEC as emphasis is placed on good corporate governance. An internal guideline was announced in 2005 that current Board members and those that have retired from office of less than 6 months are not allowed to buy or sell THAI shares during the period of 1 month prior to and 3 days post the disclosure of the Company's financial statements. The Company Secretariat is responsible for notifying both the Board of Directors and the Executive Management in regards to the blackout period for which THAI's shares cannot be traded. A monthly shareholding report is provided to both the Board of Directors and Executive Management summarizing changes in shareholding of THAI shares by persons stipulated by the SET, SEC and the Company's guidelines. Both the BoD and Executive Management have been notified of ensuing penalties for not complying with the established guidelines within the stipulated time. THAI's ethics handbook clearly prohibits the use of Company information for personal gains which is also considered to be a breach of discipline.

19. PERSONAL DEVELOPMENT FOR DIRECTORS AND SENIOR EXECUTIVES

There has been enhanced interest by stakeholders, investors, shareholders, government units and listed companies themselves in the role in which directors of publicly listed companies are playing to champion good corporate governance. With the ever increasing important role that members of the Board are taking on, stakeholders are no longer satisfied with just a summary report but are expecting the Board of Directors to successfully steer and guide the Company towards sustainable growth. Growth in itself is a function of employed capital where the mix consists of 2 portions, internally generated capital and that which has been obtained from investors or creditors. It is therefore an important role for the Board of Directors to look after the interests of institutional and retail shareholders and to provide such shareholders with the highest rate of return. With the role of Board members becoming increasingly important, it is the Company's policy to emphasize the vision, knowledge, and skill which are the key ingredients for Board of Directors and Executive Management to possess in order for the Company to be able to sustain its growth. To meet the growing challenges, the Board of Directors mandated that Board Members, Executive Management and the Corporate Secretary register as members of the Thai Institute of Directors Association (IOD), amongst other institutions. The benefit of such membership is the wealth of knowledge that can be obtained to expand knowledge and sharpen skills by attending the various courses and seminars provided by IOD, The Securities Exchange of Thailand, The Office of the Securities and Exchange Commission (SEC) and The Association of Publicly Listed Companies.

More than 90% of the Board of Directors have passed the courses organized by the IOD as follows :

- the Director Accreditation Program (DAP)
- the Director Certification Program (DCP)
- along with DCP Refresher Courses (Re - DCP)
- the Audit Committee Program (ACP)
- the Improving the Quality of Financial Reporting (QFR) course, The Role of Chairman Program (RCP/RCM),
- the Role of Chairman Program (RCP)
- the Role of Compensation Committee (RCC) Program
- the Finance for Non-Finance Director (FN) Program
- the Understanding the Fundamental of Financial Statements (UFS) Program the Company Secretary Program (CSP), the Effective Minute Taking (EMT) course
- the Financial Statement for Director (FSD) and other courses which are offered by the SET and the Association of Publicly Listed Companies. The Board of Directors and management are given notice of available courses for which they can attend.

BOARD AND EXECUTIVE MANAGEMENT TRAINING

The Company's Board of Directors has placed great importance in attending seminars on issues related to ongoing knowledge development in regards to executing the Board's duties. As of December 31, 2007, the Company's Board of Directors along with the Company's Executive Management either have or were attending the following seminars provided by the Thai Institute of Directors (IOD) to utilize the knowledge and experience gained to benefit the Company and its subsidiaries :

Board of Directors	Position	Course Attended
Mr. Ampon Kittiampon	Chairman	- Director Certification Program (DCP 80 / 2006)
Mr. Surachai Tansitpong	1 st Vice Chairman and Independent Director	- Director Accreditation Program (DAP 73 / 2008)
Mr. Sathit Limpongpan	2 nd Vice Chairman	- Director Certification Program (DCP 28 / 2003) - The Role of Chairman Program (RCP 18 / 2008) - Audit Committee Program (ACP 22 / 2008)
Mr. Chaikasem Nitisiri	3 rd Vice Chairman and Independent Director	- Director Certification Program (DCP 8 / 2001) - The Role of Chairman Program (RCP 16 / 2007) - Financial Statements for Directors (FSD 5 / 2009)
Mr. Banyong Pongpanich	Independent Director	- Director Accreditation Program (DAP 36 / 2005) - The Role of Chairman Program (RCP 5 / 2001)
Mr. Weerawong Chittmittrapap	Independent Director	- Director Certification Program (DCP 0 / 2000)

Mr. Amornsuk Noparumpa	Independent Director	<ul style="list-style-type: none"> - Director Certification Program (DCP 30 / 2003) - Audit Committee Program (ACP 23 / 2008) - Role of The Compensation Committee (RCC 9 / 2009)
Mr. Pichai Chunhavajira	Independent Director	<ul style="list-style-type: none"> - Director Accreditation Program (DAP 49 / 2005)
ACM Satitpong Sukvimol	Independent Director	-
Mr. Wallop Bhukkanasut	Independent Director	-
Mr. Chaisak Angkasuwan	Director	<ul style="list-style-type: none"> - Director Accreditation Program (DAP 51 / 2006) - The Role of Chairman Program (RCP 13 / 2006)
Mr. Areepong Bhoocha-oom	Director	<ul style="list-style-type: none"> - Director Certification Program (DCP 3 / 2000) - DCP Refresher Course (Re-DCP 2 / 2009)
Mr. Kanit Sangsubhan	Director	<ul style="list-style-type: none"> - Director Accreditation Program (DAP 21 / 2004)
Mr. Apiporn Pasawat	Director	<ul style="list-style-type: none"> - Director Accreditation Program (DAP 39 / 2005)
Mr. Piyasvasti Amranand	Director and President	<ul style="list-style-type: none"> - Director Accreditation Program (DAP 35 / 2005)
Mr. Kaweepan Raungpaka	Executive Vice President Finance and Accounting Department	<ul style="list-style-type: none"> - Director Accreditation Program (DAP 25 / 2004)

Mr. Chokchai Panyayong	Executive Vice President Strategy and Business Development Department	-
Flg. Off. Norahuch Ployyai	Executive Vice President Operations Department	- Director Accreditation Program (DAP 25 / 2004)
Mr. Pandit Chanapai	Executive Vice President Human Resource and General Management Department	- Director Certification Program (DAP 111 / 2008)
Mr. Monticha Khruasuwan	Managing Director Technical Department Executive Vice President Level	-
Mr. Pruet Boobhakam	Executive Vice President Commercial Department	-

ORIENTATION OF NEW DIRECTORS

To conform to the principles of Good Corporate Governance in relation to the Board's responsibilities as per the Company's Corporate Governance Assessment Report & Recommendations of the Thai Institute of Directors Association (IOD), an orientation is held to better acquaint new Board members with the Company's business and its operations. Documents and information prepared and given to assist in better fulfilling their role as a Board member include :

1. THAI's Director Handbook
2. Listed Company Directors Handbook No. 1-3
3. Act of Standard Qualifications of Directors and Officials of State Enterprises B.E. 2518
4. Summary of Key Guidelines of the Securities and Exchange Act. (4th edition) B.E. 2551
5. Memorandum and Articles of Association
6. THAI's Ethics Handbook
7. Good Corporate Governance Guidelines for State Enterprise 2001
8. Principles of Good Corporate Governance - 2006
9. Recommendations on information disclosure for publicly listed companies
10. Latest copy of the Company's Annual Report

AUDIT FEE AND RELATED EXPENSES

As a state enterprise, Thai Airways International Plc. must comply with the Royal Decree and section 4(4) and 39(2) of the Constitution regarding auditing B.E. 2542 the Company's financial statements. The audit must be done by the Office of Auditor General. The transfer or changes in individual auditors or officers rests with the Office of Auditor General. For the fiscal year 2008, the audit fee was 1.20 million baht and other audit expenses were 0.33 million baht.

OTHER FACTORS BEARING IMPACT ON INVESTMENT DECISION

The current operating environment in the airline industry is one of fierce competition and faces a multitude of risks that bear direct impact on the financial performance and return on investment in the Company's shares. These risks include the growth rate of the global economy along with that of the domestic economic growth rate, high fuel price, fluctuation in the financial and monetary markets, direct competition from various other airlines along with the political risks of both international and domestic.

Comprehensive, correct and effective decision making including the knowledge, capability, know how and experience of THAI's management and employees all have direct bearing on the Company's financial performance and thus shareholder value. It is therefore highly recommended that investors and stakeholders study and understand the business of the airline industry and other factors that bear impact on the airline industry and the Company's financial performance prior to making any investment decisions related to the Company's shares.

Board Of Director's Shareholding and Meeting Attendance for the period December 31, 2009

Board of Director			Number of Shares	Number of Attendance/ Total Meeting (times)		Period of Time
				Board of Directors	Audit Committee	
1.	Mr. Ampon Kittiampon	Chairman	-	14/14	-	22 Apr 09 - 31 Dec 09
2.	Mr. Suparut Kawatkul	Former Chairman	-	3/7	-	27 Dec 07- 26 May 09
3.	Mr. Surachai Tansitpong	1 st Vice Chairman	-	15/19	-	19 Nov 08 - 31 Dec 09
4.	Mr. Sathit Limpongpan	2 nd Vice Chairman and Independent Director	-	9/10	-	18 Jun 09 - 31 Dec 09
5.	Mr. Chaikasem Nitisiri	3 rd Vice Chairman and Independent Director	-	13/19	9/9	27 Dec 07 - 31 Dec 09
6.	Mr. Vichit Suraphongchai	Former Independent Director	-	2/5	-	9 Apr 08 - 20 Apr 09
7.	Mr. Visit Limprana	Former Independent Director	-	5/5	-	9 Apr 08 - 20 Apr 09
8.	Mr. Rangsan Saengsook	Former Independent Director	-	1/5	-	9 Apr 08 - 20 Apr 09
9.	ADM. Decha Yoo-Prot	Former Independent Director	-	5/5	-	9 Apr 08 - 20 Apr 09
10.	Pol.Gen. Vudhichai Sriratanavudhi	Former Independent Director	-	4/5	3/3	9 Apr 08 - 20 Apr 09
11.	ACM Sukumpol Suvanatat	Former Director	-	4/5	-	9 Apr 08 - 20 Apr 09
12.	Mr. Chulasingh Vasantasingh	Former Director	-	4/5	-	22 Apr 08 - 20 Apr 09
13.	Mr. Wisudhi Srisuphan	Former Director	-	5/5	-	27 Dec 06 - 20 Apr 09
14.	Mr. Vikrom Koompirochana	Former Director	-	5/5	-	9 Apr 08 - 20 Apr 09
15.	Mr. Kobchai Srivilast	Former Director	-	7/9	-	22 Apr 09 - 25 Sep 09
16.	Mr. Banyong Pongpanich	Independent Director	-	13/14	5/5	22 Apr 09 - 31 Dec 09
17.	Mr. Weerawong Chittmittrapap	Independent Director	-	13/14	-	22 Apr 09 - 31 Dec 09
18.	Mr. Amornsuk Noparumpa	Independent Director	-	19/19	4/4	9 Apr 09 - 31 Dec 09
19.	Mr. Pichai Chunhavajira	Independent Director	-	17/19	-	9 Apr 09 - 31 Dec 09
20.	ACM Satitpong Sukvimol	Independent Director	-	10/14	-	22 Apr 09 - 31 Dec 09
21.	Mr. Wallop Bhukkanasut	Independent Director	-	13/14	-	22 Apr 09 - 31 Dec 09
22.	Mr. Chaisak Angkasuwan	Director	-	12/14	-	22 Apr 09 - 31 Dec 09
23.	Mr. Areepong Bhoocha-oom	Director	-	11/14	5/5	22 Apr 09 - 31 Dec 09
24.	Mr. Kanit Sangsubhan	Director	-	14/14	1/1	22 Apr 09 - 31 Dec 09
25.	Mr. Apiporn Pasawat	Director	-	1/1	-	28 Nov 09 - 31 Dec 09
26.	Mr. Piyasvasti Amranand	Director	-	4/4	-	26 Oct 09 - 31 Dec 09

Remuneration for the Board of Directors for the period December 31,2009

Board of Directors			Meeting Allowance of Board of Directors (Baht)	Meeting Allowance of Subsidiaries Committee (Baht)	Bonus* fiscal year 2008 (Baht)	Total Remuneration (Baht)
1. Mr. Ampon	Kittiampon	Chairman	577,500.00	-	-	577,500.00
2. Mr. Suparut	Kawatkul	Former Chairman	316,549.05	20,000.00	-	336,549.06
3. Mr. Surachai	Tansitpong	1 st Vice Chairman	825,520.83	52,500.00	-	878,020.83
4. Mr. Sathit	Limpongpan	2 nd Vice Chairman and Independent Director	393,125.00	-	-	393,125.00
5. Mr. Chaikasem	Nitisiri	3 rd Vice Chairman and Independent Director	744,687.50	10,000.00	-	754,687.50
6. Mr. Vichit	Suraphongchai	Former Independent Director	243,333.33	10,000.00	-	253,333.33
7. Mr. Visit	Limprana	Former Independent Director	303,333.33	30,000.00	-	333,333.33
8. Mr. Rangsan	Saengsook	Former Independent Director	180,000.00	-	-	180,000.00
9. ADM. Decha	Yoo-Prot	Former Independent Director	303,333.33	50,000.00	-	353,333.33
10. Pol.Gen. Vudhichai	Sriratanavudhi	Former Independent Director	231,935.48	20,000.00	-	251,935.48
11. ACM Sukumpol	Suvanatat	Former Director	273,333.33	70,000.00	-	343,333.33
12. Mr. Chulasingh	Vasantasingh	Former Director	303,333.33	40,000.00	-	343,333.33
13. Mr. Wisudhi	Srisuphan	Former Director	303,333.33	70,000.00	-	373,333.33
14. Mr. Vikrom	Koompirochana	Former Director	303,333.33	80,000.00	-	383,333.33
15. Mr. Kobchai	Srivilast	Former Director	316,250.00	37,500.00	-	353,750.00
16. Mr. Banyong	Pongpanich	Independent Director	525,000.00	22,500.00	-	547,500.00
17. Mr. Weerawong	Chittmittrapap	Independent Director	502,500.00	45,000.00	-	547,500.00
18. Mr. Amornsuk	Noparumpa	Independent Director	798,333.33	180,000.00	-	978,333.33
19. Mr. Pichai	Chunhavajira	Independent Director	798,333.33	150,000.00	-	948,333.33
20. ACM Satitpong	Sukvimol	Independent Director	480,000.00	60,000.00	-	540,000.00
21. Mr. Wallop	Bhukkanasut	Independent Director	502,500.00	75,000.00	-	577,500.00
22. Mr. Chaisak	Angkasuwan	Director	525,000.00	127,500.00	-	652,500.00
23. Mr. Areepong	Bhoocha-oom	Director	525,000.00	97,500.00	-	622,500.00
24. Mr. Kanit	Sangsubhan	Director	525,000.00	75,000.00	-	600,000.00
25. Mr. Apiporn	Pasawat	Director	63,750.00	-	-	63,750.00
26. Mr. Piyasvasti	Amranand	Director	149,758.06	37,500.00	-	187,258.06

Note : Former Chairman and former Directors and member of THAI's Board of Directors who have resigned from their positions before December 31, 2009

RELATED PARTIES



Name of persons who may have conflicts of interest (1)	Relationship for the year ended December 31, 2009 (2)	Type of Transaction for the year ended December 31, 2009 (3)	Conditions/Pricing Policy for the year ended December 31, 2009 (4)	Type of Transaction for the year ended December 31, 2008 (5)	Conditions/Pricing Policy for the year ended December 31, 2008 (6)
Ministry of Finance (MOF)	<ul style="list-style-type: none"> The MOF is a major shareholder of THAI with 51.03% equity interest. 	Loans via the MOF are as follows : <ul style="list-style-type: none"> Long-term Loans <ul style="list-style-type: none"> Initial amount : 8,164.69 million baht Outstanding balance : 1,340.67 million baht Interest expense : 97.54 million baht Short-term Loans <ul style="list-style-type: none"> Initial amount : 1,116.11 million baht Outstanding balance : 1,116.11 million baht Interest expense : 24.91 million baht 	Interest rate : 7.07% per annum Repayment conditions : <ul style="list-style-type: none"> 2 instalments per year 20- year terms Interest rate : According to a situation of market rates Repayment condition : Interest payment 1 year in advance - 1- year term	Loans via the MOF are as follows : <ul style="list-style-type: none"> Long-term Loans <ul style="list-style-type: none"> Initial amount : 8,546.07 million baht Outstanding balance : 1,403.29 million baht Interest expense : 95.03 million baht Short-term Loans <ul style="list-style-type: none"> Initial amount : 3,508.27 million baht Outstanding balance : 3,508.27 million baht Interest expense : 1.70 million baht 	Interest rate : 7.07% per annum Repayment conditions : <ul style="list-style-type: none"> 2 instalments per year 20- year terms Interest rate : According to a situation of market rates Repayment condition : Interest payment 1 year in advance - 1- year term
Government Saving Bank (GSB) (Related Company)	<ul style="list-style-type: none"> GSB is controlled by the MOF, a major shareholder of THAI. GSB holds 2.73% of THAI's equity interest. 	1. THAI borrowed loans from GSB as follows : <ul style="list-style-type: none"> Promissory notes <ul style="list-style-type: none"> Initial amount : 6,526.00 million baht Outstanding balance : 500.00 million baht Interest expense : 38.63 million baht Long-term loans <ul style="list-style-type: none"> Initial amount : 9,000.00 million baht Outstanding balance : 8,178.00 million baht Interest expense : 168.45 million baht 2. THAI sold tickets, leased ATM area and line telephone to GSB <ul style="list-style-type: none"> Aggregate amount : 4.10 million baht Outstanding balance : 0.14 million baht 	Interest rate : 4.00 and 4.25% per annum Repayment conditions : <ul style="list-style-type: none"> 2 instalments per year 10- year terms Interest rate : 1.61, 1.73 and 3.95% per annum Repayment conditions : <ul style="list-style-type: none"> 4 instalments per year 5 and 7- year terms THAI sells and leases goods and services at a market price to related parties on normal commercial term as unrelated parties.	1. THAI borrowed loans from GSB as follows : <ul style="list-style-type: none"> Promissory notes <ul style="list-style-type: none"> Initial amount : 6,526.00 million baht Outstanding balance : 1,150.00 million baht Interest expense : 81.08 million baht Long-term loans <ul style="list-style-type: none"> Initial amount : 4,000.00 million baht Outstanding balance : 4,000.00 million baht Interest expense : 28.99 million baht 2. THAI sold tickets, leased ATM area and line telephone to GSB <ul style="list-style-type: none"> Aggregate amount : 3.37 million baht Outstanding balance : 0.02 million baht 	Interest rate : 5.25 and 5.75% per annum Repayment conditions : <ul style="list-style-type: none"> 2 instalments per year 10- year terms Interest rate : 2.88 and 3.52% per annum Repayment conditions : <ul style="list-style-type: none"> 4 instalments per year 7- year terms THAI sells and leases goods and services at a market price to related parties on normal commercial term as unrelated parties.
Islamic Bank of Thailand (ISBT) (Related Company)	<ul style="list-style-type: none"> ISBT is controlled by the MOF, a major shareholder of THAI. 	THAI borrowed a loan from ISBT as follows : <ul style="list-style-type: none"> Long-term loans <ul style="list-style-type: none"> Initial amount : 2,500.00 million baht Outstanding balance : 2,000.00 million baht Profit payment : 128.94 million baht 	Profit rate : 5.75% per annum Repayment conditions : <ul style="list-style-type: none"> 4 instalments per year 5- year terms 	THAI borrowed a loan from ISBT as follows : <ul style="list-style-type: none"> Promissory note <ul style="list-style-type: none"> Initial amount : 750.00 million baht Outstanding balance : 750.00 million baht Profit payment : 8.14 million baht 	Profit rate : 4.5% per annum 90- day terms

Name of persons who may have conflicts of interest (1)	Relationship for the year ended December 31, 2009 (2)	Type of Transaction for the year ended December 31, 2009 (3)	Conditions/Pricing Policy for the year ended December 31, 2009 (4)	Type of Transaction for the year ended December 31, 2008 (5)	Conditions/Pricing Policy for the year ended December 31, 2008 (6)
Export-Import Bank of Thailand (EXIM) (Related Company)	<ul style="list-style-type: none"> EXIM is controlled by the MOF, a major shareholder of THAI. 	No Transactions	-	1. THAI borrowed loans from EXIM as follows : <ul style="list-style-type: none"> Promissory notes <ul style="list-style-type: none"> - Initial amount : 600.00 million baht consisting of 2 P/N at 300.00 million baht each - Outstanding balance : 300.00 million baht - Interest expense : 1.21 million baht 2. THAI sold tickets to EXIM <ul style="list-style-type: none"> - Initial amount : 0.06 million baht 	Interest rate : 4.45 and 4.90% per annum 30-day and 76-day terms THAI sells goods and services at a market price to related parties on normal commercial term as unrelated parties.
Bank for Agriculture and Agricultural Cooperative (BAAC) (Related Company)	<ul style="list-style-type: none"> BAAC is controlled by the MOF, a major shareholder of THAI. 	No Transactions	-	THAI sold tickets to BAAC <ul style="list-style-type: none"> - Aggregate amount : 1.77 million baht - Outstanding balance : 0.38 million baht 	THAI sells goods and services at a market price to related parties on normal commercial term as unrelated parties.
Government Housing Bank (GHB) (Related Company)	<ul style="list-style-type: none"> GHB is controlled by the MOF, a major shareholder of THAI. 	THAI sold tickets to GHB <ul style="list-style-type: none"> - Aggregate amount : 0.84 million baht - Outstanding balance : 0.03 million baht 	THAI sells goods and services at a market price to related parties on normal commercial term as unrelated parties.	THAI sold tickets to GHB <ul style="list-style-type: none"> - Aggregate amount : 2.68 million baht - Outstanding balance : 0.58 million baht 	THAI sells goods and services at a market price to related parties on normal commercial term as unrelated parties.
PTT Public Company Limited (Related Company)	<ul style="list-style-type: none"> The MOF, a major shareholder of THAI, is a major shareholder of PTT Public Company Limited. 	1. THAI purchased fuel and oil for its aircraft and vehicles from PTT Public Company Limited <ul style="list-style-type: none"> - Aggregate amount : 5,735.54 million baht - Outstanding balance : 620.12 million baht 2. THAI sold tickets to PTT Public Company Limited <ul style="list-style-type: none"> - Aggregate amount : 15.13 million baht - Outstanding balance : 3.86 million baht 	THAI purchases and goods and services at a market price from and to related parties on normal commercial term as unrelated parties.	1. THAI purchased fuel and oil for its aircraft and vehicles from PTT Public Company Limited <ul style="list-style-type: none"> - Aggregate amount : 11,900.10 million baht - Outstanding balance : 492.29 million baht 2. THAI sold tickets to PTT Public Company Limited <ul style="list-style-type: none"> - Aggregate amount : 67.01 million baht - Outstanding balance : 7.82 million baht 	THAI purchases and goods and services at a market price from and to related parties on normal commercial term as unrelated parties.
Thailand Tobacco Monopoly (TTM) (Related Company)	<ul style="list-style-type: none"> TTM is controlled by the MOF, a major shareholder of THAI. 	No Transactions	-	THAI sold tickets to TTM <ul style="list-style-type: none"> - Aggregate amount : 4.33 million baht - Outstanding balance : 0.39 million baht 	THAI sells goods and services at a market price to related parties on normal commercial term as unrelated parties.

