

THAI AIRWAYS INTERNATIONAL PCL

Q2'2014

(Updated on Aug 18, 2014)



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	Q2'2014			1H'2014		
		2013	2014	% Change YoY	2013	2014	% Change YoY
Passenger Production	MASK	20,907	19,889	-4.9%	41,957	40,823	-2.7%
Passenger Traffic	MRPK	14,732	12,626	-14.3%	31,534	27,303	-13.4%
Cabin Factor	%	70.5	63.5	-7.0	75.2	66.9	-8.3
Passenger carried	Million	5.11	4.23	-17.3%	10.79	9.04	-16.2%
Passenger Yield* (Inc. Surcharge)	THB/km	2.56	2.69	+5.1%	2.67	2.72	+1.9%
Freight Production	MADTK	1,200	1,167	-2.7%	2,458	2,381	-3.1%
Freight Traffic	MRFTK	621	625	+0.6%	1,261	1,254	-0.6%
Freight Factor	%	51.7	53.5	+1.8	51.3	52.7	+1.4
Freight carried	Tons	159,175	157,131	-1.3%	324,864	315,286	-2.9%
Freight Yield (Inc. Surcharge)	THB/km	9.10	9.37	+3.0%	9.11	9.32	+2.3%

Financial Performance

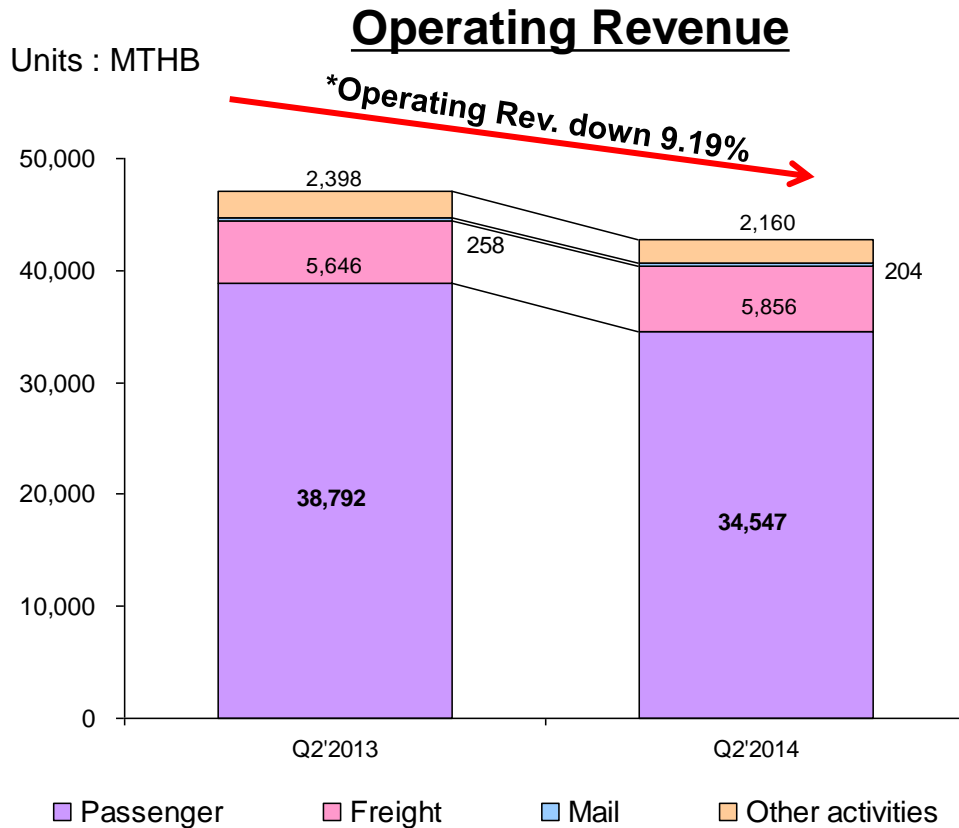
Performance Summary (Q2'2013 & Q2'2014)

THAI and its subsidiaries

(Units : MTHB)	Q2'2013	Q2'2014	%Change
Total Operating Revenues	47,093	42,767	(9.19)
Less Total Operating Expenses	49,992	49,157	(1.67)
Operating profit(loss)	(2,899)	(6,390)	120.42
Add Gain (loss) of Foreign currency exchange	(4,202)	1,008	123.99
Loss before tax	(8,883)	(7,905)	(11.01)
Net loss	(8,426)	(7,654)	(9.16)

Financial Performance

Operating / Total Revenue (Q2'2013 & Q2'2014)



Total Revenue

Revenue	% Change	% of Total Revenue
Passenger	(10.94)	77.75
Freight	3.73	13.18
Mail	(20.93)	0.46
Other activities	(9.92)	4.86
Interest income	(55.30)	0.14
Profit(loss) on FX	124.00	2.27
Gain on deemed disposal	(100.00)	0.00
Other income	31.76	1.34
Total Revenue	0.52	100.00

* Exclude Interest income, Profit on FX, Gain on deemed disposal and Other income

- Operating revenue Q2'2013 = 47,093 MTHB
- Operating revenue Q2'2014 = 42,767 MTHB

Total revenue Q2'2013 = 44,204 MTHB
Total revenue Q2'2014 = 44,434 MTHB

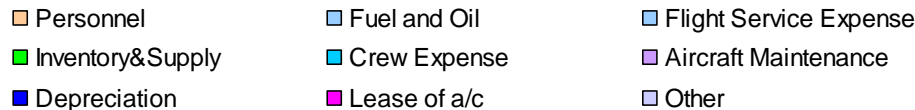
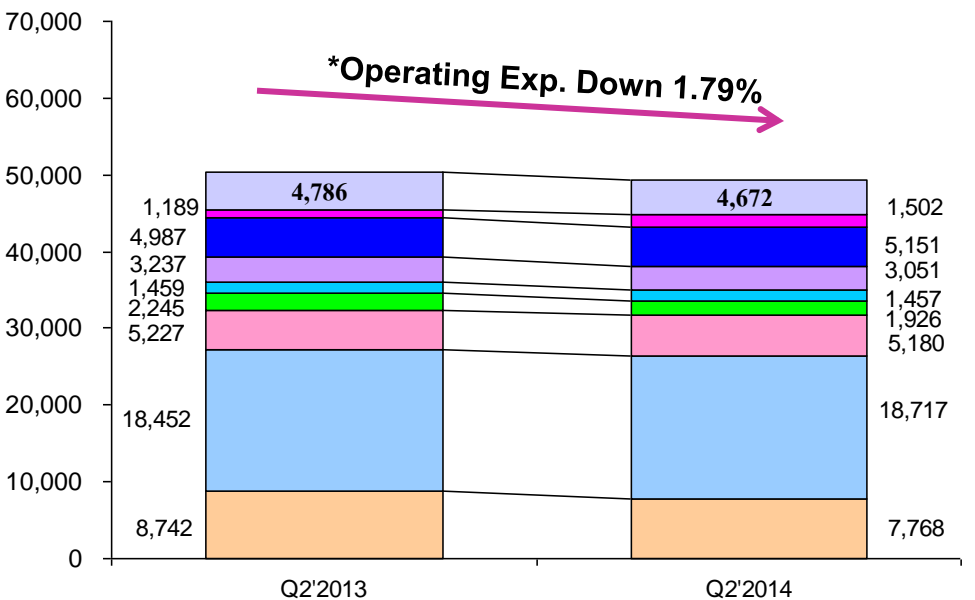
Financial Performance

Operating / Total Expense (Q2'2013 & Q2'2014)

Operating Expense

Total Expense

Units : MTHB



Expense	% Change YoY	% of Tot. Exp.
Personnel expense	(11.15)	14.84
Fuel and oil	1.43	35.76
Flight service expense	(0.90)	9.90
Inventories and supplies	(14.20)	3.68
Crew expense	(0.18)	2.78
Maintenance/overhaul	(5.74)	5.83
Depreciation/amortisation	3.30	9.84
Aircraft lease/spare parts	26.35	2.87
Other expense	0.52	14.50
Total Expense	(1.41)	100.00

