

THAI AIRWAYS INTERNATIONAL PCL



Quarter 2/2013 Analyst Briefing



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.



Snapshot



Company	Q2'2013	% Change YoY	H1'2013	% Change YoY
Total Revenue (MTHB)	44,204	-11.3%	107,475	+1.0%
Net Profit (MTHB) (Included FX)	(8,439)	-450.9%	(156)	-104.2%
Assets (MTHB) (As at JUN13)	324,103	+16.8%	324,103	+16.8%



Route & Fleet	
Number of Aircraft (As of 31 AUG 13)	97
Frequency Flights per Week (Effective 31 MAR – 26 OCT 13)	969
Destinations Served (Effective 31 MAR – 26 OCT 13)	75
Countries Served (Effective 31 MAR – 26 OCT 13)	37



Note: Including THAI Smile

Operations Summary

	Unit	Q2'2013			H1'2013		
		2013	2012	% Change YoY	2013	2012	% Change YoY
Passenger Production	MASK	20,907	18,776	+11.3%	41,957	38,729	+8.3%
Passenger Traffic	MRPK	14,733	14,102	+4.5%	31,534	29,707	+6.2%
Cabin Factor	%	70.5	75.1	-6.2%	75.2	76.7	-2.0%
Passenger carried	Million	5.11	4.86	+5.2%	10.79	10.02	+7.7%
Passenger Yield* (Inc. Surcharge)	THB/km	2.55	2.64	-3.4%	2.68	2.70	-0.7%
Freight Production	MADTK	1,200	1,163	+3.2%	2,458	2,360	+4.1%
Freight Traffic	MRFTK	620	645	-3.9%	1,261	1,297	-2.7%
Freight Factor	%	51.7	55.5	-6.8%	51.3	54.9	-6.6%
Freight carried	Tons	159,104	165,147	-3.7%	324,864	335,772	-3.2%

Note: Passenger – sales commission and discount/RPK
Base on RCM report

Financial Performance

Financial Performance

Performance Summary (Q2'2012 & Q2'2013)

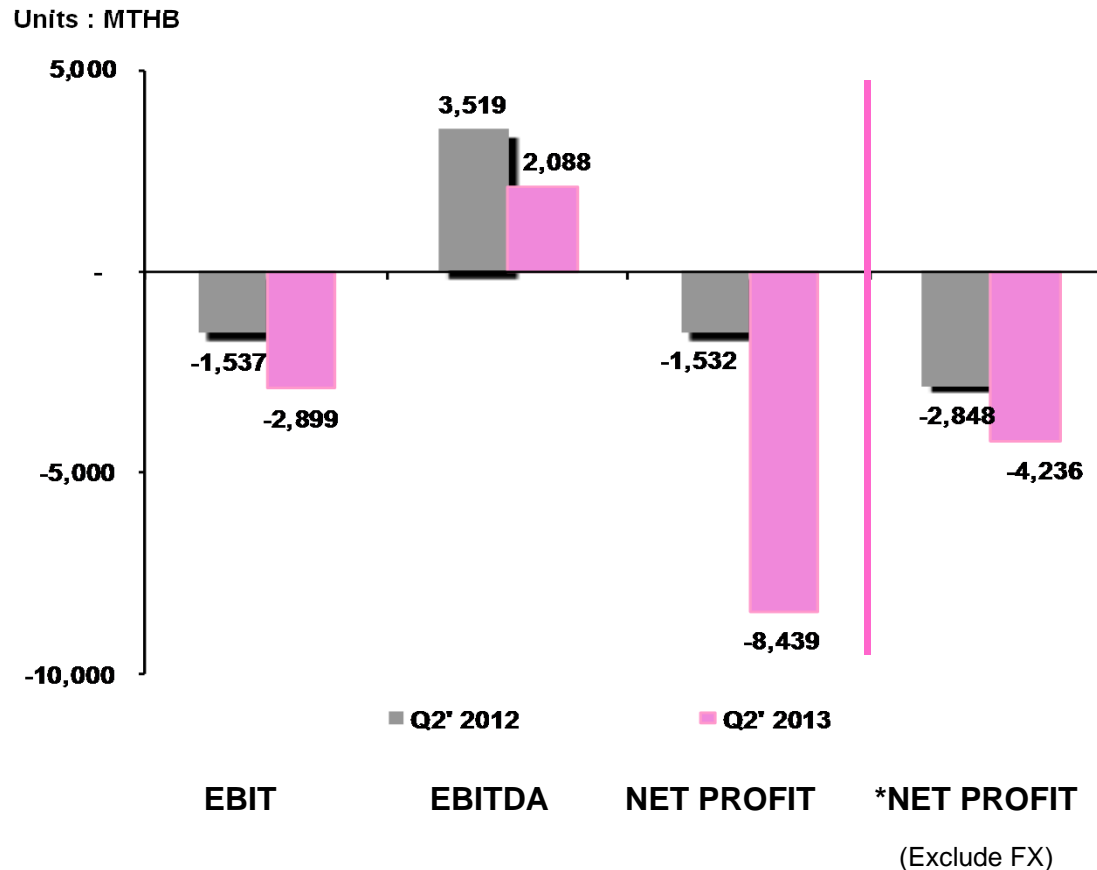
THAI and its subsidiaries

(Units : MTHB)	Q2'2012	Q2'2013
Total Revenue *	48,506	48,407
Total Expense	51,244	53,087
Foreign currency exchange (Loss)	1,316	(4,202)
Loss before income tax expense	(1,422)	(8,882)
Net tax expense (income)	47	(456)
Net profits (loss)	(1,532)	(8,439)

* Excludes Foreign currency exchange

Financial Performance

EBIT, EBITDA and Net Profit (Q2'2012 & Q2'2013)

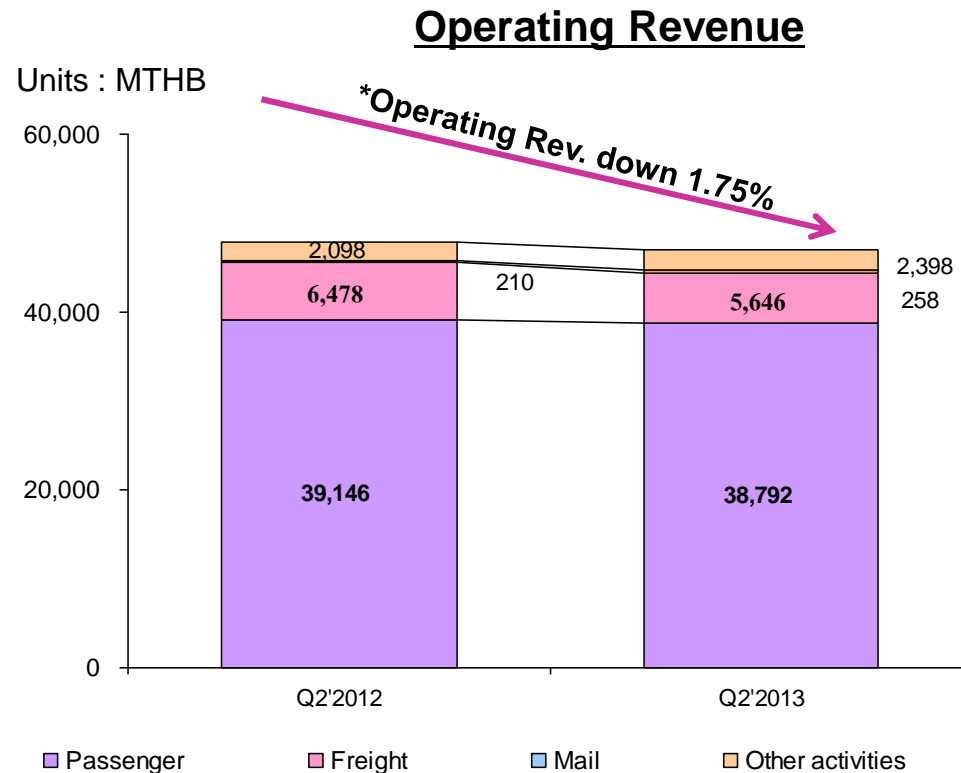


Factors Impacting Q2'2013 Results

- Number of passengers 5.2% higher than last year.
- ASK increased 11.3% while RPK increased 4.5% but Cabin factor decreased 6.2% from the same period last year.
- Aircraft impairment loss 1,332 MTHB for 3 A300-600 and 4 A340-500 aircraft.
- FX Loss 4,203 MTHB from weak Baht.

Financial Performance

Operating / Total Revenue (Q2'2012 & Q2'2013)



Total Revenue

Revenue	% Change	% to Tot. Rev.
Passenger	-0.90	87.76
Freight	-12.85	12.77
Mail	22.87	0.58
Other activities	14.29	5.42
Interest income	20.44	0.31
Other income	20.44	1.03
Profitability on FX	- 419.40	-9.50
Gain on deemed disposal	0.00	1.63
Total Income	- 11.28	100.00

* Exclude Interest income, FX, Other income, Gain on deemed disposal
 - Operating revenue Q1'2012 = 47,932 MTHB
 - Operating revenue Q1'2013 = 47,093 MTHB