Name of persons who may have conflicts of interest (1)	Relationship for the year ended December 31, 2009 (2)	Type of Transaction for the year ended December 31, 2009 (3)	Conditions/Pricing Policy for the year ended December 31, 2009 (4)	Type of Transaction for the year ended December 31, 2008 (5)	Conditions/Pricing Policy for the year ended December 31, 2008 (6)
Airports of Thailand Public Company Limited (AOT) (Related Company)	<ul style="list-style-type: none"> The MOF, a major shareholder of THAI, is a major shareholder of AOT. 	<ol style="list-style-type: none"> THAI leased land and building at Bangkok International Airport and other airports in Thailand for its activities and hired limousine services from AOT <ul style="list-style-type: none"> Aggregate amount : 3,378.77 million baht Outstanding balance : 255.77 million baht THAI sold tickets to AOT and received 2% income from collecting airport tax for AOT <ul style="list-style-type: none"> Aggregate amount : 44.11 million baht Outstanding balance : 6.02 million baht 	THAI purchases and sells goods and services at a market price from and to related parties on normal commercial term as unrelated parties.	<ol style="list-style-type: none"> THAI leased land and building at Bangkok International Airport and other airports in Thailand for its activities and hired limousine services from AOT <ul style="list-style-type: none"> Aggregate amount : 4,512.80 million baht Outstanding balance : 250.94 million baht THAI sold tickets to AOT and received 2% income from collecting airport tax for AOT <ul style="list-style-type: none"> Aggregate amount : 57.16 million baht Outstanding balance : 9.75 million baht 	THAI purchases and sells goods and services at a market price from and to related parties on normal commercial term as unrelated parties.
Thai-Amadeus Southeast Asia Company Limited (Subsidiary Company)	<ul style="list-style-type: none"> THAI is a major shareholder with 55% equity interest. One of THAI's Directors Mr. Kanit Sangsubhan, is a Chairman and three of THAI's Executives, Mrs. Ngamnit Sombutpibool, Mr. Pandit Chanapai and Mr. Teerapol Chotichanapibal, are Chairman and Directors of Thai-Amadeus Southeast Asia Company Limited, respectively. <p>Note : Mrs. Ngamnit Sombutpibool resigned from Thai-Amadeus Southeast Asia Company Limited on May 28, 2009 and Mr. Kanit Sangsubhan is a Chairman of Thai-Amadeus Southeast Asia Company Limited on September 28, 2009.</p>	THAI leased office area, computers and office equipment to Thai-Amadeus Southeast Asia Company Limited. THAI also sold tickets to the subsidiary. <ul style="list-style-type: none"> Aggregate amount : 3.72 million baht Outstanding balance : 0.29 million baht 	THAI sells goods and services at a market price to related parties on normal commercial term as unrelated parties.	THAI leased office area, computers and office equipment to Thai-Amadeus Southeast Asia Company Limited. THAI also sold tickets to the subsidiary. <ul style="list-style-type: none"> Aggregate amount : 12.99 million baht Outstanding balance : 0.76 million baht 	THAI sells goods and services at a market price to related parties on normal commercial term as unrelated parties.
Donmuang International Airport Hotel Company Limited (Associated Company)	<ul style="list-style-type: none"> THAI holds 40% equity interest in Donmuang International Airport Hotel Company Limited. Six of THAI's Executives, Mrs. Ngamnit Sombutpibool, ACM Narongsak Sangapong, Mr. Tummasak Chutiwong, FLT.L.T. Montree Jumrieng, SUB. LT. Anussorn Naksrichum and Mr. Pichai Chunganuwad, 	THAI purchased accommodation services for its passengers from Donmuang International Airport Hotel Company Limited <ul style="list-style-type: none"> Aggregate amount : 4.90 million baht Outstanding balance : 0.03 million baht 	THAI purchases goods and services at a market price from related parties on normal commercial term as unrelated parties.	THAI purchased accommodation services for its passengers from Donmuang International Airport Hotel Company Limited <ul style="list-style-type: none"> Aggregate amount : 5.48 million baht 	THAI purchases goods and services at a market price from related parties on normal commercial term as unrelated parties.

Name of persons who may have conflicts of interest (1)	Relationship for the year ended December 31, 2009 (2)	Type of Transaction for the year ended December 31, 2009 (3)	Conditions/Pricing Policy for the year ended December 31, 2009 (4)	Type of Transaction for the year ended December 31, 2008 (5)	Conditions/Pricing Policy for the year ended December 31, 2008 (6)
	<p>are Directors of Donmuang International Airport Hotel Company Limited, respectively.</p> <p>Note : Mrs. Ngamnit Sombutpibool resigned from a Director of Donmuang International Airport Hotel Company Limited on May 28, 2009. ACM Narongsak Sangapong and Mr. Tummasak Chutiwong retired from THAI on September 30, 2009. Also, Mr. Tummasak Chutiwong resigned from a Director of Donmuang International Airport Hotel Company Limited on November 2, 2009.</p>				
Bangkok Aviation Fuel Services Public Company Limited (BAFS) (Associated Company)	<ul style="list-style-type: none"> THAI holds 22.59% equity interest in BAFS. Three of THAI's Executives, ACM Narongsak Sangapong, Mr. Tummasak Chutiwong and Flg. Off. Norahuch Ployyai are Vice Chairman and Directors of BAFS, respectively. <p>Note : ACM Narongsak Sangapong and Mr. Tummasak Chutiwong retired from THAI on September 30, 2009. In addition, Mr. Tummasak Chutiwong resigned from a Director of BAFS on November 2, 2009.</p>	<ol style="list-style-type: none"> BAFS provides fuel services for THAI <ul style="list-style-type: none"> Aggregate amount : 361.58 million baht Outstanding balance : 37.14 million baht THAI sold tickets to BAFS <ul style="list-style-type: none"> Aggregate amount : 0.03 million baht Outstanding balance : 0.01 million baht 	THAI purchases and sells goods and services at a market price from and to related parties on normal commercial term as unrelated parties.	<ol style="list-style-type: none"> BAFS provides fuel services for THAI <ul style="list-style-type: none"> Aggregate amount : 377.37 million baht Outstanding balance : 27.33 million baht THAI sold tickets to BAFS <ul style="list-style-type: none"> Aggregate amount : 0.06 million baht 	THAI purchases and sells goods and services at a market price from and to related parties on normal commercial term as unrelated parties.
Royal Orchid Hotel (Thailand) Public Company Limited (Associated Company)	<ul style="list-style-type: none"> THAI holds 24% equity interest in Royal Orchid Hotel (Thailand) Public Company Limited. Three of THAI's Executives, Mrs. Ngamnit Sombutpibool, Mr. Pandit Chanapai and Mr. Pruet Boobphakam are Directors of Royal Orchid Hotel (Thailand) Public Company Limited. <p>Note : Mrs. Ngamnit Sombutpibool resigned from a Director of Royal Orchid Hotel (Thailand) Public Company Limited on May 28, 2009.</p>	<ol style="list-style-type: none"> THAI purchased accommodation services for its passengers from Royal Orchid Hotel (Thailand) Public Company Limited <ul style="list-style-type: none"> Aggregate amount : 7.06 million baht THAI sold advertising in ROH Brochure to Royal Orchid Hotel (Thailand) Public Company Limited. <ul style="list-style-type: none"> Aggregate amount : 0.20 million baht 	THAI purchases goods and services at a market price from related parties on normal commercial term as unrelated parties.	THAI purchased accommodation services for its passengers from Royal Orchid Hotel (Thailand) Public Company Limited <ul style="list-style-type: none"> Aggregate amount : 14.85 million baht 	THAI purchases goods and services at a market price from related parties on normal commercial term as unrelated parties.

Name of persons who may have conflicts of interest (1)	Relationship for the year ended December 31, 2009 (2)	Type of Transaction for the year ended December 31, 2009 (3)	Conditions/Pricing Policy for the year ended December 31, 2009 (4)	Type of Transaction for the year ended December 31, 2008 (5)	Conditions/Pricing Policy for the year ended December 31, 2008 (6)
Phuket Air Catering Company Limited (Associated Company)	<ul style="list-style-type: none"> THAI holds 30% equity interest in Phuket Air Catering Company Limited. Three of THAI's Executives, Mr. Kaweepan Raungpaka, Mr. Pichai Chunganuwad and Mr. Smith Pirunsarn are Chairman and Directors of Phuket Air Catering Company Limited, respectively. 	<ol style="list-style-type: none"> THAI purchased food and catering services from Phuket Air Catering Company Limited <ul style="list-style-type: none"> Aggregate amount : 3.57 million baht Outstanding balance : 0.77 million baht THAI sold food and catering services to Phuket Air Catering Company Limited <ul style="list-style-type: none"> Aggregate amount : 3.07 million baht Outstanding balance : 0.22 million baht 	THAI purchases and sells goods and services at a market price to related parties on normal commercial term as unrelated parties.	<ol style="list-style-type: none"> THAI purchased food and catering services from Phuket Air Catering Company Limited <ul style="list-style-type: none"> Aggregate amount : 9.27 million baht Outstanding balance : 2.01 million baht THAI sold food and catering services to Phuket Air Catering Company Limited <ul style="list-style-type: none"> Aggregate amount : 3.31 million baht Outstanding balance : 0.35 million baht 	THAI purchases and sells goods and services at a market price from and to related parties on normal commercial term as unrelated parties.
Suvarnabhumi Airport Hotel Company Limited (Associated Company)	<ul style="list-style-type: none"> THAI holds 30% equity interest in Suvarnabhumi Airport Hotel Company Limited. Four of THAI's Executives, Mr.Chokchai Panyayong is a Vice Chairman, , FLT.LT. Montree Jumrieng, Mr. Teerapol Chotichanapibal and Mr. Lek Klinvibul are Directors of Suvarnabhumi Airport Hotel Company Limited. <p>Note : End of the position term of FLT. LT. Montree Jumrieng according to the resolution of Board of Directors Meeting held on February 11, 2009.</p>	THAI purchased accommodation services for its passengers from Suvarnabhumi Airport Hotel Company Limited <ul style="list-style-type: none"> Aggregate amount : 41.20 million baht 	THAI purchases goods and services at a market price to related parties on normal commercial term as unrelated parties.	THAI purchased accommodation services for its passengers from Suvarnabhumi Airport Hotel Company Limited <ul style="list-style-type: none"> Aggregate amount : 101.69 million baht 	THAI purchases and sells goods and services at a market price from and to related parties on normal commercial term as unrelated parties.
Nok Airlines Company Limited (Associated Company)	<ul style="list-style-type: none"> THAI holds 39% equity interest in Nok Airlines Company Limited. Three of THAI's Directors, Mr. Vichit Suraphongchai, Mr. Weerawong Chittmittrapap and Mr. Wallop Bhukkanasut are Chairman and Directors of Nok Airline Company Limited respectively, Five of THAI's Executives, Mrs. Ngamnit Sombutpibool, Mr. Tummasak Chutiwong, Mr. Pandit Chanapai, Mr. Pichait Riengvattanasuk and Mr. Pruet Boobphakam are Directors of Nok Airlines Company Limited. <p>Note : Mrs. Ngamnit Sombutpibool, Mr.Tummasak Chutiwong and Mr. Pandit Chanapai resigned from Directors of Nok Airlines</p>	THAI has been leasing out aircraft and providing aviation operation services to Nok Airlines Company Limited <ul style="list-style-type: none"> Aggregate amount : 921.67 million baht Outstanding balance : 122.28 million baht 	THAI sells and leases goods and services at a market price from related parties on normal commercial term as unrelated parties.	THAI has been leasing out aircraft and providing aviation operation services to Nok Airlines Company Limited <ul style="list-style-type: none"> Aggregate amount : 2,022.38 million baht Outstanding balance : 123.57 million baht 	THAI sells and leases goods and services at a market price from related parties on normal commercial term as unrelated parties.

Name of persons who may have conflicts of interest (1)	Relationship for the year ended December 31, 2009 (2)	Type of Transaction for the year ended December 31, 2009 (3)	Conditions/Pricing Policy for the year ended December 31, 2009 (4)	Type of Transaction for the year ended December 31, 2008 (5)	Conditions/Pricing Policy for the year ended December 31, 2008 (6)
	Company Limited on May 28, 2009. Mr. Vichit Suraphongchai resigned from THAI's Board of Directors on April 23, 2009.				
Fuel Pipeline Transportation Limited (Joint Venture Company)	<ul style="list-style-type: none"> THAI holds 8.35% equity interest in Fuel Pipeline Transportation Limited. One of THAI's Executives, Mr. Prakobkiat Ninnad is a Director of Fuel Pipeline Transportation Limited. 	THAI purchased fuel transportation services from Fuel Pipeline Transportation Limited - Aggregate amount : 3.18 million baht	THAI purchases goods and services at a market price from related parties on normal commercial term as unrelated parties.	THAI purchased fuel transportation services from Fuel Pipeline Transportation Limited - Aggregate amount : 15.95 million baht - Outstanding balance : 0.97 million baht	THAI purchases goods and services at a market price from related parties on normal commercial term as unrelated parties.
Aeronautical Radio of Thailand Limited (AEROTHAI) (Related Company and Joint Venture Company)	<ul style="list-style-type: none"> The MOF, a major shareholder of THAI, is a major shareholder of AEROTHAI. THAI holds 2.73% equity interest in AEROTHAI. One of THAI's Executives, Flg. Off. Norahuch Ployyai is a Director of AEROTHAI. 	<ol style="list-style-type: none"> THAI purchased aeronautical navigation and leased equipment from AEROTHAI - Aggregate amount : 1,147.54 million baht THAI sold tickets to AEROTHAI - Aggregate amount : 1.69 million baht - Outstanding balance : 0.04 million baht 	THAI purchases and sells goods and services at a market price from and to related parties on normal commercial term as unrelated parties.	<ol style="list-style-type: none"> THAI purchased aeronautical navigation and leased equipment from AEROTHAI - Aggregate amount : 1,212.00 million baht THAI sold tickets to AEROTHAI - Aggregate amount : 20.38 million baht - Outstanding balance : 0.05 million baht 	THAI purchases and sells goods and services at a market price from and to related parties on normal commercial term as unrelated parties.

● Necessity and reasonableness of related parties transactions

Having scrutinized items on related parties transactions during 2009 ending December 31, 2009 the Audit Committee is of the opinion that the aforementioned items were transacted in accordance with the Company's regular business practices and in a reasonable manner. The setting of prices, terms and conditions were done in the same manner as those offered to non-related parties. There were no transfer benefits between the Company, subsidiaries, joint ventures, associated, related companies and shareholders. As a major shareholder of THAI, the Company enjoys favorable cost of funds on loans via the Ministry of Finance.

● Approval procedures for related parties transactions

Related parties transactions were undertaken as per the Company's regular business procedures and were approved strictly in accordance with the Government and State Enterprise procedures. No Directors and Executives with conflicts of interest in the respective matter are involved in the approval process.

● Policies on future related parties transactions

The Audit Committee will oversee future related parties transactions to ensure that transactions are made properly with a fair rate of return and approved in accordance with appropriate processes and procedures. Items and values of related parties transactions with connected persons are to be disclosed in compliance to the announcement and regulations by the Securities and Exchange Commission (SEC), and the Stock Exchange of Thailand (SET).

MANAGEMENT'S DISCUSSION AND ANALYSIS



for the Year Ending December 31, 2009
for Thai Airways International Public Company Limited and Its Subsidiary

1. Operating Results

With the onset of the various crises during 2009 bearing affect on the Company's operations and financial performance in 2008, the Company enacted an immediate Business Turnaround Plan to mitigate the impact through adjustment of its operations and ensuring sufficient liquidity for the year 2009. The plan focused on revenue enhancement, cost optimization, rationalizing investments as well as managing liquidity. The Company adhered to its turnaround plan and made necessary adjustments along the way to meet the challenges during 2009. As a result, the Company was able to return to profitability and was able to acquire funding that was in line with its capital needs to restructure its debts and increase liquidity in accordance with the turnaround plan.

During the fiscal year 2009 (January 1- December 31, 2009), the Company faced ongoing global economic recession since 2008, the outbreaks of influenza A (H1N1) affected global air travel demand which in turn affected the global commercial airline industry in the second quarter, the domestic political unrest in the country at the end of year 2008 and as well as a riot during the Song Kran Festival, April 2009. The above factors bore negative impact on the Company's operating results for the first nine-months of 2009. Reduction of flight frequency on regional and intercontinental routes was made in response to declining demand for air travel and the changing operating environment. However, with the Norwegian market having strong potential for travelers coming to the Kingdom, the Company launched its direct flights from Bangkok to Oslo, Norway. With the expected global economic recovery beginning to take foothold in the fourth quarter and thus recovering air travel demand, including higher demand during high season, the Company gradually increased its flight frequency as planned which coincided with the increase in number of passengers. Moreover, by also focusing on revenue enhancement and particularly cost optimization as per the Business Turnaround Plan, the Company's 2009 financial performance had returned to profitability. Summary of fiscal year 2009 financial performance are as follows:

Units : million baht	2009	2008	% Change
Total revenues	163,875	202,606	- 19.1%
Total expenses	155,768	226,206	- 31.1%
Gains (Losses) on foreign currency exchange	3,167	(4,471)	+ 170.8%
Profits (Losses) before income tax expenses	8,107	(23,600)	+ 134.4%
Net profits (losses)	7,344	(21,379)	+ 134.4%
Net profits (losses) per share (Baht)	4.32	(12.58)	+ 134.3%
EBITDA	30,297	13,619	+ 122.5%

The Company's total operating revenue amounted to THB 163,875 million, which was a decrease of THB 38,731 million or 19.1% from the same period last year. The main reasons for the decrease were the tough pricing environment caused by the decline in air traffic demand and lower fuel surcharge rates reflecting the lower fuel price. Total expense of THB 155,768 million is a decrease of THB 70,438 million or 31.1% from the same period last year in which impairment loss for Airbus A340-500 aircraft and reserves against applicable charges for Antitrust and Competition cases were included. The reduction of total expense was mainly due to the decrease in average jet fuel price, the decline in production and traffic, savings derived from cost reduction as per the Business Turnaround Plan and the ongoing cost control measures implemented since last year. In addition, the Company recorded gains on foreign currency exchange whereas the Company incurred a loss last year.

As a result, net profit was THB 7,344 million or 4.32 baht per share, compared to a net loss of THB 21,379 million or 12.58 baht per share over the same period last year. EBITDA was THB 30,297 million, which is THB 16,678 million higher than last year.

Production and Traffic

		2009	2008	% Change	
Production	(MATK)	10,499	10,938	-	4.0%
Traffic	(MRTK)	6,908	7,458	-	7.4%
Load Factor	(%)	65.8	68.2	-	2.4
Passenger Production	(MASK)	72,031	75,391	-	4.5%
Passenger Traffic	(MRPK)	52,593	56,377	-	6.7%
Cabin Factor	(%)	73.0	74.8	-	1.8
Freight Production	(MADTK)	4,016	4,152	-	3.3%
Freight Traffic	(MRFTK)	2,092	2,292	-	8.7%
Freight Load Factor	(%)	52.1	55.2	-	3.1
No. of Passenger	(million persons)	18.48	18.71	-	1.2%
Flight Hours	(hours)	326,008	342,175	-	4.7%
Average of Aircraft Utilization	(hour/aircraft/day)	11.2	11.7	-	4.3%

As the Company faced many difficulties which caused demand for air travel and air freight traffic to decline, the Company adjusted its flight frequencies to better reflect demand. For the fiscal year 2009, the Company's total production (Available Ton - Kilometer : ATK) decreased by 4% from the same period last year. Total traffic (Revenue Ton - Kilometer : RTK) decreased by 7.4%. Average load factor decreased from 68.2% last year to 65.8%, passenger production (Available Seat - Kilometer : ASK) decreased by 4.5% and passenger traffic (Revenue Passenger - Kilometer : RPK) decreased 6.7% while cabin factor was 73.0%, slightly lower than 74.8% over the same period last year.

For fiscal year 2009, the Company took delivery of 3 Airbus A330-300 aircraft in the months of April, May and July to serve its regional routes as replacement for aircraft to be phased out while another 3 Airbus A330-300 aircraft that took delivery at the end of December is pending entering the fleet awaiting installation of economy class seats which have been delayed by the seat manufacturer for their inability to produce the safety standard certificate for formal authorization by the respective governing body. Compensation is being sought from the seat manufacturer while the Company is running parallel the alternative to seek another supplier to provide the aircraft seat in the event that the current manufacturer fails to deliver.

Revenue

Total revenues for the year 2009 was THB 163,875 million, a decrease of THB 38,731 million or 19.1% from the same period last year. Details are as follows:

Units: million baht	2009	2008	% Change
Revenue from Transportation Activities			
- Passenger and Excess Baggage	134,479	164,319	- 18.2%
- Freight and Mail	19,348	26,754	- 27.7%
Total Revenue from Transportation Activities	153,827	191,073	- 19.5%
Revenue from Other Activities	7,776	9,045	- 14.0%
Total Operating Revenue	161,603	200,118	- 19.2%
Interest Income	178	493	- 63.9%
Other Incomes	2,094	1,995	+ 5.0%
Total Revenues	163,875	202,606	- 19.1%

Total operating revenue was THB 161,603 million, a decrease of THB 38,515 million or 19.2% from the same period last year. Details are as follows:

Revenue from transportation activities amounted to THB 153,827 million, a decrease of THB 37,246 million or 19.5% from the same period last year. Resulting from:

- Passenger and excess baggage revenue including fuel and insurance surcharge collected from passengers totaled THB 134,479 million, a decrease of THB 29,840 million or 18.2% from :
 - Passenger yield having decreased 10.1% from last year from the tough pricing environment. As a result, the Company adjusted marketing strategies to stimulate sales and maintain its market share.
 - Fuel surcharge revenue decreased in the amount of THB 9,449 million from last year due to the decrease in fuel price, which brought down the amount of fuel surcharge.
 - Passenger traffic decreased from last year, reflecting lower global air travel demand.
- Freight and mail revenues amounted to THB 19,348 million, which is a decrease of THB 7,406 million or 27.7% from last year due to
 - Freight yield decreased 12.3% from last year due to price competition.
 - Fuel surcharge revenue decreased by THB 3,504 million from last year due to the decrease of fuel price causing fuel surcharge rates to drop.
 - Economic recession pushed down exports and imports decreasing freight and mail volume.

The Company's yield excluding fuel and insurance surcharge are as follows:

		2009	2008	% Change
System-wide	(Baht/RTK)	17.99	19.90	- 9.6%
Passenger	(Baht/RPK)	2.05	2.28	- 10.1%
Freight	(Baht/RFTK)	7.13	8.13	- 12.3%

Revenue from other activities mostly comprised of revenue from business units, such as Technical Services, Cargo and Mail Commercial, Ground Support Equipment Services, Ground Customer Services, and Catering Services, and revenue from Thai-Amadeus Southeast Asia Company Limited, totaled THB 7,776 million, which was a decrease of THB 1,269 million or 14% from last year. The decrease was mainly due to the decreased number of inbound and outbound travelers to and from Thailand and also the reduction of customer airlines' flight frequencies.

Interest income amounted to THB 178 million, which was THB 315 million or 63.9% lower than last year resulting from the decrease in deposit rate.

Other income amounted to THB 2,094 million, which was THB 99 million or 5.0% higher than the previous year. The main reasons were :

- Compensation revenue from the delayed delivery of six Airbus A380-800s amounted to THB 738 million.
- Revenue from passenger airport fees, which has not been billed to the Company over 3 year, was THB 413 million lower than last year.
- Gain on sale of assets decreased THB 141 million from last year.

Expense

Total expense amounted to THB 155,768 million, which was THB 70,438 million or 31.1% lower than the same period last year. A summary of operating expenses is as follows:

Units: million baht	2009	2008	% Change
Fuel and oil	47,015	89,460	- 47.4%
Personnel	26,191	30,534	- 14.2%
Remuneration for Board of Directors	61	94	- 35.1%
Flight service expenses	17,692	19,939	- 11.3%
Cockpit and cabin crew expenses	5,243	6,542	- 19.9%
Aircraft maintenance and overhaul costs	10,321	10,848	- 4.9%
Depreciation and amortization	21,023	20,281	+ 3.7%
Lease of aircraft and spare parts	1,532	3,651	- 58.0%
Inventories and supplies	8,496	8,827	- 3.7%
Sales and advertising cost	6,221	6,932	- 10.2%
Insurance	760	751	+ 1.2%
Damages arising from Antitrust/Competition Law	-	4,290	- 100.0%
Impairment of assets	529	4,750	- 88.9%
Other expenses	8,104	9,285	- 12.7%
Loss (gains) on foreign currency exchange	(3,167)	4,471	- 170.8%
Finance costs	5,738	5,486	+ 4.6%
Share of loss (profit) from investments by the equity method	9	65	- 86.2%
Total Expenses	155,768	226,206	- 31.1%

Significant changes in year 2009 expenses include:

Fuel and oil expense amounted to THB 47,015 million, including compensation from fuel hedging of THB 1,286 million, was THB 42,445 million or 47.4% lower than last year. The main reasons were:

- A decrease in average jet fuel price by 44.4% from last year
- A 5.7% decrease in fuel consumption from reduced production

Personnel expenses amounted to THB 26,191 million, which was a decrease of THB 4,343 million or 14.2% from last year. The main reasons were:

- The expense from Mutual Separation Plan implemented the previous year amounted to THB 1,300 million. This plan also have an impact on the decrease of the year 2009 personnel expenses.
- Cost reduction achieved under the Business Turnaround Plan by managing and controlling overtime work, which enabled the decrease in overtime payment.