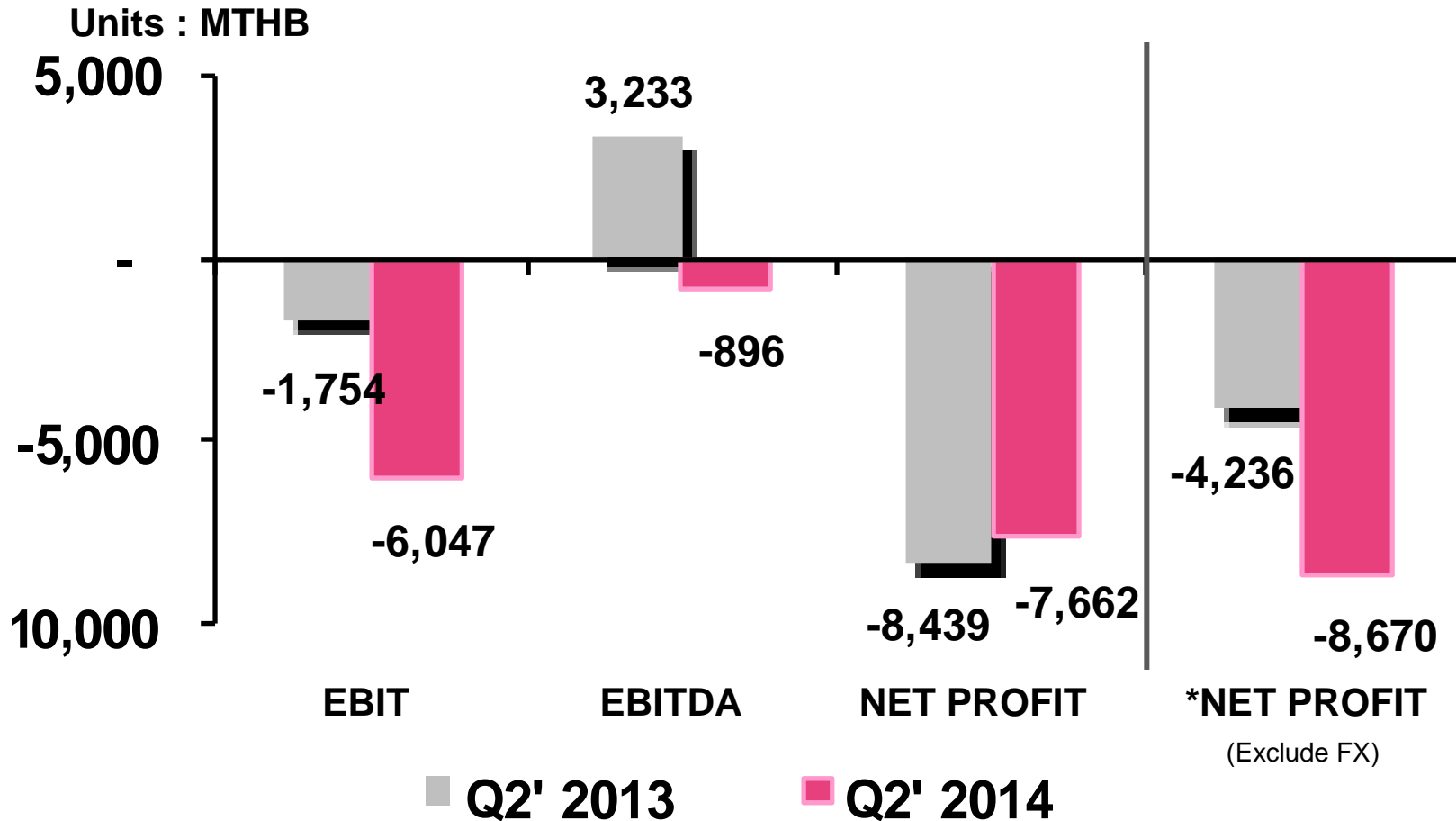
* Excludes Impairment losses, Finance costs and Share of profits of associates

- Operating expense Q2'2013 = 50,325 MTHB
- Operating expense Q2'2014 = 49,424 MTHB

Total expense Q2'2013 = 53,087 MTHB
Total expense Q2'2014 = 52,339 MTHB

Financial Performance

EBIT, EBITDA and Net Profit (Q2'2013 & Q2'2014)



Ratios – Q2'2013 & Q2'2014

Ratios	units	Q2'2013	Q2'2014
Earnings Per Share	(THB)	-3.87	-3.51
Book Value per Share	(THB)	31	21.32
Price / Book Value	(Times)	0.8	0.69
EBIT	(MTHB)	-3,277	-7,699
EBITDA	(MTHB)	3,233	-896
IBD to Equity	(Times)	2.7	4.0
Debt Service Coverage*	(Times)	0.6	0.1
Interest Coverage	(Times)	2.1	-0.5
Operating Profit Margin	(%)	-6.2	-14.9
Net Profit Margin	(%)	-17.9	-17.9

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

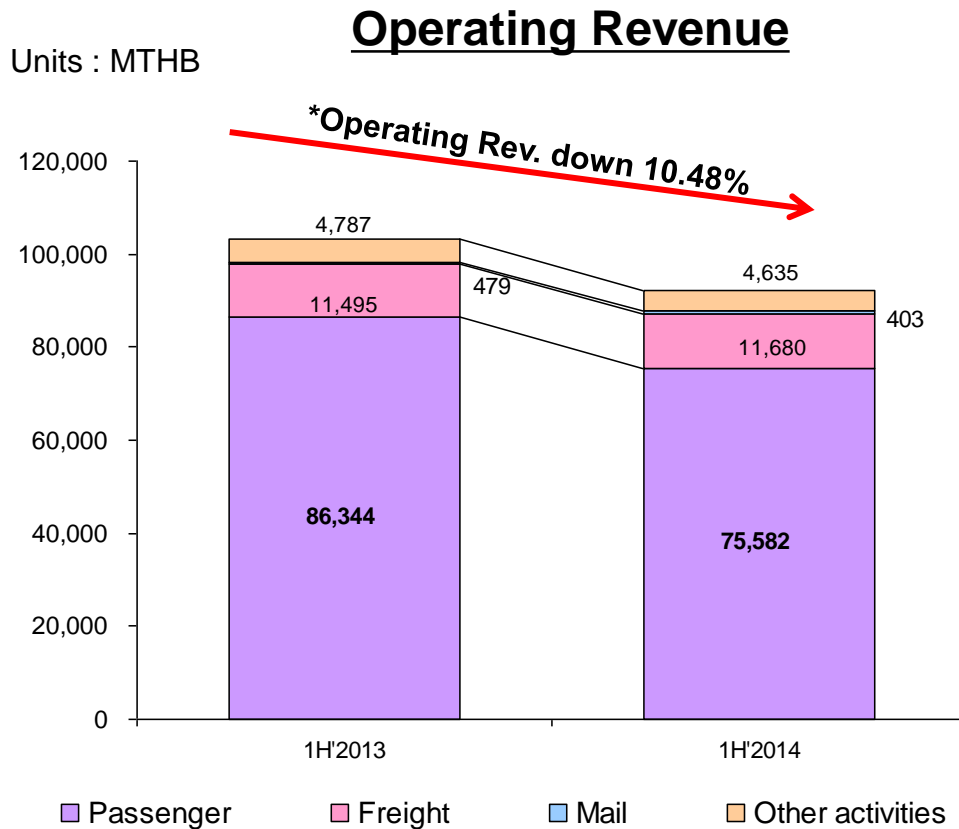
Performance Summary (1H'2013 & 1H'2014)

THAI and its subsidiaries

(Units : MTHB)	1H'2013	1H'2014	%Change
Total Operating Revenues	103,105	92,300	(10.48)
Less Total Operating Expenses	101,562	100,919	(0.63)
Operating profit(loss)	1,543	(8,619)	(658.59)
Add Gain (loss) of Foreign currency exchange	1,927	1,999	3.74
Loss before tax	(851)	(10,286)	1,108.70
Net loss	(131)	(10,274)	7,742.75

Financial Performance

Operating / Total Revenue (1H'2013 & 1H'2014)



* Exclude Interest income, Profit on FX, Gain on deemed disposal, Gain on disposal of the controlling interest and Other income

- Operating revenue 1H'2013 = 103,105 MTHB
- Operating revenue 1H'2014 = 92,300 MTHB

Total Revenue

Revenue	% Change	% of Total Revenue
Passenger	(12.46)	79.22
Freight	1.62	12.24
Mail	(15.95)	0.42
Other activities	(3.19)	4.86
Interest income	(48.22)	0.14
Profit(loss) on FX	3.72	2.09
Gain on deemed disposal	(100.00)	0.00
Gain on disposal of the controlling interest	(100.00)	0.00
Other income	(16.36)	1.03
Total Revenue	(11.23)	100.00
Total revenue 1H'2013 = 107,475 MTHB		
Total revenue 1H'2014 = 95,406 MTHB		

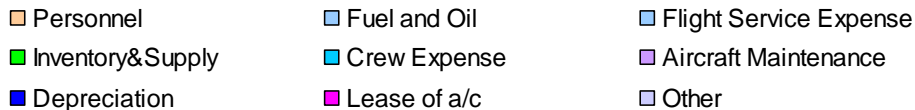
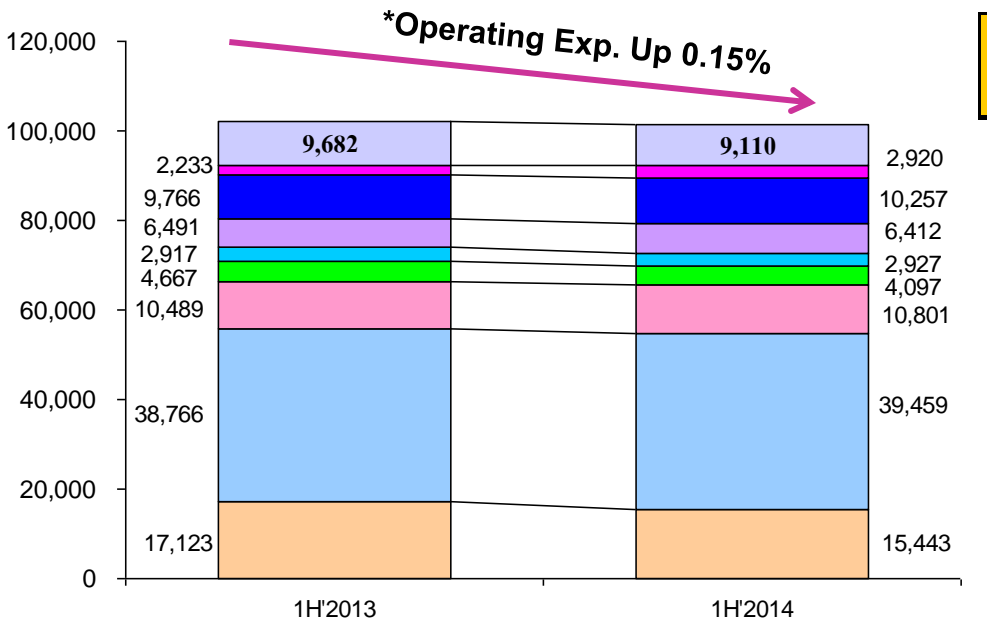
Financial Performance

