

THAI AIRWAYS INTERNATIONAL PCL

Q1'2014

(Updated on May 20, 2014)



<http://www.thaiairways.com/about-thai/investor-relations/en/investor.html>

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.

Operations Summary

	Unit	Year 2013			Q1'2014		
		2012	2013	% Change YoY	2013	2014	% Change YoY
Passenger Production	MASK	20,774	22,241	+7.1%	21,051	20,934	-0.6%
Passenger Traffic	MRPK	15,843	15,795	-0.3%	16,802	14,677	-12.6%
Cabin Factor	%	76.3	71.0	-6.9%	79.8	70.1	-12.2%
Passenger carried	Million	5.50	5.31	-3.4%	5.69	4.81	-15.4%
Passenger Yield* (Inc. Surcharge)	THB/km	2.73	2.69	-1.6%	2.78	2.75	-1.1%
Freight Production	MADTK	1,271	1,316	+3.5%	1,258	1,213	-3.6%
Freight Traffic	MRFTK	693	700	+1.0%	641	629	-1.8%
Freight Factor	%	54.5	53.2	-2.6%	50.9	51.9	+1.9%
Freight carried	Tons	177,173	176,261	-0.5%	165,759	158,155	-4.6%
Freight Yield (Inc. Surcharge)	THB/km	9.36	9.18	-1.9%	9.16	9.29	+1.4%

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

Financial Performance

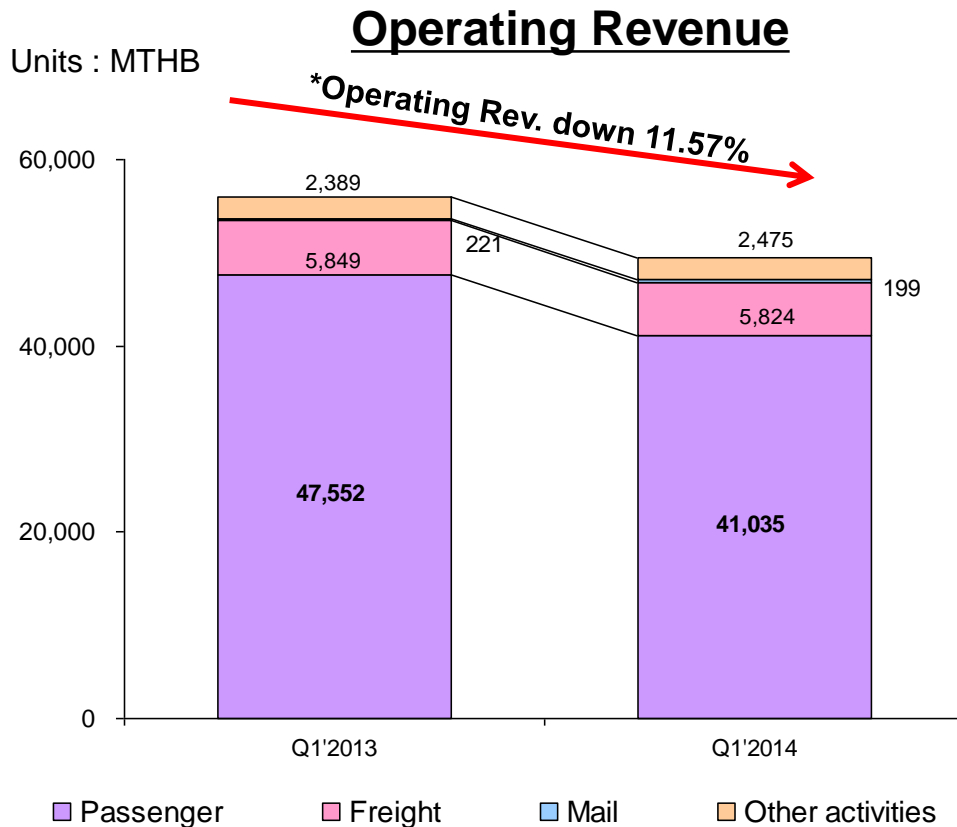
Performance Summary (Q1'2013 & Q1'2014)

THAI and its subsidiaries

(Units : MTHB)	Q1'2013	Q1'2014	%Change
Total Revenue	63,271	50,972	- 19.44
Total Expense	55,239	53,353	- 3.41
Gain (loss) of Foreign currency exchange	6,129	990	- 83.85
Profit (loss) before Income Tax Expense	8,032	-2,381	- 129.64
Net tax expense (Income)	-263	238	- 190.49
Net profit (loss)	8,283	-2,634	-132

Financial Performance

Operating / Total Revenue (Q1'2013 & Q1'2014)



Total Revenue

Revenue	% Change	% of Total Revenue
Passenger	- 13.71	80.51
Freight	- 0.42	11.43
Mail	- 10.17	0.39
Other activities	3.57	4.85
Interest income	- 40.05	0.14
Profit(loss) on FX	- 83.85	1.94
Gain on reclassified investment	- 100.00	0.00
Other income	- 47.00	0.74
Total Revenue	- 19.44	100.00

* Exclude Interest income Profit on FX and Other income

- Operating revenue Q1'2013 = 56,012 MTHB
- Operating revenue Q1'2014 = 49,533 MTHB

Total revenue Q1'2013 = 63,271 MTHB
Total revenue Q1'2014 = 50,972 MTHB

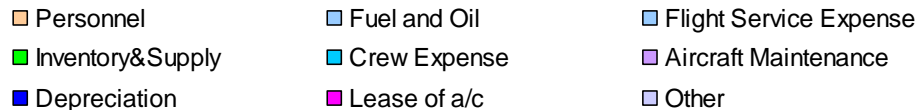
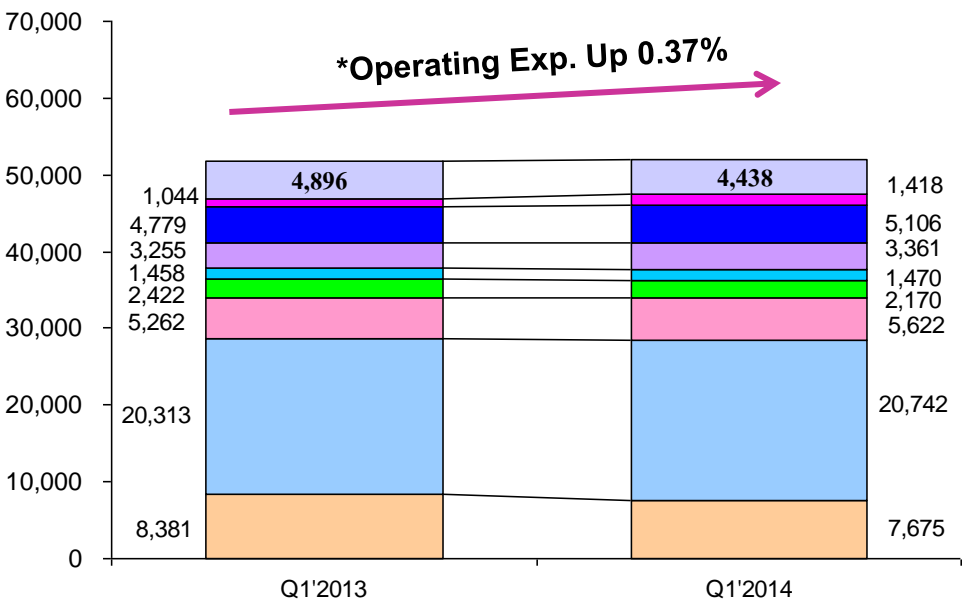
Financial Performance

Operating / Total Expense (Q1'2013 & Q1'2014)

Operating Expense

Total Expense

Units : MTHB



Expense	% Change YoY	% of Tot. Exp.
Personnel expense	- 8.42	14.39
Fuel and oil	2.11	38.88
Flight service expense	6.83	10.53
Inventories and supplies	- 10.39	4.06
Crew expense	0.87	2.76
Maintenance/overhaul	3.28	6.30
Depreciation/amortisation	6.84	9.57
Aircraft lease/spare parts	35.81	2.66
Other expense	- 30.48	10.85
Total Expense	- 3.41	100.00

