

THAI AIRWAYS INTERNATIONAL PCL

Quarter 3/2012

(Updated on 20 JAN 13)





DISCLAIMER

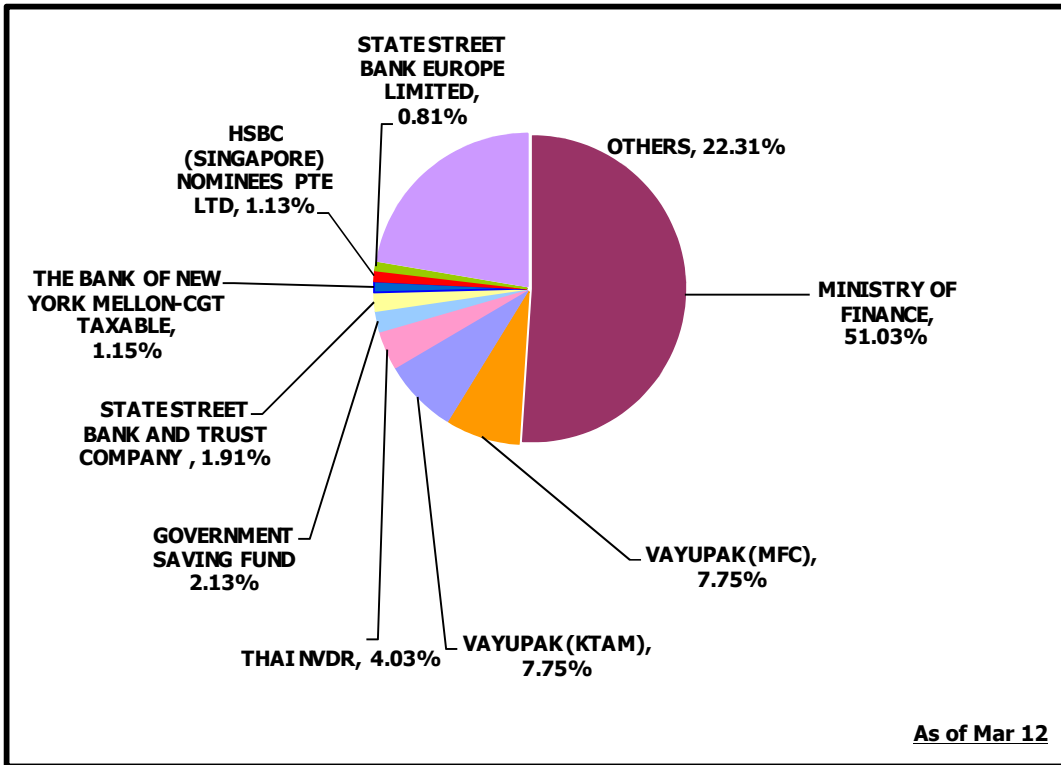
The information contained herein is intended to represent the Company's operating and financial position at a given point in time and may also contain forward looking information which only reflects expectations based on the prevailing geo-political, economic and non-controllable factors. Such information 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 equity shares or other securities issued by the Company.



Company Facts

Major Shareholders



Thailand's National Flag Carrier

51.03% : Holding by MOF
15.50% : Holding by Vayupak (MFC & KTAM)
33.47% : Others

Market Capitalization:
48,239 MTHB
(As at 28 DEC 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





Business Overview

THAI Airways International PLC.



Business Units



Total Revenue 155,442 MTHB (9M 2012)





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 31 DEC 12))	97*
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 5

Investor Relations Department



Operation Summary

	Units	November 2012			January - November 2012		
		2012	2011	% Change YoY	2012	2011	% Change YoY
Passenger Production	MASK	6,990	6,357	+10.0%	72,071	71,726	+0.5%
Passenger Traffic	MRPK	5,364	3,878	+38.3%	55,071	50,634	+8.8%
Cabin Factor	%	76.7	61.0	+25.7%	76.4	70.6	+8.2%
Passenger carried	Million	1.8 (E)	1.3	+35.6%	18.6 (E)	16.8	+10.9%
Passenger Yield (Inc. surcharge)	THB/km	2.72*	2.81	-3.4%	2.70	2.75	-1.7%
Freight Production	MADTK	428	386	+10.9%	4,460	4,508	-1.1%
Freight Traffic	MRFTK	239	213	+12.4%	2,433	2,543	-4.3%
Freight Factor	%	55.9	55.2	+1.3%	54.6	56.4	-3.2%
Freight carried	Tons	59,405	55,827	+6.4%	620,258	632,032	-1.9%
Freight Yield (Inc. surcharge)	THB/km	9.26	10.01	-7.5%	9.79	9.86	-0.8%

Note : * Yield 2012 is passenger - sales commission and discount/RPK

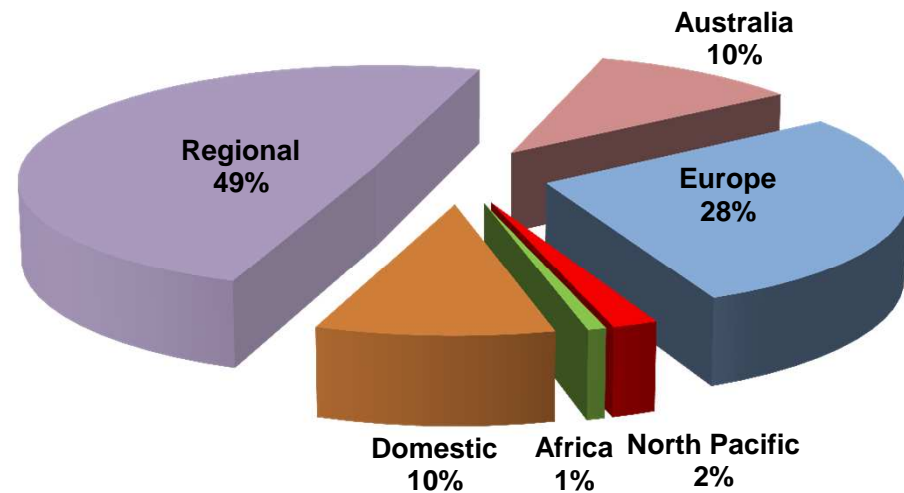
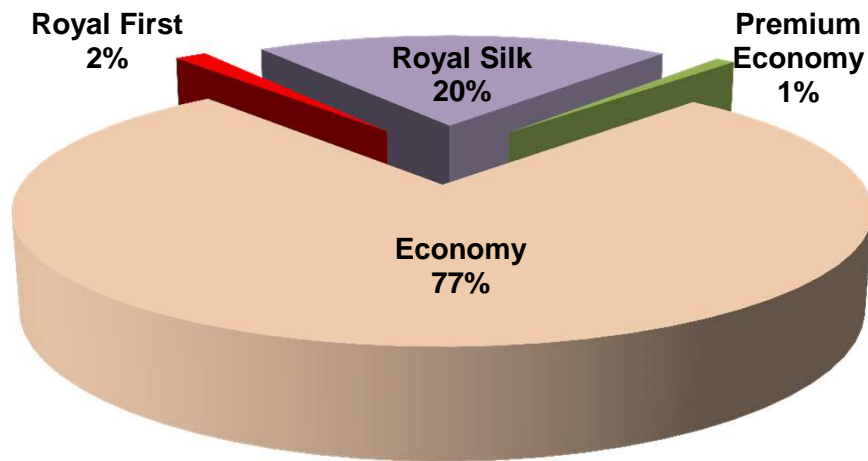