Flight service expenses amounted to THB 17,692 million was a decrease of THB 2,247 million or 11.3% from last year. The reduction was mainly the result of the decrease in production and better terms negotiated on services sourced by the Company both domestically and internationally as part of the cost control measures undertaken in the Business Turnaround Plan.

Cockpit and cabin crew expenses amounted to THB 5,243 million, a decrease of THB 1,299 million or 19.9% from last year. This was mainly due to the decrease in production and cost savings achieved under the Business Turnaround Plan, such as the reduction of cockpit and cabin crew's layover period.

Lease of aircraft and spare parts expenses were THB 1,532 million, a decrease of THB 2,119 million or 58% mainly due to the decrease in number of operating lease aircraft and decrease in lease rates for operating leased aircraft better terms and conditions obtained from negotiating the extension of aircraft lease.

Impairment losses of assets were THB 529 million, which is a decrease of THB 4,221 million or 88.9% from last year. The Company recorded impairment loss of rotatable aircraft spare parts and engines totalled THB 529 million in year 2009 while the Company recorded impairment loss of 4 Airbus A340-500 in year 2008 for which their appraisal value were lower than the net book value in the amount of THB 4,426 million.

Other expenses amounted to THB 8,104 million, which was a decrease of THB 1,181 million or 12.7% from last year mainly due to the other operating expenses, such as office rental and utilities cost, transportation expenses as well as concession fees decreased from last year.

Gain on foreign currency exchange amounted to THB 3,167 million was mostly due to the stronger Thai baht against core currencies at the end of the period, resulting in foreign currency exchange gain from converting outstanding foreign currency loan to Baht terms.

Finance costs were THB 5,738 million, which was an increase of THB 252 million or 4.6% mainly due to the increase in outstanding loans over last year.

Share of loss from investment by equity method was THB 9 million is THB 56 million lower than last year. The Company recognized share of profit from Bangkok Aviation Fuel Services Public Company Limited and Phuket Air Catering Company Limited, amounting to THB 103 million. However, the Company recognized loss from Royal Orchid Hotel (Thailand) Public Company Limited, Donmuang International Airport Hotel Company Limited and Suvarnabhumi Airport Hotel Company Limited, amounting to THB 112 million.

2. Financial Position

Assets

As at December 31, 2009, the Company's total assets were THB 271,694 million, an increase of THB 12,159 million or 4.7% from as at December 31, 2008. The current and non-current assets accounted for 17.4% and 82.6% of total assets, respectively consisting of :

	December 31, 2009		December 31, 2008	
	MTHB	% of total assets	MTHB	% of total assets
Current assets	47,288	17.4	42,122	16.2
Property, plant and equipment-net	213,505	78.6	207,064	79.8
Other non-current assets	10,901	4.0	10,349	4.0

Current assets increased by THB 5,166 million or 12.3% mainly due to an increase in cash and cash equivalents in the amount of THB 6,854 million.

Property, plant and equipment-net increased by THB 6,441 million or 3.1%, which was mainly due to the Company taking delivery of new 6 Airbus A330-300 and exercised purchasing option on 1 Boeing 777-200 aircraft.

Liabilities

The Company's total liabilities as at December 31, 2009 totaled THB 218,450 million, which was an increase of THB 4,797 million or 2.2% from as at December 31, 2008. These comprise of:

	December 31, 2009		December 31, 2008	
	MTHB	% of total liabilities	MTHB	% of total liabilities
Current liabilities (excluding current portion of long-term loans)	54,961	25.2	79,307	37.1
Long-term loans	154,900	70.9	125,693	58.8
Other non-current liabilities	8,589	3.9	8,653	4.1

Current liability (excluding current portion of long-term loans) decreased from December 31, 2008 by THB 24,346 million or 30.7% as follows:

- The Company restructured its debts by acquiring long-term loans to repay short-term loans. Therefore, short-term loans decreased by THB 20,372 million.
- Unearned transportation revenue, mostly from ticket sales revenue for which The Company received payment but transportation service has not been rendered decreased by THB 5,313 million. The main reason was a decrease in ticket purchased caused by the various crises.
- Accrued expenses decreased by THB 2,128 million.

Long-term loans as at December 31, 2009, including current portion of long-term loans, totaled THB 154,900 million which was an increase of THB 29,207 million or 23.2% over December 31, 2008. The increase was mainly from debt restructuring, in which the Company acquired long-term loans to partly repay short-term loans to mitigate liquidity concerns. Furthermore, the Company received loans on financial lease agreements for 6 aircraft.

Other non-current liabilities as at December 31, 2009 totaled THB 8,589 million, which decreased by THB 64 million or 0.7% from as at December 31, 2008.

Shareholders' Equity

As at December 31, 2009, the Company's shareholders' equity amounted to THB 53,244 million, an increase of THB 7,362 million or 16% from December 31, 2008 from net profit earned.

Capital structure as of December 31, 2009 consisted of total liabilities of THB 218,450 million or 80.4% and shareholders' equity of THB 53,244 million or 19.6%.

Liquidity

The Company's funding is in line with its capital needs as stated in the Company's Immediate Business Turnaround Plan to restructure its debts and enhance financial liquidity. Adjustments were made to the Turnaround Plan as necessary to adapt to changing operating environment along with action plans. The next phase of the Plan is currently ongoing.

Cash and cash equivalents as at December 31, 2009 amounted to THB 14,300 million, an increase of THB 6,854 million from the beginning of the period (January 1, 2009). Net cash from and used in each activity is as follows:

- Net cash from operating activities amounted to THB 28,523 million.
- Net cash used in investing activities amounted to THB 14,472 million, which was mainly from an advance payment of Airbus A330-300, A380-800 and their engines, a payment of 6 Airbus A330-300, an exercised purchasing option of 1 Boeing 777-200 operating lease aircraft.
- Net cash used in financing activities amounted to THB 7,085 million, comprising of
 - Cash received from issuing debentures of THB 4,790 million
 - Net cash received from long-term loans in the amount of THB 22,484 million
 - Repayment of short-term loans, amounting to THB 20,323 million
 - Repayment of debentures, totaling THB 7,500 million
 - Repayment of promissory notes, cash paid for loan interest and dividend payment of subsidiary company, aggregating THB 6,535 million.

Financial Ratios

		2009	2008
Operating Profit Margin	(%)	5.74	(3.33)
Net Profit Margin	(%)	4.54	(10.68)
Return on Total Assets	(%)	2.76	(7.92)
Return on Equity	(%)	14.82	(37.54)
Interest Bearing Debt to Equity	(times)	2.93	3.21
Debt Service Coverage Ratio (DSCR) ¹⁾	(times)	1.13	0.47
Interest Coverage Ratio ²⁾	(times)	5.28	2.48

Note : ¹⁾ Debt Service Coverage Ratio = EBITDAR/(Long-term loan Repayment+Interest Expense+Lease of Aircraft and Spare Parts)

²⁾ Interest Coverage Ratio = EBITDA/Interest Expense

Contractual Obligation

1. The Company has a payment obligation to purchase aircraft amount of THB 39,109 million consisting of 2 A330-300 aircraft expected to take delivery in March 2010 and 6 A380-800 expected to take delivery during the year 2012-2013.
2. The Company has obligations from entering into operating leases amount of USD 171.88 million or approximately to THB 5,761 million (exchange rate USD 1 : THB 33.5168) consisting of 3 B737-400, 2 B777-200, and 2 A330-300 aircraft. These operating leases will be expired during the year 2014-2018.

CORPORATE STRATEGY AND OPERATING INITIATIVES



The Company's vision is to be the First Choice Carrier with Touches of Thai through providing customers the highest level of satisfaction from service rendered by the Company and build long-term customer relationships through consistent delivery of memorable unsurpassed quality of service with Touches of Thai.

External factors such as the global economic slowdown, record high fuel prices, fierce competition and the political uncertainty at home caused the Company to suffer operating losses for 2008 therefore in 2009 the Company took corrective actions under the turnaround plan to regain stakeholder confidence consisting actions of immediacy and establishing guidelines for the long-term strategy emphasizing competitiveness.

Actions under the immediate turnaround plan put emphasis on the core transport business :

- Maintenance and enhancing revenue quality plan
- Cost and investment control plan
- Financial liquidity maintenance plan

A more detailed action plan was drafted to ensure achievement of initiatives under the turnaround plan:

- The production adjustment plan basically reduced capacity or available seat kilometer (ASK) to better reflect the lower demand for air travel to maintain an appropriate level of cabin factor.
- Enacted the Revenue Management Plan which was designed to maintain maximum revenue from sale of passenger tickets reflected through yield maintenance (excluding fuel surcharge).
- Implemented the Fuel Surcharge Management Plan to more rapidly reflect the cost of fuel through timely adjustment of fuel surcharge.
- Initiated the Cargo Revenue Improvement Plan to increase overall cargo revenue.
- Initiated the Cost Reduction Plan to reduce non-fuel expenses for 2009 from the expense base of 2008. Clear guidelines were established and diligently adhered to and received much cooperation through personal sacrifice.

Operating performance for 2009 saw improvement with a higher than expected average cabin factor, improving yield trend, fuel expense was well covered by fuel surcharge and was able to reduce non-fuel expense by 12,744 million baht compared to the 2008 base. Of the 12,744 million, 7,665 million baht or 17.2% was a reduction in fixed costs mostly related to personnel aircraft lease expense. The remaining 5,109 million baht or 9.6% reduction from the previous year were mostly expense related to flight operations and flight crew. From the cost savings, THAI was able to reduce its cost per unit by 9%.

To ensure that THAI is able to sustain growth, remain viable and able to compete in a highly competitive and dynamic environment the organization must undergo 3 main structural changes – being attuned to customer needs, preferences and expectations; being more competitive; and being dynamic. These are the basic building blocks that will re-establish THAI as a stable and strong company, the pride of all Thais and to be ranked in the top 3 regional airlines and top 5 global airlines in terms of customer satisfaction.

To achieve the above target, 9 strategies were developed under the 5 year plan (2010-2014) :

- 1 Strategic Positioning – THAI and its low cost regional budget airline Nok Air are to adjust their strategic positioning to provide greater differentiation in product and service. Under the Two-Brand Strategy, THAI is to be the Premium Service Network Airline serving the premium passenger markets while its sister airline Nok Air is to take on the role of a Regional Budget Airline enabling both airlines to better concentrate on their respective market segments.
- 2 Customer Value Strategy – is designed to provide passengers with products and services that meet the different needs for each customer group and to enhance the quality of service at every customer touch point to improve overall customer satisfaction with value-added products and services.
- 3 Route Network and Fleet Strategy – takes into review the overall attractiveness of various destinations being served by THAI; increase coordination with Nok Air to take on THAI's secondary domestic and regional routes; emphasize further development of routes that provide the Company with the highest return especially routes within the Asia region and Europe; adding flight frequency to existing routes to further strengthen THAI's product and presence in those markets which is in-line with travel demand; considering the launch of new destinations with due care; extending THAI's reach through cooperation with partner airlines while increasing value service through partnerships with other businesses to provide options for customers; including improving fleet efficiency especially fuel efficiency and minimizing carbon dioxide emissions to minimize hazardous impact on the environment; and reducing aircraft types through fleet simplification.
- 4 Product Strategy – encompasses taking assessment of the latest industry trends and actions taken by THAI's competitors; devising a retrofit schedule for upgrading business class seats to enable THAI to leap to the forefront among Top Tier carriers; simultaneous retrofit of economy class seats to be more market competitive and taking assessment of pursuing a premium economy product to reduce the gap difference between existing seat products and responding to needs of economy class passengers who prefer a higher level of comfort.
- 5 Pricing Revenue Management and Distribution Strategy – takes aim at flexible and rapid air fare adjustment capability to be competitive with other airlines while pushing to increase the proportion of ticket sales via direct channels and enhance the efficiency and flexibility of on-line sales.
- 6 The BU Business Strategy – looks at the future structure of how business units are to be run by emphasizing greater responsibility towards its own profit and loss statement while increasing efficiency and effectiveness in cost management. In the longer term, when ready, the BUs need to be able to diversify their business to other markets upon the liberalization of the airline industry.

- 7 Cost Efficiency and Productivity Strategy – is part of the effort to strengthen the Company’s overall financial performance through reducing the proportion of fixed cost, increase man power efficiency and taking advantage of benefits from out-jobbing and out sourcing man power. Operating procedures need to be revamped along with the organization structure to reduce redundant functions and enhance usage of information technology to more efficiently and effectively manage the Company. A new fuel risk management approach is being adopted to minimize impact on the Company’s financial performance from future potential fuel price fluctuation.
- 8 Organizational Effectiveness Strategy – has at the heart the need to change the internal culture of THAI to one that is performance-based; updating operating guidelines to reduce red tape and enhance overall efficiency and flexibility; increase cooperation and coordination amongst different units and greater information sharing throughout the Company.
- 9 Financial Strength Strategy – focuses on rebuilding the strength of the Company’s financial structure that supports the Company’s investment needs to expand business operations and enable the Company to better compete in the long-term. Ensuring ability to repay all obligations is a must while making adjustments to the Company’s capital structure to strengthen its capital base along with improving the matching of fund duration with asset life. Maintaining sufficient liquidity is also a must to ensure flexibility in the Company’s ongoing operations.

Quick-win initiatives were launched to better enable THAI to compete with peers and increase overall customer satisfaction of its products and services:

- 1 Clarifying positioning and strategy between THAI and Nok Air on domestic operations where Nok Air is to become a Regional Budget Airline.
- 2 Food presentation and taste have been changed to better satisfy customers along with a change in menu for food and drinks list to better meet customer’s preference and route localization.
- 3 Ensuring the quality and sufficiency of blankets and amenity kits to ensure customer satisfaction.
- 4 Reducing first bag time to carousel to enhance satisfaction for both THAI and customer airlines’ customers.
- 5 Extending ticket sales channel via various electronic channels including the internet to increase customer flexibility.
- 6 The appropriate use of both fuel surcharge and fuel hedging strategy will lead to an improvement in managing of fuel cost while diversifying risk and minimizing the impact of fluctuations in fuel cost in the long-term.
- 7 Implementing a performance based culture with the Executive Vice Presidents signing KPIs with the President to develop a sense of mutual responsibility towards the Company.

FIVE - YEAR REVIEW



		Year 2009	Year 2008	Year 2007	Year 2006	Year 2005
Number of Aircraft		91	89	90	87	87
Flight Hours	(Block Hours)	326,008	342,175	356,604	324,366	304,535
Available Ton-Kilometers	(Million)	10,499	10,938	11,521	10,269	9,791
Revenue Ton-Kilometers	(Million)	6,908	7,458	8,100	7,001	6,565
Load Factor	(%)	65.8	68.2	70.3	68.2	67.1
Number of Passengers	(000)	18,477	18,710	19,884	18,574	18,133
Available Seat-Kilometers	(Million)	72,031	75,391	78,032	71,594	69,843
Revenue Passenger-Kilometers	(Million)	52,593	56,377	61,615	53,989	49,931
Cabin Factor	(%)	73.0	74.8	79.0	75.4	71.5
Available Dead Load Ton-Kilometers	(Million)	4,016	4,152	4,498	3,780	3,492
Revenue Freight Ton-Kilometers	(Million)	2,092	2,292	2,456	2,048	1,986
Freight Load Factor	(%)	52.1	55.2	54.6	54.2	56.9
Number of Personnel	(People)	27,002	27,193	27,285	26,488	25,876
Profit(losses) before Tax	(Million Baht)	8,107	(23,600)	6,338	12,822	9,906

Definition of Aviation Terms

Available Ton-Kilometers (ATK)

Capacity offered for sale expressed as aircraft payload multiplied by flown kilometers.

Revenue Ton-Kilometers (RTK)

Capacity sold expressed as tons of load carried multiplied by flown kilometers.

Load Factor

Revenue ton-kilometers expressed as percentage of available ton-kilometers.

Available Seat-Kilometers (ASK)

Passenger capacity offered for sale expressed as number of seats multiplied by flown kilometers.

Revenue Passenger-Kilometers (RPK)

Passenger capacity sold expressed as number of passengers multiplied by flown kilometers

Cabin Factor

Revenue passenger-kilometers expressed as percentage of available seat-kilometers.

Available Dead Load Ton-Kilometers (ADTK)

Capacity offered of aircraft payload after deduction of weight of the load of passengers multiplied by flown kilometers.

Revenue Freight Ton-Kilometers (RFTK)

Freight capacity sold expressed as tons of freight carried multiplied by flown kilometers.

Freight Load Factor

Revenue freight-kilometers expressed as percentage of available dead load ton-kilometers.

Aircraft Payload

Weight of the load of passengers, cargo and other load carried on a fully loaded aircraft using the average density of cargo.

BOARD OF DIRECTORS' DUTIES ON FINANCIAL DISCLOSURE



The Board of Directors of Thai Airways International Public Company Limited understands its responsibilities as Board members of a publicly listed company in ensuring the integrity, the sufficiency of relevant and transparent disclosure of information, which best reflects the Company's financial status, protect against fraud and undertaking of abnormal activities while observing generally accepted accounting principles. Appropriate accounting principles have been applied on a consistent basis and due consideration has been given in preparing the Company's consolidated financial statements, the Company's own financial statements along with the ensuing notes to the financial statements as disclosed in the 2009 annual report.

To enhance stakeholder trust, the Board appointed an Audit Committee comprising of Independent Directors with qualifications as stipulated by the guidelines of the Stock Exchange of Thailand to ensure that the Company provides sufficient, transparent, correct and appropriate financial disclosure along with information regarding related party transactions is a key function of the Committee. Ensuring appropriate, sufficient and effective risk management guidelines, appropriate internal control procedures along with a robust internal audit process are also the functions of the Committee. Legal compliance is at the forefront of the Board's concerns therefore the Committee is also charged with ensuring that the Company's operations adhere to all relevant external and internal legal guidelines and policies.

The Board of Directors believe that the Company and the Company's consolidated 2009 financial statements ending December 31, 2009 reviewed by the Audit Committee, management and the Company's financial auditor to be correct, complete, appropriate, in compliance with generally accepted accounting practices and employs appropriate accounting policies on a consistent basis. The financial disclosure is deemed to be transparent, provides an appropriate level of disclosure and is in compliance with all the relevant legal guidelines and policies.

Handwritten signature of Mr. Ampon Kittiampon in black ink.

(Mr. Ampon Kittiampon)

Chairman of the Board of Directors

Handwritten signature of Mr. Piyasavasti Amranand in black ink.

(Mr. Piyasavasti Amranand)

President

AUDIT COMMITTEE'S REPORT



To Distinguished Shareholders,

The Board of Directors of Thai Airways International Public Company Limited has appointed the Audit Committee to be composed with the following three Independent Directors, namely Mr. Chaikasem Nitisiri as Chairperson, together with Mr. Banyong Pongpanich, and Mr. Weerawong Chittmittrapap as committee members.

The Committee has performed its duties as entrusted by The Board of Directors and in accordance with the Audit Committee's Charter stipulated in line with the Audit Committee good practice guidelines of the Stock Exchange of Thailand, where two experts in accounting and internal control Ms. Kesaree Narongdej and Ms. Raweepon Kuhiran have been serving as advisors to the Committee.

During 2009, nine Committee meetings were held. Committee members were present in all of the scheduled sessions. The Committee's key activities can be summarized herein below:

1. Accuracy, Adequacy and Reliability of financial report assurance

The Committee, together with executives responsible for financial statements preparation and the external auditors responsible for reporting and expressing opinions to such statements had jointly reviewed the Company's 2009 quarterly and annual financial statements as well as the Company's financial status and its performance. The Committee sought for observations and explanations from both parties in order to ensure that the Company's financial statements were accurately prepared and adequately disclosed in accordance with the standard requirements under acceptable accounting principles. In addition during the year, one exclusive meeting was held between the Committee and external auditors without the presence of Company's executives where the Committee reported External auditor's major findings to the Board of Directors for consideration and for information as were deemed appropriate.

The Committee came to the conclusion that the Company's financial statements were accurate, adequate and reliable in accordance with accounting standard requirements under the generally acceptable accounting principles.

2. Suitability and Efficiency of internal control audit systems assurance

The Committee determined sufficiency and efficiency of an internal control system through evaluation of self-assessment results on internal control system as per the State Audit Commission's internal audit guidelines of B.E. 2544 and the risk management policy and reports. The Committee reviewed results from internal audit reports and reported major issues including the Committee's recommendations to the Board of Directors for consideration of further delegations of actions as required and deemed necessary.

The Committee reviewed and approved a long-term audit plan for 2010 - 2012 and an annual audit plan of the Office of the Internal Audit as well as endorsed a revision of the audit plan to better align with the Company's risks and Internal Audit resources. The Committee also provided recommendations of audit practices and quarterly monitored the Office of the Internal Audit's activities and performance. Furthermore, the Committee assessed performance of the Internal Audit chief as well as provided recommendations for management appointments from director levels upwards within the Office of the Internal Audit.

The Committee reached a conclusion that the internal control and internal audit systems were adequate and suitable.

3. Assurance of compliance with laws, regulations and requirements of the Stock Exchange of Thailand, and other applicable laws.

The Committee met with the relevant executives and received reports from the Company Secretary who is responsible for monitoring of business conducts of each individual working unit, ensuring compliance to the Stock Exchange of Thailand's requirements and related laws and regulations.

The Committee concluded that the Company had performed its business in compliance with related laws and regulations without any significant remises. Moreover the management and the external auditor had adequately and suitably disclosed information regarding issues under disputes in the notes to the financial statement.

4. Review and express opinion on connected transactions.

The Committee reviewed and expressed its opinion on connected transactions as well as reviewed the sufficiency of the disclosure of these transactions in accordance with the requirement of the Stock Exchange of Thailand.

The Committee determined that the transactions were discretely conducted for the benefits of the Company and were sufficiently disclosed.

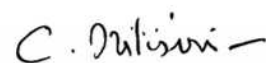
5. Conduct a self-assessment.

The Committee evaluated its performance by benchmarking with the Audit Committee's Charter based on current best practice guidelines from the Stock Exchange of Thailand and the Audit Committee Guidelines for State Enterprises as detailed by the Ministry of Finance. The Committee assessed the performance of its own as a whole committee and cross examining by individual basis.

In summary, the Committee properly performed its duties with utmost care and attention in line with the best practice guidelines and the Audit Committee's charter.

6. Appoint the external auditor and determine compensation.

The Committee provided recommendation to the Board of Directors to seek for approval of the appointment of the Auditor General as the Company's external auditor for the year 2010 at the annual general meeting of shareholders.



(Mr. Chaikasem Nitisiri)

Chairman of the Audit Committee



NO. 0022/0656

Office of the Auditor General
of Thailand
Rama VI Road, Phayathai,
Bangkok 10400, Thailand
Tel : 0 2271 8000
Fax : 0 2618 5783
E-mail : audit2@oag.go.th

This letter is given to confirm that the English version of the Auditor's Report together with the consolidated financial statements for the years ended December 31, 2009 and 2008 of Thai Airways International Public Company Limited and its subsidiary and the Company's financial statements for the years ended December 31, 2009 and 2008 of Thai Airways International Public Company Limited was translated by Thai Airways International Public Company Limited. The Office of the Auditor General of Thailand reviewed the aforementioned translated Auditor's Report and financial statements and found that there were no substantial differences of content from those of the Thai version.

Given on March 10, 2010

(Khunying Jaruvan Maintaka)
Auditor General

AUDITOR'S REPORT



TO : The Shareholders of Thai Airways International Public Company Limited

The Office of the Auditor General of Thailand has audited the accompanying consolidated balance sheets of Thai Airways International Public Company Limited and its subsidiary and the balance sheets of Thai Airways International Public Company Limited as at December 31, 2009 and 2008, and the related consolidated and the Company's statements of income, changes in shareholders' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. The responsibility of the Office of the Auditor General of Thailand is to express an opinion on these financial statements based on the audits.