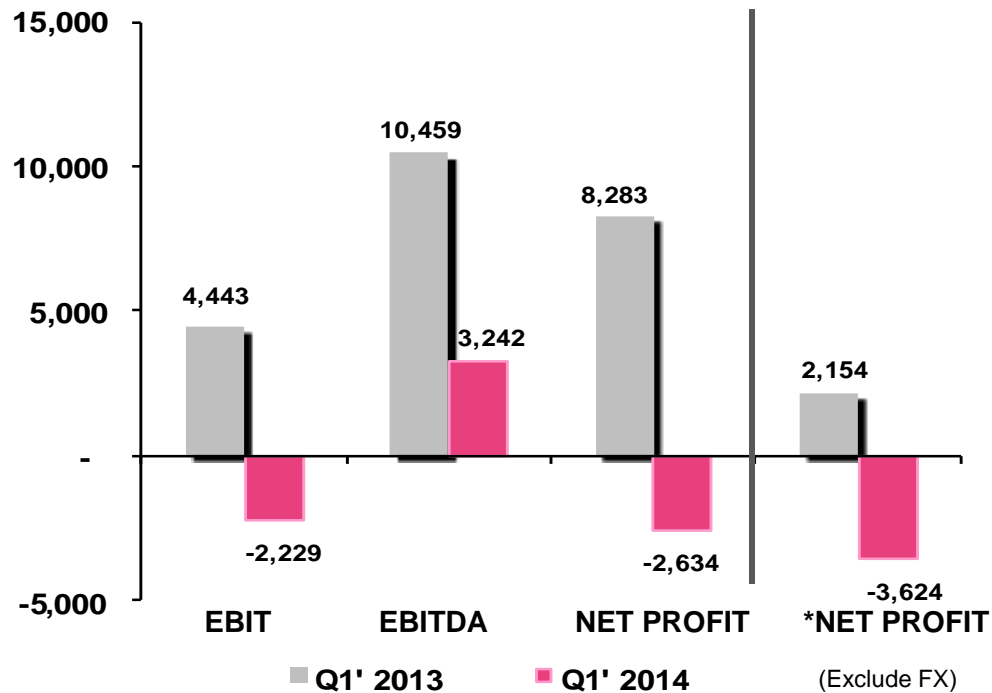
* Excludes Impairment losses, Finance costs and Share of profits of associates

- Operating expense Q1'2013 = 51,810 MTHB
- Operating expense Q1'2014 = 52,004 MTHB

Total expense Q1'2013 = 55,239 MTHB
Total expense Q1'2014 = 53,353 MTHB

EBIT, EBITDA and Net Profit (Q1'2013 & Q1'2014)

Units : MTHB



Factors Impacting Q1'2014 Results

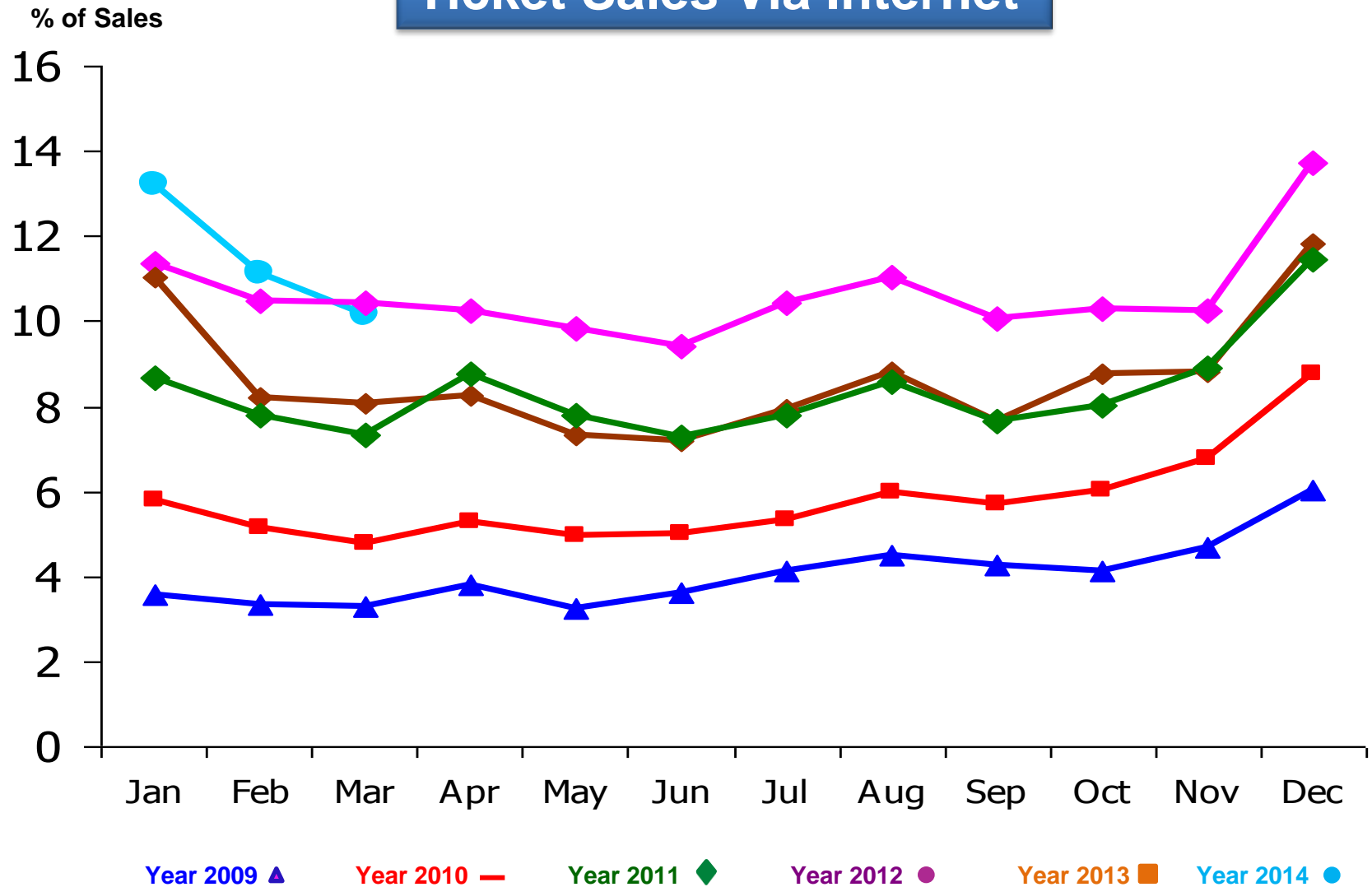
- Number of passengers decreased 15.4% the same period last year.
- ASK decreased 0.6% the same period last year.
- RPK decreased 12.6% the same period last year.
- Cabin factor decreased 12.2% from the same period last year.
- FX gain 990 MTHB from strength Baht.

Ratios – Q1'2013 & Q1'2014

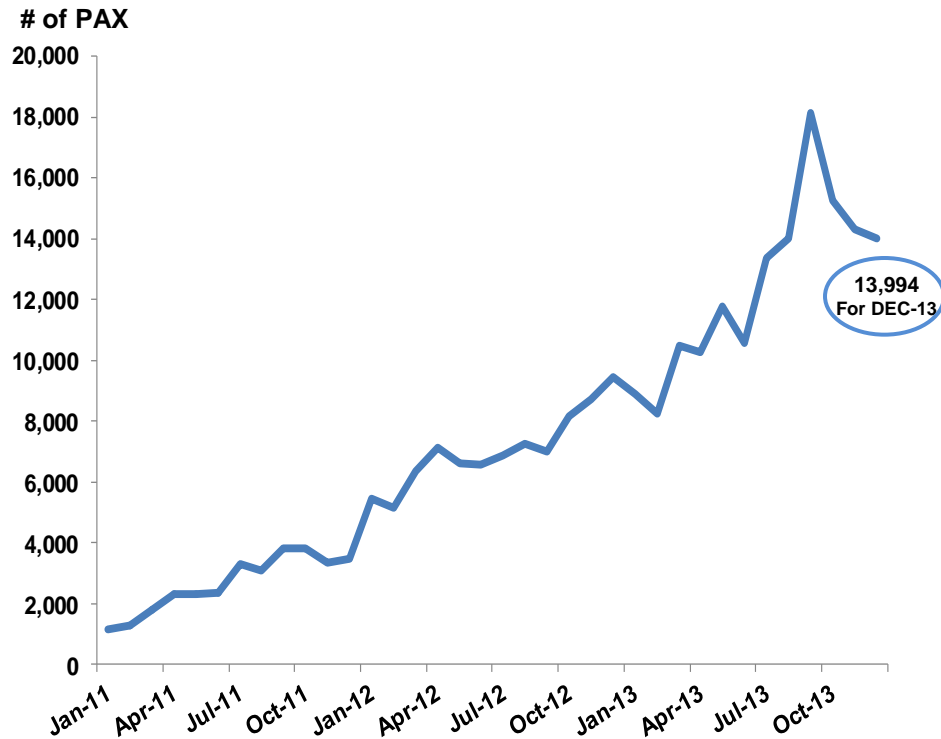
Ratios	units	Q1'2013	Q1'2014
Earnings Per Share	(THB)	3.79	-1.21
Book Value per Share	(THB)	35.26	24.83
Price / Book Value	(Times)	0.81	0.56
EBIT	(MTHB)	4,443	-2,229
EBITDA	(MTHB)	10,459	3,242
IBD to Equity	(Times)	2.0	3.4
Debt Service Coverage*	(Times)	1.5	0.6
Interest Coverage	(Times)	7.4	2.3
Operating Profit Margin	(%)	7.9	-4.5
Net Profit Margin	(%)	14.8	-5.3

