

# THAI AIRWAYS INTERNATIONAL PCL

## Year'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	Q4'2014			Y'2014		
		2013	2014	% Change YoY	2013	2014	% Change YoY
<b>Passenger Production</b>	MASK	22,240	21,707	-2.4%	85,655	82,969	-3.1%
<b>Passenger Traffic</b>	MRPK	15,796	15,368	-2.7%	63,479	57,194	-9.9%
<b>Cabin Factor</b>	%	71.0	70.8	-0.2	74.1	68.9	-5.2
<b>Passenger carried</b>	Million	5.31	5.33	+0.4%	21.51	19.10	-11.2%
<b>Passenger Yield (Inc. Surcharge)</b>	THB/km	2.69	2.64	-1.9%	2.65	2.66	+0.4%
<b>Freight Production</b>	MADTK	1,315	1,282	-2.5%	5,019	4,869	-3.0%
<b>Freight Traffic</b>	MRFTK	700	643	-8.1%	2,565	2,458	-4.2%
<b>Freight Factor</b>	%	53.2	50.2	-3.0	51.1	50.5	-0.6
<b>Freight carried</b>	Tons	176,260	159,369	-9.6%	655,570	613,915	-6.4%
<b>Freight Yield (Inc. Surcharge)</b>	THB/km	9.18	9.04	-1.5%	9.18	9.22	+0.4%

# Financial Performance

# Financial Performance

## Performance Summary (Q4'2013 & Q4'2014)

THAI and its subsidiaries

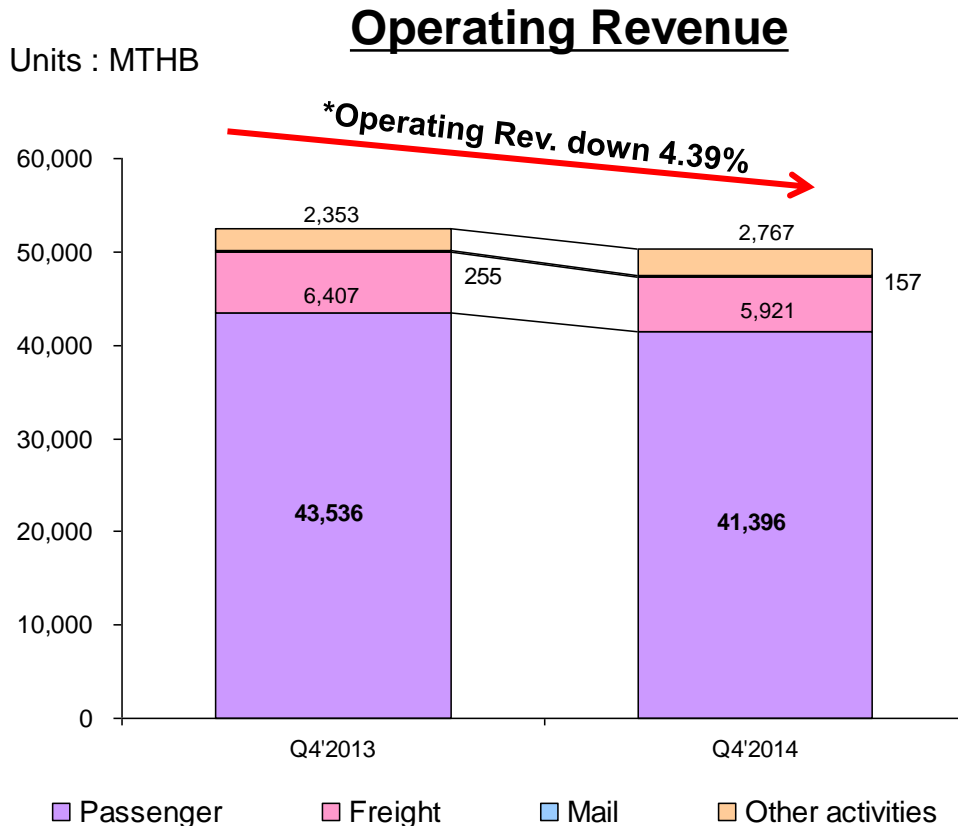
(Units : MTHB)	Q4'2013	Q4'2014	%Change
Total Revenues*	54,705	51,419	-6.0
<u>Less</u> Total Expenses**	54,695	56,687	+3.6
Finance cost	1,464	1,526	+4.2
Loss before foreign currency exchange, income tax, and impairment	(1,454)	(6,794)	+367.3
<u>Less</u> Impairment loss of asset and aircraft	1,566	3,823	+144.1
<u>Add</u> Gain (loss) on foreign currency exchange	(2,931)	3,245	-210.7
<b>Profit (Loss) before tax</b>	<b>(5,951)</b>	<b>(7,372)</b>	<b>+23.9</b>
<b>Profit (Loss) attributable to owners of the parent</b>	<b>(5,697)</b>	<b>(6,400)</b>	<b>+12.3</b>

\*Exclude foreign

\*\*Exclude finance cost, impairment

# Financial Performance

## Operating / Total Revenue (Q4'2013 & Q4'2014)



### Total Revenue

Revenue	% Change	% of Total Revenue
Passenger	-4.9	75.7
Freight	-7.6	10.8
Mail	-38.3	0.3
Other activities	+17.6	5.1
Interest income	-11.4	0.1
Profit(loss) on FX	+210.7	5.9
Other income	-46.8	2.0
<b>Total Revenue</b>	<b>+5.6</b>	<b>100.0</b>

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

- Operating revenue Q4'2013 = 52,551 MTHB
- Operating revenue Q4'2014 = 50,242 MTHB

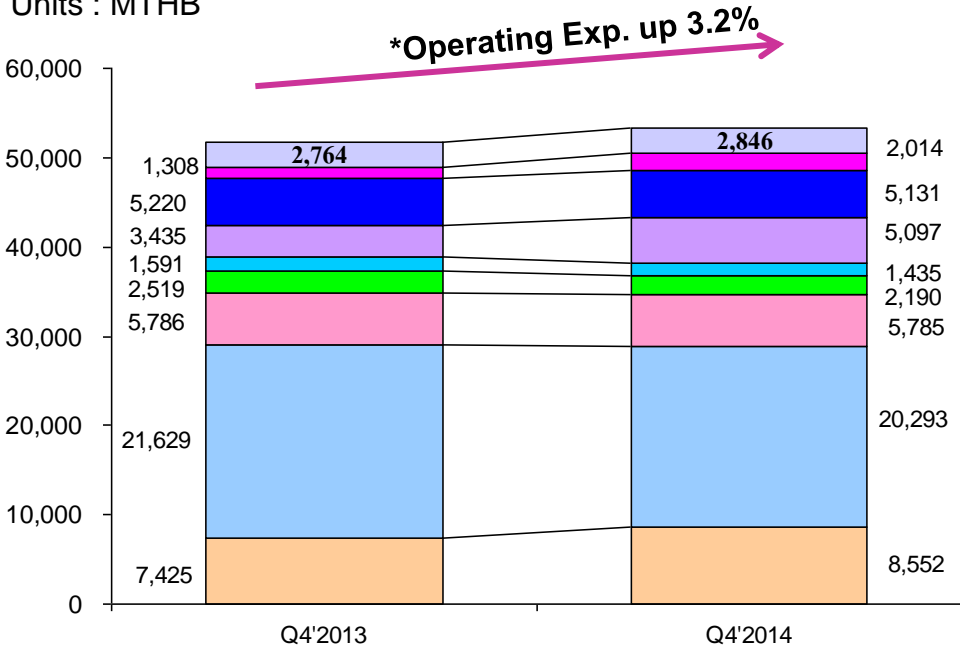
**Total revenue Q4'2013 = 51,774 MTHB**  
**Total revenue Q4'2014 = 54,664 MTHB**

# Financial Performance

## Operating / Total Expense (Q4'2013 & Q4'2014)

### Operating Expense

Units : MTHB



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

### Total Expense

Expense	% Change YoY	% of Tot. Exp.
Personnel expense	+15.2	13.8
Fuel and oil	-6.2	32.7
Flight service expense	-0.0	9.3
Inventories and supplies	-13.1	3.5
Crew expense	-9.8	2.3
Maintenance/overhaul	+48.38	8.2
Depreciation/amortisation	-1.7	8.3
Aircraft lease/spare parts	+54.02	3.3
Other expenses**	+30.9	18.6
<b>Total Expense</b>	<b>+7.5</b>	<b>100.0</b>

