

THAI AIRWAYS INTERNATIONAL PCL

Updated on May 2012



DISCLAIMER

The information contained herein is intended to represent the Company's operating and financial position at a given point in time and may also contain forward looking information which only reflects expectations based on the prevailing geo-political, economic and non-controllable factors. Such information has been obtained from sources believed to be most reliable and the means in analyzing and preparation of such information for disclosure are based on approved practices and principles in the investment industry. The views are based on assumptions subject to various risks and uncertainties and no assurance is made as to whether such future events will occur, that projections will be achieved, or that the assumptions here-in are correct. Consequently no assurance is made as to the accuracy or completeness of information presented in this document.

This document should not be construed as an investment guide or as an offer or solicitation of an offer to buy or sell the Company's equity shares.

Business Overview

THAI Airways International PLC.



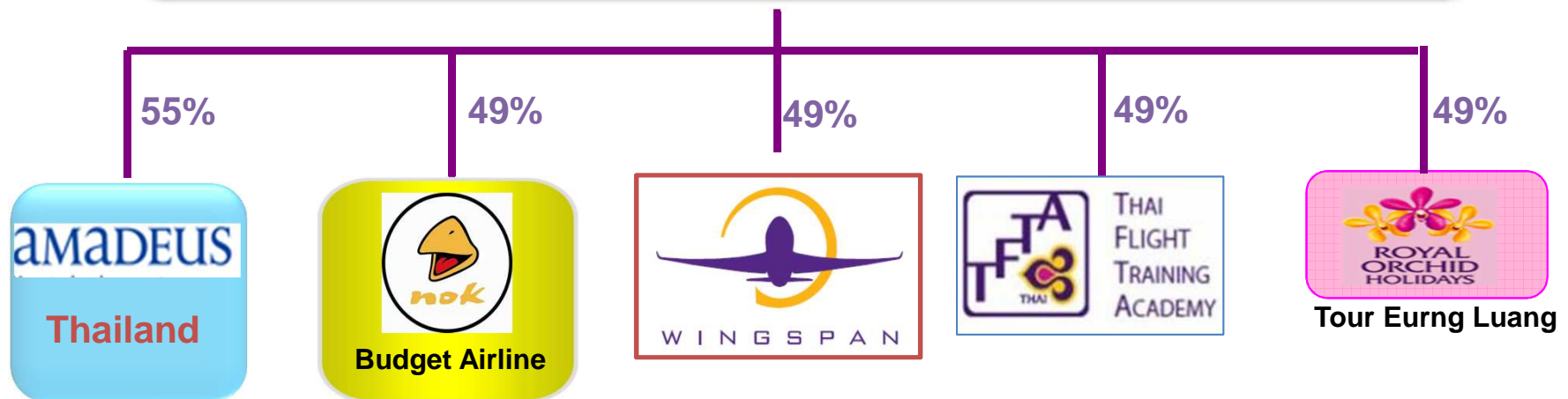
Premium Services Airline

Business Units



Total Revenue 54,505 MTHB (1Q/2012)

Passenger and excess baggage	~ 80 %
Freight and mail	~ 15 %
Other activities	~ 5 %



Core Business (2011 Performance)

Air Transportation



Able to Maintain Over 90% of Aircraft Availability

- **Staff:** 4,390 persons
- **Outsource:** 347 persons

Technical Department



- **Total Rev. 755 MTHB**

Business Overview

Business Units (2011 Performance)

Cargo Handling



- Total Rev. 2,544 MTHB
(External Rev. 35.3%)
- Staff 1,679 Persons
- Outsource 1,158 Persons

Catering



- Production ~66,000 Meal/day
- Total Rev. 6,030 MTHB
(External Rev. 30.7%)
- Staff 1,952 Persons
- Outsource 1,898 Persons

THAI Smile



- Ticket Sale: 27 April 2012
- Inauguration: 7 July 2012

THAI Ground Services

Ground Service



Ground Support Equipment



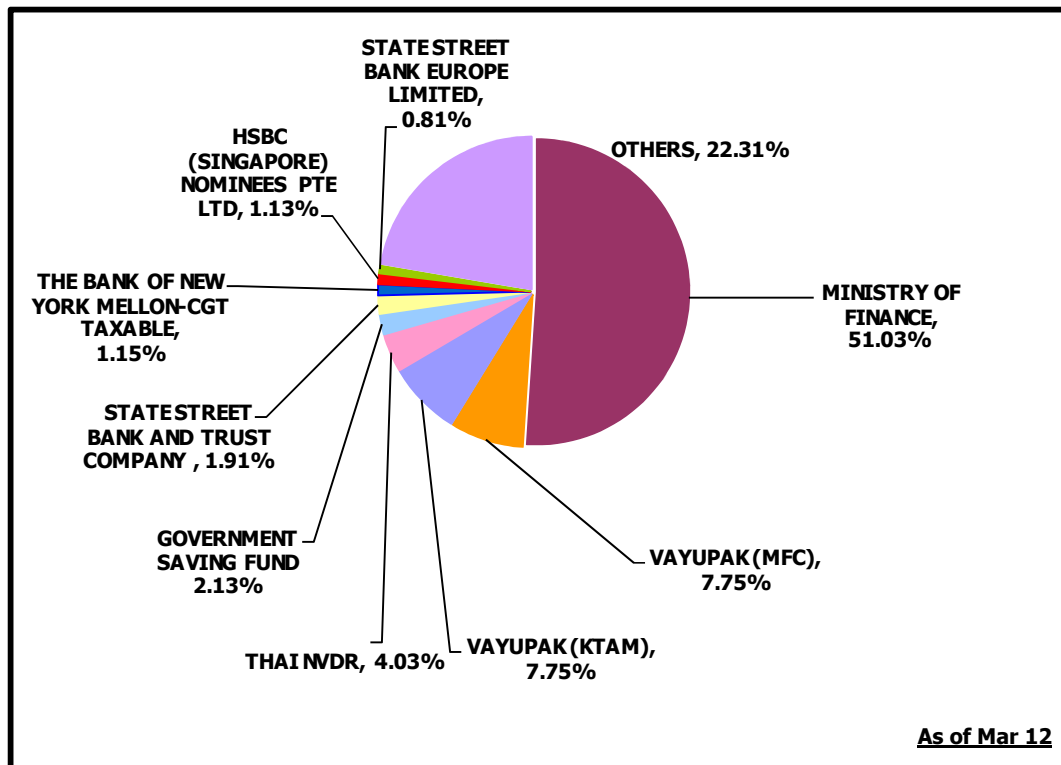
Total Rev. 7,567 MTHB

(External Rev. 34.8%)

- Staff 4,328 Persons
- Outsource 3,437 Persons

Company Facts

Major Shareholders



Thailand's National Flag Carrier

51% directly, 68% indirectly owned by the Royal Thai Government

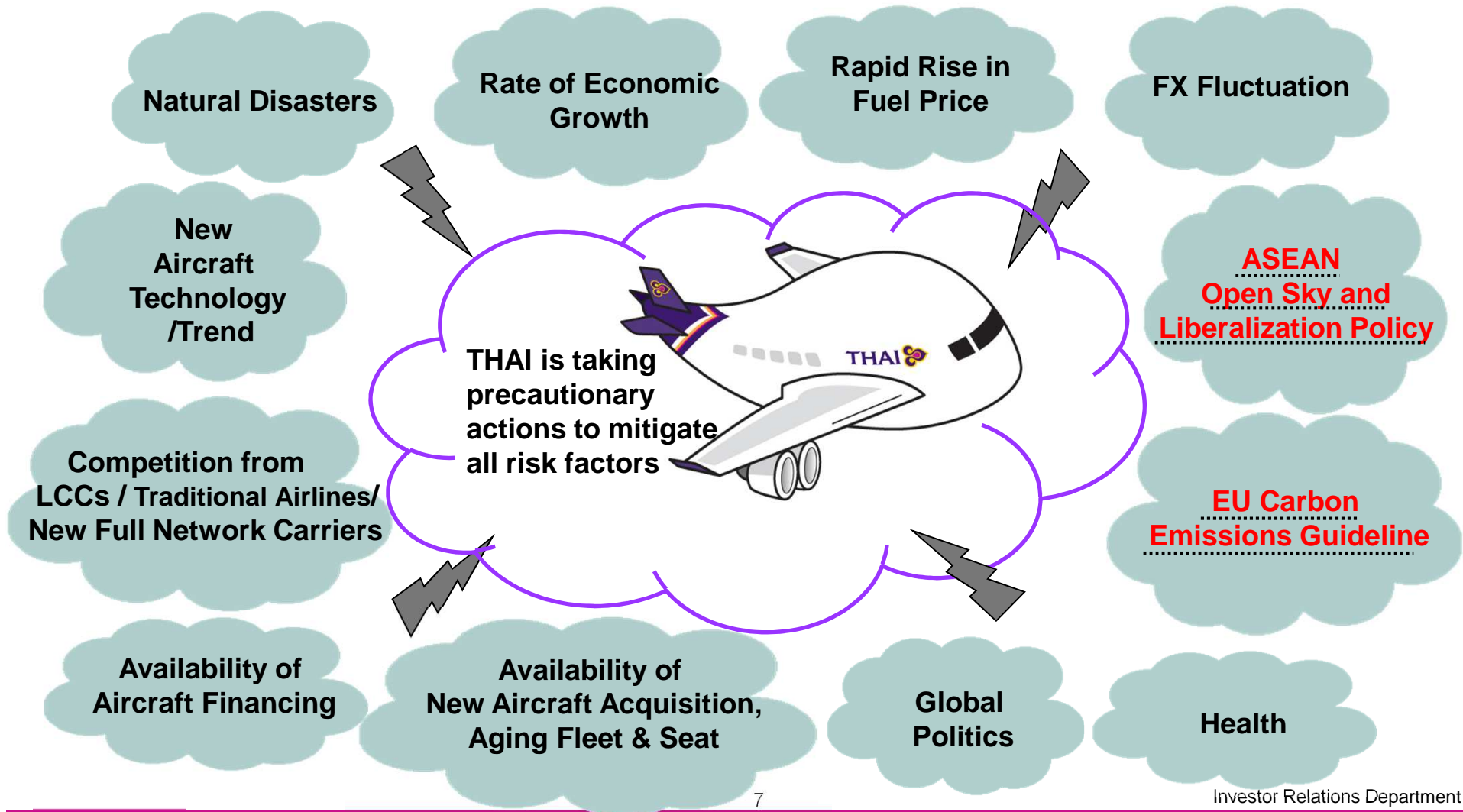
Market Capitalization:

1,475 MUSD

(As of June 2012)

ORDINARY SHARES	Number of shares	Par (baht)	Total (baht)
Registered capital	2,698,900,950	10	26,989,009,500
Paid-up capital	2,182,771,917	10	21,827,719,170

Factors Affecting Aviation Business



Snap Shot



1Q'2012	MTHB	USD mn. Equivalent	% Change YoY
Assets	281,397	9,077	+2.5%
Total Revenue	54,505	1,758	+5.1%
Net Profit (Include FX)	3,645	118	+489.3%

2012	MAY	% Change YoY	JAN.– MAY	% Change YoY
Passenger carried (Million)	1,587	+17.6%	8,435	+8.8%
Million Revenue Passenger Kilometers (MRPK)	4,477	+12.4%	25,040	+6.8%
Freight carried (tons)	56,336	-3.4%	281,958	-2.8%
Million Revenue Freight Ton Kilometers (MRFTK)	219	-9.1%	1,083	-8.7%

2012	MAY
# of Aircraft	88*
Destinations Served	69
Countries Served	35

*Excluding 4 B 737-400 & 2 ATR-72 leased to Nok Air
2 B 747-400 Freighters

Operation Summary

		MAY			JANUARY-MAY		
	Units	2012	2011	% Change YoY	2012	2011	% Change YoY
Passenger Production	MASK	6,259	6,434	-2.7%	32,547	32,385	+0.5%
Passenger Traffic	MRPK	4,477	3,982	+12.4%	25,040	23,442	+6.8%
Cabin Factor	%	71.5	61.9	+15.6%	76.9	72.4	+6.3%
Passenger carried	Million	1,587	1,350	+17.6%	8,345	7,751	+8.8%
Passenger Yield*	THB/km	2.62	2.78	-5.8%	2.72	2.77	-1.8%
Freight Production	MADTK	392	418	-6.0%	1,966	2,076	-5.3%
Freight Traffic	MRFTK	219	241	-9.1%	1,083	1,187	-8.7%
Freight Factor	%	55.9	57.8	-3.3%	55.1	57.2	-3.6%
Freight carried	Tons	56,336	58,296	-3.4%	281,958	289,948	-2.8%
Freight Yield*	THB/km	9.95	10.09	-1.4%	10.04	9.77	+2.8%
Avg. Fuel Price**	USD/BBL	138.6	143.0	-3.1%	(May) 138.6	(May) 143.0	-3.1%

Note : * Yield includes fuel surcharge

** Price into plane

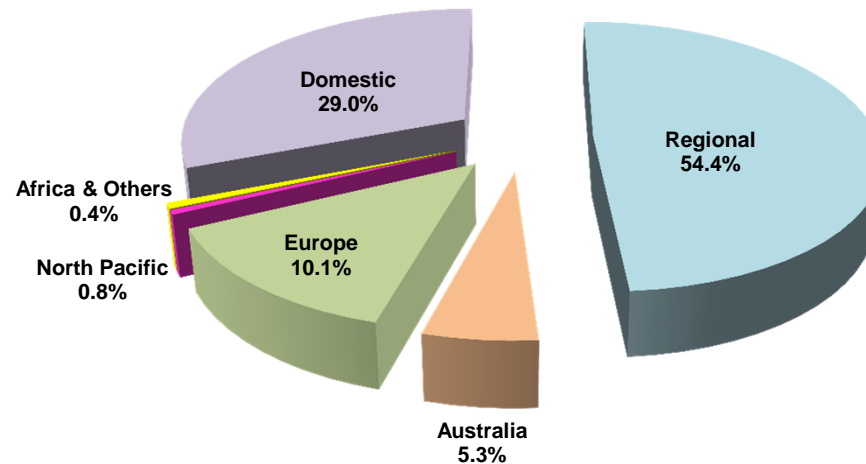
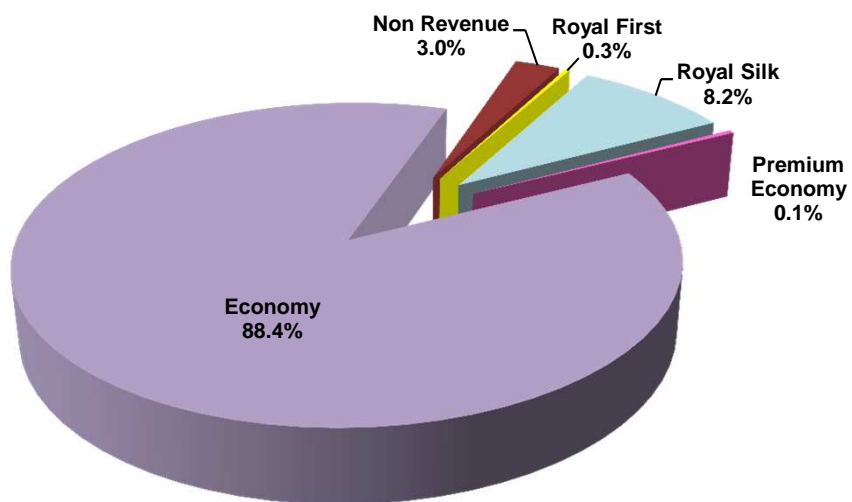
RPK by Region

RPK	Total	Domestic	Indo China	Western	Southern	Northern	North Pacific	Middle East	Europe	Australia	Africa & Others
% RPK Jan-Apr'12	100.00%	6.04%	1.03%	7.01%	3.94%	25.43%	2.04%	1.99%	38.64%	12.64%	1.23%
Jan -11	(3.10)%	(15.70)%	0.70%	(5.60)%	1.80%	1.80%	4.90%	(28.47)%	(5.20)%	(3.10)%	423.08%
Feb-11	(3.00)%	(16.10)%	8.30%	3.10%	2.10%	1.70%	4.30%	(5.51)%	(5.40)%	(3.50)%	285.71%
Mar-11	(4.40) %	(12.70)%	1.50%	4.70%	10.30%	(2.70)%	3.70%	(30.53)%	(6.60)%	(13.30)%	570.00%
Apr-11	7.50%	5.60%	18.70%	4.70%	24.00%	(1.80)%	(5.10)%	1.10%	10.20%	6.70%	611.11%
May-11	13.90%	18.20%	23.10%	8.90%	38.80%	22.80%	11.20%	(5.49)%	1.30%	19.60%	950.00%
Jun-11	8.20%	24.90%	21.90%	2.00%	8.50%	23.60%	0.30%	32.86%	(0.70)%	8.70%	(22.64)%
Jul-11	7.60%	21.70%	15.50%	1.80%	1.20%	15.70%	(8.70)%	11.46%	2.90%	11.90%	(1.79)%
Aug-11	4.70%	21.05%	7.27%	(5.50)%	(3.95) %	11.27%	(9.29)%	(9.88)%	(0.89)%	18.99%	(3.64)%
Sep-11	0.40%	13.66%	4.35%	4.43%	4.15%	9.60%	(14.41)%	40.00%	(11.28)%	9.39%	(12.33)%
Oct-11	(7.53)%	13.64%	(20.37)%	(10.72)%	(11.81)%	(4.39)%	(16.42)%	(4.05)%	(13.32)%	(0.16)%	3.13%
Nov-11	(16.86)%	6.15%	(33.33)%	(24.87)%	(25.91)%	(29.66)%	(19.70)%	(32.47)%	(11.10)%	(9.40)%	15.38%
Dec-11	(8.91)%	7.07%	(22.41)%	(7.83)%	(3.98)%	(8.57)%	(14.67)%	(9.68)%	(9.29)%	(11.08)%	(35.64)%
% YoY of Year 2011	(0.74)%	3.98%	0.32%	(2.64)%	2.44%	2.11%	(5.67)%	(8.87)%	(4.36)%	2.32%	5.21%
% YoY of Jan-Apr 2012	5.67%	10.98%	(2.30)%	2.05%	(3.11)%	12.91%	(22.41)%	13.57%	3.18%	8.84%	0.40%

By Class

By Area

May 2012



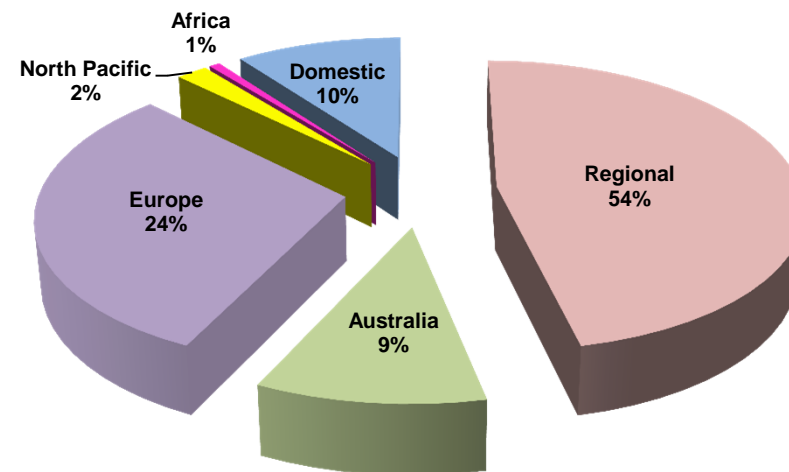
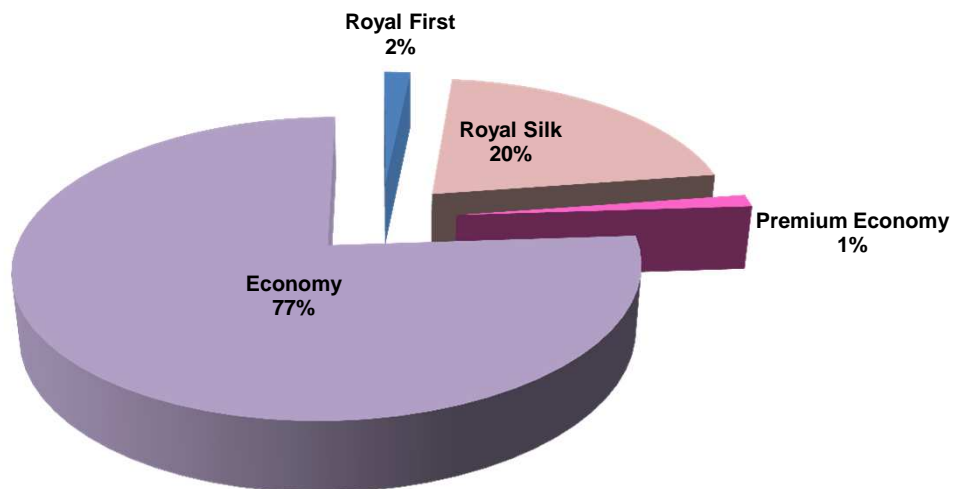
Total passengers in May 2012 = 1.59 mn.