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

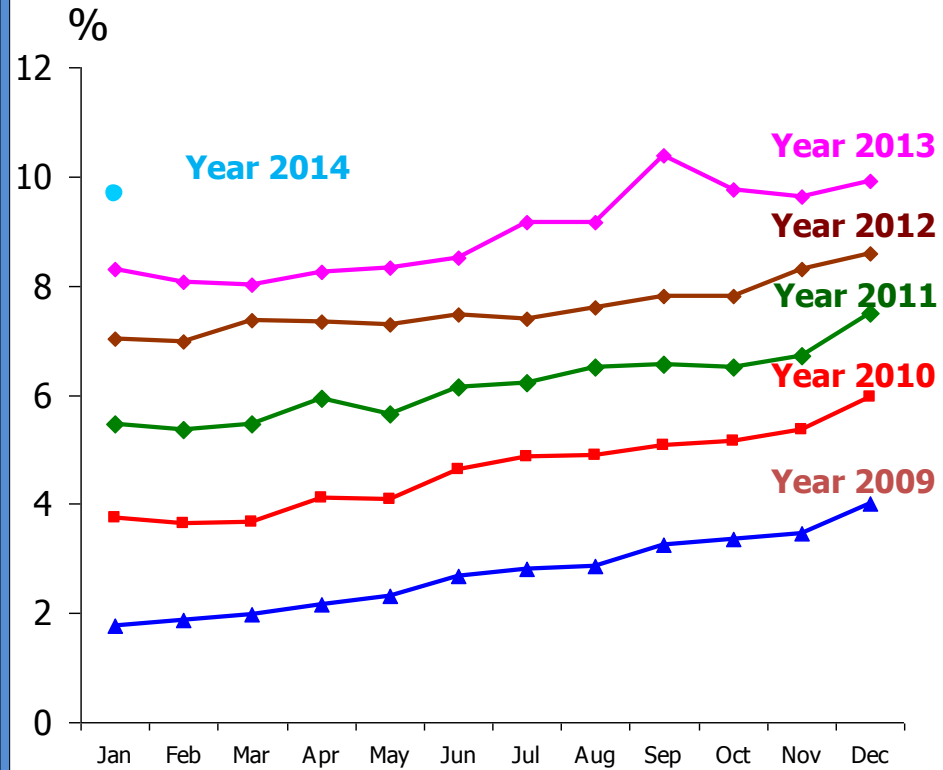
Ticket Sales Via Internet



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

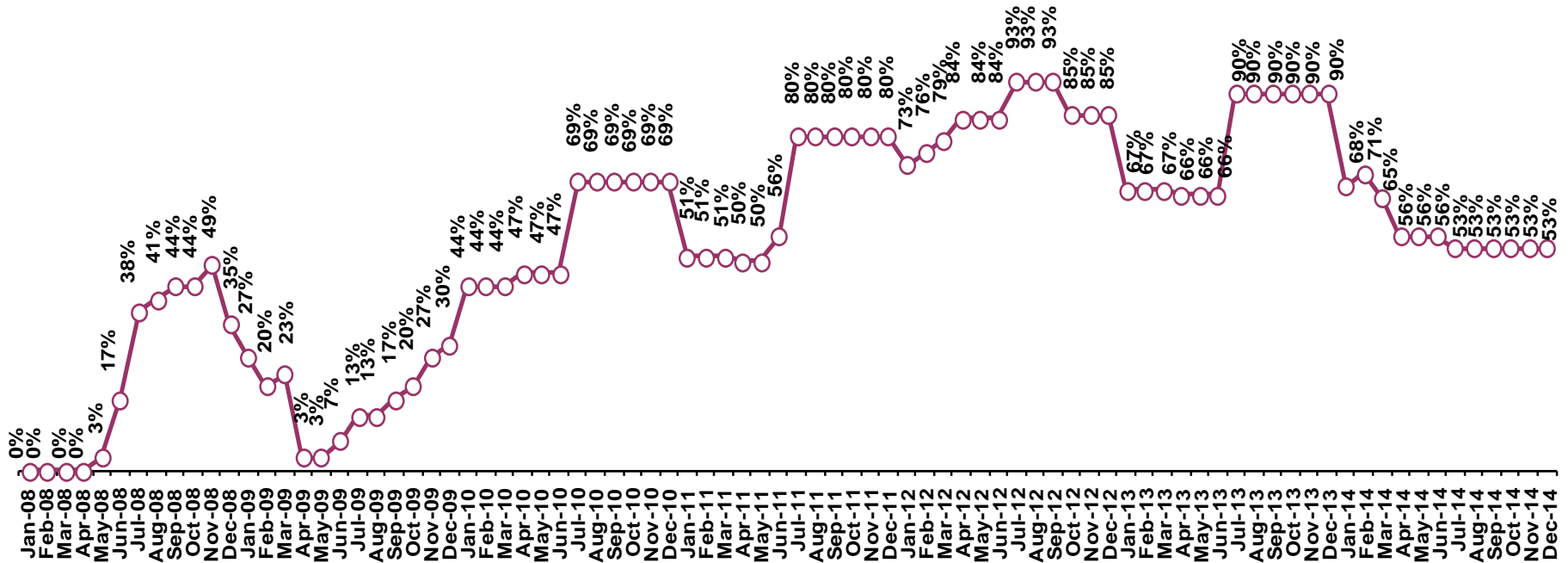


Check-in via Internet



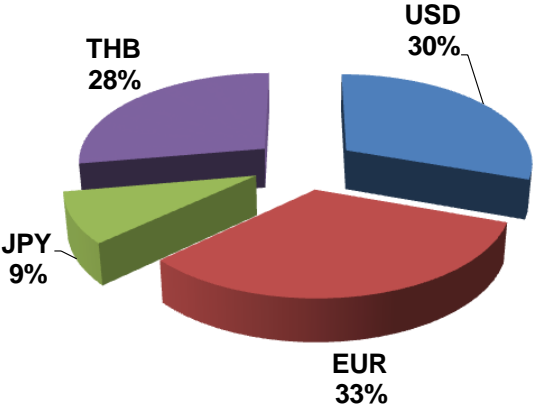
Hedging combined with fuel surcharge greatly mitigates fuel price fluctuation risk

Monthly fuel hedging 2008-2014 - % of consumption by month

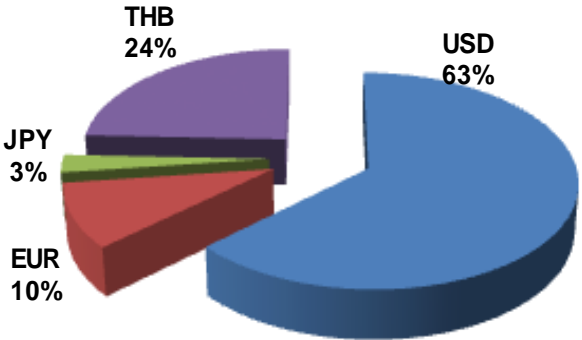


Foreign Currency Exposure (As of Mar 2014)

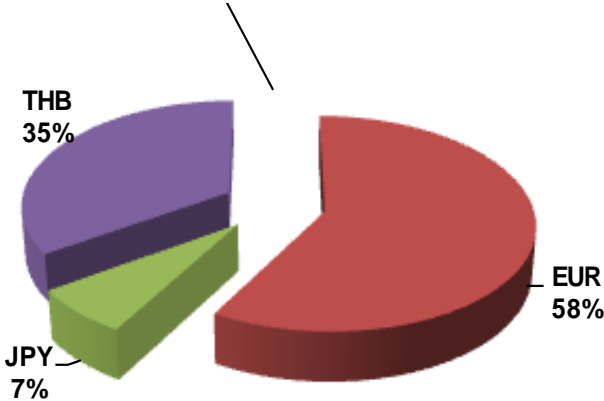
Revenue



Expense

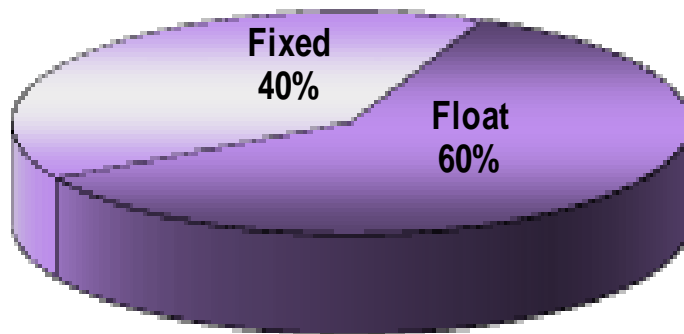


Outstanding loan (After Swap)