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

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

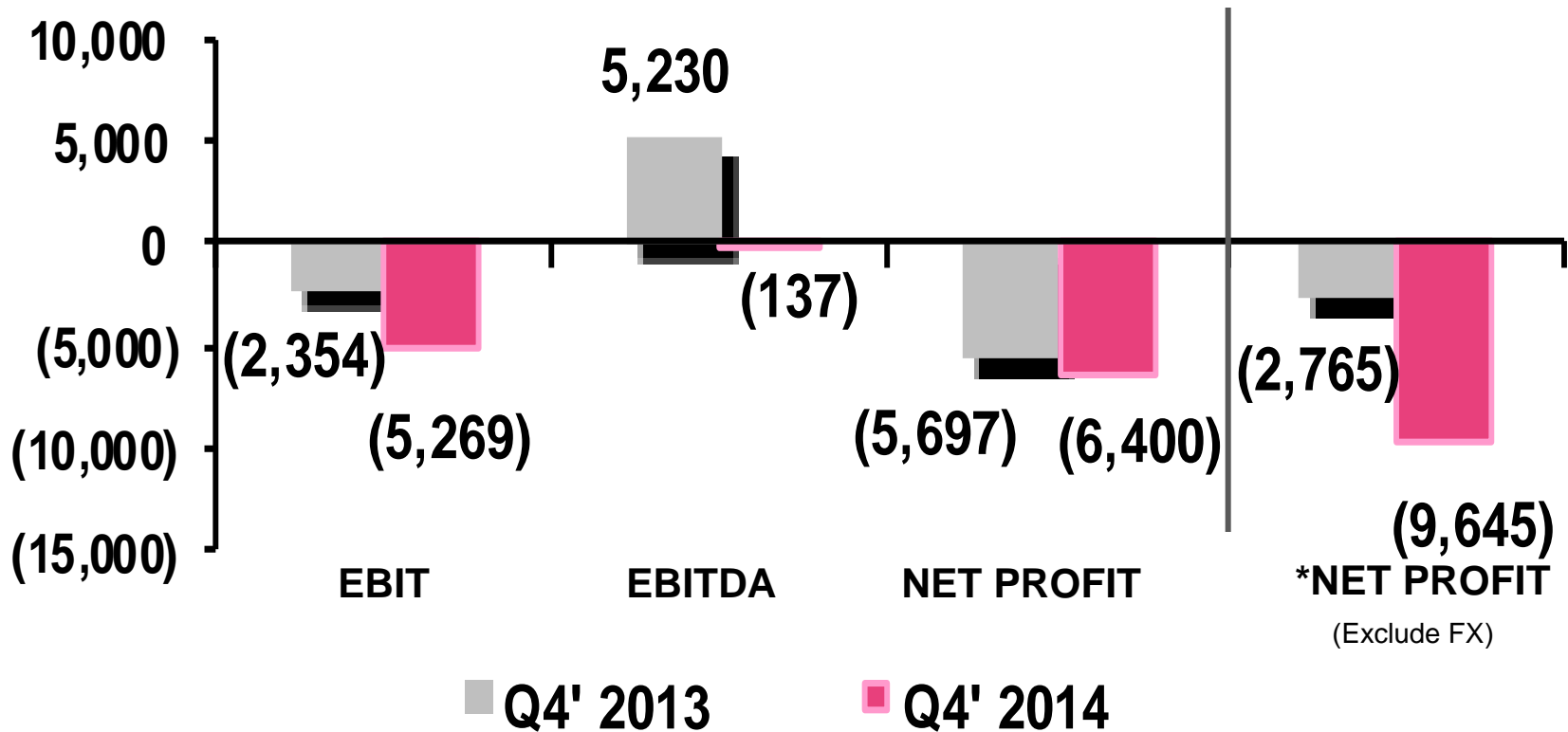
- Operating expense Q4'2013 = 51,677 MTHB
- Operating expense Q4'2014 = 53,345 MTHB

**Total expense Q4'2013 = 57,725 MTHB**  
**Total expense Q4'2014 = 62,036 MTHB**

# Financial Performance

## EBIT, EBITDA and Net Profit (Q4'2013 & Q4'2014)

Units : MTHB





## Ratios – Q4'2013 & Q4'2014

Ratios	units	Q4'2013	Q4'2014
Earnings Per Share	(THB)	(2.61)	(2.93)
Book Value per Share	(THB)	26.07	18.88
Price / Book Value	(Times)	0.53	0.77
EBIT	(MTHB)	(2,354)	(5,269)
EBITDA	(MTHB)	5,230	(137)
IBD to Equity	(Times)	3.1	4.1
Debt Service Coverage*	(Times)	0.6	0.2
Interest Coverage	(Times)	3.6	(0.1)
Operating Profit Margin	(%)	(4.5)	(11.2)
Net Profit Margin	(%)	(10.8)	(12.7)

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

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

THAI and its subsidiaries

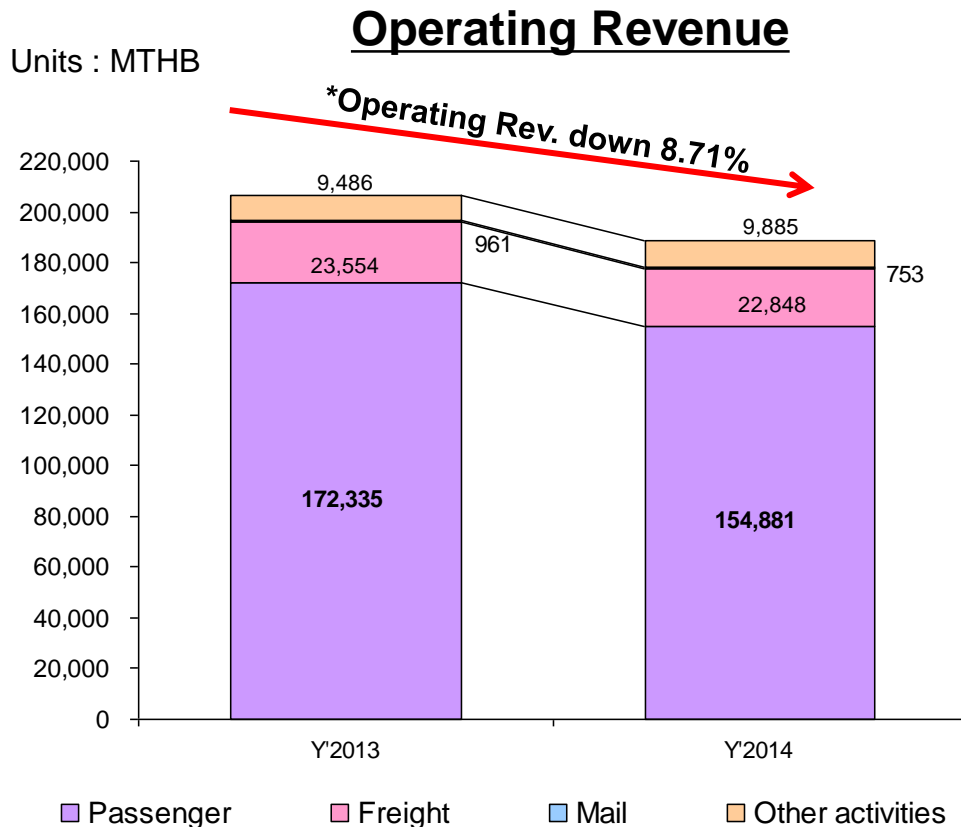
(Units : MTHB)	Y'2013	Y'2014	%Change
Total Revenues*	211,605	191,266	-9.6
<u>Less</u> Total Expenses**	209,156	208,212	-0.5
Finance cost	6,057	6,073	+0.3
Loss before foreign currency exchange, income tax, and impairment	(3,608)	(23,019)	-538.0
<u>Less</u> Impairment loss of asset and aircraft	5,426	6,342	+16.9
<u>Add</u> Gain (loss) on foreign currency exchange	(3,895)	12,623	+424.1
<b>Profit (Loss) before tax</b>	<b>(12,929)</b>	<b>(16,738)</b>	-29.5
<b>Profit (Loss) attributable to owners of the parent</b>	<b>(12,047)</b>	<b>(15,612)</b>	-29.6

\*Exclude foreign

\*\*Exclude finance cost, impairment

# Financial Performance

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



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

- Operating revenue Y'2013 = 206,336 MTHB
- Operating revenue Y'2014 = 188,368 MTHB

