



THAI AIRWAYS INTERNATIONAL PCL



Analyst Briefing Quarter 3/2012



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 herein 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 equity shares or other securities issued by the Company.



Q3/2012 Financial Performance



Financial Performance

Performance Summary (Q3'2011 & Q3'2012)

THAI and its subsidiaries

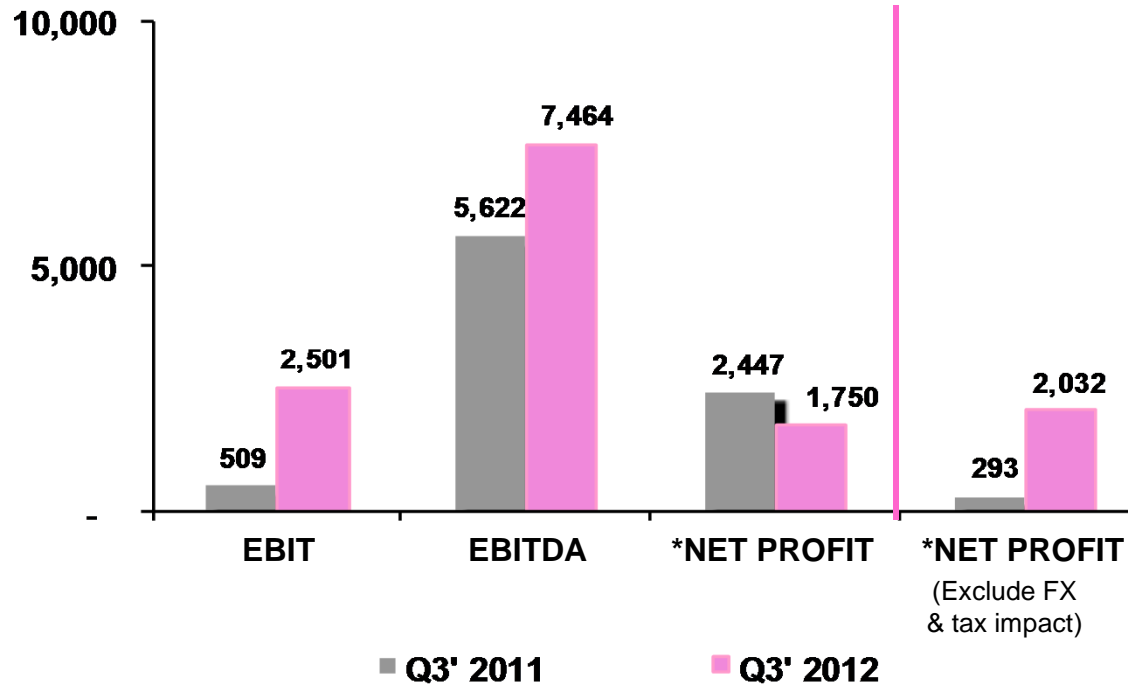
(Units : MTHB)	Q3'2011	Q3'2012
Total Revenue	49,961	52,431
Total Expense	49,668	50,399
Foreign currency exchange (Loss)	2,299	(120)
Profit before income tax expense	2,592	1,912
Net tax expense (income)	140	44
Net profits (loss)	2,447	1,750



Financial Performance

EBIT, EBITDA and Net Profit (Q3'2011 & Q3'2012)

Units : MTHB



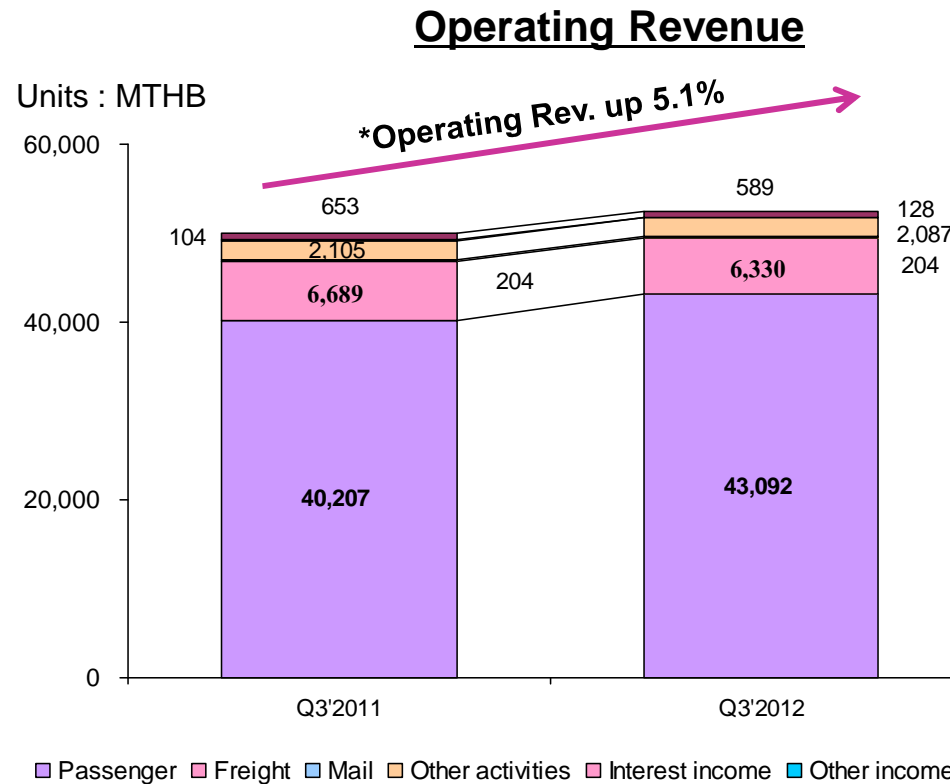
Factors Impacting Q3'2012 Results

- Recovery in passenger demand 6.9% higher than last year
- ASK Lower by 0.5% but RPK grew by 3.1% over last year
- Fuel cost 4% lower than last year
- Passenger yield higher than last quarter & last year
- Actual Flood Disaster relief was lower than reserves totaling THB 190 million
- Reversed reserves for Antitrust cases THB 682 million



Financial Performance

Operating / Total Revenue (Q3'2011 & Q3'2012)



Total Revenue

Revenue	% Change	% to Tot. Rev.
Passenger	7.18	82.19
Freight	- 5.35	12.07
Mail	0.08	0.39
Other activities	- 0.82	3.98
Interest income	23.28	0.24
Other income	- 9.89	1.13
Total Income	4.94	100.00

*Excludes Interest & Other income
 - Operating revenue Q3'2011 = 49,204 MTHB
 - Operating revenue Q3'2012 = 51,714 MTHB

Total revenue Q3'2011 = 49,961 MTHB
Total revenue Q3'2012 = 52,431 MTHB

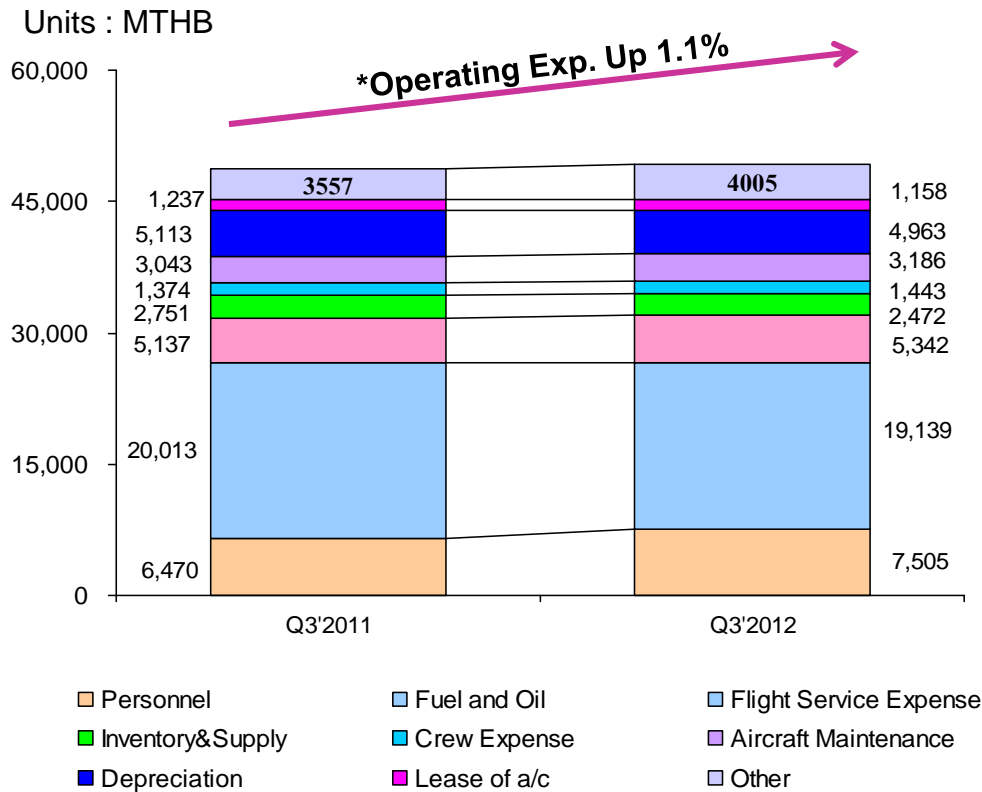


Financial Performance

Operating / Total Expense (Q3'2011 & Q3'2012)

Operating Expense

Total Expense



Expense	% Change YoY	% of Tot. Exp.
Personnel expense	15.99	14.86
Fuel and oil	- 4.37	37.89
Flight service expense	4.00	10.58
Inventories and supplies	- 10.16	4.89
Crew expense	5.06	2.86
Maintenance/overhaul	4.67	6.31
Depreciation/amortisation	- 2.94	9.82
Aircraft lease/spare parts	- 6.38	2.29
Other expense	138.16	10.50
Total Expense	6.65	100.00