Total passengers in May 2011 = 1.35 mn.

By Class

By Area

May 2012



Passenger revenue* = 11,680 MTHB

* Schedule flight only

Competitors Have Increased Significantly

The image displays a collection of airline logos organized into three distinct categories, each with a corresponding colored background at the bottom:

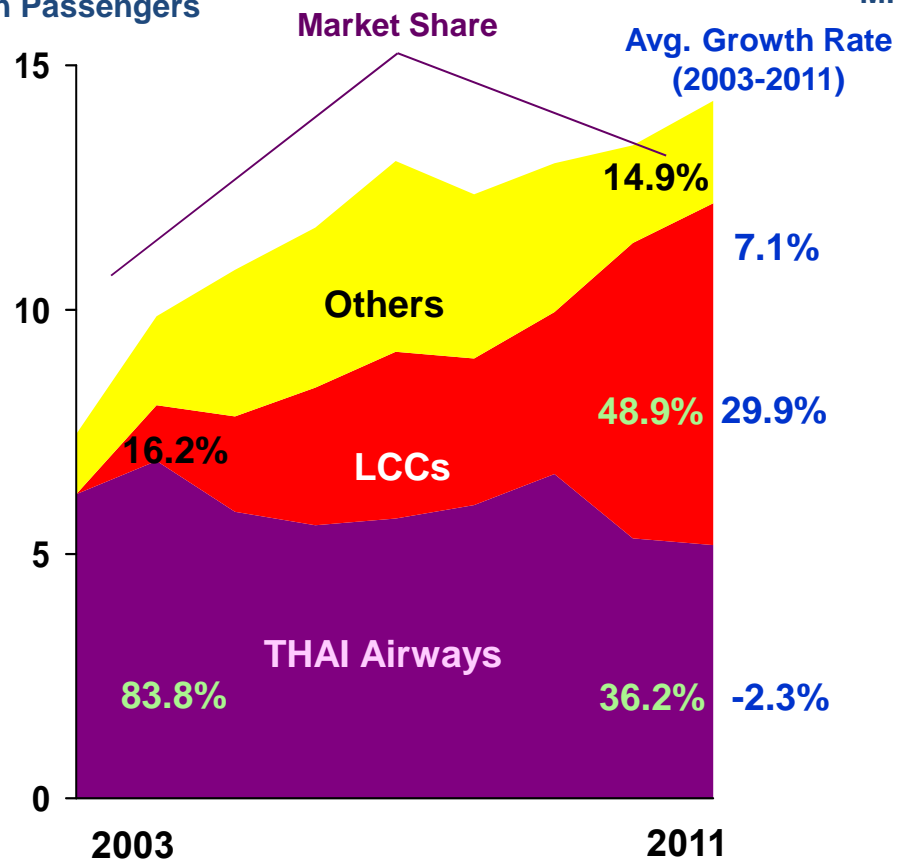
- Traditional full service airlines (Yellow background):** Includes logos for Lufthansa, Philippine Airlines, THAI, swissair, KLM, AEROFLOT, SAS, JAL, QANTAS, CATHAY PACIFIC, AIR FRANCE, SINGAPORE AIRLINES, BRITISH AIRWAYS, E-malaysia, and UNITED.
- Newly established full service airlines (Blue background):** Includes logos for ANA, EVA AIR, AIR NEW ZEALAND, ROYAL BRUNEI, SOUTH AFRICAN AIRWAYS, KOREAN AIR, LOT, KUWAIT AIRWAYS, DELTA, GULF AIR, VIETNAM AIRLINES, AIR CANADA, Bangkok, CHINA EASTERN, EGYPTAIR, and ASIANA AIRLINES.
- Low Cost Carriers (Pink background):** Includes logos for Air Asia, Thai Air Asia, Lion Air, Jet Asia, SILK AIR, Jet, Silver Fly, AIR DO, tiger airways.com, Air Asia, Valuair, Way Smarter, DRAGONAIR, JIN AIR, EASTAR JET, JAL JAL EXPRESS, Air Asia, and KINGFISHER Red.

Market Share of LCCs Up Dramatically

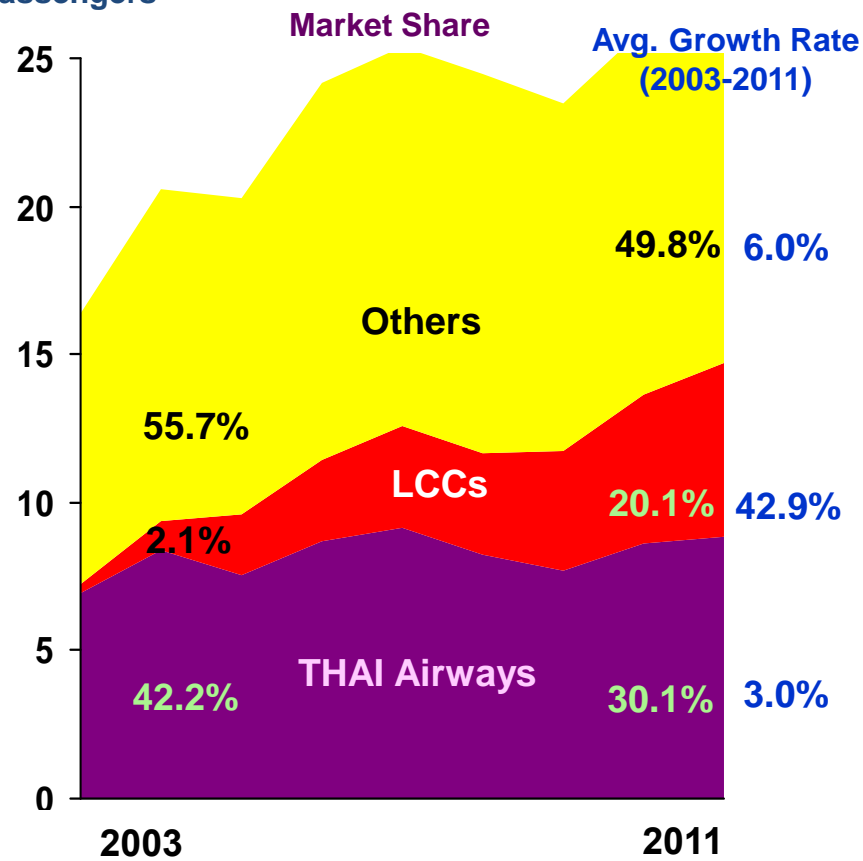
Domestic Market

Regional Market

Mn Passengers



Mn Passengers



New Strong Competitors from Middle East



THAI surrounded by LCC



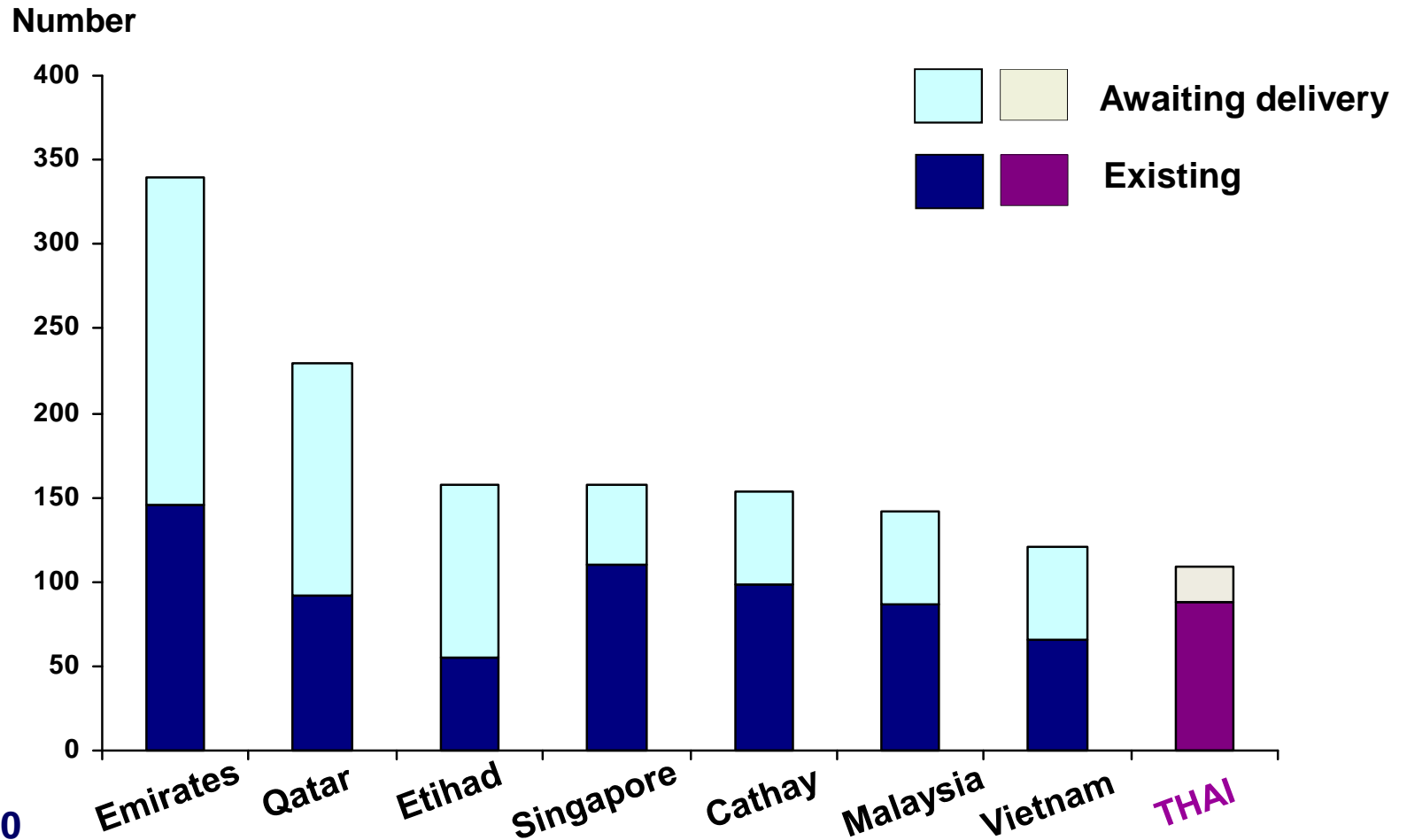
LCC	Fleet	Order
AirAsia	106	284
Cebu Pacific	33	55
Indigo	43	232
Jetstar	79	32
Lion Air	65	360
Silk Air	19	-
SpiceJet	34	44
Tiger Airways	17	-
Total	396	1,007

Note:

- Fleets shown only effected to THAI
- Leased aircraft not included

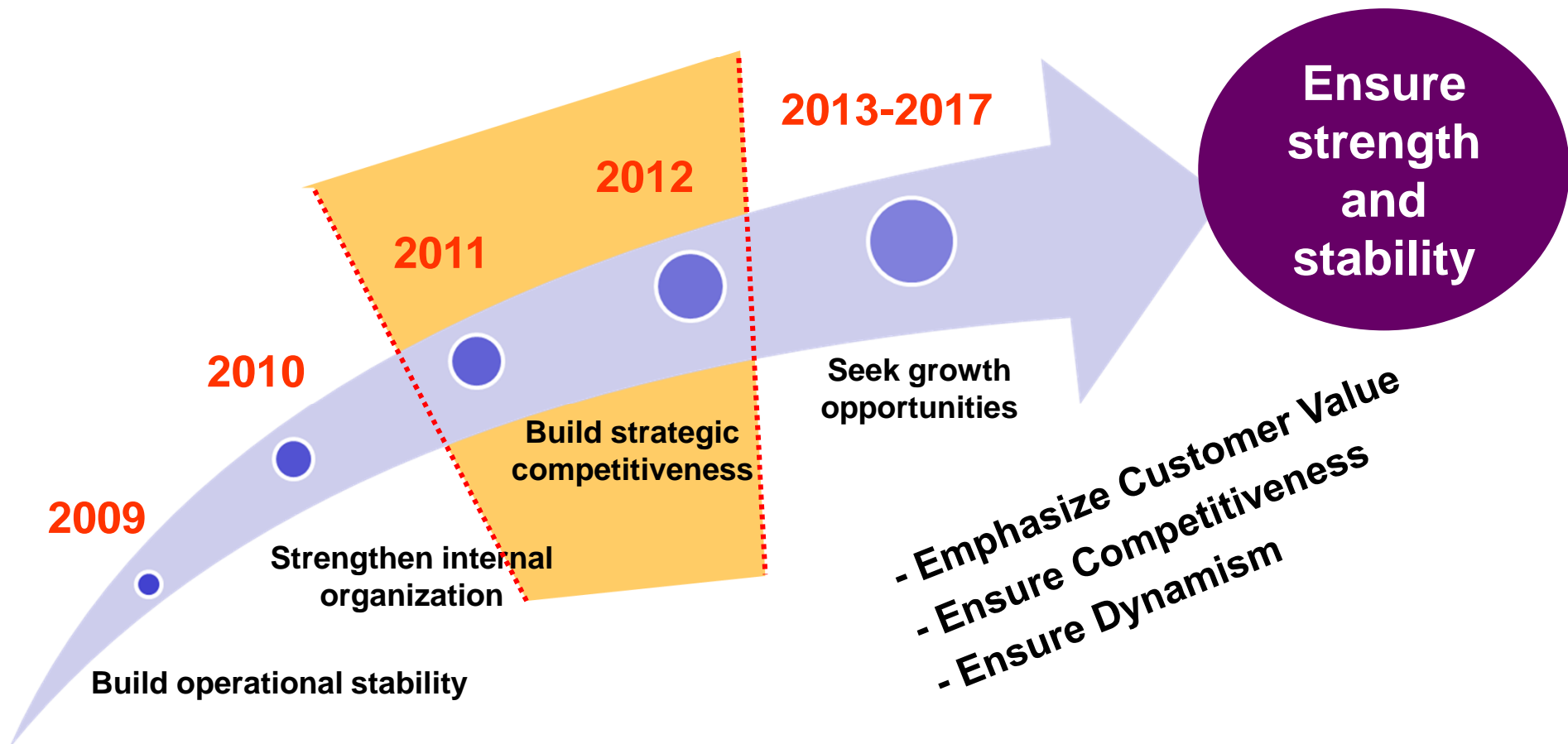
Competitors' Fleet Expansion Plan

Competitors' Fleet and Expansion Plan



AIRBUS 380	Emirates	Qatar	Etihad	Singapore	Cathay	Malaysia	Vietnam	THAI
Existing/Awaiting delivery	15/75	-/5	-/10	11/8	-	-/6	-/4	-/6

Overarching Strategic Plan



Synthesizing Environmental Factors into Strategies

Environment & Competition Analysis



Core Values

Customer-oriented

Competitive

Dynamic

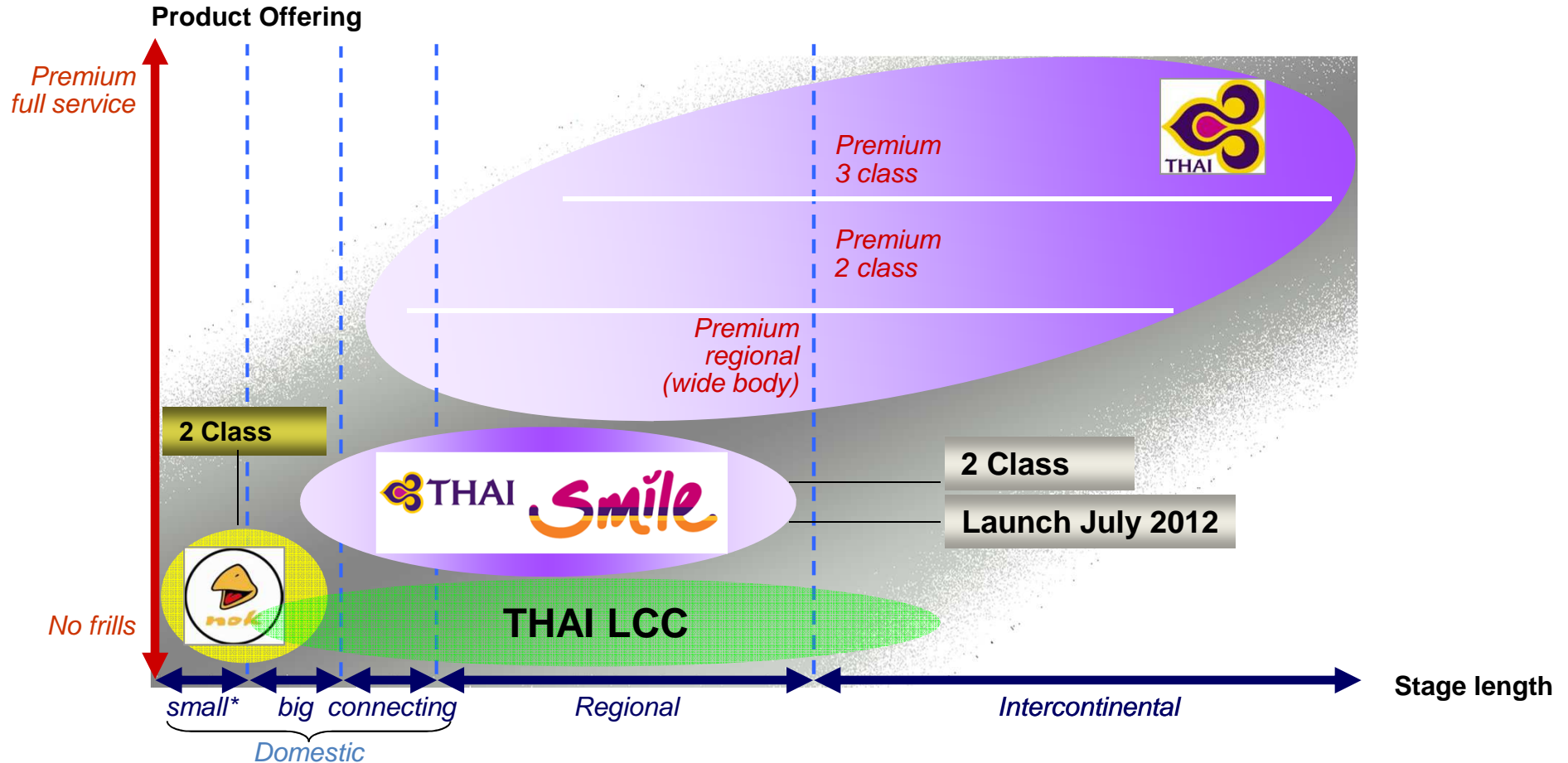
Corporate Strategies

- 1 Corporate Portfolio
- 2 Customer Value
- 3 Route Network and Fleet
- 4 Commercial
- 5 Corporate Social Responsibility
- 6 IT
- 7 Strategic Cost Management
- 8 Human Capital and Organization Effectiveness
- 9 Financial

Strategy to close THAI's business gap




THAI Smile to complement THAI's product offering

Brand positioning matrix for THAI and affiliated companies



Note: * NOK focuses on DMK only; ** Possibilities surrounding expanding fleet to include wide-body aircraft will be evaluated as opportunities arise

Product by Cost Base

Brand	Brand positioning	Cost base
	<p>Premium network carrier</p>	<p>MEDIUM to HIGH</p> <ul style="list-style-type: none"> • Minor improvements could be made in cost efficiency
	<p>Regional carrier</p>	<p>LOW to MEDIUM</p> <ul style="list-style-type: none"> • Low cost base achieved through aspects of LCC model, such as single aircraft type, new fleet, etc.
	<p>Domestic value-for-money carrier</p>	<p>LOW to MEDIUM</p> <ul style="list-style-type: none"> • Domestic focus with some added value and maintaining very low cost

THAI Smile – A New Chapter

THAI Smile's first flight has commenced on July 7, 2012

Ticket Sale: April 27, 2012

Fly **SMART** with







Light Premium

THAI INTRODUCES THAI SMILE
A NEW SERVICE WITH THE SAME SPIRIT










[Booking](#) | [Timetable](#) | [Flight Info](#) | [Check Booking](#) | [iCheck-in](#) | [Promotion](#)

Book Your Flight

Round trip One way

From : Departure Date:

To : Return Date:

Adults: Children (2-11):

BOOK NOW



First flight to Macau
7 July 2012



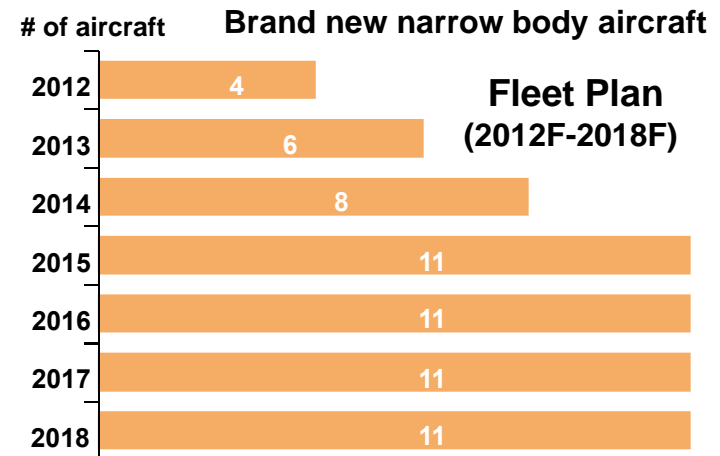
BRAND

Positioning	Differentiation	Character	Value
Affordable Light Premium	Good Price High Value	Trendy Friendly Worthy	Reliable Enjoyable Valuable
			

THAI Smile Fleet Plan & Routes Network



THAI Smile base at BKK, operates in domestic and regional secondary routes and synchronize with TG network.