### Total Revenue

Revenue	% Change	% of Total Revenue
Passenger	-10.1	76.0
Freight	-3.0	11.2
Mail	-21.6	0.4
Other activities	+4.2	4.8
Interest income	-45.7	0.1
Profit(loss) on FX	+424.1	6.2
Gain on deemed disposal	-100.0	0.0
Gain on disposal of the controlling interest	-100.0	0.0
Other income	-29.8	1.3
<b>Total Revenue</b>	<b>-1.8</b>	<b>100.0</b>

Total revenue Y'2013 = 207,711 MTHB  
 Total revenue Y'2014 = 203,889 MTHB

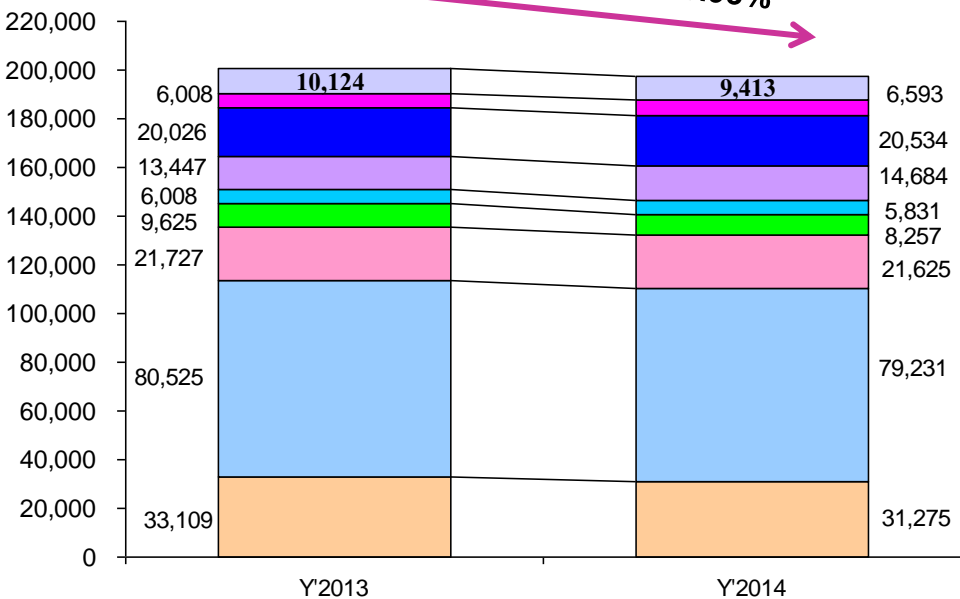
# Financial Performance

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

### Operating Expense

Units : MTHB

\*Operating Exp. down 0.93%



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

### Total Expense

Expense	% Change YoY	% of Tot. Exp.
Personnel expense	-5.5	14.2
Fuel and oil	-1.6	35.9
Flight service expense	-0.5	9.8
Inventories and supplies	-14.2	3.7
Crew expense	-2.9	2.6
Maintenance/overhaul	+9.2	6.7
Depreciation/amortisation	+2.5	9.3
Aircraft lease/spare parts	+40.3	3.0
Other expense**	+3.6	14.8
<b>Total Expense</b>	<b>-0.0</b>	<b>100.0</b>

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

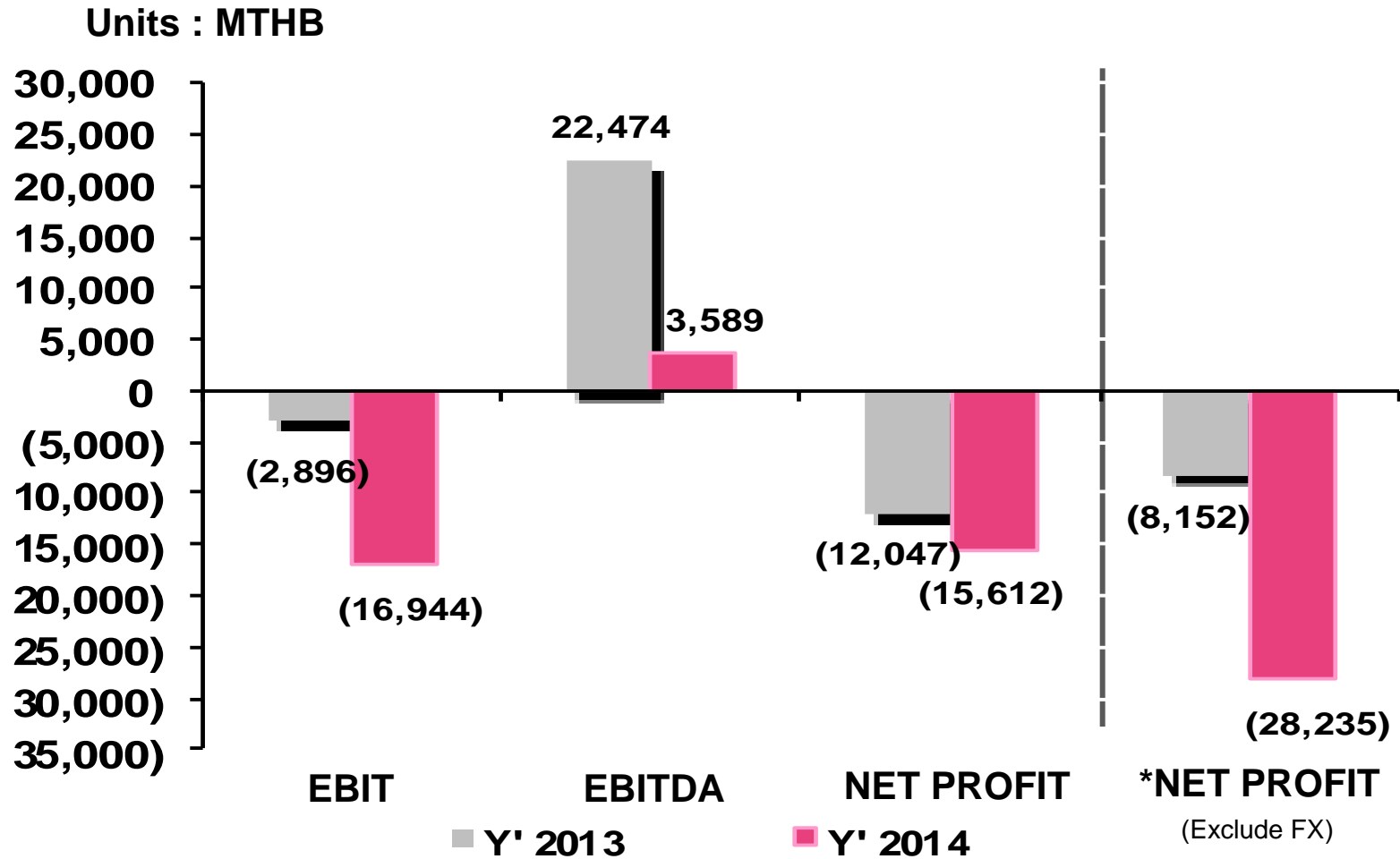
\* Excludes Impairment losses of assets and aircraft, Finance costs, Share of profits of associates and Other expenses

- Operating expense Y'2013 = 199,290 MTHB
- Operating expense Y'2014 = 197,442 MTHB