The Office of the Auditor General of Thailand conducted the audits in accordance with generally accepted auditing standards. Those standards require that the Office of the Auditor General of Thailand plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. The Office of the Auditor General of Thailand believes that the audits provide a reasonable basis for the opinion.

In the opinion of the Office of the Auditor General of Thailand, the consolidated and the Company's financial statements referred to above present fairly, in all material respects, the financial position of Thai Airways International Public Company Limited and its subsidiary and of the Thai Airways International Public Company Limited as at December 31, 2009 and 2008, and the results of operations, the changes in shareholders' equity, and the cash flows for the years then ended in accordance with generally accepted accounting principles.

Without qualifying an opinion on these financial statements, the office of the Auditor General of Thailand would like to draw attention to Note 8.31 "Contingent Liabilities" and Note 8.33 "Airbus A330-300 Delivery".

(Signed) ***Poungchomnad Jariyajinda***
(Poungchomnad Jariyajinda)
Inspector General

(Signed) ***Dawan Wongphayak***
(Dawan Wongphayak)
Senior Audit Specialist level 9

Office of the Auditor General
February 23, 2010

BALANCE SHEETS



THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
AS AT DECEMBER 31, 2009 AND 2008

Units : Baht

	Notes	CONSOLIDATED		THE COMPANY	
		2009	2008	2009	2008
ASSETS					
Current Assets					
Cash and cash equivalents	8.1	14,299,680,924	7,445,516,395	14,064,775,967	7,403,493,913
Temporary investments		350,000,000	530,000,000	-	-
Trade accounts receivable-net	8.2	15,307,562,527	15,828,787,561	15,229,390,710	15,793,218,252
Inventories and supplies-net	8.3	6,197,959,528	6,779,288,740	6,197,959,528	6,779,288,740
Prepaid expenses and deposits		4,460,219,285	4,707,223,683	4,454,258,206	4,701,102,448
Other current assets	8.4	6,672,942,805	6,831,132,790	6,636,287,703	6,794,452,056
Total Current Assets		47,288,365,069	42,121,949,169	46,582,672,114	41,471,555,409
Non-Current Assets					
Investment in associates	8.5.1	1,240,961,713	1,337,095,375	723,520,500	723,520,500
Investment in subsidiary	8.5.1	-	-	8,250,000	8,250,000
Other long-term investments	8.5.2	86,413,463	87,996,063	86,413,463	87,996,063
Property, Plant and Equipment-Net	8.7	213,505,196,888	207,063,975,232	213,483,314,774	207,031,025,112
Intangible assets-net	8.8	651,908,453	807,891,935	646,822,436	803,584,846
Assets for sales		883,280,235	-	883,280,235	-
Deferred income tax assets	8.9	5,730,814,300	6,405,772,675	5,718,494,474	6,388,074,822
Other non-current assets	8.10	2,307,147,036	1,710,260,678	2,306,773,221	1,709,913,410
Total Non-Current Assets		224,405,722,088	217,412,991,958	223,856,869,103	216,752,364,753
Total Assets		271,694,087,157	259,534,941,127	270,439,541,217	258,223,920,162

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

BALANCE SHEETS



THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
AS AT DECEMBER 31, 2009 AND 2008

Units : Baht

Notes	CONSOLIDATED		THE COMPANY		
	2009	2008	2009	2008	
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Liabilities					
Bank overdrafts and short-term loans from financial institutions	8.11	-	16,930,000,000	-	16,930,000,000
Trade accounts payable		6,584,444,469	6,573,066,423	6,579,114,979	6,566,932,639
Current portion of long-term liabilities					
Debentures	8.15	10,955,290,000	7,500,000,000	10,955,290,000	7,500,000,000
Long-term loans from related parties	8.12	2,072,000,000	572,000,000	2,072,000,000	572,000,000
Long-term loans from others	8.12	400,000,000	-	400,000,000	-
Liabilities under finance leases	8.13	11,312,930,437	10,153,590,708	11,312,930,437	10,153,590,708
Promissory notes from related parties	8.14	500,000,000	650,000,000	500,000,000	650,000,000
Promissory notes from others	8.14	250,000,000	400,000,000	250,000,000	400,000,000
Short-term loans from related parties	8.11	1,116,109,440	4,558,272,000	1,116,109,440	4,558,272,000
Short-term provisions	8.18.5	458,200,000	458,200,000	458,200,000	458,200,000
Other current liabilities					
Accrued expenses		13,629,235,002	15,757,105,163	13,607,050,871	15,734,092,814
Accrued dividends		70,615,864	71,253,242	70,615,864	71,253,242
Accrued income taxes		32,134,145	34,188,813	-	-
Unearned transportation revenues		24,950,135,646	30,262,520,143	24,950,135,646	30,262,520,143
Deferred income	8.16	1,979,762,723	-	1,979,762,723	-
Others	8.17	6,140,644,300	4,662,994,685	6,116,204,661	4,641,436,728
Total Current Liabilities		80,451,502,026	98,583,191,177	80,367,414,621	98,498,298,274
Non-Current Liabilities					
Long-term liabilities					
Debentures	8.15	29,334,710,000	35,500,000,000	29,334,710,000	35,500,000,000
Long-term loans from related parties	8.12	9,446,672,000	4,831,296,000	9,446,672,000	4,831,296,000
Long-term loans from others	8.12	22,600,000,000	-	22,600,000,000	-
Liabilities under finance leases	8.13	68,028,272,475	65,335,908,882	68,028,272,475	65,335,908,882
Promissory notes from related parties	8.14	-	500,000,000	-	500,000,000
Promissory notes from others	8.14	-	250,000,000	-	250,000,000
Staff pension fund	8.29	4,708,607,486	4,777,978,683	4,708,607,486	4,777,978,683
Long-term provisions	8.18	3,880,336,949	3,874,319,870	3,880,336,949	3,874,319,870
Other non-current liabilities		26,914	114,222	-	-
Total Non-Current Liabilities		137,998,625,824	115,069,617,657	137,998,598,910	115,069,503,435
Total Liabilities		218,450,127,850	213,652,808,834	218,366,013,531	213,567,801,709
Shareholders' Equity					
Share capital	8.20				
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					
1,698.90 million ordinary shares par value of Baht 10 each		16,989,009,500	16,989,009,500	16,989,009,500	16,989,009,500
Premium on ordinary shares		15,637,625,278	15,637,625,278	15,637,625,278	15,637,625,278
Retained earnings					
Appropriated					
Legal reserve	8.21	1,700,000,000	1,700,000,000	1,700,000,000	1,700,000,000
Unappropriated		18,619,766,346	11,276,187,481	17,746,892,908	10,329,483,675
Total Company Shareholders' Equity		52,946,401,124	45,602,822,259	52,073,527,686	44,656,118,453
Minority Interests		297,558,183	279,310,034	-	-
Total Shareholders' Equity		53,243,959,307	45,882,132,293	52,073,527,686	44,656,118,453
Total Liabilities and Shareholders' Equity		271,694,087,157	259,534,941,127	270,439,541,217	258,223,920,162

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

(Signed) **Piyasvasti Amranand**
(Piyasvasti Amranand)
President

(Signed) **Kaweepan Raungpaka**
(Kaweepan Raungpaka)
Finance and Accounting

STATEMENTS OF INCOME



THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
For the years ended December 31, 2009 and 2008

Units : Baht

Notes	CONSOLIDATED		THE COMPANY	
	2009	2008	2009	2008
Revenues				
Revenues from Sale or Revenues from Services				
Passenger and excess baggage	134,479,296,254	164,318,701,819	134,479,296,254	164,318,701,819
Freight	18,525,307,811	25,840,755,700	18,525,307,811	25,840,755,700
Mail	822,754,186	912,990,339	822,754,186	912,990,339
Other activities	7,775,384,234	9,045,532,774	7,395,296,568	8,667,504,802
Total Revenues from Sale or Revenues from Services	161,602,742,485	200,117,980,632	161,222,654,819	199,739,952,660
Other Income				
Interest income	178,067,252	493,287,861	164,924,864	478,228,682
Others 8.23	2,093,717,478	1,994,352,142	2,248,356,186	2,140,917,687
Total Other Income	2,271,784,730	2,487,640,003	2,413,281,050	2,619,146,369
Total Revenues	163,874,527,215	202,605,620,635	163,635,935,869	202,359,099,029
Expenses				
Fuel and oil	47,014,753,162	89,459,872,853	47,014,753,162	89,459,872,853
Personnel	26,191,239,889	30,534,030,465	26,135,364,671	30,505,809,960
Management benefit expenses 8.22	60,916,443	93,395,719	59,401,478	92,233,780
Flight service expenses	17,691,615,362	19,938,599,141	17,691,615,362	19,938,599,141
Crew expenses	5,243,530,868	6,542,134,756	5,243,530,868	6,542,134,756
Aircraft maintenance and overhaul costs	10,320,750,374	10,847,783,197	10,320,750,374	10,847,783,197
Depreciation and amortisation expenses	21,023,460,156	20,281,081,576	21,008,481,119	20,254,971,296
Lease of aircraft and spare parts	1,531,697,470	3,650,964,476	1,531,697,470	3,650,964,476
Inventories and supplies	8,496,583,764	8,826,777,548	8,496,583,764	8,826,777,548
Selling and advertising expenses	6,221,182,125	6,932,244,544	6,177,708,638	6,883,688,984
Insurance expenses	760,064,787	751,270,159	760,064,787	751,270,159
Damages arising from Antitrust/ Competition Law 8.18.5	-	4,290,169,870	-	4,290,169,870
Impairment losses of assets	529,056,765	4,749,840,736	529,056,765	4,944,840,736
Other expenses 8.24	8,103,657,883	9,285,303,024	8,056,875,218	9,206,739,221
Losses (gains) on foreign currency exchange	(3,167,360,443)	4,471,388,154	(3,166,632,320)	4,473,610,566
Total Expenses	150,021,148,605	220,654,856,218	149,859,251,356	220,669,466,543
Share of losses (profits) of investments by the equity method	8,562,792	65,137,572	-	-
Profits (Losses) before Finance Costs and Income Tax Expenses	13,844,815,818	(18,114,373,155)	13,776,684,513	(18,310,367,514)
Finance costs	5,737,562,830	5,485,264,531	5,737,562,830	5,485,264,531
Profits (Losses) before Income Tax Expenses	8,107,252,988	(23,599,637,686)	8,039,121,683	(23,795,632,045)
Net tax expenses (tax income) 8.25	691,425,974	(2,285,253,584)	621,712,450	(2,345,266,641)
Net Profits (Losses)	7,415,827,014	(21,314,384,102)	7,417,409,233	(21,450,365,404)
Profits (Losses) Attributable to:				
Equity holders of the parent	7,343,578,865	(21,379,451,415)	7,417,409,233	(21,450,365,404)
Minority interests	72,248,149	65,067,313	-	-
	7,415,827,014	(21,314,384,102)	7,417,409,233	(21,450,365,404)
Basic Earnings per Share 8.27				
Net profits (losses) per share	4.32	(12.58)	4.37	(12.63)

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

(Signed) **Piyasvasti Amranand**
(Piyasvasti Amranand)
President

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

STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY



THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
For the years ended December 31, 2009 and 2008

	CONSOLIDATED						Units : Baht	
	Equity holders of the parent					Minority Interests	Total	
	Share Capital issued and fully paid	Premium on ordinary shares	Unrealised gains (losses) on available-for-sale securities	Retained Earnings	Total Equity holders of the parent			
Balance as at January 1, 2008	16,989,009,500	15,638,075,844	(1,318)	35,120,090,631	67,747,174,657	273,304,143	68,020,478,800	
Unrealised gain on current investment - available-for-sale securities	-	-	1,318	-	1,318	1,078	2,396	
Total recognised revenues in shareholders' equity	16,989,009,500	15,638,075,844	-	35,120,090,631	67,747,175,975	273,305,221	68,020,481,196	
Add Net profits (losses)	-	-	-	(21,379,451,415)	(21,379,451,415)	65,067,313	(21,314,384,102)	
Total recognised revenues for the period	16,989,009,500	15,638,075,844	-	13,740,639,216	46,367,724,560	338,372,534	46,706,097,094	
Add Dividends return	-	-	-	53,692	53,692	-	53,692	
Less Dividends paid	-	-	-	764,505,427	764,505,427	59,062,500	823,567,927	
Less Share offering expense	-	450,566	-	-	450,566	-	450,566	
Balance as at December 31, 2008	16,989,009,500	15,637,625,278	-	12,976,187,481	45,602,822,259	279,310,034	45,882,132,293	
Balance as at January 1, 2009	16,989,009,500	15,637,625,278	-	12,976,187,481	45,602,822,259	279,310,034	45,882,132,293	
Add Net profits	-	-	-	7,343,578,865	7,343,578,865	72,248,149	7,415,827,014	
Total recognised revenues for the period	16,989,009,500	15,637,625,278	-	20,319,766,346	52,946,401,124	351,558,183	53,297,959,307	
Less Dividends paid	-	-	-	-	-	54,000,000	54,000,000	
Balance as at December 31, 2009	16,989,009,500	15,637,625,278	-	20,319,766,346	52,946,401,124	297,558,183	53,243,959,307	

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

(Signed) **Piyasvasti Amranand**
(Piyasvasti Amranand)
President

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

STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY



THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
For the years ended December 31, 2009 and 2008

	THE COMPANY			Units : Baht
	Share Capital issued and fully paid	Premium on ordinary shares	Retained Earnings	Total
Balance as at January 1, 2008	16,989,009,500	15,638,075,844	34,244,300,814	66,871,386,158
<u>Less</u> Net losses	-	-	21,450,365,404	21,450,365,404
Total recognised revenues for the period	16,989,009,500	15,638,075,844	12,793,935,410	45,421,020,754
<u>Add</u> Dividends return	-	-	53,692	53,692
<u>Less</u> Dividends paid	-	-	764,505,427	764,505,427
<u>Less</u> Share offering expense	-	450,566	-	450,566
Balance as at December 31, 2008	16,989,009,500	15,637,625,278	12,029,483,675	44,656,118,453
Balance as at January 1, 2009	16,989,009,500	15,637,625,278	12,029,483,675	44,656,118,453
<u>Add</u> Net profits	-	-	7,417,409,233	7,417,409,233
Balance as at December 31, 2009	16,989,009,500	15,637,625,278	19,446,892,908	52,073,527,686

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

(Signed) *Piyasvasti Amranand*
(Piyasvasti Amranand)
President

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

STATEMENTS OF CASH FLOWS



THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
For the years ended December 31, 2009 and 2008

Units : Baht

Notes	CONSOLIDATED		THE COMPANY	
	2009	2008	2009	2008
Cash Flows from Operating Activities				
Profits (Losses) before income tax expenses	8,107,252,988	(23,599,637,686)	8,039,121,683	(23,795,632,045)
Adjustment to reconcile net profit to cash provided by (paid from) operating activities :				
Depreciation and amortisation expenses	21,023,460,156	20,281,081,576	21,008,481,119	20,254,971,295
Dividends income	(323,750)	(875,000)	(153,894,620)	(139,350,155)
Losses from investments by equity method	8,562,792	65,137,571	-	-
Interest income	(178,067,252)	(493,287,861)	(164,924,864)	(478,228,682)
Interest expenses	5,737,562,830	5,485,264,531	5,737,562,830	5,485,264,531
Gains on sales of assets	(232,341,422)	(373,250,235)	(232,332,616)	(373,258,092)
Realised gain on current investments- available-for-sale securities	-	(1,950,749)	-	-
Losses (gains) on foreign currency exchange	(2,567,607,827)	4,487,906,443	(2,569,404,476)	4,489,093,120
Provision for obsolete inventories and supplies	97,819,585	107,199,417	97,819,585	107,199,417
Doubtful accounts	255,241,729	44,671,440	273,091,984	33,539,086
Impairment losses of investment	-	-	-	195,000,000
Impairment losses of aircraft	-	4,425,587,951	-	4,425,587,951
Impairment losses of assets	529,056,765	324,252,785	529,056,765	324,252,785
Operating profits before changes in operating assets and liabilities	32,780,616,594	10,752,100,183	32,564,577,390	10,528,439,211
Decrease (increase) in operating assets :				
Trade accounts receivable	478,405,815	2,329,559,738	505,254,113	2,334,892,205
Inventories and supplies	483,509,627	(782,812,108)	483,509,627	(782,812,108)
Prepaid expenses and deposits	108,156,797	338,963,843	107,996,640	336,949,012
Tax refund	A 278,860,964	1,497,087,076	278,860,964	1,497,087,076
Other current assets	124,154,985	1,411,184,039	125,922,104	1,418,297,812
Deferred income taxes	-	(19,630,890)	-	(19,630,890)
Assets for sales	(883,280,235)	-	(883,280,235)	-
Other assets	(170,251,942)	(54,725,431)	(170,225,396)	(54,725,431)
Deferred charges	(632,607,120)	(337,967,569)	(632,607,120)	(337,967,569)
Increase (decrease) in operating liabilities :				
Trade accounts payable	24,446,928	(2,705,349,401)	24,951,829	(2,705,330,510)
Accrued expenses and other current liabilities	(757,902,517)	(1,416,707,275)	(759,955,981)	(1,414,514,267)
Deferred income	1,979,762,723	-	1,979,762,723	-
Staff pension fund	(69,371,197)	(194,125,179)	(69,371,197)	(194,125,179)
Unearned transportation revenues	(4,958,756,541)	(2,195,772,880)	(4,958,756,541)	(2,195,772,880)
Other non - current liabilities	5,929,771	3,874,310,701	6,017,079	3,874,319,870
Payment of income tax	(268,640,774)	(1,159,715,355)	(202,250,609)	(1,084,751,240)
Net Cash from Operating Activities	28,523,033,878	11,336,399,492	28,400,405,390	11,200,355,112

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

STATEMENTS OF CASH FLOWS



THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
For the years ended December 31, 2009 and 2008

Units : Baht

Notes	CONSOLIDATED		THE COMPANY		
	2009	2008	2009	2008	
Cash Flows from Investing Activities					
Cash paid for acquisition of fixed assets	B	(16,428,357,384)	(21,402,982,898)	(16,425,049,973)	(21,401,097,704)
Cash paid for intangible assets		(98,319,577)	(136,093,966)	(96,936,257)	(135,323,766)
Cash received from transferring the rights for advance payment of aircraft and aircraft equipment		1,296,065,254	316,941,565	1,296,065,254	316,941,565
Cash received from sales of assets		255,500,126	702,391,458	255,490,547	702,391,458
Interest income		236,491,362	471,360,021	221,556,223	457,572,094
Dividends income		87,894,620	67,162,655	153,894,620	139,350,155
Investments decrease (increase)		(1,542,612)	(638,054)	(1,542,612)	(638,054)
Cash received (paid) from sales of current investments-available-for-sale securities		180,000,000	(327,380,195)	-	-
Net Cash Used in Investing Activities		(14,472,268,211)	(20,309,239,414)	(14,596,522,198)	(19,920,804,252)
Cash Flows from Financing Activities					
Cash received from debentures		4,790,000,000	7,000,000,000	4,790,000,000	7,000,000,000
Cash received from short-term loans		-	16,580,000,000	-	16,580,000,000
Cash received from long-term loans		34,243,919,797	4,528,433,104	34,243,919,797	4,528,433,104
Cash paid for repayment of short-term loans		(20,323,361,410)	-	(20,323,361,410)	-
Cash paid from premium on ordinary shares		-	(450,566)	-	(450,566)
Cash paid for repayment of debentures		(7,500,000,000)	(11,500,000,000)	(7,500,000,000)	(11,500,000,000)
Cash paid for repayment of long-term loans		(11,759,831,128)	(15,348,935,222)	(11,759,831,128)	(15,348,935,222)
Cash paid for repayment of promissory notes		(1,050,000,000)	(1,050,000,000)	(1,050,000,000)	(1,050,000,000)
Cash paid for loan interest		(5,430,628,932)	(5,619,049,171)	(5,430,628,932)	(5,619,049,171)
Dividends paid		(637,378)	(3,813,914,126)	(637,378)	(3,813,914,126)
Dividends paid to minority interests		(54,000,000)	(59,062,500)	-	-
Net Cash used in Financing Activities		(7,084,539,051)	(9,282,978,481)	(7,030,539,051)	(9,223,915,981)
Increase (decrease) in cash and cash equivalents		6,966,226,616	(18,255,818,403)	6,773,344,141	(17,944,365,121)
Effect from changing in exchange rate on cash and cash equivalents		(112,062,087)	(58,899,033)	(112,062,087)	(58,899,033)
Cash and cash equivalents at the beginning of the periods		7,445,516,395	25,760,233,831	7,403,493,913	25,406,758,067
Cash and Cash Equivalents at the End of the Periods	C	14,299,680,924	7,445,516,395	14,064,775,967	7,403,493,913

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

Note to Statement of Cash Flows

A. Tax Refund - Consolidated and the Company

Units : Million Baht

	2009
Proceeds from P.N.D 50 for the year 2008	266.25
Adjustment of tax refund for the year 2008	12.61
	278.86
	2008
Proceeds from P.N.D 50 for the year 2005/06	455.97
Proceeds from P.N.D 50 for the year 2006/07	1,034.71
Adjustment of tax refund	29.09
Tax refund for the year 2006/07 (additional submitting)	(22.68)
	1,497.09

B. Property, Plant and Equipment Consolidated

During the year 2009, the Company bought property, plant and equipment under finance leases amount of THB 12,899.96 million and cash payment amount of THB 16,428.36 million, total cost amount of THB 29,328.32 million.

During the year 2008, the Company bought property, plant and equipment under finance leases amount of THB 3,600.34 million and cash payment amount of THB 21,402.98 million, total cost amount of THB 25,003.32 million.

The Company

During the year 2009, the Company bought property, plant and equipment under finance leases amount of THB 12,899.96 million and cash payment amount of THB 16,425.05 million, total cost amount of THB 29,325.01 million.

During the year 2008, the Company bought property, plant and equipment under finance leases amount of THB 3,600.34 million and cash payment amount of THB 21,401.10 million, total cost amount of THB 25,001.44 million.

C. Cash and Cash Equivalents

Units : Million Baht

	Consolidated		The Company	
	2009	2008	2009	2008
Cash on hand and Outstanding bank balances	14,411.74	7,504.42	14,176.84	7,462.39
Short-term investments	-	-	-	-
Cash and cash equivalents as previously reported	14,411.74	7,504.42	14,176.84	7,462.39
Effect of exchange rate changes	(112.06)	(58.90)	(112.06)	(58.90)
Cash and cash equivalents as reported	14,299.68	7,445.52	14,064.78	7,403.49

(Signed) *Piyasvasti Amranand*
(Piyasvasti Amranand)
President

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

NOTES TO THE FINANCIAL STATEMENTS



THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
For the years ended December 31, 2009 and 2008

1. BASIS OF FINANCIAL STATEMENTS PREPARATION

The consolidated and the Company financial statements have been prepared in accordance with generally accepted accounting principles under the Accounting Act B.E. 2543 (2000) being those Thai Accounting Standards which issued by the Accounting Profession Act B.E. 2547 (2004) and the Financial Reporting Requirements of the Securities and Exchange Commission, Thailand under the Securities and Exchange Act B.E. 2535 (1992).

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.

An English language version of the financial statements has been prepared from the statutory financial statements that were issued in Thai language. In case of conflict or difference in understanding, the financial statements in Thai language shall prevail.

2. REVISED THAI ACCOUNTING STANDARDS (TAS) AND THAI FINANCIAL REPORTING STANDARDS (TFRS)

The Federation of Accounting Professions (FAP) announced the revised Thai Accounting Standards, Financial Reporting Standards, and Accounting Guideline which were announced in a Ratchakitchanubeksa and were effective for accounting periods beginning on or after January 1, 2009 as follows:

Thai Accounting Standard No. 36 (revised 2007)	Impairment of Assets
Thai Financial Reporting Standard No. 5 (revised 2007)(No. 54, formerly)	Non-current Assets Held for Sale and Discontinued Operations
Accounting Framework (revised 2007)	
Accounting Guideline for Leasehold Right	
Accounting Guideline for Business Combination under Common Control	

The compliance with these Accounting Standards does not have any material impact on the consolidated and the Company's financial statements.