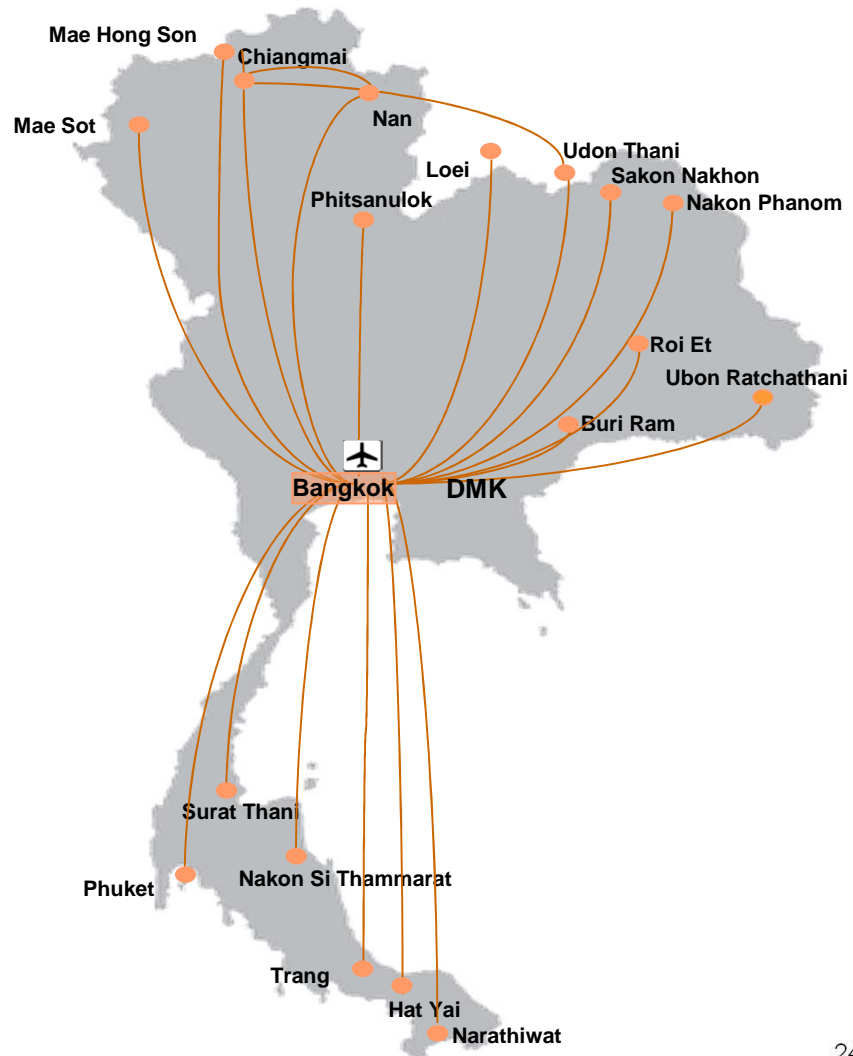
TPI Summer 2012*

EFFECTIVE	FREQUENCY	Destination
JUL 2012	14 Flights/ week	Bangkok- Macau V.V.
AUG 2012	14 Flights / week	Bangkok -Chiang Mai V.V.
AUG 2012	7 Flights / week	Bangkok- Phuket V.V.
AUG 2012	7 Flights / week	Chiang Mai - Phuket V.V.
AUG 2012	28 Flights / week	Bangkok - Krabi V.V.
SEP 2012	14 Flights / week	Bangkok - Suratthani V.V.

* Effective : July 7 - October 27, 2012

Nok Air Routes Network

**Nok Air base at DMK,
operates only domestic point-to-point**



**TG's Proportion of Shareholding
increased from 39% to 49%**



Competition for THAI Smile



Building Customer Value

Ongoing enhancement and improvement in products and services at all touch points and the use of KPIs to ensure consistent quality service

Food & Beverage



Minimize Time for Baggage Claim



Increase Selection of Entertainment



Internet check-in with home print boarding pass



E-Service



Royal Orchid Plus



Premium Lounges



Call Center



Current Fleet

Current Fleet: 88 Aircraft

42% of O **15% of OL** **43% of FL**
 O=Owned OL=Operating lease FL=Financial lease

(Note: Approximately)



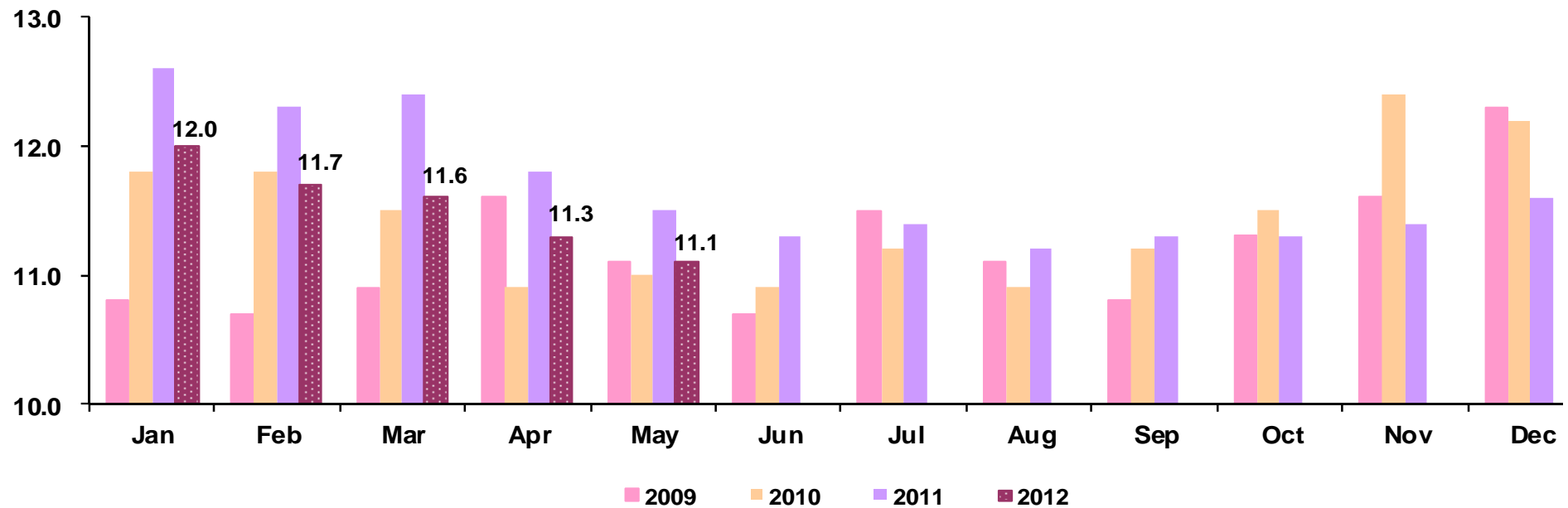
Aircraft Type	Version	# of Aircraft	# of Seat					Financial Method
			First	Business	Premium Economy	Economy	Total	
A300-600	36R1	4	N.A.	46	N.A.	201	247	9 O
	3452	5	N.A.	28	N.A.	232	260	
A340-500	3452	4	N.A.	60	42	113	215	1 O, 3 FL
A340-600	3461	6	8	60	N.A.	199	267	6 FL
A330-300	3302	12	N.A.	42	N.A.	263	305	10 O, 10 FL, 3 OL
	3303	11	N.A.	36	N.A.	263	299	
B737-400	7341	5	N.A.	12	N.A.	137	149	2 FL, 3 OL
B747-400	7442	6	14	50	N.A.	325	389	11 O, 5 FL
	7443	10	10	40	N.A.	325	375	
B777-200	7723	8	N.A.	30	N.A.	279	309	6 O, 2 OL
B777-200ER	77E1	6	N.A.	30	N.A.	262	292	6 FL
B777-300	7732	5	N.A.	34	N.A.	330	364	6 FL
	7732 TKE	1	N.A.	34	N.A.	325	359	
B777-300ER	7739	5	8	30	N.A.	274	312	5 OL
Total		88	40	532	42	3,528	4,142	37 O, 38 FL, 13 OL

Excluding: 4 B 737-400 & 2 ATR-72 leased to Nok
 2 B 747-400 Freighters

Aircraft Utilization

Aircraft Utilization

Hours / Day / Aircraft



Aircraft Delivery Plan

NEW A/C DELIVERY	2012	2013	2014	2015	2016	2017	TOTAL
A380-800	3 (FL) (SEP/NOV/DEC)	3 (FL) (JAN/SEP/OCT)	-	-	-	-	6
B777-300ER	2 (OL) (AUG/OCT)	6 (OL) (MAR/APR/JUN/ JUL/AUG/OCT)	3 (FL)	3 (FL)	-	-	14
A330-300	3 (FL) (FEB/SEP/OCT)	2 (FL) (JAN/APR)	-	-	-	-	5
A350-900	-	-	-	-	2 (FL) I 2 (OL) R	2 (FL) I 6 (OL) R	12
B787-9	-	-	-	-	-	2 (OL)	2
B787-8	-	-	4 (OL)	2 (OL)	-	-	6
A320 (Thai Smile)	4 (OL) (JUN/AUG(2)/SEP)	2 (OL) (JAN/MAR)	2 (FL)	3 (FL)	-	-	11
TOTAL	12	13	9	8	4	10	56

Note : OL = Operating lease / FL = Financial lease
I = Intercontinental / R = Regional

Phase Out Plan

PHASE-OUT PLAN	2012	2013	2014	2015	2016	2017	TOTAL
B747-400	2	2	-	-	2	2	8
B777-300ER (Jet Airways)	-	5	-	-	-	-	5
A340-500	4	-	-	-	-	-	4
B777-200	-	-	-	-	-	4	4
A330-300	-	-	2	4	-	2	8
A300-600	2	4	5	-	-	-	11
B737-400	3*	1*+2	2	1	-	-	9
ATR-72	-	2*	-	-	-	-	2
TOTAL	11	16	9	5	2	8	51

Note : *Return from Nok Air

B747-400 to be Converted to Freighter

2 of Freighters have launched on April and May 2012 between 3 continents

100 tons / flight

9 Cities

Asia

: Bangkok
: Taipei
: Tokyo
: Hyderabad
: Shennai
: Delhi

Europe

: Frankfurt
: Amsterdam

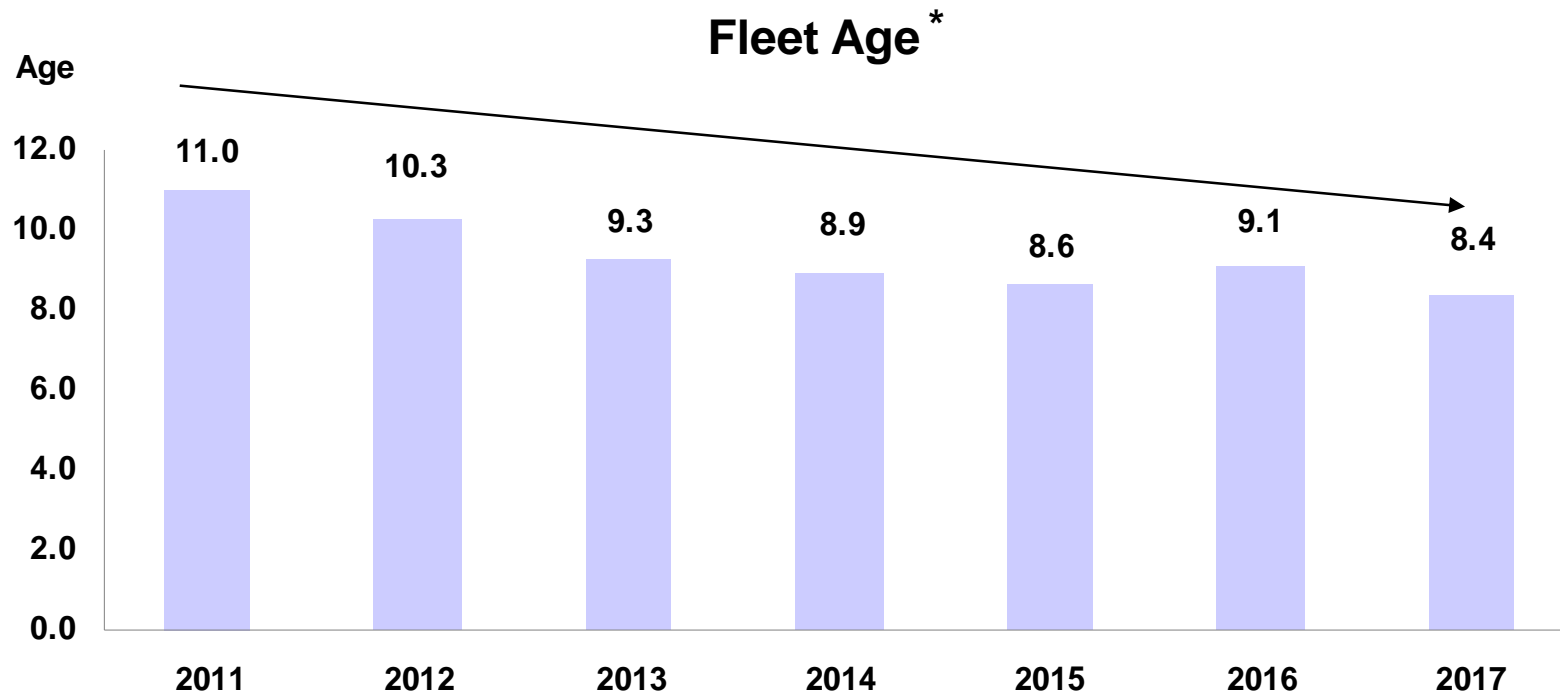
Australia

: Sydney



Fleet Strategy Through 2017

	2011	2012	2013	2014	2015	2016	2017	TOTAL
# of Aircraft	89	93	97	102	105	107	109	
Total Seats in operation	26,691	28,313	29,272	29,784	30,525	31,119	31,859	
Seat Growth	5.8%	6.1%	3.4%	5.0%	2.5%	1.9%	2.4%	3.9%



*Note: Count at end of each year
Exclude aircraft leased to NOK AIR

Efficiency Derived from New Aircraft

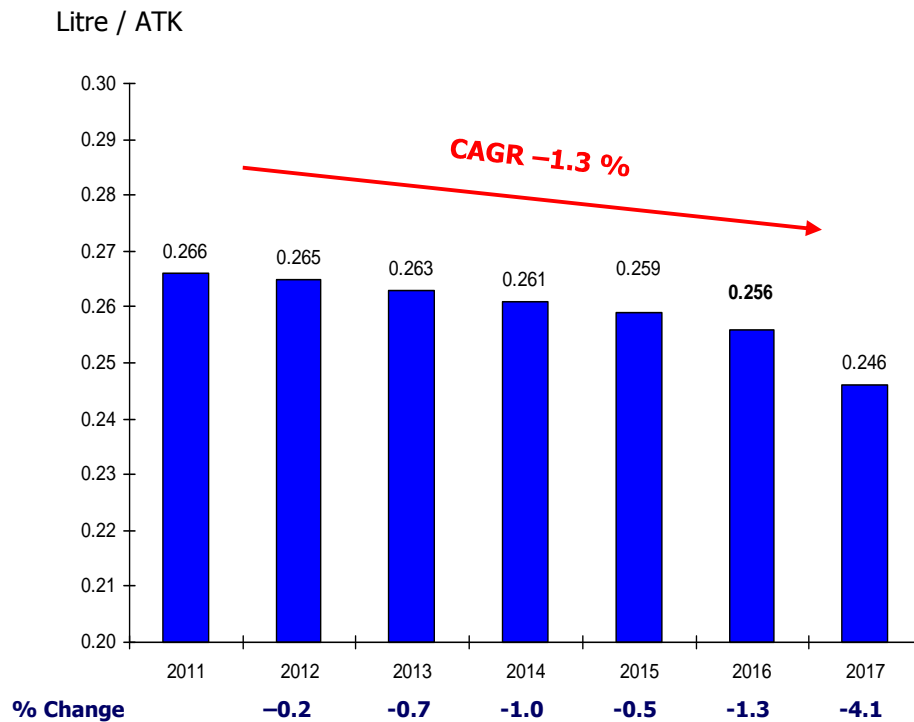
New aircraft will bring cost benefits in terms of fuel per ATK and maintenance cost per ATK