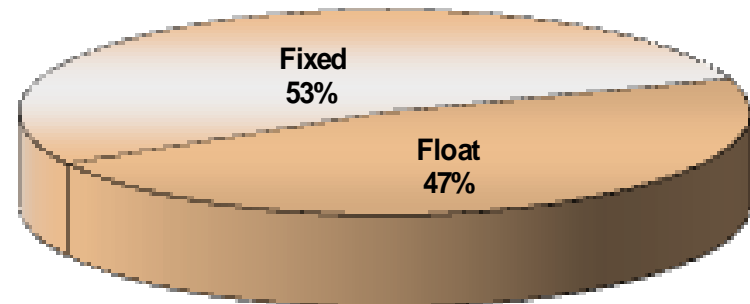
Proportion of Fixed and Float (As of 31 MAR 2014)

Before Swap



Percentage of TOTAL
(TOTAL = 178,362 MTHB)

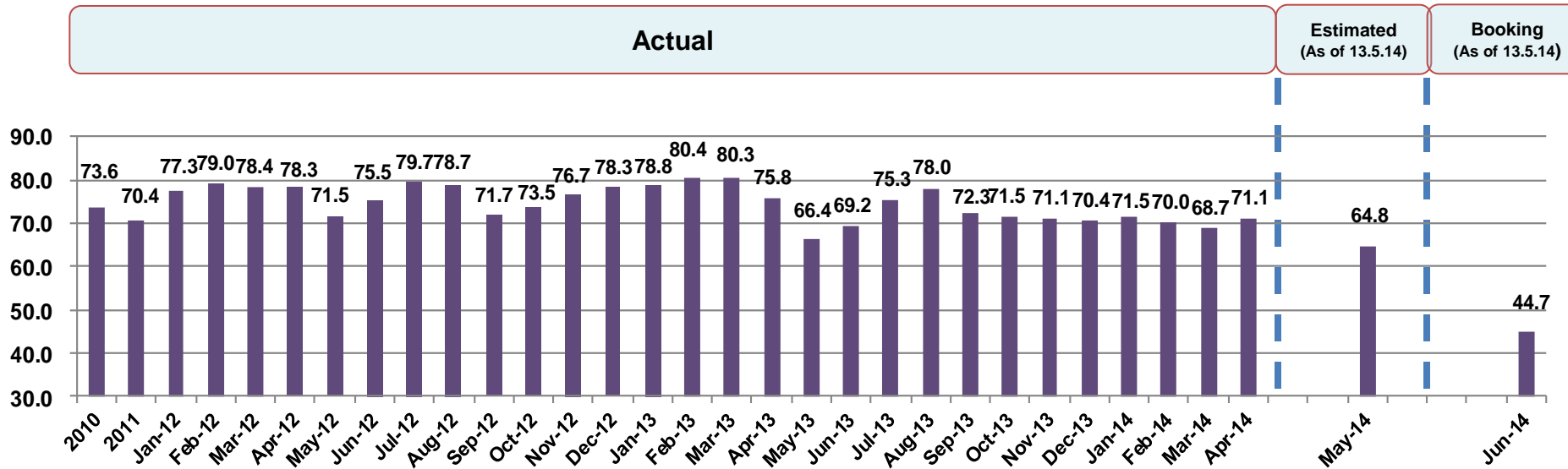
After Swap



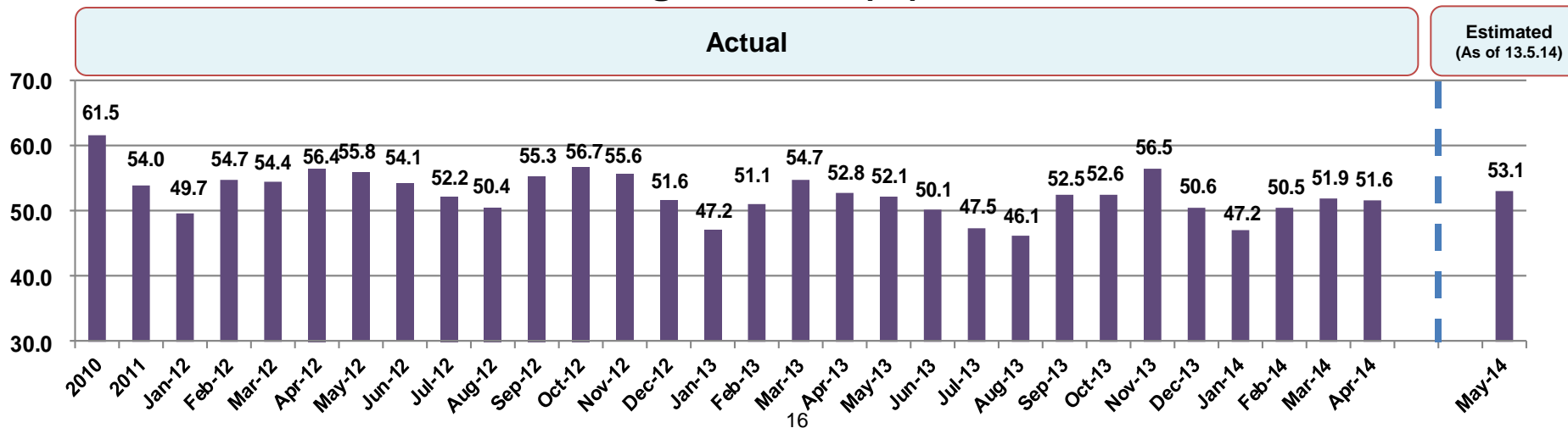
Percentage of TOTAL
(TOTAL = 179,765 MTHB)

Looking ahead

Cabin Factor (%)



Freight Factor (%)



Company Facts

Current Fleet: 101 Aircrafts

40% of O **33% of FL** **27% of OL**
O=Owned **FL=Financial lease** **OL=Operating lease**

(Note: Approximately)



Average age of aircraft = 9.6 years

Aircraft Type	Version	# of Aircraft	# of Seat				Financial Method
			First	Business	Economy	Total	
A300-600 R	36R3	5	N.A.	28	232	260	5O
A340-600	3461	6	8	60	199	267	6FL
A330-300	3302	9	N.A.	42	263	305	7O, 15FL, 2OL
	3303	8	N.A.	36	263	299	
	3304	7	N.A.	36	263	299	
A320-200	3201	2	N.A.	N.A.	174	174	12OL
	3202	4	N.A.	N.A.	174	174	
	3203	6	N.A.	N.A.	168	168	
A380-800	3801	6	12	60	435	507	2O, 4FL
B737-400	7341	5	N.A.	12	137	149	2O, 3OL
B747-400	7444	6	10	40	325	375	12O, 2FL
	7445	6	9	40	325	374	
	Freighters	2	-	-	-	-	
B777-200	7724	8	N.A.	30	279	309	6O, 2OL
B777-200 ER	77E1	6	N.A.	30	262	292	6FL
B777-300	7732	6	N.A.	34	330	364	6O
B777-300 ER	77B1	9	N.A.	42	306	348	1FL, 8OL
Total		101	39	490	4,135	4,664	42O, 33FL, 25OL

Note: Exclude 1 of Airbus 330-300 that has been damaged from skidding off the runway after landing at SVBA

Aircraft Delivery Plan

NEW A/C DELIVERY	2013	2014	2015	2016	2017	TOTAL
A330-300	2 (FL) (JAN/APR)					2
A350-900				2 (OL) (MAY/JUL)	5 (3OL/2FL)	7
A380-800	3 (1FL/2O) (MAR/OCT/NOV)	-	-	-	-	3
A320 (Thai Smile)	6 (OL) (JAN/MAR/OCT/ OCT/NOV/DEC)	7 (5OL/2FL) (JAN/FEB/ MAY/JUN/SEP/ NOV/NOV)	3 (FL) (JAN/MAY/ AUG)			16
B777-300ER	6 (OL) (MAR/APR/JUN/ JUL/AUG/OCT)	3 (FL) (JAN/JUL/AUG)	3 (FL) (JAN/JUN/SEP)	-	-	12
B787-8		4 (OL) (JUN/JUL/ OCT/NOV)	2 (OL) (APR/JUN)			6
B787-9					2 (OL) (SEP/OCT)	2
TOTAL	17	14	8	2	7	48

As of 31 DEC 13

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Note : O = Own / FL = Financial lease / OL = Operating lease e

Phase Out Plan

PHASE-OUT PLAN	2013	2014	2015	2016	2017	TOTAL
A300-600	4	5	-	-	-	9
A330-300	1	5	5	2	-	13
B747-400	4	-	-	-	2	6
B777-300ER (Jet Airways)	5	-	-	-	-	5
B777-200	-	-	-	-	2	2
B737-400	-	3	-	-	2	5
TOTAL	14	13	5	2	6	40