Operating / Total Expense (1H'2013 & 1H'2014)

Operating Expense

Total Expense

Units : MTHB



Expense	% Change YoY	% of Tot. Exp.
Personnel expense	(9.81)	14.61
Fuel and oil	1.79	37.33
Flight service expense	2.98	10.22
Inventories and supplies	(12.22)	3.88
Crew expense	0.34	2.77
Maintenance/overhaul	(1.22)	6.07
Depreciation/amortisation	5.03	9.70
Aircraft lease/spare parts	30.78	2.76
Other expense	(15.74)	12.66
Total Expense	(2.43)	100.00

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

- Operating expense 1H'2013 = 92,453 MTHB

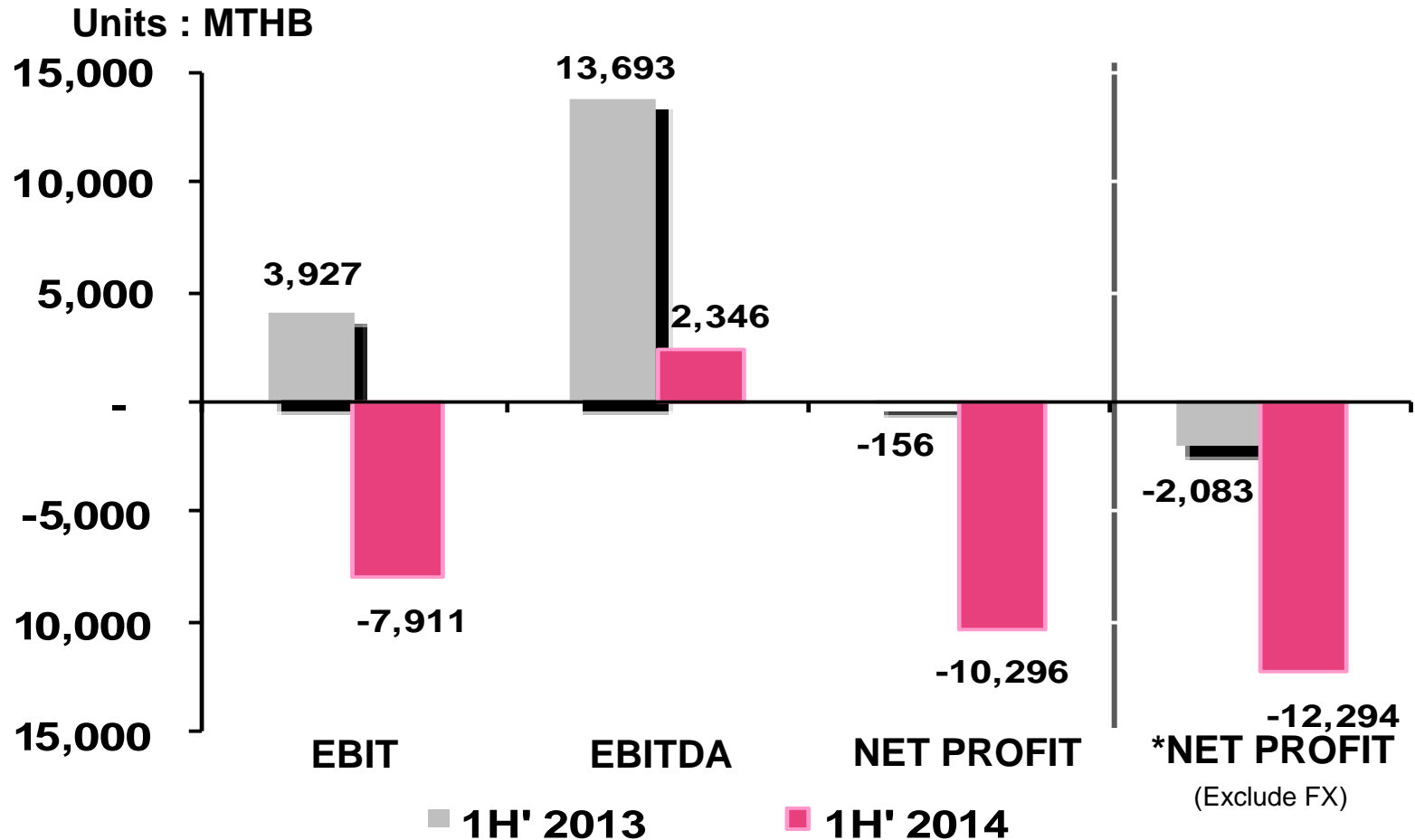
- Operating expense 1H'2014 = 92,318 MTHB

Total expense 1H'2013 = 108,325 MTHB

Total expense 1H'2014 = 105,692 MTHB

Financial Performance

EBIT, EBITDA and Net Profit (1H'2013 & 1H'2014)

