

# THAI AIRWAYS INTERNATIONAL PCL

## Q3'2014



# 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	Q3'2014			9M'2014		
		2013	2014	% Change YoY	2013	2014	% Change YoY
<b>Passenger Production</b>	MASK	21,458	20,439	-4.8%	63,415	61,262	-3.4%
<b>Passenger Traffic</b>	MRPK	16,149	14,523	-10.1%	47,683	41,826	-12.3%
<b>Cabin Factor</b>	%	75.3	71.1	-4.2	75.2	68.3	-6.9
<b>Passenger carried</b>	Million	5.41	4.73	-12.5%	16.20	13.77	-15.0%
<b>Passenger Yield* (Inc. Surcharge)</b>	THB/km	2.56	2.57	+0.4%	2.63	2.67	+1.5%
<b>Freight Production</b>	MADTK	1,246	1,207	-3.2%	3,704	3,587	-3.1%
<b>Freight Traffic</b>	MRFTK	603	561	-6.9%	1,865	1,815	-2.7%
<b>Freight Factor</b>	%	48.4	46.5	-1.9	50.3	50.6	+0.3
<b>Freight carried</b>	Tons	154,446	139,260	-9.8%	479,310	454,546	-5.2%
<b>Freight Yield (Inc. Surcharge)</b>	THB/km	9.37	9.23	-1.5%	9.20	9.29	+1.0%

# Financial Performance

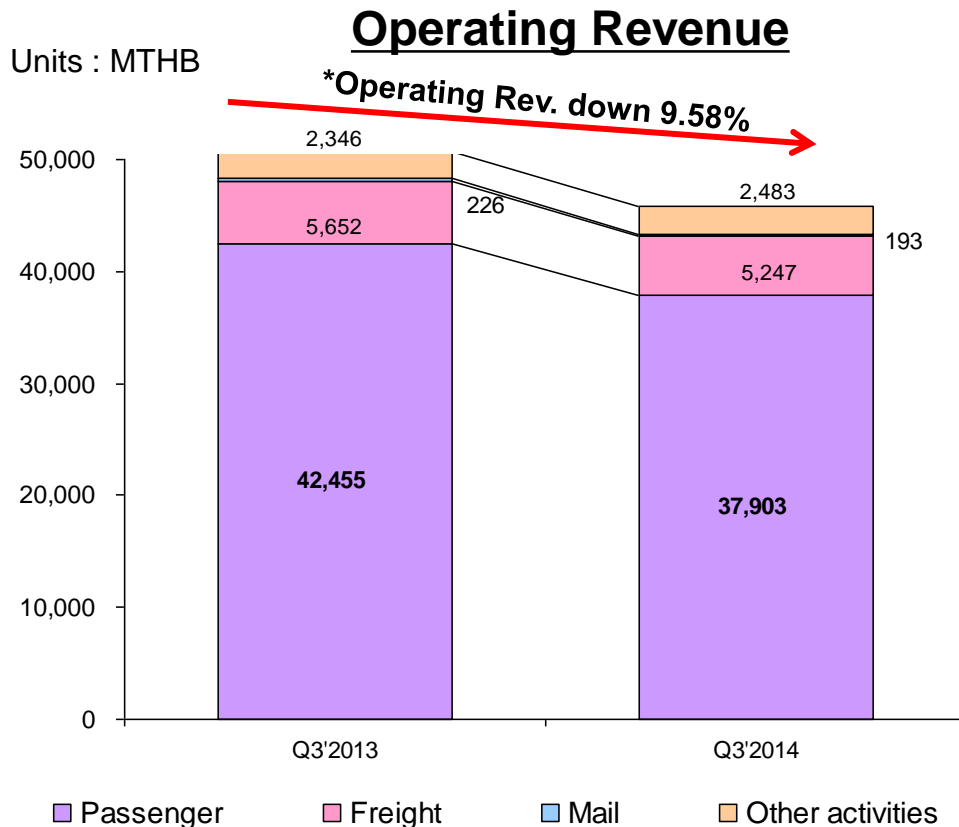
## Performance Summary (Q3'2013 & Q3'2014)

THAI and its subsidiaries

(Units : MTHB)	Q3'2013	Q3'2014	%Change
Total Operating Revenues	50,679	45,826	-9.6
<u>Less</u> Total Operating Expenses	52,767	49,766	-5.7
Operating profit(loss)	(2,088)	(3,940)	-88.7
<u>Add</u> Gain (loss) of Foreign currency exchange	(2,890)	7,379	+355.3
<b>Profit (loss) before tax</b>	<b>(6,128)</b>	922	+115.0
<b>Net Profit (loss)</b>	<b>(6,182)</b>	1,097	+117.7

# Financial Performance

## Operating / Total Revenue (Q3'2013 & Q3'2014)



### Total Revenue

Revenue	% Change	% of Total Revenue
Passenger	-10.7	70.4
Freight	-7.2	9.7
Mail	-14.7	0.4
Other activities	+5.84	4.6
Interest income	-59.6	0.2
Profit(loss) on FX	+355.3	13.7
Other income	+8.6	1.0
<b>Total Revenue</b>	<b>+11.1</b>	<b>100.0</b>

\* Exclude Interest income, Gain on FX and Other income

- Operating revenue Q3'2013 = 50,679 MTHB
- Operating revenue Q3'2014 = 45,826 MTHB

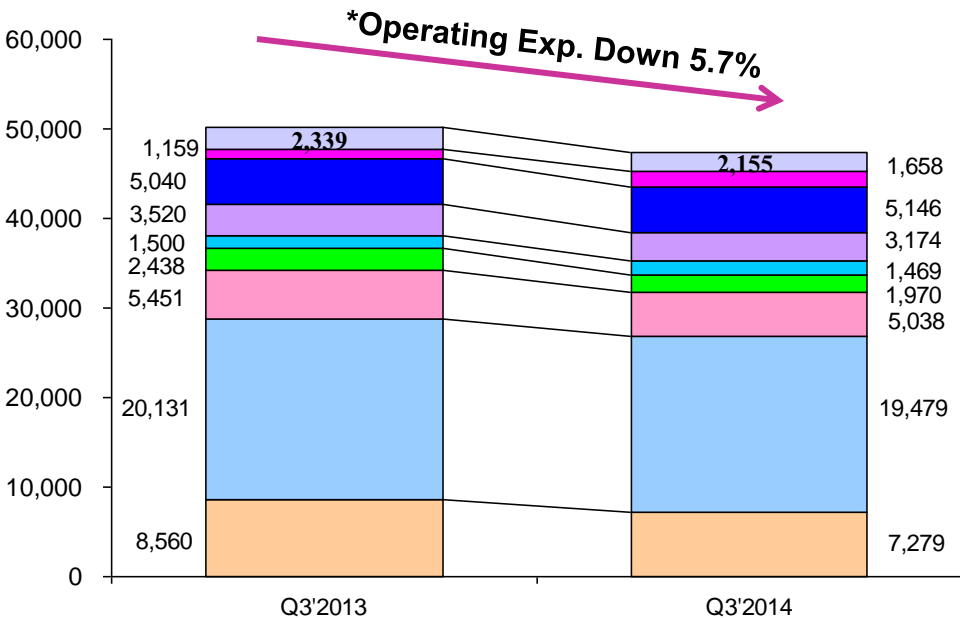
**Total revenue Q3'2013 = 48,462 MTHB**  
**Total revenue Q3'2014 = 53,819 MTHB**

# Financial Performance

## Operating / Total Expense (Q3'2013 & Q3'2014)

### Operating Expense

Units : MTHB



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

\* Excludes Impairment losses of assets and aircraft, Finance costs, Share of profits of associates and Other expenses

- Operating expense Q3'2013 = 52,767 MTHB
- Operating expense Q3'2014 = 49,766 MTHB