Fuel efficiency improve
~1.3% per year from 2012 - 2017

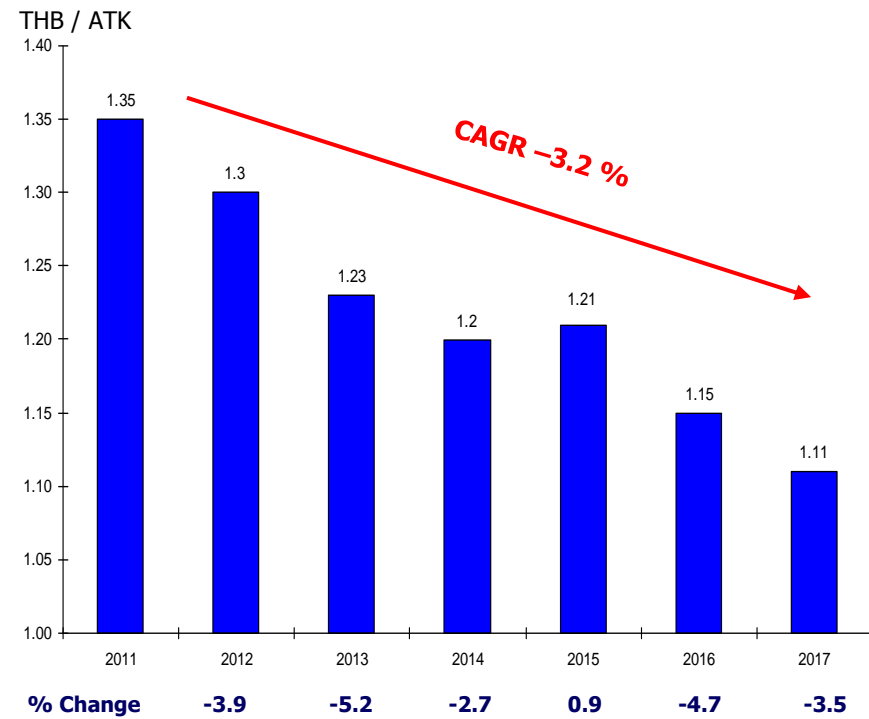
Save 5,823 MTHB

Maintenance cost per ATK
decrease -3.2% from 2012-2017

Save 3,460 MTHB











Fuel Consumption per ATK Improvement



Maintenance Cost per ATK Improvement

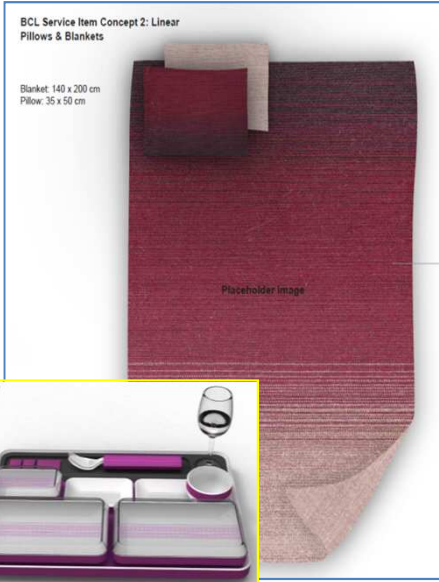
Upgrades and Retrofit Schedule

	# of Aircraft	First	Business	Economy	Tentative Completion
B747-400 No. 7-12	6				<ul style="list-style-type: none"> All have been completed
B747-400 No. 13-18	6				<ul style="list-style-type: none"> DEC. 2011 - OCT. 2012
B777-200 No. 1-8	8				<ul style="list-style-type: none"> FEB. – DEC. 2012 One has been completed

The New Look

Synchronization with Touches of Thai and Green concept

- Cabin interior, On-board products & services master design by Priestmangoode



New Aircraft A330 & A380

New Airbus A330-300



Royal Silk Class



Economy Class



New Airbus A380-800



Royal First class



Royal Silk Class



Economy Class



New Generation Aircraft: A350 & B787

A350

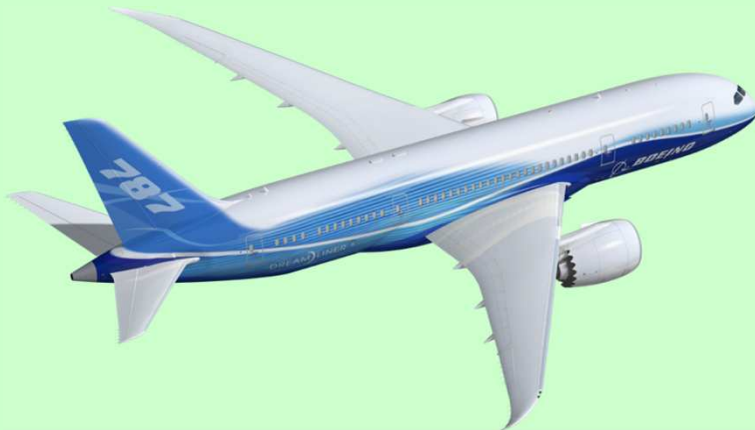


- 53 % Composite
- Lower fuel burn (Compare to today generation)
- Lower maintenance costs (Compare to today generation)

Family

- A350-1000
- A350-900
- A350-800

B787



- 50 % Composite
- Lower fuel burn (Compare to today generation)
- Lower maintenance costs (Compare to today generation)

Family

- B787-9
- B787-8

New In-Flight Entertainment Interactive

Full Audio Video on Demand (AVOD) in all classes*

(* Except A330-300, A300-600 and B737-400)

Entertainment

- Movies: 100 titles
- Short program: 150 programs
- CD Album: 500 albums
- Games: 60 games
- USB plug and play

Connectivity

- Voice Call
- GPRS Email
- SMS Text Messaging
- Internet Access'

Onboard Services

- E-Meal Menu
- E-Duty Free Shopping
- E-Magazine
- Seat Chat



Infotainment

- About THAI
- Airport Information
- Window on Thailand
- Travel Destination Information

Food and Beverage

Chef gallery



The Taste of a Masterpiece

For 50 years, THAI has been renowned worldwide for its legendary Royal Orchid Service. This year, we take great pleasure in welcoming you onboard with the "Celebrity Chef Gallery by THAI". Five renowned international chefs will select the finest ingredients from across five continents and apply their outstanding talents in culinary masterpieces for THAI.

Let us delight your senses with world-class cuisine. Savour the delicious appeal of both authentic Thai and international dishes for a truly memorable experience. Experience the art of fine dining with THAI, smooth as silk.

"Dining Creativity"
Chef Haikal Johari

"Marriage of Ingredients"
Chef Sante Zappis

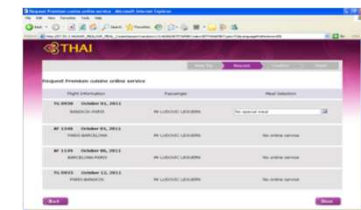
"Culinary Balance"
Chef Willmet Leong

"Magic of Spices"
Chef Vinder Balbir

"Cooking Legacy"
Chef Jiraarpa Tanbooncharoen

THAI
Smooth as silk

- More varieties , more menus
- Introduce special occasion menus
- Online Pre-order meal for First and Business class



ROP: Royal Orchid Plus



- **New Loyalty System**



- **Global Tour Management System**



- **ROP Consumer Mile & Ancillary Services**



- **Better understand market outlook and customer profile in each market**

CSR : Corporate Social Responsibilities

Clear CSR's Policy & Process



integrate **Travel Green** to all process & all touch points

CSR Project

Social Contribution

Flood Donation



Society Support

Youth Sports program

Academic Olympics



Environment Engagement



Bio Jet Fuel



Carbon Footprint

CSR Communication & Sustainability Report



Route Network and Fleet

Route Network Strategy



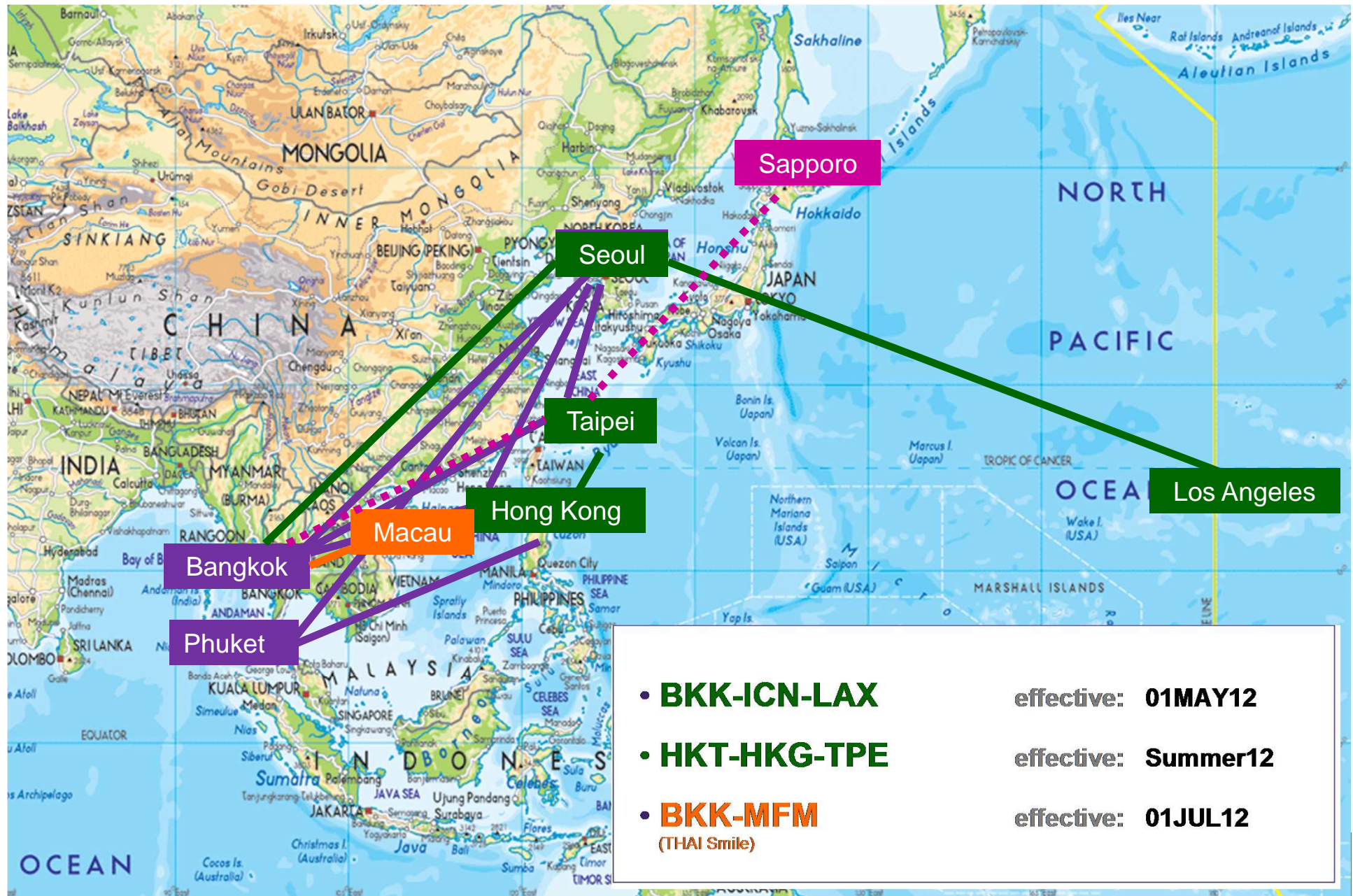
- Develop **Bangkok and Thailand as main hub** by implementing more direct flights into Thailand, focus on increasing frequency and hub connectivity
- Enhance **network strength in key markets** to maintain leading market positioning and build network strength around home base
- Expand network to **secondary regional routes, operating narrow body aircraft** with light premium service
- Establish **THAI LCC** to compete in price sensitive market
- Leverage of **alliances and strategic partners** to expand network and cover all market segments
- Increase **flight schedule flexibility** in response to demand dynamic, seasonality and competitive environment
- Develop **HKT** into a 2nd key point of interest

Fleet Strategy



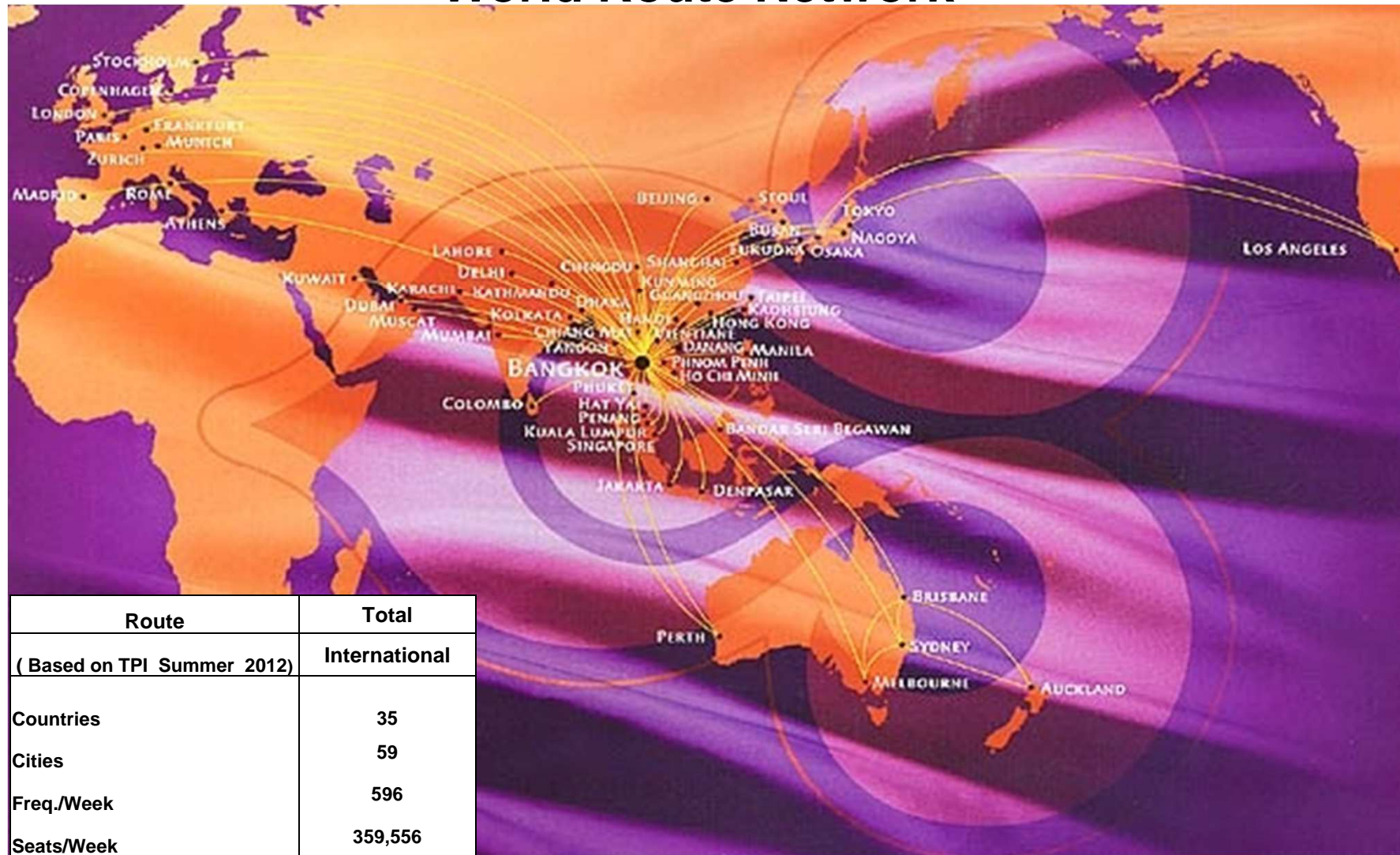
- **Improve fleet efficiency** to lower maintenance and fuel expense, reduce environmental impact and increase asset utilization
- **Secure long-term fleet delivery** positions to ensure young & fuel efficient fleet and support growth
- **Implement fleet simplification** over the long-term to reduce operating cost and improve operating efficiency
- **Match aircraft size** with demand and competition
- Design **proper seat configuration** to maximize competitive advantage

Route Development Summary



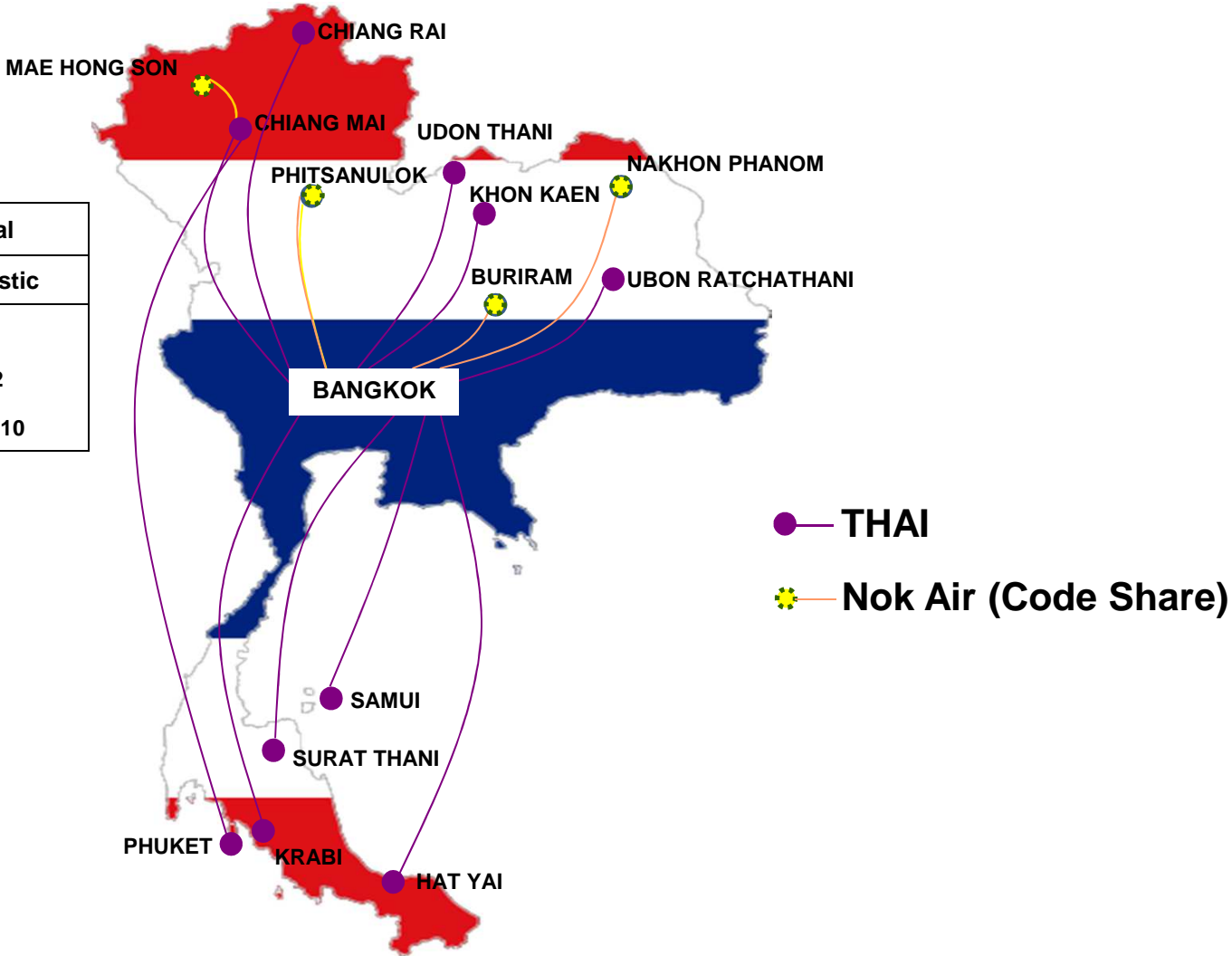
THAI's Route Network

World Route Network



Domestic Route Network

Route	Total
(Based on TPI Summer 2012)	Domestic
Cities	10
Freq./Week	272
Seats/Week	133,710



Commercial Strategy

Intra-Asia

Explore revenue in other markets.
Developing new routes that show strong potential in business and leisure traffic by exercising 5th Freedom rights.

i.e. HKT-HKG-TPE, BKK-TPE-CTS

Secondary Destination

Widen coverage to secondary cities both regional and intercontinental routes using “Everywhere Non-Stop to Bangkok or Phuket” concept.

i.e. BKK-BRU-BKK, HKT-ICN-HKT, CPH-HKT

Network Sales

Boost Revenue and mitigate any downside effects in Bangkok and within Thailand.

Ancillary Revenue

Explore ancillary revenue options
i.e. travel insurance, car rental, hotel accommodation, consumer miles.