During 2009, the Federation of Accounting Professions (FAP) announced the renumbering of Thai Accounting Standards to follow International Financial Reporting Standards which are divided into Accounting Standards and Financial Reporting Standards. As a result, the numbers of Thai Accounting Standards were changed. In addition, the FAP announced new Accounting Standards and the revised Accounting Standards which are effective for accounting periods beginning on or after January 1, 2011 and January 1, 2012. The Company has not early adopted these standards before the effective date.

The standards are as follows:

Effective for accounting periods on or after January 1, 2011	
Thai Accounting Standard No. 24 (revised 2007) (No. 47, formerly)	Related Party Disclosures
Thai Accounting Standard No. 40	Investment Property
Effective for accounting periods on or after January 1, 2012	
Thai Accounting Standard No. 20	Accounting for Government Grants and Disclosure of Government Assistance

Management of the Company has reviewed and expected that the above standards have no material impact on the consolidated and the Company's financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Allowance for Doubtful Accounts

Trade account receivables, not government agencies and state enterprises, are set an allowance for doubtful accounts by analysing a payment history and connection data together with aging analysis of each trade account receivable as a criteria at the following rates:

Period overdue	Allowance for doubtful accounts (%)
over 6 months to 1 year	50
over 1 year to 2 years	75
over 2 years	100

3.2 Inventories and Supplies

Inventories and supplies at the year-end, consisting of aircraft spare parts, fuel and oil for aircraft, cabin supplies, goods for sales as well as stationery and office supplies, are stated at the lower of moving average cost or net realisable value, except inventories in transit are stated at purchased date cost.

- Provision for obsolescence of aircraft spare parts is made at an annual rate of 10% of the year-end balance.

- Slow moving aircraft spare parts and spare parts for sales are spare parts not moving over two years or spare parts for aircraft not represented in the fleet. Provision for obsolescence is made at an annual rate of 33.33% of the incurred balance during the year.

- Provision for obsolete and damaged inventories is made at the full amount.

3.3 Investments

3.3.1 Investments in subsidiary and associated companies are recorded by the equity method in the consolidated financial statements but by cost method in the Company's financial statements.

3.3.2 Long-term investments in non-marketable equity securities are recorded at cost net of a provision for impairment. An impairment loss is recognised in the income statement.

3.3.3 Current investments in marketable equity securities are recorded at market value at the year-end. Gain or loss on change in value of trading securities is recognised in the income statement. For available-for-sale securities, the Company recognises gain or loss on change in value as an unrealised gain or loss under shareholders' equity.

3.4 Property, Plant and Equipment and Depreciation

3.4.1 Aircraft and aircraft under finance leases

3.4.1.1 Aircraft and aircraft under finance leases are stated at cost, including where applicable (engines and other flight equipment), as well as cost of decoration incurred prior to the aircraft being placed into service but excluding passenger seats and the first estimated overhaul cost, less any concessions for the acquisition of aircraft. Depreciation is calculated on a straight-line basis over an estimated useful life of 20 years with a residual value of 10% of cost. As for the aircraft and aircraft under finance leases, which the Company has taken the delivery since the fiscal year of 2006/07, and the existing aircraft having the same as those aircraft type are calculated the depreciation on a straight-line basis over the estimated useful life of 15 years with a residual value of 10% of cost.

3.4.1.2 Aircraft overhaul (D-check) costs, the first estimated overhaul costs, are presented as separate assets from the aircraft cost and depreciated over the period of the next scheduled overhaul 4-7 years depending on type of aircraft. When these costs incur, the asserted assets will be expensed and replaced by the incurred overhaul cost.

3.4.1.3 Passenger seats are presented as separate assets from the aircraft cost and depreciated on a straight-line basis over an estimated useful life of 5 years. When the replacement costs incur, they are accounted for as the separate assets and the replaced assets will be written off.

3.4.2 Aircraft spare parts are stated at cost on the acquisition date and depreciated on a straight-line basis over an estimated useful life of 5-20 years.

3.4.3 Other fixed assets are stated at cost on the acquisition date or on the date of completion of construction and depreciated on a straight-line basis over an estimated useful life of 5-30 years.

3.4.4 Leasehold buildings are amortised as expense over a lease term of 10-30 years.

3.4.5 Gain or loss on sale of aircraft is calculated from the difference between the sale price and the net book value of the aircraft, including D-check, improvements to passenger seats, and sales expense. Gain or loss on sale of other assets is calculated from the difference between the sale price and net book value of sold assets and recognised as revenue or expense in the income statement.

3.5 Assets for Sales

Assets for sales are stated at the lower net book value or appraisal value.

Losses on impairment are recognised in an income statement. Gains or losses on sales of assets are recognised as other income or expense at sales.

3.6 Intangible Assets

Computer programmes

Software license and cost that are directly with identifiable and unique software product, which can be separated, identified costs and have an economic useful life over the accounting period, will be recognised as an intangible asset and amortised as expenses on a straight-line basis over an useful life of 5 years.

Expenses arising from developing or maintaining computers are recognised as expenses when incurred.

3.7 Impairment of Assets

Assets may be impaired whenever there is an indicator that the carrying amount of the asset exceeds its recoverable amount. A recoverable amount is the higher of an asset's net selling price and its value in use.

The Company will recognise an impairment loss in an income statement whenever the carrying amount exceeds its recoverable amount. Also, the Company will reverse the impairment loss when there is an indicator that the value of asset is no longer impaired or amount of impairment has decreased.

3.8 Deferred Charges

3.8.1 Aircraft overhaul costs (D-check) for aircraft under operating lease are presented as deferred charges and amortised as expenses over an estimated useful life of 4-7 years but not over the lease term.

3.8.2 Loan guarantee premiums are recorded as deferred charge and amortised as expenses over the period of loans in each accounting period.

3.9 Liabilities Under Finance leases

Liabilities under finance leases are liabilities from the purchase of aircraft under long-term finance leases with financial institutions and are stated at obligation value less aggregate repayments.

3.10 Revenue Recognition

3.10.1 Passenger and excess baggage revenues:

3.10.1.1 Revenue from ticket sales and service orders is recognised as revenue when transportation is provided. For passengers using the services of other airlines, the difference between the selling price charged by the Company and the amount billed to the Company by those airline performing the services is recognised as revenue.

3.10.1.2 Unused tickets and service orders are recognised as revenue after 2 years.

3.10.1.3 Deferred revenues for war risk insurance and fuel surcharges are recognised as revenues when the outstanding balances are over 3 years.

3.10.2 Freight revenue is recognised when the Company provides the services and issues its air waybills. For freight carried by other air carriers, the difference between the selling price charged by the Company and the amount billed to the Company by those air carriers performing the services is recognised as revenue.

- Freight with respect to which the Company has issued an air waybill but carried by other air carriers is recognised as revenue if the other air carriers do not bill within 1 year.

3.10.3 The Company has operated a frequent flyer program called “Royal Orchid Plus” since 1993. Members exchange accumulated mileage for services. The Company calculates cost per mile by dividing the average net collected fare in each zone by the number of miles redeemed for awards in that zone. The Company estimates the number of miles utilised by members based upon the weighted zonal redemption. The estimated cost is used to reduce passenger revenues and record liability under “unearned transportation revenue”. Revenues are recognised when members redeem awards.

3.10.3.1 Unredeemed awards are recognised as revenue after 3 years.

3.10.3.2 Redemptions with Star Alliance partners involve interline billing arrangements and costs per mile specified in partner agreements. Revenues are recognised when transportation is provided.

3.10.3.3 The Company sells mileage to its members in order to encourage redemptions and recognises the difference between the sale price and mileage cost as revenue.

3.10.4 Revenues from business units, Aircraft Maintenance Services, Ground Customer Services, Ground Support Equipment Services and Cargo and Mail Commercial Services are recognised when services are provided. Revenues from Catering Services are recognised at sales. As for revenues from supporting activities such as Sale on Board and Thai Shop are recognised at sales but revenues from Dispatch Services are recognised when services are provided.

3.10.5 Other revenues are recognised on an accrual basis.

3.11 Basic Earnings Per Share

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

3.12 Foreign Currency Transactions

Foreign currency transactions incurred during the year are translated into Baht at exchange rates calculated from the average exchange rate of the Bank of Thailand and commercial banks in the month in which the transaction occurs. Except for foreign loans, the Company uses the exchange rate of the Bank of Thailand at cash received date.

Assets and liabilities denominated in foreign currency at year-end are translated into Baht at average commercial bank buying and selling rates announced by the Bank of Thailand at that date. Gains or losses on currency exchange are recognised in an income statement.

3.13 Staff Provident Fund

On June 26, 1992, the Company established an “Employee of Thai Airways International Public Company Limited Registered Provident Fund” in accordance with the Provident Fund Act B.E. 2530. The fund is managed by a professional fund manager and does not appear on the Company’s balance sheet. The Company contributes to the fund on a monthly basis at a rate of 9% of salaries for members having not more than 20 years of service and 10% for members having more than 20 years of service. Contributions are treated as expenses of the Company.

3.14 Deferred Income Tax

The Company's tax expenses are calculated in accordance with the Revenue Code of Thailand. The deferred income tax is calculated from temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

3.15 Accounting Estimations

The Company and its subsidiary have applied the accounting estimations and many assumptions in preparation financial statements to conform to the generally accepted accounting principles. These will impact on the amounts of assets, liabilities, revenues, expenses as well as the disclosure of contingent assets and liabilities which may be differed from the actualities.

3.16 Financial Instruments

The Company uses derivative financial instruments which are Interest Rate Swap (IRS) and Cross Currency Swap (CCS) to reduce the fluctuation risk from an interest rate and exchange rate by entering into a Swap Confirmation to exchange the principal amount and interest at maturity according to the contract. The arising different will be recorded as interest expenses in an income statement. For the Forward Contracts, the Company will recognise in its financial statements at the end of forward contracts. The arising difference will be recorded as gain or loss on foreign currency exchange in an income statement.

In addition, the Company also entered into fuel-oil hedging agreement in which premiums and the difference of the fuel price arising from this agreement will be recorded as expenses in an income statement.

4. EFFECT OF CHANGE IN ACCOUNTING ESTIMATION

The Company has reviewed its accounting estimation of allowance for doubtful accounts by considering individual trade accounts receivable together with aging analysis of accounts receivable which becomes effective for the accounting period starting from the third quarter (July1 - September 30, 2009) onwards in conformity with the International Accounting Standards No. 39 (revised in 2007); Accounting Policies, Changes in Accounting Estimates and Errors, which requires an entity may review the current estimation whenever the criteria of the estimate assumption has been changed or new information and more experiences are obtained. As a result, the Company has the allowance for doubtful account as of December 31, 2009 amount of THB 1,652.74 million, an increase of THB 49.68 million compared with the previous accounting estimation.

5. ACCOUNTING PRESENTATION IN FINANCIAL STATEMENTS

The Company has reclassified the items in financial statements to conform to the Notification of Department of Business Development, Determination of Short Items in Financial Statements B.E. 2551 which becomes effective for the fiscal years beginning on or after January 1, 2009. The Company also reclassified the financial statements for the year ended December 31, 2008 for comparative purpose.

6. CONSIDERATION OF AIRCRAFT IMPAIRMENT

In the fiscal year of 2008 ended December 31, 2008, the Company recorded the aircraft impairment losses on 4 Airbus A340-500 aircraft amount of THB 4,425.59 million. To conform to the Accounting Standards No. 36 "Impairment of Assets" as well as the plan to sell those aircraft, the Company has reviewed its aircraft impairment for the fiscal year 2009 ended December 31, 2009 by comparing the net book value after the impairment and the appraisal value estimated by the Aircraft Value Analysis Company. The incurred difference has no materiality therefore the Company did not record the aircraft impairment of such aircraft.

7. OPERATION DURING THE IMMEDIATE BUSINESS TURNAROUND PLAN

The resulting improvement in financial performance was the result of the Company having taken drastic actions under the Immediate Business Turnaround Plan with the Transport Ministry's oversight. The Company's liquidity was resolved while the Company's net profit achieved as at December 31, 2009 amounted to THB 7,417.41 million and an EBITDA of THB 30,064.71 million, which is 3.3% higher than the Turnaround Plan target.

The Company was able to over achieve its targeted production capacity under the Turnaround Plan by 2.0% while the cabin factor achieved during 2009 was 73.0% or higher than the target set under the Turnaround Plan of 70.5%. However, the average yield excluding fuel surcharge achieved was less than the turnaround target by 3.8% because of the decrease in air travel demand during the first and second quarter of 2009. To maintain the Company's market share and maintain a cabin factor, proactive marketing strategies were launched causing air fares to decline. However, to mitigate the impact of revenue decline, the Company was able to exceed its target in non-fuel cost savings by 7.9% emphasizing areas which would not negatively impact standard of customer service and satisfaction.

Besides, the Company has acquired long-term finance leases guaranteed by the Export Credit Agency (ECA) for 6 A330-300 aircraft which 1 was taken delivery on July 29, 2009 and another 3 were taken on December 23, 2009. The Company will take a delivery of another 2 aircraft in March 2010. In addition, the Company has acquired long-term loans to refinance short-term loans and improve its liquidity according to the Immediate Business Turnaround Plan

8. SUPPLEMENTARY INFORMATION

8.1 Cash and Cash Equivalents

Units : Million Baht

	Consolidated		The Company	
	2009	2008	2009	2008
Cash - Domestic	32.32	8.78	32.32	8.78
Cash - Abroad	25.20	27.57	25.20	27.57
Bank Deposits - Domestic	2,681.25	3,495.71	2,446.35	3,453.68
Bank Deposits - Abroad	11,560.91	3,913.46	11,560.91	3,913.46
Total	14,299.68	7,445.52	14,064.78	7,403.49

8.2 Trade Accounts Receivable - Net

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

Units : Million Baht

	Consolidated		The Company	
	2009	2008	2009	2008
Trade accounts receivable	16,989.29	17,257.56	16,882.13	17,175.15
Less Allowance for doubtful accounts	(1,681.73)	(1,428.77)	(1,652.74)	(1,381.93)
Trade accounts receivable - net	15,307.56	15,828.79	15,229.39	15,793.22

8.3 Inventories and Supplies - Net

Units : Million Baht

	Consolidated		The Company	
	2009	2008	2009	2008
Aircraft spare parts	5,528.14	5,218.28	5,528.14	5,218.28
Less Provision for obsolescence (10% of the year-end balance)	(552.81)	(521.83)	(552.81)	(521.83)
Aircraft spare parts - Net	4,975.33	4,696.45	4,975.33	4,696.45
Vehicle spare parts and ground support equipments	278.35	275.44	278.35	275.44
Slow moving aircraft spare parts and spare parts for sale	1,451.71	1,976.45	1,451.71	1,976.45
Less Provision for obsolescence (33.33% of incurred balance during the period)	(1,392.85)	(1,859.73)	(1,392.85)	(1,859.73)
Slow moving aircraft spare parts and spare parts for sale - Net	58.86	116.72	58.86	116.72
Fuel and oil for aircraft	200.84	252.14	200.84	252.14
Goods for sales	181.99	241.21	181.99	241.21
Cabin supplies	310.20	313.93	310.20	313.93
Supplies and other consumables	20.61	23.36	20.61	23.36
Stationery and office supplies	106.49	111.61	106.49	111.61
Inventories and spare parts in transit	65.29	748.43	65.29	748.43
Total inventories and supplies	885.42	1,690.68	885.42	1,690.68
Obsolete and damaged inventories for disposal	36.79	24.16	36.79	24.16
Less Provision for obsolescence (100%)	(36.79)	(24.16)	(36.79)	(24.16)
Obsolete and damaged inventories for disposal - Net	-	-	-	-
Total inventories and supplies - Net	6,197.96	6,779.29	6,197.96	6,779.29
Total inventories and supplies at year-end	8,180.41	9,185.01	8,180.41	9,185.01
Less Total provision for obsolete inventories and supplies	(1,982.45)	(2,405.72)	(1,982.45)	(2,405.72)
Total inventories and supplies - Net	6,197.96	6,779.29	6,197.96	6,779.29

8.4 Other Current Assets

Units : Million Baht

	Consolidated		The Company	
	2009	2008	2009	2008
Tax refund	218.85	247.59	218.85	247.59
Cash and bank deposits of pension fund	3,346.11	4,549.93	3,346.11	4,549.93
Others	3,107.98	2,033.61	3,071.33	1,996.93
Total	6,672.94	6,831.13	6,636.29	6,794.45

8.5 Investments

Name of Company	Consolidated						Units : Million Baht	
	Percentage of Shareholding		Investments				Income on investments	
			Cost method		Equity method			
	2009	2008	2009	2008	2009	2008	2009	2008
8.5.1 Investments using the equity method								
Royal Orchid Hotel (Thailand) Public Company Limited (Market value for the year 2009 amount of THB 697.50 million and the year 2008 amount of THB 675.00 million)	24	24	225.00	225.00	248.14	300.25	(34.11)	42.36
Donmuang International Airport Hotel Company Limited	40	40	48.00	48.00	158.48	189.84	(14.56)	(3.97)
Bangkok Aviation Fuel Services Public Company Limited (Market value for the year 2009 amount of THB 921.49 million and the year 2008 amount of THB 610.49 million)	22.6	22.6	115.19	115.19	615.87	582.71	76.93	85.44
Phuket Air Catering Company Limited	30	30	30.00	30.00	88.50	71.35	26.15	27.13
Suvarnabhumi Airport Hotel Company Limited	30	30	305.33	305.33	129.97	192.95	(62.97)	(30.40)
Nok Airlines Company Limited	39	39	195.00	195.00	-	-	-	(185.70)
Less Allowance for impairment of Nok Airlines Company Limited			(195.00)	(195.00)	-	-	-	-
Total investments using the equity method					1,240.96	1,337.10	(8.56)	(65.14)
8.5.2 Other long-term investments stated at cost								
Fuel Pipeline Transportation Limited	8.4	8.4	133.00	133.00			-	-
Aeronautical Radio of Thailand Limited	2.7	2.7	18.01	17.96			-	-
SITA Investment Certificate	-	-	33.32	33.47			-	-
Trade Siam Company Limited (paid 25% of authorized share capital)	3.5	3.5	1.75	1.75			-	-
SITA Information Networking Computing	-	-	30.37	31.83			-	-
Other Shares	-	-	2.96	2.99			0.32	0.88
Investment in private fund	-	-	-	-			-	-
Less Allowance for impairment of Fuel Pipeline Transportation Limited			(133.00)	(133.00)			-	-
Total other long-term investments			86.41	88.00			0.32	0.88

The Company

Units : Million Baht

Name of Company	Percentage of Shareholding		Investments		Dividend Income	
			Cost method			
	2009	2008	2009	2008	2009	2008
8.5.1 Investments using the cost method						
Subsidiary Company						
Thai-Amadeus Southeast Asia Company Limited	55	55	8.25	8.25	66.00	72.19
Associated Companies						
Royal Orchid Hotel (Thailand) Public Company Limited (Market value for the year 2009 amount of THB 697.50 million and the year 2008 amount of THB 675.00 million)	24	24	225.00	225.00	18.00	3.15
Donmuang International Airport Hotel Company Limited	40	40	48.00	48.00	16.80	-
Bangkok Aviation Fuel Services Public Company Limited (Market value for the year 2009 amount of THB 921.49 million and for the year 2008 amount of THB 610.49 million)	22.6	22.6	115.19	115.19	43.77	54.14
Phuket Air Catering Company Limited	30	30	30.00	30.00	9.00	9.00
Suvarnabhumi Airport Hotel Company Limited	30	30	305.33	305.33	-	-
Nok Airlines Company Limited	39	39	195.00	195.00	-	-
<u>Less</u> Allowance for impairment of Nok Airlines Company Limited			(195.00)	(195.00)	-	-
Total			723.52	723.52	87.57	66.29
Total investments using the cost method			731.77	731.77	153.57	138.48
8.5.2 Other long-term investments stated at cost						
Fuel Pipeline Transportation Limited	8.4	8.4	133.00	133.00	-	-
Aeronautical Radio of Thailand Limited	2.7	2.7	18.01	17.96	-	-
SITA Investment Certificate	-	-	33.32	33.47	-	-
TRADESIAM Company Limited (paid 25% of authorized share capital)	3.5	3.5	1.75	1.75	-	-
SITA Information Networking Computing	-	-	30.37	31.83	-	-
Other Shares	-	-	2.96	2.99	0.32	0.88
<u>Less</u> Allowance for impairment of Fuel Pipeline Transportation Limited			(133.00)	(133.00)	-	-
Total other long-term investments			86.41	88.00	0.32	0.88

8.5.3 Financial Data Summary of Subsidiary and Associated Companies

Units : Million Baht

Name of Company	Assets	Liabilities	Income	Gains (Losses)
Subsidiary Company				
Thai-Amadeus Southeast Asia Company Limited	745.65	84.41	396.05	160.55
Associated Companies				
Royal Orchid Hotel (Thailand) Public Company Limited	1,769.17	735.26	412.45	(146.51)
Donmuang International Airport Hotel Company Limited	440.73	44.54	123.86	(25.46)
Bangkok Aviation Fuel Services Public Company Limited	5,433.26	2,706.96	1,183.48	336.19
Phuket Air Catering Company Limited	304.77	9.76	197.56	63.39
Suvarnabhumi Airport Hotel Company Limited	2,028.78	1,595.54	570.71	(209.91)
Nok Airlines Company Limited	405.86	383.50	1,631.04	226.83

The Company used the financial statements of associated companies as at September 30, 2009 to record the investment by equity method in the consolidated financial statement and by cost method in the Company's financial statement. Because the associated companies cannot submit their financial statements to the Company in time for accounting closing. This is no material impact to the Company.

8.6 Related Parties The Company

8.6.1 Major Shareholders

8.6.1.1 Short-term loans from related parties

Units : Million Baht

	2009	2008
Foreign loans via the Ministry of Finance	1,116.11	3,508.27
Export-Import Bank of Thailand	-	300.00
Islamic Bank of Thailand	-	750.00
Total	1,116.11	4,558.27

8.6.1.2 Long-term loans from related parties

Units : Million Baht

	2009	2008
Foreign loans via the Ministry of Finance	1,340.67	1,403.30
Government Saving Bank	8,178.00	4,000.00
Islamic Bank of Thailand	2,000.00	-
Total	11,518.67	5,403.30

8.6.1.3 Promissory notes from related parties

Units : Million Baht

	2009	2008
Government Saving Bank	500.00	1,150.00

8.6.2 Subsidiary Company

Units : Million Baht

	2009		2008	
	Sales	Purchase	Sales	Purchase
Thai-Amadeus Southeast Asia Company Limited	3.72	-	12.99	-

Units : Million Baht

	2009		2008	
	Account Receivables	Account Payables	Account Receivables	Account Payables
Thai-Amadeus Southeast Asia Company Limited	0.29	-	0.76	-

8.6.3 Associated Companies

Units : Million Baht

	2009		2008	
	Sales	Purchase	Sales	Purchase
Royal Orchid Hotel (Thailand) Public Company Limited	0.20	7.06	-	14.85
Donmuang International Airport Hotel Company Limited	-	4.90	-	5.48
Bangkok Aviation Fuel Services Public Company Limited	0.03	361.58	0.06	377.37
Phuket Air Catering Company Limited	3.07	3.57	3.31	9.27
Suvarnabhumi Airport Hotel Company Limited	-	41.20	-	101.69
Nok Airlines Company Limited	921.67	-	2,022.38	-

Units : Million Baht

	2009		2008	
	Account Receivables	Account Payables	Account Receivables	Account Payables
Royal Orchid Hotel (Thailand) Public Company Limited	-	-	-	-
Donmuang International Airport Hotel Company Limited	-	0.03	-	-
Bangkok Aviation Fuel Services Public Company Limited	0.01	37.14	-	27.33
Phuket Air Catering Company Limited	0.22	0.77	0.35	2.01
Suvarnabhumi Airport Hotel Company Limited	-	-	-	-
Nok Airlines Company Limited	122.28	-	123.57	-

The Company purchases goods and services at a market price from related parties on normal commercial term as unrelated parties.