### Total Expense

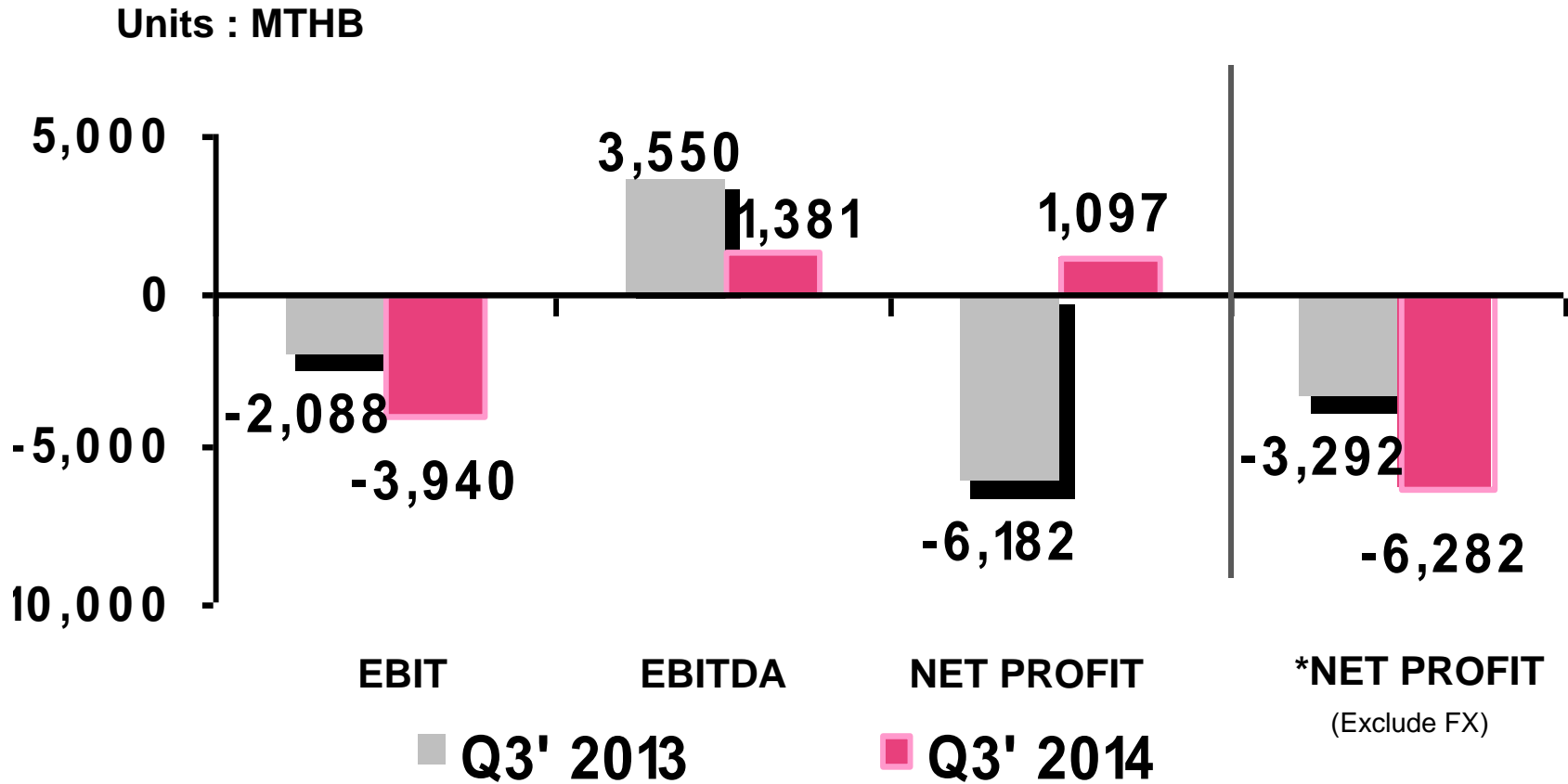
Expense	% Change YoY	% of Tot. Exp.
Personnel expense	-15.0	13.8
Fuel and oil	-3.2	36.8
Flight service expense	-7.6	9.5
Inventories and supplies	-19.2	3.7
Crew expense	-2.1	2.8
Maintenance/overhaul	-9.8	6.0
Depreciation/amortisation	+2.1	9.8
Aircraft lease/spare parts	+43.1	3.1
Other expenses**	+13.2	14.5
<b>Total Expense</b>	<b>-3.1</b>	<b>100.0</b>

\*\* Include Insurance expense, Impairment loss of assets and aircraft, Other expenses, Financial cost, Share of (profit) loss of associates

**Total expense Q3'2013 = 54,590 MTHB**  
**Total expense Q3'2014 = 52,897 MTHB**

# Financial Performance

## EBIT, EBITDA and Net Profit (Q3'2013 & Q3'2014)





## Ratios – Q3'2013 & Q3'2014

Ratios	units	Q3'2013	Q3'2014
Earnings Per Share	(THB)	(2.84)	0.50
Book Value per Share	(THB)	28.20	21.81
Price / Book Value	(Times)	0.71	0.66
EBIT	(MTHB)	(2,088)	(3,939)
EBITDA	(MTHB)	3,550	1,381
IBD to Equity	(Times)	3.0	4.0
Debt Service Coverage*	(Times)	0.3	0.4
Interest Coverage	(Times)	1.8	0.9
Operating Profit Margin	(%)	(4.1)	(8..6)
Net Profit Margin	(%)	(12.2)	2.4

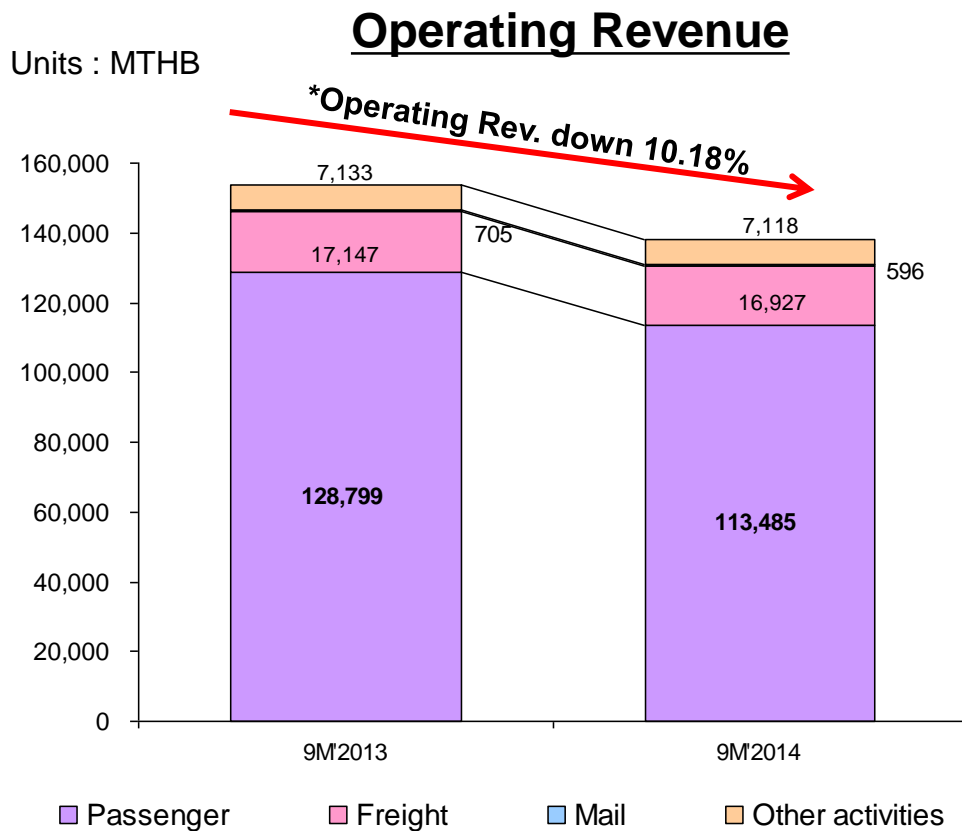
\*EBITDAR – TAX / Interest + Rent + Long Term Debt Repayment - Refinance - Prepayment

## Performance Summary (9M'2013 & 9M'2014)

THAI and its subsidiaries

(Units : MTHB)	9M'2013	9M'2014	%Change
Total Operating Revenues	153,785	138,126	-10.2
<u>Less</u> Total Operating Expenses	154,329	150,685	-2.4
Operating profit(loss)	(544)	(12,559)	-2,208.6
<u>Add</u> Gain (loss) of Foreign currency exchange	(963)	9,378	+1,073.8
<b>Loss before tax</b>	<b>(6,978)</b>	<b>(9,365)</b>	<b>-34.2</b>
<b>Net loss</b>	<b>(6,313)</b>	<b>(9,177)</b>	<b>-45.4</b>

## Operating / Total Revenue (9M'2013 & 9M'2014)



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

- Operating revenue 9M'2013 = 153,785 MTHB
- Operating revenue 9M'2014 = 138,126 MTHB

### Total Revenue

Revenue	% Change	% of Total Revenue
Passenger	-11.9	76.1
Freight	-1.3	11.3
Mail	-15.6	0.4
Other activities	-0.2	4.8
Interest income	-52.7	0.1
Profit(loss) on FX	+1,073	6.3
Gain on deemed disposal	-100.0	0.0
Gain on disposal of the controlling interest	-100.0	0.0
Other income	-8.8	1.0
<b>Total Revenue</b>	<b>-4.3</b>	<b>100.0</b>

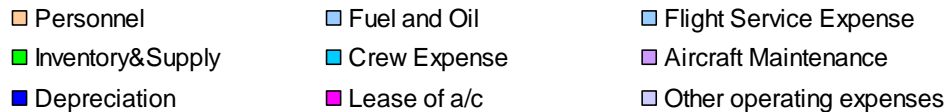
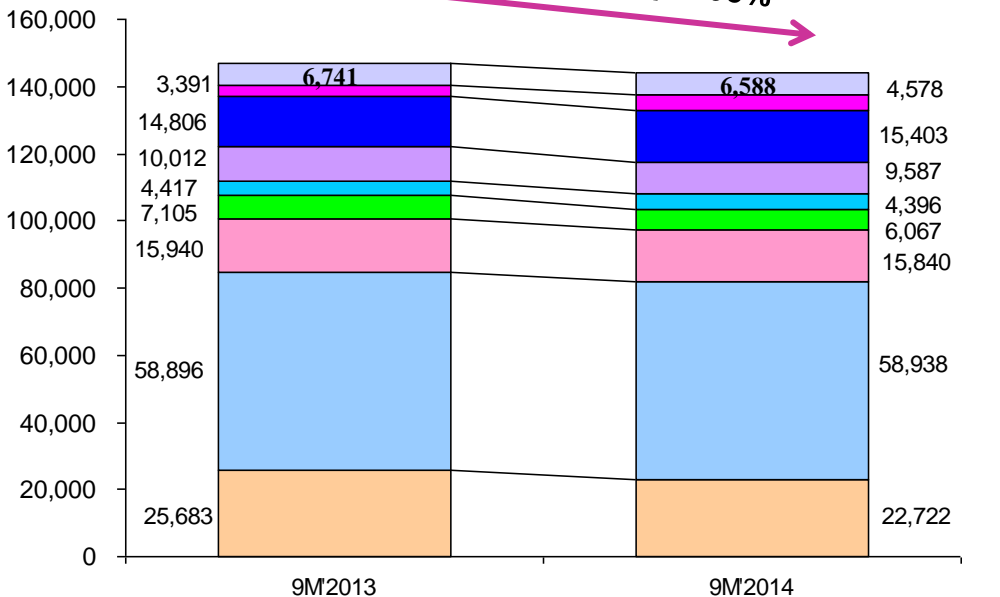
Total revenue 9M'2013 = 155,936 MTHB  
 Total revenue 9M'2014 = 149,225 MTHB