**Total expense Y'2013 = 220,640 MTHB**  
**Total expense Y'2014 = 220,627 MTHB**

# Financial Performance

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

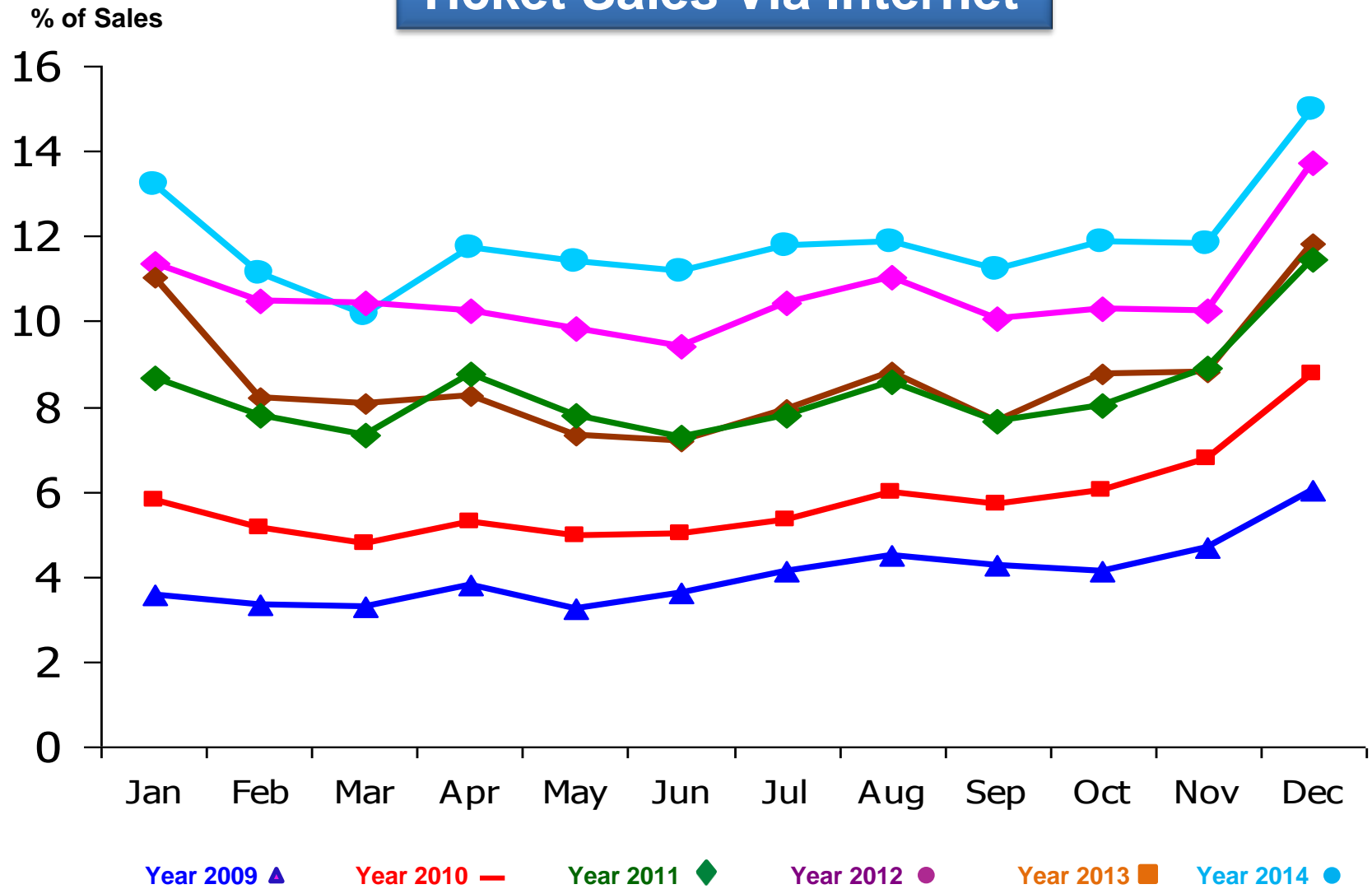


## Ratios – Y'2013 & Y'2014

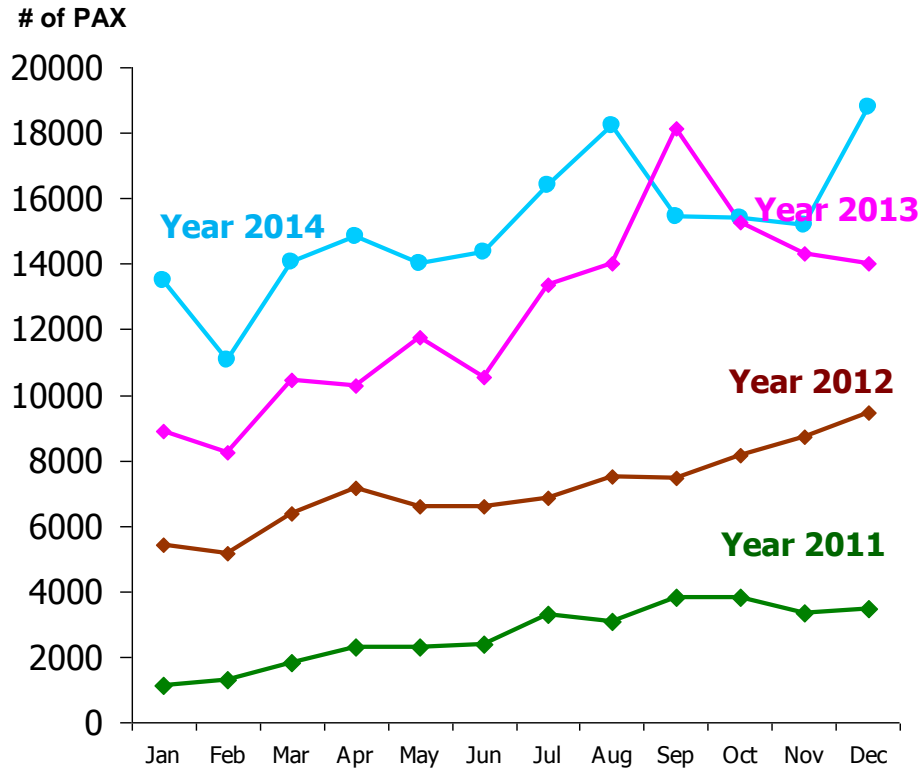
Ratios	units	Y'2013	Y'2014
Earnings Per Share	(THB)	(5.52)	(7.15)
Book Value per Share	(THB)	26.07	18.88
Price / Book Value	(Times)	0.53	0.77
EBIT	(MTHB)	(2,896)	(16,944)
EBITDA	(MTHB)	22,474	3,589
IBD to Equity	(Times)	3.1	4.6
Debt Service Coverage*	(Times)	0.9	0.3
Interest Coverage	(Times)	3.7	0.6
Operating Profit Margin	(%)	(1.4)	(9.7)
Net Profit Margin	(%)	(5.8)	(8.3)