8.7 Property, Plant and Equipment – Net

Consolidated							Units : Million Baht
	Aircraft	Aircraft under finance leases	Aircraft spare parts	Land, buildings and Improvements	Other plant and equipment	Total	
Cost							
As at January 1, 2009	156,754.52	142,897.70	29,298.79	18,765.92	29,527.49	377,244.42	
- Adjust/Transfers	(21,500.91)	7,158.29	(377.58)	124.97	157.46	(14,437.77)	
- Additions	6,258.54	21,350.99	3,366.55	52.95	324.25	31,353.28	
- Disposals	-	(91.87)	(1,187.28)	(82.50)	(414.58)	(1,776.23)	
As at December 31, 2009	141,512.15	171,315.11	31,100.48	18,861.34	29,594.62	392,383.70	
Impairment Allowance							
	950.40	3,475.19	-	-	-	4,425.59	
Accumulated depreciation							
As at January 1, 2009	83,695.72	32,991.75	19,347.37	9,600.35	20,119.67	165,754.86	
- Depreciation	6,569.30	9,158.71	2,158.76	752.32	2,022.23	20,661.32	
- Adjust/Transfers	(11,955.62)	1,446.72	(246.51)	2.40	(37.41)	(10,790.42)	
- Disposals	-	(87.22)	(604.05)	(81.58)	(399.99)	(1,172.84)	
As at December 31, 2009	79,259.80	46,985.15	20,655.57	10,273.49	21,704.50	178,878.51	
Net book value							
As at December 31, 2008	72,108.40	106,430.76	9,951.42	9,165.57	9,407.82	207,063.97	
As at December 31, 2009	62,252.35	124,329.96	10,444.91	8,587.85	7,890.12	213,505.19	

The Company							Units : Million Baht
	Aircraft	Aircraft under finance leases	Aircraft spare parts	Land, buildings and Improvements	Other plant and equipment	Total	
Cost							
As at January 1, 2009	156,754.52	142,897.70	29,298.79	18,765.92	29,283.60	377,000.53	
- Adjust/Transfers	(21,500.91)	7,158.29	(377.58)	124.97	192.61	(14,402.62)	
- Additions	6,258.54	21,350.99	3,366.55	52.95	320.94	31,349.97	
- Disposals	-	(91.87)	(1,187.28)	(82.50)	(414.58)	(1,776.23)	
As at December 31, 2009	141,512.15	171,315.11	31,100.48	18,861.34	29,382.57	392,171.65	
Impairment Allowance							
	950.40	3,475.19	-	-	-	4,425.59	
Accumulated depreciation							
As at January 1, 2009	83,695.72	32,991.75	19,347.37	9,600.35	19,908.73	165,543.92	
- Depreciation	6,569.30	9,158.71	2,158.76	752.32	2,007.85	20,646.94	
- Adjust/Transfers	(11,955.62)	1,446.72	(246.51)	2.40	(2.26)	(10,755.27)	
- Disposals	-	(87.22)	(604.05)	(81.58)	(399.99)	(1,172.84)	
As at December 31, 2009	79,259.80	46,985.15	20,655.57	10,273.49	21,514.33	178,688.34	
Net book value							
As at December 31, 2008	72,108.40	106,430.76	9,951.42	9,165.57	9,374.87	207,031.02	
As at December 31, 2009	62,252.35	124,329.96	10,444.91	8,587.85	7,868.24	213,483.31	

In this fiscal year, the total of the Company's aircraft are 90 aircraft which 87 aircraft represent in the Company's fleet consisting of 51 own aircraft, 32 aircraft under finance leases according to Note to financial statement No. 8.33, and 7 aircraft under operating leases.

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

Land, buildings and improvements amounted to THB 8,587.85 million including the leasehold buildings amount of THB 6,142.53 million.

Other plants and equipment-net amounted to THB 7,890.12 million (consolidated) and THB 7,868.24 million (the Company).

The Company uses buildings and equipment that are now fully depreciated with historical cost of THB 39,528.03 million including the leasehold buildings amount of THB 3,924.16 million.

Financial leased assets are aircraft under finance leases which the purchase contracts are made in USD currency but the finance leases are made in EUR, JPY and USD currencies.

In this year, the financial leased assets increased amount of THB 12,899.96 million.

8.8 Intangible Assets-net

Units : Million Baht

	Consolidated	The Company
Cost		
As at January 1, 2009	1,209.82	1,204.48
- Additions	98.32	96.94
As at December 31, 2009	1,308.14	1,301.42
Accumulated amortisation		
As at January 1, 2009	401.93	400.90
- Amortisation	254.30	253.70
As at December 31, 2009	656.23	654.60
Net book value		
As at December 31, 2008	807.89	803.58
As at December 31, 2009	651.91	646.82

8.9 Deferred Income Tax Assets

Units : Million Baht

	Consolidated		The Company	
	2009	2008	2009	2008
Contribution to staff pension fund	964.30	1,050.57	964.30	1,050.57
Allowance for obsolete inventories	594.74	721.72	594.74	721.72
Allowance for doubtful accounts	560.62	484.79	551.92	470.74
Allowance for impairment in value of assets	1,645.15	1,728.31	1,645.15	1,728.31
Estimated accrual expenses	1,795.93	1,742.16	1,795.93	1,742.16
Frequent flyer program (ROP)	13.11	345.97	13.11	345.97
Loss on foreign currency exchange	134.31	313.41	134.31	313.41
Others	22.65	18.84	19.03	15.19
Total	5,730.81	6,405.77	5,718.49	6,388.07

8.10 Other Non-Current Assets

Units : Million Baht

	Consolidated		The Company	
	2009	2008	2009	2008
Deferred charges	1,940.15	1,506.68	1,940.15	1,506.71
Others	367.00	203.58	366.62	203.20
Total	2,307.15	1,710.26	2,306.77	1,709.91

Deferred charges consisted of aircraft overhaul costs (D-check) for aircraft under operating lease, which are amortised as expenses over an estimated useful life of 4-7 years but not over the lease term, and loan guarantee premiums for purchasing of aircraft are amortised as expenses over the period of due payment loans in each accounting period.

8.11 Short-term Loans Consolidated and the Company

Currency	Loan Currency		Baht Equivalent (Million)	
	2009	2008	2009	2008
THB	-	17,980,000,000	-	17,980.00
USD	33,300,000	-	1,116.11	-
JPY	-	9,000,000,000	-	3,508.27
Short-term loans			1,116.11	21,488.27

The Ministry of Finance borrowed 1- year short-term foreign loan in the form of Euro Commercial Paper (ECP) and loaned to the Company. At the year-end, the balance of such loan amounted to THB 1,116.11 million.

8.12 Long-term Loans Consolidated and the Company

Currency	Loan Currency		Baht Equivalent (Million)	
	2009	2008	2009	2008
USD	40,000,000	40,000,000	1,340.67	1,403.29
THB	33,178,000,000	4,000,000,000	33,178.00	4,000.00
Total Long-term loans			34,518.67	5,403.29
Less Current portion of long-term loans			2,472.00	572.00
Net Long-term loans			32,046.67	4,831.29

At the year-end, long-term loans of the Company consisted of the foreign loans borrowed via the Ministry of Finance amount of THB 1,340.67 million and loans from the banks - that is Government Saving Bank amount of THB 8,178.00 million, Islamic Bank of Thailand amount of THB 2,000.00 million, Bangkok Bank Public Company Limited amount of THB 8,000.00 million, Kasikorn Bank Public Company Limited amount of THB 5,000.00 million, Siam Commercial Bank Public Company Limited amount of THB 5,000 million and Standard Chartered Bank (Thailand) amount of THB 5,000.00 million. The total of long-term loans amounted to THB 34,518.67 million. As at December 31, 2009, such long-term loans have been transferred to a current portion of long-term loans amount of THB 2,472.00 million, leaving the balance of long-term loans amount of THB 32,046.67 million.

8.13 Liabilities Under Finance leases Consolidated and the Company

Currency	Loan Currency		Baht Equivalent (Million)	
	2009	2008	2009	2008
JPY	46,115,845,299	39,941,610,829	16,860.37	15,569.56
USD	88,520,604	147,853,326	2,966.92	5,187.05
EUR	1,236,565,258	1,102,341,130	59,513.91	54,732.89
Total liabilities under finance leases			79,341.20	75,489.50
<u>Less</u> Current portion of finance leases			11,312.93	10,153.59
Net Liabilities under finance leases			68,028.27	65,335.91

The Company has exercised purchase options at the end of term finance leases of aircraft, presented the value regarding to the accounting policy described in Note 3.9, with 8 foreign financial institutions. As at December 31, 2009, the outstanding balance of obligations under finance leases for 32 aircraft are THB 99,163.48 million with maturities ranging from 2009 to 2021. After deducting interest expenses due amount of THB 19,822.28 million, the principal balance of obligations under the Company's finance leases is THB 79,341.20 million. As at December 31, 2009, the amount of THB 11,312.93 million has been transferred to a current portion of financial lease, leaving the balance of long-term liabilities under financial lease amount of THB 68,028.27 million.

8.14 Promissory Notes

The Company received the loans from the Government Saving Bank and THAI Employees' Saving & Credit Coops Ltd. by issuing promissory notes with a floating interest rate computed by using the interest rate on six-month fixed deposits at the Government Saving Bank plus 2.90% to 3.00% per annum. In this fiscal year, the brought forward balance is THB 1,800 million and the amount of THB 1,050 million was repaid during the period, leaving a balance of THB 750 million. As at December 31, 2009, these promissory notes are transferred to current portion of long-term loans at the entire amount.

8.15 Debentures

According to the Resolution of Extraordinary Shareholders' Meeting No. 1/2003 held on September 2, 2003 approved the Company to issue debentures in the amount of THB 40 billion. The Company had already issued its debentures for the first tranche of THB 10 billion, the second tranche of THB 15 billion, and the third tranche of THB 15 billion, totalling to THB 40 billion which had already been transferred to the Company's account. On November 12 and October 8, 2008, the Company redeemed the due debentures amount of THB 6,000 million and 5,500 million, respectively. In addition, the Company redeemed the due debentures amount of THB 7,500 million on October 20, 2009.

According to the Resolution of Extraordinary Shareholders' Meeting for the year 2005 held on December 23, 2005 approved the Company to issue its debentures within the amount of THB 60 billion. On November 22, 2007, the Company had issued the debentures No.1/2550 for an aggregate of THB 7,500 million which were offered in 2 tranches. The first tranche amount of THB 3,000 million and the second tranche amount of THB 4,500 million had already been transferred to the Company account, totalling THB 7,500 million. In addition, the Company had issued the debentures No. 1/2551 for an aggregate of THB 7,000 million on October 2, 2008. Such debentures were offered in 3 tranches. The first tranche amount of THB 3,455.29 million, the second tranche amount of THB 987.92 million and the third tranche amount of THB 2,556.79 million, totalling to THB 7,000 million, had already been transferred to the Company's account. On January 20, 2009, the Company had issued the debentures No. 1/2552 for an aggregate of THB 4,790 million issuing in 4 tranches, the first tranche amount of THB 170 million, the second tranche amount of THB 720 million, the third tranche amount of THB 300 million and the fourth tranche amount of THB 3,600 million. The amount of such debentures had already been transferred to the Company's account amount of THB 4,790 million.

As at December 31, 2009, the balance of debentures was THB 40,290 million which the amount of THB 10,955.29 million was transferred to a current portion of long-term loans, leaving the balance of long-term loans amount of THB 29,334.71 million. The details are as follows:

	Tenor (Year)	Interest Rate Pay every 6 months (%)	Amount (MTHB)	Redemption date
The first	7	3.70	4,500.00	October 8, 2010
The second	7	5.20	4,500.00	October 20, 2011
	10	5.80	3,000.00	October 20, 2014
			7,500.00	
The third	6	4.67	6,000.00	May 12, 2011
	10	5.19	3,000.00	May 12, 2015
			9,000.00	
The 1/2550	3	4.51	3,000.00	November 22, 2010
	5	5.04	4,500.00	November 22, 2012
			7,500.00	
The 1/2551	1.5	4.77	3,455.29	April 2, 2010
	3	5.05	987.92	October 2, 2011
	5	5.50	2,556.79	October 2, 2013
			7,000.00	
The 1/2552	3	5.30	170.00	January 20, 2012
	5	5.45	720.00	January 20, 2014
	7	5.60	300.00	January 20, 2016
	10	6.00	3,600.00	January 20, 2019
			4,790.00	
The balance as at December 31, 2009			40,290.00	

The Company has registered these debentures with the Thai Bond Market Association (Thai BMA) in the bond electronic exchange of the Stock Exchange of Thailand except for the issuing of debentures No. 1/2552 which were offered to specific investors (not more than 10 investors).

8.16 Deferred Income

Deferred income amount of THB 2,717.80 million is the A380-800 delay compensation arising from the delay delivery of 6 A380-800 aircraft aside from penalty in the agreement. The deferred income is recognised as revenue according to the former delivery period until the next delivery period of such aircraft. For the year ended December 31, 2009, the amount of the THB 738.04 million was recognised as revenue, leaving the balance of deferred income amount of THB 1,979.76 million.

8.17 Other Current Liabilities - Others

Units : Million Baht

	Consolidated		The Company	
	2009	2008	2009	2008
Airport fees	2,909.20	1,612.72	2,909.20	1,612.72
Deferred revenue	3.16	2.95	3.03	2.68
Taxes payable	805.28	740.39	805.02	738.20
Fringe benefits-field office staff	539.46	524.91	539.46	524.91
Other accounts payable	1,883.54	1,782.02	1,859.49	1,762.93
Total	6,140.64	4,662.99	6,116.20	4,641.44

8.18 Long-Term Provisions

8.18.1 The Court of First Instance has sentenced the Company to pay compensatory damages claimed by the employees in the amount of THB 15.35 million. At present, the Company has appealed the case to the Court of Appeal.

8.18.2 The Court of First Instance has sentenced the Company to pay compensatory damages for the cancellation the purchase of wines claimed by Ming Yeng International Co., Ltd. in the amount of THB 27.63 million. The Company's lawyer is going to appeal the case.

8.18.3 The case where the courts awarded the Company to pay its liabilities amount of THB 2.17 million, which is now under the consideration of the Supreme Court.

8.18.4 The court of first instance has ordered the Company to compensate employees in the amount of THB 3.22 million. The case is now under the consideration of the Supreme Court.

8.18.5 In the fiscal year 2008, the Company has set up the reserve for damages and fines for the Antitrust and Competition cases and investigations in the amount of THB 4,290.17 million. As at December 31, 2008, the amount was transferred to short-term provision in the amount of THB 458.20 million, leaving the balance of long-term provision amount of THB 3,831.97 million. The provision is calculated by approximation from the estimated damages and fines figured by the lawyers in each region taking into account the facts that the lawyers are aware of and in according with the following criteria:

1. The above estimated damages and fines are calculated from the lowest fine rates that may be used in case the courts rule or sentence that the Company has committed guiltiness as alleged or claimed.

2. The above estimated fine amount is approximation by the authority of each country that investigation and litigation are in process, but excluding the civil class actions of both cargo and passenger cases in U.S., as in such both cases the civil courts are on the process of initiation of litigation, and there are no claim statements that seek the proof of damages of the claimants.

3. The sentence or decision on the cases shall be given separately in the next forth coming different fiscal years.

4. The above provision may be substantially deviate from the truth due to:

- 4.1 In the countries where investigations are initiated and no allegation are filed yet, there is no clear fact as to whether an allegation will be filed against the Company. And if such an allegation is filed against the Company, in which locations that such allegation may cover. The turn over amount of such locations which shall be base for calculation of a fine is unaware then.

- 4.2 The determination of a fine is up to the discretion of the deciding body. Other facts of the cases may need to be considered by such deciding body.

- 4.3 Before the decision is made, there may be a compromise of the fine amount, depending on the policy of each country and the case aspects.

8.19 Dividends Payment the Company

According to the Resolution of the 2009 Annual General Shareholders' Meeting held on April 22, 2009 approved the Company to abstain from dividend payment for 2008 operating result ended December 31, 2008.

8.20 Share Capital

As at December 31, 2009, the Company has authorized ordinary shares amount of 1,700 million shares at par value THB 10 each for an aggregate of THB 17 billion, issued and paid-up ordinary shares amount of THB 16,989.01 million.

8.21 Legal Reserve

As at December 31, 2009, the Company's legal reserve balance was THB 1,700 million which equaled to 10% of the Company's registered shares. Therefore, the Company does not have to provide the legal reserve in this fiscal year.

8.22 Management Benefit Expenses

Managements refer to the Company's Board of Directors, chief executive, persons in the next four executive levels below the chief executive, and in similar position, and accounting or finance department managers or above according to the regulation of the Stock Exchange of Thailand.

Units : Million Baht

Text	Consolidated		The Company	
	2009	2008	2009	2008
Board of Directors' benefit expenses	14.68	20.91	13.16	19.74
Executives' benefit expenses	46.24	72.49	46.24	72.49
Total	60.92	93.40	59.40	92.23

Moreover, the Directors of the Company obtain the ticket benefits. In the year 2009 and 2008, they issued the tickets for themselves and their related parties amount of 206 and 458 tickets with the value of THB 23.80 million and 49.00 million, respectively, calculating from the full fare tickets in those travelling classes.

8.23 Others

Units : Million Baht

Text	Consolidated		The Company	
	2009	2008	2009	2008
Gains on sales of assets	232.34	373.26	232.34	373.26
Dividends from subsidiary and associated companies	-	-	153.57	138.48
Revenue from other services of Aircraft Maintenance Department	330.98	307.70	330.98	307.70
Revenue from airport fees collected from passengers	247.24	660.48	247.24	660.48
Compensation revenue from the delay delivery of aircraft	738.04	-	738.04	-
Others	545.12	652.91	546.19	661.00
Total	2,093.72	1,994.35	2,248.36	2,140.92

8.24 Other Expenses

Units : Million Baht

Text	Consolidated		The Company	
	2009	2008	2009	2008
Rentals and utilities	2,881.24	2,989.07	2,881.24	2,989.07
Office supplies	220.11	287.92	220.11	287.92
Repair of building and equipment	453.40	484.25	453.40	484.25
Outsource services	1,077.01	1,148.70	1,077.01	1,148.70
Consultant and service fees	426.75	447.41	426.75	447.41
Legal fee for Antitrust/ Competition Law	90.13	73.44	90.13	73.44
Computer service expenses	378.61	395.47	378.61	395.47
Travelling and transportation expenses	562.07	699.27	562.07	699.27
Concession fees	233.36	401.01	233.36	401.01
Passenger claim expenses	236.79	404.86	236.79	404.86
Others	1,544.19	1,953.90	1,497.41	1,875.34
Total	8,103.66	9,285.30	8,056.88	9,206.74

8.25 Net Tax Expenses (Tax Income)

Units : Million Baht

Text	Consolidated		The Company	
	2009	2008	2009	2008
Tax expense (income) from				
taxable profit for the period	16.47	122.44	(47.87)	59.09
Add (less): deferred tax asset/ liability from				
temporary different increase/ decrease	674.96	(2,407.69)	669.58	(2,404.36)
Net tax expenses (tax income)	691.43	(2,285.25)	621.71	(2,345.27)

Tax credit arising from net losses which incurred in the fiscal year ended December 31, 2008 in accordance with P.N.D. 50 amounted to THB 15,722.63 million. In the fiscal year ended December 31, 2009, the Company exercised its tax benefit amount of THB 6,301.78 million, leaving the balance of unexercised tax credit amount of THB 9,420.85 million which can be exercised such tax benefit until the fiscal year ended December 31, 2013.

8.26 Investment Promotion

The Company received two investment promotion certificates, one certificate received on March 13, 2009 for acquisition of 6 Airbus A330-300 and another certificate received on November 19, 2009 for acquisition of 2 Airbus A330-300. The Company will gain a privilege for exemption from corporate income tax, which operated by such aircraft starting from the date of first revenues derived from the promoted activities. In the year 2009, the Company took delivery of 3 Airbus A330-300 aircraft on April 1, May 7 and July 29, 2009 as well as another 3 A330-300 aircraft having no economy class seats on December 23, 2009. Therefore, the Company can not utilize of such 3 aircraft. The Company will take a delivery of another 2 A330-300 aircraft in March 2010.

8.27 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.

Consolidated

For the years ended December 31, 2009 and 2008

	Gains		No. of Shares		Earnings per share	
	2009 Million Baht	2008 Million Baht	2009 Million Shares	2008 Million Shares	2009 Baht	2008 Baht
Basic earnings per share						
Net Profits (losses) attributable						
to ordinary shareholders	7,343.58	(21,379.45)	1,698.90	1,698.90	4.32	(12.58)

The Company

For the years ended December 31, 2009 and 2008

	Gains		No. of Shares		Earnings per share	
	2009 Million Baht	2008 Million Baht	2009 Million Shares	2008 Million Shares	2009 Baht	2008 Baht
Basic earnings per share						
Net Profits (losses) attributable						
to ordinary shareholders	7,417.41	(21,450.37)	1,698.90	1,698.90	4.37	(12.63)

8.28 Financial Information by Segment Consolidated

8.28.1 Business Segments

Statements of Income For the years ended December 31, 2009 and 2008

Units : Million Baht

	Revenues		Inter - Segment Revenues		Total Revenues		Segment Results	
	2009	2008	2009	2008	2009	2008	2009	2008
Air transportation	153,827.36	191,072.45	-	-	153,827.36	191,072.45	8,828.44	(10,182.49)
Business Units	6,820.86	7,976.10	13,820.02	14,476.93	20,640.88	22,453.03	163.57	(1,066.75)
Other activities	954.52	1,069.44	355.06	400.27	1,309.58	1,469.71	415.83	296.95
Eliminations	-	-	(14,175.08)	(14,877.20)	-	-	-	-
Operating profits (losses)							9,407.84	(10,952.29)
Share of net profits (losses) from subsidiary and associated companies							(8.56)	(65.14)
Finance costs							(5,559.50)	(4,992.06)
Gains (losses) on foreign currency exchange							3,167.36	(4,471.39)
Other incomes (expenses)							1,100.11	(3,118.75)
Minority interests							(72.25)	(65.07)
Income taxes							(691.42)	2,285.25
Net profits (losses)							7,343.58	(21,379.45)

Assets and Liabilities

As At December 31, 2009 and 2008

Units : Million Baht

	Current Assets		Non-Current Assets		Total Assets	
	2009	2008	2009	2008	2009	2008
Air transportation	43,935.86	38,522.83	213,270.14	207,180.40	257,206.00	245,703.23
Business Units	550.72	617.80	11,095.91	10,177.63	11,646.63	10,795.43
Other activities	705.70	651.14	39.67	54.96	745.37	706.10
Non-allocated assets	2,096.09	2,330.18	-	-	2,096.09	2,330.18
Total	47,288.37	42,121.95	224,405.72	217,412.99	271,694.09	259,534.94

Units : Million Baht

	Current Liabilities		Non-Current Liabilities		Total Liabilities	
	2009	2008	2009	2008	2009	2008
Air transportation	79,135.82	97,302.49	137,945.01	114,959.90	217,080.83	212,262.39
Business Units	957.91	885.35	50.94	109.72	1,008.85	995.07
Other activities	79.61	85.41	2.68	-	82.29	85.41
Non-allocated liabilities	278.16	309.94	-	-	278.16	309.94
Total	80,451.50	98,583.19	137,998.63	115,069.62	218,450.13	213,652.81

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

Segment current and non-current assets are those operating assets that are employed by a segment in its operating activities.

Segment current and non-current 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 of discount. As for the Technical Department, the inter-segment revenue is recorded at cost plus. Those transfers are eliminated in consolidation.

8.28.2 Geographical Segments

Units : Million Baht

	2009	2008
Domestic Revenues		
Transportation	12,346.48	12,166.27
Business units	6,820.87	7,976.09
Other activities	954.52	1,069.44
Total domestic revenues	20,121.87	21,211.80
Foreign Transportation Revenues		
Regional Asia	54,194.31	62,604.95
Europe	40,548.81	49,164.40
North Pacific	2,347.40	5,249.29
Australia & New Zealand	13,831.45	16,931.35
Africa	45.70	1,193.75
Total foreign transportation revenues	110,967.67	135,143.74
Charter revenues and others	4,552.42	8,290.14
Insurance surcharge from passengers	2,403.13	2,466.56
Fuel surcharge from passengers	23,557.65	33,005.74
Interest income	178.07	493.29
Other income	2,093.72	1,994.35
Total	163,874.53	202,605.62

8.29 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, liabilities and balance 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:

Units : Million Baht

	2009	2008
Current assets	4,727.32	4,760.27
Others	22.13	66.33
Total	4,749.45	4,826.60
Other current liabilities	40.84	48.62
Pension fund	4,708.61	4,777.98
Total	4,749.45	4,826.60

As at December 31, 2009, the fund balance was THB 4,708.61 million, equal to the Company's obligation to its staff under the fund. The total Company contribution to the fund in this fiscal year is THB 110.18 million, consisting of contributions at a rate equivalent to 10% of employee salaries in the amount of THB 239.31 million net of the amounts to match the Company's obligation of THB 129.13 million.