# Financial Performance

## Operating / Total Expense (9M'2013 & 9M'2014)

### Operating Expense

Units : MTHB



\* Excludes Impairment losses of assets and aircraft, Finance costs, Share of profits of associates and Other expenses

- Operating expense 9M'2013 = 146,991 MTHB
- Operating expense 9M'2014 = 144,119 MTHB

### Total Expense

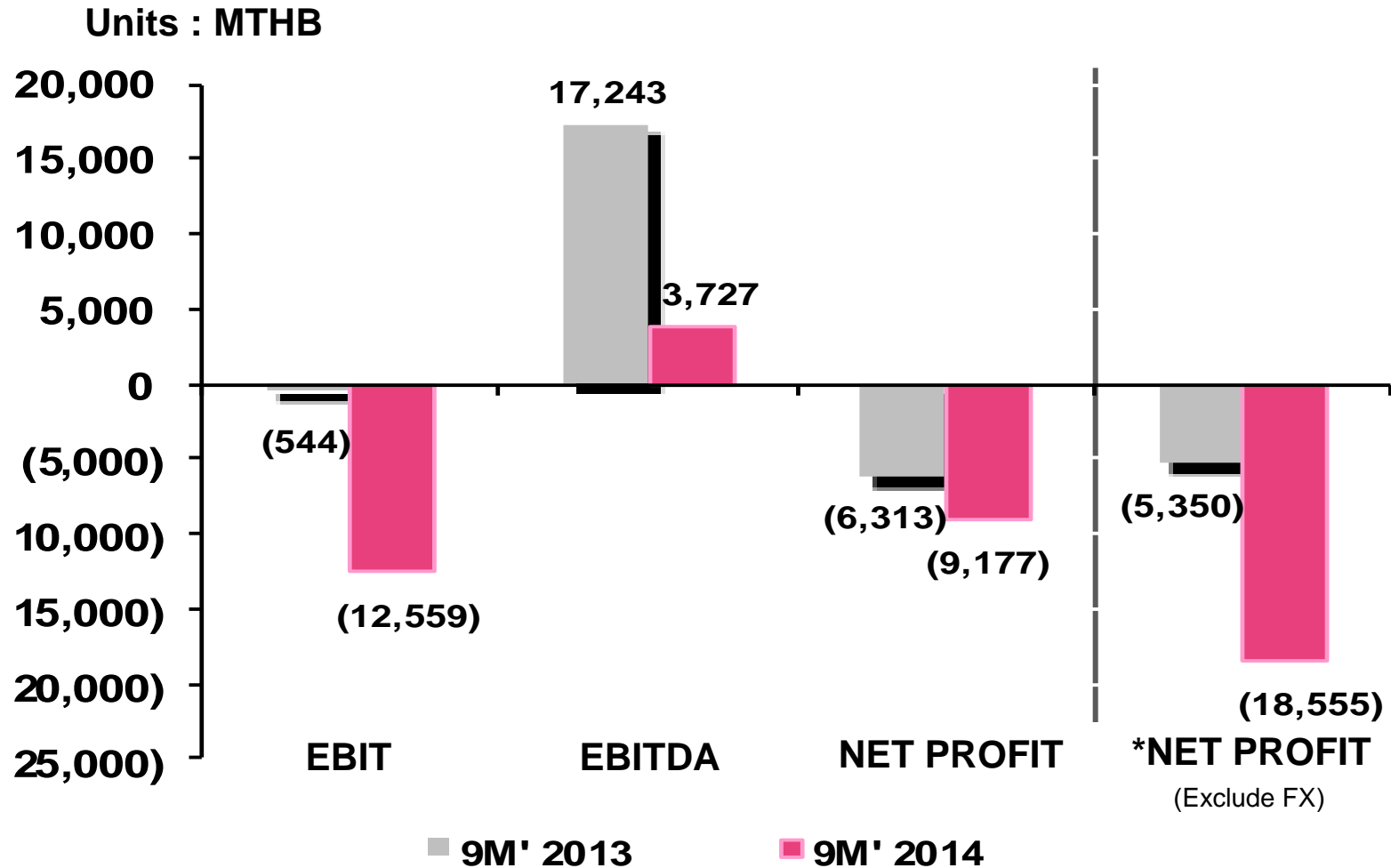
Expense	% Change YoY	% of Tot. Exp.
Personnel expense	-11.5	14.3
Fuel and oil	+0.1	37.2
Flight service expense	-0.6	10.0
Inventories and supplies	-14.6	3.8
Crew expense	-0.5	2.8
Maintenance/overhaul	-4.3	6.0
Depreciation/amortisation	+4.0	9.7
Aircraft lease/spare parts	+35.0	2.9
Other expense**	-7.1	13.3
<b>Total Expense</b>	<b>-2.7</b>	<b>100.0</b>

\*\* Include Insurance expense, Impairment loss of assets and aircraft, Other expenses, Financial cost, Share of (profit) loss of associates