* Excludes FX, Impairment losses and Share of profit of investments by the equity method
 - Operating expense Q3'2011 = 48,695 MTHB
 - Operating expense Q3'2012 = 49,213 MTHB

Total expense Q3'2011 = 47,369 MTHB
Total expense Q3'2012 = 50,518 MTHB



Financial Performance

Ratios – Q3'2011 & Q3/2012

Ratios	units	Q3'2011	Q3'2012
Earnings Per Share	(THB)	1.12	0.8
Book Value per Share	(THB)	31.4	30.7
Price / Book Value	(Times)	0.6	0.7
EBIT	(MTHB)	368	2,501
EBITDA	(MTHB)	5,482	7,464
EBITDAR	(MTHB)	6,719	8,622
IBD to Equity	(Times)	2.0	2.2
Debt Service Coverage*	(Times)	1.1	1.4
Interest Coverage	(Times)	3.7	5.2
EBITDA Margin	(%)	11.1	14.4
Operating Profit Margin	(%)	0.7	4.8
Net Profit Margin	(%)	5.0	3.4
Cash to Total Revenue	(%)	18.5	18.4

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



9M/2012 Financial Performance



Financial Performance

Performance Summary (9M'2011 & 9M'2012)

THAI and its subsidiaries

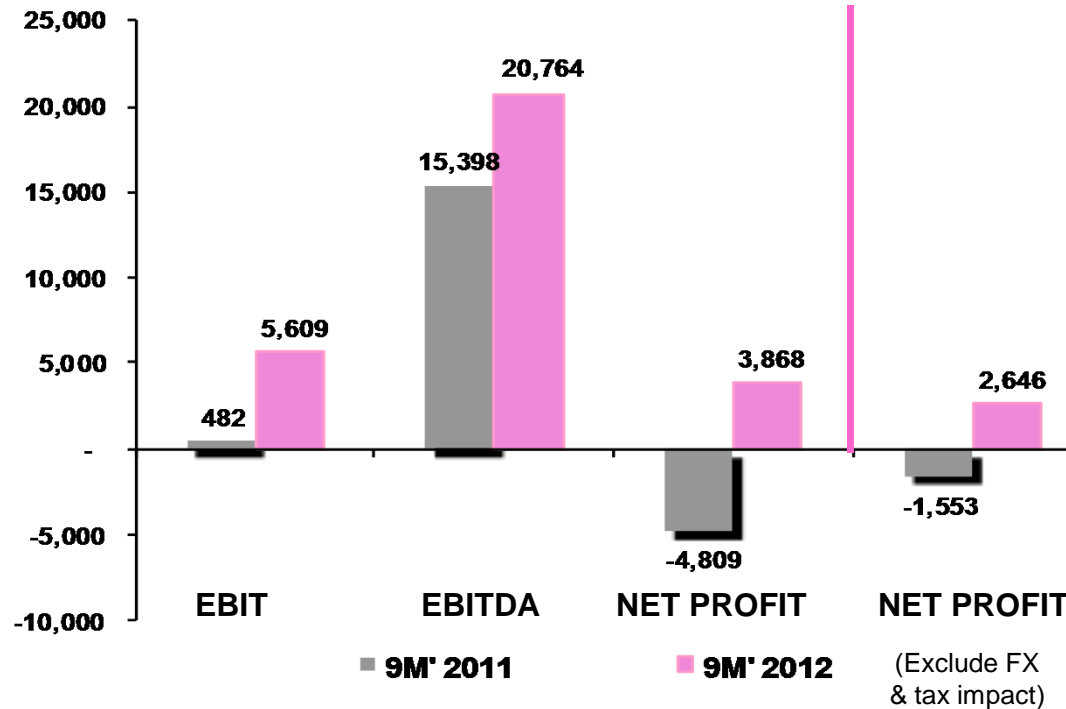
(Units : MTHB)	9M'2011	9M'2012
Total Revenue	147,372	155,442
Total Expense	148,925	152,796
Foreign currency exchange (Loss)	(3,325)	1,723
Profit before income tax expense	(4,878)	4,369
Net tax expense (income)	(99)	291
Net profits (loss)	(4,809)	3,868



Financial Performance

EBIT, EBITDA and Net Profit (9M 2011 & 9M 2012)

Units : MTHB



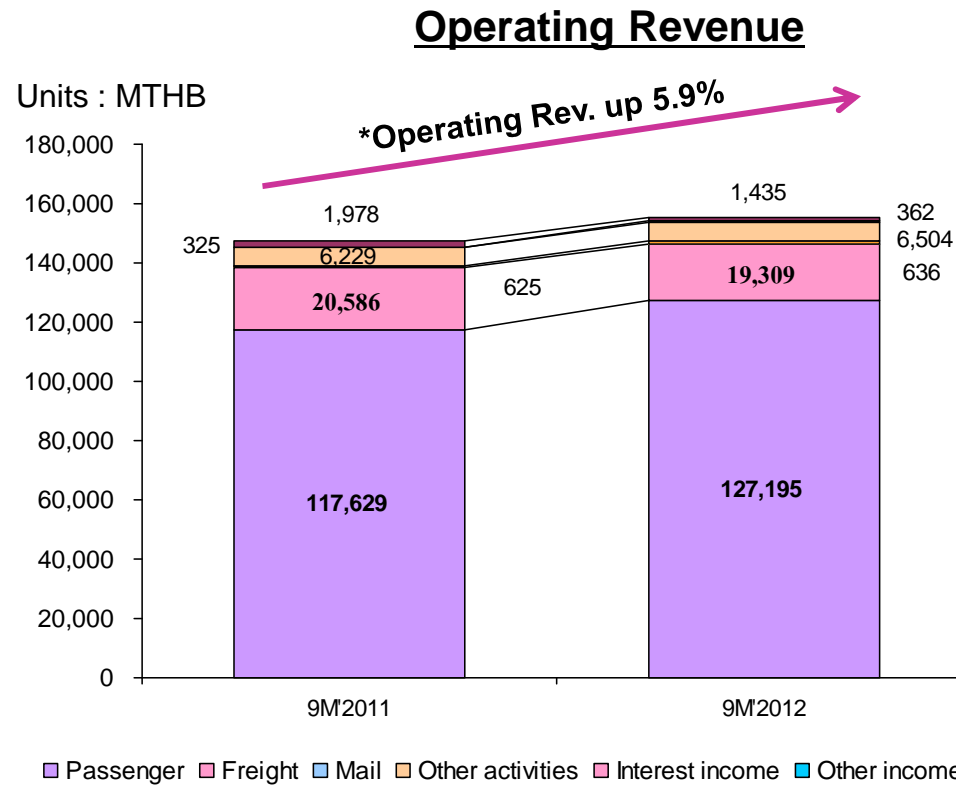
Factors Impacting 9M 2012 Results

- Recovery in passenger demand 8.3% higher than last year
- Lower ASK by about 0.2% but RPK saw growth of 6% over last year
- Fuel cost 4% higher than last year
- Higher capacity introduced
- Weaknesses of US & European economies
- Yield pressure due to heightened competition and campaigns



Financial Performance

Operating / Total Revenue (9M 2011 & 9M 2012)



Total Revenue

Revenue	% Change	% to Tot. Rev.
Passenger	8.13	81.83
Freight	- 6.20	12.42
Mail	1.83	0.41
Other activities	4.42	4.18
Interest income	11.42	0.23
Other income	- 27.44	0.93
Total Income	5.48	100.00

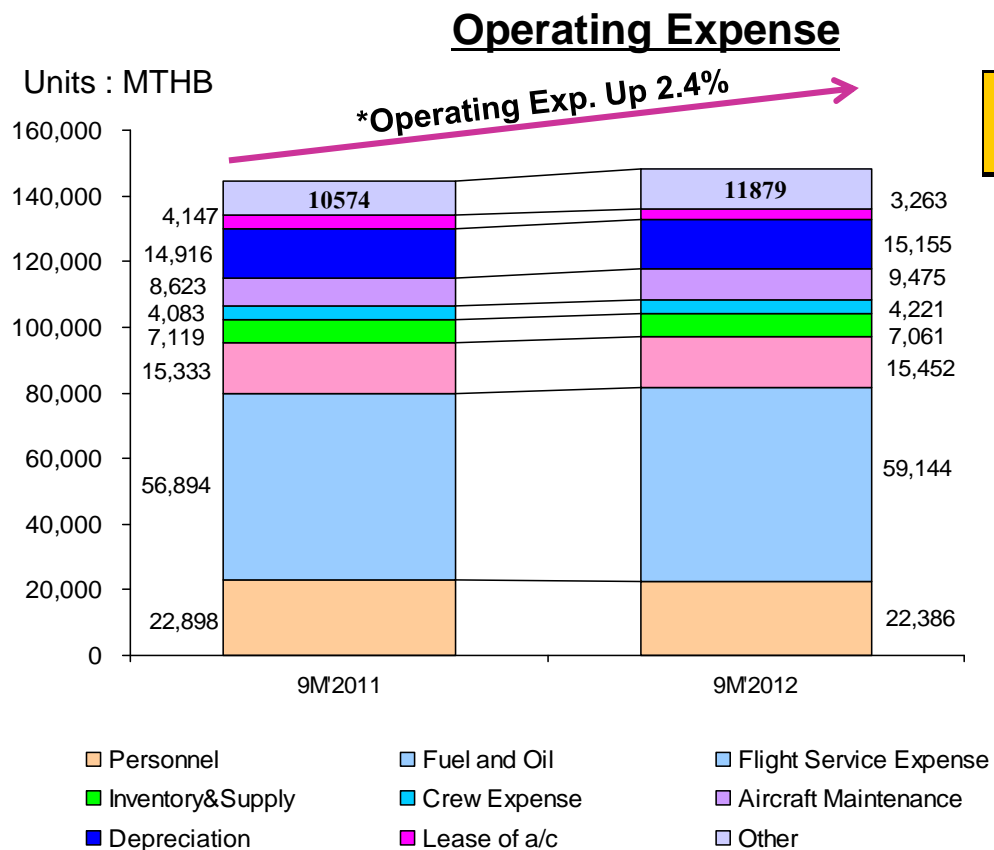
*Excludes Interest & Other income
 - Operating revenue 9M'2011 = 145,069 MTHB
 - Operating revenue 9M'2012 = 153,645 MTHB