8.30 Staff Provident Fund

The Company contributes to the provident fund at the rate of 9% for members having not more than 20 years of services and 10% for members having more than 20 years of services, representing amount of THB 1,106.72 million in this fiscal year.

The Company's provident fund is managed by Kasikorn Asset Management Company Limited and Krungthai Asset Management Public Company Limited which are permitted by the Securities and Exchange Commission, Thailand (SEC).

8.31 Contingent Liabilities

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

Units : Million Baht

	2009	2008
Letters of guarantee issued by banks – Domestic	135.91	3.25
Letters of guarantee issued by banks – Abroad	225.60	106.24
The Company as defendant in		
Labour dispute cases	1,667.80	1,658.09
Damage claims cases	2,661.19	1,859.49
Total	4,690.50	3,627.07

Moreover, the other contingent liabilities are as follows :

1. The Company still has the competition law infringement. A group of 35 cargo shippers have brought an action against the Company before the Civil Court of New York alleging that the Company jointly with other 38 airlines fixed fuel surcharge, war risk surcharge and other fees in violation of the Sherman Antitrust Act of 1890 and the Clayton Antitrust Act of 1914 and European Union laws causing damages to them. They sought the court's order for compensation by the Company.

2. A group of passengers has brought actions against the Company before the Civil Court in Los Angeles and San Francisco totally 19 cases alleging that conspiracy among 12 airlines to fix, maintain, and /or stabilize prices for long haul passenger transpacific flights to and from the United States (Price Fixing in respect of Transpacific carriers) in violation of the Sherman Antitrust Act of 1890 and the Clayton Antitrust Act of 1914. The Judicial Panel on Multi-district Litigation has ordered to combine the 19 cases to be considered by the court at San Francisco as a single case. In both cases (at the Civil Court of New York and at San Francisco) are civil class action where at the time of complaints, the Plaintiffs have not determined the amount of compensation and shall request to the courts later.

In both litigation, the Company has retained the expert law firms and has joined the Joint Defense Group. The cases are now being considered by the courts. The damages in both cases are yet to be determined until the Company would have been found guilty. In case that the courts rule that the Company is guilty, the courts shall determine the damages and compensations and penalty which, under the law, could be up to 3 times of the damages proven by the Plaintiffs. At present, the amount of the compensatory damages in the US. cases cannot be determined.

3. The Company received the Statement of Objections from the Commission of the European Communities alleging that the Company and other 27 airlines infringed the Treaty establishing the European Community (the EC Treaty) by coordinating pricing behavior in the provision of air freight services on a global basis with respect to the fuel surcharge, the security surcharge, the war surcharge, freight rates and the payment of commission to forwarders on surcharges causing damages to air freight shippers. The law sets forth penalty provisions in a fine of 30% of the turnover of freight service transport to and from and within EU in the preceding business year before decision times the number of years of infringement but not exceed 10% of the total worldwide turnover of a company in the preceding business year before decision. The Company has retained an expert law firm to take charges of the case. At present, the Company is not aware of the amount of the fine as to which turnover shall be calculated. The case is now being considered by the Commission. In case that the Commission considers that the Company is guilty, the Company shall be fined in what amount, and from which turnover, are yet to be determined.

4. The case where the New Zealand Commerce Commission (NZCC) has filed suit against the Company and other 13 airlines before the court at Auckland alleging that the Company jointly with other airlines fixed the fuel surcharge and security surcharge in violation of Commerce Act of New Zealand and requests the court to order to fine the Company according to the law, at the time of the suit was filed, the NZCC has not specified the amount of fine and compensation. The matters will be considered and judged by the court.

5. The investigation cases by the US. Department of Justice (DOJ) are now in the process of investigation, and subpoenas requiring for documents have been served to the Company. The Company has retained local lawyer to coordinate with the DOJ. The Company is not aware as to whether allegation is being sought.

6. The Company was investigated by the Australian Competition and Consumer Commission (ACCC) on October 28, 2009. The ACCC has filed suit against the Company alleging that the Company is in violation of the Trade Practices Act 1974. At the time of the filing, no fine nor compensation was requested yet.

7. The case where the Company was investigated by Republic of Korea Fair Trade Commission (KFTC) on October 29, 2009, the Company received the examiner's report alleging that the Company and its Manager, Cargoes and Mails, Republic of Korea are in violation of antitrust law.

The legal fees for the claimed and alleged cases and the coordination costs have been recorded as expenses for the fiscal year ended December 31, 2009 in the amount of THB 90.13 million. And for the potential damage costs, the Company has set a reserve for such costs in the fiscal year 2008 in the total amount of THB 4,290.17 million.

8.32 Disclosure of Financial Instruments The Company

8.32.1 Interest rate risk

Interest rate risk in financial statements arises from changes in market interest rates which have an effect on the Company's operating results in the present and the future.

The following tables show weighted average interest rates and the amount of financial liabilities.

2009

Units : Million Baht

Financial Liabilities	Weighted Average Interest Rate	Outstanding Balances Floating Interest Rates			Outstanding Balances Fixed Interest Rates			Total
		Less than 1 year	1 to 5 years	Over 5 years	Less than 1 year	1 to 5 years	Over 5 years	
		USD	4.31	862.15	846.27	-	2,374.62	
JPY	1.32	3,411.08	9,753.05	3,696.24	-	-	-	16,860.37
EUR	1.57	4,364.82	18,876.44	24,343.21	1,416.37	5,982.83	4,530.24	59,513.91
THB	4.77	3,222.00	25,138.00	568.00	12,255.29	27,434.71	6,900.00	75,518.00
Total		11,860.05	54,613.76	28,607.45	16,046.28	34,758.21	11,430.24	157,315.99

2008

Units : Million Baht

Financial Liabilities	Weighted Average Interest Rate	Outstanding Balances Floating Interest Rates			Outstanding Balances Fixed Interest Rates			Total
		Less than 1 year	1 to 5 years	Over 5 years	Less than 1 year	1 to 5 years	Over 5 years	
		USD	5.89	850.25	1,788.22	-	1,231.29	
JPY	0.96	3,002.59	10,636.29	1,930.67	3,508.27	-	-	19,077.82
EUR	4.48	3,639.66	15,617.08	21,739.38	1,429.81	6,039.56	6,267.41	54,732.90
THB	3.71	5,122.00	3,038.00	1,140.00	21,980.00	29,500.00	6,000.00	66,780.00
Total		12,614.50	31,079.59	24,810.05	28,149.37	38,260.15	12,267.41	147,181.07

For Interest Rate Risk Management, The Company applies a derivative financial instrument, Interest Rate Swap (IRS), to swap the floating interest rates which show high tendency to increase to fixed. As at December 31, 2009, the portion of the Company's debt after swap with floating to fixed interest rate is 50 : 50.

At the moment, the Company has the total of 6 IRS transactions, swapping debt with floating interest rate to one with fixed interest rate. Two of these transactions are in JPY currency, the remaining 4 in EUR. As at December 31, 2009, IRS transactions' total notional amount was THB 15,240.46 millions of which interest exchange payments are done quarterly. The two transactions in JPY currency will expire in 2013 and the four transactions in EUR currency will expire in 2017.

8.32.2 Foreign Currency Exchange Rate Risk

The Company generates revenues in more than 40 currencies, mainly in USD, THB, EUR and JPY while incurring liabilities mainly in 4 major currencies : EUR, THB, JPY and USD as well as expenses mainly in USD and THB. Fluctuations in exchange rates affect on long-term liabilities and operating expenses denominated in foreign currencies. Therefore, The Company has adopted "Natural Hedge" strategy to manage this risk by increasing the matching of currency between the revenue and expenses and to arrange for loan and restructure loan to coincide with net operating cash flow, and at the same time, to decrease foreign currency debt risk partially by relying on Thai baht loan in order to decrease the fluctuation of gain or loss from foreign exchange in the financial statement. In addition, The Company has a policy to enter into Cross Currency Swap (CCS) when the financial market benefits to the Company. As at December 31, 2009, the proportion of the Company's debts after swap in each

currency i.e. USD : EUR : JPY : THB is 2 : 39 : 11 : 48. Gradually, the Company also used hedging strategy named Forward Contracts, by providing various degrees of participation in favorable exchange rate movement to hedge our future obligation that has underlying exposures.

At present, the Company has 2 CCS transactions, swapping debt in USD currency with floating interest rate to EUR currency with fixed rate. As at December 31, 2009, the two CCS transactions' total notional amount was THB 1,643.61 millions of which exchange payments, both principal and interest, are done quarterly. The two CCS transactions will expire in 2011.

Currency	Foreign Currency Liabilities			Units : Million Baht		
	2009			2008		
	Due within 1 year	Due 1 to 5 years	Due Over 5 years	Due within 1 year	Due 1 to 5 years	Due Over 5 years
USD	3,236.77	2,186.94	-	2,081.54	4,508.81	-
JPY	3,411.08	9,753.05	3,696.24	6,510.86	10,636.29	1,930.67
EUR	5,781.19	24,859.27	28,873.45	5,069.47	21,656.64	28,006.79

8.32.3 Fuel Price Risk

Fuel price fluctuation depends on supply and demand of global economic situation and political uncertainty worldwide. Fuel price has impact on the Company's operating result as fuel plays vital factor in airline industry. The Company has implemented jet fuel price hedging in order to reduce the risk of fuel price volatility, to protect the value of shareholder and is not to be treated as a profit-marking venture.

This was in accordance with the Company's policy, specifying that fuel hedging be conducted on a regular basis at not more than 50 percent of annual fuel consumption, whereby the tenor of each contract would be for a period of not more than one year. The Company selected a financial tool that was suitable for the market situation by establishing the lowest and highest prices of jet fuel, whereby the Company would incur the difference in USD currency, should the price of jet fuel falls below the lowest price. On the contrary, the Company would be compensated should the price of jet fuel rises higher than the highest price. In this fiscal year, the Company's hedge portion account to 17.05 percent of its annual fuel consumption. As at December 31, 2009, the Company still has are obligation from full hedging until June 2010 amount of 3.75 million barrels of Jet fuel whereby the average lowest and the highest jet fuel prices are at USD 74 per barrel and USD 100 per barrel, respectively.

8.32.4 Fair Value of Financial Instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing, independent parties with the freedom to bargain.

The methods and assumptions that the Company uses to estimate the fair value of assets and liabilities are as follows:

Cash and cash equivalents, trade accounts payable, loans, and accrued expenses are stated at the carrying value.

Investments in related companies not having market prices are stated at cost net of allowance of impairment. As for the investments in related companies having market prices are stated at closed market price of the Stock Exchange of Thailand.

Other investments are stated at net book value net of allowance of impairment. Investments in marketable equity securities are stated at market value.

Trade accounts receivable are stated at net book value net of allowances for doubtful accounts.

8.33 Airbus A330-300 Delivery

On December 23, 2009, the Company took the delivery of 3 Airbus A330-300 aircraft under finance leases. Such aircraft have not been in the Company's fleet and operated for commercial purpose because economy class seats have not been installed. The aircraft are under preservation awaiting for the seat installation in Bordeaux in France. The Company has an obligation for seat installation expenses amount of USD 480,000 or approximately THB 16.09 million, storage and maintenance of the aircraft in flight ready expenses for 6 months amount of USD 70,000 or approximately to THB 2.34 million, and monthly survey and parking fee for 6 months amount of USD 360,000 or approximately to THB 12.07 million, totalling to THB 30.50 millions which are recorded as expenses in this fiscal year ended December 31, 2009. For the preservation expenses and expenses for maintaining the aircraft to be in our airworthy condition at delivery amount of USD 537,000 or approximately to THB 18.00 million. At present, the Company and Airbus S.A.S agree to postpone the negotiation of said expenses prior to the 7th and 8th A330-300 delivery without installing economy seats which will be in March 2010.

The economy class seats, which were produced by Koito Industries Limited, have not been delivered for installation because Japanese Civil Aviation Bureau (JCAB) has not issued the Export Certificate of Airworthiness and European Aviation Safety Agency (EASA) has not approved to issue EASA Form for the seats in production to be installed on any Airbus aircraft. Due to the delay of installing the seats, the Company has sent Notice of Breach of General Terms Agreement between Koito and the Company and sued for the said expenses, which are incurred from the delay of economy seat deliveries to the Company. Due to uncertainty to deliver of the seats, the Company has decided to find another alternative solution by contacting the other economy seat manufacturers.

In respect to Loan Agreement which guaranteed by European Credit Agency (ECA), the Company will have to repay the loan if the economy seats are not installed in the aircraft within June 22, 2010, or the date that the Company requests and gets written approval from ECA facility agent.

8.34 Contractual Obligations

8.34.1 Obligation to Purchase Aircraft

The Company has a payment obligation to purchase aircraft amount of THB 39,109.16 million consisting of 2 A330-300 aircraft expected to take delivery in March 2010 and 6 A380-800 expected to take delivery during the year 2012-2013.

8.34.2 Leases and obligations of aircraft

The Company has obligations from entering into operating leases amount of USD 171.88 million or approximately to THB 5,760.79 million (exchange rate USD 1 : THB 33.5168) consisting of 3 B737-400, 2 B777-200, and 2 A330-300 aircraft. These operating leases will be expired during the year 2014-2018.

8.35 Events After the Balance Sheet

8.35.1 On January 8, 2010, the Company repaid a short-term loan borrowed from the Ministry of Finance in the form of Euro Commercial Paper (ECP) amount of USD 33.30 million or approximately THB 1,116.11 million.

8.35.2 On February 5, 10 and 18, 2010, the Company repaid the short-term loans borrowed from the staff pension fund amount of THB 400.00 million, 300.00 million and 600.00 million, respectively.

8.35.3 On February 3, 2010 Engine Number 1 of a Boeing 747-400 registration HS - TGB Operating TG 116 caught on fire. The mentioned damage is on investigation which our insurer will indemnify the damage on the terms and conditions in Insurance Coverage.

8.36 Approval of Financial Statements

These financial statements were approved by the Audit Committee, the Authorized Board of Directors, on February 23, 2010.

GENERAL INFORMATION



Company Name	Thai Airways International Public Company Limited
Business	Aviation transportation services and other related services
Head Office	89 Vibhavadi Rangsit Road, Jompol, Jatujak, Bangkok 10900
Registration Number	0107537001757
Home Page	www.thaiairways.com
Telephone	66 (0) 2545-1000, 66 (0) 2695-1000
THAI Contact Center	66 (0) 2545-3000

ORDINARY SHARES

As of December 31, 2009 the Company has :

Registered capital: 1,700,000,000 shares with a par value of 10 baht per share or a total of 17,000,000,000 baht

Paid-up capital: 1,698,900,950 shares with a par value of 10 baht per share or a total of 16,989,009,500 baht

AFFILIATED COMPANIES IN WHICH THE COMPANY'S SHAREHOLDING EXCEEDS 10%

Company Names	Business Type	Share Type	Paid-up Authorized Shares (Million Baht)	Percent of Interest
Thai-Amadeus Southeast Asia Company Limited The Offices at CentralWorld 999/9 Unit 3406-3412, 34 th Floor, Rama 1 Road, Pathumwan, Pathumwan, Bangkok 10330 Thailand Tel. 66 (0) 2207-9090 Fax. 66 (0) 2207-9191	Online Ticketing Services and Other Travel Services to Agents	Ordinary	15.00	55.0
Donmuang International Airport Hotel Company Limited 333 Moo 10, Chert Wudthakas Road, Don Muang, Bangkok 10210 Tel. 66 (0) 2566-1020-1 Fax. 66 (0) 2566-1941	Hotel and Restaurant	Ordinary	120.00	40.0
Phuket Air Catering Company Limited 10/3 Moo 6, Sanambin Road, Tambon Mai Khoa, Amphur Thalang, Phuket 83000 Tel. 66 (0)-7632-7497-9, 66 (0)-7632-7500-6 Fax. 66 (0)-7632-7123-4	Airline Catering	Ordinary	100.00	30.0
Royal Orchid Hotel (Thailand) Public Company Limited 2 Captain Bush Lane, Charoen Krung Road, Bangrak, Bangrak, Bangkok 10500 Tel. 66 (0) 2266-0123 Fax. 66 (0) 2236-6656	Hotel and Restaurant	Ordinary	937.50	24.0
Bangkok Aviation Fuel Services Public Company Limited 171/2 Moo 10, Vibhavadi Rangsit Road, and Sikan, Don Muang, Bangkok 10210 Tel. 66 (0) 2565-3811-8 Fax. 66 (0) 2565-3825	Aviation Fuel Services, Aviation Depot Aircraft Refueling Service	Ordinary	510.00	22.59
Suvarnabhumi Airport Hotel Company Limited 999 Suvarnabhumi Airport Hotel Building Moo 1, Nongprue, Bang Phli, Samutprakarn 10540 Tel. 66 (0) 2131-1111 Fax. 66 (0) 2131-1188	Hotel and Restaurant	Ordinary	1,017.78	30.0
Nok Air Company Limited 183 Rajanakarn Building, 17th Floor, Services South Sathorn Road, Yannawa, Sathorn, Bangkok 10120 Tel. 66 (0) 2627-2000 Fax. 66 (0) 2286-9830	Aviation Transport Services	Ordinary	500.00	39.0

Note: As at December 31, 2009

REFERENCES

Securities Registrar	THAILAND SECURITIES DEPOSITORY CO., LTD. 62 Ratchadapisek Road, Khlong Toei, Bangkok 10110 Tel. 66 (0) 2229-2800, 66 (0) 2229-2888, 66 (0) 2654-5599 Fax. 66 (0) 2359-1262-3
Debenture Holders' Representative 1/2546	KASIKORNBANK PLC. Securities Service Department Fl.20, 1 Soi Kasikornthai, Ratburana Road Ratburana, Bangkok 10140 Tel. 66 (0) 2470-3687, 66 (0) 2470-1986 Fax. 66 (0) 2470-3684
Debenture Registrar 1/2546	KASIKORNBANK PLC. Securities Service Department Fl.20, 1 Soi Kasikornthai, Ratburana Road Ratburana, Bangkok 10140 Tel. 66 (0) 2470-1981-3 Fax. 66 (0) 2470-1998
Debenture Holders' Representative 1/2547	NATIONAL FINANCE PLC. 900 Tonson Tower, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330 Tel. 66 (0) 2665-9129 Fax. 66 (0) 2655-9001
Debenture Registrar 1/2547	SIAM COMMERCIAL BANK PLC. Corporate Trust Operations Division Building 2, Fl.3, 1060 Phetchaburi Tat Mai Road, Mukkasun, Ratchatawee Bangkok 10400 Tel. 66 (0) 2256-2323-27 Fax. 66 (0) 2256-2405
Debenture Holders' Representative 1/2548	BANKTHAI PLC. 44 Langsuan Road, Lumpini, Pathumwan Bangkok 10330 Tel. 66 (0) 2626-7000 Fax. 66 (0) 2626-7543
Debenture Registrar 1/2548	TMB BANK PLC. Registrar and Paying Agent 393 Silom Road, Soi 7 Bangrak, Bangkok 10500 Tel. 66 (0) 2230-5575, 66 (0) 2230-5304 Fax. 66 (0) 2230-6093
Debenture Registrar 1/2550	TMB BANK PLC. Registrar and Paying Agent 393 Silom Road, Soi 7 Bangrak, Bangkok 10500 Tel. 66 (0) 2230-5575, 66 (0) 2230-5304 Fax. 66 (0) 2230-6093
Debenture Holders' Representative 1/2550	TMB BANK PLC. Registrar and Paying Agent 393 Silom Road, Soi 7 Bangrak, Bangkok 10500 Tel. 66 (0) 2230-6295, 66 (0) 2230-5647 Fax. 66 (0) 2230-6093
Auditor	OFFICE OF THE AUDITOR GENERAL OF THAILAND Rama 6 Road, Phayathai, Bangkok 10400 Tel. 66 (0) 2273-9674-91 Fax. 66 (0) 2618-5769-70

BOARD OF DIRECTORS



Mr. Surachai Tansitpong

1st Vice Chairman
and Independent Director

Education

- Master of Public Administration (MPA), National Institute of Development Administration

Experience

- Permanent Secretary, Ministry of Transport
- Deputy Permanent Secretary, Ministry of Transport
- Director-General, Department of Rural Roads, Ministry of Transport

Mr. Ampon Kittiampon

Chairman

Education

- Ph.D., Applied Economics, Clemson University, South Carolina, U.S.A

Experience

- Deputy Permanent Secretary, Ministry of Agriculture and Cooperatives
- Secretary General, Office of the National Economic and Social Development Board

Present Positions

- Member of the Board, The Bank of Thailand (BOT)
- Director, Chairman of Remuneration and Nomination Committee, PTT Public Company Limited
- Director and Chairman of Nomination and Remuneration Committee, PTT Aromatics and Refining (Thailand) Public Company Limited

Mr. Chaikasem Nitisiri

3rd Vice Chairman
and Independent Director

Education

- LL.M. Columbia University, U.S.A.

Experience

- Attorney General, Office of The Attorney General
- Secretary General, Vice-President of The Thai Bar Committee
- Director, Provincial Electricity Authority
- Director, Metropolitan Electricity Authority
- Director, Airports of Thailand Public Company Limited

Present Positions

- Senior Public Prosecutor (Chairman, Advisory Committee To the Attorney General (C.2)), Office of The Attorney General
- Member, Board of Royal Thai Police
- Member, the Council of State



Mr. Chaisak Angkasuwan

Director

Education

- Master of Public Administration (MPA), National Institute of Development Administration

Experience

- Director, Airports of Thailand Public Company Limited
- Director, Tourism Authority of Thailand (TAT)

Present Positions

- Deputy Permanent Secretary, Ministry of Transport
- Chairman, Aeronautical Radio of Thailand Co., Ltd.
- Vice Chairman, The Transport Co., Ltd.

Mr. Kanit Sangsubhan

Director

Education

- Doctoral Degree, Economics, University of Toronto, Canada

Experience

- Independent Directors, Tisco Bank PCL
- Director, Dhanarak Asset Development Co., Ltd
- Honorable Advisor to the Deputy Prime Minister (Dr. Olarn Chaipravat)

Present Positions

- Director-General, Fiscal Policy Research Institute, Ministry of Finance
- Director, Bank of Thailand

Mr. Sathit Limpongpan

2nd Vice Chairman

Education

- Ph D. of Development Administration, National Institute of Development Administration

Experience

- Director-General, The Excise Department, Ministry of Finance
- Director-General, The Customs Department, Ministry of Finance
- Deputy Permanent Secretary, Ministry of Finance

Present Positions

- Permanent Secretary, Ministry of Finance
- Chairman of the Board, KTB Public Company Limited.
- Chairman of the Board, The Government Lottery Office

Mr. Piyasvasti Amranand

Director

Education

- Ph.D., Economics, London School of Economics, U.K.

Experience

- Chairman of the Advisory Panel to the CEO., Kasikornbank Public Company Limited
- Minister of Energy
- Chairman, Kasikorn Asset Management Company Limited

Present Positions

- Chairman of Advisory Panel, Energy for Environment Foundation
- Member of the Council, Thailand Environment Institute
- Member of the Council of Trustee, Thailand Development Research Institute



ACM Satitpong Sukvimol

Independent Director

Education

- Bachelor of Art,
Chiang Mai University

Experience

- Principal Private Secretary,
His Royal Highness Crown
Prince Maha Vajiralongkorn
- Court Office,
The Bureau of the Royal Household,
The Kingdom of Thailand (level 10)

Mr. Weerawong Chittmittrapap

Independent Director

Education

- Master of Laws (LL.M.)
University of Pennsylvania, U.S.A.

Experience

- Director and Audit Committee,
GMM Grammy Public
Company Limited
- Director and Audit Committee,
Siam Food Public Company Limited
- Director,
National Power Supply Co., Ltd.