Revenue

By Class

By Area

JAN - AUG 2012

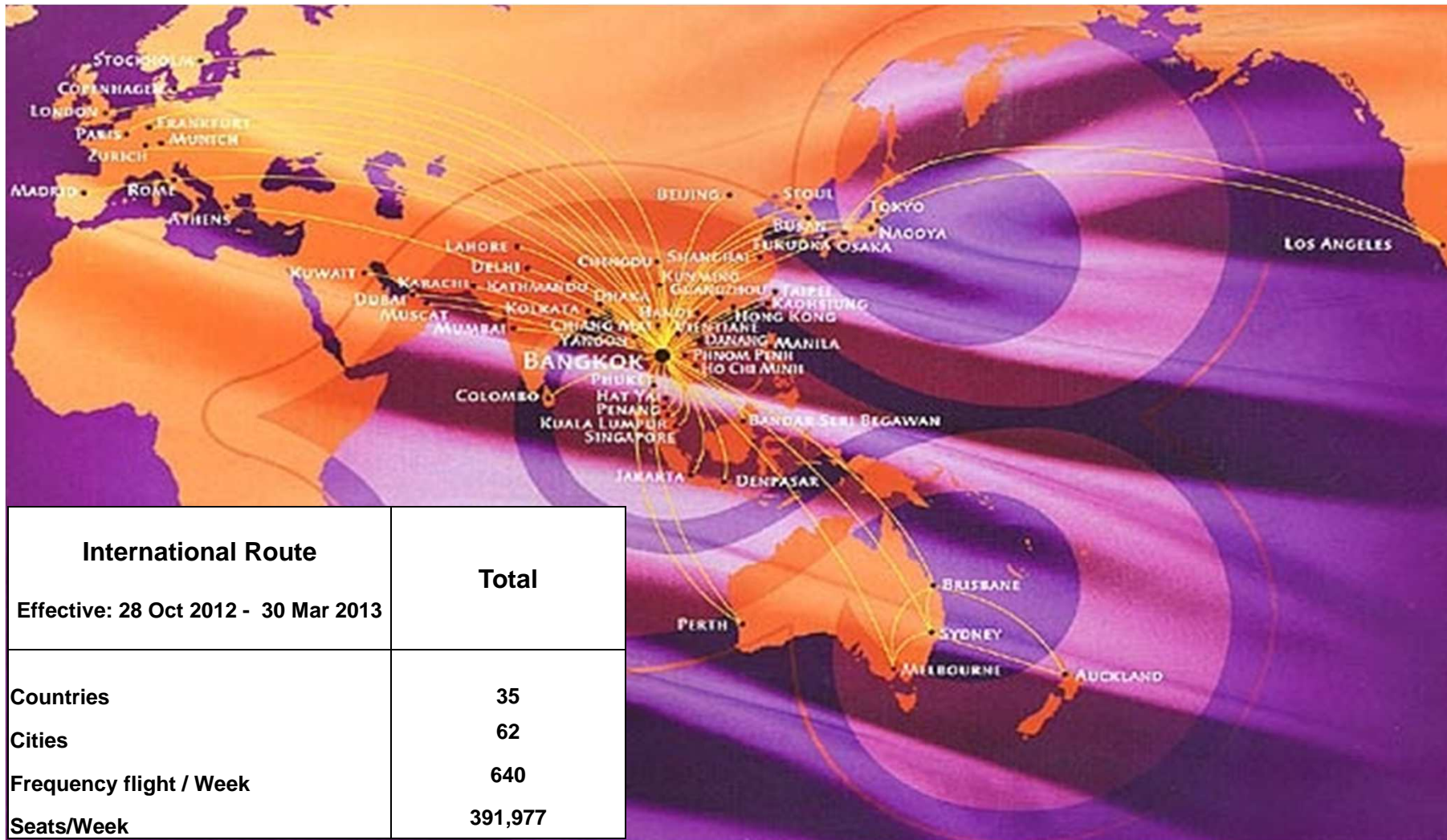


Passenger Revenue* JAN-AUG 2012 = 107,871 MTHB

* Schedule flight only

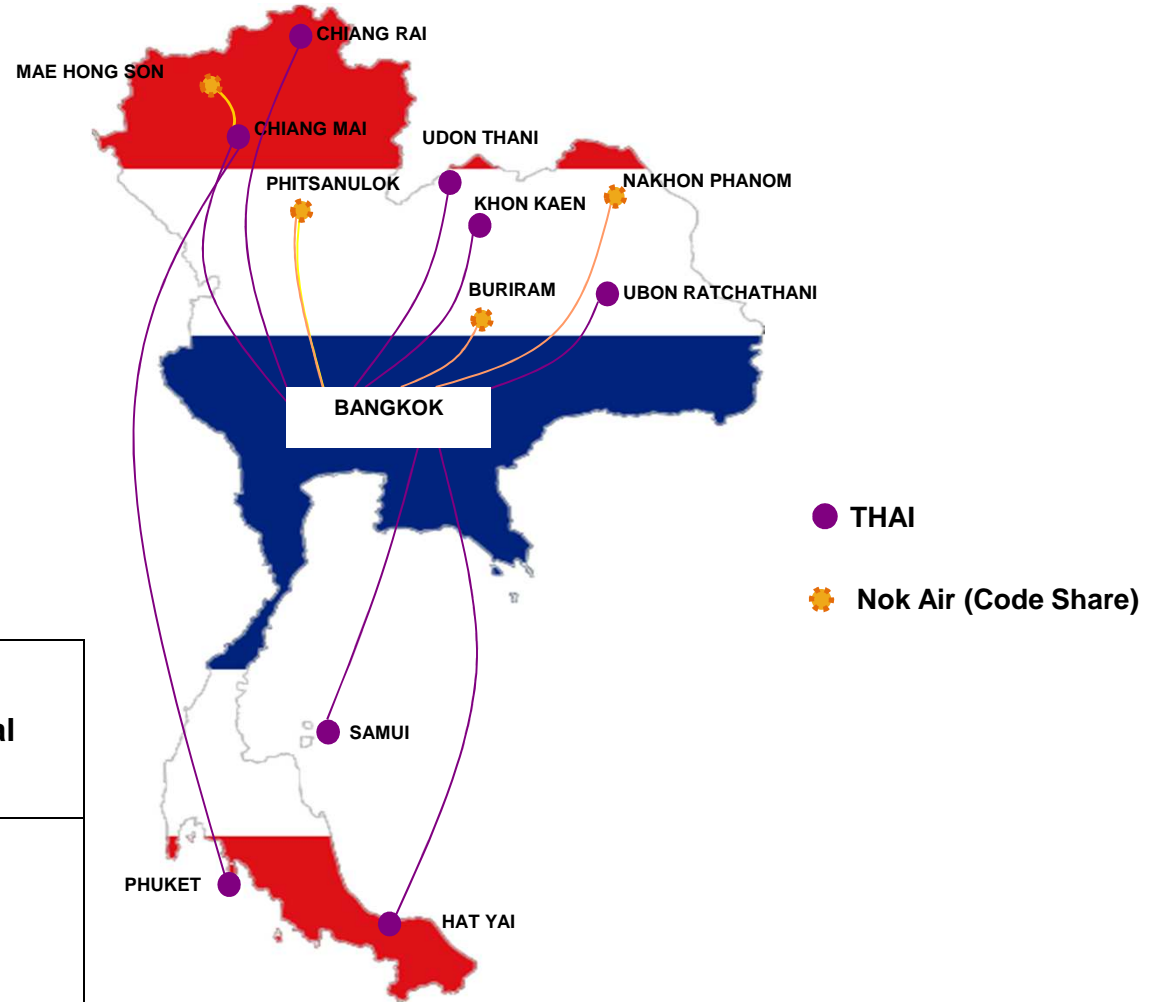


World Route Network





Domestic Route Network



Domestic Route	Total
Effective: 28 Oct 2012 - 30 Mar 2013	
Cities	8
Frequency flight / Week	231
Seats / Week	128,519



Current Fleet

Current Fleet: 97 Aircraft*

46% of O **35% of FL** **19% 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 31 DEC 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, 13 FL, 2 OL
	3303	8	N.A.	36	263	299	
	3304	5	N.A.	36	263	299	
A320-200	3201	2	N.A.	N.A.	174	174	4 OL
	3202	2	N.A.	N.A.	174	174	
A380-800	3801	3	12	60	435	507	3 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	5	8	30	274	312	7 OL
	77B1	2	N.A.	42	306	348	
Total		97	71	690	5,417	6,178	45 O, 34 FL, 18 OL

partment



Aircraft Delivery Plan

NEW A/C DELIVERY	2012	2013	2014	2015	2016	2017	TOTAL
A380-800	3 (FL) (SEP/NOV/DEC)	3 (FL) (MAR/OCT/NOV)	-	-	-	-	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 (OL) R	2 (FL) I 6 (OL) R	10
B787-9	-	-	-	-	-	2 (OL)	2
B787-8	-	-	4 (OL)	2 (OL)	-	-	6
A320 (Thai Smile)	4 (OL) (JUN/AUG/AUG/SEP)	2 (OL)4(FL) (JAN/MAR)/(OCT/ OCT/NOV/DEC)	2 (FL) 5(OL)	3 (FL)	-	-	20
TOTAL	12	17	14	8	2	10	63
Average Fleet Age*	10.3	9.4	8.8	8.5	8.9	8.0	9.0

* Based on Leased A320
As at 31 DEC 2012

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	-	4	-	-	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	3* (JUL/JUL/OCT)	1*+2	2	1	-	-	9
ATR-72	-	-	2*	-	-	-	2
TOTAL	9	16	11	5	2	8	51