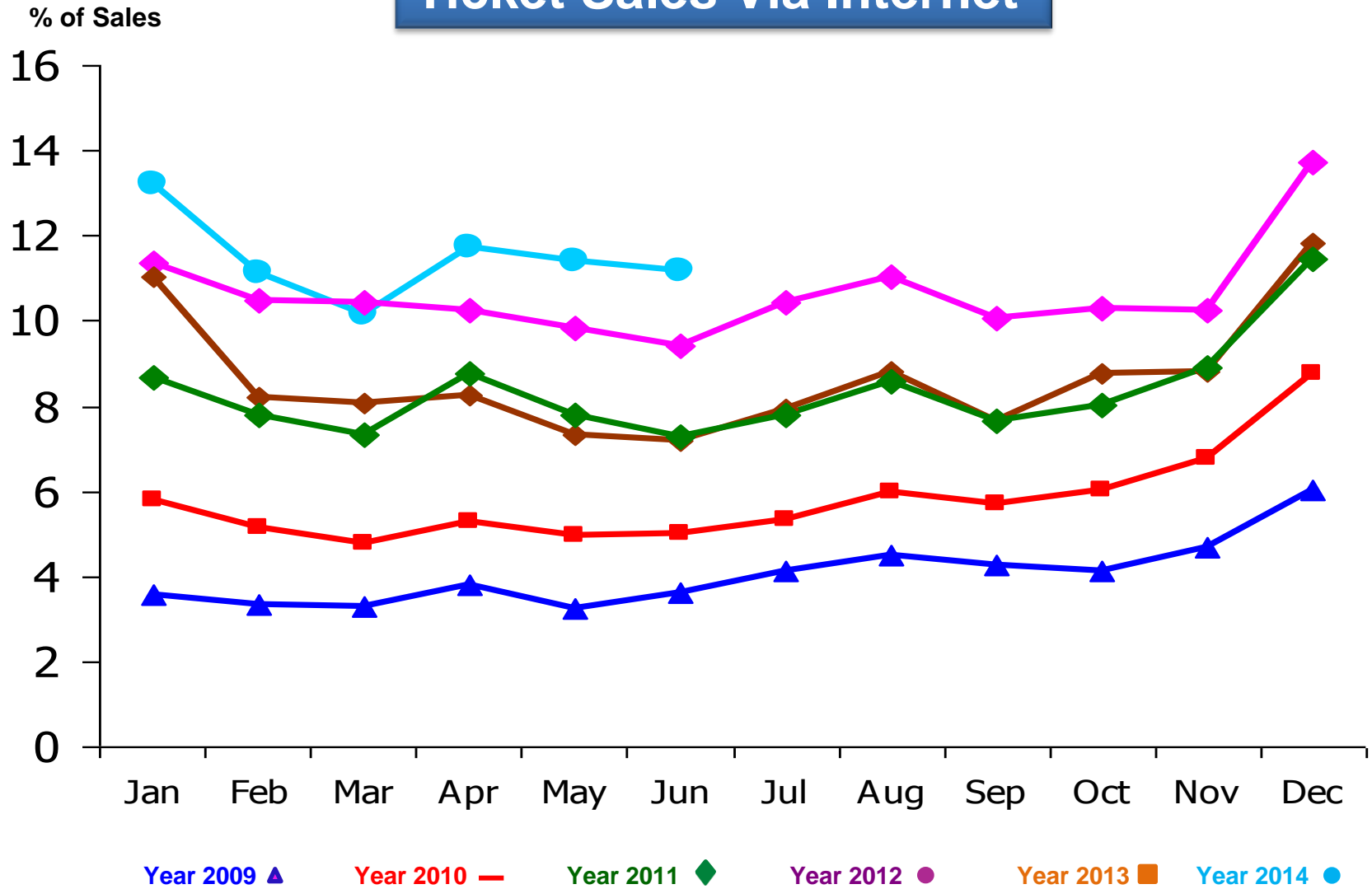


Ratios – 1H'2013 & 1H'2014

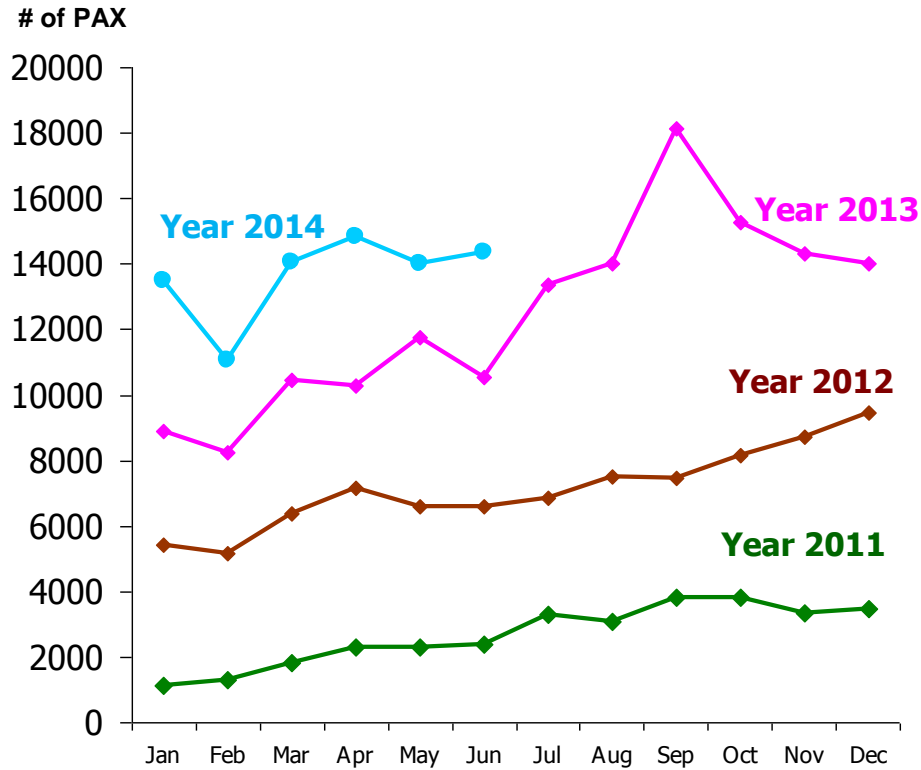
Ratios	units	1H'2013	1H'2014
Earnings Per Share	(THB)	-0.07	-4.72
Book Value per Share	(THB)	31	21.32
Price / Book Value	(Times)	0.8	0.69
EBIT	(MTHB)	995	-10,986
EBITDA	(MTHB)	13,693	2,346
IBD to Equity	(Times)	2.7	4.0
Debt Service Coverage*	(Times)	1.0	0.3
Interest Coverage	(Times)	4.7	0.8
Operating Profit Margin	(%)	1.5	-9.3
Net Profit Margin	(%)	-0.1	-11.1

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

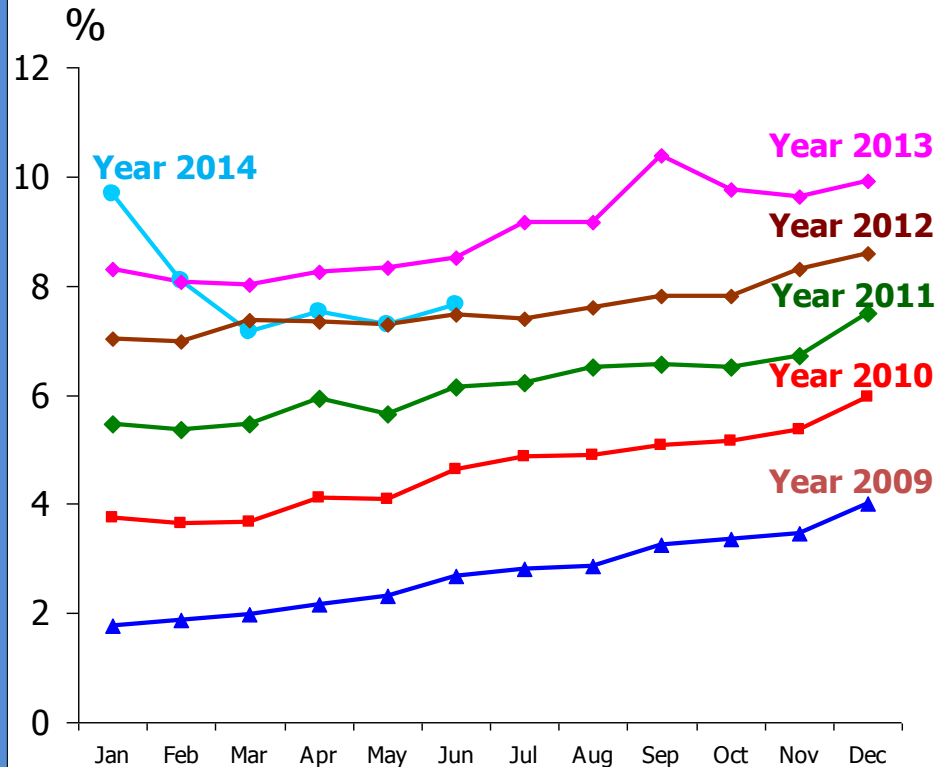
Ticket Sales Via Internet



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

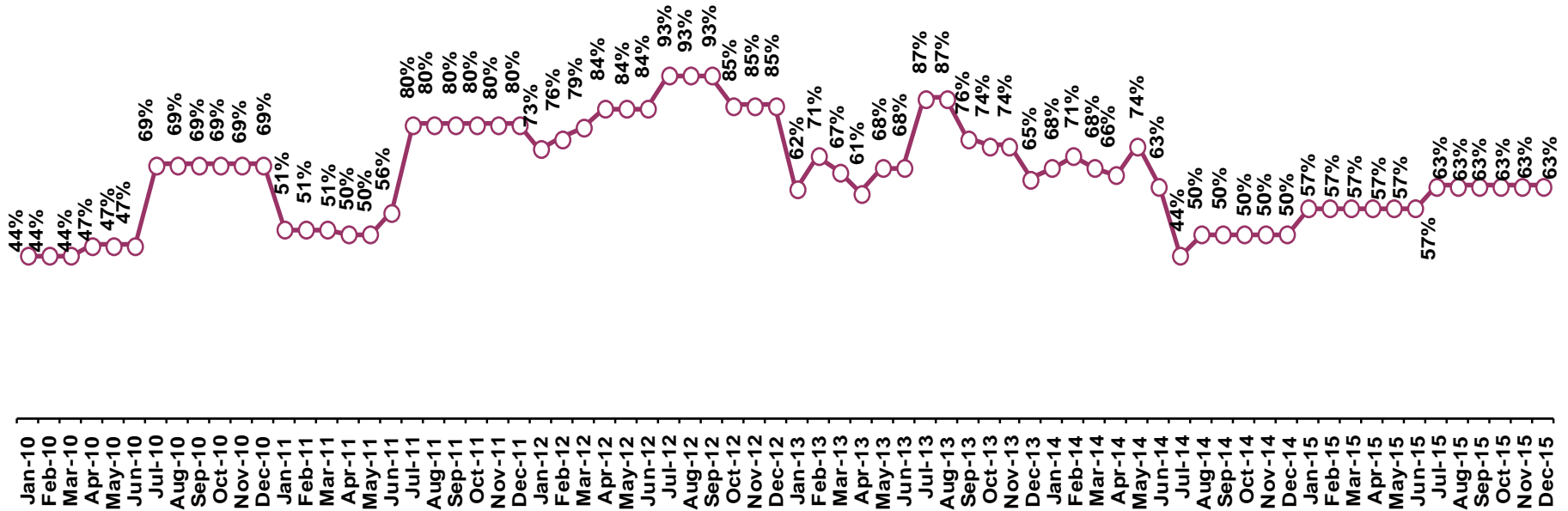


Check-in via Internet



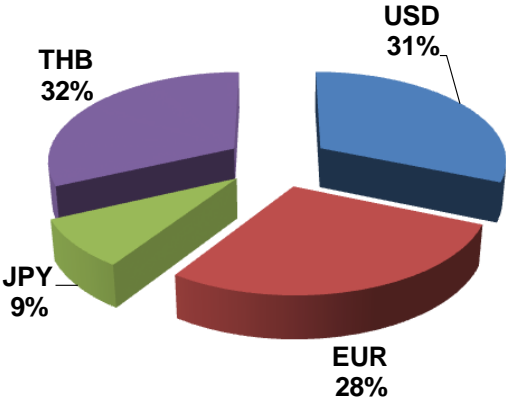
Hedging combined with fuel surcharge greatly mitigates fuel price fluctuation risk

Monthly fuel hedging 2010-2015 - % of consumption by month

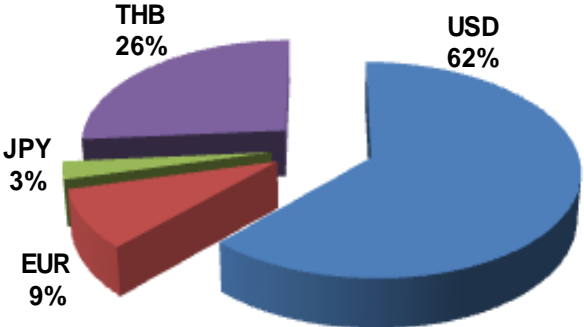


Foreign Currency Exposure (As of June 2014)