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

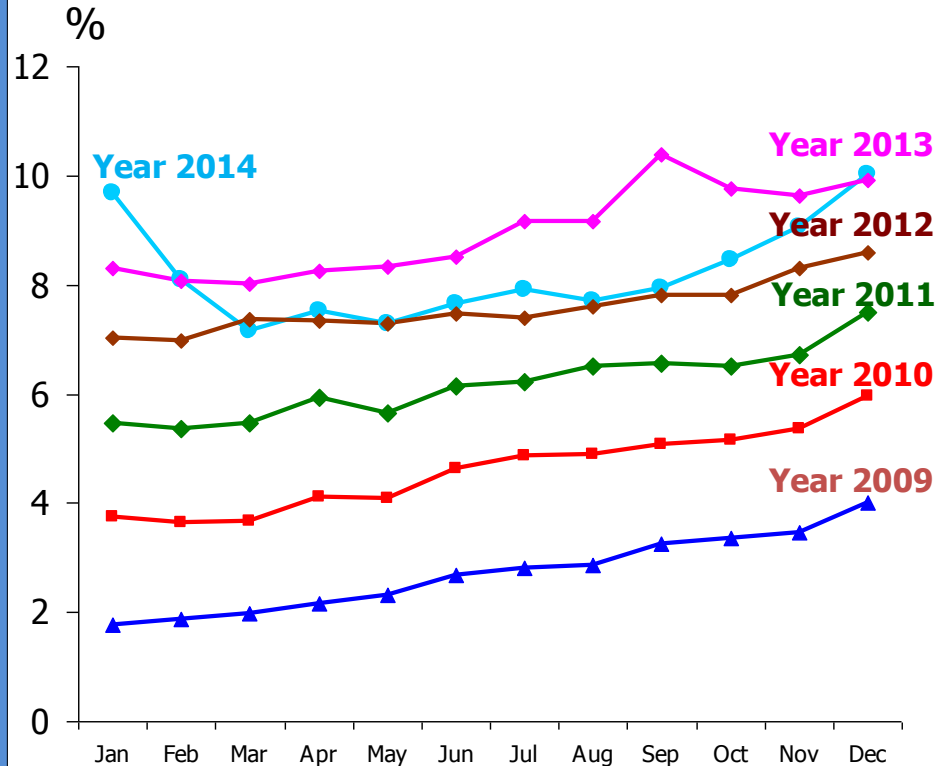
## Ticket Sales Via Internet



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



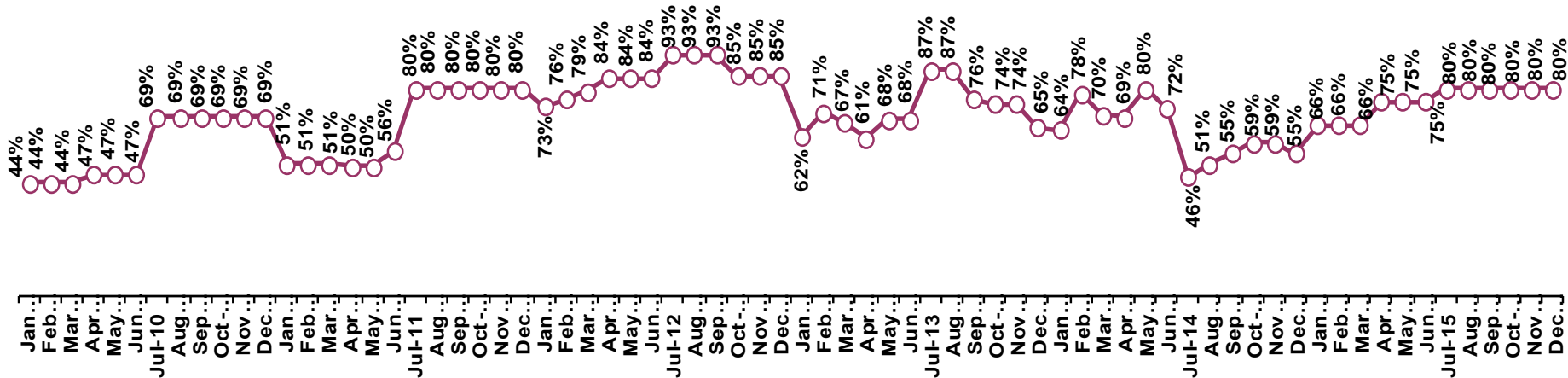
## Check-in via Internet





Hedging combined with fuel surcharge greatly mitigates fuel price fluctuation risk

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

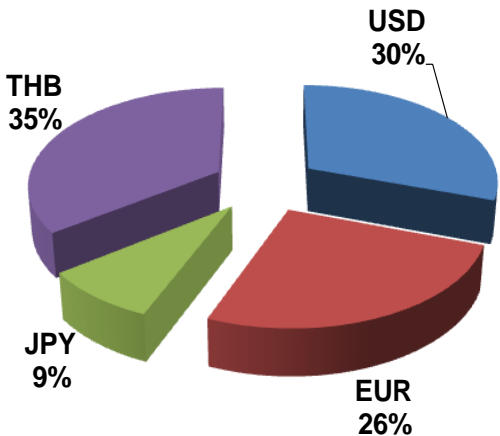


# Currency Break down

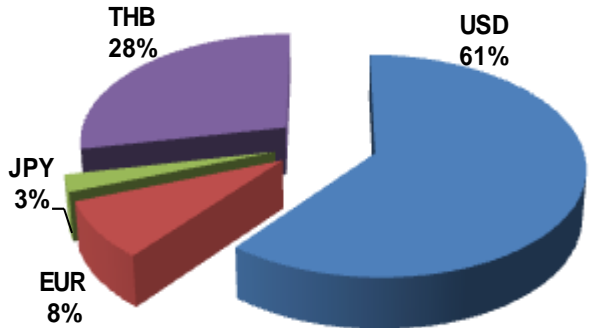
## Foreign Currency Exposure

(As of Dec 2014)

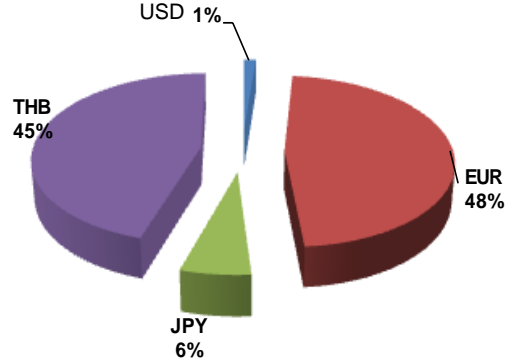
### Revenue



### Expense

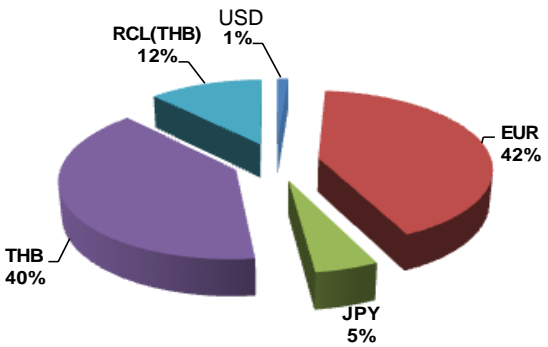


## Outstanding long term loan (After Swap)



Percentage of TOTAL  
(TOTAL = 168,254.02 MTHB)

## Outstanding St + Lt loan (After Swap)

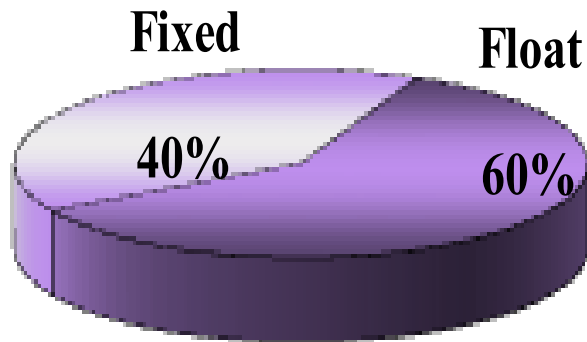


Percentage of TOTAL  
(TOTAL = 191,554.02 MTHB)

## Proportion of Fixed and Float

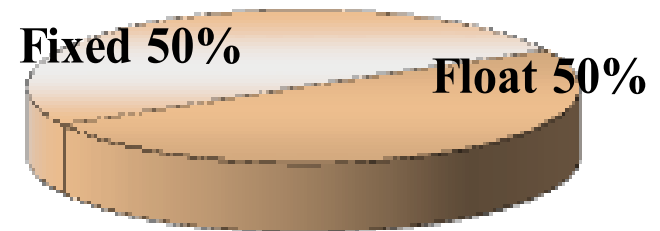
(As of Dec 2014)

### Before Swap



Percentage of TOTAL  
(TOTAL = 168,725.15 MTHB)