IT Development



Infrastructure



**Redesign and Migrate to Cloud
E-Payment Gateway
Mobile Capability**

Data Management

Enterprise Resource Planning (ERP)

Internal Cooperation

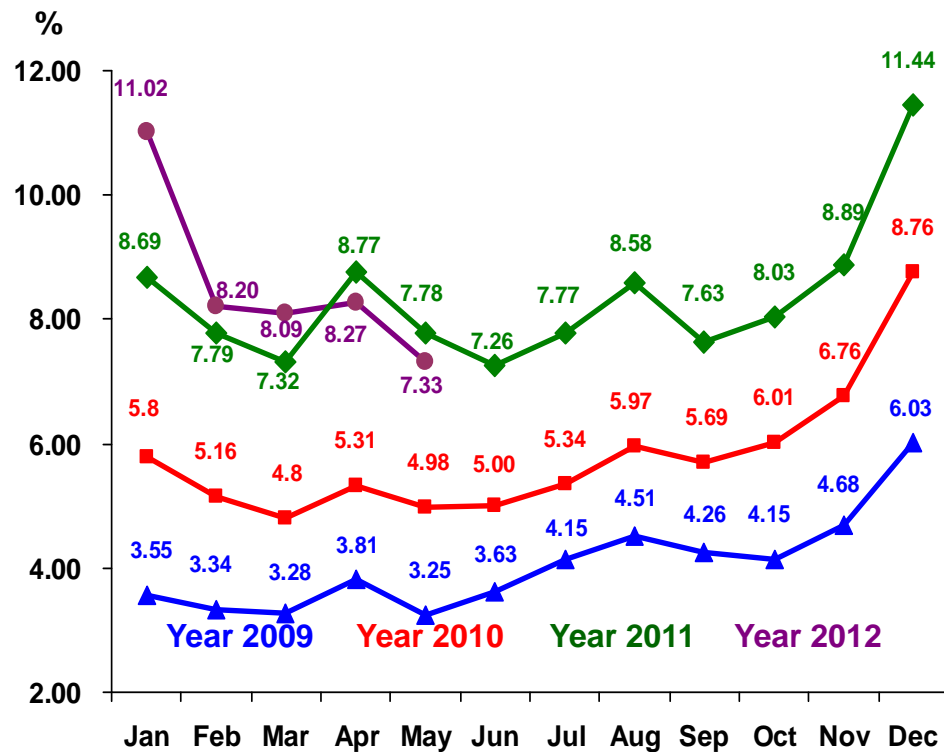
E-Collaboration / Knowledge management

Revenue Enhancement

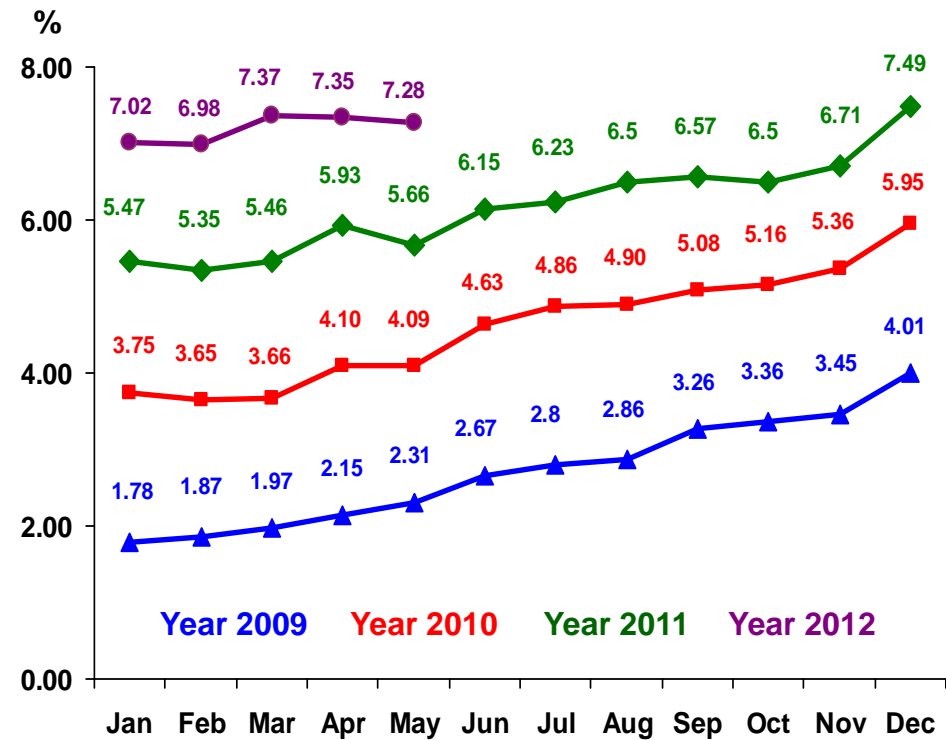
CRM / Cross Function Database

Statistic on e-Service

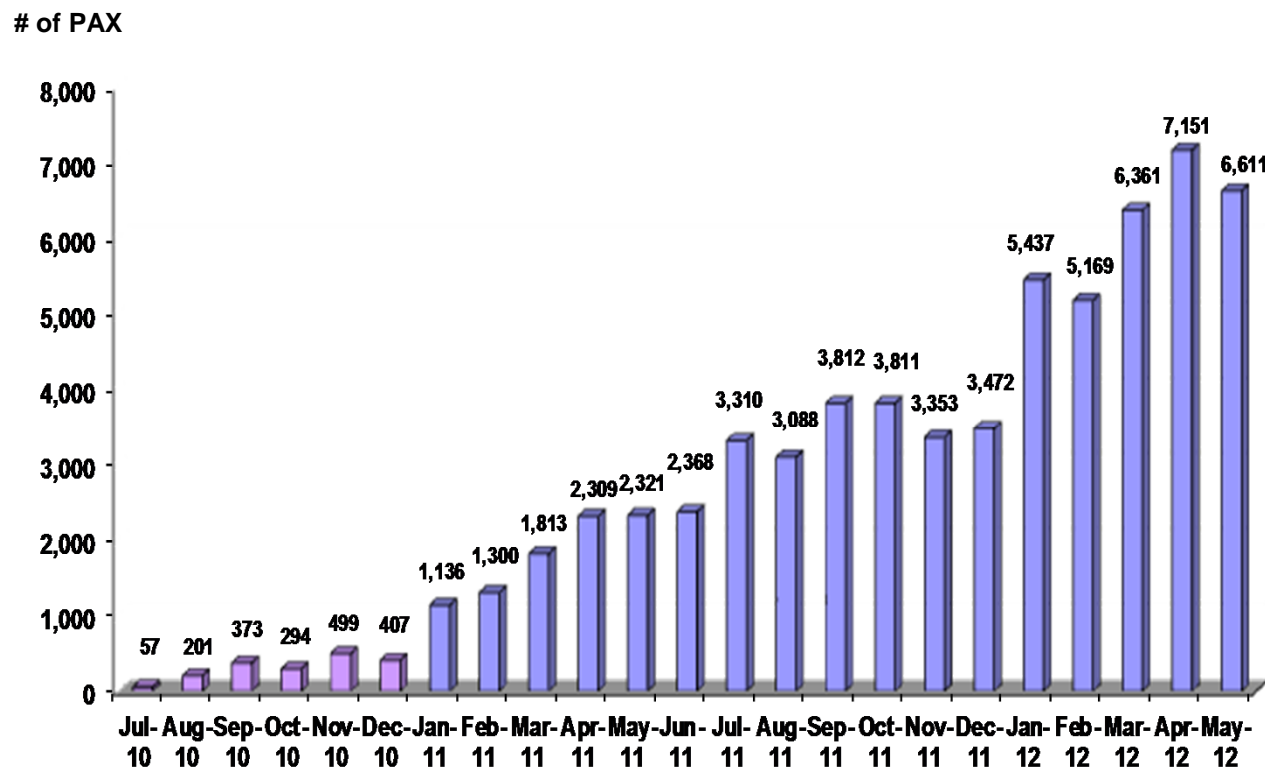
Ticket Sales Via Internet



Check-in via Internet



Check-in via Mobile (<http://m.thaiairways.com>)



Risk Mitigation

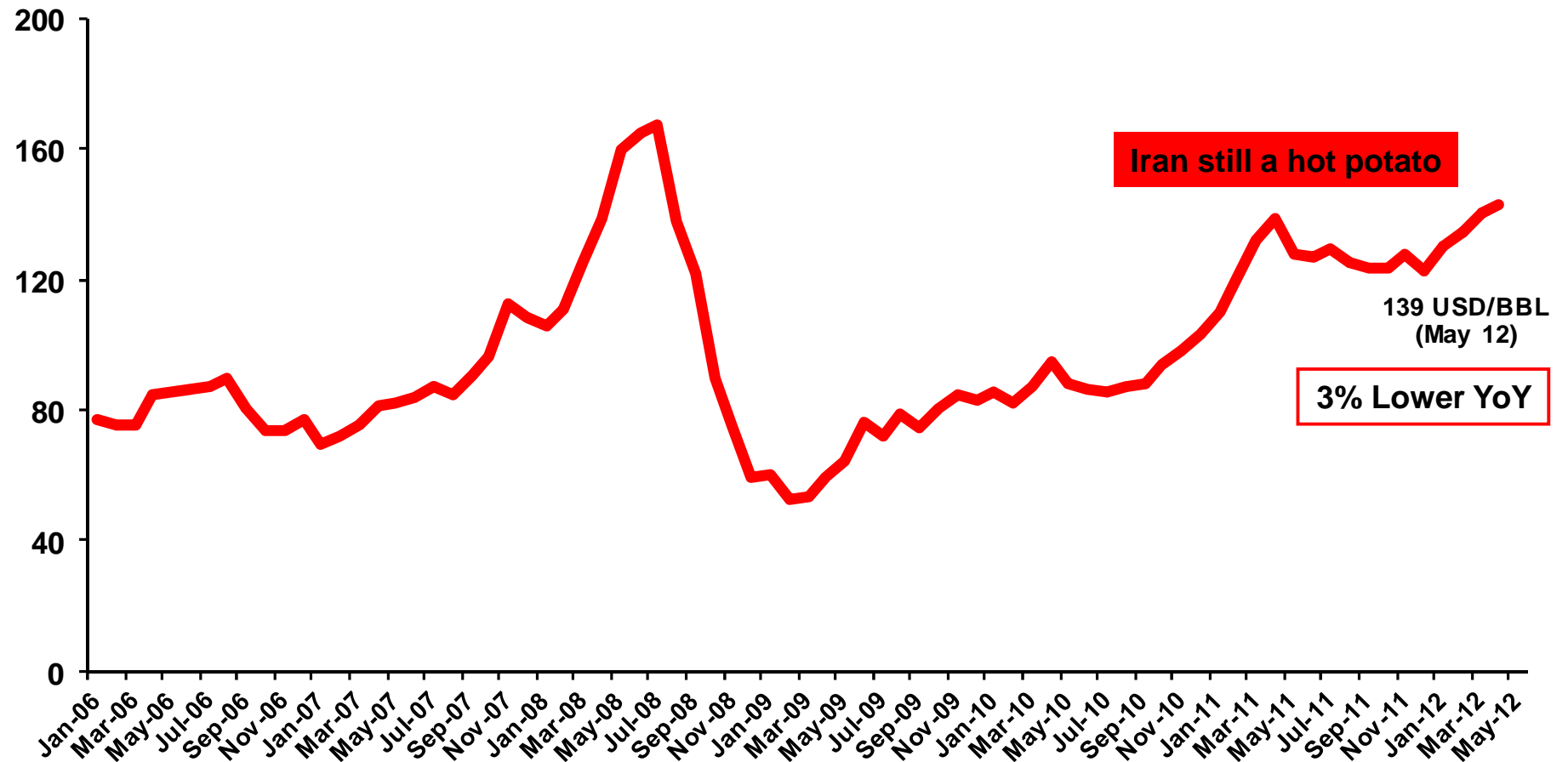
Fuel Management

Minimum 20% fuel hedging requirement to mitigate risk of rapid fuel cost rise

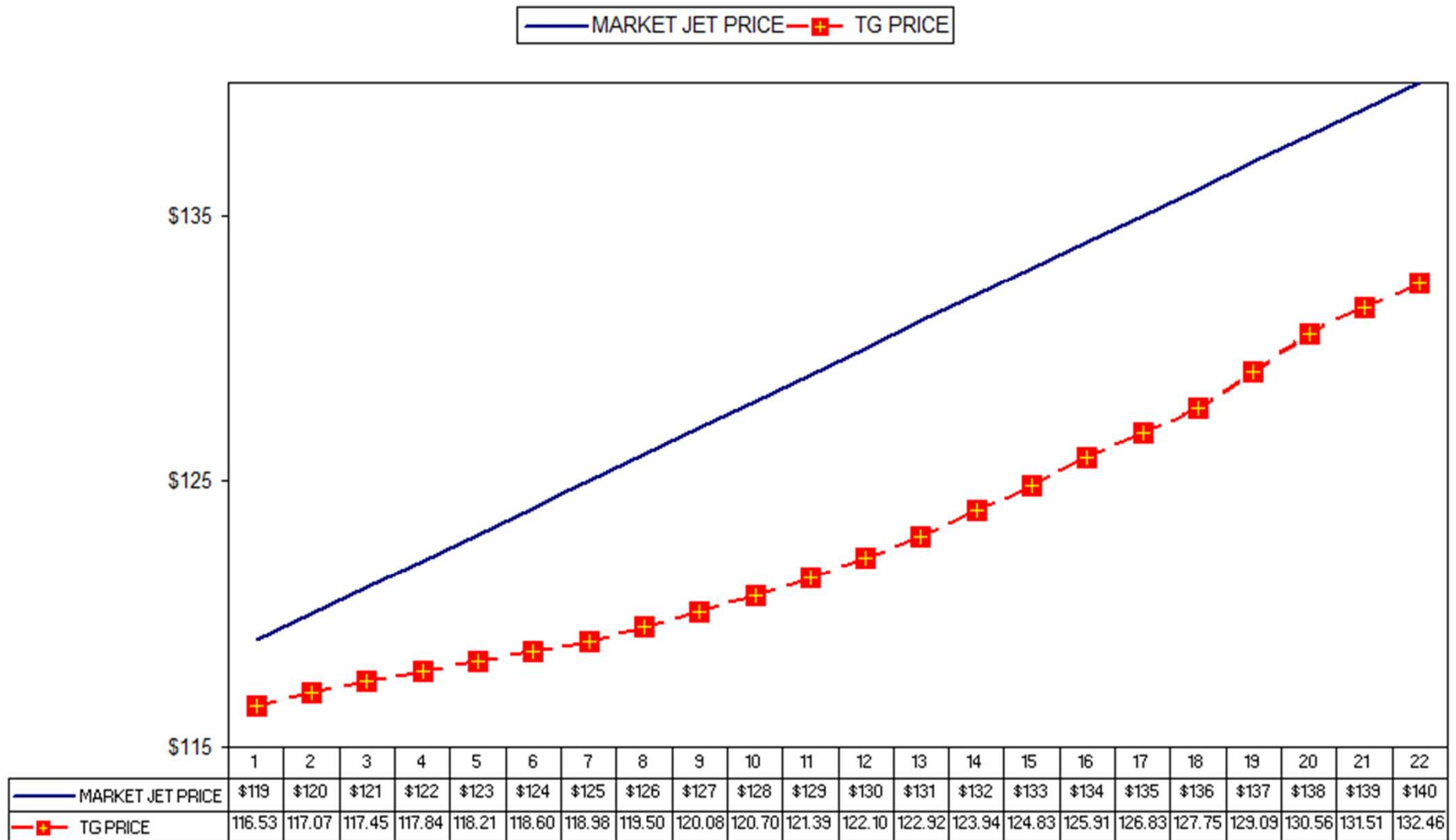
Hedging Volume			
>80%	Board Authority		
>60<=80%	Fuel Price Risk Management Committee (President, EVP Finance & Accounting, VP, Director and Department)		
>30<=60%	VP, Director and Department Level Decision		
>20<30%			
<=20%	Board Authority		
	1m 2m 3m 4m 5m 6m 7m 8m 9m 10m 11m 12m	13m 14m 15m 16m 17m 18m	>18 months
			Contract Period

Rising Fuel Cost

Price of Jet Fuel (USD/BBL) (Singapore Spot Price)



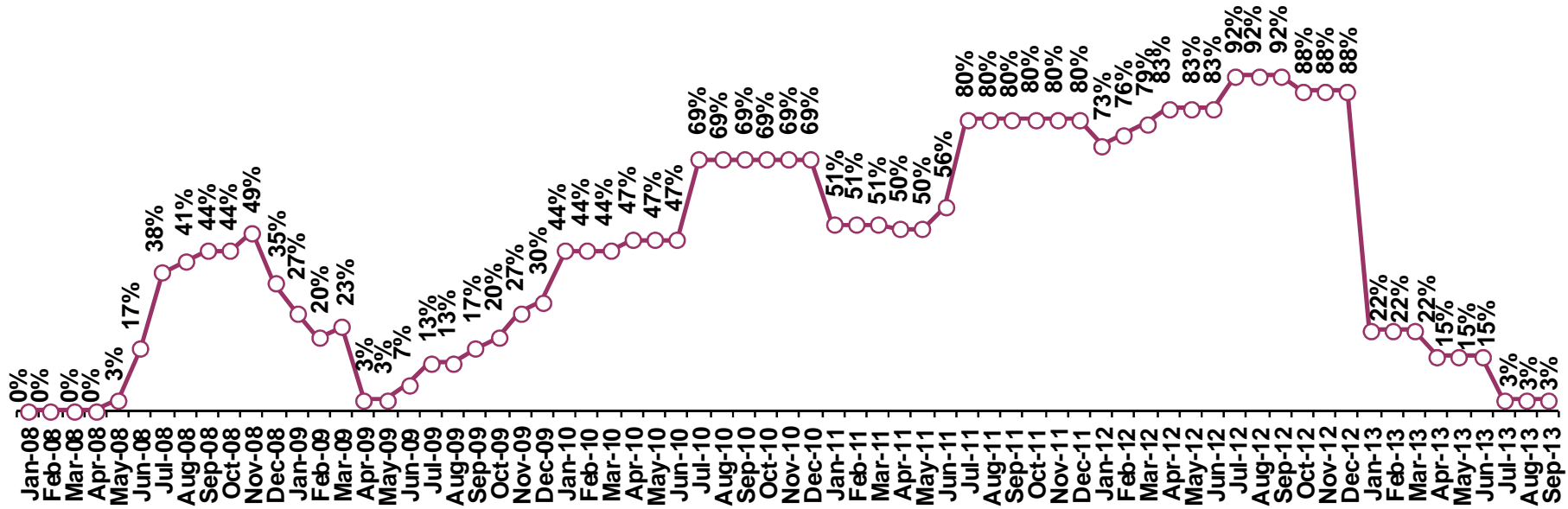
Proactive Fuel Hedging Benefit



Fuel Management

Hedging combined with fuel surcharge greatly mitigates fuel price fluctuation risk

Monthly fuel hedging 2008-2011 - % of consumption by month



IATA Carbon Offset Program



THAI is the first Asian airline with IATA to find means to offset fuel burn

Carbon Footprint



•Determined the carbon footprint of 2 meals and provided labeling declaring carbon quantity for customers as their choice