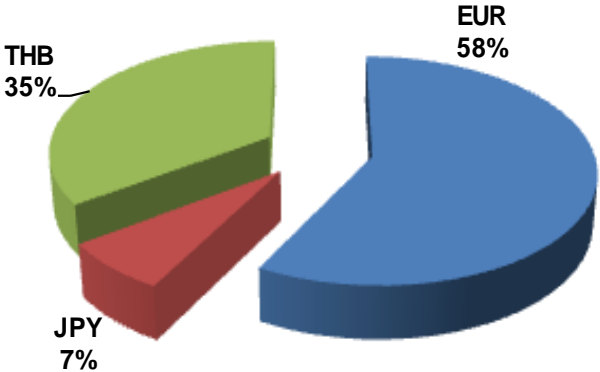
Revenue



Expense

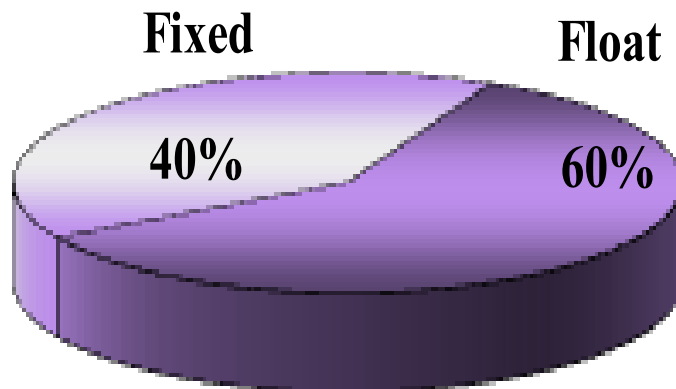


Outstanding loan (After Swap)



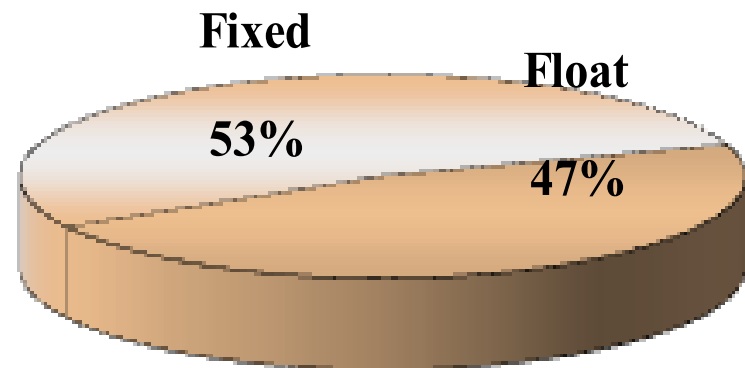
Proportion of Fixed and Float (As of 30 June 2014)

Before Swap



Percentage of TOTAL
(TOTAL = 173,250.54 MTHB)

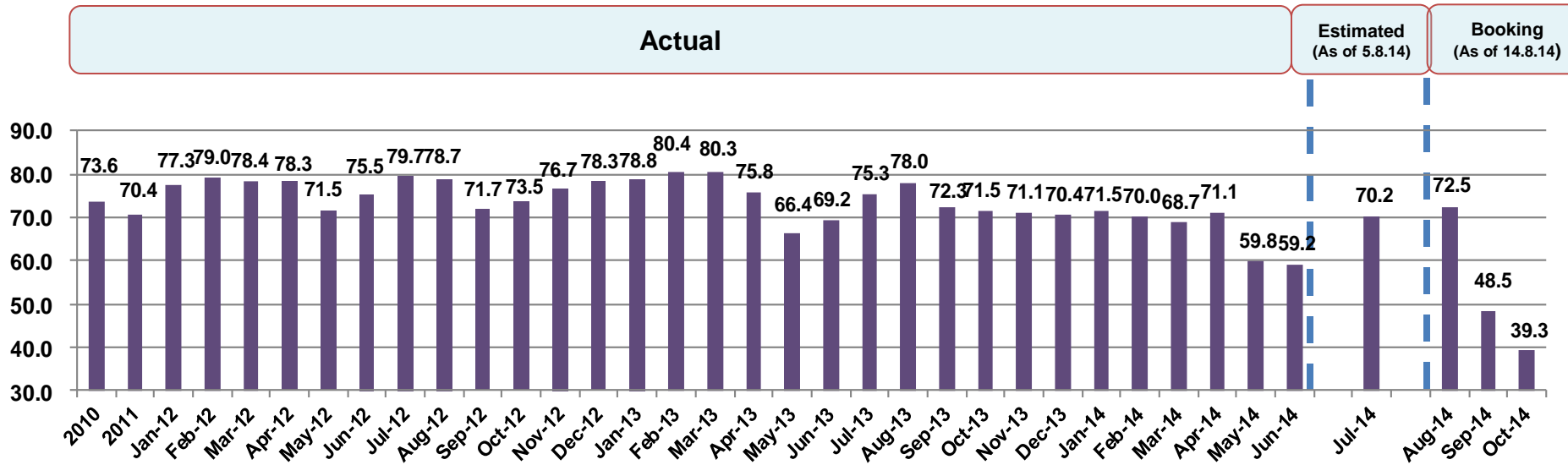
After Swap



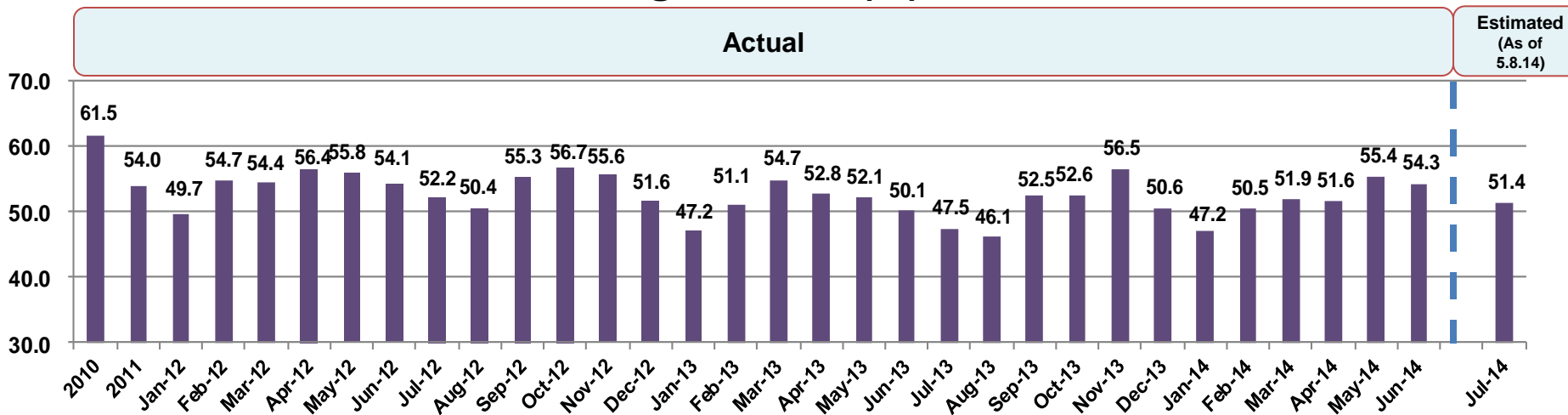
Percentage of TOTAL
(TOTAL = 174,473.93 MTHB)

Looking ahead

Cabin Factor (%)



Freight Factor (%)



Company Facts

Current Fleet: 101 Aircrafts

37.6% of O 33.7% of FL 28.7% 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	3	N.A.	28	232	260	3O
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	14OL
	3202	4	N.A.	N.A.	174	174	
	3203	8	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	38O, 34FL, 29OL

Note: 1.Exclude 1 of Airbus 330-300 aircraft that does not count toward the aircraft used in operations as of December31, 2013 grounded and pending for damage inspection

2. Included 23 decommissioned aircraft owned by THAI and held for sales

3. Included 9 aircraft transferred the leasehold rights to Thai Smile Airways Co.,LTD

As of 30 June14

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) (JUL/SEP OCT/NOV)	2 (OL) (APR/JUN)			6
B787-9					2 (OL) (SEP/OCT)	2
TOTAL	17	14	8	2	7	48

As of 30 June 14

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	-	5	5	2	-	12
B747-400	4	-	-	-	2	6
B777-300ER (Jet Airways)	5	-	-	-	-	5
B777-200	-	-	-	-	2	2
B737-400	-	3	-	-	2	5
TOTAL	13	13	5	2	6	39