Note : *Return from Nok Air

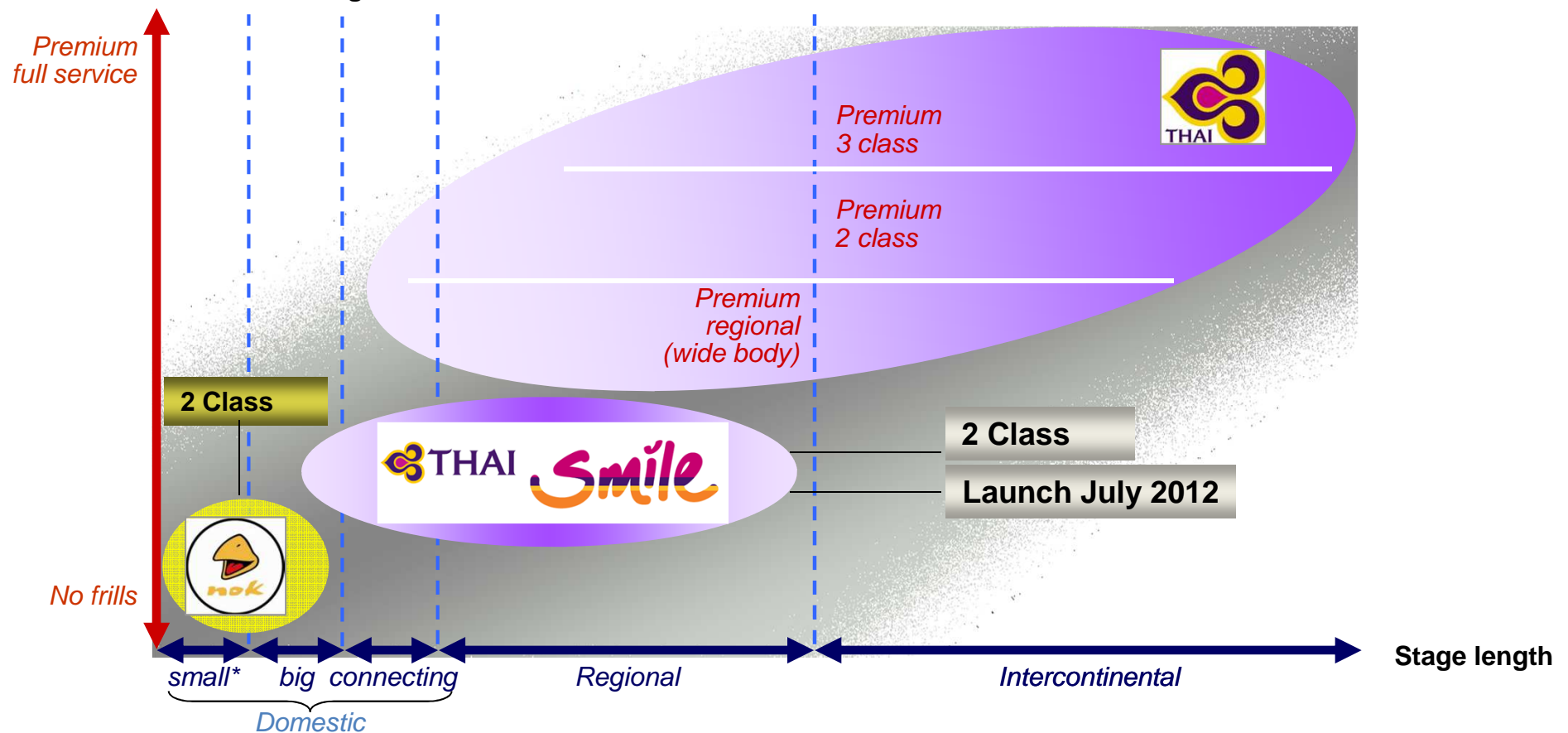


Closing THAI's Business Gap

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

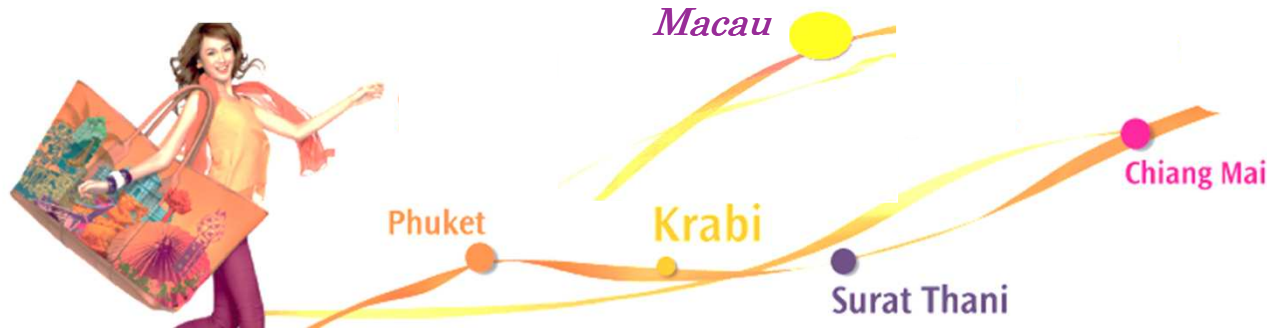


Product by Cost Base

Brand	Brand positioning	Cost base
	Premium network carrier	<p>MEDIUM to HIGH</p> <ul style="list-style-type: none"> • Minor improvements could be made in cost efficiency
	Regional carrier	<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.
	Domestic value-for-money carrier	<p>LOW to MEDIUM</p> <ul style="list-style-type: none"> • Domestic focus with some added value and maintaining very low cost

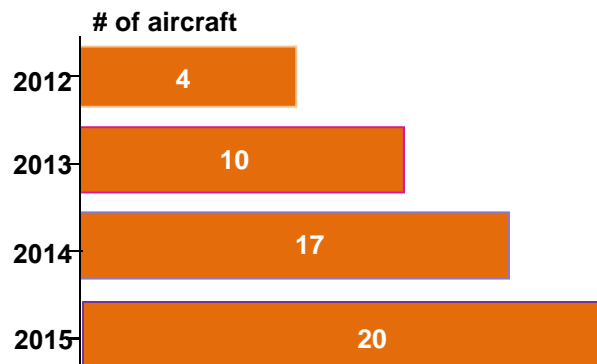


THAI Smile Fleet Plan & Route Network



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



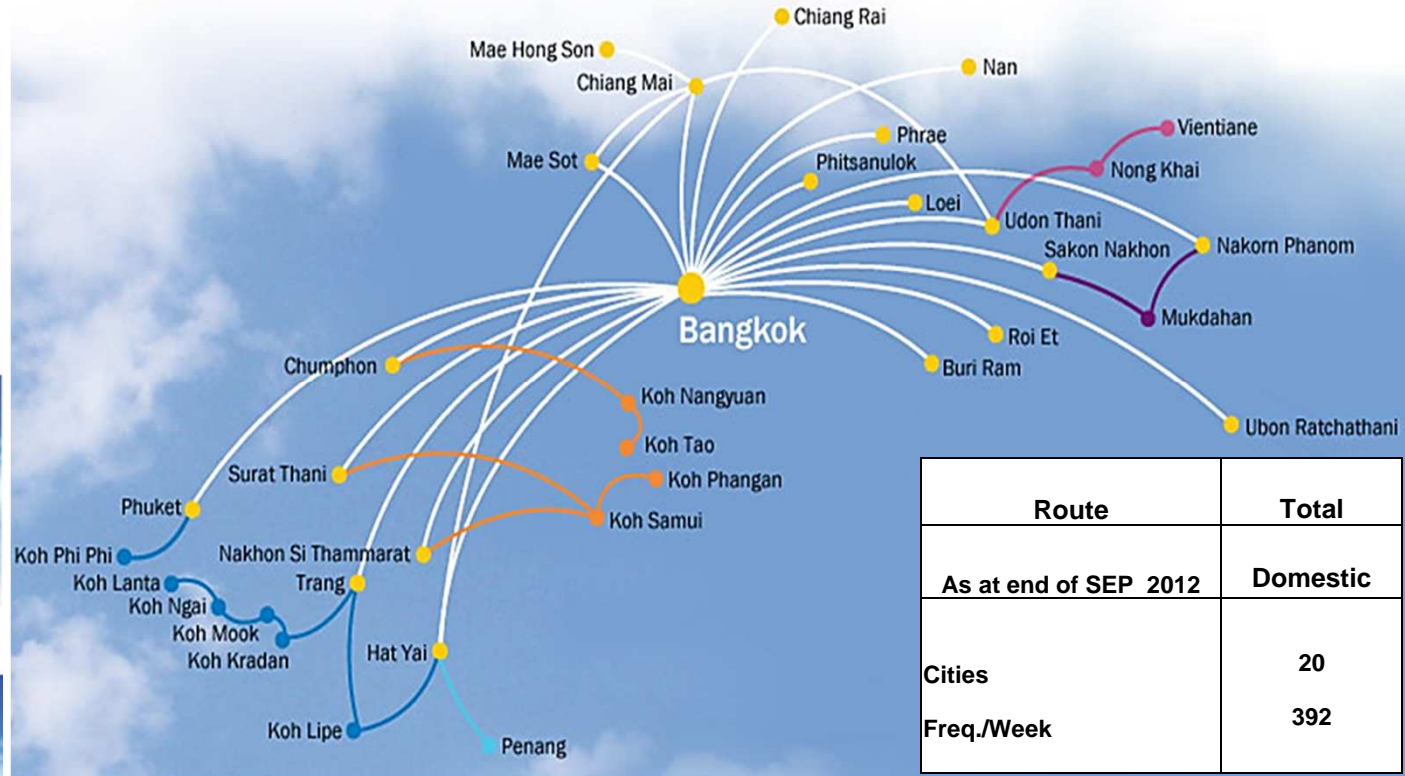
5 of Boeing 737-800



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





New Interactive In-Flight Entertainment

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

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

Entertainment

- Premium class over 3 hours flight: Portable media player (IPAD 2)
- Economy class: On – Earphone services
- Movies: 100 titles
- Short program: 150 programs
- CD Album: 500 albums
- Games: 60 games
- USB plug and play