Total revenue 9M'2011 = 147,371 MTHB
Total revenue 9M'2012 = 155,442 MTHB



Financial Performance

Operating / Total Expense (9M'2011 & 9M'2012)



Total Expense

Expense	% Change YoY	% of Tot. Exp.
Personnel expense	- 2.23	14.82
Fuel and oil	3.95	39.15
Flight service expense	0.77	10.23
Inventories and supplies	- 0.81	4.67
Crew expense	3.39	2.79
Maintenance/overhaul	9.88	6.27
Depreciation/amortisation	1.61	10.03
Aircraft lease/spare parts	- 21.32	2.16
Other expense	- 18.21	9.88
Total Expense	- 0.77	100.00

* Excludes FX, Impairment losses and Share of profit of investments by the equity method
 - Operating expense 9M'2011 = 144,587 MTHB
 - Operating expense 9M'2012 = 148,036 MTHB

Total expense 9M'2011 = 152,249 MTHB
Total expense 9M'2012 = 151,073 MTHB



Financial Performance

Ratios – 9M'2011 & 9M'2012

Ratios	units	9M'2011	9M'2012
Earnings Per Share	(THB)	-2.2	1.77
Book Value per Share	(THB)	31.4	30.7
Price / Book Value	(Times)	0.6	0.7
EBIT	(MTHB)	482	5,609
EBITDA	(MTHB)	15,398	20,763
EBITDAR	(MTHB)	19,545	24,026
IBD to Equity	(Times)	2.1	2.2
Debt Service Coverage*	(Times)	1.1	1.4
Interest Coverage	(Times)	3.7	4.8
EBITDA Margin	(%)	10.6	13.5
Operating Profit Margin	(%)	0.3	3.6
Net Profit Margin	(%)	-3.3	2.5
Cash to Total Revenue	(%)	18.5	18.4

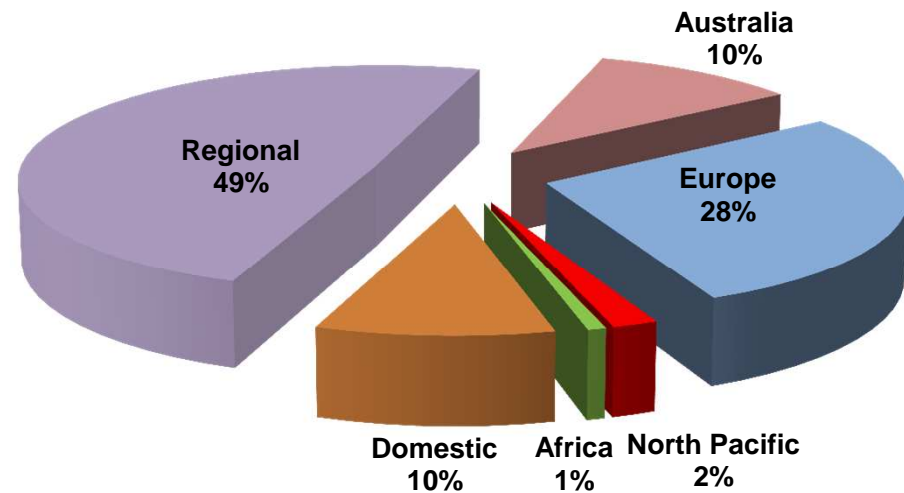
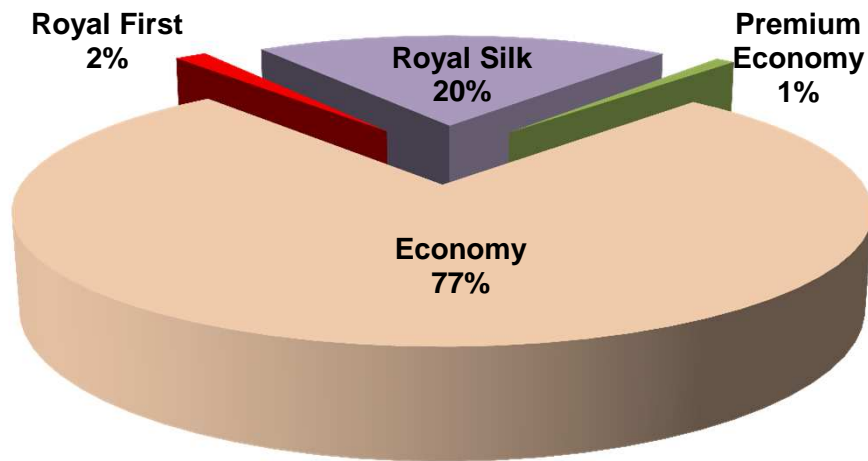
*EBITDAR – TAX / Interest + Rent + Long Term Debt Repayment - Refinance



By Class

By Area

JAN - AUG 2012



Passenger Revenue* JAN-AUG 2012 = 107,871 MTHB

* Schedule flight only



Company overview





Snapshot



**Excluding : 1 A340-500 Charter flight
4 B 737-400 & 2 ATR-72 leased to Nok Air

2012	Q3'2012	% Change YoY	9M'2012	% Change YoY
Total Revenue (MTHB)	52,431	+4.9%	155,442	+5.5%
Net Profit (Included FX)	1,750	-28.5%	3,868	+180.4%
Assets	291,553 (30 Sep 12)	+6.2% (Change from Year 2011)	291,553 (30 Sep 12)	+6.2% (Change from Year 2011)

2012	Q3'2012	% Change YoY	9M'2012	% Change YoY
Passenger carried (Million)	5.10	+6.9%	15.12	+8.8%
Million Revenue Passenger Kilometers (MRPK)	15,129	+3.1%	44,836	+6.0%
Freight carried (tons)	166,187	-1.2%	501,959	-2.6%
Million Revenue Freight Ton Kilometers (MRFTK)	663	-1.7%	1,960	-6.5%

2012	
# of Aircraft (As of 30 SEP 12)	93**
Frequency Flights per Week (Effective 28 OCT 12 – 30 MAR 13)	871
Destinations Served (Effective 28 OCT 12 – 30 MAR 13)	70
Countries Served (Effective 28 OCT 12 – 30 MAR 13)	36

Note: TG only 17

Investor Relations Department



Snapshot

	Units	Q3'2012			9M'2012		
		2012	2011	% Change YoY	2012	2011	% Change YoY
Passenger Production	MASK	19,729	19,836	-0.5%	58,458	58,580	-0.2%
Passenger Traffic	MRPK	15,129	14,681	+3.1%	44,836	42,299	+6.0%
Cabin Factor	%	76.7	74.0	+3.6%	76.7	72.2	+6.2%
Passenger carried	Million	5.10	4.77	+6.9%	15.12	13.90	+8.8%
Passenger Yield*	THB/km	2.71	2.69	+0.7%	2.70	2.73	-1.2%
Freight Production	MADTK	1,261	1,224	+3.0%	3,621	3,707	-2.3%
Freight Traffic	MRFTK	663	675	-1.7%	1,960	2,096	-6.5%
Freight Factor	%	52.6	55.1	-4.7%	54.1	56.6	-4.3%
Freight carried	Tons	166,187	168,199	-1.2%	501,959	515,517	-2.6%
Freight Yield*	THB/km	9.58	9.94	-3.6%	9.89	9.86	+0.3%

Note : * Yield includes fuel surcharge
Yield 2012 is estimated number from RCM



Current Fleet

Current Fleet: 93 Aircraft*

49% of O 33% of FL 18% of OL
 O=Owned FL=Financial lease OL=Operating lease



(Note: Approximately) *Excluding: 1 A340-500 Charter flight, 4 B737-400 and 2 ATR-72 leased to Nok

As of 30 SEP 12

Aircraft Type	Version	# of Aircraft	# of Seat				Financial Method
			First	Business	Economy	Total	
A300-600	36R1	4	N.A.	46	201	247	9 O
	36R3	5	N.A.	28	232	260	
A340-600	3461	6	8	60	199	267	6 FL
A330-300	3302	12	N.A.	42	263	305	10 O, 12 FL, 2 OL
	3303	12	N.A.	36	263	299	
A320-200	3201	4	N.A.	N.A.	174	174	4 OL
A380-800	3801	1	12	60	435	507	1 FL
B737-400	7341	5	N.A.	12	137	149	2 O, 3 OL
B747-400	7442	5	14	50	325	389	14 O, 4 FL
	7443	4	10	40	325	375	
	7444	6	10	40	325	375	
	7445	1	9	40	325	374	
	Freighter	2	N.A.	N.A.	N.A.	N.A.	
B777-200	7723	8	N.A.	30	279	309	6 O, 2 OL
B777-200ER	77E1	6	N.A.	30	262	292	6 FL
B777-300	7732	5	N.A.	34	330	364	4 O, 2 FL
	7732 TKE	1	N.A.	34	325	359	
B777-300 ER	7739	6	8	30	274	312	6 OL
Total		93	71	612	4,674	5,357	45 O, 31 FL, 17 OL