Note: Exclude Nok Air returned

As of 31 DEC 13

THAI's Route Network

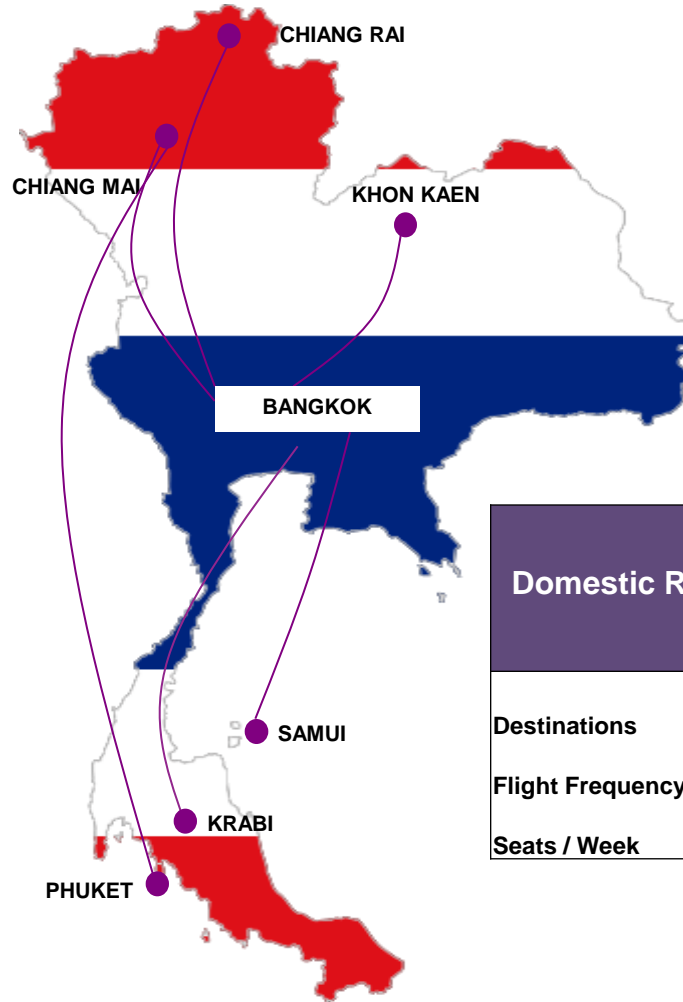
World Route Network



* Schematic scale only ** Flights and destinations are subject to change without prior notice. As of October 2013

THAI's Route Network

Domestic Route Network



Domestic Routes	30 MAR 2014 To 25 OCT 2014 (Based on TPI Summer 2014 Issue 1)	31 MAR 2013 To 26 OCT 2013 (Based on TPI Summer 2013 Issue 2)
Destinations	6	7
Flight Frequency / Week	173	215
Seats / Week	88,016	112,371

Adjust flight schedules



Seasonal Frequency Increase

- Bangkok-Chongqing-Bangkok 3 ➔ 4 flights / week
- Bangkok-Colombo-Bangkok, 6 ➔ 7 flights / week
- Bangkok-Hyderabad-Bangkok 4 ➔ 5 flights / week

Seasonal Temporarily Suspended Flights

- Bangkok-Luang Prabang-Bangkok



Seasonal Frequency Increase

- Bangkok-Madrid-Bangkok 3 ➔ 4 flights / week
- Bangkok-Denpasar-Bangkok 5 ➔ 7 flights / week
- Bangkok-Frankfurt-Bangkok 5 ➔ 7 flights / week
- Bangkok-Copenhagen-Bangkok 6 ➔ 7 flights / week
- Bangkok-Oslo-Bangkok 5 ➔ 7 flights / week
- Bangkok-Stockholm-Bangkok 6 ➔ 7 flights / week
- Bangkok-Zurich-Bangkok 6 ➔ 7 flights / week
- Bangkok-Brisbane-Bangkok 5 ➔ 7 flights / week
- Bangkok-Islamabad-Bangkok 3 ➔ 4 flights / week

Seasonal Temporarily Suspended Flights

- Bangkok-Sendai-Bangkok
- Copenhagen-Phuket-Copenhagen
- Stockholm-Phuket-Stockholm
- Bangkok-Moscow-Bangkok

Note: Based on TPI Summer 2014 Issue 2 (30 MAR 14 to 25 OCT 14)

Subject to current market condition

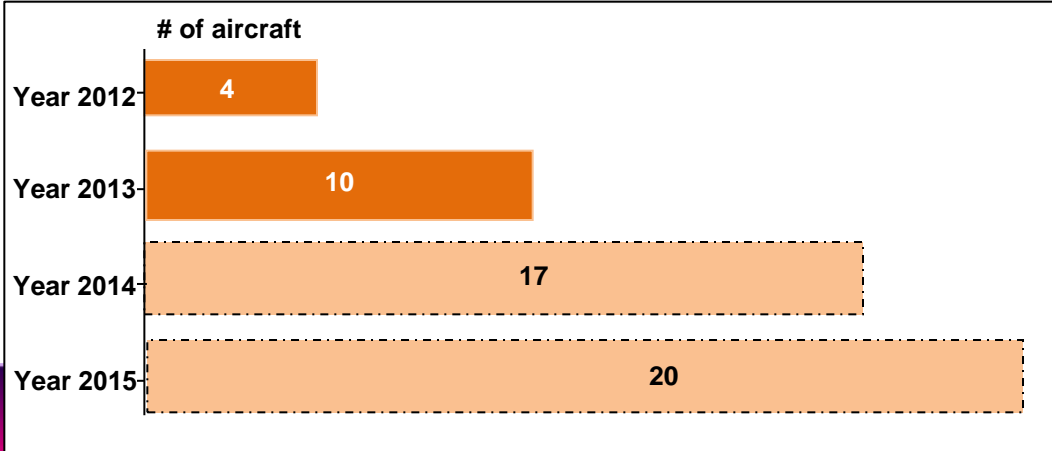
THAI Smile Fleet Plan & Route Network

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



Currently 12 aircrafts Airbus 320-200 (As at 28 Feb 2013)

Fleet Plan (2012-2015)



FREQUENCY*	DESTINATION	
14 Flights / week	Bangkok - Macau	V.V.
14 Flights / week	Bangkok - Phnom Penh	V.V.
14 Flights / week	Bangkok - Vientiane	V.V.
7 Flights / week	Bangkok - Colombo	V.V.
5 Flights / week	Bangkok - Delhi	V.V.
5 Flights / week	Bangkok - Hyderabad	V.V.
4 Flights / week	Bangkok - Mandalay	V.V.
4 Flights / week	Bangkok - Chongqing	V.V.
3 Flights / week	Bangkok - Changsha	V.V.
35 Flights / week	Bangkok - Hat Yai	V.V.
28 Flights / week	Bangkok - Udon Thani	V.V.
21 Flights / week	Bangkok - Khon Kaen	V.V.
14 Flights / week	Bangkok - Chiang Mai	V.V.
14 Flights / week	Bangkok - Ubon Ratchathani	V.V.
14 Flights / week	Bangkok - Surat Thani	V.V.
14 Flights / week	Bangkok - Krabi	V.V.
7 Flights / week	Bangkok - Chiang Rai	V.V.
7 Flights / week	Chiang Mai - Phuket	V.V.

International & Domestic Routes	30 MAR 2014 To 25 OCT 2014 (Based on TPI Summer 2014 Issue 1)	31 MAR 2013 To 26 OCT 2013 (Based on TPI Summer 2013 Issue 2)
	Countries	8
Destinations	18	12
Flight Frequency / Week	234	123
Seats/Week	69,565	41,212