**Total expense 9M'2013 = 162,915 MTHB**  
**Total expense 9M'2014 = 158,590 MTHB**

# Financial Performance

## EBIT, EBITDA and Net Profit (9M'2013 & 9M'2014)

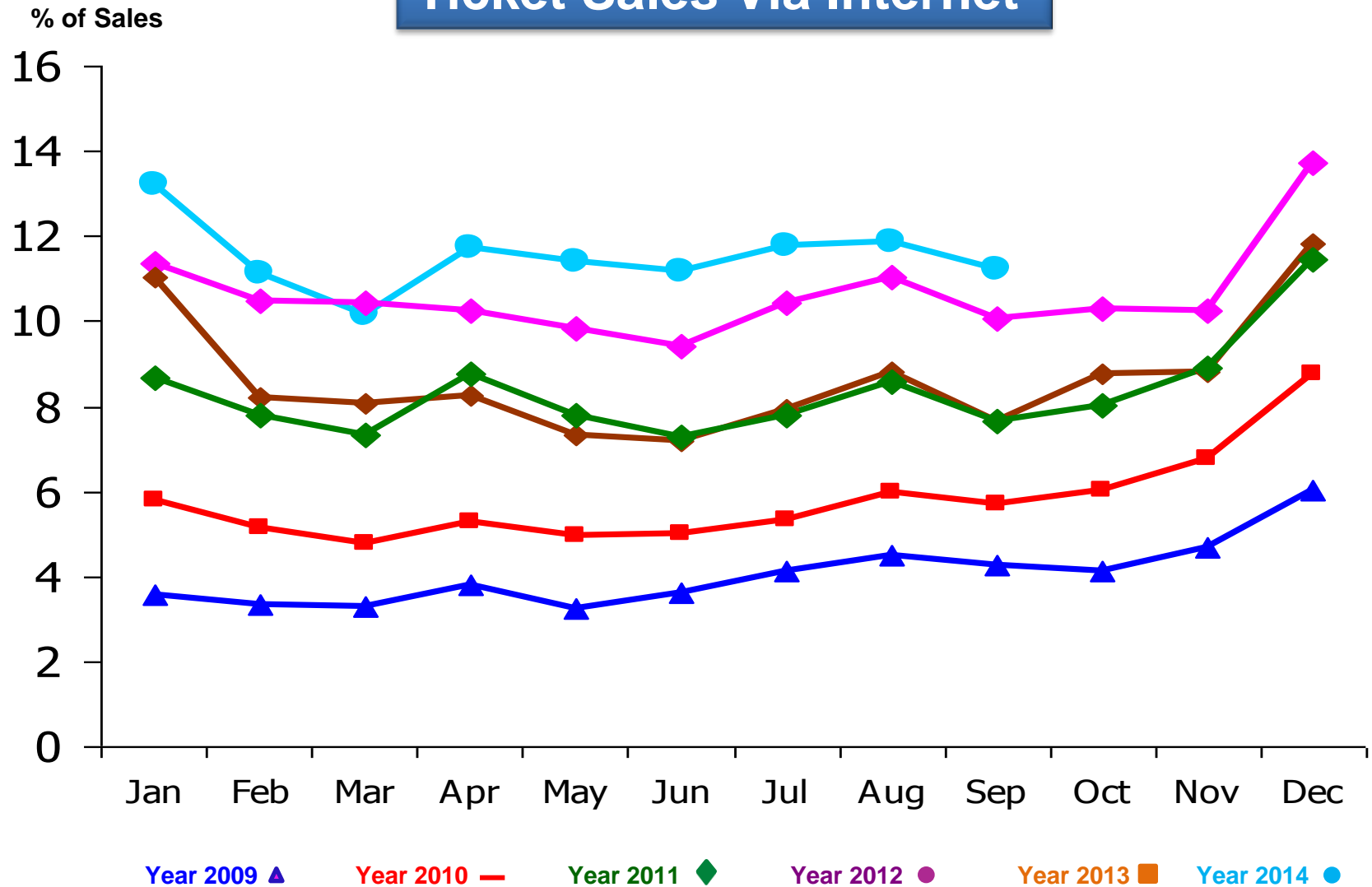


## Ratios – 9M'2013 & 9M'2014

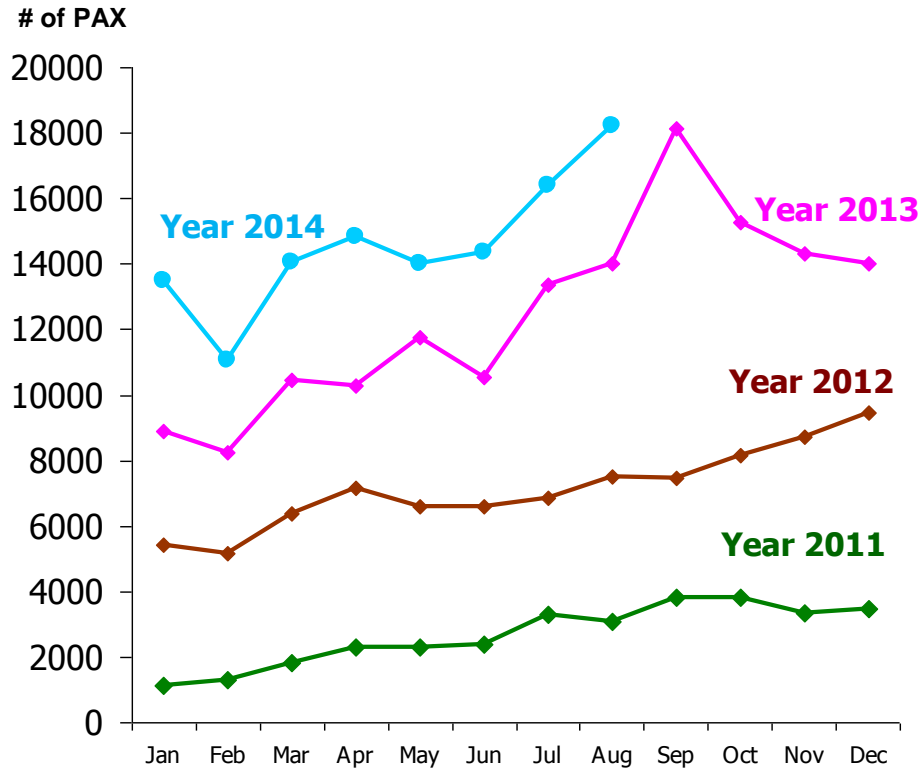
Ratios	units	9M'2013	9M'2014
Earnings Per Share	(THB)	(2.91)	(4.22)
Book Value per Share	(THB)	28.20	21.81
Price / Book Value	(Times)	0.71	0.66
EBIT	(MTHB)	(544)	(12,559)
EBITDA	(MTHB)	17,243	3,727
IBD to Equity	(Times)	3.0	4.0
Debt Service Coverage*	(Times)	0.6	0.3
Interest Coverage	(Times)	3.1	0.8
Operating Profit Margin	(%)	(0.4)	(9.1)
Net Profit Margin	(%)	(4.1)	(6.6)

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

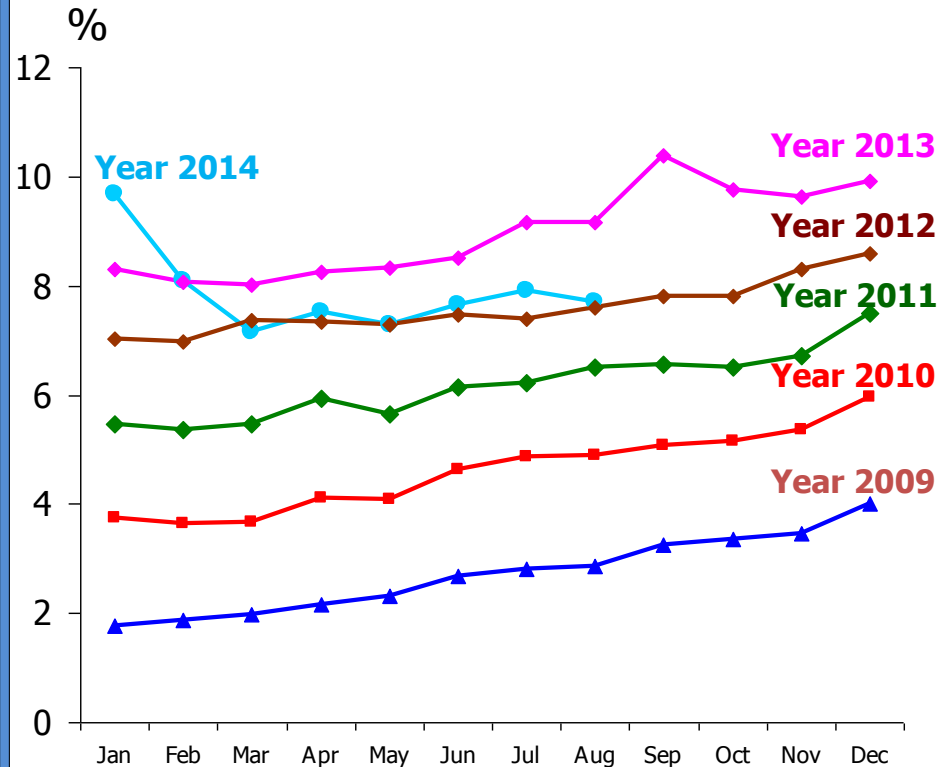
## Ticket Sales Via Internet



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



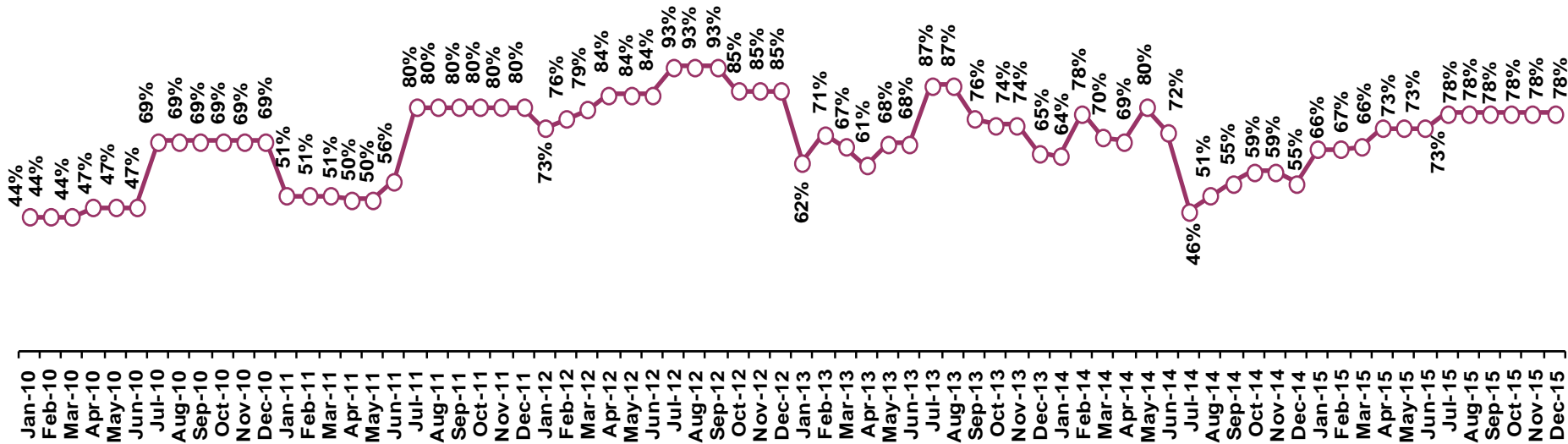
## Check-in via Internet





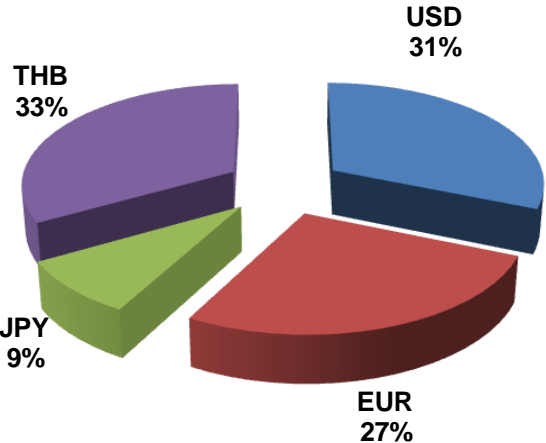
Hedging combined with fuel surcharge greatly mitigates fuel price fluctuation risk

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

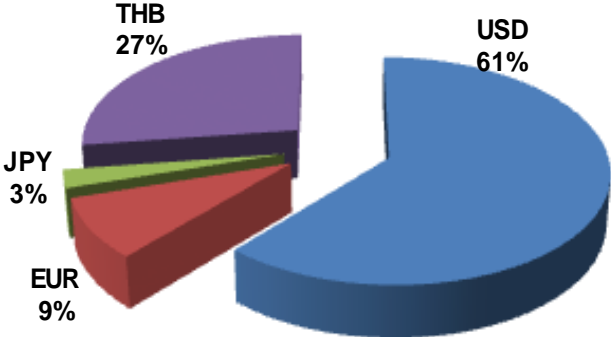


## Foreign Currency Exposure (As of Sep 2014)

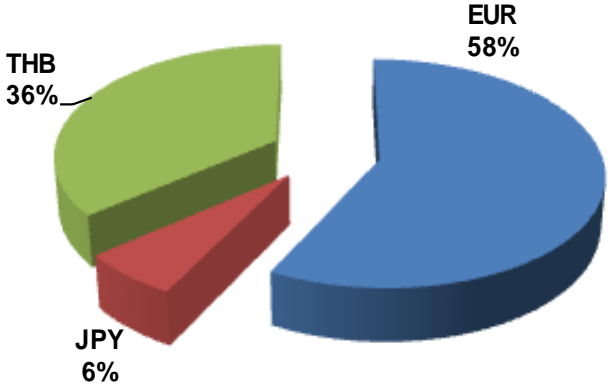
### Revenue



### Expense



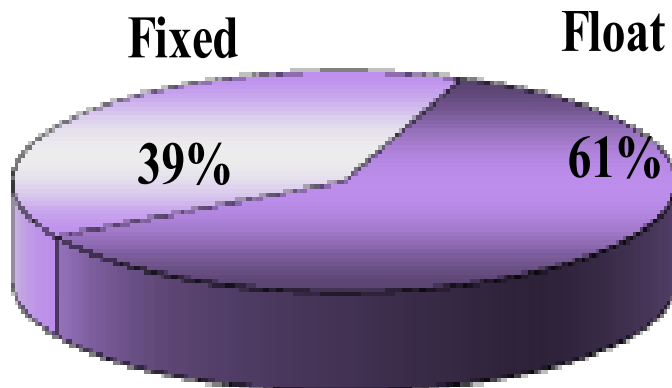
### Outstanding loan (After Swap)