Total revenue Q2'2012 = 49,822 MTHB
Total revenue Q2'2013 = 44,204 MTHB

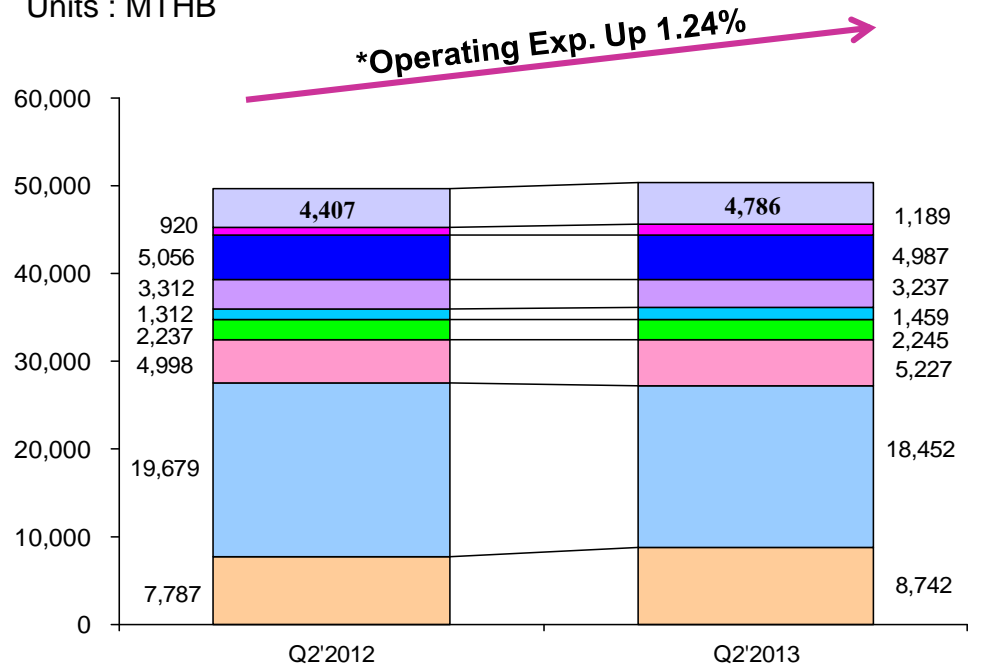
Financial Performance

Operating / Total Expense (Q2'2012 & Q2'2013)

Operating Expense

Total Expense

Units : MTHB



- Personnel
- Fuel and Oil
- Flight Service Expense
- Inventory & Supply
- Crew Expense
- Aircraft Maintenance
- Depreciation
- Lease of a/c
- Other

* Excludes Impairment losses, Finance costs and Share of profits of associates
 - Operating expense Q2'2012 = 49,709 MTHB
 - Operating expense Q2'2013 = 50,325 MTHB

Expense	% Change YoY	% of Tot. Exp.
Personnel expense	12.27	16.47
Fuel and oil	- 6.23	34.76
Flight service expense	4.59	9.85
Inventories and supplies	0.37	4.23
Crew expense	11.22	2.75
Maintenance/overhaul	- 2.27	6.10
Depreciation/amortisation	- 1.37	9.39
Aircraft lease/spare parts	29.20	2.24
Other expense	27.01	14.21
Total Expense	3.60	100.00

Total expense Q2'2012 = 51,244 MTHB
Total expense Q2'2013 = 53,087 MTHB

Financial Performance

Ratios – Q2'2012 & Q2'2013

Ratios	units	Q2'2012	Q2'2013
Earnings Per Share	(THB)	-0.70	-3.87
Book Value per Share	(THB)	30.23	31.00
Price / Book Value	(Times)	0.72	0.79
EBIT	(MTHB)	-1,537	-2,899
EBITDA	(MTHB)	3,519	2,088
IBD to Equity	(Times)	2.1	2.70
Debt Service Coverage*	(Times)	0.8	0.40
Interest Coverage	(Times)	2.45	1.37
Operating Profit Margin	(%)	-3.2	-6.2
Net Profit Margin	(%)	-3.1	-17.9

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

Financial Performance

Performance Summary (1H'2012 & 1H'2013)

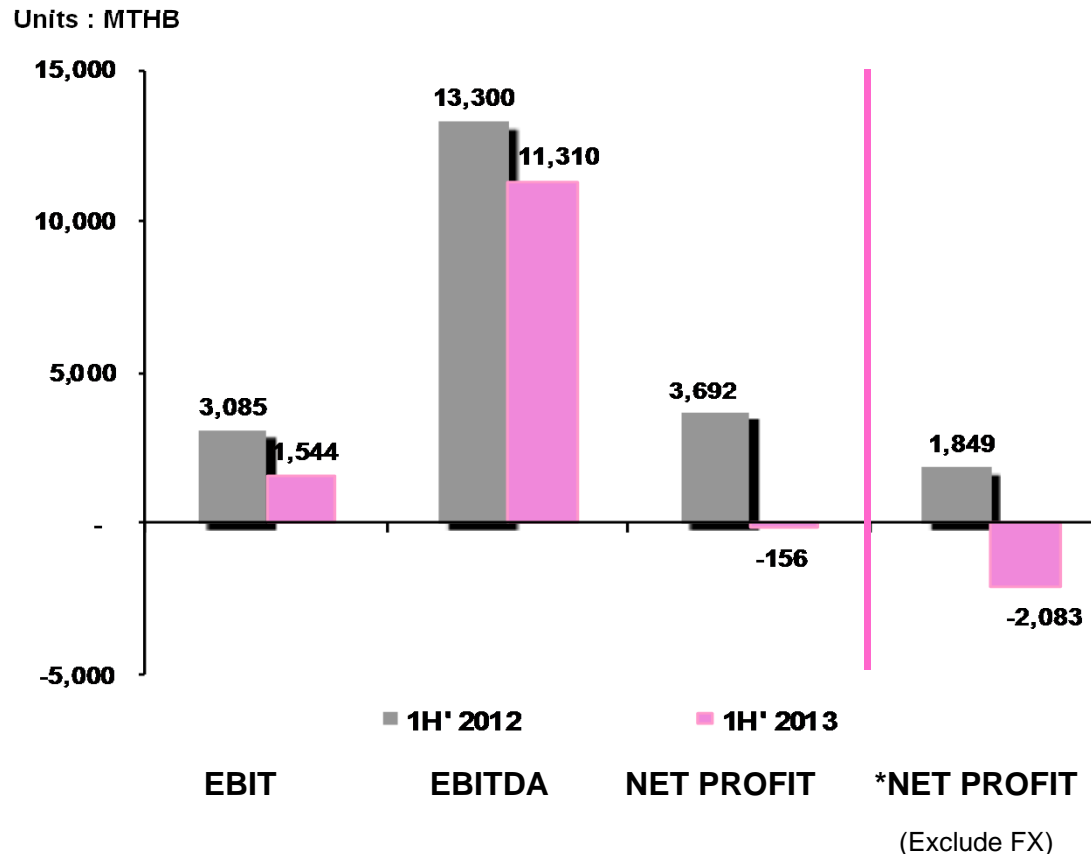
THAI and its subsidiaries

(Units : MTHB)	1H'2012	1H'2013
Total Revenue *	104,595	105,548
Total Expense	102,419	108,325
Foreign currency exchange (Loss)	1,843	1,927
Loss before income tax expense	4,019	(850)
Net tax expense (income)	247	(719)
Net profits (loss)	3,692	(156)

* Excludes Foreign currency exchange

Financial Performance

EBIT, EBITDA and Net Profit (1H'2012 & 1H'2013)

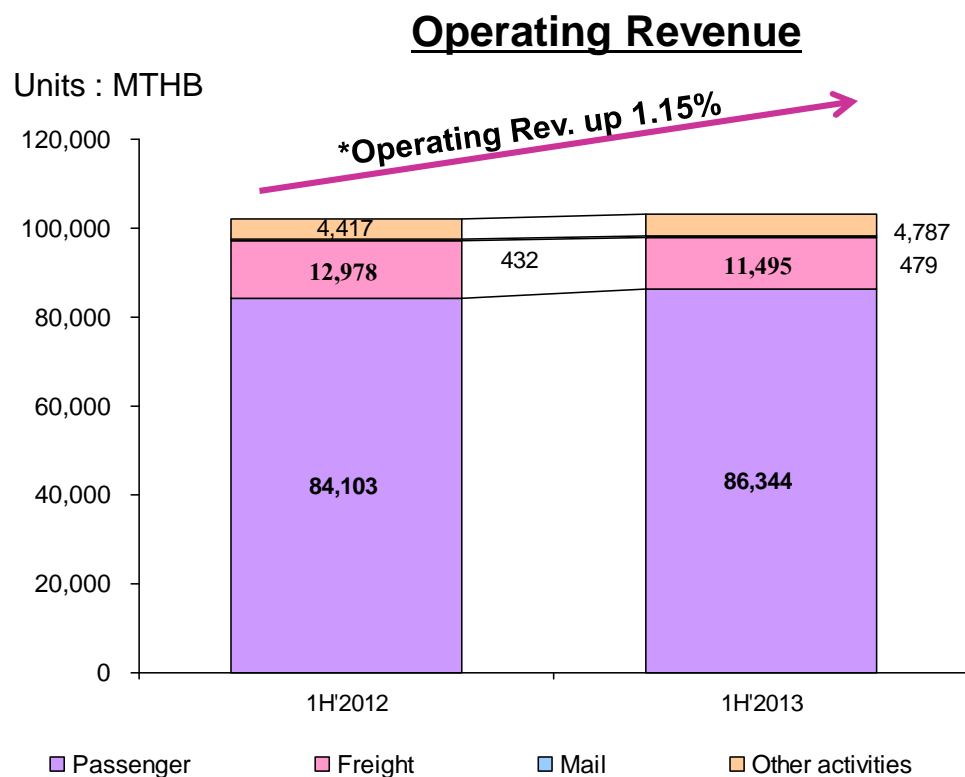


Factors Impacting 1H'2013 Results

- Number of passengers higher than last year by 7.8%
- ASK increased 8.3% while RPK increased 6.2% but Cabin factor decreased 2% from the same period last year.
- Aircraft Impairment loss 3,592 MTHB for 3 A300-600 and 4 A340-500 aircraft
- Net FX Gain 1,927 MTHB from Baht strength.
- Special ticket price campaign to simulate travel demand.