Emissions Trading

2012

Amount of Shortfall Carbon Credit ~200 MTHB

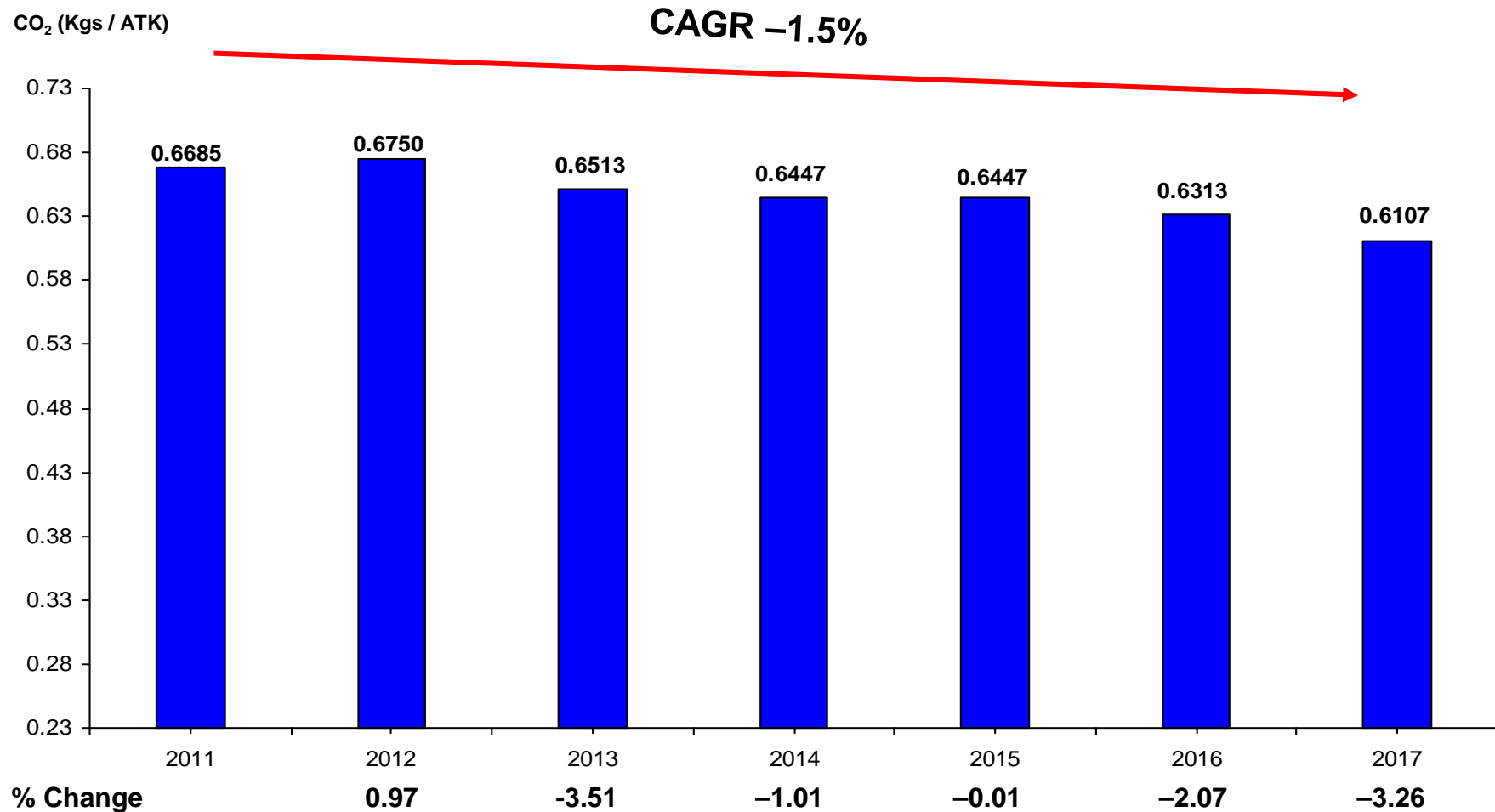


Monetary Value

- CERs 60%
- EUAs 40%

CO₂ emission improvement

Carbon emission in Europe will be averagely reduced by -1.5 % (2012-2017)



Pending Legal Issues

EC	Rescinded all charges against THAI
US Cargo DOJ	Stopped further proceedings
US Cargo Class Action	Settled by paying USD 3.5 mn
Korea	Pending charges is for KW 2.85 mn

	MTHB
In 2008 Put in reserve	4,290
In 2010 Wrote back	1,783
In 2011 Wrote back	1,042
<hr/>	
Outstanding in reserve	1,465



Financial Performance

Financial Performance

Performance Summary (Q1'2011 & Q1'2012)

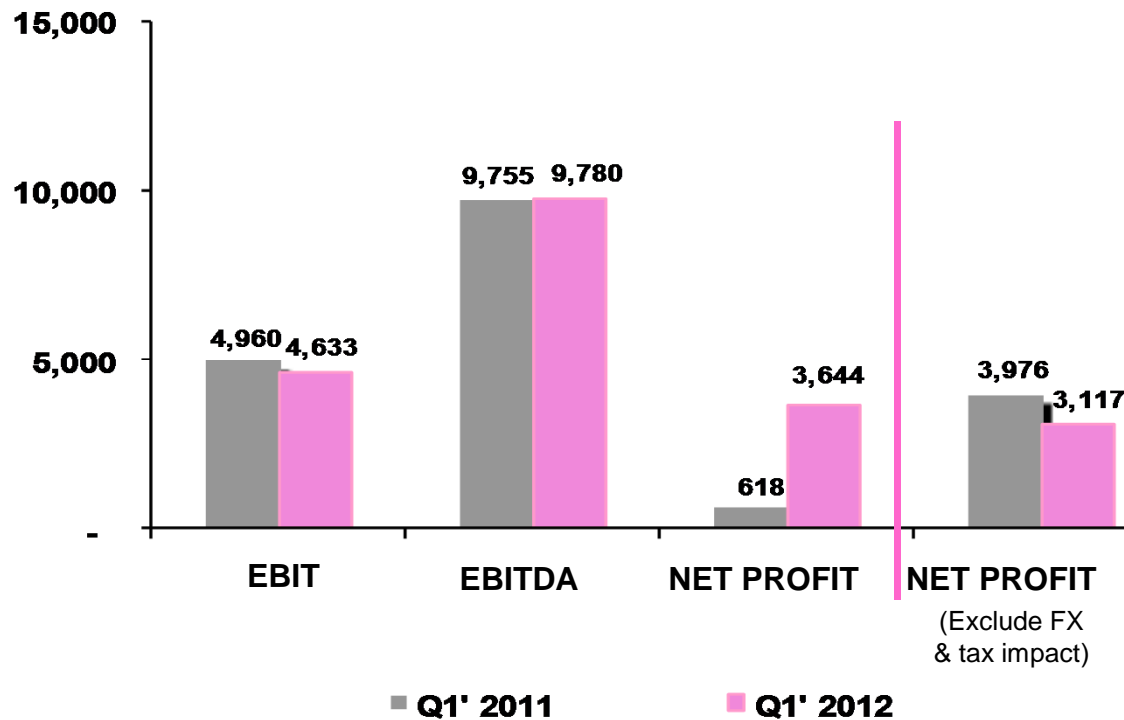
THAI and its subsidiary

(Units : MTHB)	Q1'2011	Q1'2012
Total Revenue	51,851	54,505
Total Expense	(51,097)	(50,637)
Foreign currency exchange (Loss)	(3,358)	527
Financial Cost	(1,309)	(1,481)
Profit before income tax expense	754	3,868
Net tax expense (income)	(121)	(200)
Net profits (loss)	618	3,645

Financial Performance

EBIT, EBITDA and Net Profit (Q1'2011 & Q1'2012)

Units : MTHB

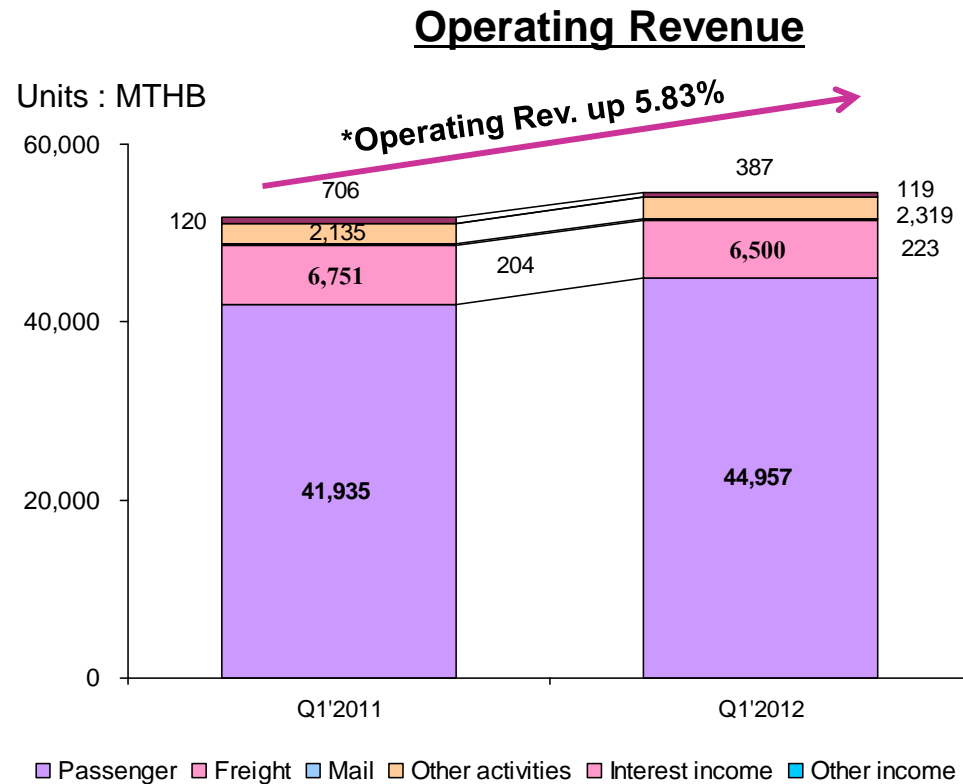


Factors Impacting Q1'2012 Results

- Recovery in travel demand
- Relatively healthy contribution from BU's & related businesses
- Slightly higher ASK but greater RPK growth
- Fuel cost 16% higher than last year
- Greater production capacity
- US & European economic slowdown
- Low ticket price from last year promotions

Financial Performance

Operating / Total Revenue (Q1'2011 & Q1'2012)



Total Revenue

Revenue	% Change	% to Tot. Rev.
Passenger	7.21	82.48
Freight	-	11.93
Mail	8.91	0.41
Other activities	8.63	4.25
Interest income	0.22	0.22
Other income	0.71	0.71
Total Income	5.12	100.00

*Excludes Interest & Other income
 - Operating revenue Q1'2011 = 51,025 MTHB
 - Operating revenue Q1'2012 = 53,999 MTHB

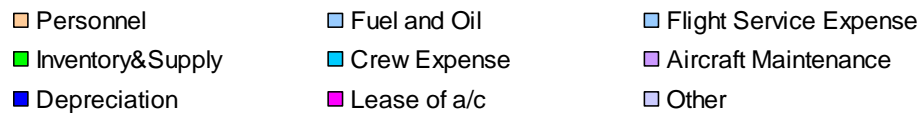
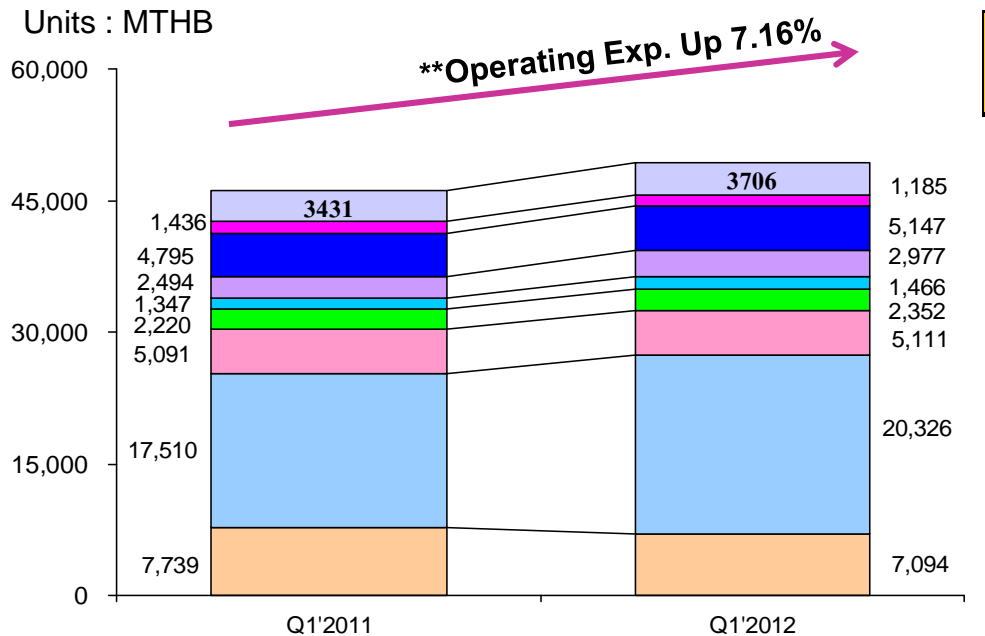
Total revenue Q1'2011 = 51,851 MTHB
Total revenue Q1'2012 = 54,505 MTHB

Financial Performance

Operating / Total Expense (Q1'2011 & Q1'2012)

Operating Expense

Total Expense



Expense	% Change YoY	% of Tot. Exp.
Personnel expense	- 8.33	14.01
Fuel and oil	16.08	40.14
Flight service expense	0.40	10.09
Inventories and supplies	5.93	4.65
Crew expense	8.80	2.89
Maintenance/overhaul	19.35	5.88
Depreciation/amortisation	7.33	10.16
Aircraft lease/spare parts	- 17.46	2.34
Other expense	- 41.18	9.84
Total Expense	- 0.90	100.00

**** Excludes FX, Impairment losses and Share of profit of investments by the equity method**
 - Operating expense Q1'2011 = 46,065 MTHB
 - Operating expense Q1'2012 = 49,365 MTHB

Total expense Q1'2011 = 51,097 MTHB
Total expense Q1'2012 = 50,637 MTHB

Estimated Cost Reduction

The company is rigorously controlling and reducing expenses to achieve full efficiency and sustainability

Cost Reduction Approach	Estimated Cost Reduction (MTHB)
1. Implemented personnel cost reduction (EMM resolution)	2,026.35
2. Estimated personnel cost reduction under negotiation	189.96
3. Estimated cost reduction from strategic initiatives	2,076.20
4. Estimated cost reduction from DO's additional measures	400.00
Total estimated cost reduction	4,692.51

Note: Excluded estimated cost reduction from some projects that are specified as percentage

Improved Capital Structure

**Raised 15,000 MTHB
in new equity**

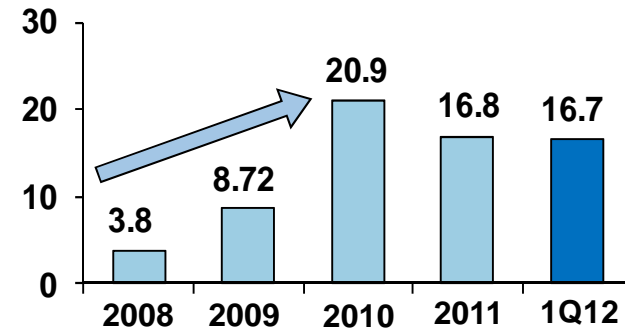
**Received additional
borrowing from financial
institutions**

**Obtained Revolving
Credit Lines**

**8,000 MTHB Debenture
issued in May 13, 2011**

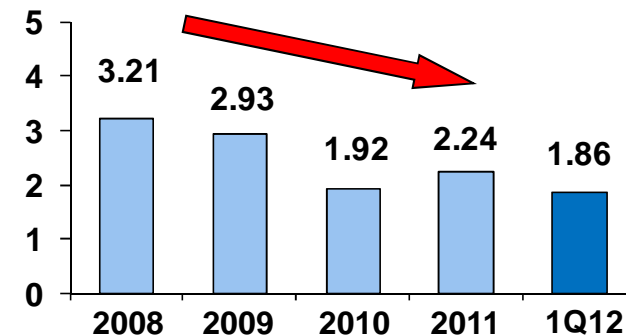
Improved Cash Position

% of Cash to Total Revenue



Stable Capital Structure

Net Interest Bearing Debt to Equity (Times)



Financial Performance

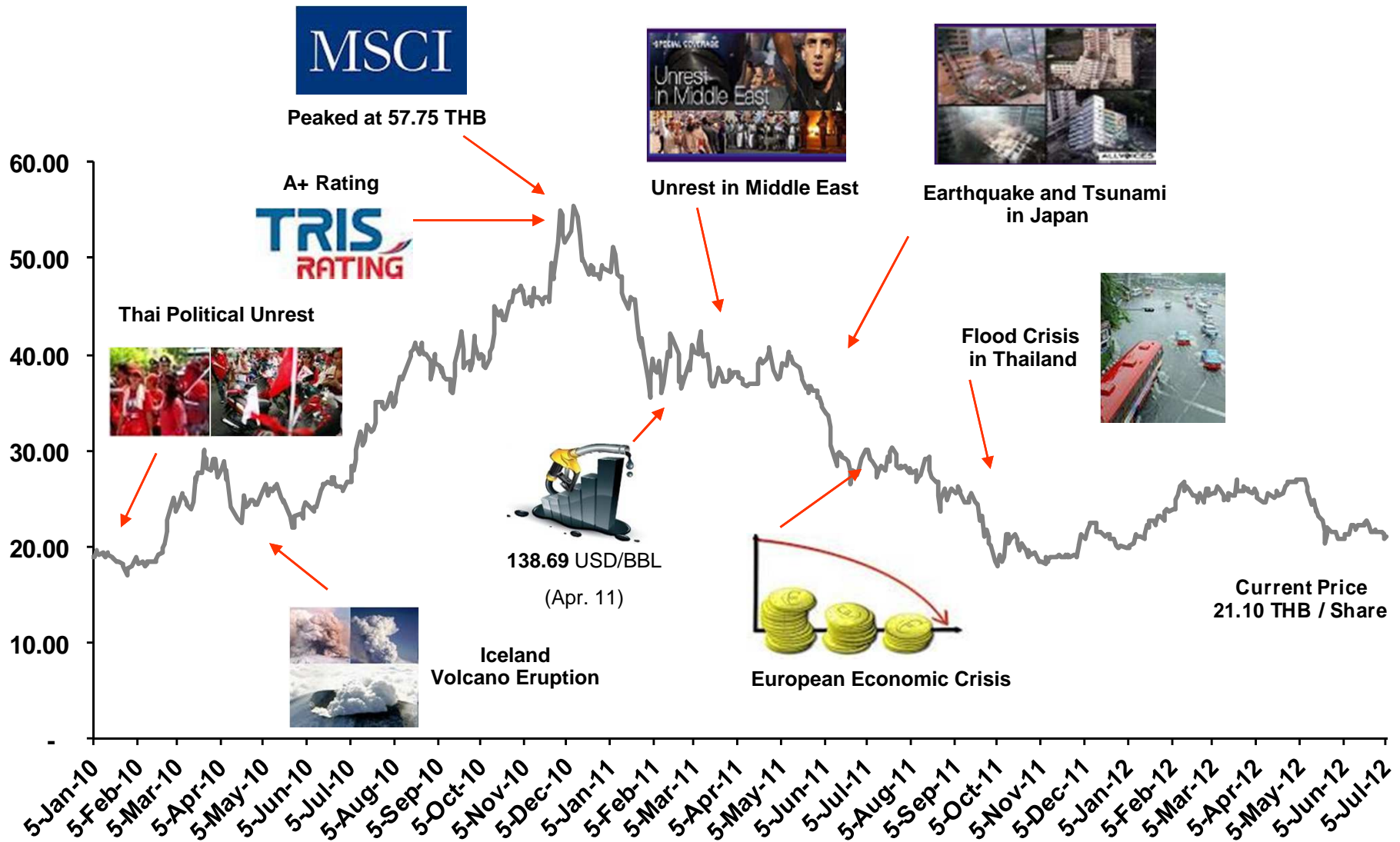
Ratios – Q1'2011 & Q1/2012

Ratios	units	Q1'2011	Q1'2012
Earnings Per Share	(THB)	0.28	1.67
Book Value per Share	(THB)	28.94	30.64
Price / Book Value	(Times)	1.3	0.84
P/E Ratio	(Times)	133.2	16.0
Return on Total Assets	(%)	0.2	1.3
Return on Total Equity	(%)	0.8	5.6
EBIT	(MTHB)	4,960	4,633
EBITDA	(MTHB)	9,755	9,780
EBITDAR	(MTHB)	11,191	10,966
IBD to Equity	(Times)	1.9	2.1
Net IBD to Equity*	(Times)	1.88	1.86
Debt Service Coverage**	(Times)	1.5	1.8
Interest Coverage	(Times)	7.5	6.6
EBITDA Margin	(%)	19.1	18.1
Operating Profit Margin	(%)	9.7	8.6
Net Profit Margin	(%)	1.2	6.7
Cash to Total Revenue	(%)	-	16.7