Aircraft Delivery Plan

NEW A/C DELIVERY	2012	2013	2014	2015	2016	2017	TOTAL
A380-800	3 (FL) (SEP/NOV/DEC)	3 (FL) (FEB/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/AUG/SEP)	6 (OL) (JAN/MAR/-/-/-)	2 (FL) 5(OL)	3 (FL)	-	-	20
TOTAL	12	17	14	8	4	10	65
Average Fleet Age*	10.3	9.4	8.8	8.5	8.9	8.0	9.0

*Based on Leased A320

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 (DEC)	2	-	-	2	2	8
B777-300ER (Jet Airways)	-	5	-	-	-	-	5
A340-500	4 (MAY)	-	-	-	-	-	4
B777-200	-	-	-	-	-	4	4
A330-300	-	-	2	4	-	2	8
A300-600	2 (MAR)	4	5	-	-	-	11
B737-400	2* (JUL/JUL)	2*+2	2	1	-	-	9
ATR-72	-	2*	-	-	-	-	2
TOTAL	10	17	9	5	2	8	51

Note : *Return from Nok Air

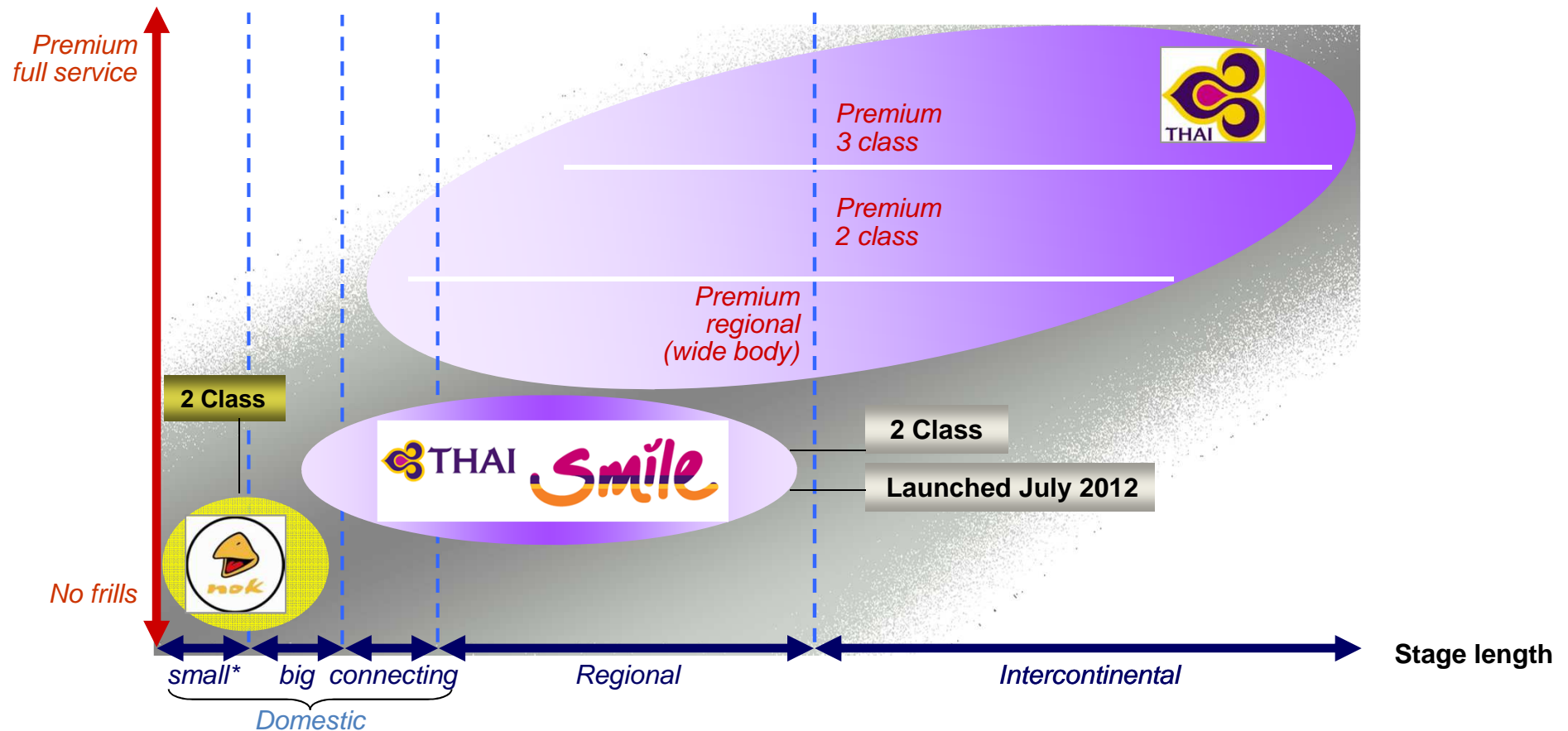


Closing THAI's Business Gap

THAI Smile to complete THAI at the light premium level and NOK to close out the low cost market

Brand positioning matrix for THAI and affiliated companies

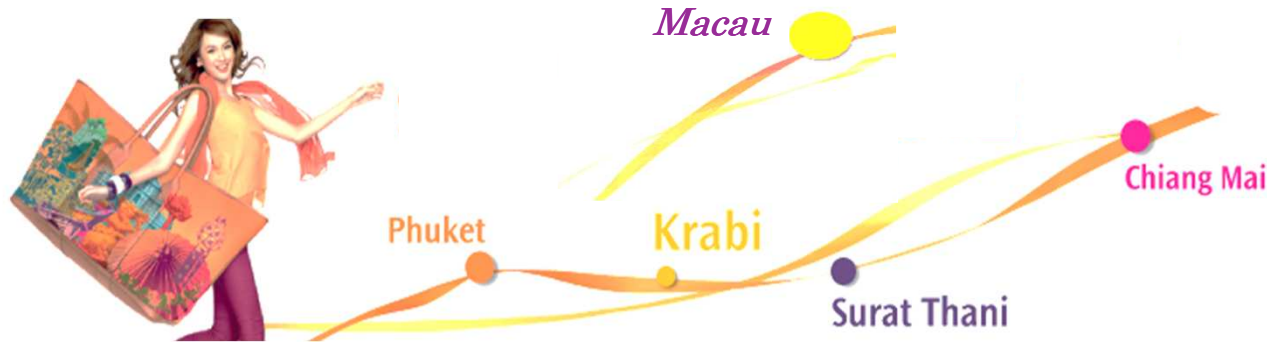
Product Offering



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

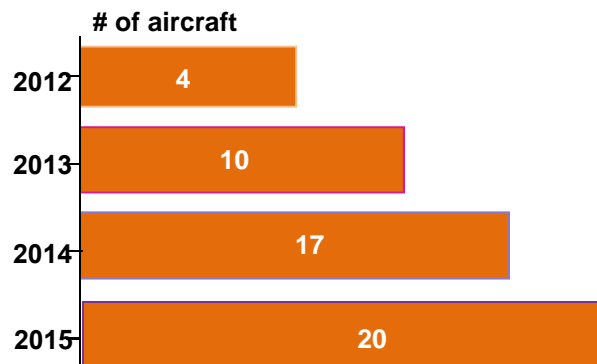


THAI Smile Fleet Plan & Route Network



THAI Smile based at Suvarnabhumi Airport
Operates in domestic and regional secondary routes
and synchronize with TG network.

Fleet Plan (2012-2015)



FREQUENCY	DESTINATION
7 Flights / week	Bangkok – Phuket V.V.
7 Flights / week	Chiang Mai – Phuket V.V.
14 Flights / week	Bangkok- Macau V.V.
14 Flights / week	Bangkok – Surat Thani V.V.
14 Flights / week	Bangkok – Chiang Mai V.V.
28 Flights / week	Bangkok - Krabi V.V.

Airbus 320 Brand new narrow body aircraft

International & Domestic Route		Total
Effective: 28 Oct 2012 - 30 Mar 2013		
Countries		2
Cities		5
Freq./Week		84