On-board Services

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

Connectivity

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

Infotainment

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

Greater Attention to Customers' Needs

In-Flight Products



Portable Media Player (iPad2) in Premium class type
Over 3 hours flight

Effective 25 June 2012: BKK-Pusan
1 July 2012: BKK-Shanghai, BKK-Mumbai



On-Earphone Services
In Economy class

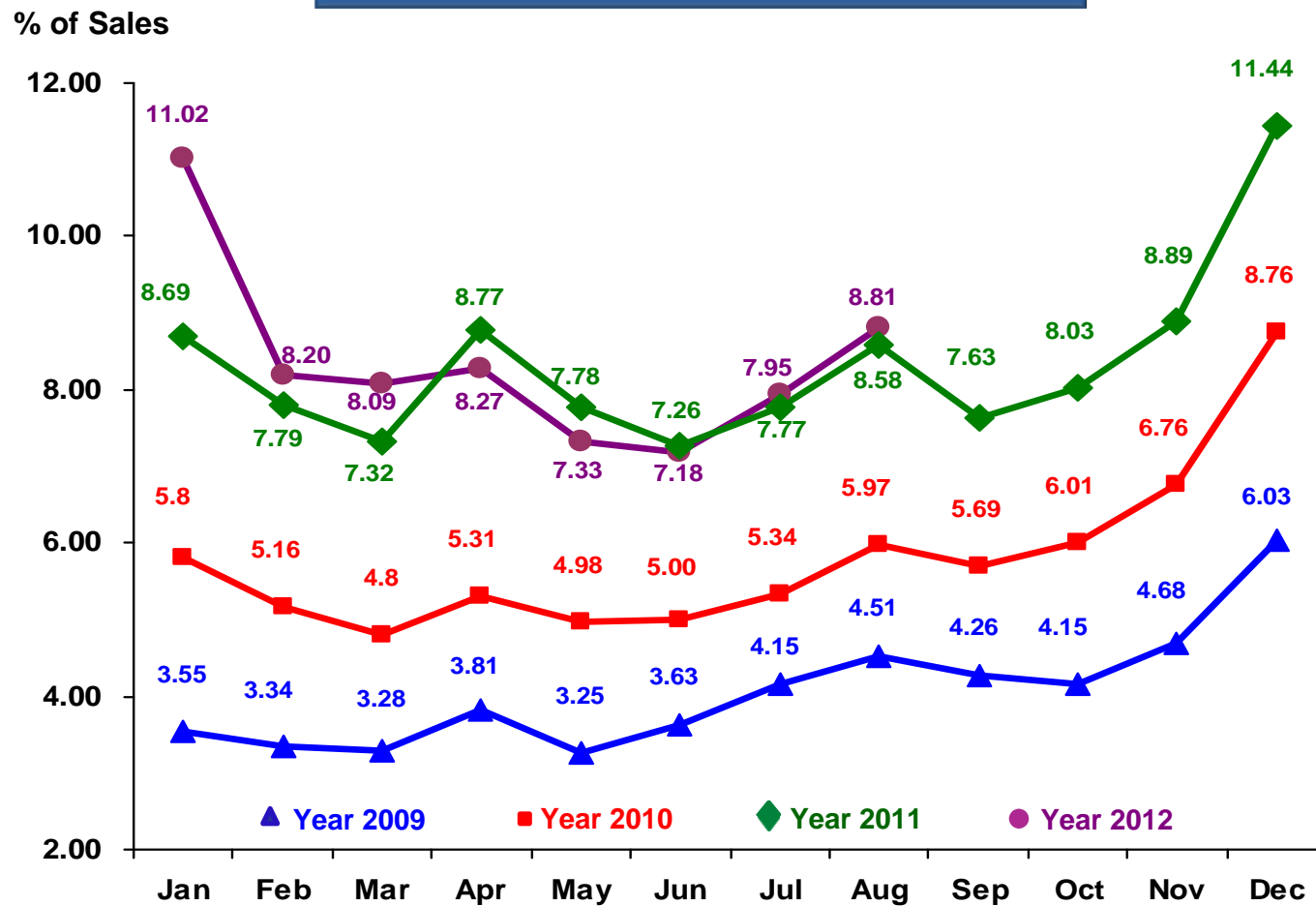
Food & Beverage



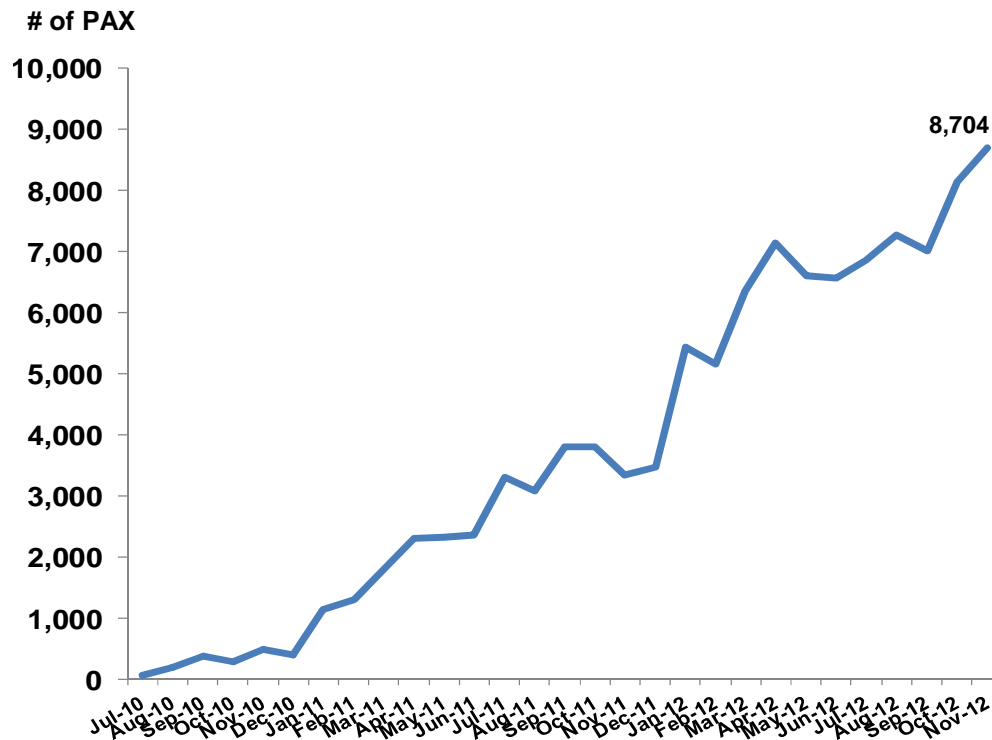
- 6 Different menus will be cycled for Regional routes and 4 menus for European routes
- Food and beverage menu will be changed monthly



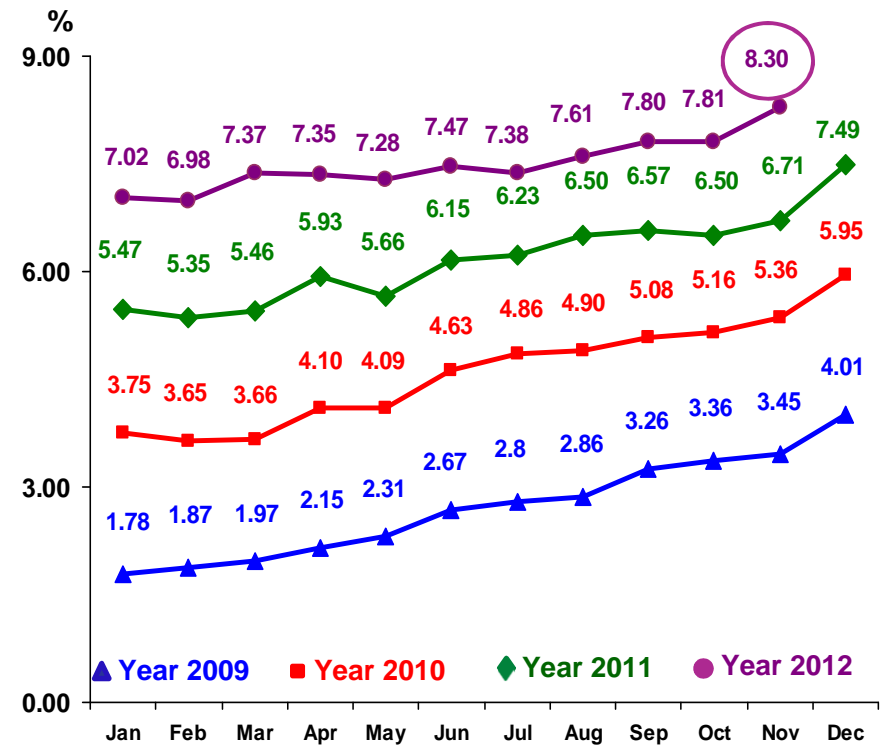
Ticket Sales Via Internet



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



Check-in via Internet

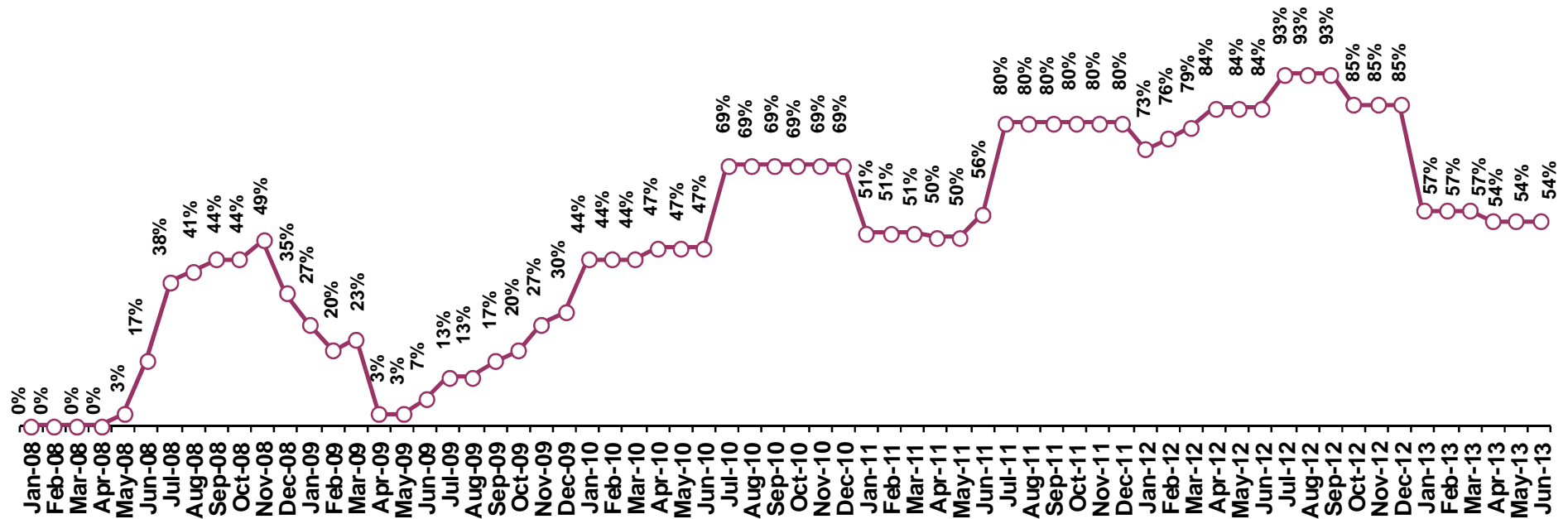




Fuel Management

Hedging combined with fuel surcharge greatly mitigates fuel price fluctuation risk