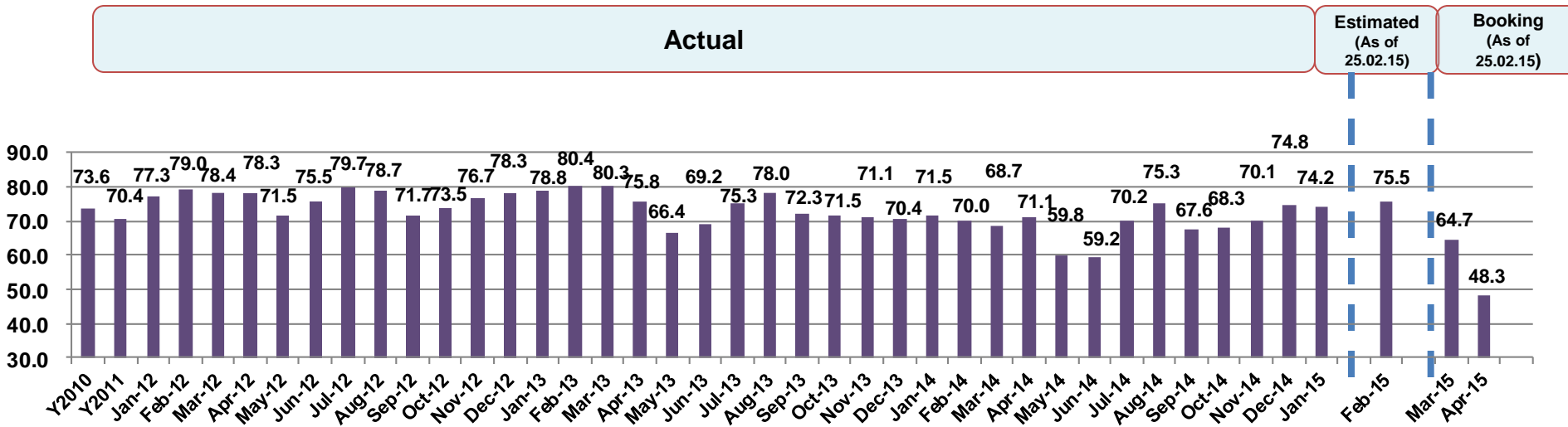
### After Swap



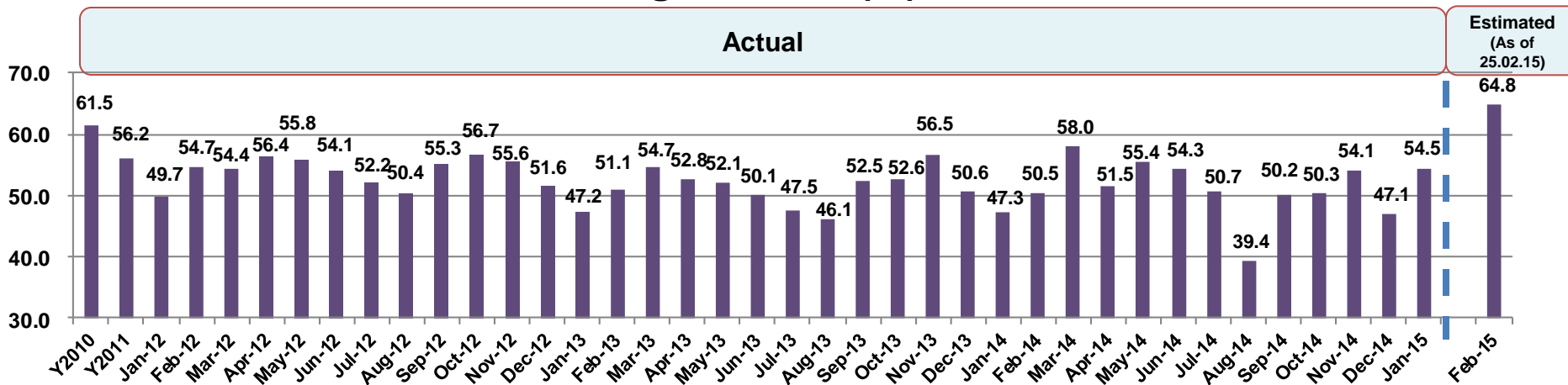
Percentage of TOTAL  
(TOTAL = 168,254.02 MTHB)

**Looking ahead**

## Cabin Factor (%)



## Freight Factor (%)



## Company Facts

## Current Fleet: 102 Aircrafts

**32.35% of O**      **37.25% of FL**      **30.39% of OL**  
 O=Owned      FL=Financial lease      OL=Operating lease  
 (Note: Approximately)



Average age of aircraft = 8.4 years

Aircraft Type	Version	# of Aircraft	# of Seat				Financial Method
			First	Business	Economy	Total	
A340-600	3461	6	8	60	198	266	6FL
A330-300	3302	7	N.A.	42	263	305	5O, 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, 2FL
	3202	4	N.A.	N.A.	174	174	
	3203	9	N.A.	N.A.	168	168	
	3204	2	N.A.	N.A.	168	168	
A380-800	3801	6	12	60	435	507	2O, 4FL
B737-400	7341	2	N.A.	12	137	149	2O
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	4	N.A.	24	240	264	4OL
<b>Total</b>		<b>102</b>	<b>39</b>	<b>486</b>	<b>4,310</b>	<b>4,835</b>	<b>33O, 38FL, 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, 2014 grounded and pending for damage inspection  
 2. Included 22 decommissioned aircraft owned by THAI and held for sales  
 3. Included 12 aircraft transferred the leasehold rights to Thai Smile Airways Co.,Ltd.  
 4. Include 3 Boeing B737-400 aircraft held for returning to lessor

# Aircraft Delivery Plan

NEW A/C DELIVERY	2014	2015	2016	2017	2018	TOTAL
A350-900			2 (OL) (JUN/JUL)	5 (3OL/2FL) (FEB/MAY(2) / JUN/AUG)	5 (3OL/2FL) (JAN/FEB(2) / MAR/MAY)	12
A320 (Thai Smile)	7 (5OL/2FL) (JAN/FEB/MAY / JUN/SEP/ NOV (2) )	3 (FL) (JAN/ OCT(2) )				10
B777-300ER	3 (FL) (JAN/JUL/ AUG)	3 (FL) (JAN/JUN/ SEP)	-	-		6
B787-8	4 (OL) (JUL/SEP/OCT/ NOV)	2 (OL) (APR/JUN)				6
B787-9				2 (OL) (SEP/OCT)		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 19 Jan 15



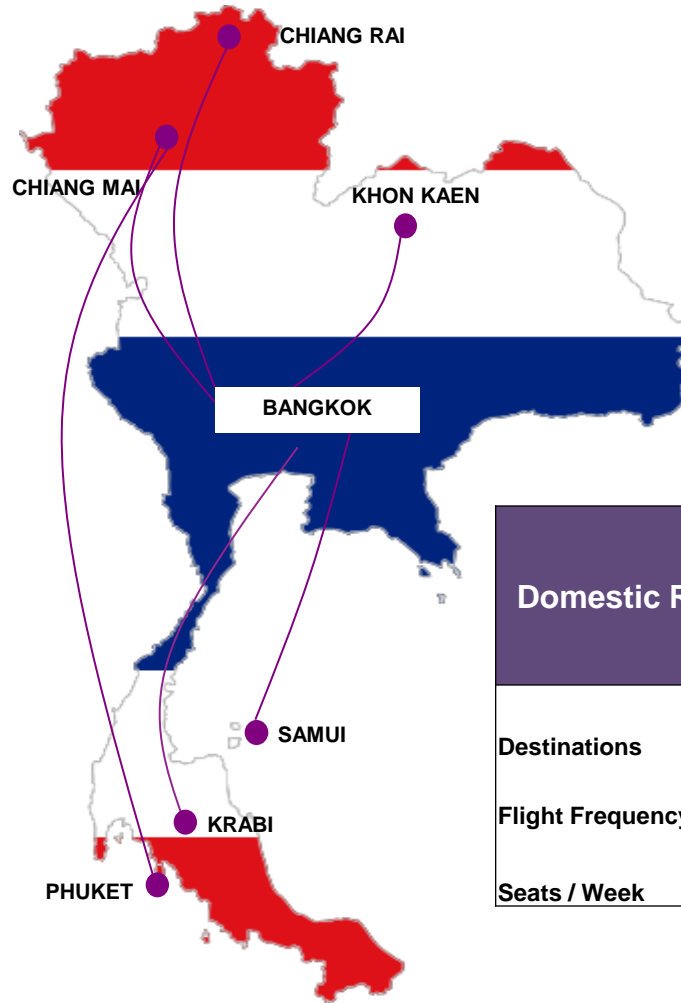
# Phase Out Plan

PHASE-OUT PLAN	2014	2015	2016	2017	2018	TOTAL
A300-600	5	-	-	-	-	5
A330-300	5	6	-	2	-	13
A340-600		6				6
B747-400	-	8*	-	2	2	12
B777-300ER (Jet Airways)	-	-	-	-	-	-
B777-200	-	-	2	-	2	4
B737-400	3	-	-	2	-	5
ATR	-	-	-	-	-	-
B747-Freighter		2				2
<b>TOTAL</b>	<b>13</b>	<b>22</b>	<b>2</b>	<b>6</b>	<b>4</b>	<b>47</b>

\* Pending final approval



## Domestic Route Network



Domestic Routes	26 OCT 2014 To 28 MAR 2015  (Based on TPI Winter 2014/15 Issue 2 )	27 OCT 2013 To 29 MAR 2014  (Based on TPI Winter 2013/14 Issue 1 Updated SSM
Destinations	7	10
Flight Frequency / Week	168	341
Seats / Week	99,818	161,714



# Adjust flight schedules

## Seasonal Frequency Increase

- Bangkok-Milan-Bangkok 3 ➔ 4 flights / week(01May15)
- Bangkok-Perth-Bangkok 5 ➔ 7 flights / week
- Bangkok-Changsha-Bangkok 4 ➔ 7 flights / week
- Bangkok-Denpasar-Bangkok 5 ➔ 7flights / week
- Bangkok-Colombo-Bangkok 4 ➔ 5 flights / week
- Bangkok-Krabi-Bangkok 14 ➔ 21 flights / week

## Suspended Flights

- Bangkok-Johannesburg-Bangkok (15Jan15)
- Bangkok-Moscow-Bangkok (29Mar15)
- Phuket-Seoul (29Mar15)
- Bangkok-Madrid-Bangkok (06Sep15)

## Seasonal Frequency Decrease

- Bangkok-Hyderabad-Bangkok 6 ➔ 5 flights / week(as from 01Jan15)
- Bangkok-Luang Prabang-Bangkok 4 ➔ 3 flights / week(as from 29Mar15)
- Bangkok-Frankfurt-Bangkok 13 ➔ 7 flights / week(as from 01May15)
- Bangkok-Chiang Mai-Bangkok 49 ➔ 35 flights / week  
(TG122/123 transfer to WE as from 05May15 onwards.)
- Bangkok-Phuket-Bangkok 63 ➔ 49 flights / week  
(TG215/216 transfer to WE as from 05May15 onwards.)
- Bangkok-Yangon-Bangkok 21 ➔ 14 flights / week  
(TG301/302 transfer to WE as from 16Jun15 onwards.)
- Bangkok-Kuala Lumpur-Bangkok 18 ➔ 14 flights / week  
(TG419/420 transfer to WE as from 01Jul15 onwards.)
- Bangkok-London-Bangkok 14 ➔ 7 flights / week(as from 01Jul15)