Note: Exclude Nok Air returned

As of 30 June 14

THAI's Route Network

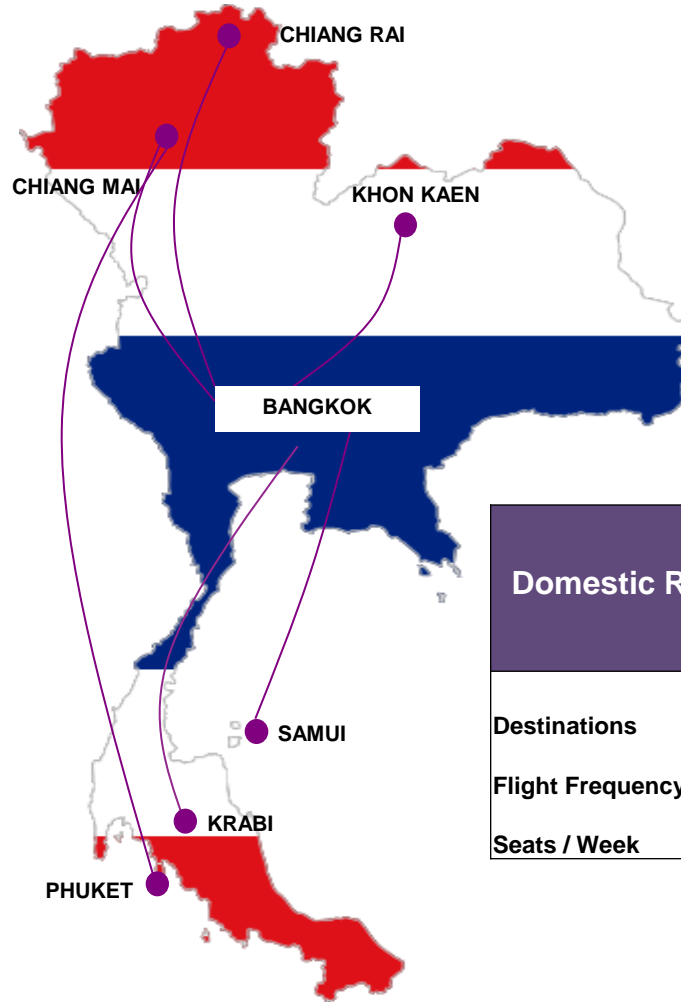
World Route Network



* 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 2 as at 12 May 2014)	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 Temporarily Suspended Flights

- Bangkok-Luang Prabang-Bangkok

New Destination

- | | |
|------------------------------|------------------|
| • Don Mueang-Chiang Mai v.v. | 21 flight / week |
| • Don Mueang-Khon Kaen v.v. | 21 flight / week |
| • Don Mueang-Phuket v.v. | 14 flight / week |
| • Chiang Mai – Phuket v.v. | 7 flight / week |

Effective : August 8, 2014 – October 25, 2014

Note: Based on TPI Summer 2014 Issue 2 (30 MAR 14 to 25 OCT 14 as at 12 May 2014)

Subject to current market condition



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

Seasonal Frequency Increase

- | | |
|-----------------------------|----------------------|
| • Bangkok-Chongqing-Bangkok | 3 ➡ 4 flights / week |
| • Bangkok-Colombo-Bangkok, | 6 ➡ 7 flights / week |
| • Bangkok-Hyderabad-Bangkok | 4 ➡ 5 flights / week |

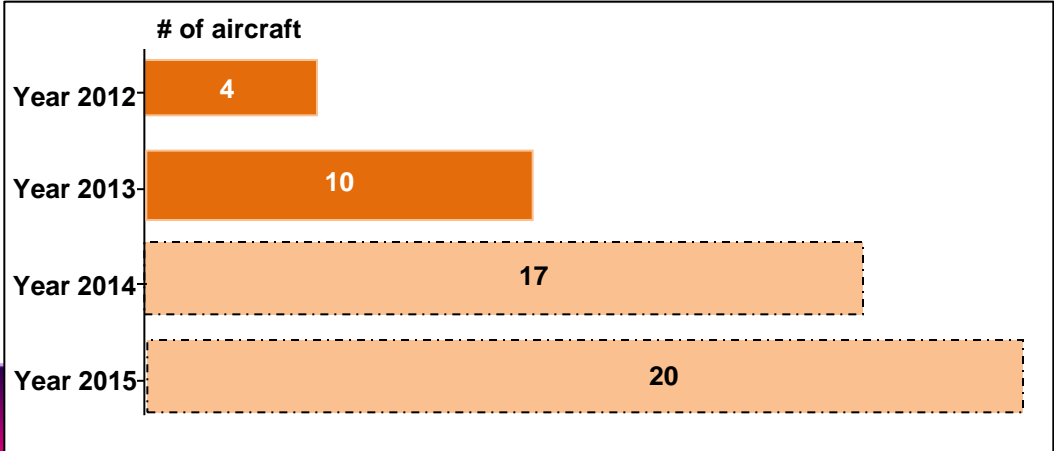
THAI Smile Fleet Plan & Route Network

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



Currently 14 aircrafts Airbus 320-200 (As at 30 June 2014)

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 2 as at 12 May 2014)	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 31 June 2014)

16 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	Q2/2014	Year 2013
Destinations	23	27
Freq./Week	462	606

TG's Proportion of Shareholding:
39.2%

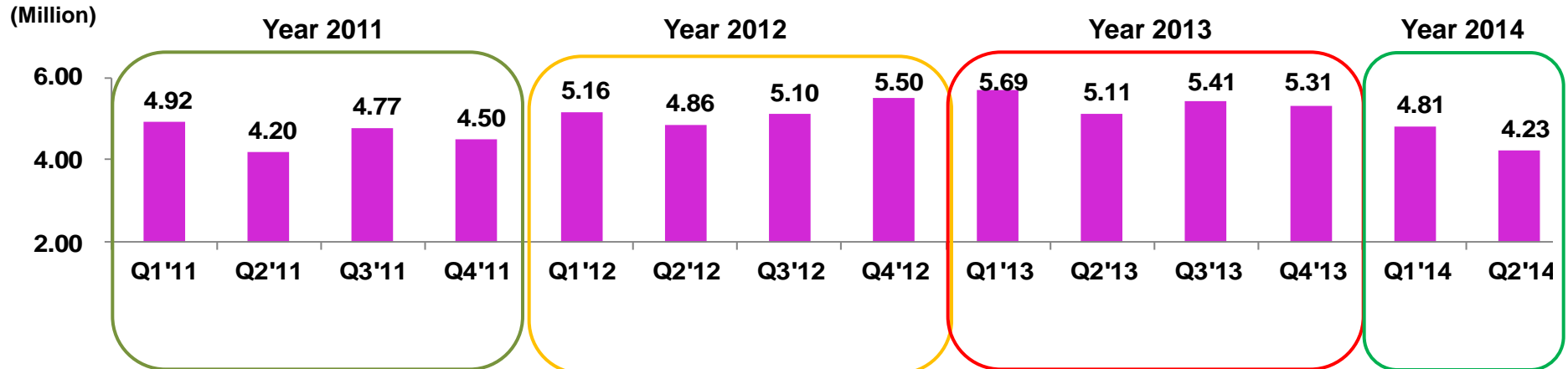
Have 4 of 12 Board seats

Operating Statistics

Operating Statistics

Passengers Carried*

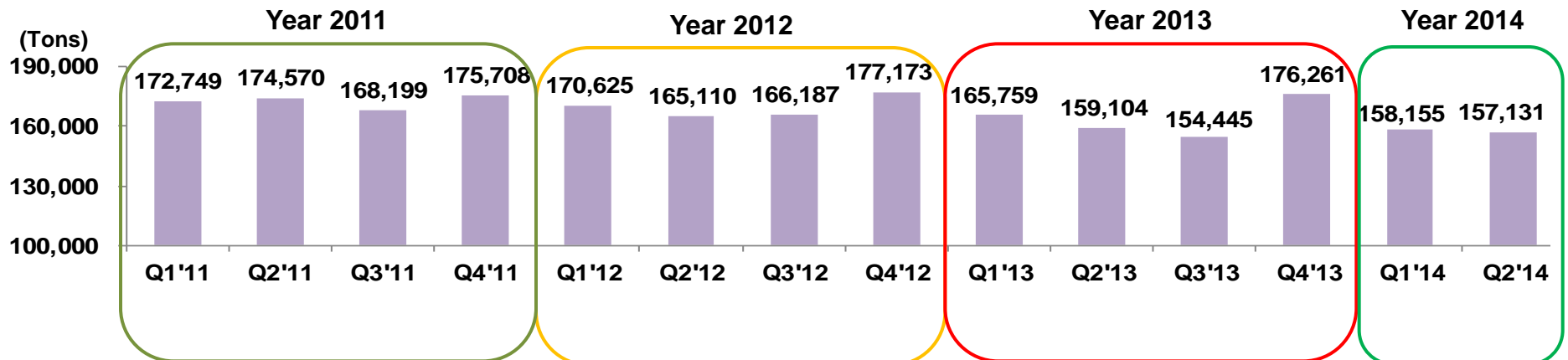
Q2'14 = 4.23 million (Decreased 17.3% YoY)



*Includes THAI Smile(WE)