Financial Performance

Operating / Total Revenue (1H'2012 & 1H'2013)



* Exclude Interest income, FX, Other income, Profitability on business acquisition, Gain on reclassified investment, Gain on deemed disposal
 - Operating revenue 1H'2012 = 106,438 MTHB
 - Operating revenue 1H'2013 = 107,475 MTHB

Total Revenue

Revenue	% Change	% to Tot. Rev.
Passenger	2.66	80.34
Freight	-11.43	10.70
Mail	10.82	0.45
Other activities	8.39	4.45
Interest income	10.16	0.24
Other income	37.62	1.08
Profitability on FX	4.53	1.79
Gain on deemed disposal	0.00	0.67
Profitability on business acquisition	0.00	0.00
Gain on reclassified investment	0.00	0.28
Total Income	11.75	100.00
Total revenue 1H'2012 = 106,438 MTHB		
Total revenue 1H'2013 = 107,475 MTHB		

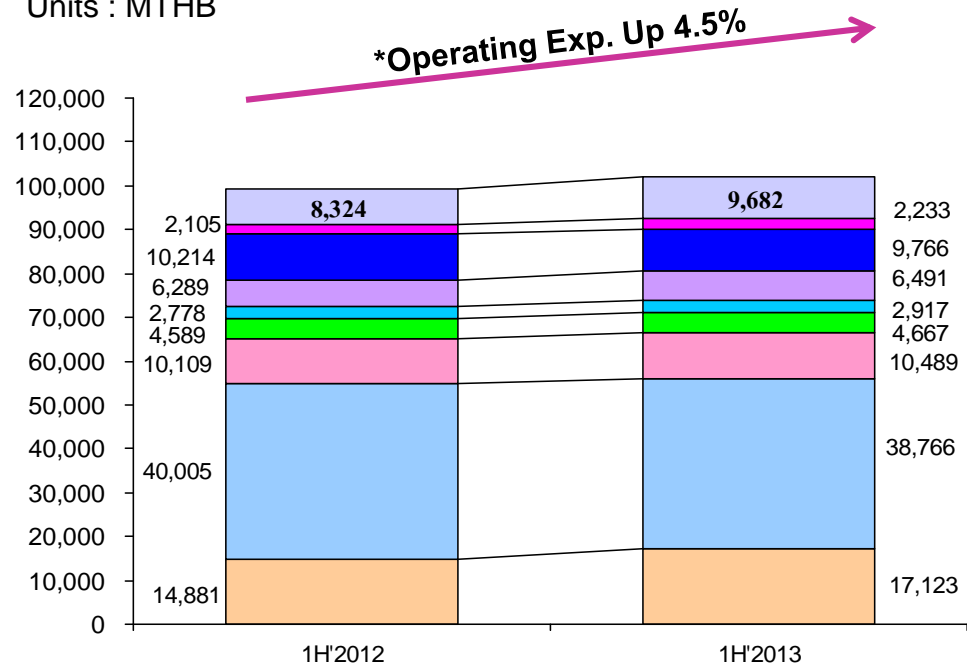
Financial Performance

Operating / Total Expense (1H'2012 & 1H'2013)

Operating Expense

Total Expense

Units : MTHB



- Personnel
- Fuel and Oil
- Flight Service Expense
- Inventory & Supply
- Crew Expense
- Aircraft Maintenance
- Depreciation
- Lease of a/c
- Other

* Excludes Impairment losses, Finance costs and Share of profits of associates
 - Operating expense 1H'2012 = 99,296 MTHB
 - Operating expense 1H'2013 = 102,136 MTHB

Expense	% Change YoY	% of Tot. Exp.
Personnel expense	15.06	15.81
Fuel and oil	- 3.10	35.79
Flight service expense	3.76	9.68
Inventories and supplies	1.70	4.31
Crew expense	5.01	2.69
Maintenance/overhaul	3.21	5.99
Depreciation/amortisation	- 4.39	9.02
Aircraft lease/spare parts	6.08	2.06
Other expense	38.65	14.65
Total Expense	5.77	100.00

Total expense 1H'2012 = 102,419 MTHB
Total expense 1H'2013 = 108,325 MTHB

Financial Performance

Ratios – 1H'2012 & 1H'2013

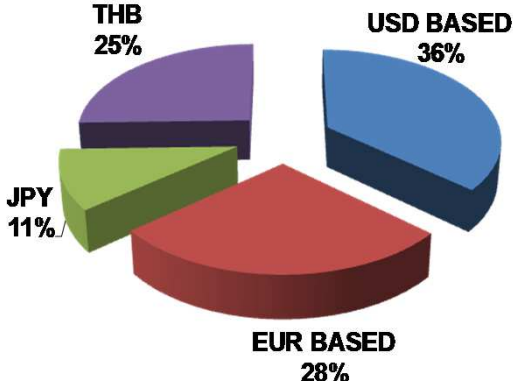
Ratios	units	1H'2012	1H'2013
Earnings Per Share	(THB)	1.69	-0.07
Book Value per Share	(THB)	30.23	31
Price / Book Value	(Times)	0.72	0.79
EBIT	(MTHB)	3,085	1,544
EBITDA	(MTHB)	13,300	11,310
IBD to Equity	(Times)	2.1	2.7
Debt Service Coverage*	(Times)	1.3	0.9
Interest Coverage	(Times)	4.6	3.9
Operating Profit Margin	(%)	3.0	1.5
Net Profit Margin	(%)	3.7	-0.1

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

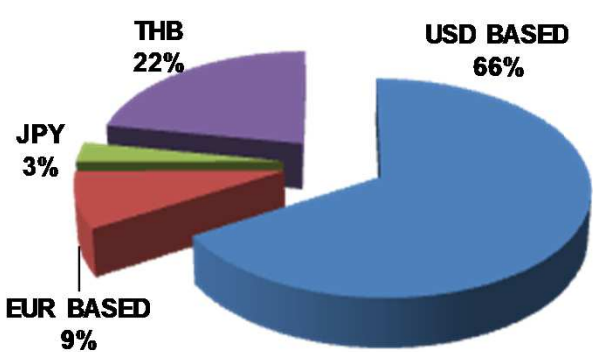
Currency Break down

Foreign Currency Exposure (As of Year 2012)

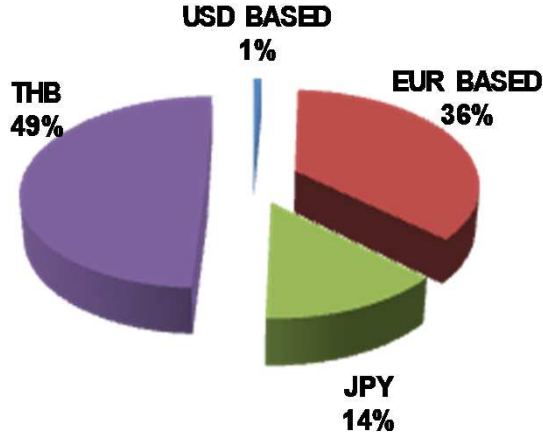
Revenue



Expense



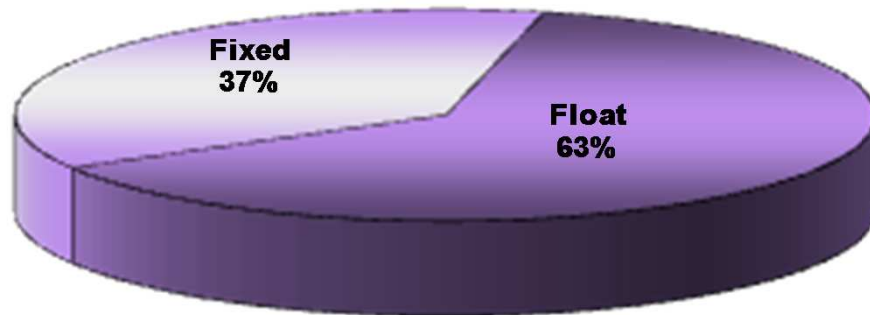
Outstanding loan



Debt Structure

Proportion of Fixed and Float (As of JUN 2013)

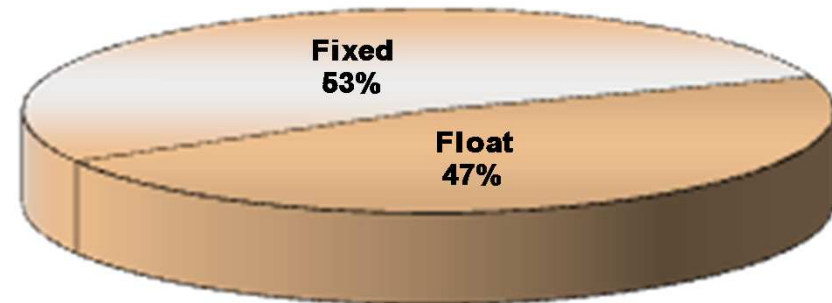
Before Swap



Percentage of TOTAL
(TOTAL = 179,631 MTHB)

Cost of funding = 3.05%

After Swap



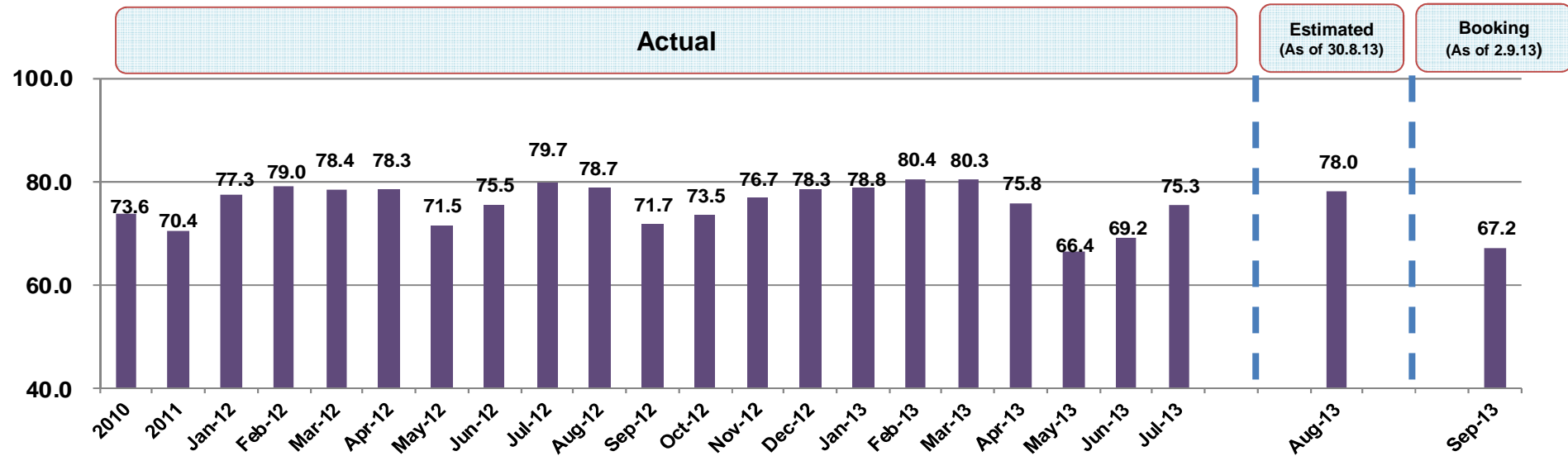
Percentage of TOTAL
(TOTAL = 179,059 MTHB)