Nok Air Route Network

17 Aircraft
(As of Q12014)

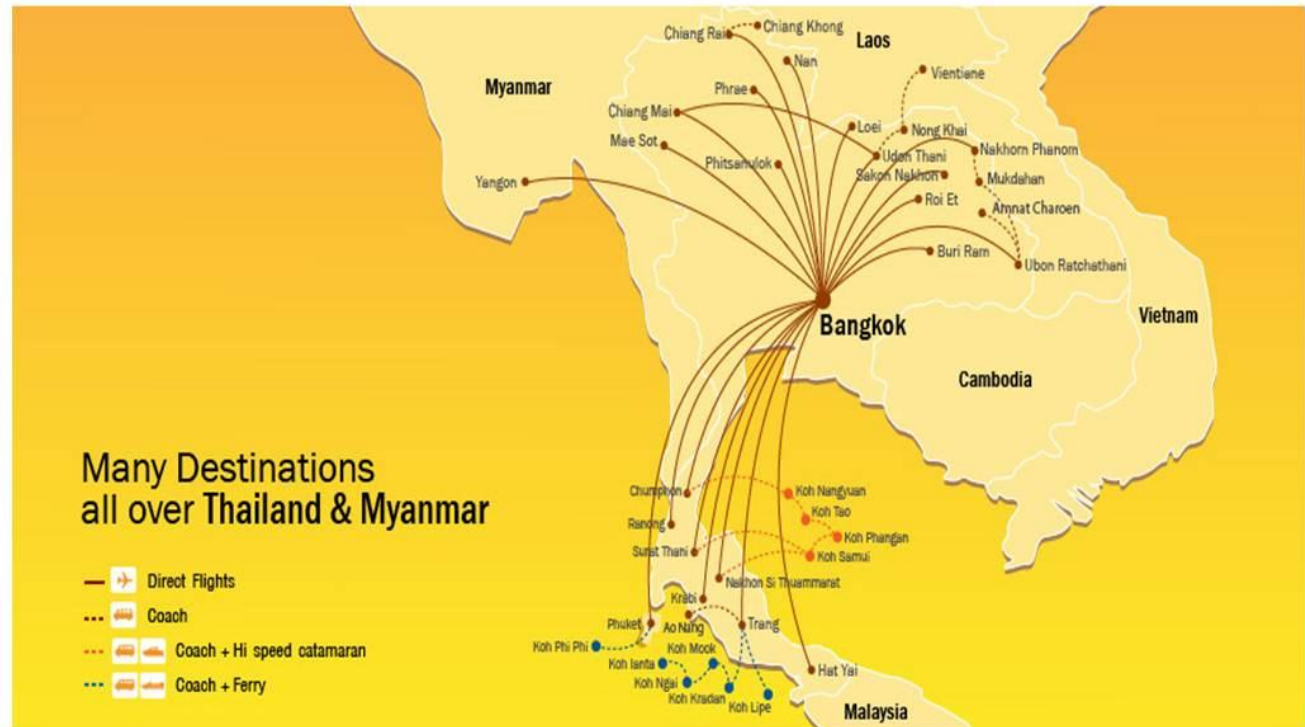
15 of Boeing 737-800



2 of ATR 72-500



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



International & Domestic Routes	Q1/2014	Year 2013
Destinations	22	27
Freq./Week	511	606

TG's Proportion of Shareholding:
39.2%

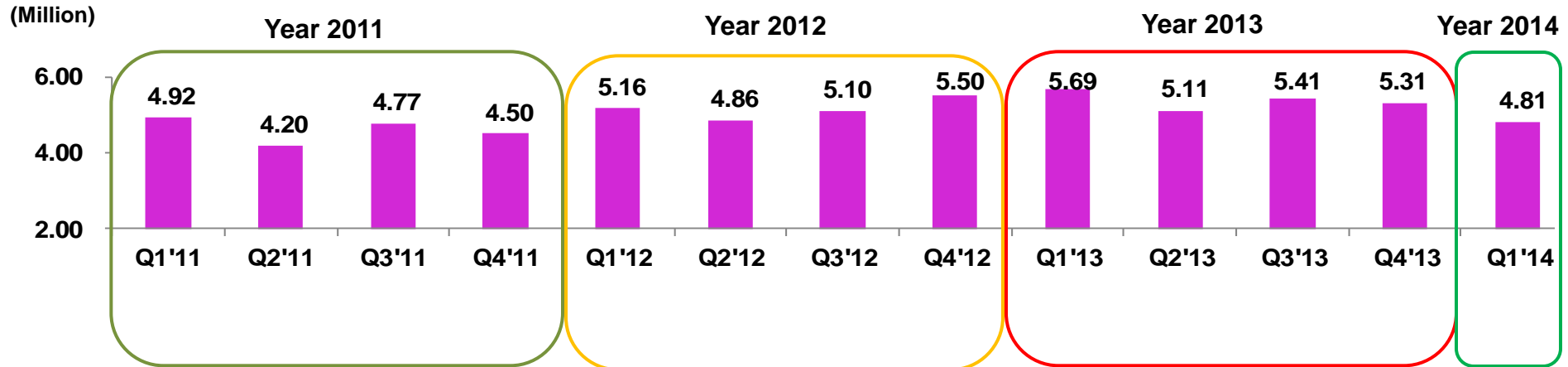
Have 4 of 12 Board seats

Operating Statistics

Operating Statistics

Passengers Carried*

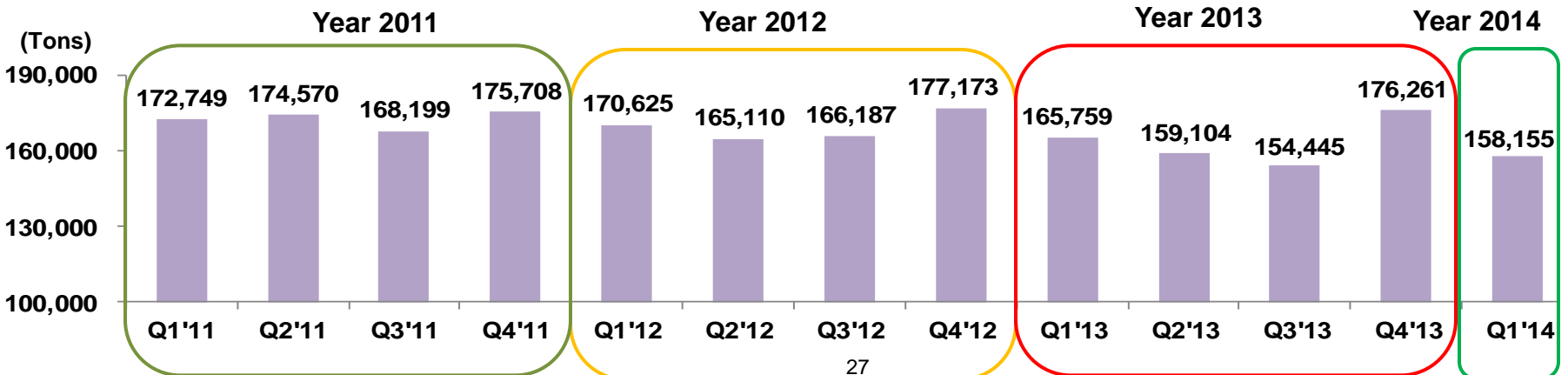
Q1'14 = 4.81 million (Decreased 15.4% YoY)



*Included THAI Smile

Freight Carried

Q1'14 = 158,155 tons (Decreased 4.6% YoY)

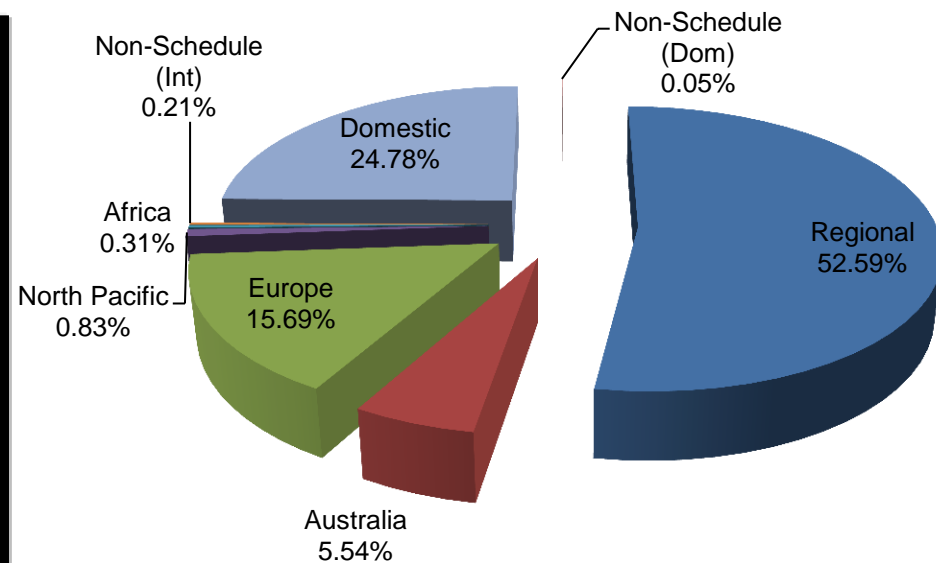
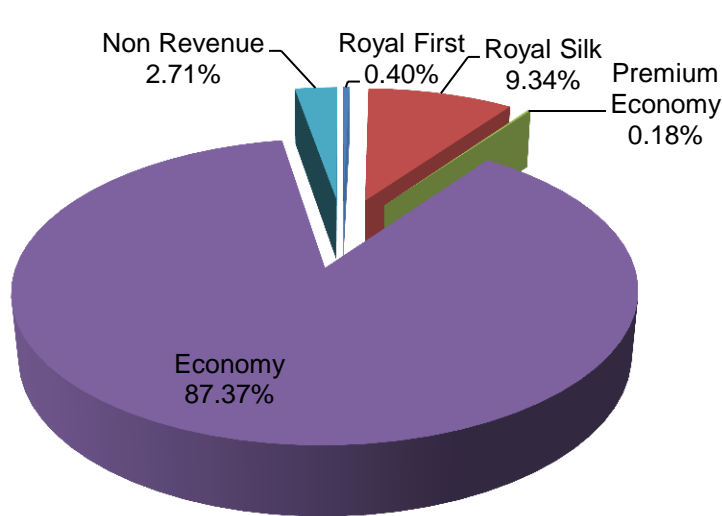