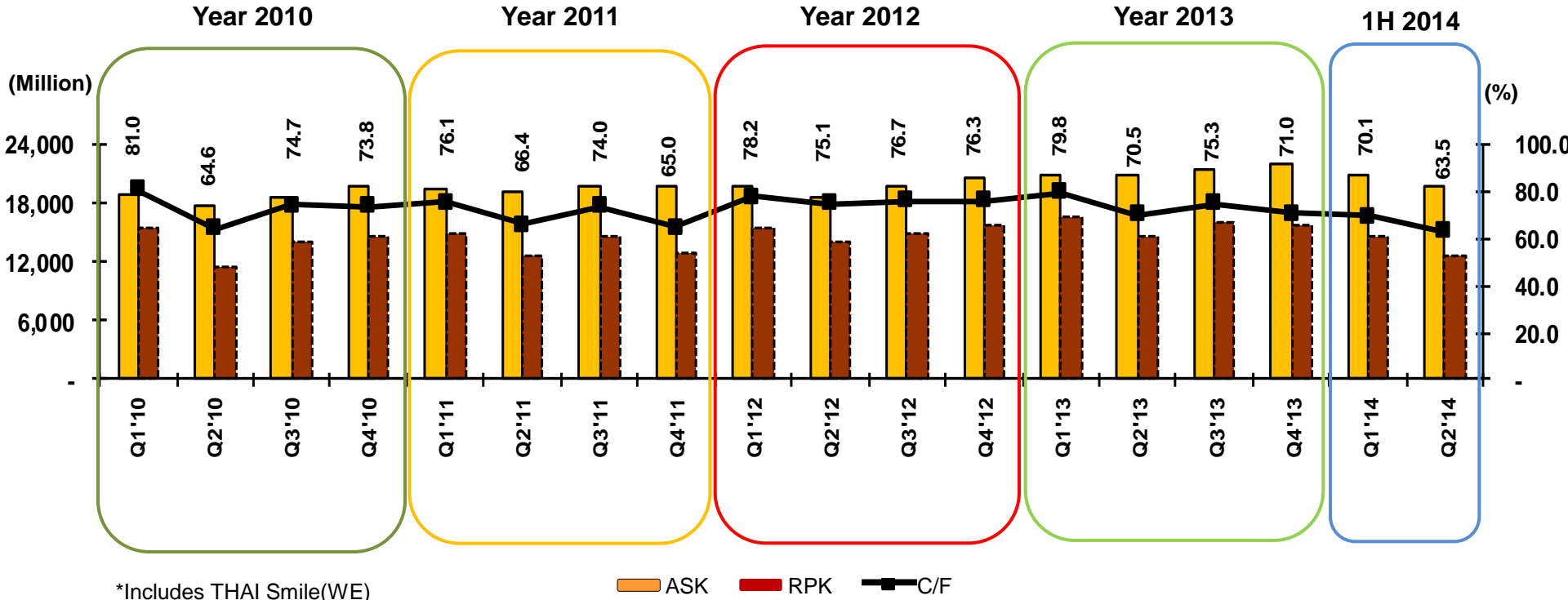
Freight Carried

Q2'14 = 157,131tons (Decreased 1.3% YoY)



Operating Statistics

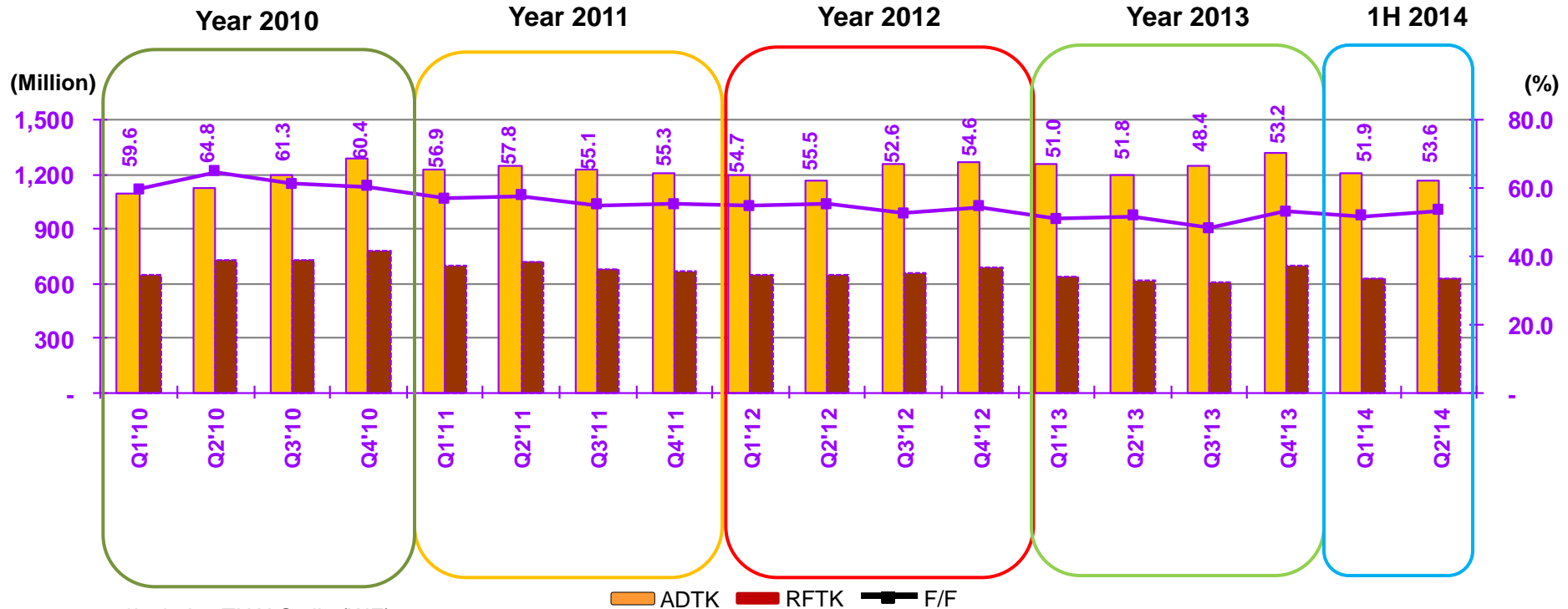
Passengers*



	YoY (Quarter)			YoY (1H)		
	Q2'13	Q2'14	YoY%	1H'13	1H'14	YoY%
MASK	20,906	19,889	(4.9)	41,957	40,823	(2.7)
MRPK	14,732	12,626	(14.3)	31,534	27,303	(13.4)
Cabin factor (%)	70.5	63.5	(7.0)	75.2	66.9	(8.3)

Operating Statistics

Freight

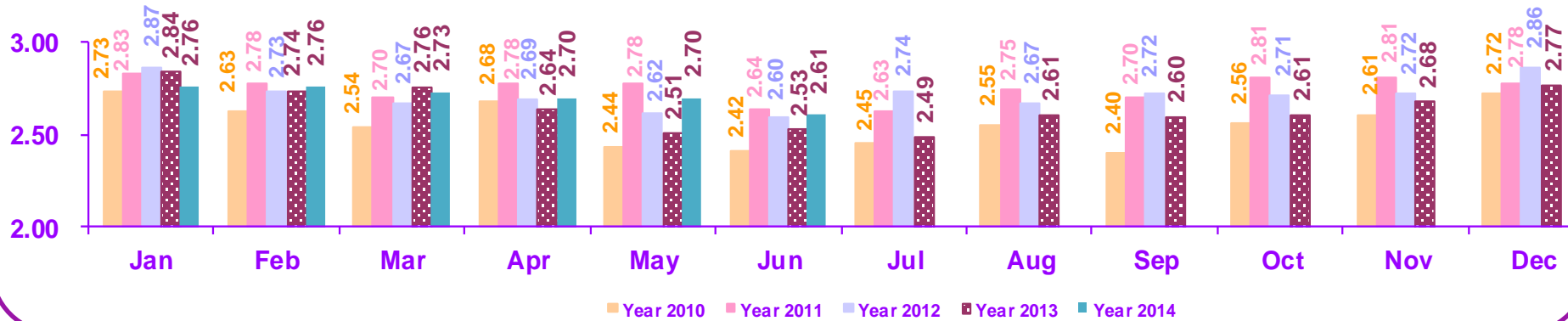


*Includes THAI Smile (WE)

	YoY (Quarter)			YoY (1H)		
	Q2'13	Q2'14	YoY%	1H'13	1H'14	YoY%
MADTK	1,200	1,167	(2.8)	2,458	2,381	(3.1)
MRFTK	621	625	0.6	1,261	1,254	(0.6)
Freight factor (%)	51.7	53.5	1.8	51.3	52.7	1.4

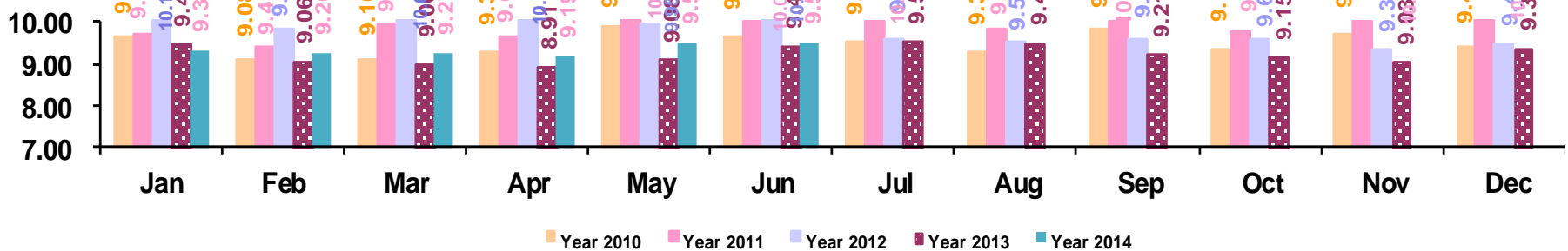
Passenger Yield (Including Fuel Surcharge)

(THB/Km)