## Proportion of Fixed and Float

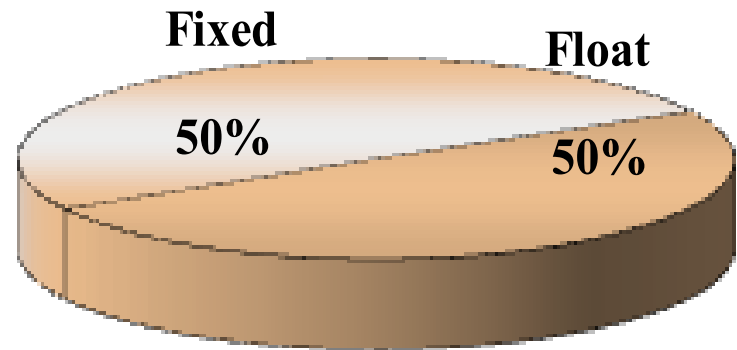
(As of Sep 2014)

### Before Swap



Percentage of TOTAL  
(TOTAL = 172,724.45 MTHB)

### After Swap



Percentage of TOTAL  
(TOTAL = 172,598.72 MTHB)

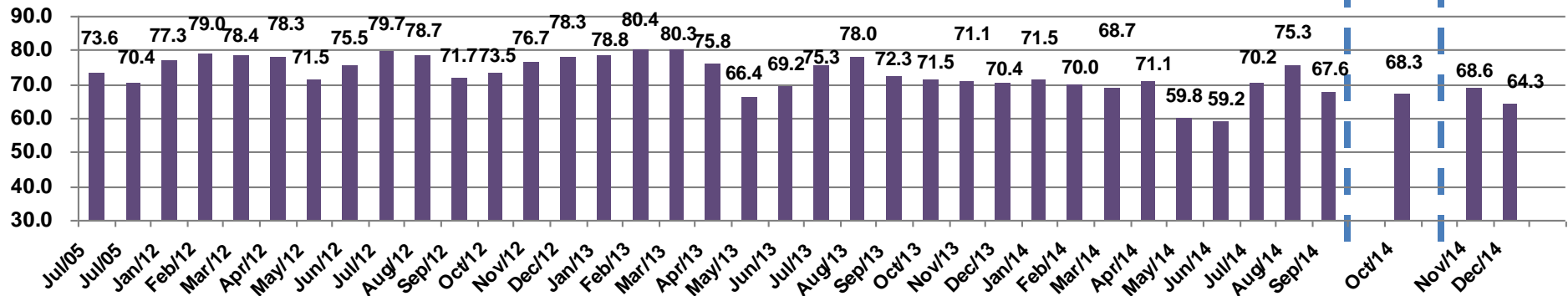
**Looking ahead**

## Cabin Factor (%)

Actual

Estimated  
(As of  
17.11.14)

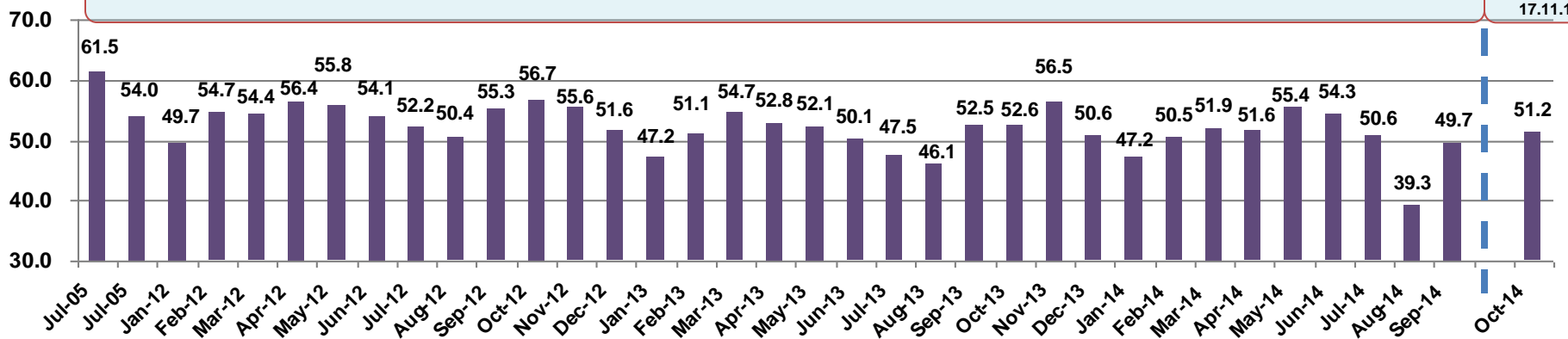
Booking  
(As of  
19.11.14)



## Freight Factor (%)

Actual

Estimated  
(As of  
17.11.14)



# Company Facts

## Current Fleet: 102 Aircrafts

**34.3% of O**      **35.3% of FL**      **30.4% of OL**  
 O=Owned      FL=Financial lease      OL=Operating lease  
 (Note: Approximately)



**Average age of aircraft = 8.3 years**

Aircraft Type	Version	# of Aircraft	# of Seat				Financial Method
			First	Business	Economy	Total	
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	15OL
	3202	4	N.A.	N.A.	174	174	
	3203	9	N.A.	N.A.	168	168	
A380-800	3801	6	12	60	435	507	2O, 4FL
B737-400	7341	3	N.A.	12	137	149	2O 1OL
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	11	N.A.	42	306	348	3FL, 8OL
B787	787	3	N.A.	24	240	264	3OL
<b>Total</b>		<b>102</b>	<b>39</b>	<b>486</b>	<b>4,143</b>	<b>4,668</b>	<b>35O, 36FL, 31OL</b>

Note: 1.Exclude 1 of Airbus 330-300 aircraft that does not count toward the aircraft used in operations as of December 31, 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

4. Aircraft Age Excluded Freighter

As of 31 Oct 14

# Aircraft Delivery Plan

NEW A/C DELIVERY	2014	2015	2016	2017	2018	TOTAL
A350-900			2 (OL)	5 (3OL/2FL)	5 (3OL/2FL)	12
A320 (Thai Smile)	7 (5OL/2FL)	3 (FL)				10
B777-300ER	3 (FL)	3 (FL)	-	-		6
B787-8	4 (OL)	2 (OL)				6
B787-9				2 (OL)		2
<b>TOTAL</b>	<b>14</b>	<b>8</b>	<b>2</b>	<b>7</b>	<b>5</b>	<b>36</b>

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

Update 14 Sep 14



# Phase Out Plan

PHASE-OUT PLAN	2014	2015	2016	2017	2018	TOTAL
A300-600	5	-	-	-	-	5
A330-300	5	5	-	2	-	12
B747-400	-	-	-	2	2	4
B777-300ER (Jet Airways)	-	-	-	-	-	-
B777-200	-	-	2	-	2	4
B737-400	3	-	-	2	-	5
ATR	-	-	-	-	-	-
<b>TOTAL</b>	<b>13</b>	<b>5</b>	<b>2</b>	<b>6</b>	<b>4</b>	<b>30</b>