* (Interest Bearing Debt – Cash and Cash Equivalent) / Equity

** EBITDAR – TAX / Interest + Rent + Long Term Debt Repayment - Refinance

Price Volatility from External Events



Key Take Aways



THAI continued to do well in the first quarter



Taking aggressive actions to enhance competitiveness

- **Right sizing aircraft with demand to lower operating cost with lower unit cost**
- **5% capacity shift from long-haul to shorter sectors improving yields & margins**
- **Thai Smile's debut flight in July 2012, to enhance competitiveness**
- **New aircraft & retrofitting to commonise product to increase fuel efficiency, improve customer value & enhance pricing power**
- **Selecting secondary city pairs to serve from Bangkok to diversify market & improve yield**
- **Developing Phuket as second point of interest to diversify market & improve yield**

Key Take Aways

- **Diversifying & improving on e-channels to improve efficiency & better suit customer needs**
- **Converted 2 B747-400 aircraft to lower cost of cargo operations instead of leasing freighter aircraft**
- **Launching SAP ERP financial modules to improve financial reporting process and enhance information availability for decision making**
- **Business units are increasingly being measured more independently on their stand alone performance**
- **Wingspan enhancing THAI's HR cost competitiveness through outsourcing staff requirement**

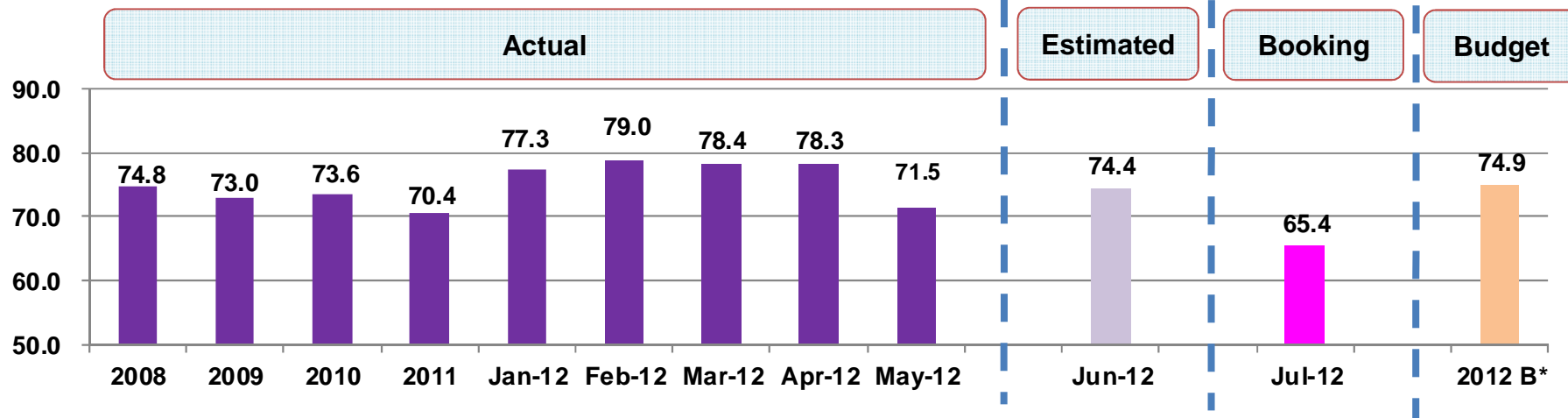


Mitigating risks

- **Significantly higher amount of fuel hedging through 2012**
- **Pro-active management of liquidity & FX exposure**
- **Studying means to manage FX exposure more effectively**
- **Maintaining at least 15% cash & committed credit lines to total revenue ratio during global uncertainty**
- **Capacity adjustment made regularly to meet demand**
- **Studying alternative funding options to ensure flexibility**
- **Developing long-term fleet plan to ensure availability of aircraft for fleet renewal & growth**
- **THAI received a national award in 2012 on safety, hygiene and working environment condition**

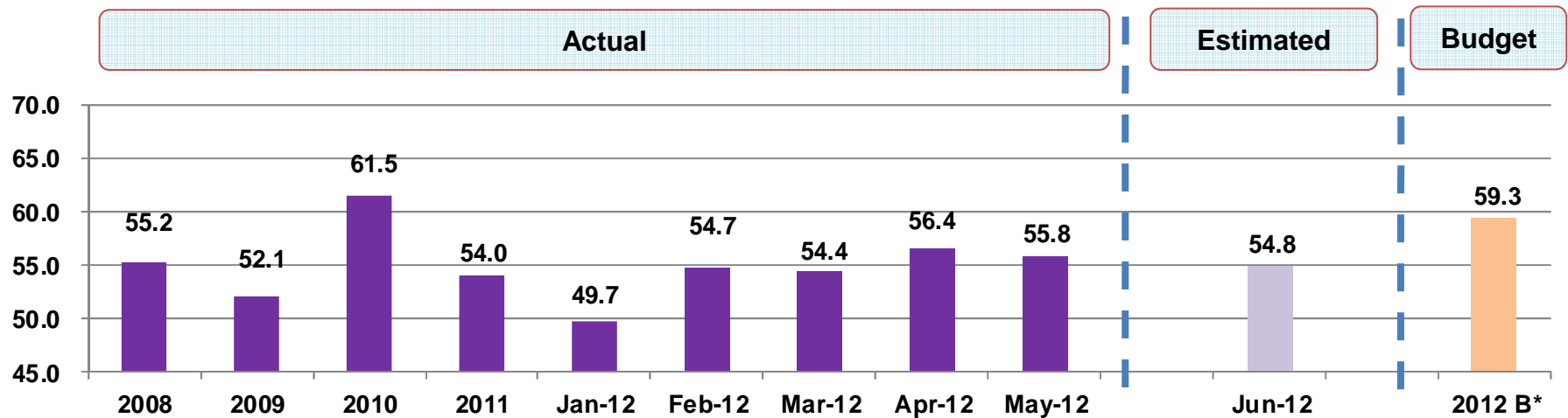
Looking Ahead

Cabin Factor



* B = Budget

Freight Factor





Looking Ahead into 2012

- **Stronger travel demand for 3 months with cabin factor averaging 78.3%, 72.0% and 73.7% for April, May and June 2012.**
- **Higher level and longer period of hedging provides greater protection against fuel price fluctuation**
- **Financial performance in 1st quarter 2012 improved significantly over 4th quarter 2011**
- **May face greater operating uncertainty with respect to global economic growth, domestic politics, fluctuation in fuel cost and foreign currency exchange**

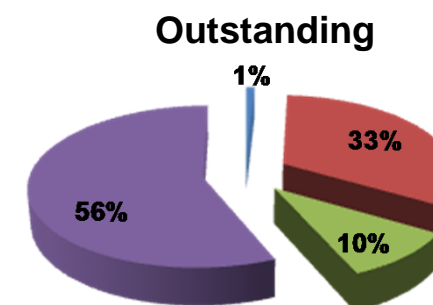
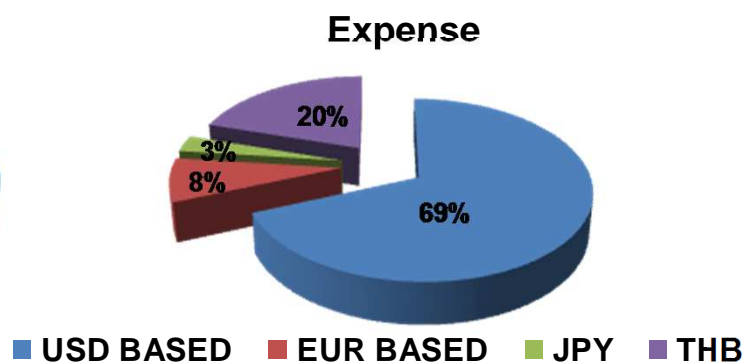
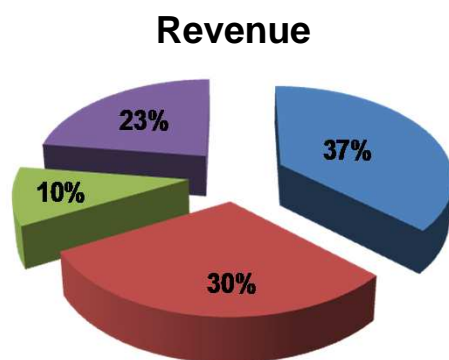
Appendix

Financial Performance

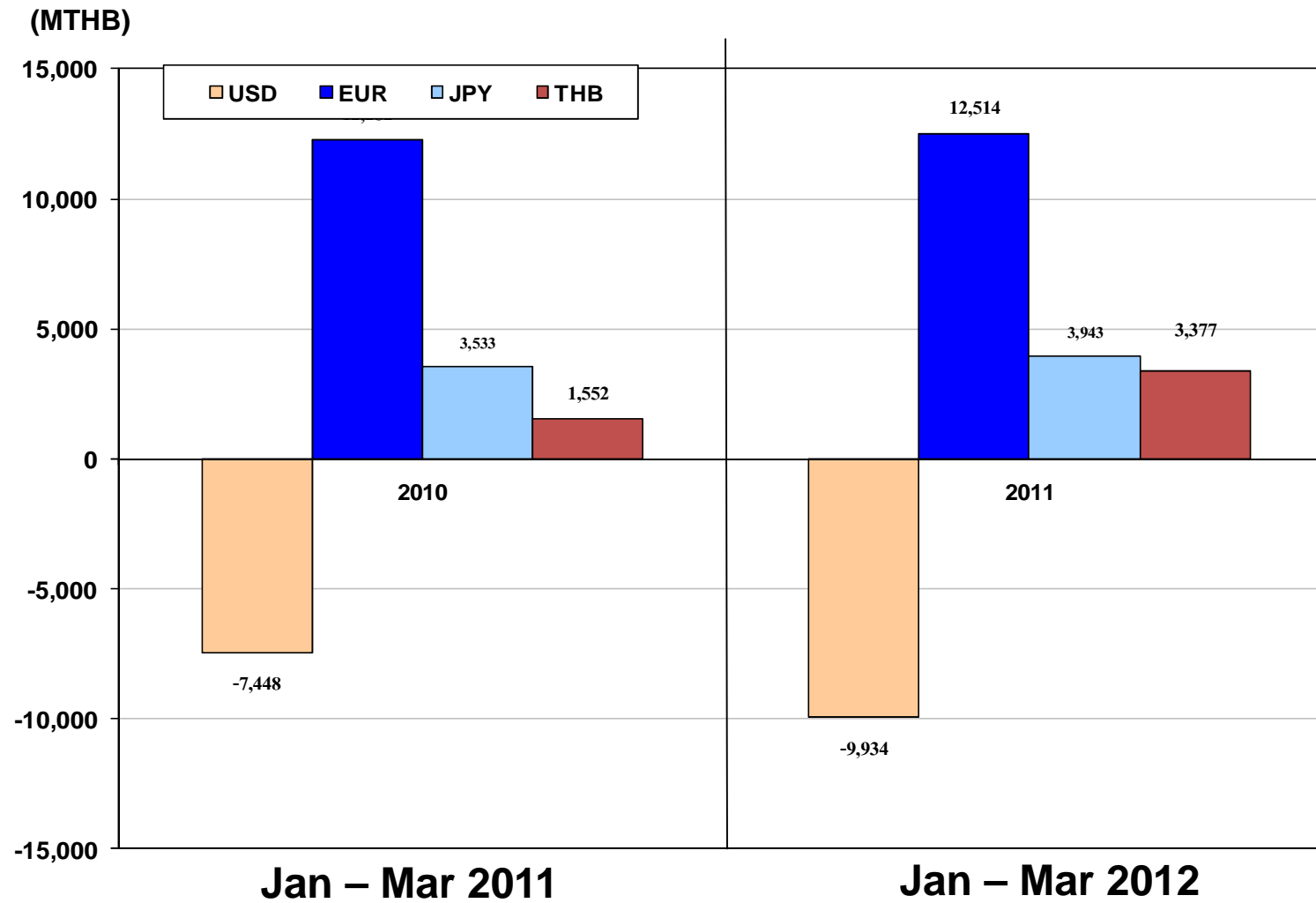
Foreign Currency Exposure (As of Mar 2012)

Unit : MTHB

	Revenue		Expense		Surplus or Deficit	Outstanding Borrowings			
	Amount	%	Amount	%		Before Swap		After Swap	
					Amount	%	Amount	%	
USD BASED	19,201	37	29,135	66	- 9,934	1,240	1	1,240	1
USD	4,951		27,328						
Others ⁽¹⁾	14,250		1,807						
EUR BASED	15,883	30	3,369	8	12,514	47,460	33	47,460	33
EUR	4,658		1,715						
Others ⁽²⁾	11,225		1,654						
JPY	5,202	10	1,259	3	3,943	9,499	7	14,310	10
THB	11,918	23	8,541	23	3,377	86,993	60	81,852	56
TOTAL	52,204	100.00	42,304	100.00	9,900	145,192	100	144,862	100

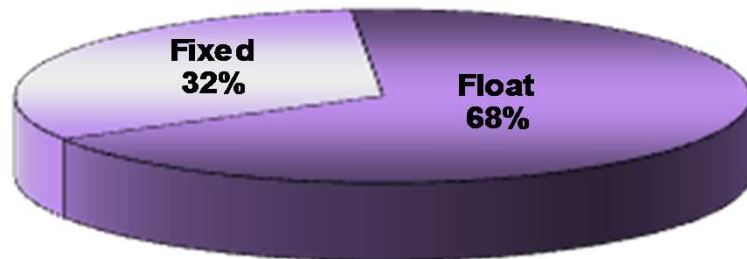


TG continued to be net long Euro & Yen



Proportion of Fixed and Float (As of MAY 2012)

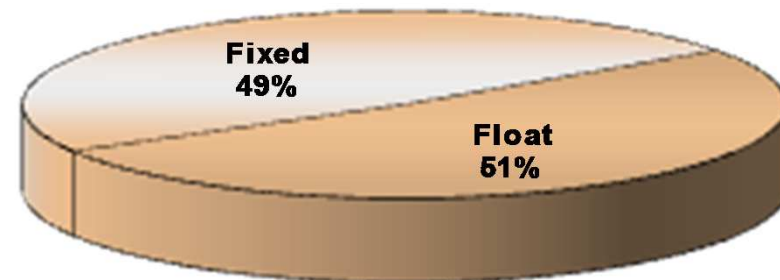
Before Swap



Percentage of TOTAL
(TOTAL = 142,015 MTHB)

Cost of funding = 3.61%

After Swap



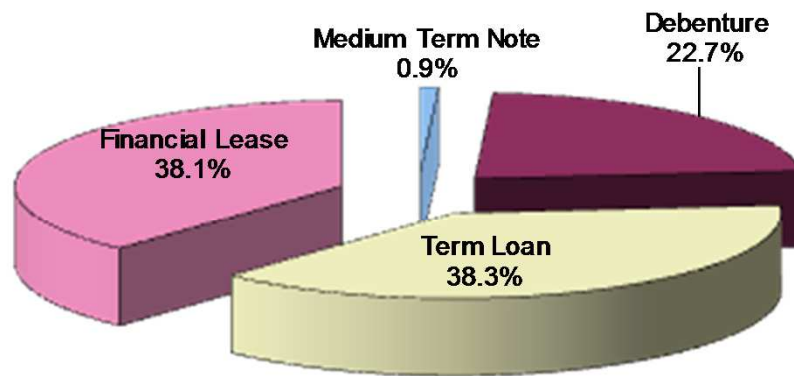
Percentage of TOTAL
(TOTAL = 142,059 MTHB)

Cost of funding = 3.77%

Financial Performance

Proportion of Total Borrowing (As of MAY 2012)

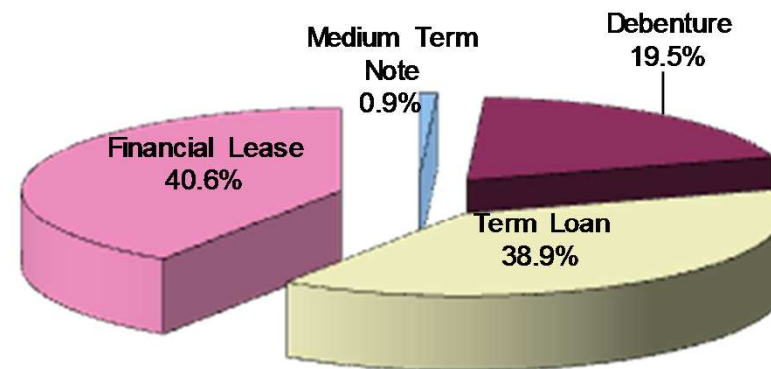
Before Swap



Percentage of Total

(Total of on Balance Sheet = 142,015 MTHB)

After Swap



Percentage of Total

(Total of on Balance Sheet = 142,059 MTHB)

Awards and Accolades



Achieved Top 5 in the World and Targeting Top 3 in Asia

The World's Top Ten Airlines – Skytrax

	2011	2010	2009
★★★★★ QATAR AIRWAYS	1	3	4
★★★★★ SINGAPORE AIRLINES	2	2	2
★★★★★ ASIANA AIRLINES	3	1	3
★★★★★ CATHAY PACIFIC	4	4	1
★★★★ THAI	5	9	10
★★★★ ETIHAD AIRWAYS	6	6	7
★★★★ AIR NEW ZEALAND	7	5	8
★★★★ QANTAS	8	7	6
★★★★ TURKISH AIRLINES	9		
★★★★ Emirates	10	8	5

Skytrax 2011

Best Airline Seat - Economy Class
Best On Board Catering – Economy Class

Business Traveler's Award 2011

2nd for Best Airline
2nd for Best Asia-Pacific Airline
3rd for Best Business Class
3rd for Best Economy Class
2nd for Best Frequent-Flyer Programme
3rd for Best Airline Lounge in Asia-Pacific