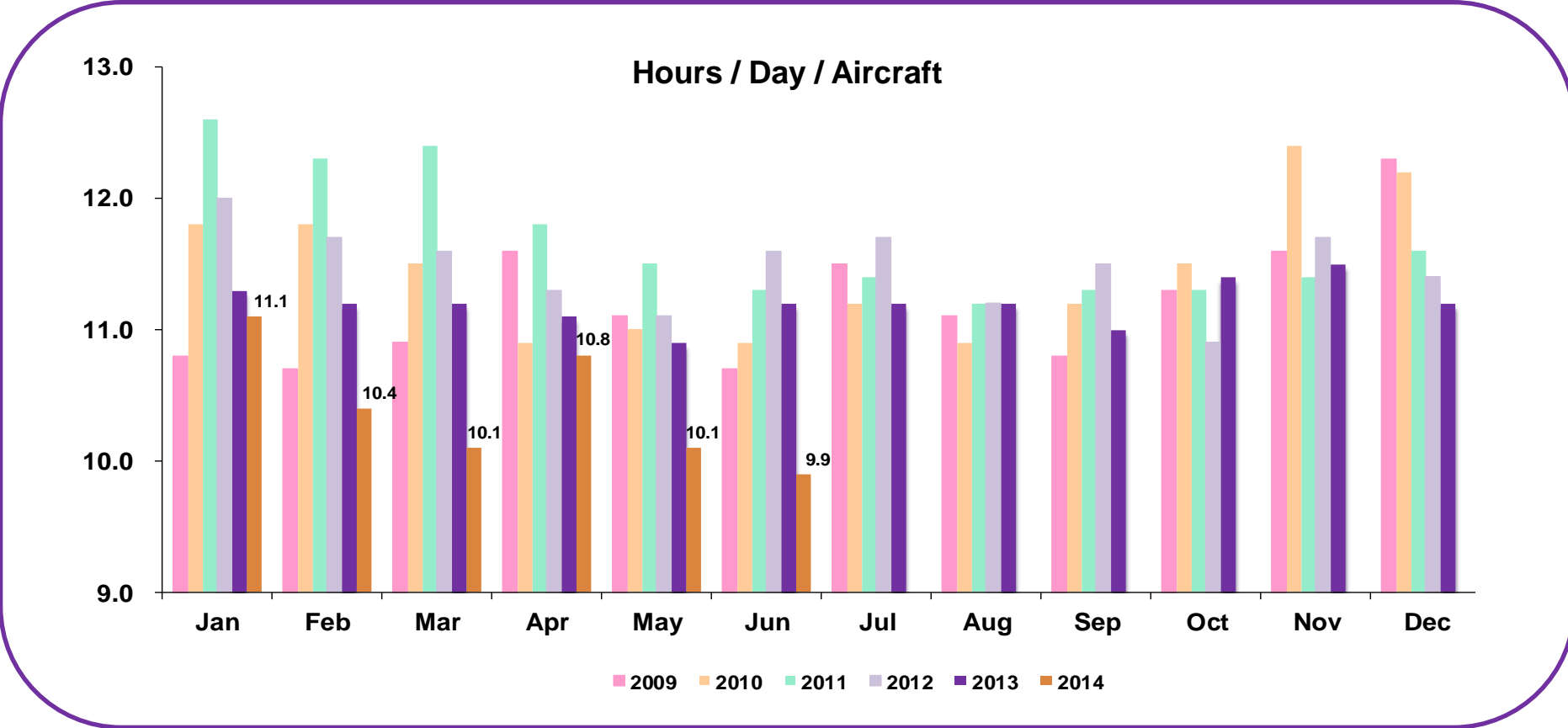
Freight Yield (Including Fuel Surcharge)

(THB/Km)



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

Aircraft Utilization



Aircraft Utilization for Q2'2014 = 10.3 Hours/Day/Aircraft

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

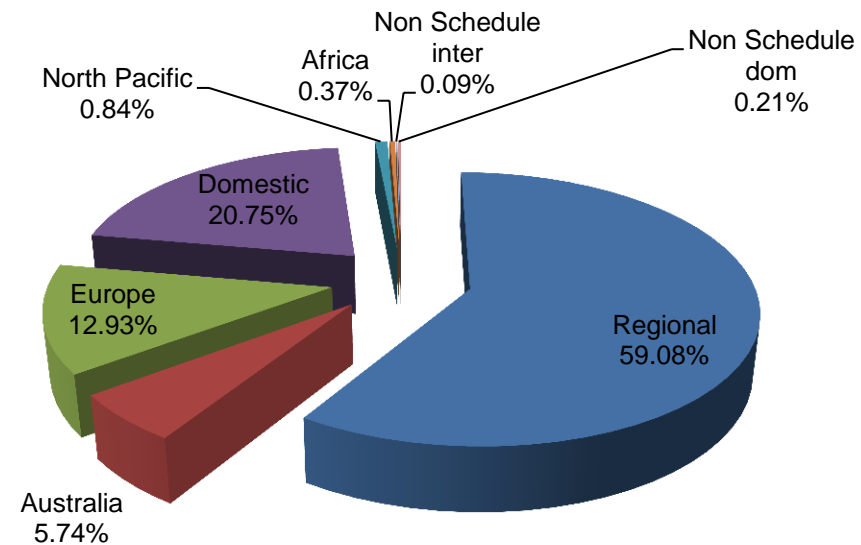
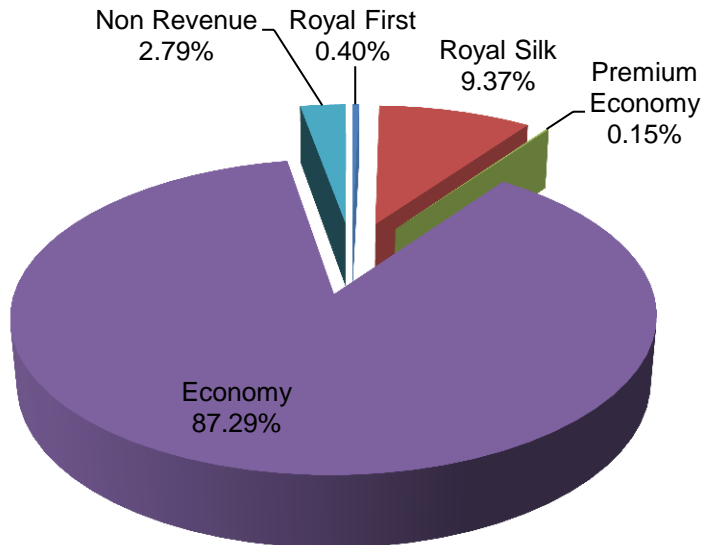
Aircraft Utilization for Year 2012 = 11.5 Hours/Day/Aircraft

THAI's Number of PAX

By Class

By Area

Q2'2014



Total passengers for Apr-June 2014 = 3.704 million*

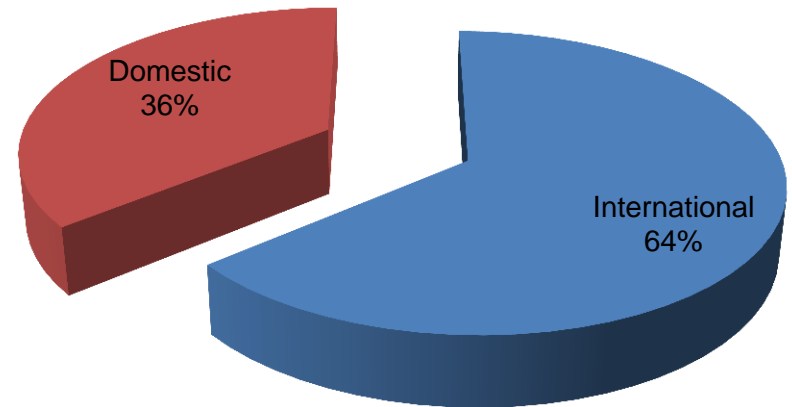
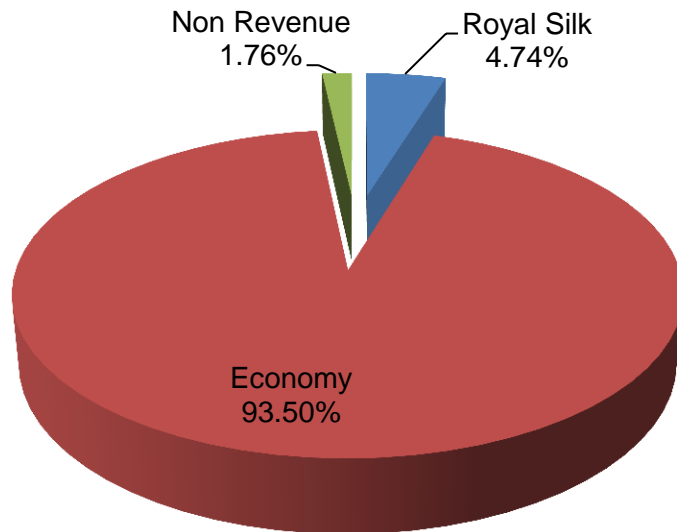
Exclude Thai Smile (WE)

THAI Smile's Number of PAX

By Class

By Area

Q2'2014



Total passengers for Apr-June 2014 = 190,109

*Code Shared by TG, Exclude Thai Smile (WE)