Cost of funding = 3.20%

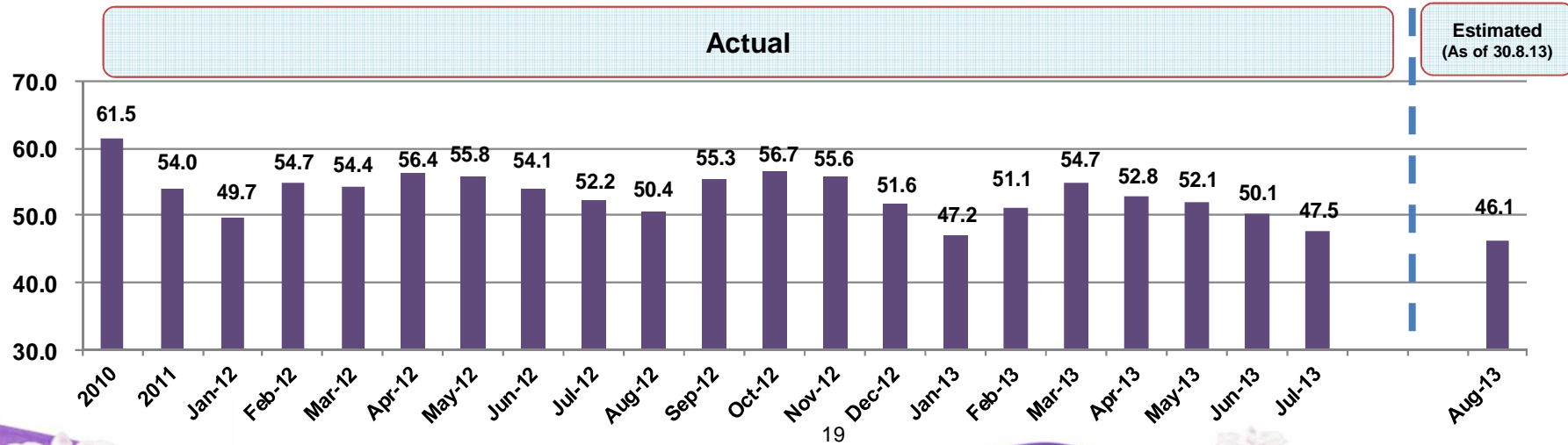
Looking ahead

Looking Ahead

Cabin Factor (%)



Freight Factor (%)



Company Facts

Current Fleet

Current Fleet: 97 Aircraft*

43% of O **36% of FL** **21% of OL**
 O=Owned FL=Financial lease OL=Operating lease



(Note: Approximately)

As of 31 AUG 13

Aircraft Type	Version	# of Aircraft	# of Seat				Financial Method
			First	Business	Economy	Total	
A300-600	36R3	5	N.A.	28	232	260	5 O
A340-600	3461	6	8	60	199	267	6 FL
A330-300	3302	12	N.A.	42	263	305	10 O, 15 FL ,2 OL
	3303	8	N.A.	36	263	299	
	3304	7	N.A.	36	263	299	
A320-200	3201	2	N.A.	N.A.	174	174	6 OL
	3202	4	N.A.	N.A.	174	174	
A380-800	3801	4	12	60	435	507	4 FL
B737-400	7341	5	N.A.	12	137	149	2 O, 3 OL
B747-400	7442	1	14	50	325	389	12 O, 4 FL
	7443	2	10	40	325	375	
	7444	6	10	40	325	375	
	7445	5	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	6	N.A.	34	330	364	6 O
B777-300 ER	7739	1	8	30	274	312	8 OL
	77B1	7	N.A.	42	306	348	
Total		97	71	610	4,891	5,572	41 O, 35 FL, 21 OL

s Department

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) (FEB/AUG/NOV)	3 (FL)	-	-	14
A330-300	3 (FL) (FEB/SEP/OCT)	2 (FL) (JAN/MAY)	-	-	-	-	5
A350-900	-	-	-	-	2 (OL) R	2 (FL) I 6 (OL) R	10
B787-9	-	-	-	-	-	2 (OL)	2
B787-8	-	-	4 (OL) (MAY/AUG/ OCT/NOV)	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) (JAN/FEB/ MAY/JUN// SEP/OCT/NOV)	3 (FL)	-	-	20
TOTAL	12	17	14	8	2	10	63
Average Fleet Age*	10.3	9.3	8.3	8.0	8.6	7.6	8.7

* Based on Leased A320
As at 30 JUN 2013

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

Aircraft Delivered

Aircraft Type (No. of Aircraft)	Delivered (As of AUG 2013)	Currently in Fleet (As of AUG 2013)
Airbus 330-300	2 (FL)	27
Airbus 380-800	1 (FL)	4
Boeing 777-300ER	5 (OL)	8









Phase Out Plan

PHASE-OUT PLAN	2012	2013	2014	2015	2016	2017	TOTAL
B747-400	-	4	-	-	-	2	6
B777-300ER (Jet Airways)	-	5	-	-	-	-	5
A340-500	4 (MAY)	-	-	-	-	-	4
B777-200	-	-	-	-	-	4	4
A330-300	-	-	2	6	2	2	12
A300-600	2 (MAR)	4	5	-	-	-	11
B737-400	3* (JUL/JUL/OCT)	1*	2	1	-	2	9
ATR-72	-	2*	-	-	-	-	2
TOTAL	9	16	9	7	2	10	53

*Return from Nok Air

As at 30 JUN 2013

Phased Out

	Aircraft Type (No. of Aircraft)	Pending for Sale in Y2013	Return to Lessor in Y2013	Currently in Fleet
	Airbus 300-600	4	-	5
	Airbus 340-500*	4	-	-
	Boeing 737-400**	4	-	5
	Boeing 747-400	2	-	16 (Inc. Freighters)
	Boeing 777-300ER	-	4	8
	ATR 72**	2	-	-

* 3 of A340-500 out of service in year 2012

** Returned from Nok Air (3 of B737-400 returned from year 2012)

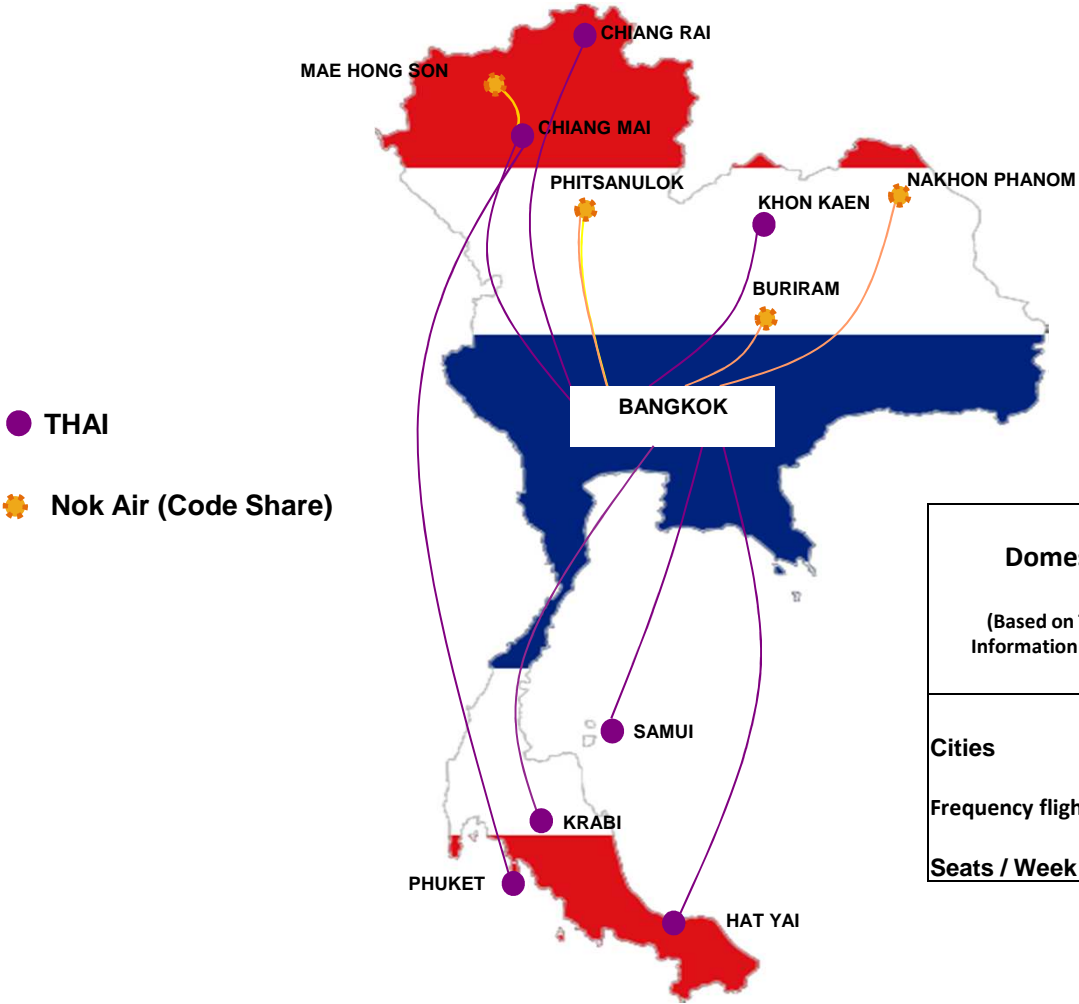
THAI's Route Network

World Route Network



THAI's Route Network

Domestic Route Network



Domestic Route (Based on Traffic Program Information Summer Issue 2)	31 MAR 2013 to 26 OCT 2013	25 MAR 2012 to 27 OCT 2012
Cities	7	10
Frequency flight / Week	215	277
Seats / Week	112,371	134,495