Update 14 Sep 14



# THAI's Route Network

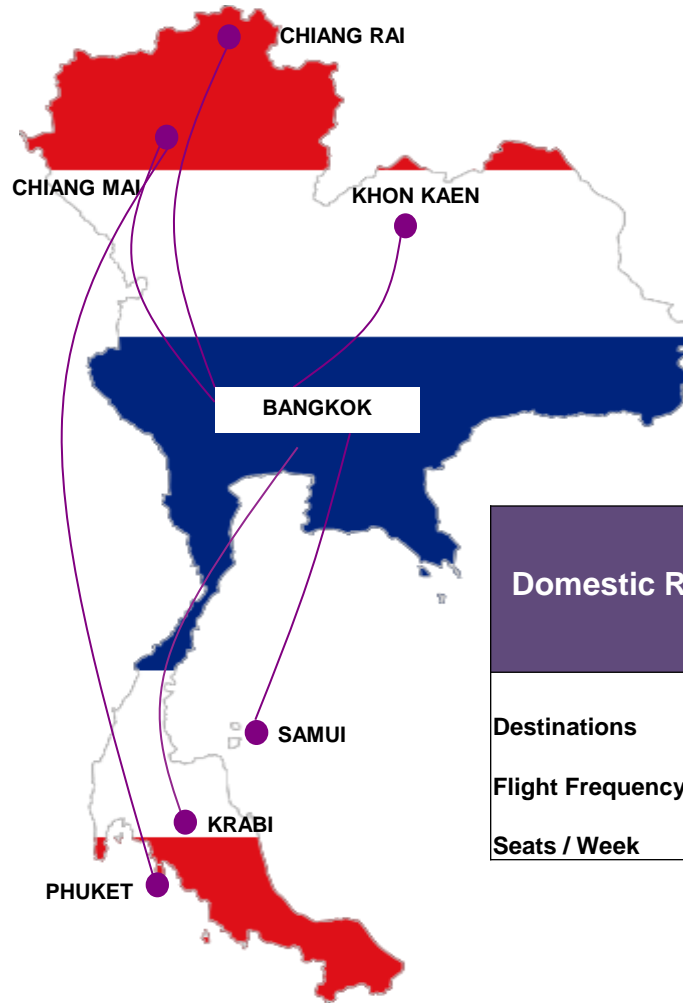
## World Route Network



\* 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 Frequency Increase

•Bangkok-Madrid-Bangkok	3 ➔ 4 flights / week
•Bangkok-Manila-Bangkok	7 ➔ 10 flights / week
•Bangkok-Nagoya-Bangkok	7 ➔ 10 flights / week
•Bangkok-Haneda-Bangkok	7 ➔ 14 flights / week
•Bangkok-Hong Kong-Bangkok	28 ➔ 31 flights / week
•Bangkok-Chongqing-Bangkok	3 ➔ 4 flights / week
•Bangkok-Singapore-Bangkok	21 ➔ 26 flights / week
•Bangkok-Kuala Lumpur-Bangkok	14 ➔ 18 flights / week
•Bangkok-Dhaka-Bangkok	5 ➔ 7 flights / week
•Bangkok-Kolkata-Bangkok	6 ➔ 7 flights / week
•Bangkok-Hyderabad-Bangkok	4 ➔ 5 flights / week
•Bangkok-Bangaluru-Bangkok	6 ➔ 7 flights / week
•Bangkok-Chennai-Bangkok	6 ➔ 7 flights / week
•Bangkok-Mumbai-Bangkok	5 ➔ 7 flights / week
•Bangkok-Colombo-Bangkok	6 ➔ 7 flights / week
•Bangkok-Karachi-Bangkok	4 ➔ 5 flights / week

### Seasonal Frequency Decrease

•Bangkok-London-Bangkok	14 ➔ 12 flights / week
•Bangkok-Copenhagen-Bangkok	9 ➔ 7 flights / week
•Bangkok-Stockholm-Bangkok	9 ➔ 7 flights / week
•Bangkok-Oslo-Bangkok	7 ➔ 5 flights / week
•Bangkok-Moscow-Bangkok	6 ➔ 4 flights / week
•Bangkok-Brussels-Bangkok	4 ➔ 3 flights / week
•Bangkok-Perth-Bangkok	6 ➔ 5 flights / week
•Bangkok-Sydney-Bangkok	12 ➔ 10 flights / week
•Bangkok-Auckland-Bangkok	5 ➔ 4 flights / week
•Bangkok-Osaka-Bangkok	17 ➔ 14 flights / week
•Bangkok-Seoul-Bangkok	37 ➔ 36 flights / week
•Bangkok-Chengdu-Bangkok	7 ➔ 5 flights / week
•Bangkok-Delhi-Bangkok	12 ➔ 10 flights / week
•Bangkok-Tokyo-Bangkok	31 ➔ 14 flights / week

### Seasonal Temporarily Suspended Flights

- Copenhagen-Phuket-Copenhagen
- Stockholm-Phuket-Stockholm



### New Destination

• Don Mueang-Chiang Mai v.v.	21 flights / week
• Don Mueang-Khon Kaen v.v.	21 flights / week
• Don Mueang-Phuket v.v.	14 flights / week
• Chiang Mai – Phuket v.v.	7 flights / 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 29 OCT 14)

-Subject to current market condition

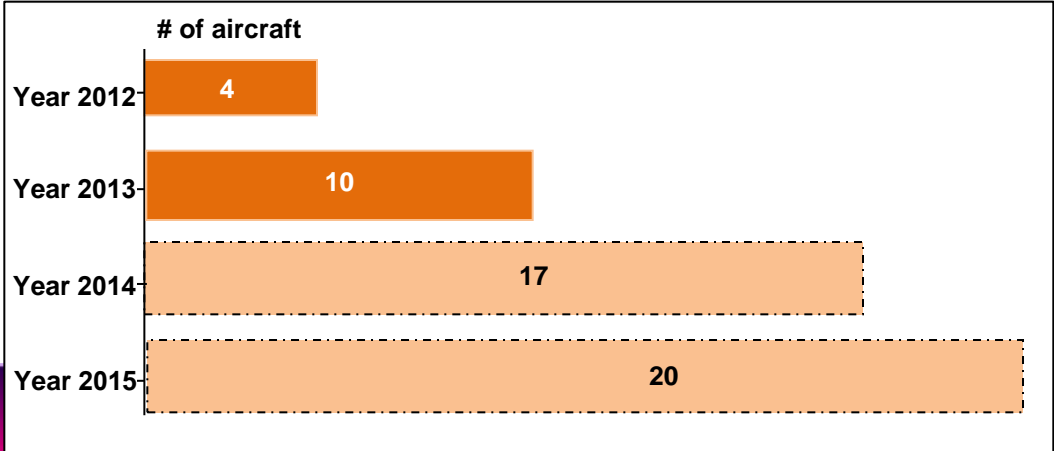


**THAI Smile based at Suvarnabhumi Airport**  
Operates in domestic and regional secondary routes  
and synchronizes with TG's network.



**Currently 15 aircrafts Airbus 320-200** (As at 30 Sep 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.
21 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	227	123
Seats/Week	67,213	41,212

# Nok Air Route Network

**19 Aircraft**  
(As of 30 Sep 2014)

16 of Boeing 737-800



2 of ATR 72-500



1 of Bombardier Q 400



International & Domestic Routes	Q3/2014	Year 2013 (Jan-Dec)
Destinations	23	27
Freq./Week	471	606

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



**TG's Proportion of Shareholding:**  
**39.2%**

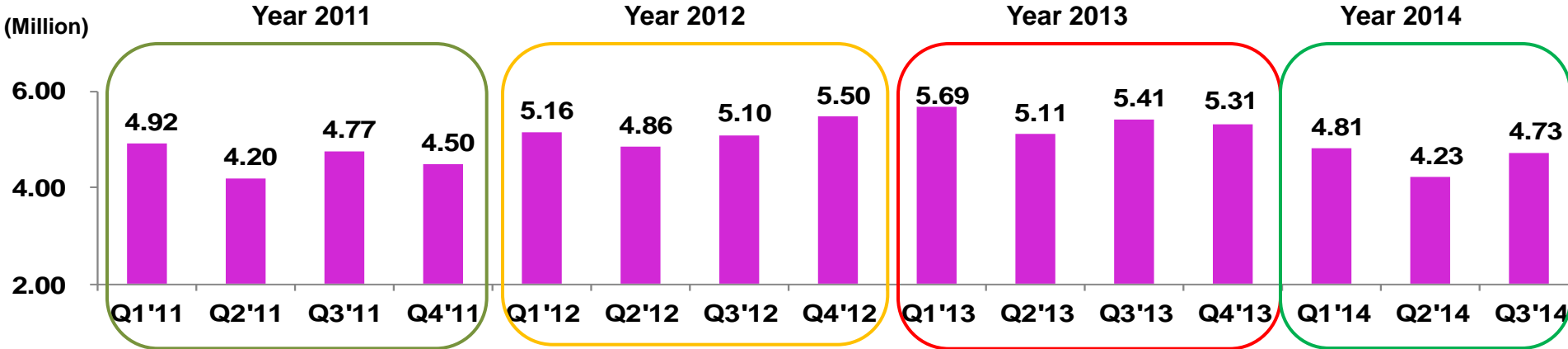
**Have 4 of 12 Board seats**

# Operating Statistics

# Operating Statistics

## Passengers Carried\*

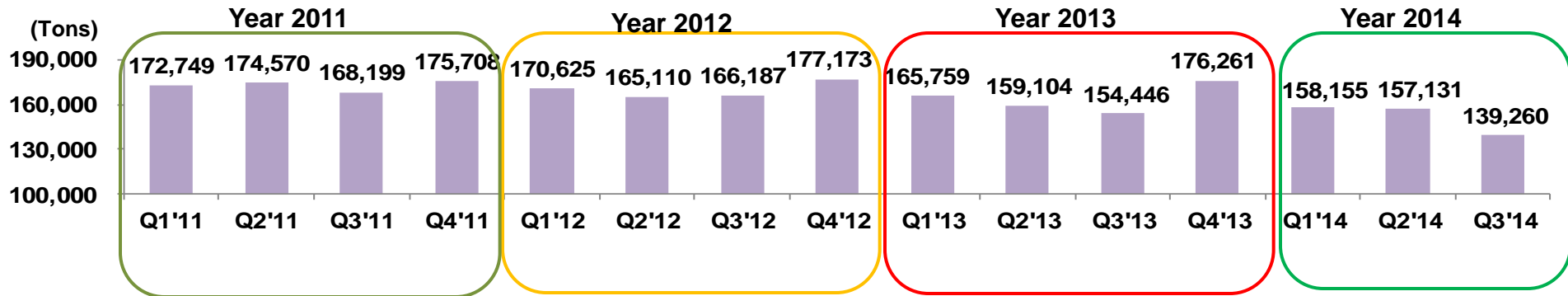
Q3'14 = 4.73 million (Decreased 12.5% YoY)



\*Includes THAI Smile(WE)