*Note: Effective : 28 October 2012 – 30 March 2013



Nok Air Route Network

11 Aircrafts
(As at end of SEP 12)

4 of Boeing 737-400



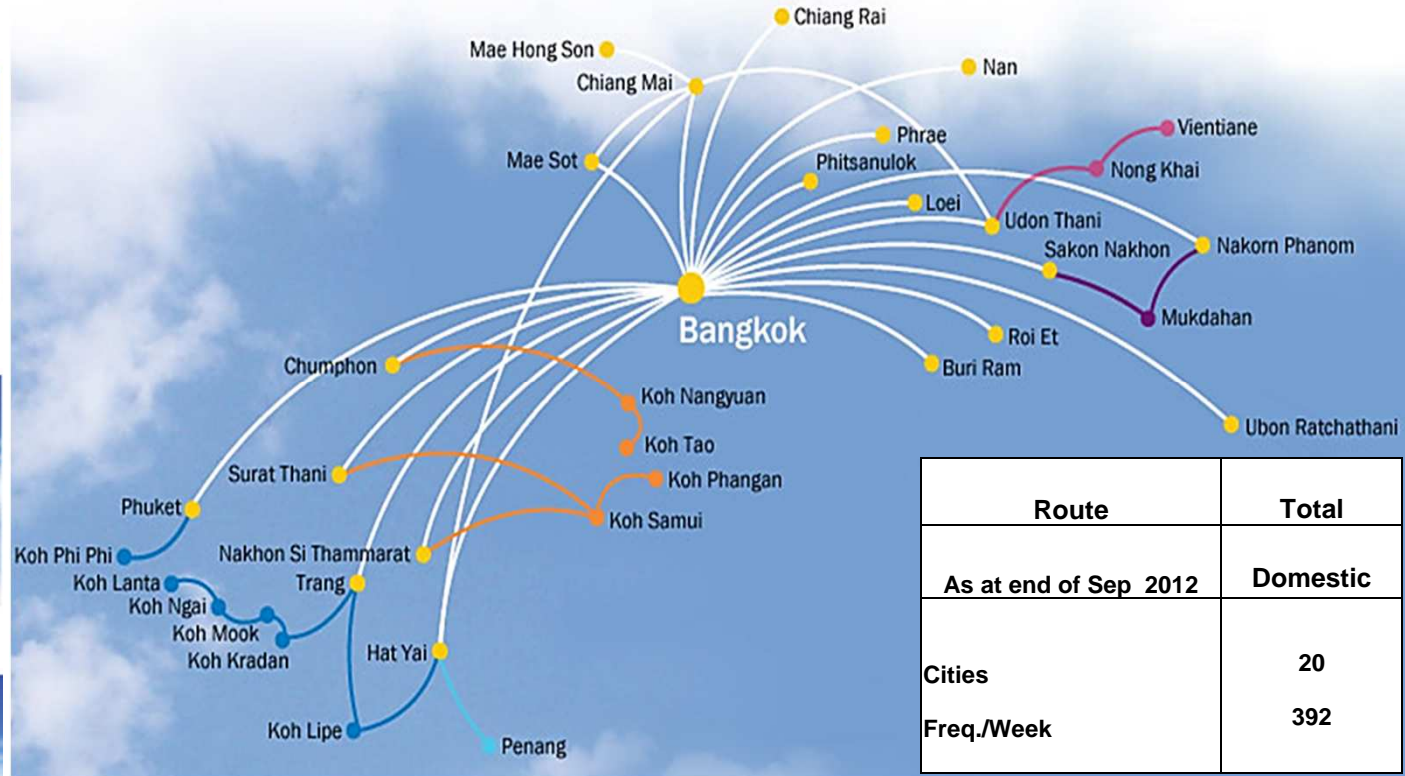
5 of Boeing 737-800



2 of ATR 72



**Nok Air based at Don Mueang Airport
Currently operates only domestic point-to-point**



**TG's Proportion of Shareholding
increased from 39% to 49% (Oct. 2011)**



THAI's Upgrade and Retrofit Schedule

	# of Aircraft	First	Business	Economy	Progress
B747-400 No. 7-12	6				All: Completed MAR. 2012
B747-400 No. 13-18	6				# 13,14: Completed OCT. 2012 # 15-18: By MAY 2013
B777-200	8				# 1,2: Completed OCT 2012 # 3-8: By JUN. 2013



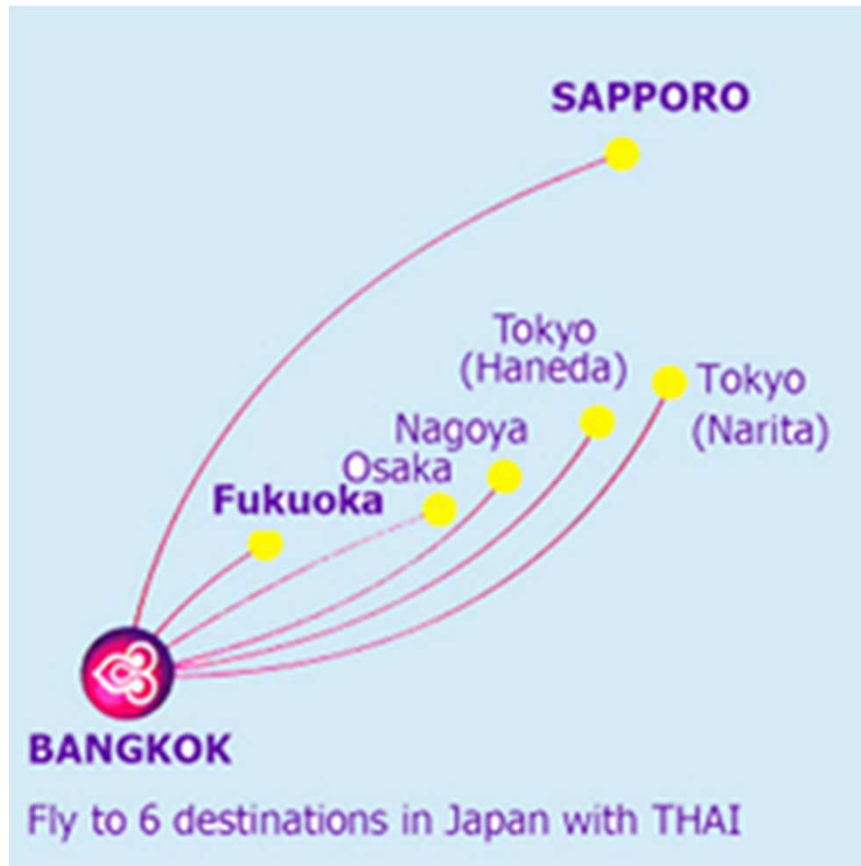
B747-400 Improved seats & new PTV in all classes



B777-200 Installed in seat VDO in Y class



THAI's Latest Japanese Destination



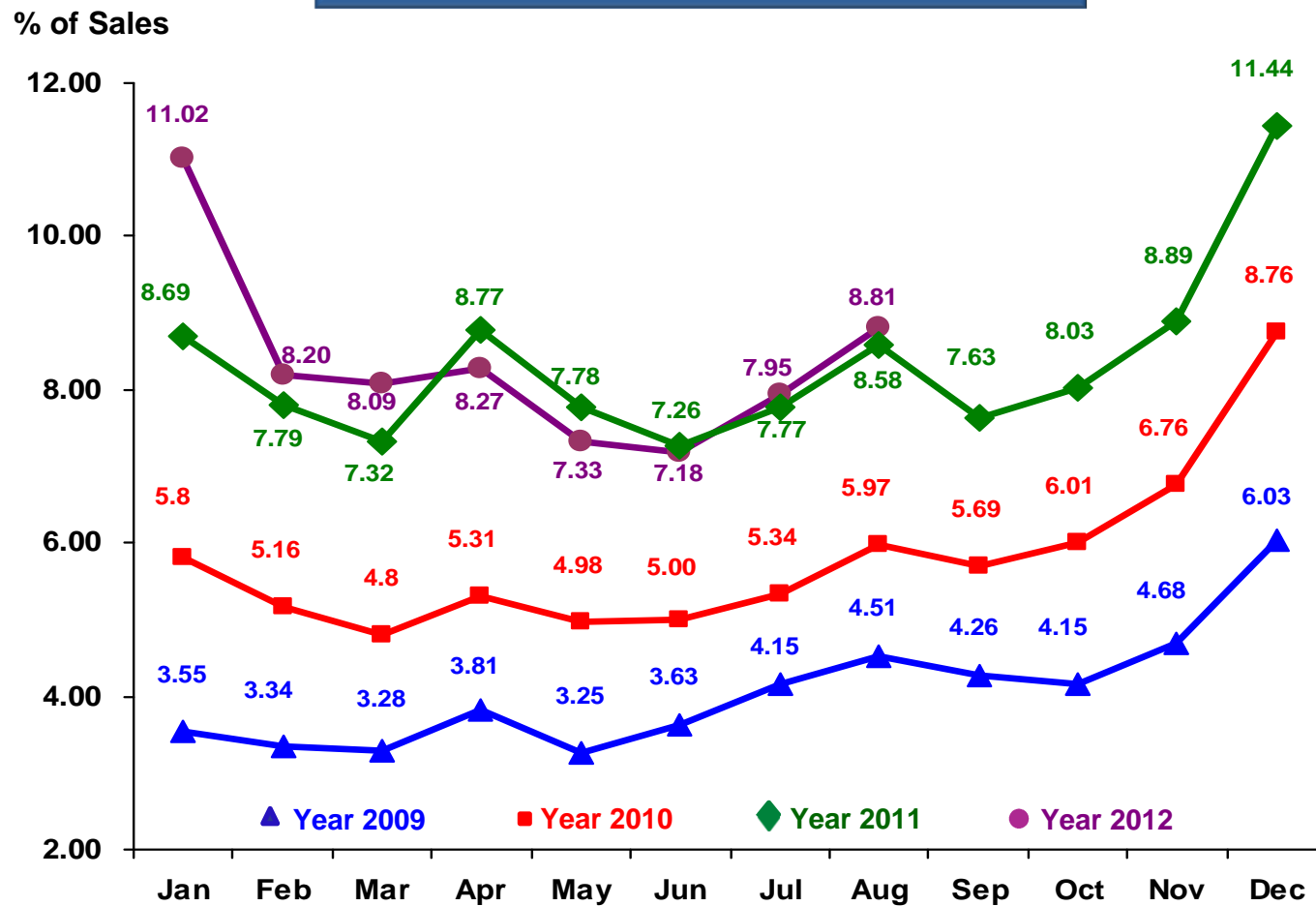
Bangkok-Sapporo

With Airbus 330-300

3 flights/week (From 30 Oct 12)