THAI Smile Fleet Plan & Route Network

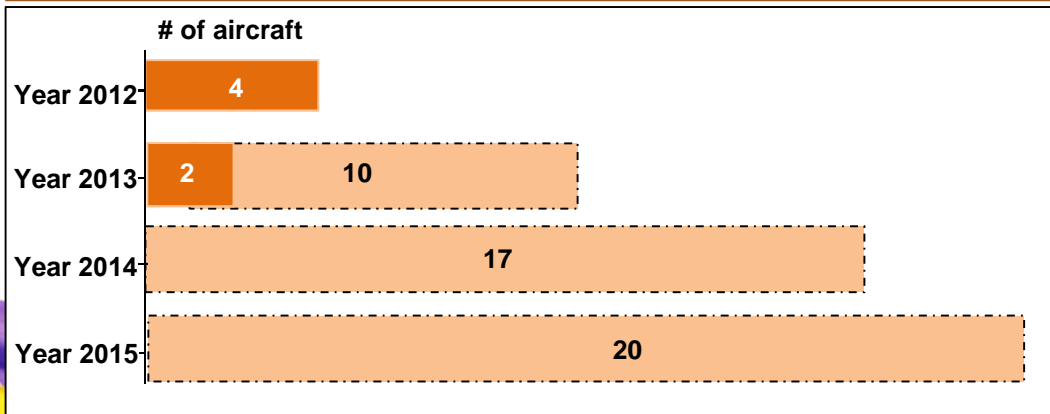


THAI Smile based at Suvarnabhumi Airport
Operates in domestic and regional secondary routes
and synchronize with TG network.

FREQUENCY*	DESTINATION	
14 Flights / week	Bangkok - Macau	V.V.
5 Flights / week	Bangkok - Mandalay	V.V.
21 Flights / week	Bangkok - Udon Thani	V.V.
17 Flights / week	Bangkok - Phuket	V.V.
14 Flights / week	Bangkok - Surat Thani	V.V.
14 Flights / week	Bangkok - Krabi	V.V.
14 Flights / week	Bangkok - Ubon Ratchathani	V.V.
7 Flights / week	Bangkok - Chiang Mai	V.V.
2 Flights / week	Bangkok - Ahmedabad	V.V.
7 Flights / week	Chiang Mai - Phuket	V.V.
2 Flights / week	Bangkok - Ahmedabad	V.V.
2 Flights / week	Phuket - New Delhi	V.V.
2 Flights / week	Phuket - Mumbai	V.V.

Currently 6 aircrafts Airbus 320-200 (As at 30 JUN 2013)

Fleet Plan (2012-2015)



International & Domestic Route*	Total
Countries	5
Cities	12
Frequency / Week	123

*Note: Based on Traffic Program Information Summer 2013 Issue 2
Effective : 31 MAR - 26 OCT 2013



Bangkok-Sendai v.v.

- 3 flights/week
(Effective: December 03, 2013 onwards)



Bangkok-Chongqing v.v.

- 3 flights/week
(Effective: October 27, 2013 onwards)

Bangkok-Changsha v.v.

- 3 flights/week
(Effective: October 27, 2013 – January 15, 2014)
- 5 flights/week
(Effective: January 16, 2014 onwards)

Nok Air Route Network

14 Aircrafts

(As at 30 JUN 2013)

12 of Boeing 737-800

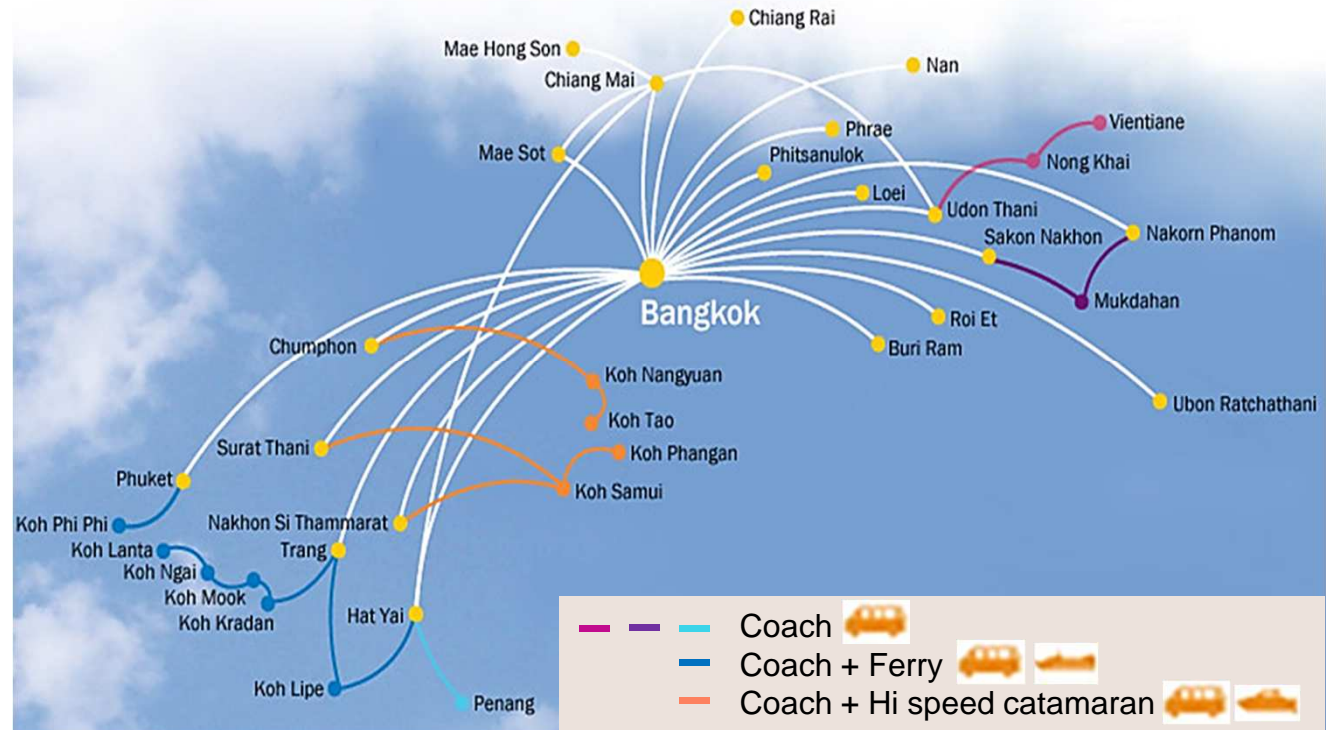


2 of ATR 72-500











Route	Total
As at 30 JUN 2013	Domestic
Cities	20
Freq./Week	455

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



TG's Proportion of Shareholding
39.2%

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				# 13-17: Completed APR 2013 # 18: By SEP 2013
B777-200	8				# 1-8: Completed JUN 2013