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





- **Defer unnecessary investment and expenses and prioritize investment.**
- **Embargo non-revenue tickets on high demand route.**
- **Reduce travel expenses, stationary, utilities expenses.**
- **Flight Safety Management**
 - Flight Safety Promotion
 - E-ASR (Air Safety Report) System
- **To develop a leaner and more cost effective Cargo handling.**
- **Optimize number of flight crew.**
- **Personnel cost reduction, reduce headcount and decrease overtime expenses.**
- **Reduce wastage of the in – flight spare equipment only carry what is actually required.**
- **Change glass wine bottle to plastic wine bottle for lighter weight.**



Financial Performance





Performance Summary (Q3'2011 & Q3'2012)

THAI and its subsidiaries

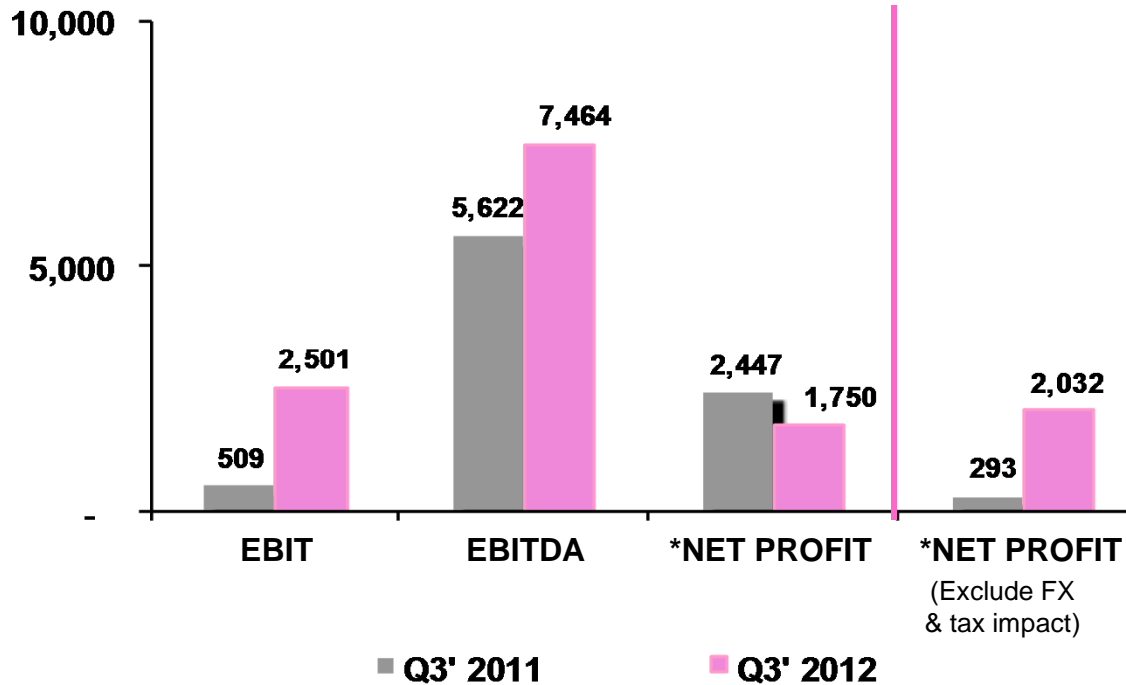
(Units : MTHB)	Q3'2011	Q3'2012
Total Revenue	49,961	52,431
Total Expense	49,668	50,399
Foreign currency exchange (Loss)	2,299	(120)
Profit before income tax expense	2,592	1,912
Net tax expense (income)	140	44
Net profits (loss)	2,447	1,750