## Route Transfer Flights to WE

- Bangkok-Chiang Rai-Bangkok (29Mar15)
- Bangkok-Mandalay-Bangkok (05May15)
- Bangkok-Hat Yai-Bangkok (05May15)
- Bangkok-Khon Kaen-Bangkok (05May15)

Note: -Based on TPI Summer 2015 Issue 1 (29MAR15– 24OCT15 ) Compare with TPI Winter 2014/15

As of 17 MAR15

-Subject to current market condition



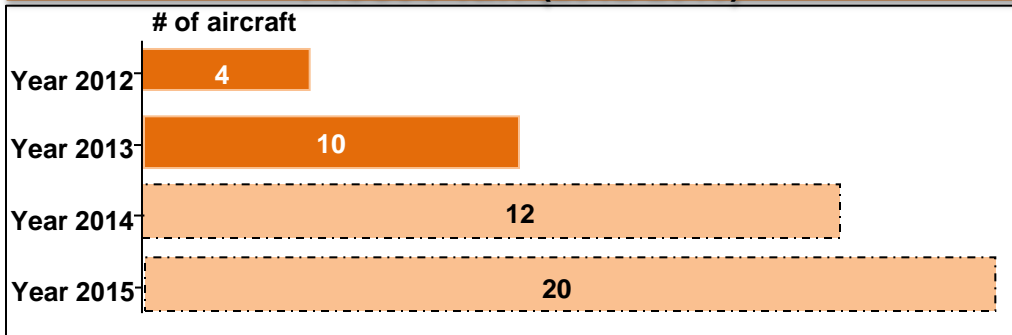
THAI Smile based at Suvarnabhumi / Don Mueang Airport Operates in domestic and regional secondary routes and synchronizes with TG's network.



FREQUENCY*	DESTINATION	
14 Flights / week	Bangkok - Macau	V.V.
28 Flights / week	Bangkok - Hat Yai	V.V.
28 Flights / week	Bangkok - Udon Thani	V.V.
21 Flights / week	Bangkok - Ubon Ratchathani	V.V.
14 Flights / week	Bangkok - Surat Thani	V.V.
14 Flights / week	Bangkok - Krabi	V.V.
28 Flights / week	Bangkok - Chiang Rai	V.V.
21 Flights / week	Don Mueang - Khon Kaen	V.V.
28 Flights / week	Don Mueang - Chiang Mai	V.V.
21 Flights / week	Don Mueang - Phuket	V.V.
7 Flights / week	Chiang Mai - Phuket	V.V.

Currently 13 aircrafts Airbus 320-200 (As at 06 March 2015)

## Fleet Plan (2012-2015)



\*Note: Based on Thai Smile TPI Winter2014/15 Issue 2 (01DEC14 - 31DEC14)

International & Domestic Routes	01 DEC 2014 To 31 DEC 2014 (Based on Thai Smile TPI Winter2014/15 Issue 2 Updated SSM)	27 OCT 2013 To 29 MAR 2014 (Based on TPI Winter2013/14 Issue 1 Updated SSM)
	Countries	1
Destinations	10	13
Flight Frequency / Week	224	171
Seats/Week	72,567	56,512

# Nok Air Route Network

**24 Aircraft**  
(As of 31 Dec 2014)

18 of Boeing 737-800



2 of ATR 72-500



4 of Bombardier Q 400



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



International & Domestic Routes	Q4/2014	Year 2014 (Jan-Dec)
Destinations	25	25
Freq./Week	686	686

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

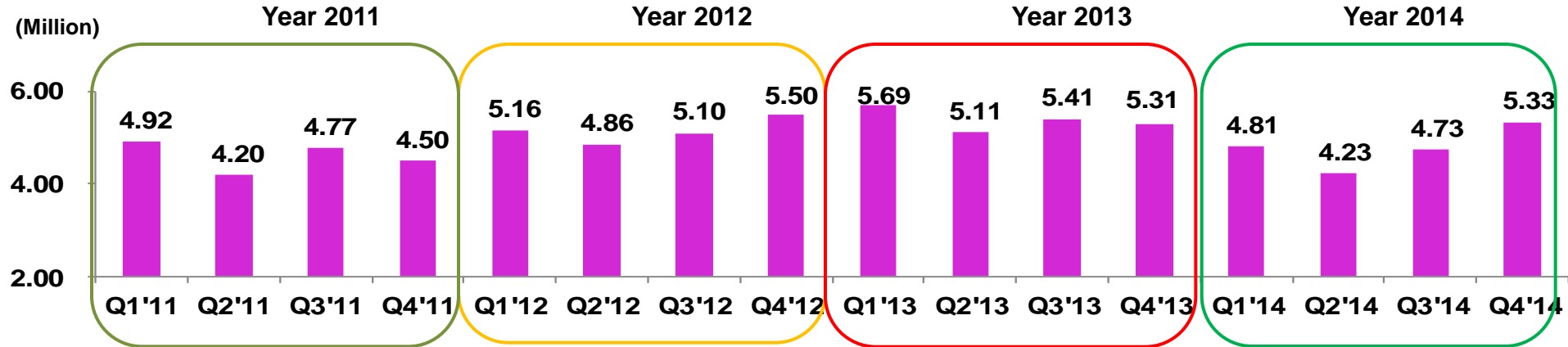
**Have 4 of 12 Board seats**

# Operating Statistics

# Operating Statistics

## Passengers Carried\*

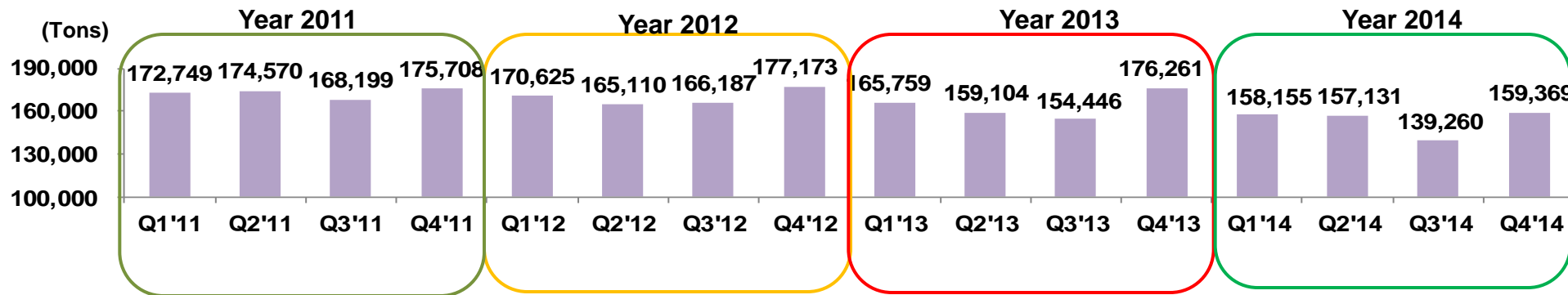
Q4'14 = 5.33 million (Increased 0.3% YoY)



\*Includes THAI Smile (WE)