THAI's Number of PAX

By Class

By Area

Q1'2014



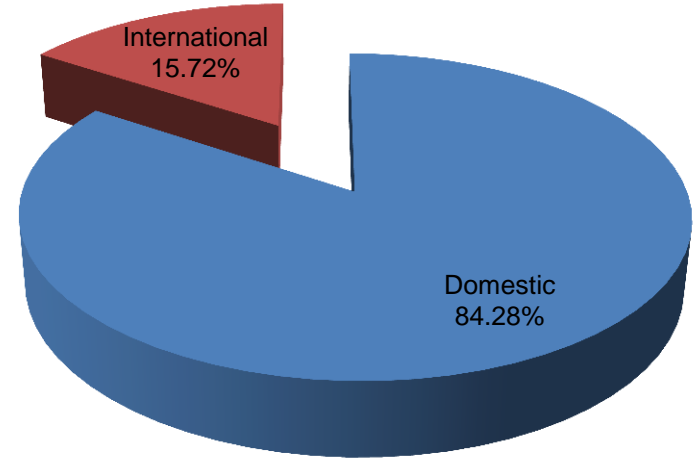
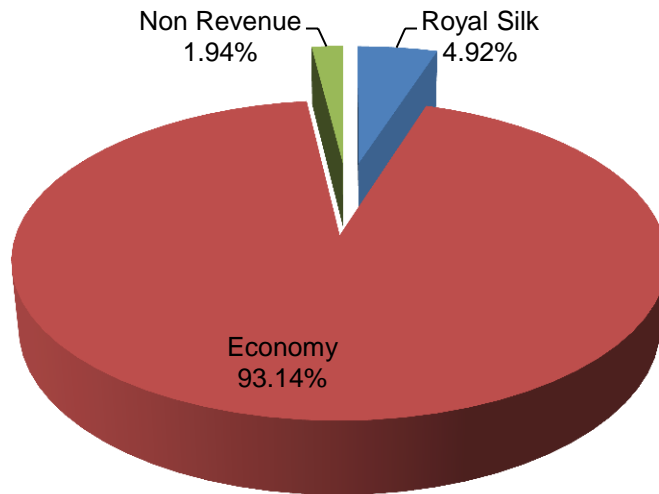
Total passengers for JAN-MAR 2014 = 4.26 million

THAI Smile's Number of PAX

By Class

By Area

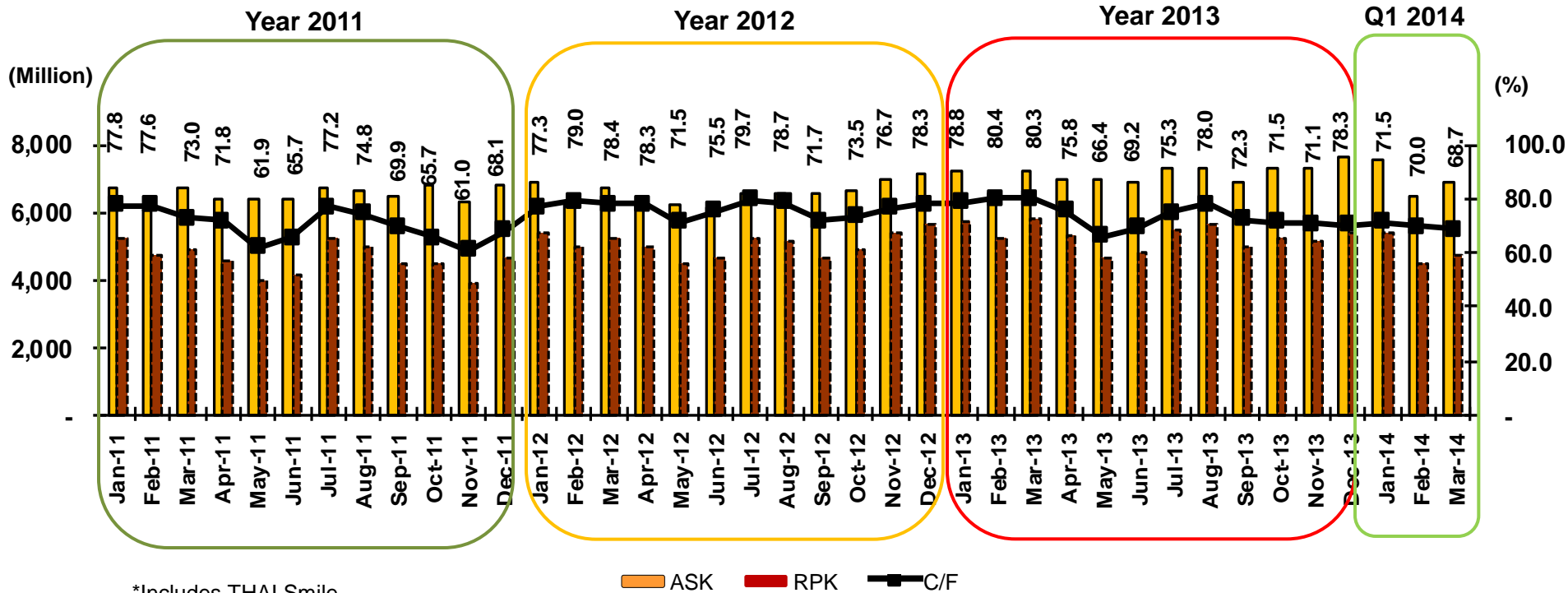
Q1'2014



Total passengers for JAN-MAR 2014 = 550,047

Operating Statistics

Passengers*

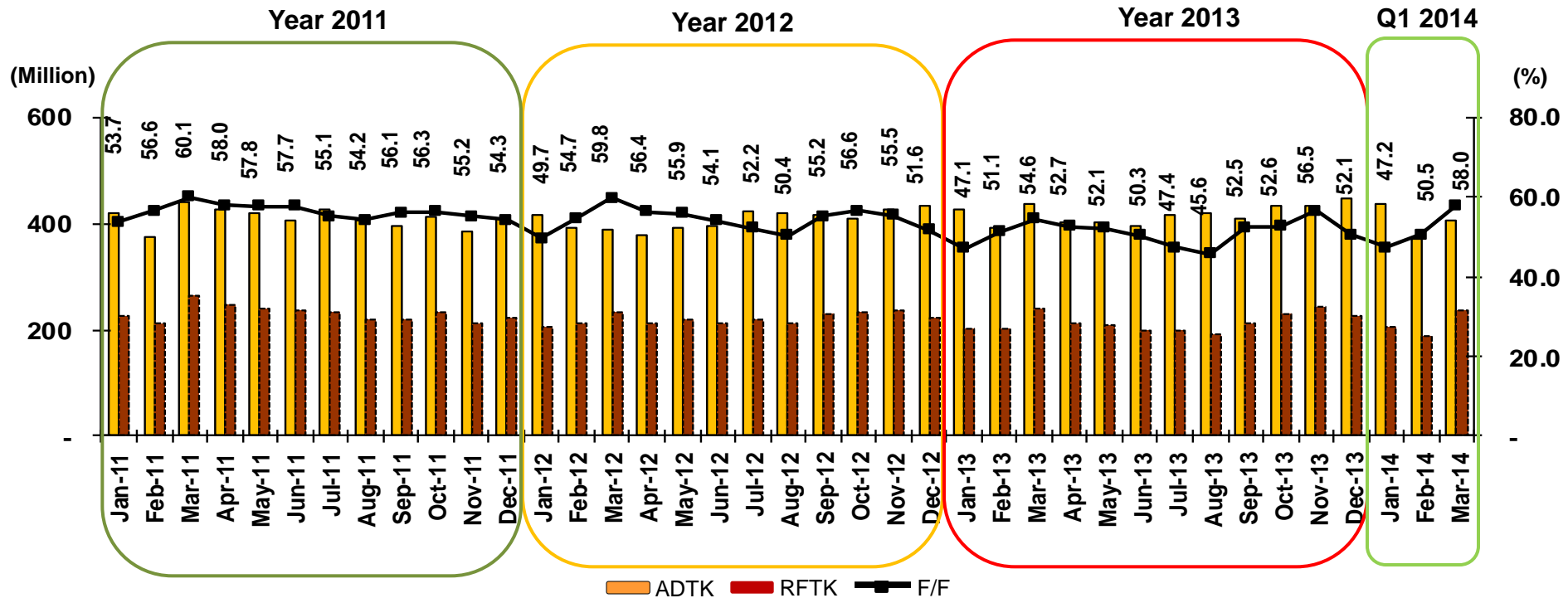


*Includes THAI Smile

	YoY (Year to date)			YoY (Month)			YoY (Quarter)		
	JAN-DEC'12	JAN-DEC'13	YoY%	MAR'13	MAR'14	YoY%	Q1'13	Q1'14	YoY%
MASK	79,231	85,655	8.1	7,255	6,916	- 4.7	21,051	20,934	- 0.6
MRPK	60,679	63,479	4.6	5,826	4,752	- 18.4	16,802	14,677	- 12.6
Cabin factor (%)	76.6	74.1	- 3.2	80.3	68.7	- 14.4	79.8	70.1	- 12.2