## Freight Carried

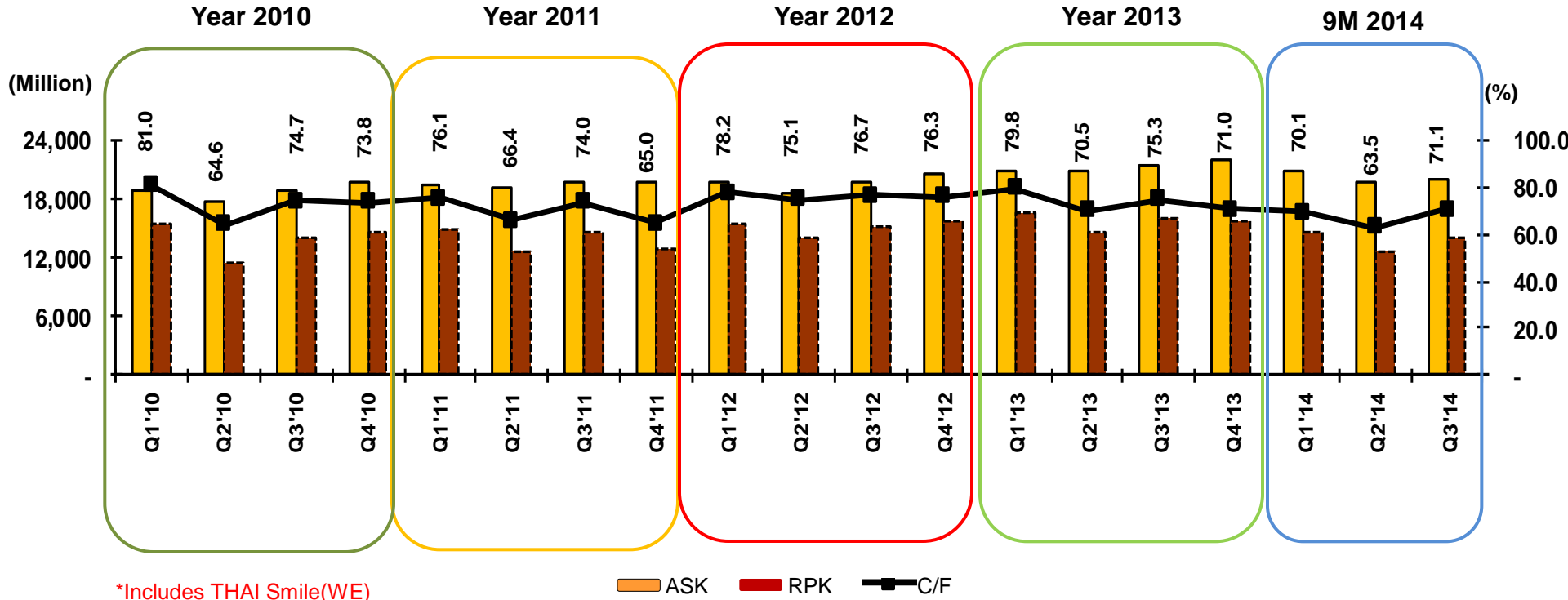
Q3'14 = 139,260 tons (Decreased 9.8% YoY)





# Operating Statistics

## Passengers\*



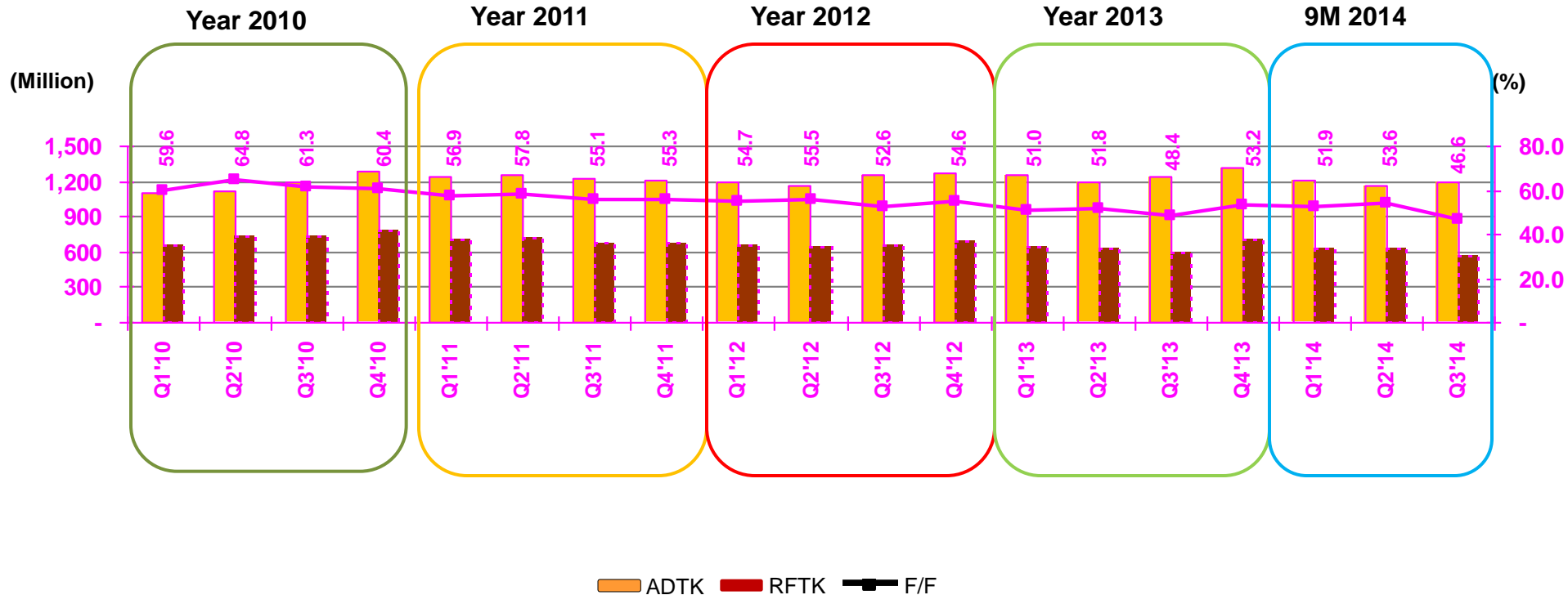
\*Includes THAI Smile(WE)

ASK RPK C/F

	YoY (Quarter)			YoY (9M)		
	Q3'13	Q3'14	YoY%	9M'13	9M'14	YoY%
MASK	21,458	20,439	-4.8	63,415	61,262	-3.4
MRPK	16,149	14,523	-10.1	47,683	41,826	-12.3
Cabin factor (%)	75.3	71.1	-4.2	75.2	68.3	-6.9

# Operating Statistics

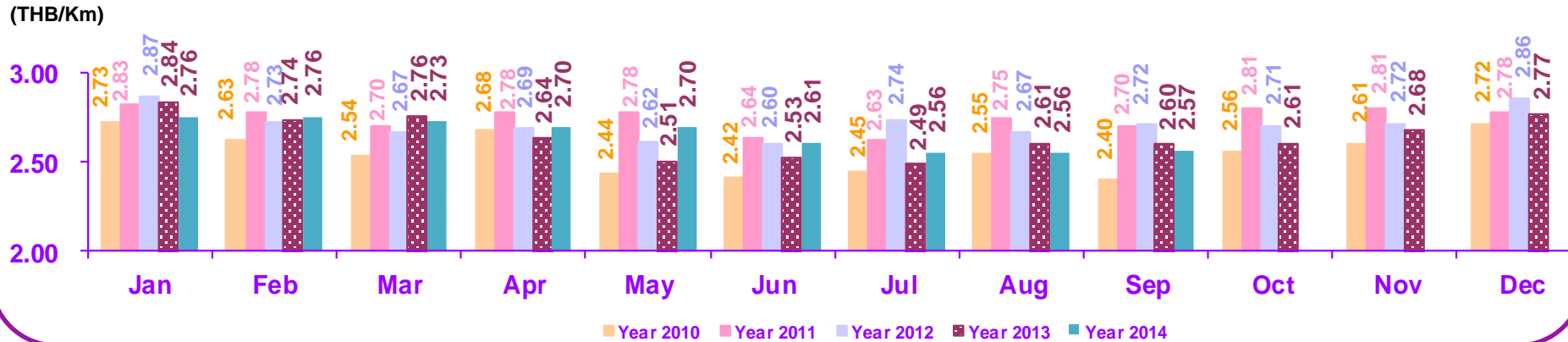
## Freight



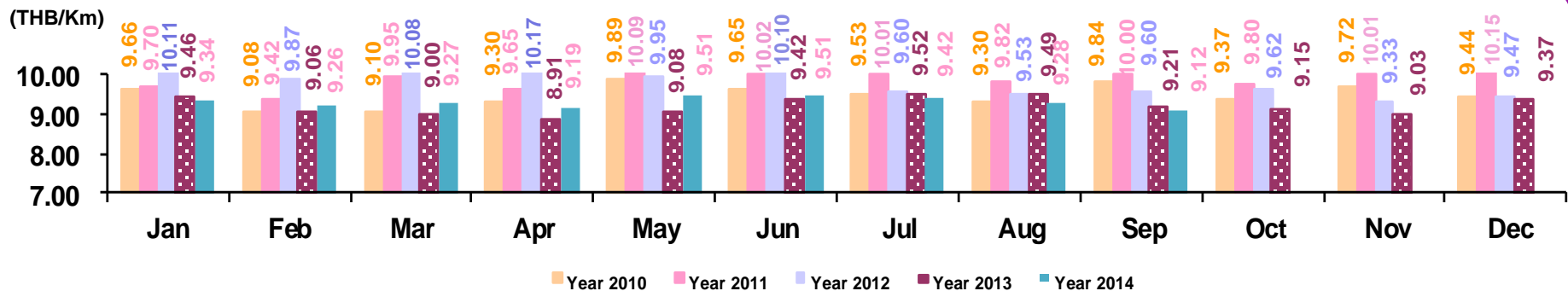
\*Includes THAI Smile (WE)