B747-400 Improved seats & new PTV in all classes

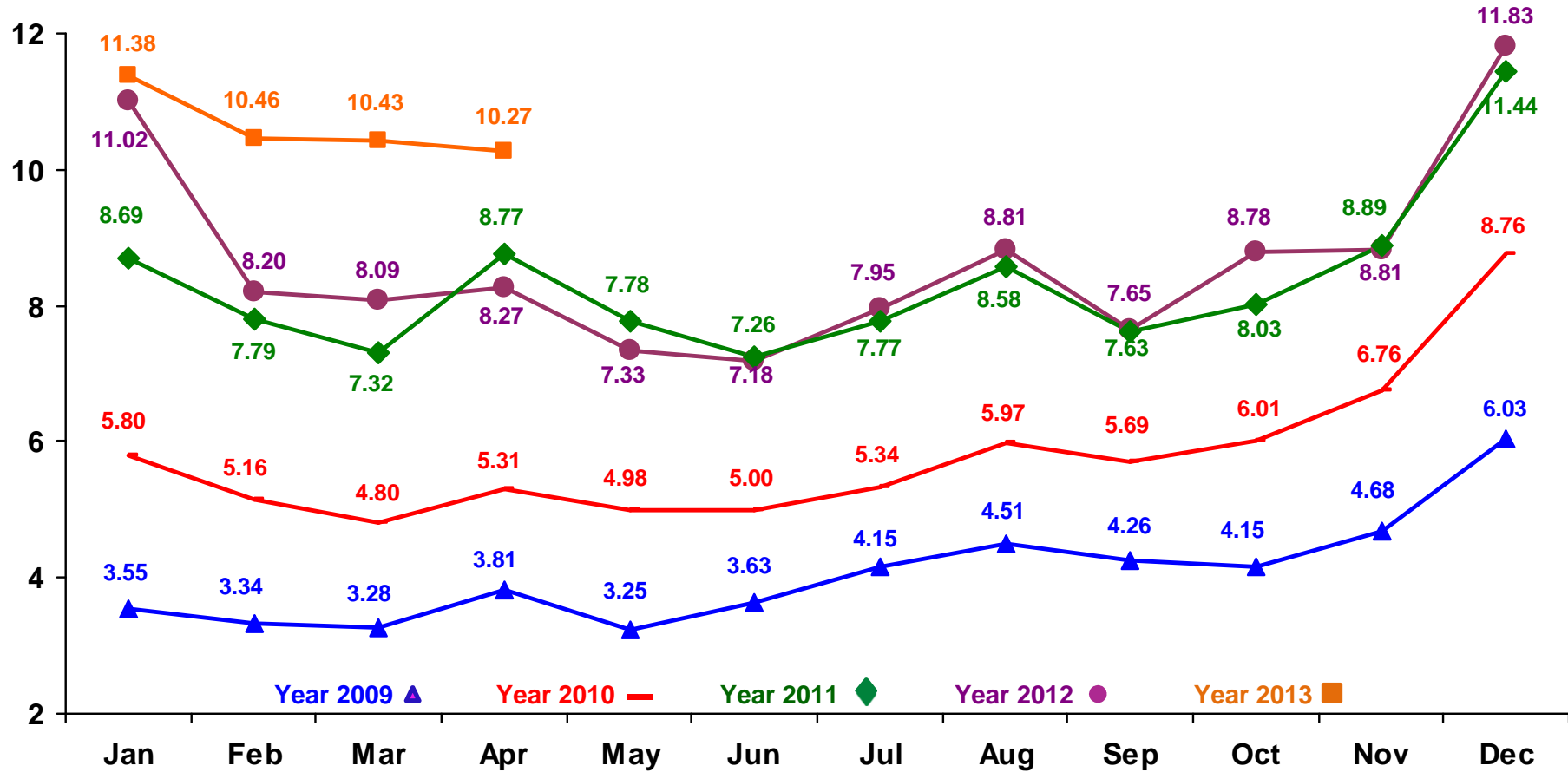


B777-200 Installed in seat VDO in Y class

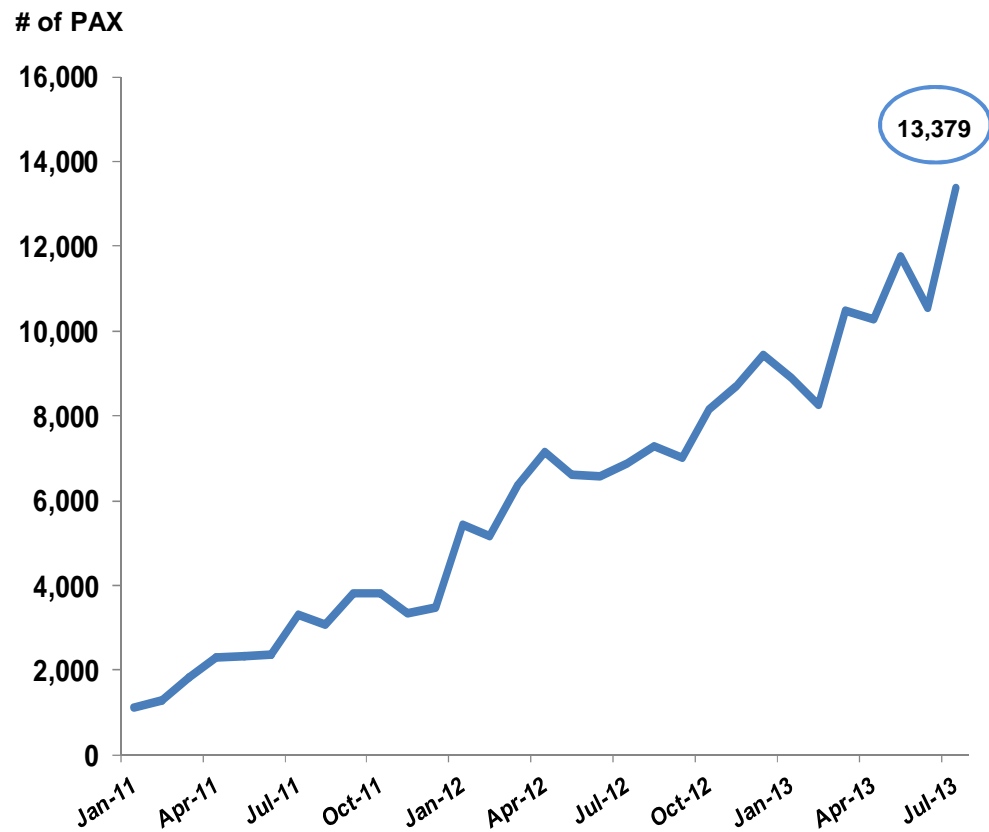
Internet Sales

Ticket Sales Via Internet

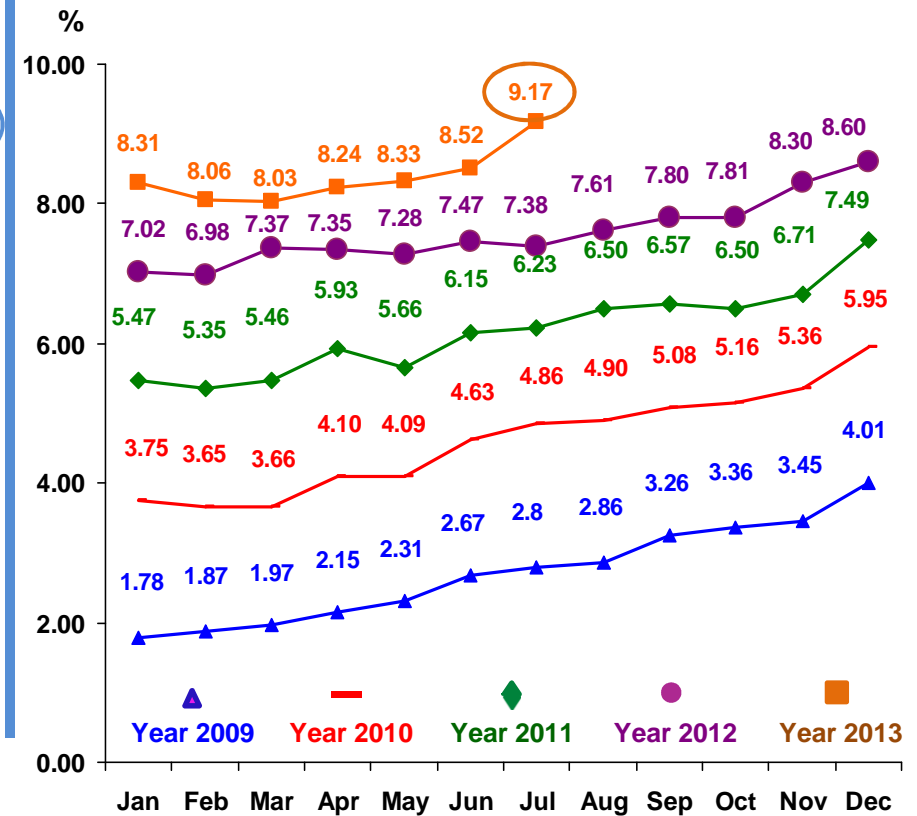
% of Sales



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



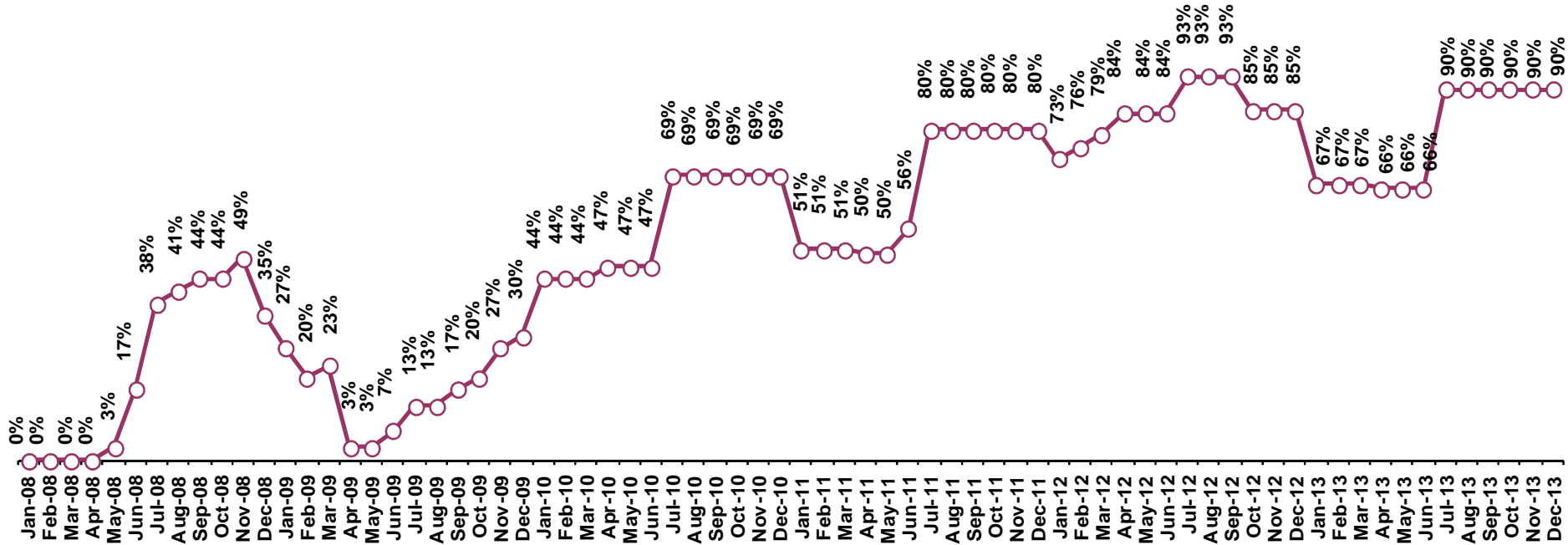
Check-in via Internet



Fuel Management

Hedging combined with fuel surcharge greatly mitigates fuel price fluctuation risk