Financial Performance

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

Units : MTHB



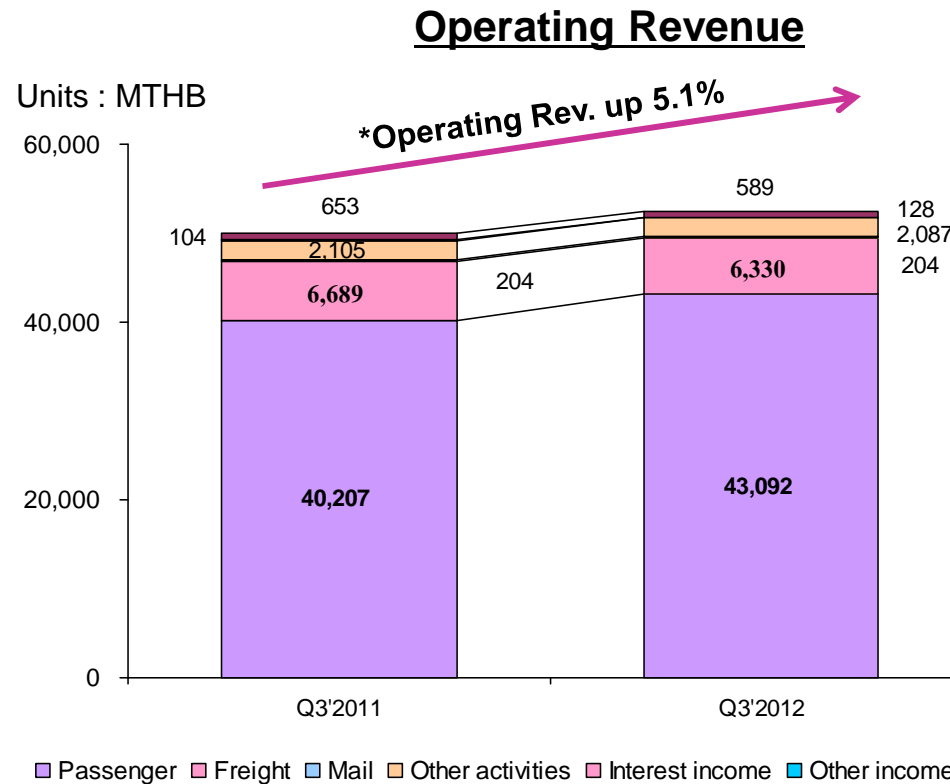
Factors Impacting Q3'2012 Results

- 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

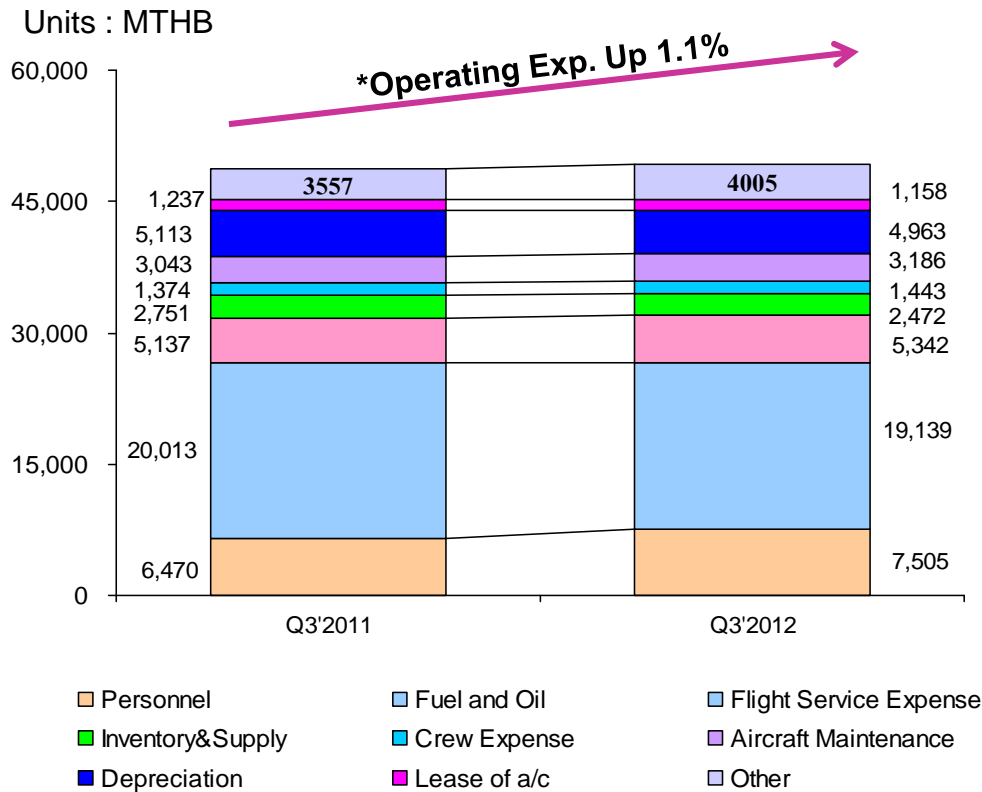


Financial Performance

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



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

THAI and its subsidiaries

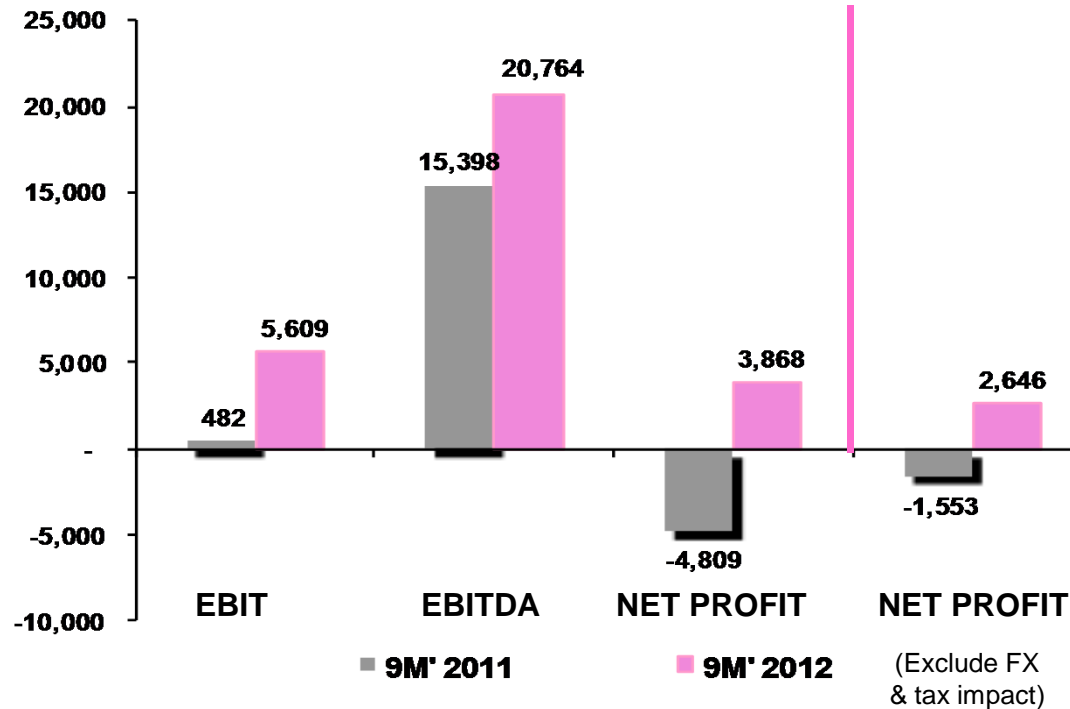
(Units : MTHB)	9M'2011	9M'2012
Total Revenue	147,372	155,442
Total Expense	148,925	152,796
Foreign currency exchange (Loss)	(3,325)	1,723
Profit before income tax expense	(4,878)	4,369
Net tax expense (income)	(99)	291
Net profits (loss)	(4,809)	3,868



Financial Performance

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

Units : MTHB



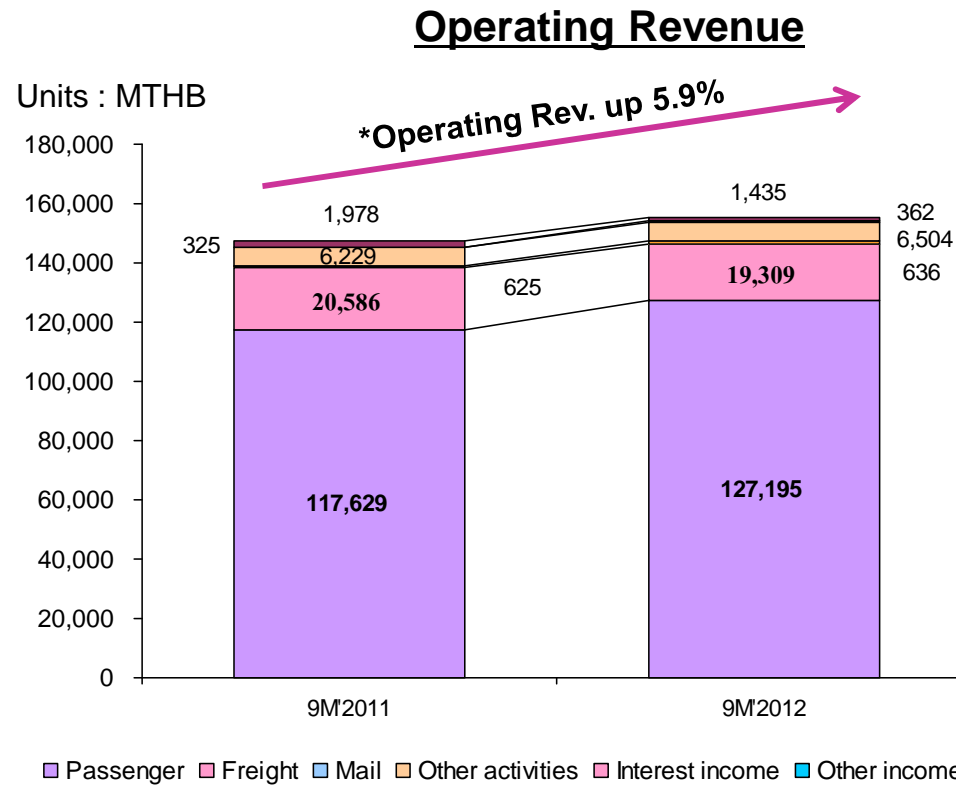
Factors Impacting 9M 2012 Results

- 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

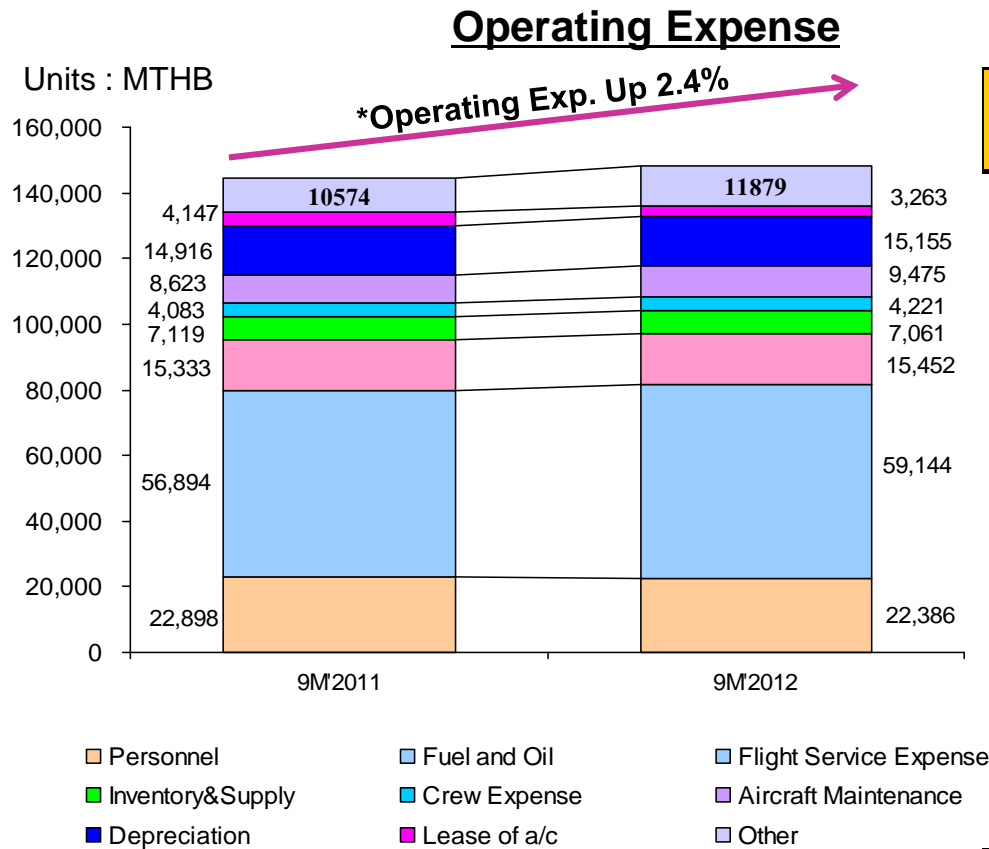
*Excludes Interest & Other income
 - Operating revenue 9M'2011 = 145,069 MTHB
 - Operating revenue 9M'2012 = 153,645 MTHB

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



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



On – going Measures



Ongoing Measures - Revenue Enhancement



Offers
Special Fare Promotions



- Eliminate negative contribution flights.
- Increase positive result areas; more frequency on spilled flights and add new flights on interval timing.
- Restructure pricing / fare strategy in all areas.
- Flexible and fast upload of fares.
- Monitoring sales and promotion campaigns.
- Commit revenue target.
- Enhance electronic channel capability for broader access and ease of transaction



- Launched Co – Brand Card with Sumitomo bank.
- Negotiating 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.