	YoY (Quarter)			YoY (9M )		
	Q3'13	Q3'14	YoY%	9M'13	9M'14	YoY%
MADTK	1,246	1,207	-3.2	3,704	3,587	-3.1
MRFTK	603	561	-6.9	1,865	1,815	-2.7
Freight factor (%)	48.4	46.5	-1.9	50.3	50.6	0.3

## Passenger Yield (Including Fuel Surcharge)

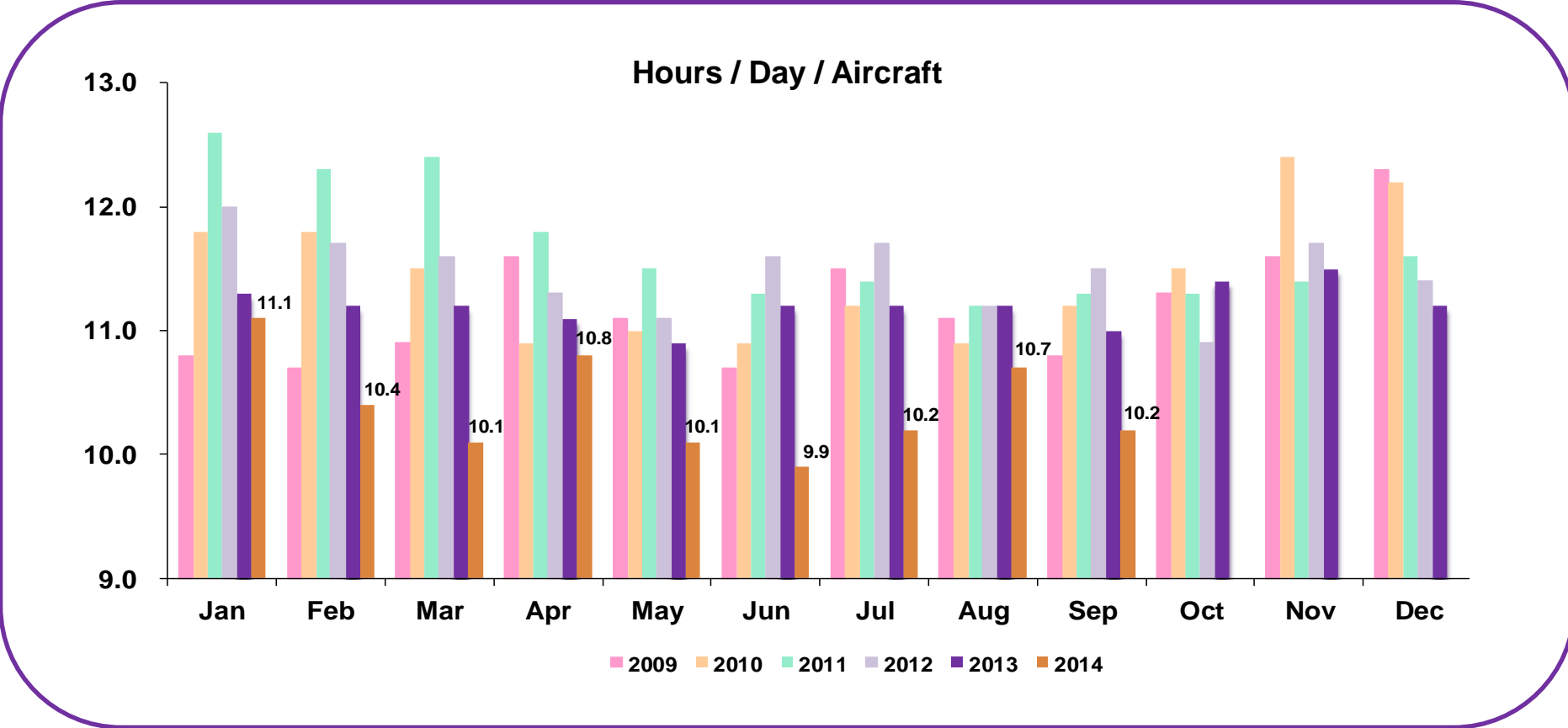


## Freight Yield (Including Fuel Surcharge)



Note: -Yield (from JAN'12 onwards) is passenger - sales commission and discount/RPK  
 Based on RCM report  
 -THAI SMILE (DOM) Exclude WExxx Flight

# Aircraft Utilization



**Aircraft Utilization for Q3'2014 = 10.4 Hours/Day/Aircraft**

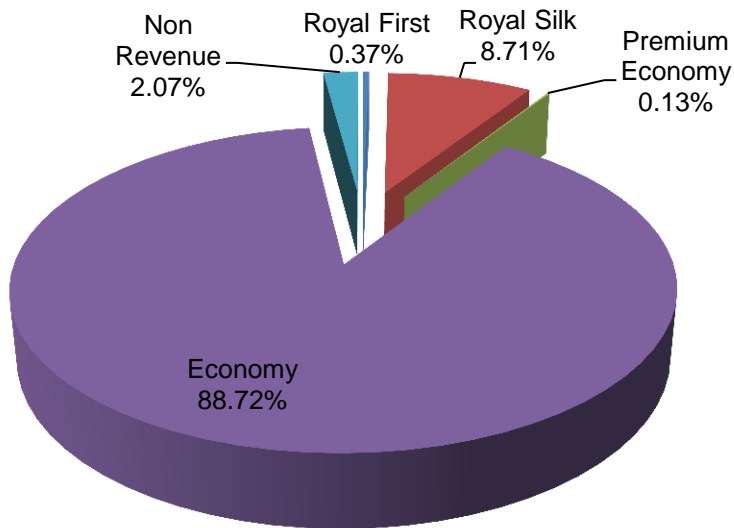
**Aircraft Utilization for Year 2013 = 11.2 Hours/Day/Aircraft**

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



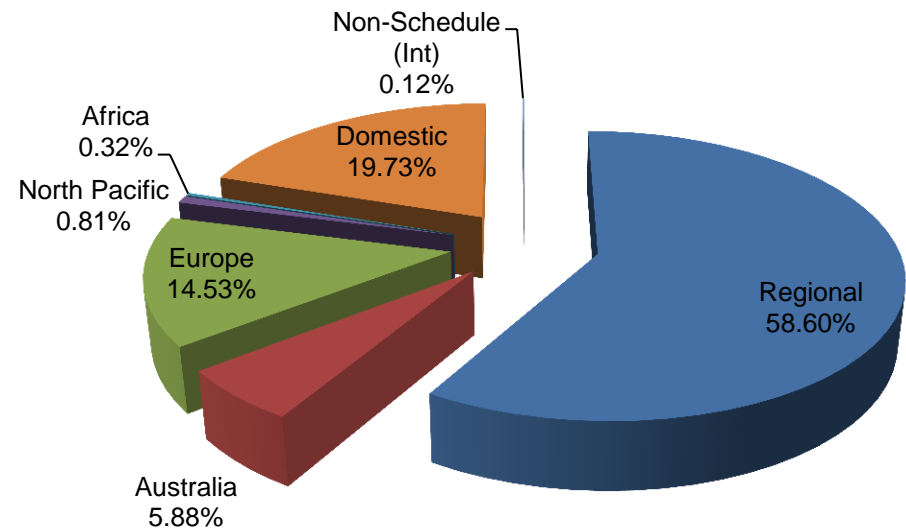
# THAI's Number of PAX

## By Class



## By Area

### Q3'2014



**Total passengers for Jul-Sep 2014 = 4.09 million\***

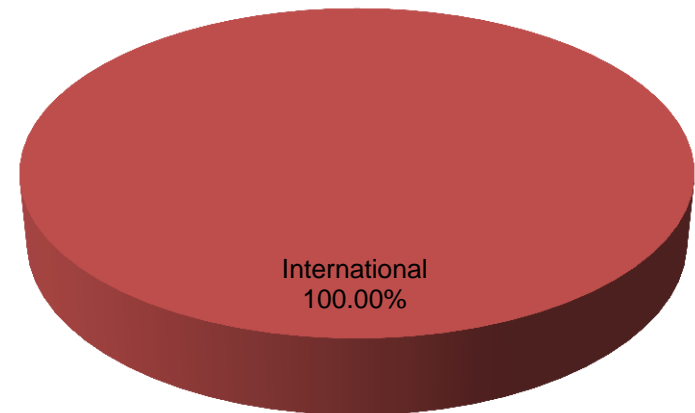
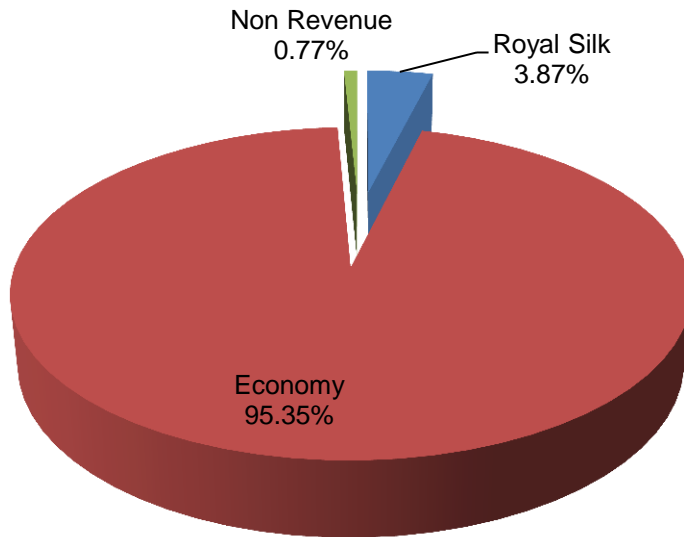
Exclude Thai Smile (WE)

# THAI Smile's Number of PAX

By Class

By Area

Q3'2014



Total passengers for July-Sep 2014 = 169,429

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