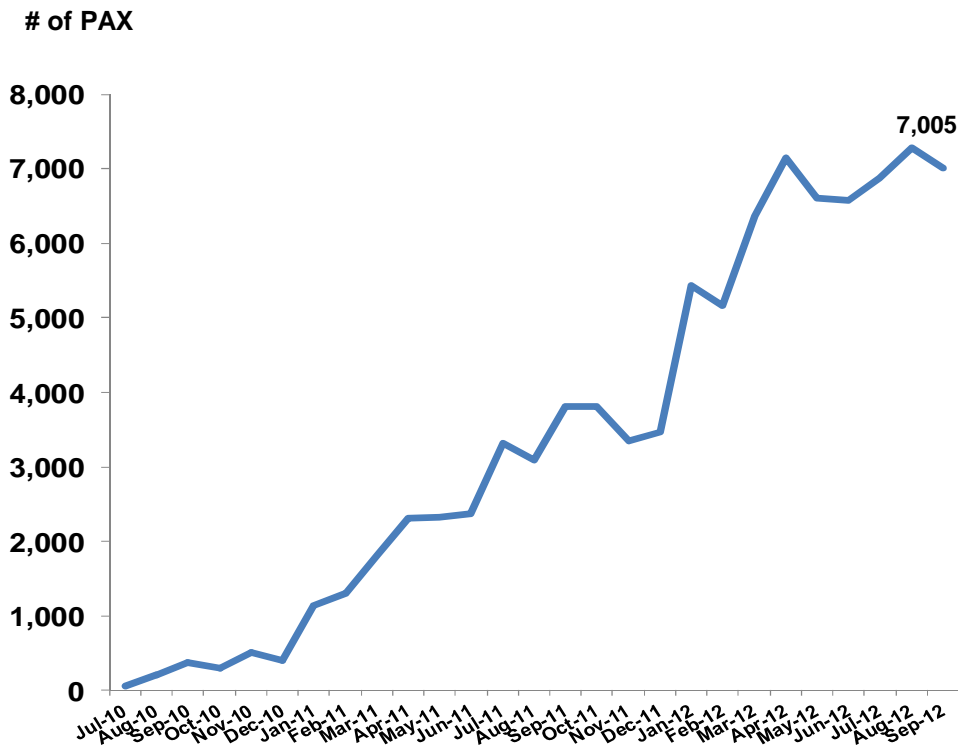
4 flights/week (From 30 Dec 12)

Ticket Sales Via Internet

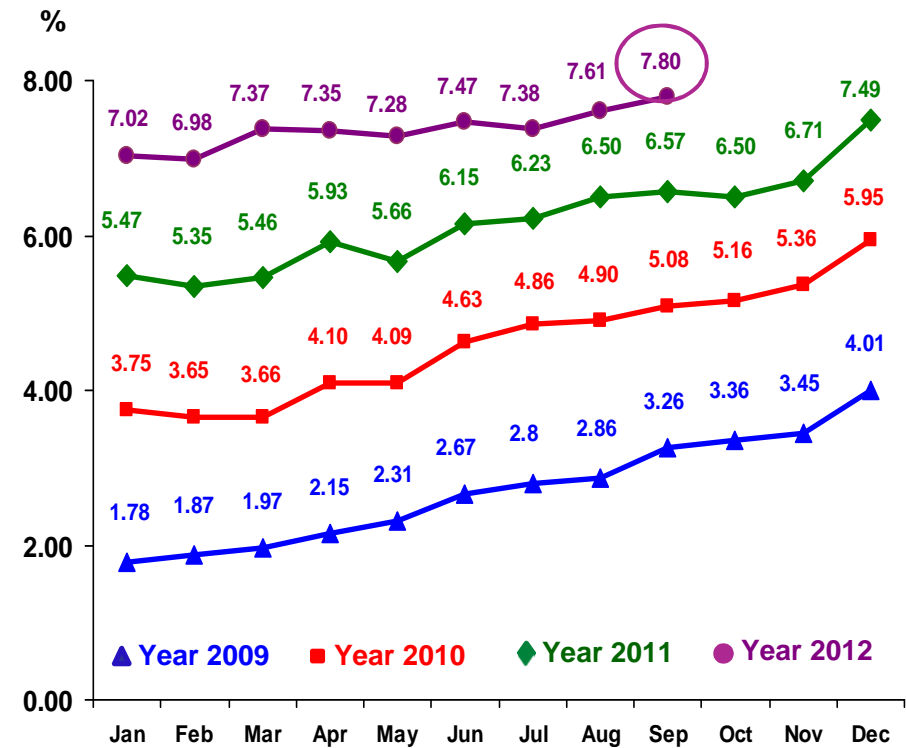




Check-in via Mobile (<http://m.thaiairways.com>)



Check-in via Internet





- Launched Co – Brand Card with Sumitomo bank.
- Launched Co - Brand with AEON Card Services Thailand to boost Japanese customers.
- Launched ROH & AGODA online hotel booking engine.
- Launched China UnionPay Card for web sales in Chinese market.
- Increase corporate accounts : Signed contract with Michelin Group

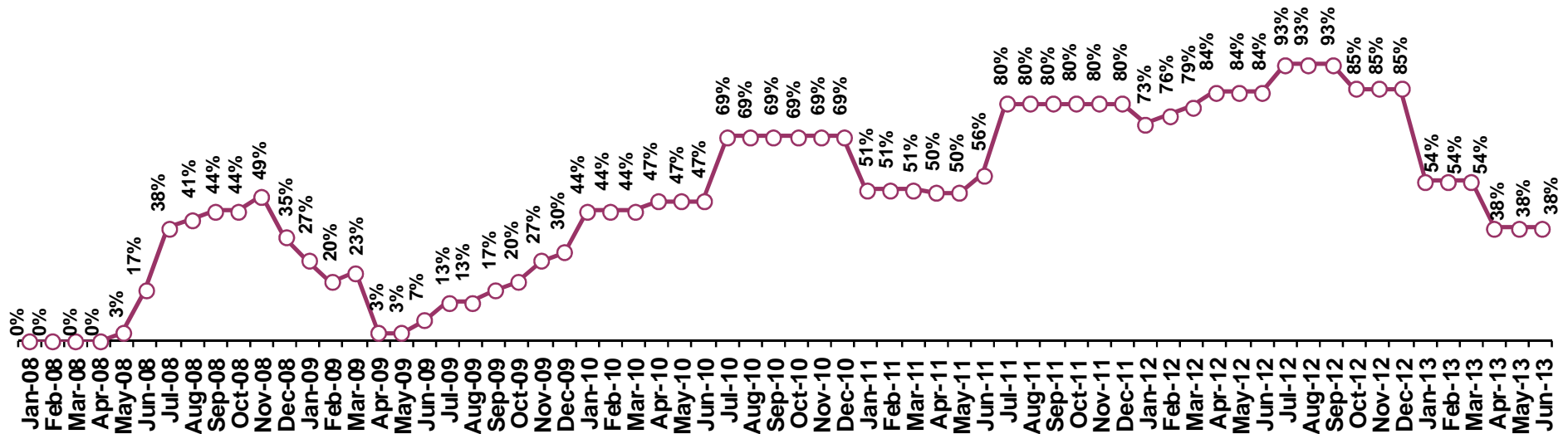




Fuel Management

Hedging combined with fuel surcharge greatly mitigates fuel price fluctuation risk

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





Looking Ahead



Factors in Play Effecting Performance

RAPID FLUCTUATION OF FUEL PRICE
Fuel surcharge & fuel hedging in place



HIGHER COMPETITION ALL AROUND
Launched THAI Smile



WEAKER TRAVEL DEMAND FROM EUROPE
launched promotions despite yields still below target,
advance promotion covers next 3-6 months