Present Positions

- President,
Weerawong, Chinavat and
Peangpanor Co., Ltd.
- Director and Audit Committee,
Berli Jucker
Thailand Public Company Limited
- Advisor to the Honorary Chairman,
Thai Listed Company Association

Mr. Areepong Bhoocha-oom

Director

Education

- Ph.D., Finance,
University of Mississippi, U.S.A

Experience

- Director-General,
State Enterprise Policy Office
(SEPO), Ministry of Finance
- Director,
Siam City Bank
Public Company Limited
- Director,
Bangkok Insurance
Public Company Limited

Present Positions

- Director-General,
The Excise Department,
Ministry of Finance
- Director,
Siam Commercial Bank
Public Company Limited
- Director,
PTT Chemical
Public Company Limited

Mr. Pichai Chunhavajira

Independent Director

Education

- Honorary Doctorate's Degree
(Accountancy),
Thammasat University

Experience

- Chief Financial Officer,
PTT Public Company Limited
- Senior Executive Vice President,
Corporate Finance and Accounting,
PTT Public Company Limited
- Acting President,
The Bangchak Petroleum
Public Company Limited

Present Positions

- Director of PTT Exploration and
Production Public Company Limited
- Director of
Thaioil Public Company Limited
- Director,
The Bangchak Petroleum
Public Company Limited



Mr. Apiporn Pasawat

Director

Education

- MBA. (Production)
University of Wisconsin, U.S.A.

Experience

- Director,
Thai Olefins Public Company Limited
- Director,
Thai Aromatics (Thailand)
Public Company Limited
- President -
Cement Thai Chemicals Co.,Ltd.

Present Positions

- Advisor,
The Siam Cement
Public Company Limited
- Chairman of Executive Committee and
Director, Thai Plastic and Chemicals
Public Company Limited
- Chairman of Executive Committee and
Director, Thai Industrial Gases
Public Company Limited

Mr. Wallop Bhukkanasut

Independent Director

Education

- Bachelor of Arts,
The University of Hawaii, U.S.A.

Experience

- Vice President,
Marketing Planning Department,
Thai Airways International
Public Company Limited
- Vice President,
Sales & Distribution Department,
Thai Airways International
Public Company Limited
- Executive Vice President,
Commercial Department,
Thai Airways International
Public Company Limited

Mr. Banyong Pongpanich

Independent Director

Education

- MBA (Finance) Sasin Graduate Institute
of Business Administration of
Chulalongkorn University

Experience

- Independent Director,
The Erawan Group
Public Company Limited
- Director,
Don Muang Tollway
Public Company Limited
- Audit Committee
and Independent Director,
Muang Thai Insurance
Public Company Limited

Present Positions

- Chairman of the Board,
Phatra Securities
Public Company Limited
- Member of Advisor Council,
Sasin Graduate Institute of
Business Administration
of Chulalongkorn University
- Director and Executive Director,
Mae Fahluang Foundation

Mr. Amornsuk Noparumpa

Independent Director

Education

- Of Lincoln's Inn,
Barrister-at-Law, London

Experience

- Senior Executive Vice President ,
Bank of Ayudhya
Public Company Limited
- Director-General,
Probation Department
Ministry of Justice
- Chairman of the Board,
Ayudhya Securities
Public Company Limited

Present Positions

- Chairman of the Audit Committee,
Chairman of the Nomination
and Compensation Committee
L.P.N. Development
Public Company Limited
- Chairman of the Audit Committee,
Member of the Nomination
and Compensation Committee,
Regional Container Lines
Public Company Limited



MANAGEMENT TEAM



Flg. Off. Norahuch Ployyai

Executive Vice President
Operations Department

Education

- Bachelor of Science,
Royal Thai Air Force Academy

Experience

- Executive Vice President
Standards and General Administration Department
- Vice President
Special Project Department
- Director
Operations Appraisal and Coordination Department

Mr. Piyasvasti Amranand

President

Education

- Ph.D., Economics,
London School of Economics, U.K.

Experience

- Chairman of the Advisory Panel to the CEO,
Kasikornbank Public Company Limited
- Minister of Energy
- Chairman,
Kasikorn Asset Management
Company Limited

Mr. Pruet Boobphakam

Executive Vice President
Commercial Department

Education

- Master of Business Administration,
Chulalongkorn University

Experience

- Managing Director
Cargo & Mail Commercial Department
Executive Vice President level
- Regional Director
Southeast Asia and Australasia
- General Manager



Mr. Kaweepan Raungpaka

Executive Vice President
Finance and Accounting Department

Education

- Master of Business Administration,
Central Missouri State University, U.S.A.

Experience

- Executive Vice President
Office of the President
- Executive Vice President
Human Resource Development
and Management Department
- Executive Vice President
Finance and Accounting Department

FLT.IT. Montree Jumrieng

Managing Director Technical Department
Executive Vice President level

Education

- Bachelor of Science,
Mechanical Engineering
Royal Thai Air Force Academy

Experience

- Executive Vice President
Human Resource
and General Management Department
- Vice President
Personal Management Department
- Director
Pilot Administration Department

Mr. Pandit Chanapai

Executive Vice President
Human Resource and
General Management Department

Education

- Master of Arts,
International Relations,
Connecticut University, U.S.A.

Experience

- Executive Vice President
Commercial Department
- Vice President
Commercial Development
and Support Department
- Director
The Americas
and East Asia Region

Mr. Chokchai Panyayong

Executive Vice President
Strategy and Business
Development Department

Education

- Master of Engineering,
Civil Engineering,
University Detroit, U.S.A.

Experience

- Vice President
Business Development
and Special Project Department
- Vice President
Suvarnabhumi Project
- Vice President
Asset Management Department



THAI ON - LINE OFFICES



ATHENS, GREECE

32, ELEFTHERIOU VENIZELOU STR.
166 75 GLYFADA
ATHENS, GREECE

TKT/RSVN : (30-210) 969-2020
FAX : (30-210) 960-2686
AIRPORT : (30-210) 353-1236
: (30-210) 353-1237 / 39
FAX : (30-210) 353-2440

AUCKLAND, NEW ZEALAND

LEVEL 8, 23 CUSTOMS STREET EAST
CITIGROUP BUILDING, PO BOX 4559
AUCKLAND 1140, NEW ZEALAND

TKT/RSVN : (64-09) 377-3886
FAX : (64-09) 379-8597
AIRPORT : (64-09) 256-8518
FAX : (64-09) 256-8454

BEIJING, PEOPLE'S REPUBLIC OF CHINA

UNITS 303-4, LEVEL 3, OFFICE TOWER W3
ORIENTAL PLAZA, NO.1 EAST CHANG AN AVENUE
DONG CHENG DISTRICT
BEIJING, 100738 PEOPLE'S REPUBLIC OF CHINA

TKT : (86-10) 8515-1142
RSVN : (86-10) 8515-0088
FAX : (86-10) 8515-1134
AIRPORT : (86-10) 6459-8899
FAX : (86-10) 6459-0012

BRISBANE, AUSTRALIA

THAI AIRWAYS INTL BRISBANE
LEVEL 10, 380 QUEEN STREET
BRISBANE QUEENSLAND 4000, AUSTRALIA

TKT/RSVN : (61-7) 3215-4777
FAX : (61-7) 3215-4737
AIRPORT : (61-7) 3860-4163
FAX : (61-7) 3860-4328

BANGALORE, REPUBLIC OF INDIA

THAI AIRWAYS INTERNATIONAL P.L.C., LTD.
LEVEL 14, CONCORDE TOWER, UB CITY
1, VITTAL MALLYA ROAD, BENGALURU
KARNATAKA, REPUBLIC OF INDIA - 560 001

TKT/RSVN : (91-80) 4030-0396/97
FAX : (91-80) 4030-0577
AIRPORT : (91-80) 6678-3191
FAX : (91-80) 6678-3192

BUSAN, REPUBLIC OF KOREA

88-7, 4GA 11TH FL. KYOBO BUILDING
JUNGANG-DONG, JUNG-GU
BUSAN 600-737, REPUBLIC OF KOREA

TKT : (82) 51-463-8183/4
RSVN : (82) 51-463-8181/2
FAX : (82) 51-463-8564
AIRPORT : (82) 51-941-8182
FAX : (82) 51-941-8183

BODHGAYA, REPUBLIC OF INDIA (TEMPORARY OFFICE)

INPAC TRAVELS (INDIA) PVT LTD.
C/O MR CB SINGH
GF, HOTEL THE ROYAL RESIDENCY
DUMUHAN ROAD, BODHGAYA
DISTT GAYA, BIHAR, REPUBLIC OF INDIA

TEL : (91-0631) 220-0124 / 220-1156
FAX : (91-0542) 250-5353

CHENNAI, REPUBLIC OF INDIA

THAI AIRWAYS INTERNATIONAL P.L.C., LTD.
ITC PARK SHERATON HOTEL, 1ST FLOOR
LLOYDS ROOM, 132 TTK ROAD
CHENNAI 600 018, REPUBLIC OF INDIA

TKT/RSVN : (91-44) 4206-3311 / 99
FAX : (91-44) 4206-3366
AIRPORT : (91-44) 2256-1928 / 1929
FAX : (91-44) 2256-1930

CHENGDU, PEOPLE'S REPUBLIC OF CHINA

CTUAA : MR. ANAN BUDKAEW
ROOM 2309, 23RD FLOOR, ZONGFU BUILDING
35 ZONGFU ROAD, CHENGDU, SICHUAN
PEOPLE'S REPUBLIC OF CHINA

TKT/RSVN : (86-28) 8678-1336 / 8675-7755
FAX : (86-28) 8678-1048
AIRPORT : (86-28) 8520-5842 / 8520-5851
FAX : (86-28) 8520-5840

COLOMBO, SRI LANKA

APT. 505/506, HILTON COLOMBO RESIDENCE
200, UNION PLACE
COLOMBO 2, SRI LANKA

TKT/RSVN : (94-11) 230-7100-8
: (94-11) 230-7110
FAX : (94-11) 230-7109
AIRPORT : (94-11) 225-2057
: (94-11) 225-2861 EXT. 4964
FAX : (94-11) 225-2057

COPENHAGEN, DENMARK

RAADHUSPLADSEN 16
DK-1550 COPENHAGEN V
DENMARK

TKT : (45-33) 750-150
RSVN : (45-33) 750-120
FAX : (45-33) 750-121
AIRPORT : (45-32) 521-225
FAX : (45-32) 523-052

DELHI, REPUBLIC OF INDIA

THAI AIRWAYS INTERNATIONAL PUBLIC CO., LTD.
THE AMERICAN PLAZA
HOTEL INTERCONTINENTAL EROS, NEHRU PLACE
NEW DELHI 110 019, REPUBLIC OF INDIA

TKT/RSVN : (91-11) 4149-7777
FAX : (91-11) 4149-7788
AIRPORT : (91-11) 2565-2413 / 2565-2796
FAX : (91-11) 2565-2788

DENPASAR, INDONESIA

DPSAA : MR. TANAWAT HIRANYALEKHA
THAI AIRWAYS INTERNATIONAL PCL
INNA GRAND BALI BEACH HOTEL
JL. HANG TUAH, SANUR - BALI 80227
INDONESIA

TKT/RSVN : (62-361) 288-141
FAX : (62-361) 288-063
AIRPORT : (62-361) 755-064
FAX : (62-361) 755-063

DHAKA, BANGLADESH

THAI AIRWAYS INTERNATIONAL PUBLIC CO.LTD
BSL OFFICE COMPLEX, 4TH FLOOR
DHAKA SHERATON HOTEL, 1 MINTO ROAD
DHAKA-1000, BANGLADESH

TKT/RSVN : (88-02) 831-4711-18 EXT 501
FAX : (88-02) 832-2353
AIRPORT : (88-02) 891-4351 / 891-4633
FAX : (88-02) 891-4343

DUBAI, U.A.E.

DXBAA : MR. MANAN BOONYACHAI
THAI AIRWAYS INTERNATIONAL PCL
NO.1 BU HALEEBA PLAZA, SHOP NO. 1
AL MURAAQQABAT ROAD, DEIRA
P.O. BOX 13142, DUBAI - U.A.E.

TKT/RSVN : (971-4) 268-1701
FAX : (971-4) 266-5498 / 297-2098
AIRPORT : (971-4) 224-4305
FAX : (971-4) 224-5716

FRANKFURT, GERMANY

THAI AIRWAYS INTERNATIONAL PCL
ZEIL 127
60313 FRANKFURT, GERMANY

TKT : (49-69) 92874-446
RSVN : (49-69) 92874-444
FAX : (49-69) 92874-222
AIRPORT : (49-69) 69070-931
FAX : (49-69) 692-981

FUKUOKA, JAPAN

HINODE FUKUOKA BUILDING 9F
1-12-1 TENJIN, CHUO-KU
FUKUOKA, 810-0001 JAPAN

TKT/RSVN : (81-570) 064-015
FAX : (81-92) 734-9480
AIRPORT : (81-92) 477-7870
FAX : (81-92) 477-0345

GUANGZHOU, PEOPLE'S REPUBLIC OF CHINA

G3, WEST WING, THE GARDEN HOTEL
368 HUANSHI DONGLU, GUANGZHOU 510064
PEOPLE'S REPUBLIC OF CHINA

TKT/RSVN : (86-20) 8365-2333
FAX : (86-20) 8365-2488
AIRPORT : (86-20) 8613-5310 / 8613-5313
FAX : (86-20) 8613-5315

HANOI, SOCIALIST REPUBLIC OF VIETNAM

THAI AIRWAYS INTERNATIONAL PUBLIC CO., LTD
GROUND FLOOR, 44B LY THUONG KIET STREET
HOAN KIEM DIST., HANOI
SOCIALIST REPUBLIC OF VIETNAM

TKT : (84-4) 3826-7921
RSVN : (84-4) 3826-7922
FAX : (84-4) 3826-7394
AIRPORT : (84-4) 3884-0530
FAX : (84-4) 3886-5574

HO CHI MINH CITY, SOCIAL REPUBLIC OF VIETNAM

UNITE 102, SAIGON TOWER OFFICE BUILDING
29 LE DUAN BOULEVARD, BEN NGHE WARD,
DIST. 1, HO CHI MINH CITY,
SOCIAL REPUBLIC OF VIETNAM

TKT/RSVN : (84-8) 3822-3365
FAX : (84-8) 3822-3465
AIRPORT : (84-8) 3547-0300
FAX : (84-8) 3547-0301

HONG KONG, PEOPLE'S REPUBLIC OF CHINA

24A UNITED CENTRE
95 QUEENSWAY, HONG KONG
PEOPLE'S REPUBLIC OF CHINA

TKT : (852) 2179-7700
RSVN : (852) 2179-7777
FAX : (852) 2179-7600
AIRPORT : (852) 2769-7421-4
FAX : (852) 2382-4595

HYDERABAD, REPUBLIC OF INDIA

THAI AIRWAYS INTERNATIONAL PUBLIC CO., LTD.
6-3-249/6, ROAD NO. 01, BANJARA HILLS
HYDERABAD - 500034, REPUBLIC OF INDIA

TKT/RSVN : (91-40) 2333-3030
FAX : (91-40) 2333-3003
AIRPORT : (91-40) 6660-5022
FAX : (91-40) 6660-5023

ISLAMABAD, ISLAMIC REPUBLIC OF PAKISTAN

OFFICE NO 3, 4 HOLIDAY INN ISLAMABAD HOTEL
ISLAMABAD, PAKISTAN

RSVN : (92-51) 227-2140
: (92-51) 227-2141
FAX : (92-51) 282-3735
AIRPORT : (92-51) 578-1409 / 411
FAX : (92-51) 578-1410

JAKARTA, REPUBLIC OF INDONESIA

BDN TOWER, 19TH FLOOR
JL.M.H. THAMRIN NO. 5
JAKARTA PUSAT 10340
REPUBLIC OF INDONESIA

TKT/RSVN : (62-21) 230-3041
FAX : (62-21) 319-30792
AIRPORT : (62-21) 550-2443 / 7137
FAX : (62-21) 550-7137

KARACHI, PAKISTAN

APT NO. A, C110
VIRGO LEGACY, BLOCK 2
CLIFTON, KARACHI, PAKISTAN

TKT/RSVN : (92-21) 279-2294
FAX : (92-21) 279-1934
AIRPORT : (92-21) 457-0847 / 907-1472
FAX : (92-21) 457-3009

KATHMANDU, NEPAL

ANNAPURNA ARCADE, DURBAR MARG
KATHMANDU, NEPAL
P.O. BOX 12766

TKT : (977-1) 422-3565 / 422-4917
RSVN : (977-1) 422-4387
FAX : (977-1) 422-1130
AIRPORT : (977-1) 411-3293
FAX : (977-1) 411-3287

KOLKATA, REPUBLIC OF INDIA

229, A.J.C. BOSE ROAD
CRESCENT TOWERS, 8TH FLOOR
KOLKATA - 700020, REPUBLIC OF INDIA

TKT/RSVN : (91-33) 2283-8865/68
FAX : (91-33) 3982-7197
AIRPORT : (91-33) 2511-8389
FAX : (91-33) 2511-9931

KUALA LUMPUR, MALAYSIA

WISMA GOLDHILL
67 JALAN RAJA CHULAN
50200 KUALA LUMPUR, MALAYSIA

TKT/RSVN : (60-3) 2031-1900
FAX : (60-3) 2032-5805
AIRPORT : (60-3) 8787-3522 / 3533
FAX : (60-3) 8787-3511

KUNMING, PEOPLE'S REPUBLIC OF CHINA

2ND, FLOOR, ATTACHED BUILDING OF JINJIANG HOTEL
NO. 98 BEIJING ROAD, KUNMING, YUNNAN
PEOPLE'S REPUBLIC OF CHINA

TKT : (86-871) 351-2269
RSVN : (86-871) 351-1515
FAX : (86-871) 316-7351
AIRPORT : (86-871) 718-2610
FAX : (86-871) 711-3738

KUWAIT

THAI AIRWAYS INTERNATIONAL PCL
GSA - SAMI N. AL FADHEL
DAWLIAH COMMERCIAL CENTRE
P.O. BOX 26775, SAFAT - 13128, KUWAIT

TKT/RSVN : (965) 2242-1444
FAX : (965) 245-3702
AIRPORT : (965) 2472-5205
FAX : (965) 2472-5205

LAHORE, ISLAMIC REPUBLIC OF PAKISTAN

THAI AIRWAYS INTERNATIONAL PUBLIC CO., LTD.
9-A, DAVIS ROAD, HOTEL ONE
LAHORE, ISLAMIC REPUBLIC OF PAKISTAN

TKT : (92-042) 3631-6235
RSVN : (92-042) 3636-9740
FAX : (92-042) 3636-8690
AIRPORT : (92-042) 3661-1514/15
FAX : (92-042) 3661-1513

LONDON, UNITED KINGDOM

41 ALBEMARLE STREET
LONDON, W1S 4BF, UNITED KINGDOM

TKT : (44-207) 491-7953
RSVN : (44-870) 606-0911
FAX : (44-207) 409-1463
AIRPORT : (44-208) 759-4441
FAX : (44-208) 759-8678

LOS ANGELES, U.S.A.

222 NORTH SEPULVEDA BLVD., SUITE 200
EL SEGUNDO, CA 90245, U.S.A.

TKT/RSVN : (1-310) 640-0097 EXT. 747
FAX : (1-310) 322-8728
AIRPORT : (1-310) 646-3095
FAX : (1-310) 646-3094

MADRID, SPAIN

THAI AIRWAYS INTERNATIONAL PCL
PRINCIPE DE VERGARA, 185
28002 MADRID, SPAIN

TKT : (34-91) 782-0523-24
RSVN : (34-91) 782-0520-22
FAX : (34-91) 564-5620
AIRPORT : (34-91) 305-8647-48
FAX : (34-91) 305-6166

MANILA, PHILIPPINES

COUNTRY SPACE 1 BUILDING SEN. GIL J. PUYAT AVENUE
MAKATI CITY, PHILIPPINES

TKT : (63-2) 812-4812
RSVN : (63-2) 812-4744
FAX : (63-2) 893-5891 / 817-4044
AIRPORT : (63-2) 834-0366-68
FAX : (63-2) 879-5265

MELBOURNE, AUSTRALIA

3RD FLOOR, 250 COLLINS STREET
MELBOURNE, VICTORIA 3000
AUSTRALIA

TKT : (61-3) 8662-2255
RSVN : (61-3) 8662-2200
FAX : (61-3) 9650-7003
AIRPORT : (61-3) 9338-8954
FAX : (61-3) 9335-3608

MILAN, REPUBLIC OF ITALY

VIA AMEDEI, 15
20123 MILAN, REPUBLIC OF ITALY

TKT/RSVN : (39-02) 890-0351
FAX : (39-02) 864-51711
AIRPORT : (39-02) 748-67911
FAX : (39-02) 748-60470

MOSCOW, RUSSIAN FEDERATION AND C.I.S.

MILLENNIUM HOUSE, FLOOR 7
TRUBNAYA STREET, BUILDING NBR 12
MOSCOW, RUSSIAN FEDERATION, 107045

TKT/RSVN : (7-495) 647-1082
FAX : (7-495) 647-1083
AIRPORT : (7-495) 641-3090 / 642-8840
FAX : (7-495) 787-8614 / 642-8840

MUMBAI, REPUBLIC OF INDIA

THAI AIRWAYS INTERNATIONAL PCL
MITTAL TOWERS, A WING, GROUND FLOOR 2A
NARIMAN POINT, MUMBAI - 400021
REPUBLIC OF INDIA

TKT/RSVN : (91-22) 6637-3737
FAX : (91-22) 6637-3738
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80335 MUNICH, GERMANY

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NAKA-KU, NAGOYA 460-0003, JAPAN

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4-1-21 KITAHAMA, CHUO-KU
OSAKA 541-0041, JAPAN

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10050 PENANG, MALAYSIA

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44 ST GEORGE'S TERRACE
PERTH, WESTERN AUSTRALIA 6000

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RSVN : (61-8) 9265-8201
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9-14B, REGENCY BUSINESS COMPLEX B
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RSVN : (82-2) 3707-0011
FAX : (82-2) 755-5251
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THAI AIRWAYS INTERNATIONAL PCL. SHANGHAI OFFICE
UNIT 2301-2303A/B, 23RD FLOOR
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288 NANJING ROAD (WEST)
SHANGHAI 200003, PEOPLE'S REPUBLIC OF CHINA

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STOCKHOLM, SWEDEN

DROTTNINGGATAN 33, BOX 1118
STOCKHOLM, SWEDEN

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FAX : (46-8) 5988-3690
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FAX : (886) 2-2508-4910

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NO 8, XIAMEN, 361001
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FAX : (86-592) 226-1678
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YANGON, UNION OF MYANMAR

RGNA : MR. SURARIDDHI BOON-LONG
THAI AIRWAYS INTERNATIONAL PCL.
0101/1101 SAKURA TOWER,
339 BOGYOKE AUNG SAN ST.
KYAUKTADA 11182, YANGON
UNION OF MYANMAR

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FAX : (95-1) 255-490
AIRPORT : (95-1) 662-661
FAX : (95-1) 650-675

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THAI AIRWAYS INTERNATIONAL PUBLIC CO., LTD.
BAHNHOFSTRASSE 67 / SIHLSTRASSE 1
8001 ZURICH, SWITZERLAND

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870 PHAHOLAYOTIN ROAD
AMPHURE MUANG, CHIANGRAI 57000
THAILAND

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209/26-28 BOROMTRILOKNART ROAD
PHISANULOK 65000, THAILAND

TKT/RSVN: (055) 242-971
FAX : (055) 247-863

HAT YAI, THAILAND

180, 182, 184 NIPHAT UTHIT 1 ROAD
HAT YAI, SONGKHLA 90110, THAILAND

TKT/RSVN: (074) 230-445
FAX : (074) 233-114

PHUKET, THAILAND

78 RANONG ROAD, TALADNUE
MUANG DISTRICT, PHUKET 83000, THAILAND

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KRABI, THAILAND

KRABI INTERNATIONAL AIRPORT
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A.NUAKLONG KRABI 81130, THAILAND

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FAX : (075) 701-594

KHONKAEN, THAILAND

HOTEL SOFITEL RAJA ORCHID KHONKAEN
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FAX : (043) 227-708

UBON RATCHATHANI, THAILAND

THAI AIRWAYS INTERNATIONAL PCL
364 CHAYANGGOON ROAD, AMPHUR MUANG
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