Norwegian Grand Travel Award 2011

Best Intercontinental Airline

TTG Award 2011

Best Business Class
Best Southeast Asian carrier

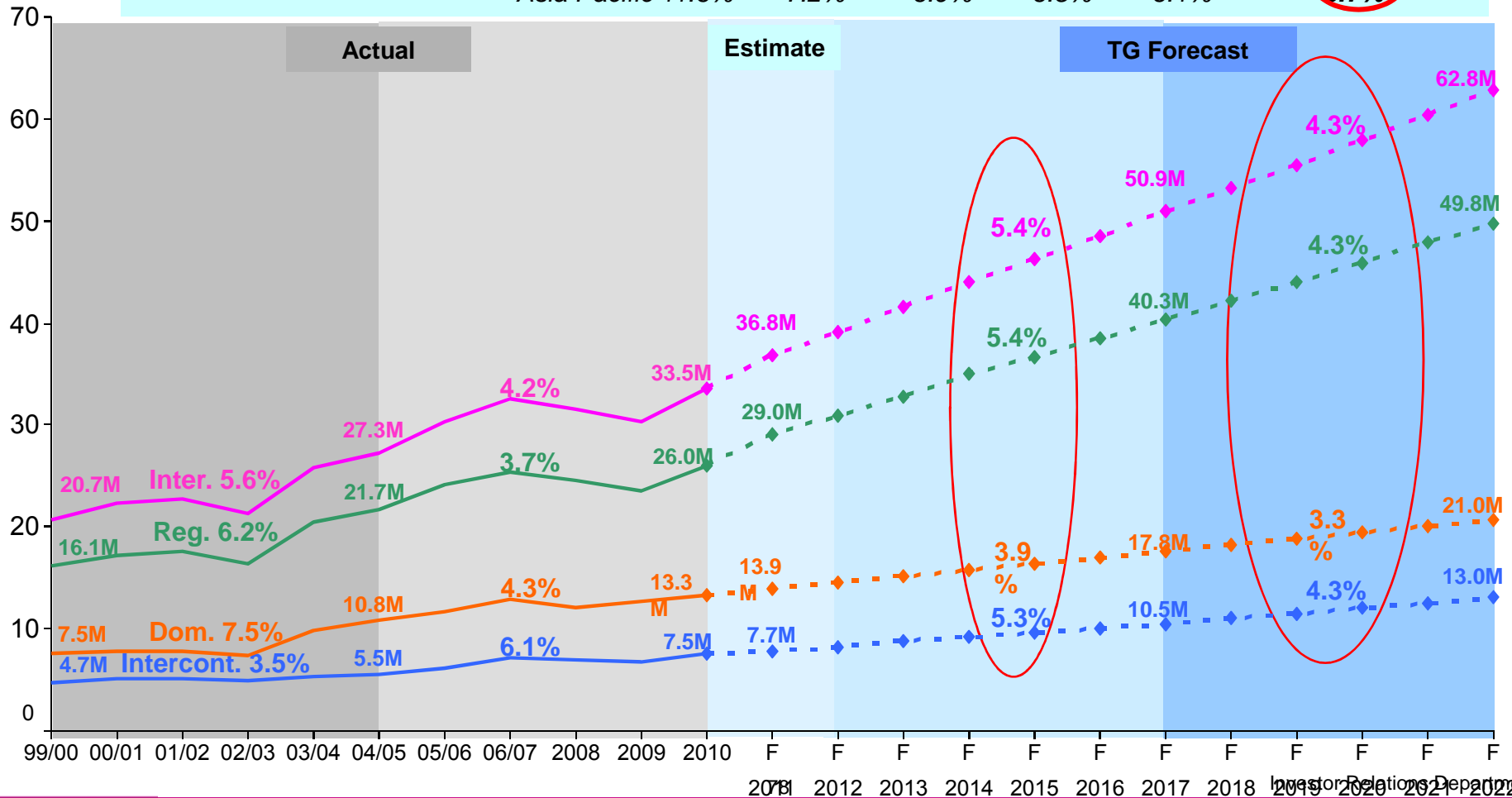
Go Asia Award

Best Asian carrier

Passenger from / to Thailand Forecast 2011-2022

Thailand
Passengers
(Millions)

<i>IATA International Passenger Forecast</i>		2010	2011	2012	2013	2014	CAGR2011-2014
<i>(As September 2010)</i>		World	7.9%	4.9%	5.4%	5.4%	5.3%
		Asia Pacific	11.6%	7.2%	6.9%	6.5%	6.7%



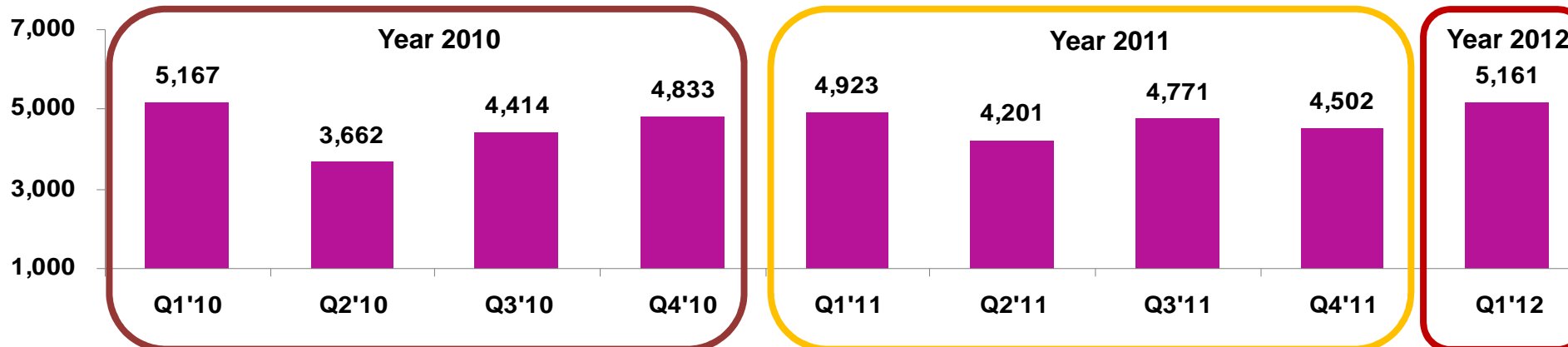
Investor Relations Department

Operating Statistics

Passengers Carried

Q1/12 = 5.2 million (Increased 4.8% YoY)

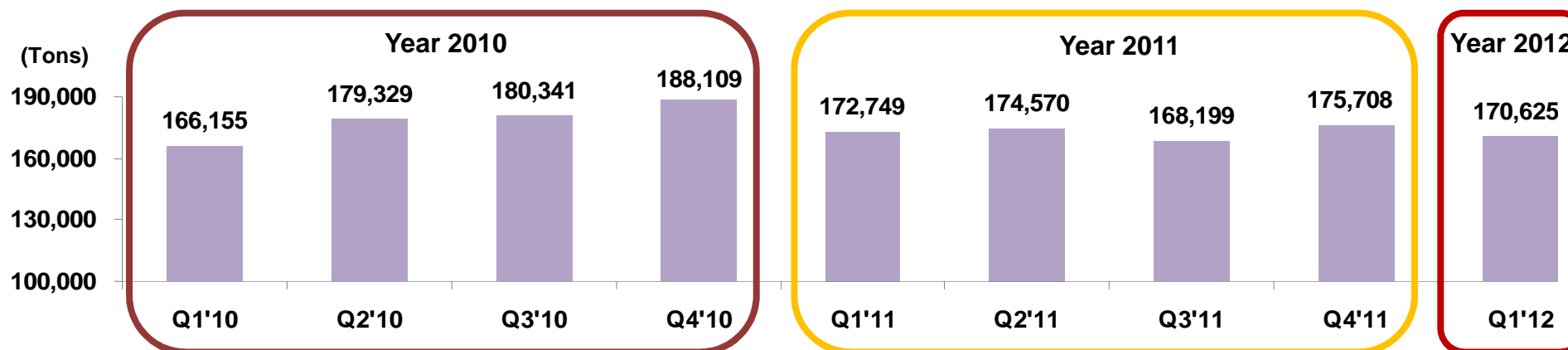
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Freight Carried

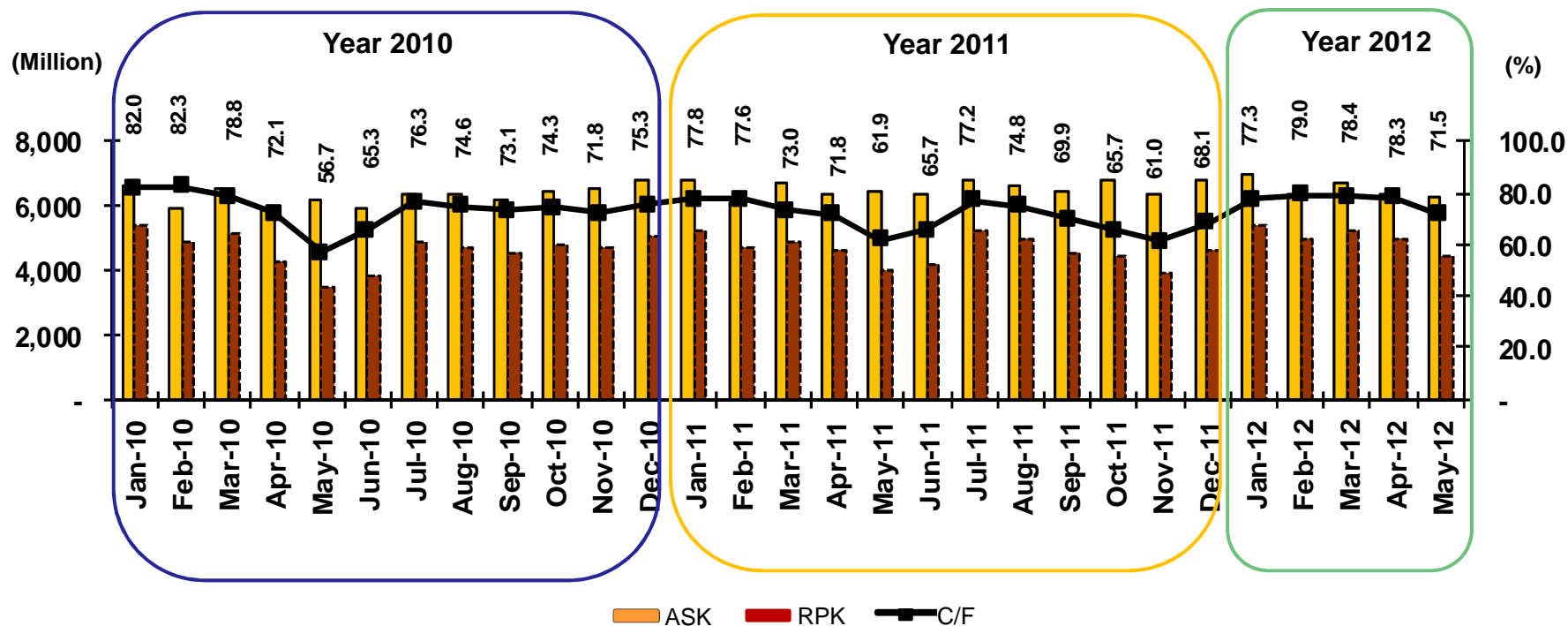
Q1/12 = 170,625 tons (Decreased 1.2% YoY)

(Tons)



Operating Statistics

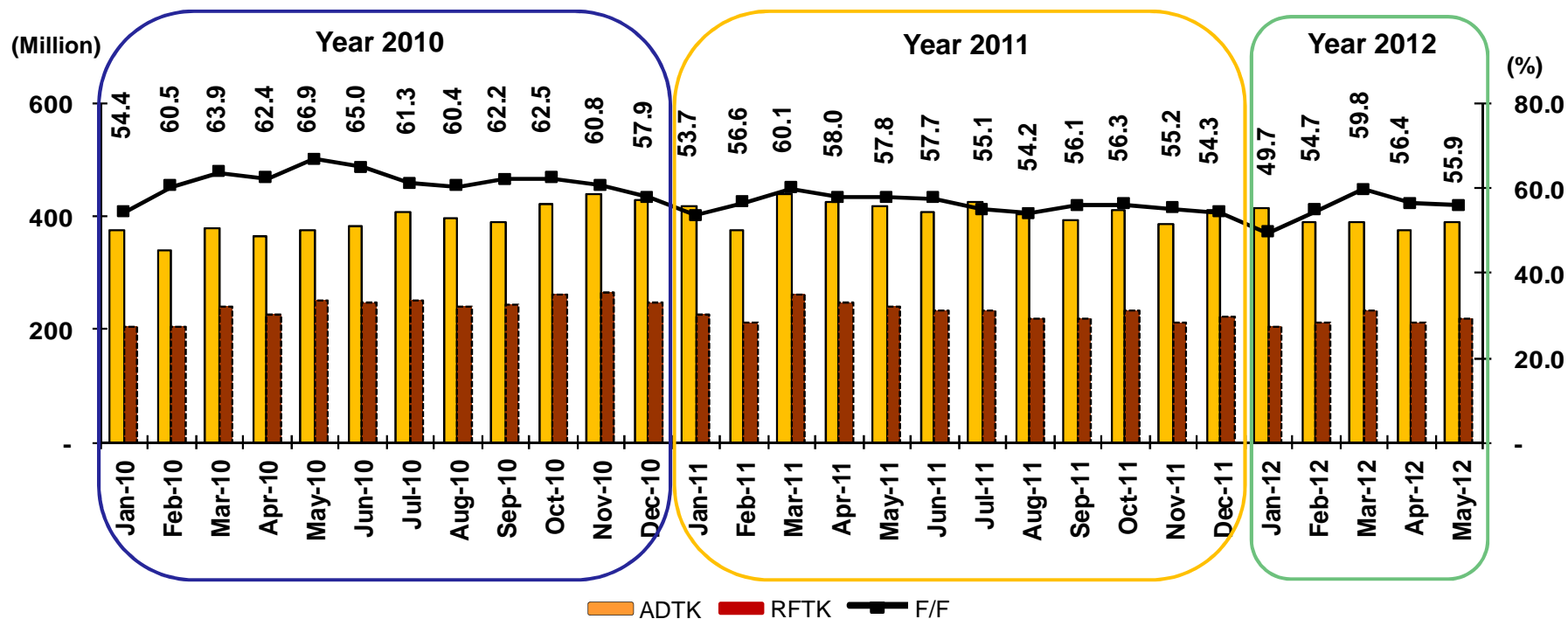
Passenger



	YoY (Month)			YoY (Quarter)			YoY (Year to date)		
	MAY'12	MAY'11	YoY%	Q1'12	Q1'11	YoY%	JAN-MAY'12	JAN-MAY'11	YoY%
MASK	6,259	6,434	- 2.7	19,953	19,571	2.0	32,547	32,385	0.5
MRPK	4,477	3,982	12.4	15,605	14,881	4.9	25,040	23,442	6.8
Cabin factor%	71.5	61.9	15.6	78.2	76.0	2.9	76.9	72.4	6.3

Operating Statistics

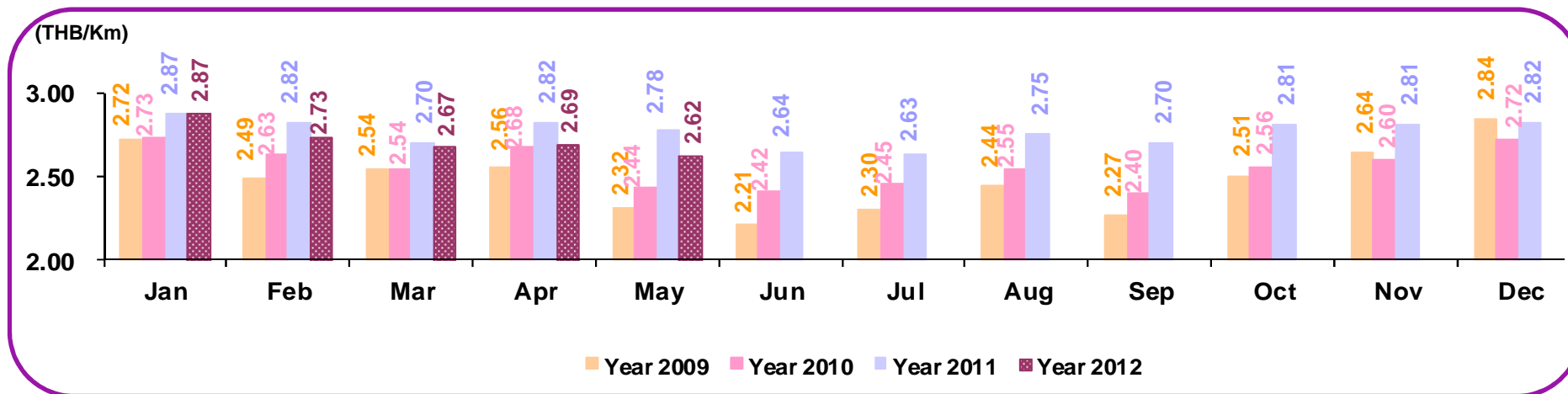
Freight



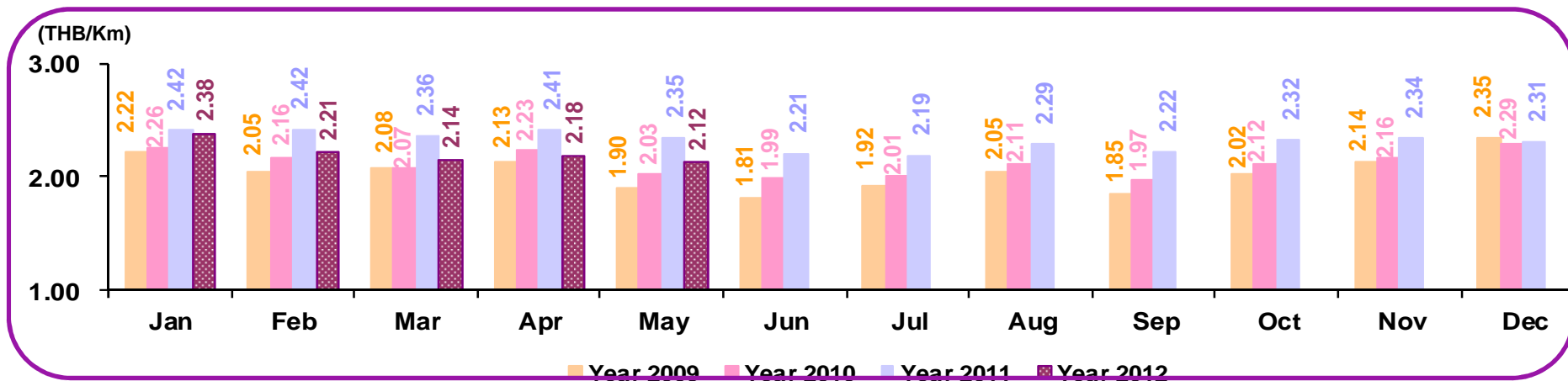
	YoY (Month)			YoY (Quarter)			YoY (Year to date)		
	MAY'12	MAY'11	YoY%	Q1'12	Q1'11	YoY%	JAN-MAY'12	JAN-MAY'11	YoY%
MADTK	392	418	- 6.2	1,196	1,233	- 3.0	1,966	2,076	- 5.3
MRFTK	219	241	- 9.1	651	698	- 6.7	1,083	1,187	- 8.7
Freight factor%	55.9	57.8	- 3.3	54.4	56.6	- 3.8	55.1	57.2	- 3.6

Operating Statistics

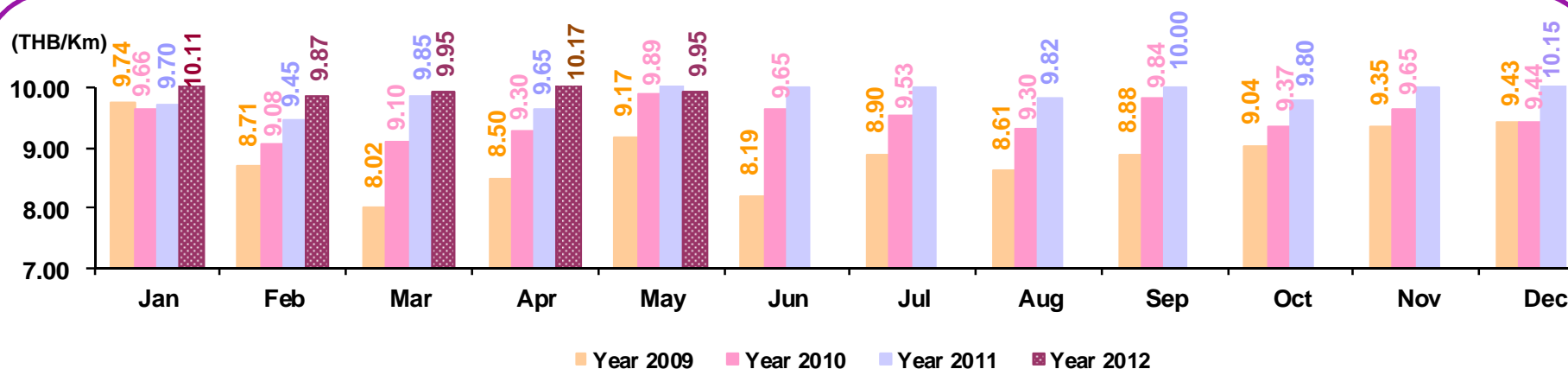
Passenger Yield (Including Fuel Surcharge)



Passenger Yield (Excluding Fuel Surcharge)



Freight Yield (Including Fuel Surcharge)



Freight Yield (Excluding Fuel Surcharge)