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

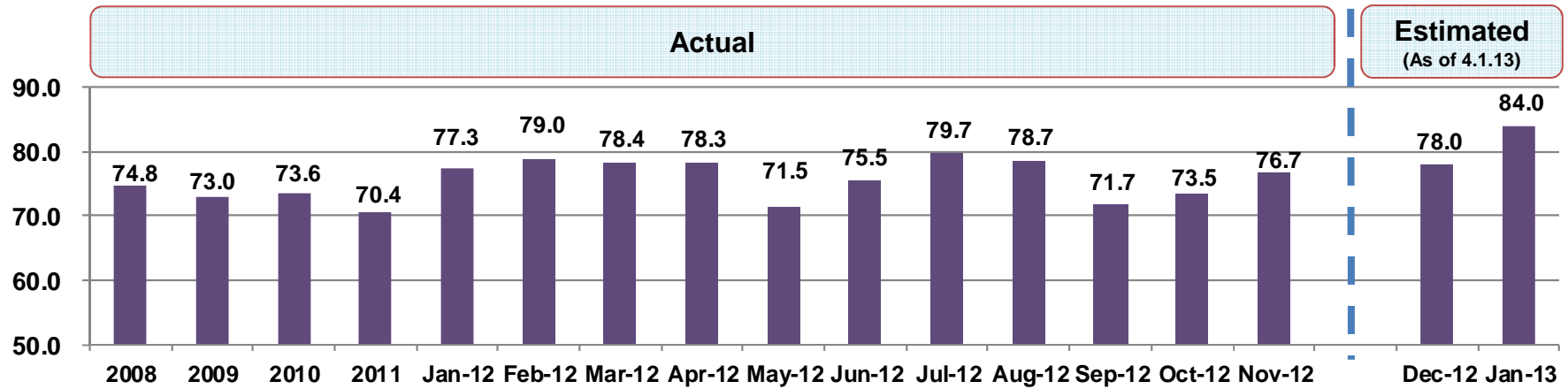


FOREIGN EXCHANGE VOLATILITY
Active short-term derivatives & money conversions

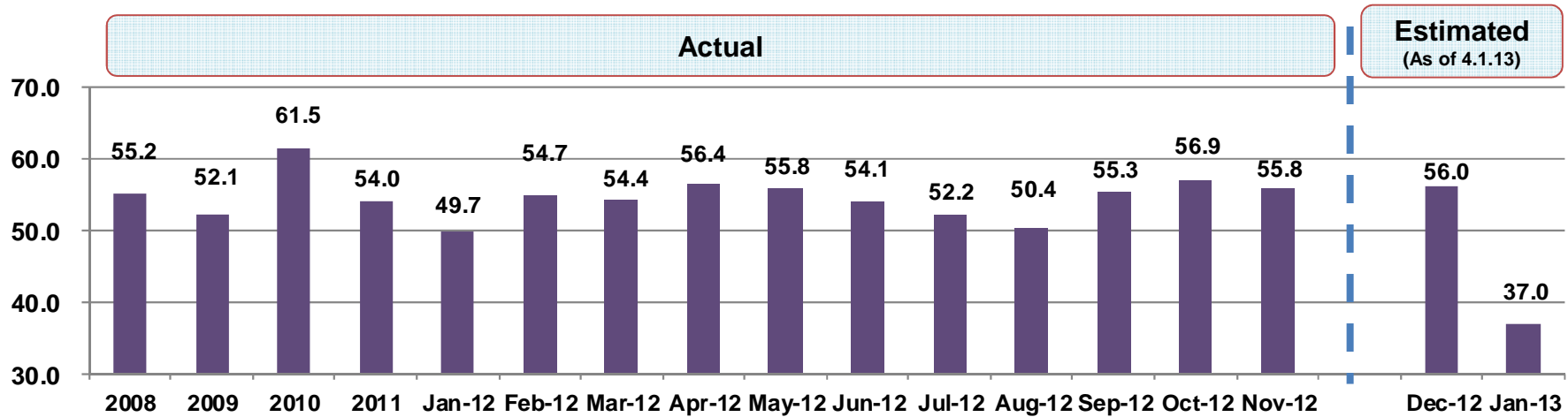




Cabin Factor



Freight Factor





Operating Statistics



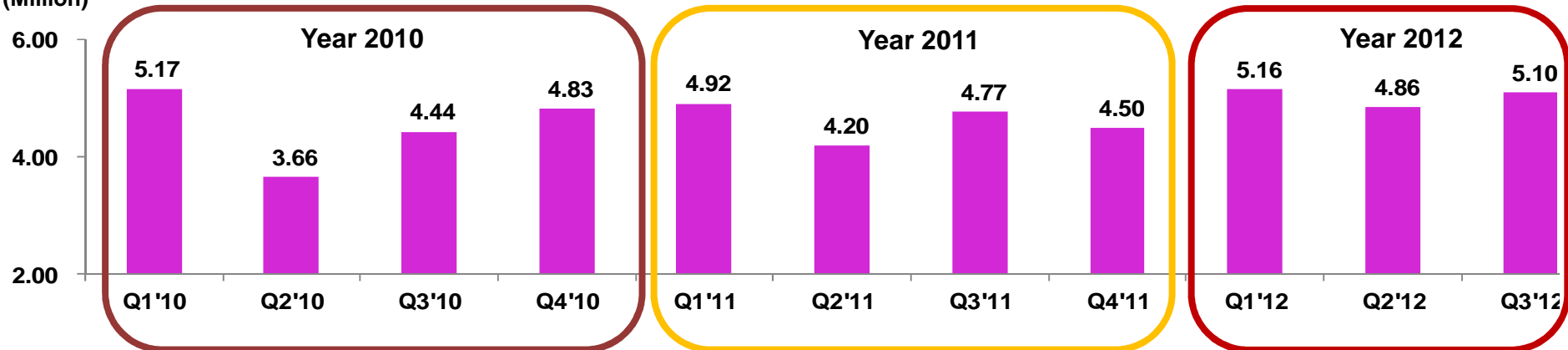


Operating Statistics

Passengers Carried

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

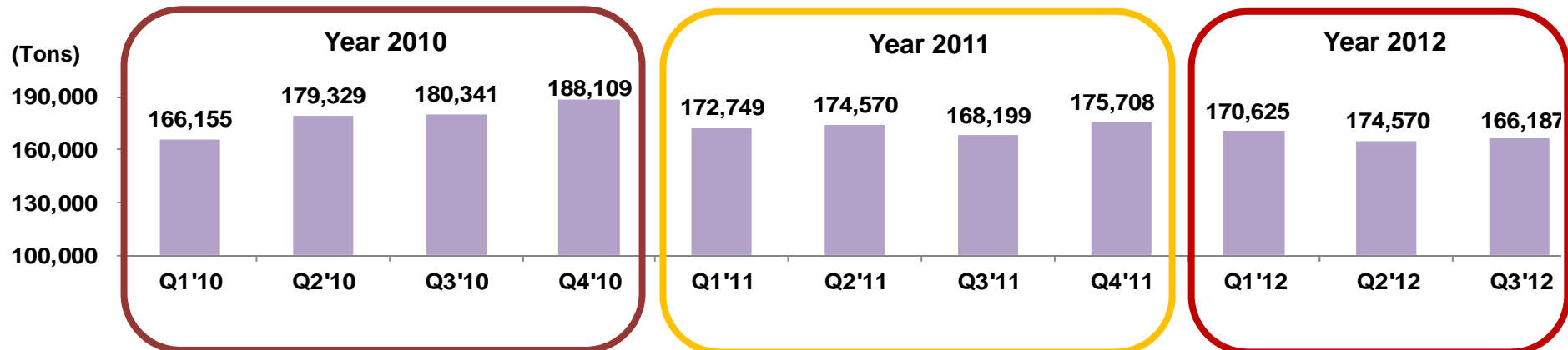
(Million)



Freight Carried

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

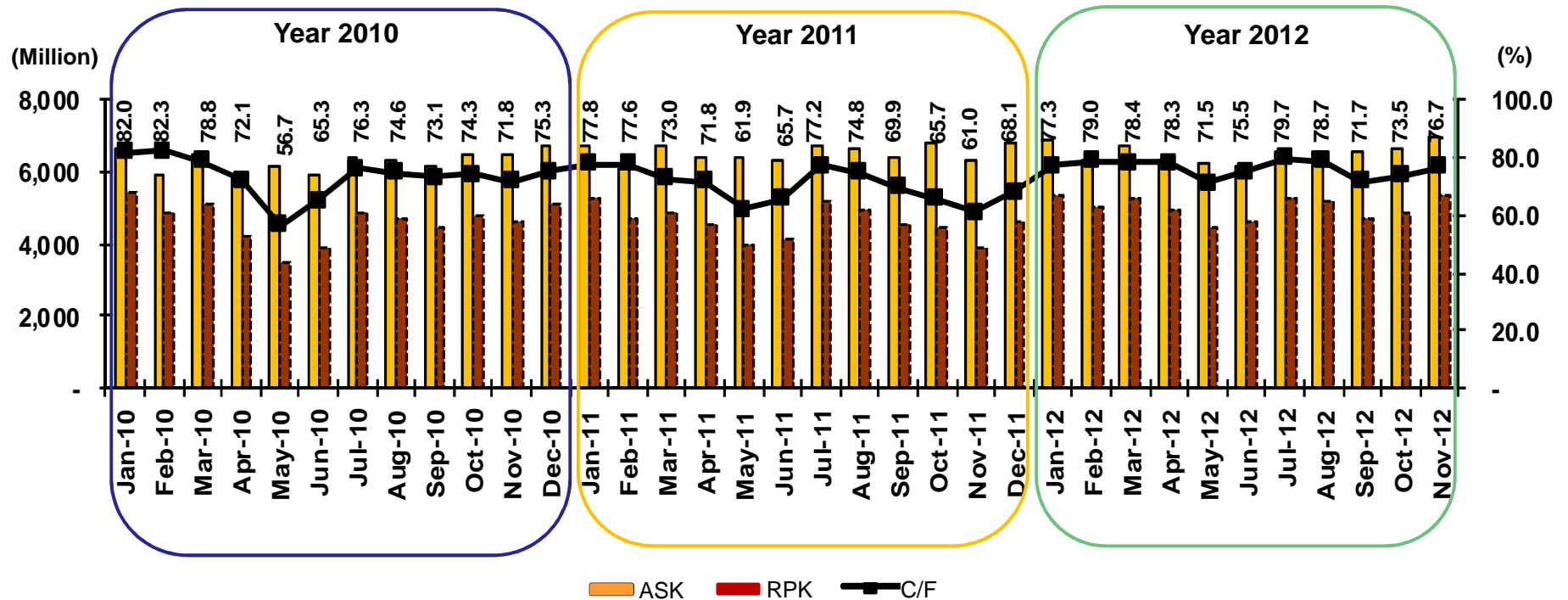
(Tons)