WEAK FARE ENVIRONMENT
Require dynamic action

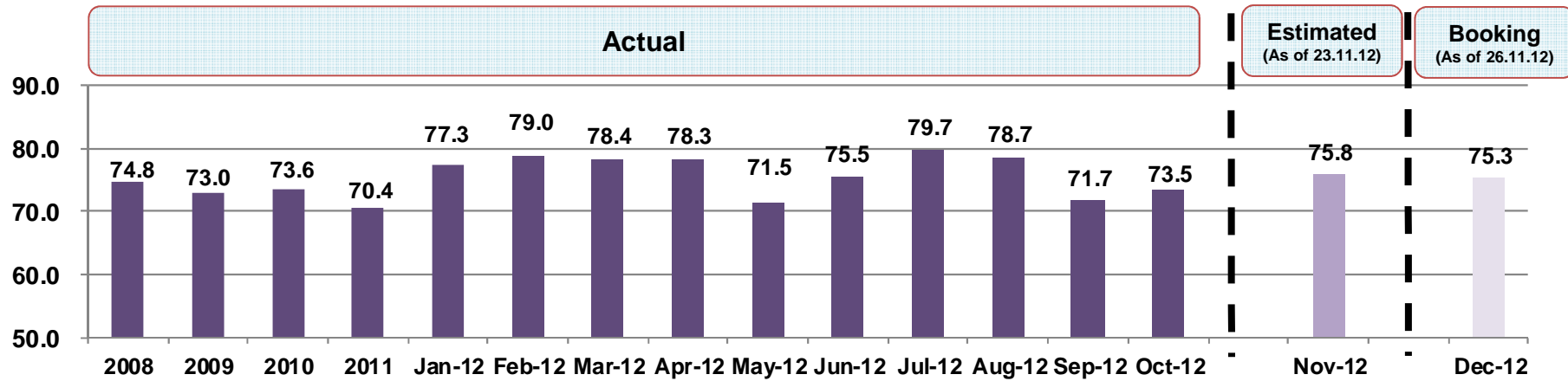


FOREIGN EXCHANGE VOLATILITY
Active short-term derivatives & money conversions

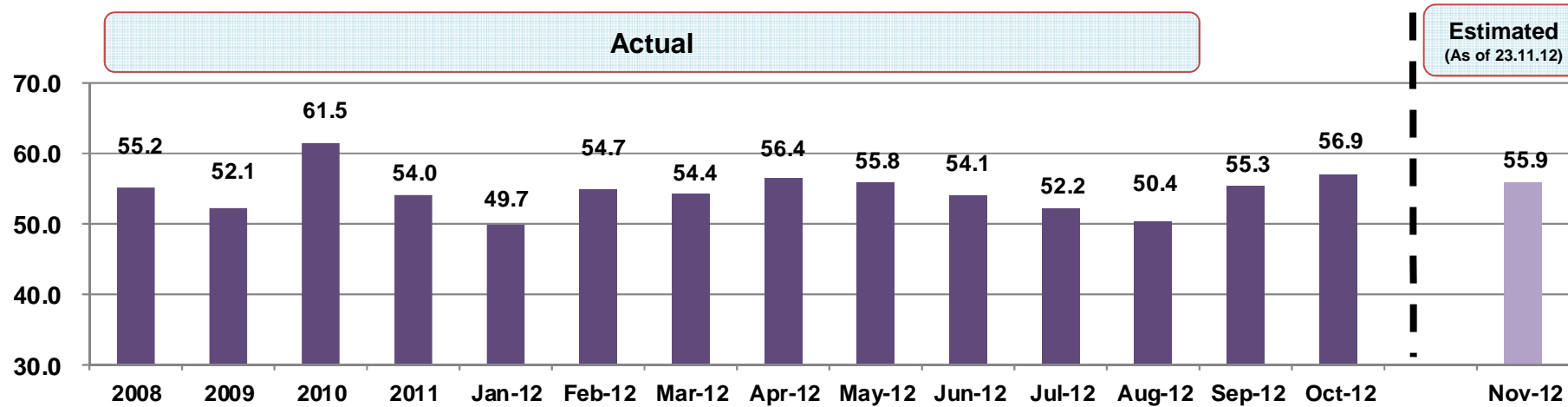




Cabin Factor



Freight Factor





Operating Statistics



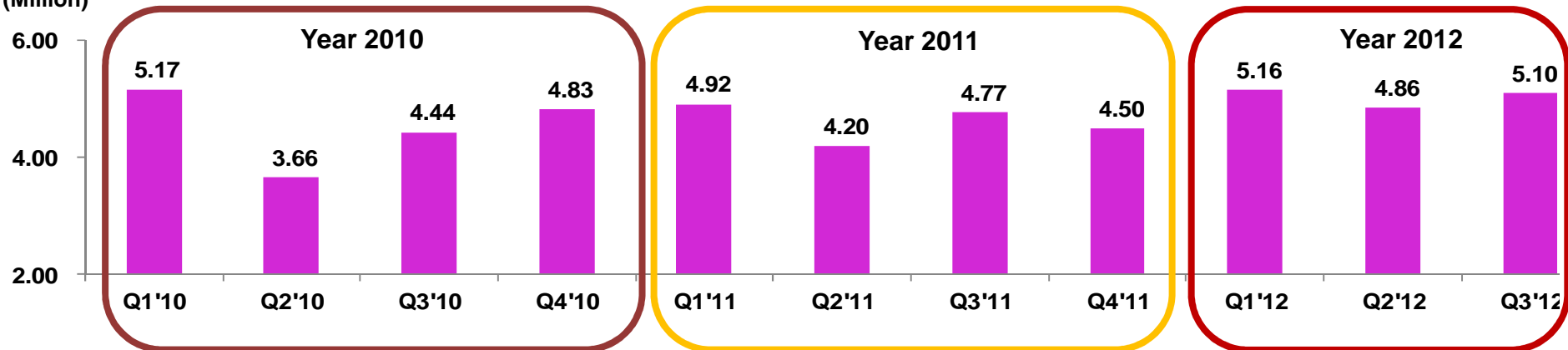


Operating Statistics

Passengers Carried

Q3'12 = 5.10 million (Increased 6.9% YoY)

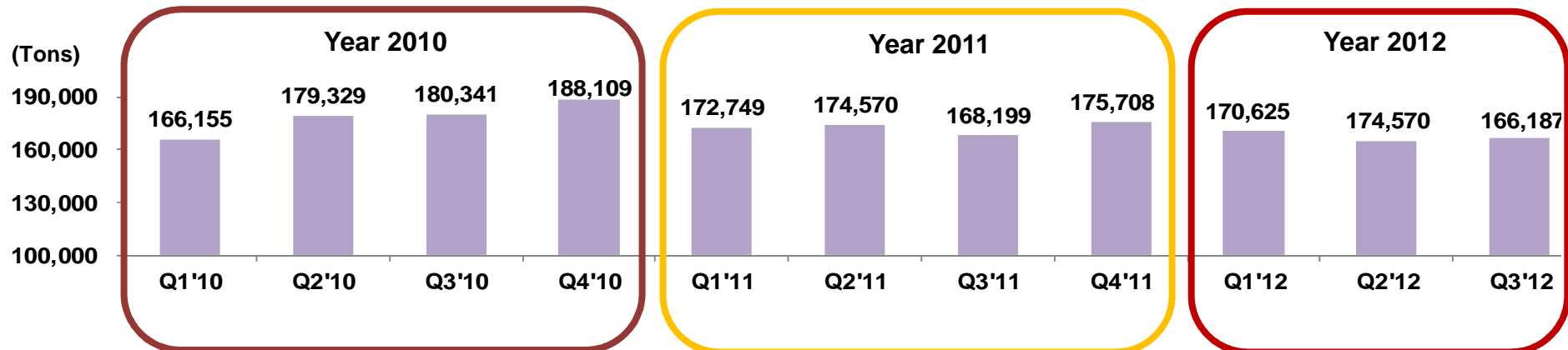
(Million)



Freight Carried

Q3'12 = 166,187 tons (Decreased 1.2% YoY)

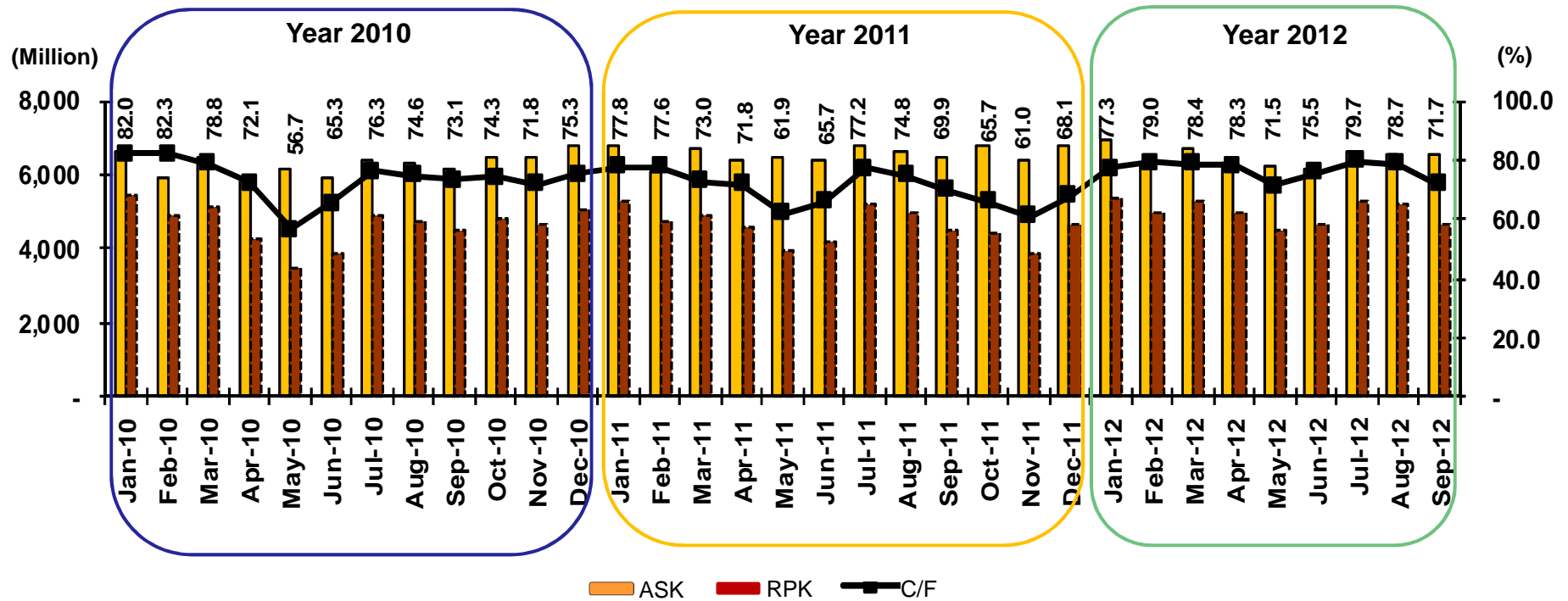
(Tons)