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

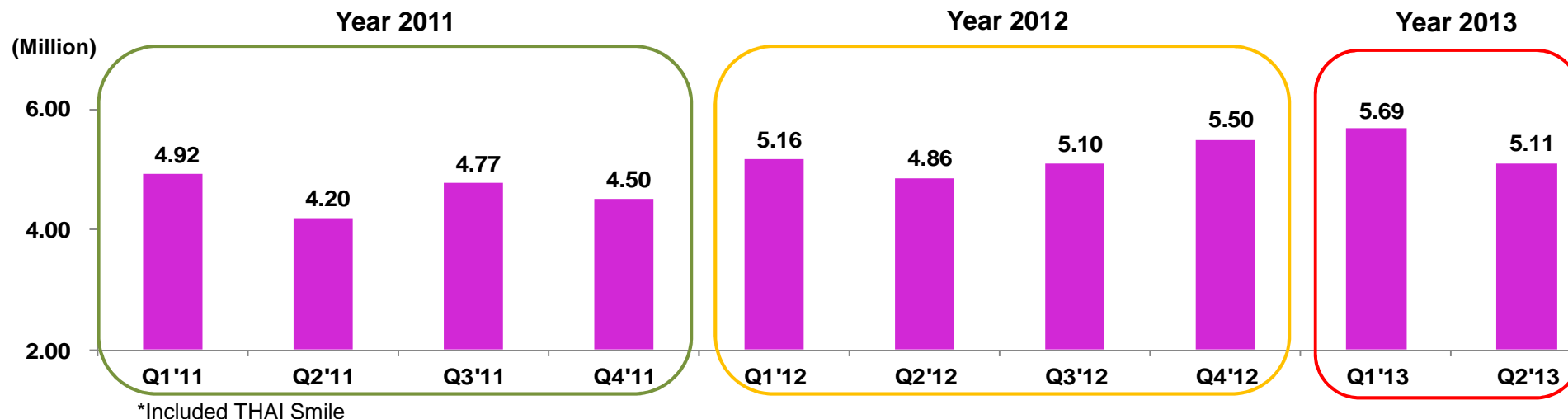


Operating Statistics

Operating Statistics

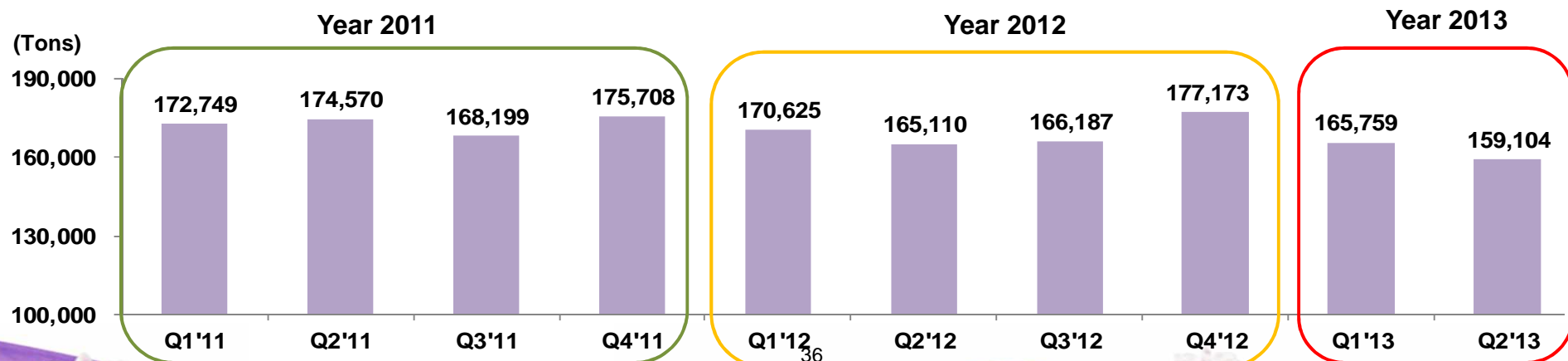
Passengers Carried*

Q2'13 = 5.11 million (Increased 5.2% YoY)



Freight Carried

Q2'13 = 159,104 tons (Decreased 3.7% YoY)

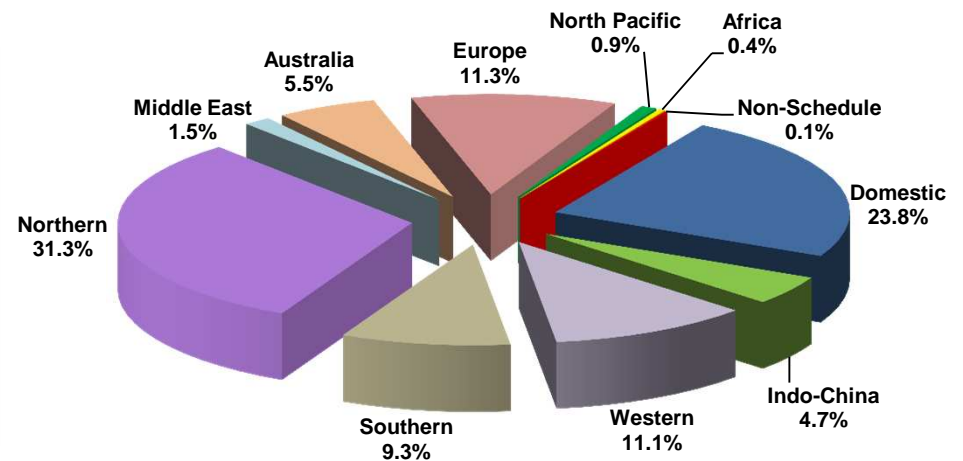
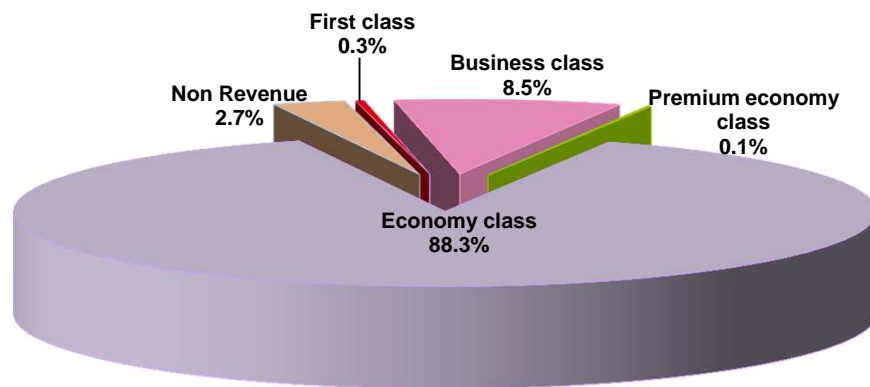


THAI's NO. of PAX

By Class

By Area

Quarter 2'2013



Total passengers for Quarter 2'2013 = 4.77 million

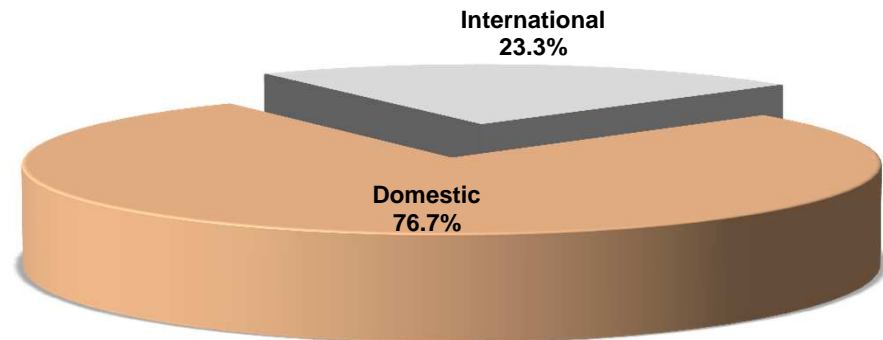
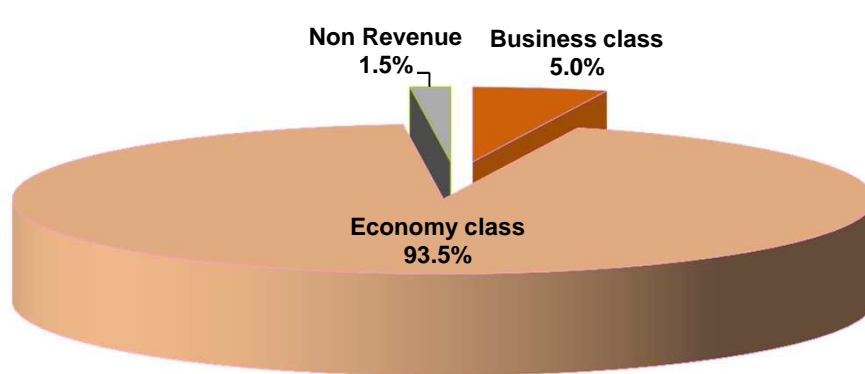
Total passengers for Quarter 2'2012 = 4.86 million