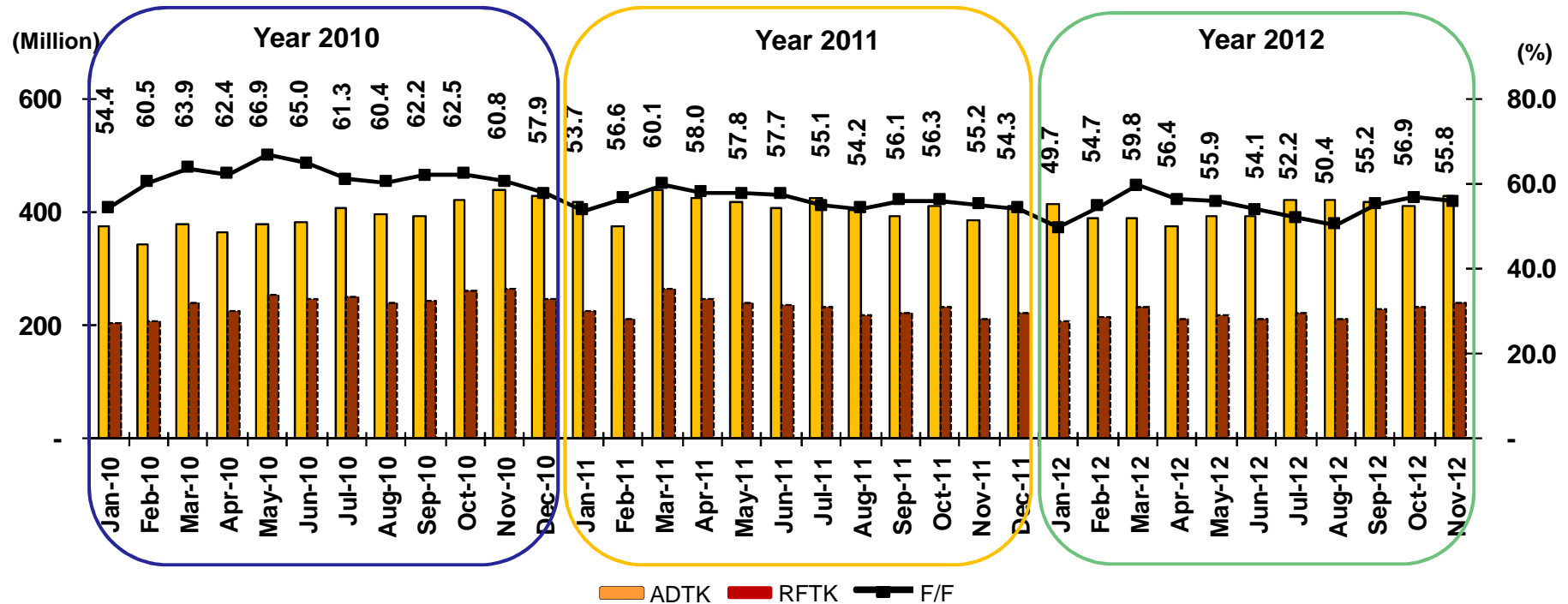
Operating Statistics

Passenger



	YoY (Month)			YoY (Year to date)		
	NOV'12	NOV'11	YoY%	JAN-NOV'12	JAN-NOV'11	YoY%
MASK	6,990	6,357	10.0	72,071	71,726	0.5
MRPK	5,364	3,878	38.3	55,071	50,634	8.8
Cabin factor (%)	76.7	61.0	25.8	76.4	70.6	8.2

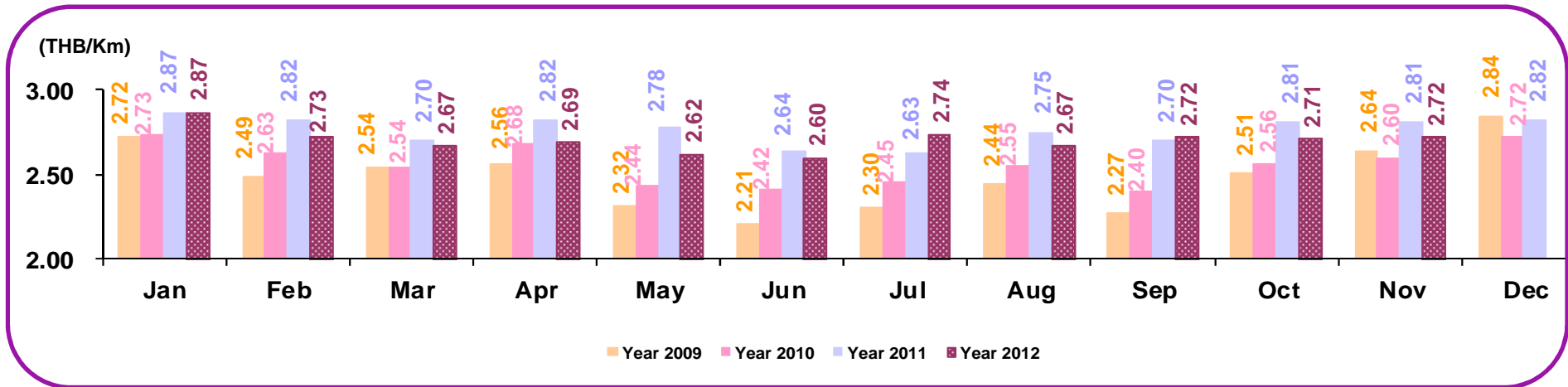
Freight



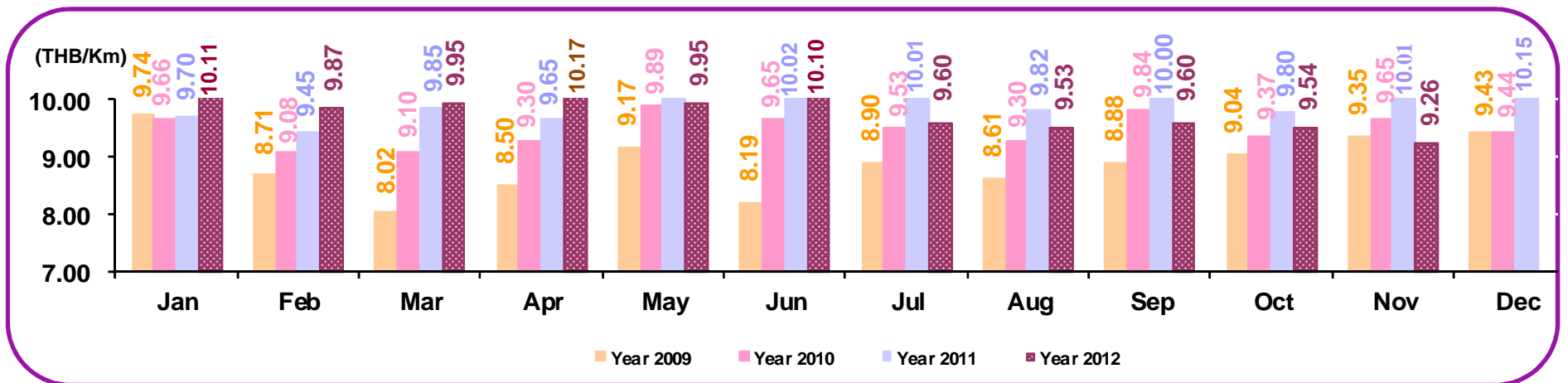
	YoY (Month)			YoY (Year to date)		
	NOV'12	NOV'11	YoY%	JAN-NOV'12	JAN-NOV'11	YoY%
MADTK	428	386	10.9	4,460	4,508	- 1.1
MRFTK	239	213	12.2	2,433	2,543	- 4.3
Freight factor (%)	55.9	55.2	1.3	54.6	56.4	- 3.3



Passenger Yield (Including Fuel Surcharge)



Freight Yield (Including Fuel Surcharge)





Aircraft Utilization

Hours / Day / Aircraft