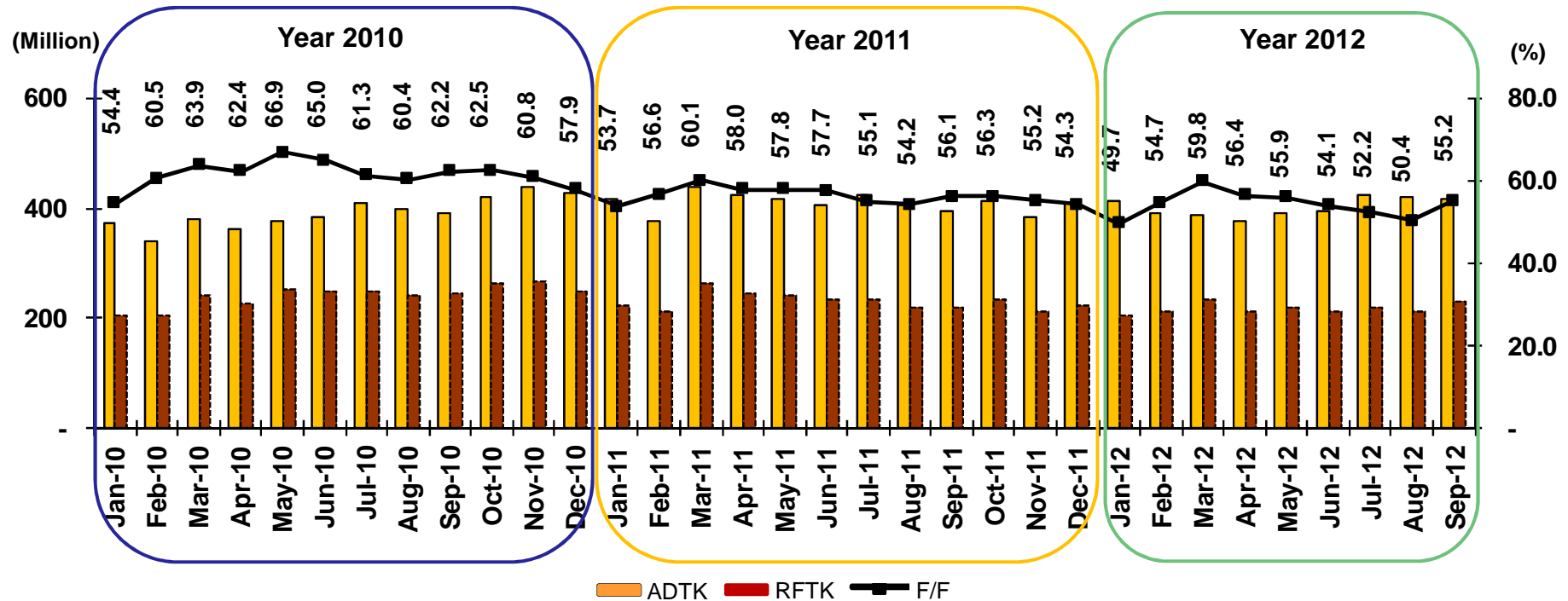
Operating Statistics

Passenger



	YoY (Month)			YoY (Quarter)			YoY (Year to date)		
	SEP'12	SEP'11	YoY%	Q3'12	Q3'11	YoY%	JAN-SEP'12	JAN-SEP'11	YoY%
MASK	6,544	6,447	1.5	19,729	19,837	- 0.5	58,458	58,580	- 0.2
MRPK	4,690	4,506	4.1	15,129	14,681	3.1	44,837	42,299	6.0
Cabin factor%	71.7	69.9	2.5	76.7	74.0	3.6	76.7	72.2	6.2

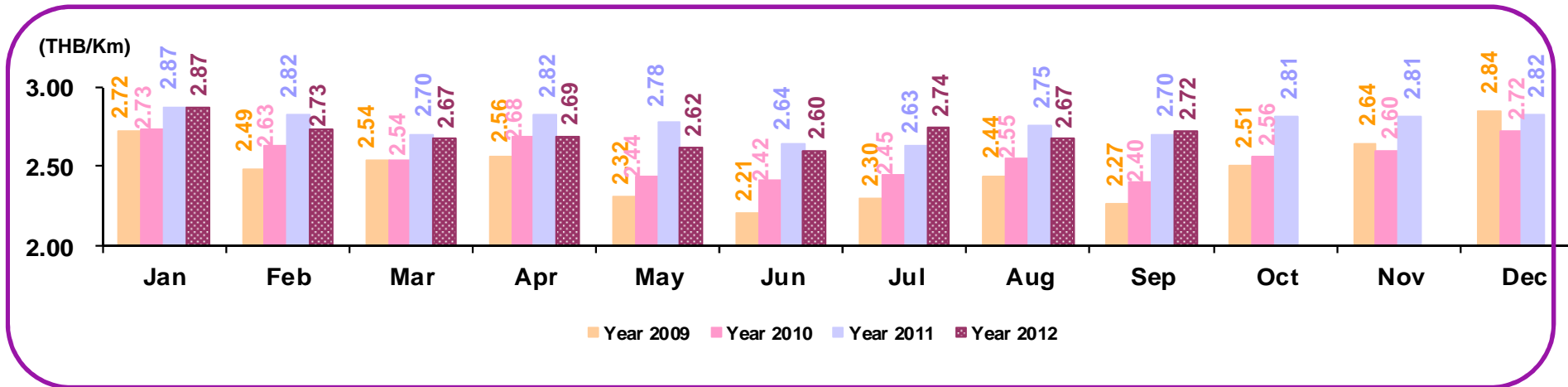
Freight



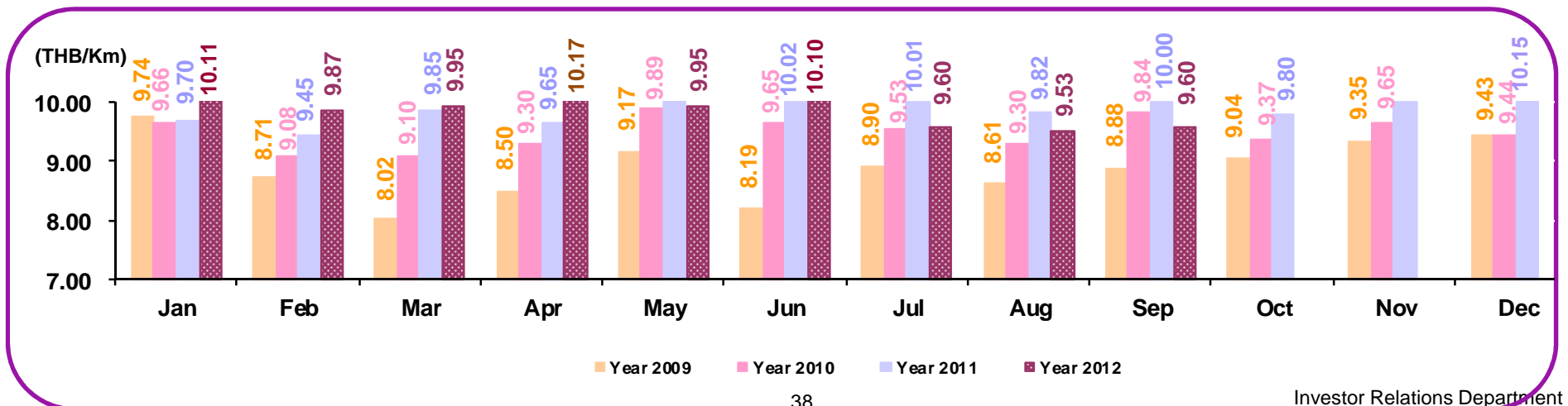
	YoY (Month)			YoY (Quarter)			YoY (Year to date)		
	SEP'12	SEP'11	YoY%	Q3'12	Q3'11	YoY%	JAN-SEP'12	JAN-SEP'11	YoY%
MADTK	417	394	5.8	1,261	1,224	3.0	3,621	3,707	- 2.3
MRFTK	230	221	4.1	663	675	- 1.8	1,960	2,096	- 6.5
Freight factor%	55.2	56.1	- 1.4	52.6	55.1	- 4.7	54.1	56.5	- 4.3



Passenger Yield (Including Fuel Surcharge)



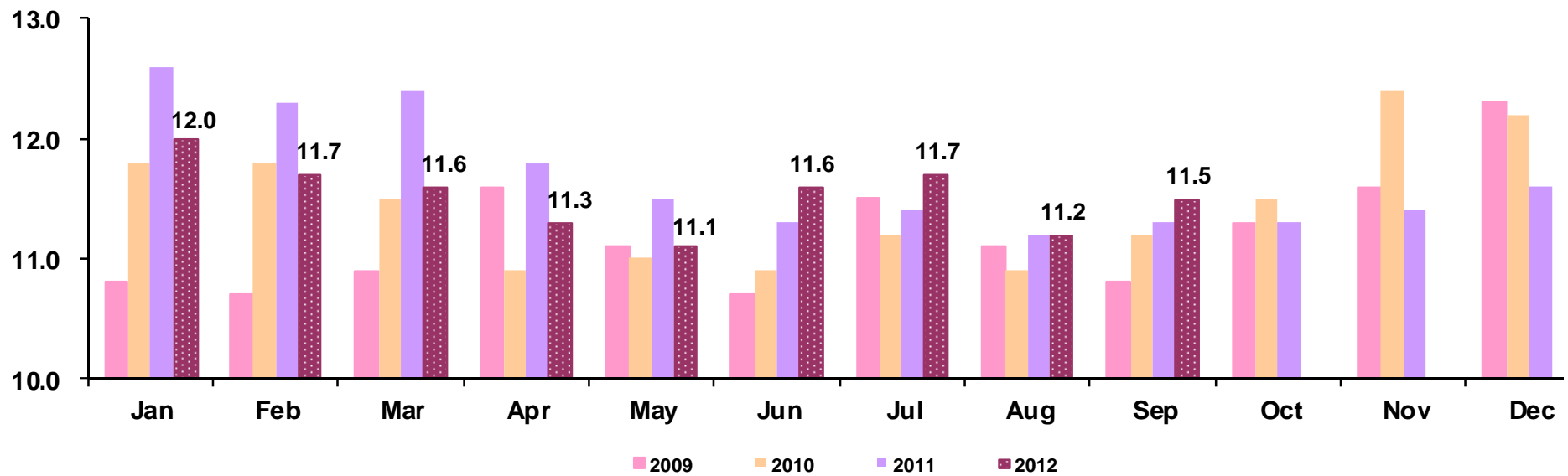
Freight Yield (Including Fuel Surcharge)





Aircraft Utilization

Hours / Day / Aircraft





Thank you