THAI Smile's NO. of PAX

By Class

By Area

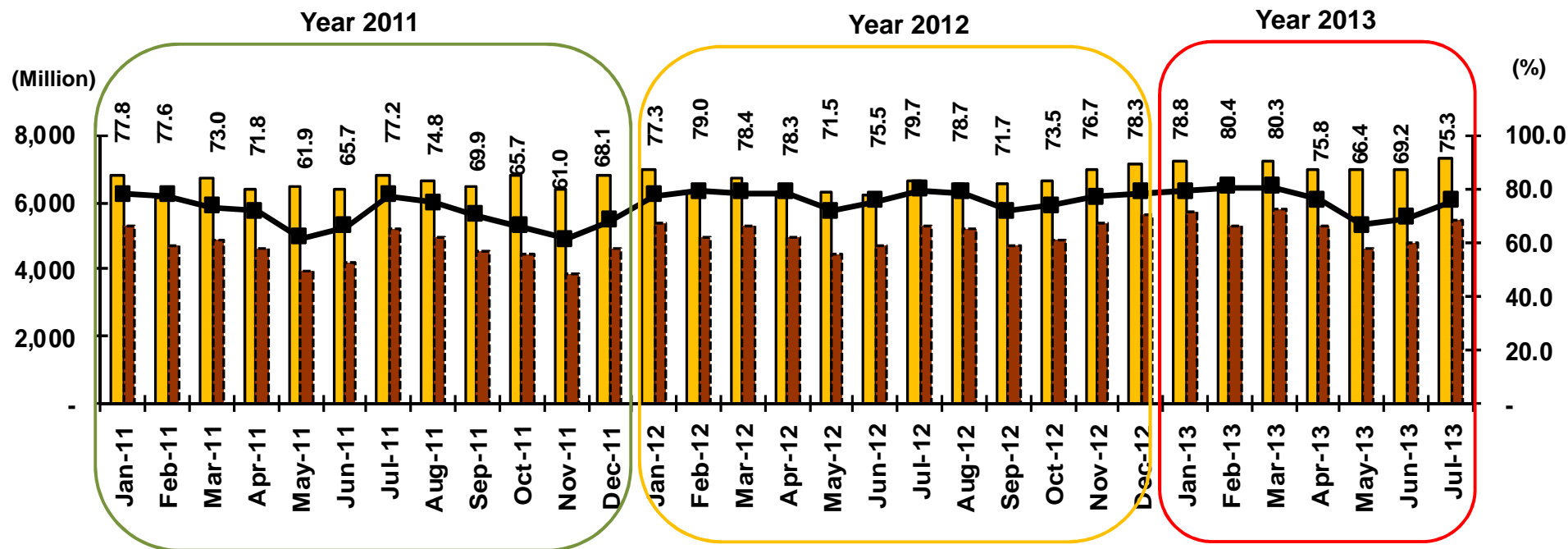
Quarter 2'2013



Total passengers for Quarter 2'2013 = 341,817

Operating Statistics

Passenger*

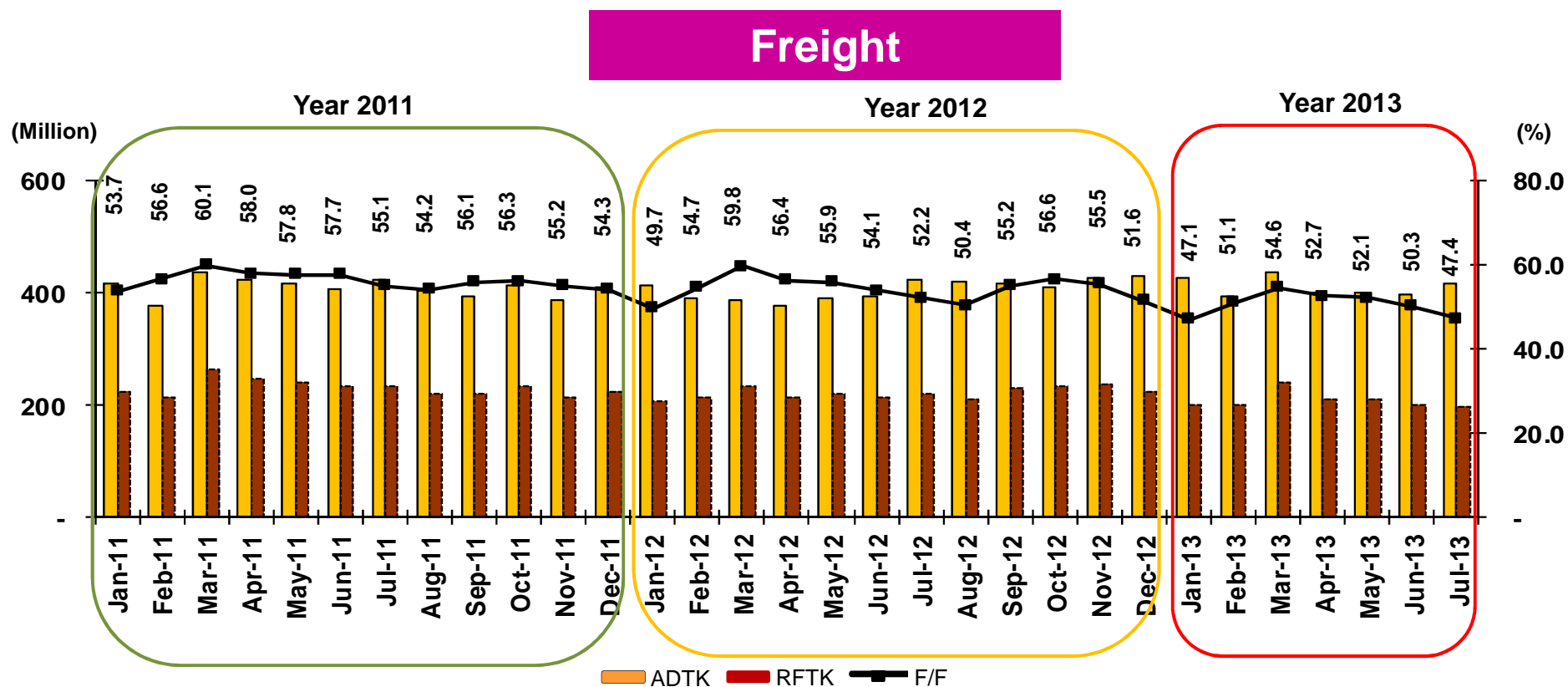


*Included THAI Smile

ASK RPK C/F

	YoY (Month)			YoY (Year to date)		
	JUL'13	JUL'12	YoY%	JAN-JUL'13	JAN-JUL'12	YoY%
MASK	7,287	6,605	10.3	49,244	45,334	8.6
MRPK	5,486	5,263	4.2	37,020	34,970	5.9
Cabin factor (%)	75.3	79.7	- 5.5	75.2	77.1	- 2.5

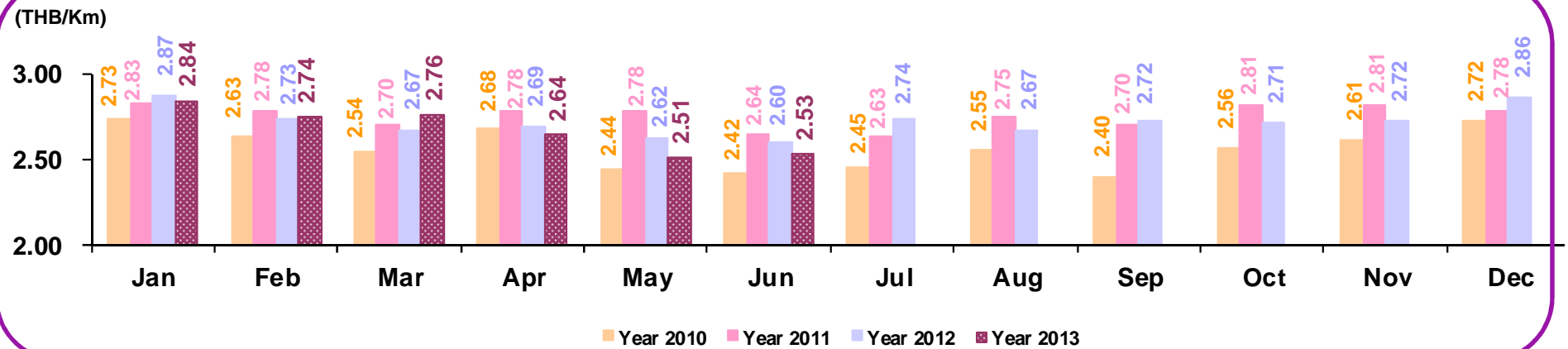
Operating Statistics



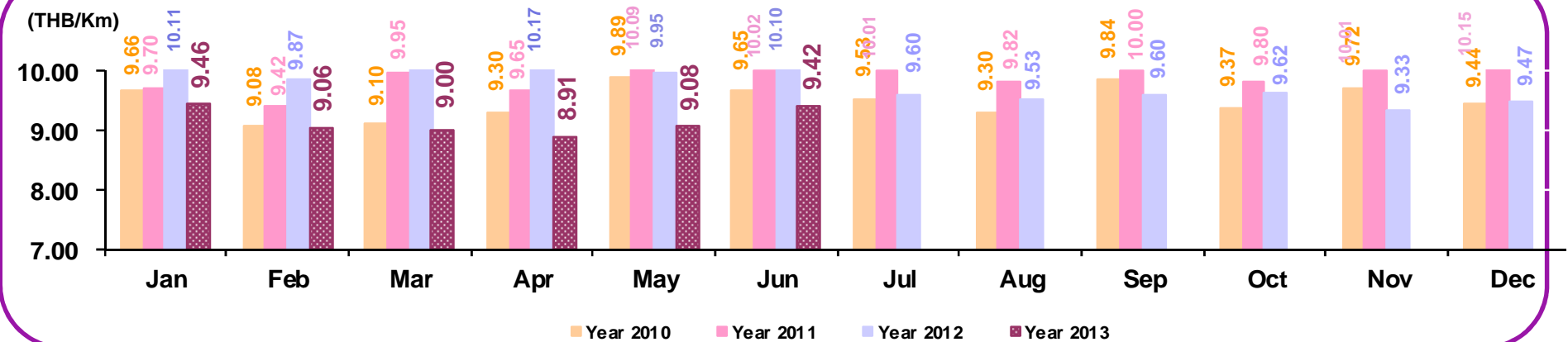
	YoY (Month)			YoY (Year to date)		
	JUL'13	JUL'12	YoY%	JAN-JUL'13	JAN-JUL'12	YoY%
MADTK	417	423	- 1.3	2,876	2,783	3.3
MRFTK	198	221	- 10.5	1,459	1,517	- 3.8
Freight factor (%)	47.4	52.2	- 9.3	50.7	54.5	- 6.9

Operating Statistics

Passenger Yield (Including Fuel Surcharge)



Freight Yield (Including Fuel Surcharge)



Note: Yield 2012 is passenger - sales commission and discount/RPK
Based on RCM report

Aircraft Utilization

Aircraft Utilization

Hours / Day / Aircraft