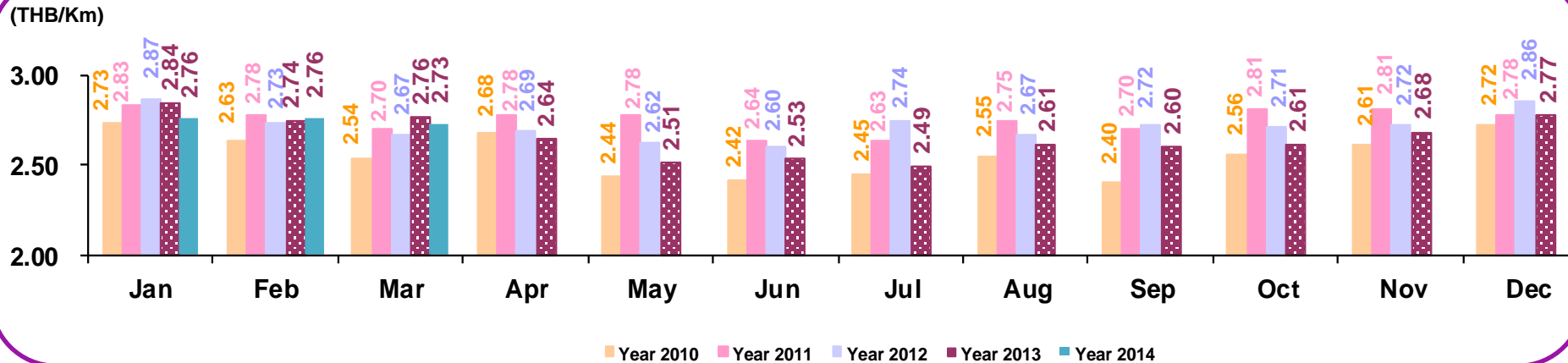
Operating Statistics

Freight

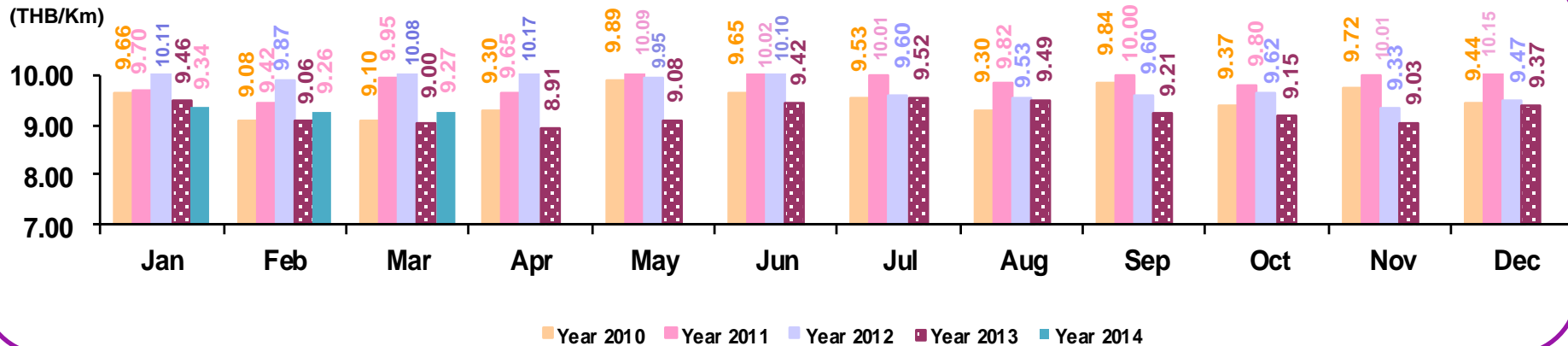


	YoY (Year to date)			YoY (Month)			YoY (Quarter)		
	JAN-DEC'12	JAN-DEC'13	YoY%	MAR'13	MAR'14	YoY%	Q1'13	Q1'14	YoY%
MADTK	4,892	5,019	2.6	438	405	- 7.5	1,258	1,213	- 3.6
MRFTK	2,653	2,565	- 3.3	239	235	- 1.7	641	629	- 1.9
Freight factor (%)	54.2	51.1	- 5.8	54.6	58.0	6.3	51.0	51.9	1.8

Passenger Yield (Including Fuel Surcharge)

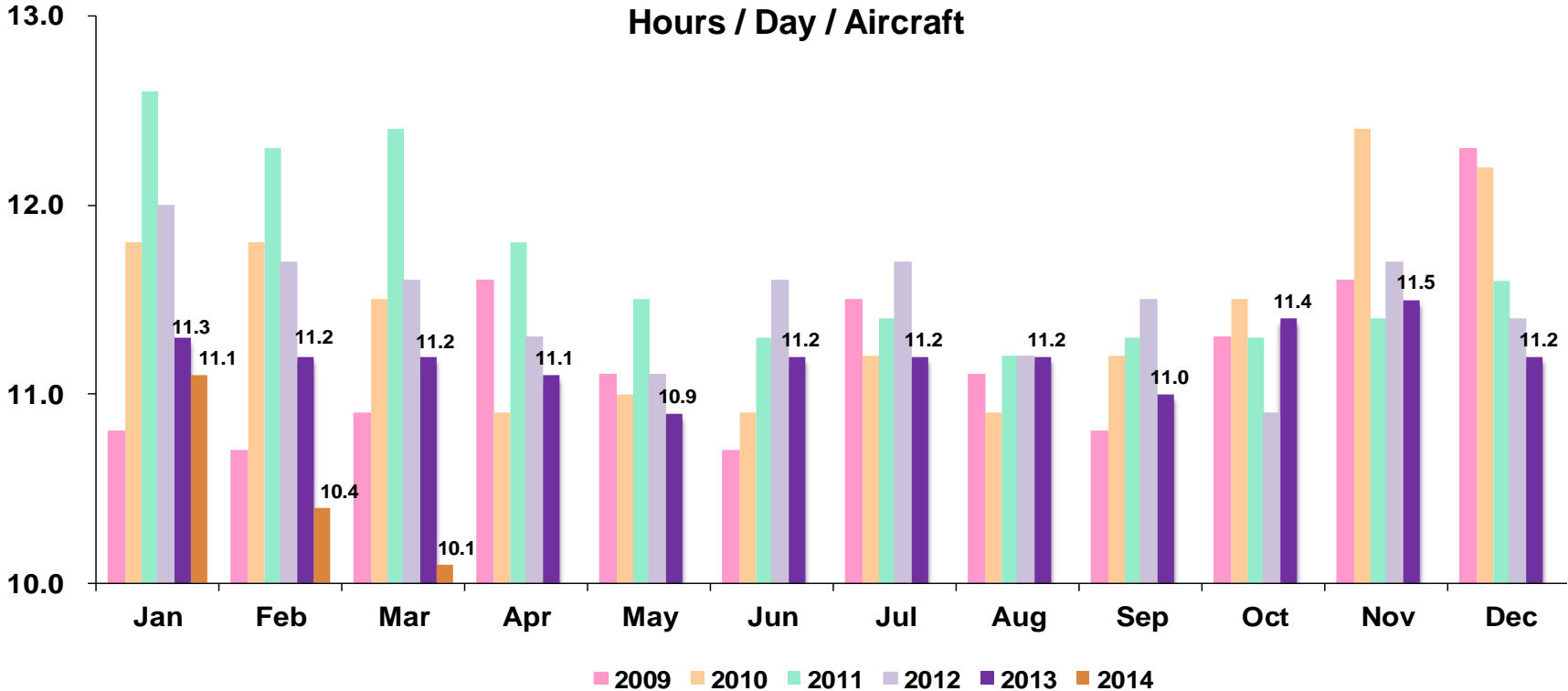


Freight Yield (Including Fuel Surcharge)



Note: Yield (from JAN'12 onwards) is passenger - sales commission and discount/RPK
Based on RCM report 32

Aircraft Utilization



Aircraft Utilization for Q1'2014 = 10.5 Hours/Day/Aircraft

Aircraft Utilization for Year 2013 = 11.2 Hours/Day/Aircraft

Aircraft Utilization for Year 2012 = 11.5 Hours/Day/Aircraft