## Freight Carried

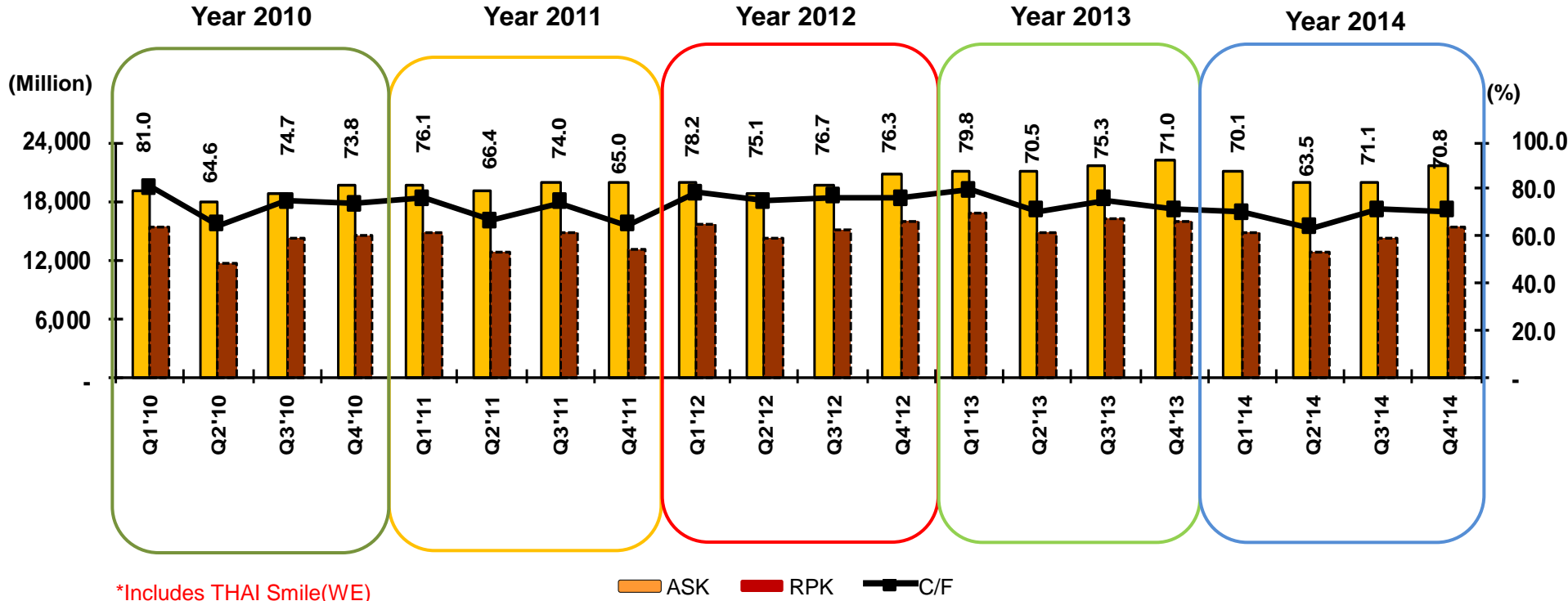
Q4'14 = 159,369 tons (Decreased 9.6% YoY)





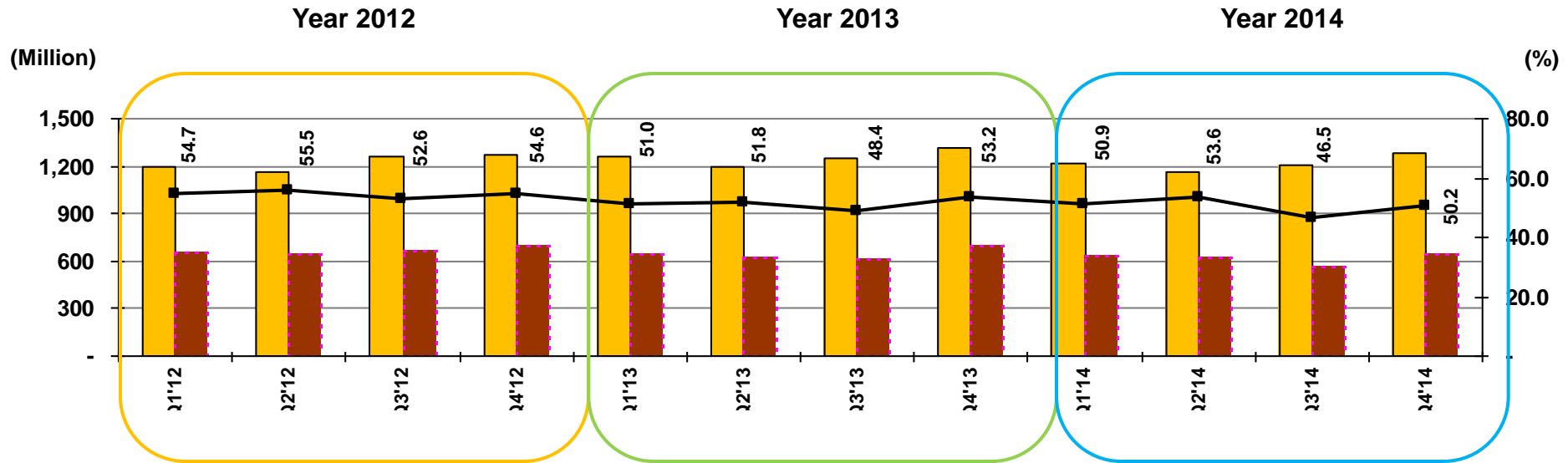
# Operating Statistics

## Passengers\*



	YoY (Quarter)			YoY (Year)		
	Q4'13	Q4'14	YoY%	Y'13	Y'14	YoY%
MASK	22,240	21,707	-2.4	85,655	82,969	-3.1
MRPK	15,796	15,368	-2.7	63,479	57,194	-9.9
Cabin factor (%)	71.0	70.8	-0.2	74.1	68.9	-5.2

## Freight

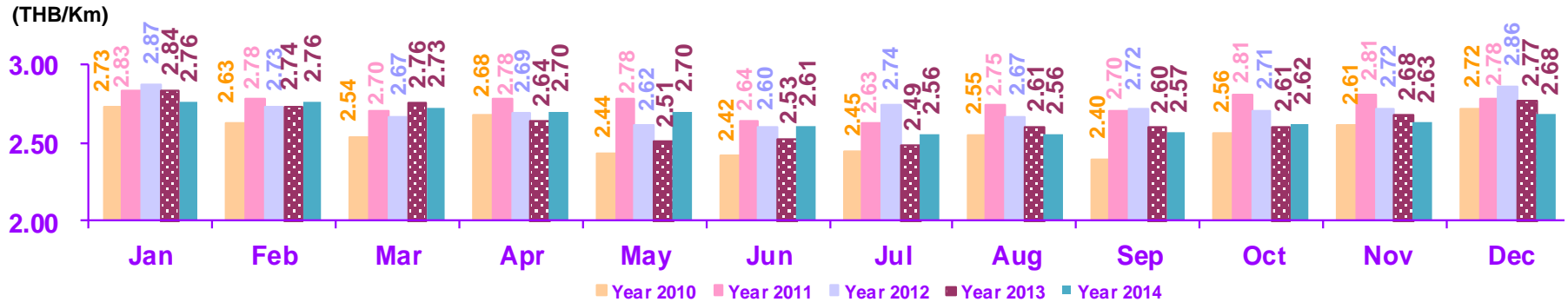


\*Includes THAI Smile (WE)

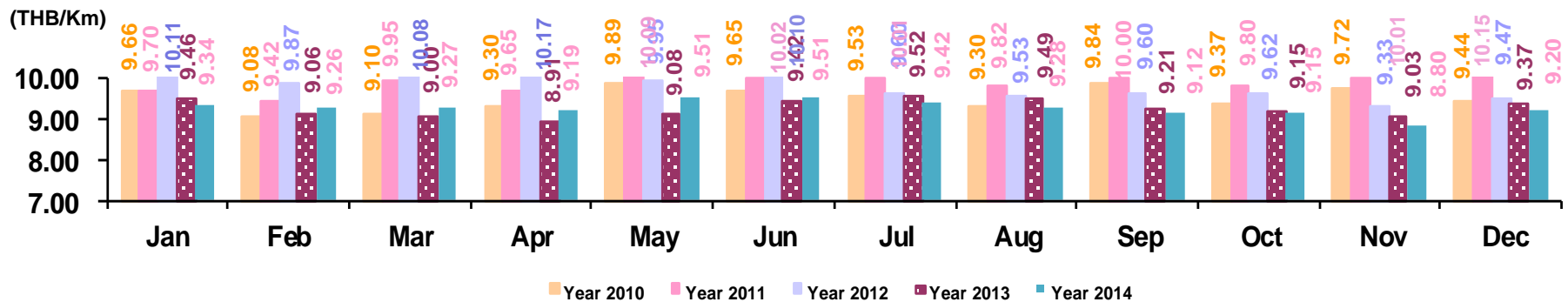
ADTK RFTK F/F

	YoY (Quarter)			YoY (Year to date)		
	Q4'13	Q4'14	YoY%	JAN-DEC'13	JAN-DEC'14	YoY%
MADTK	1,316	1,282	-2.6	5,020	4,869	-3.0
MRFTK	700	643	-8.2	2,565	2,458	-4.2
Freight factor (%)	53.2	50.1	-5.8	51.1	50.5	-1.2

## Passenger Yield (Including Fuel Surcharge)

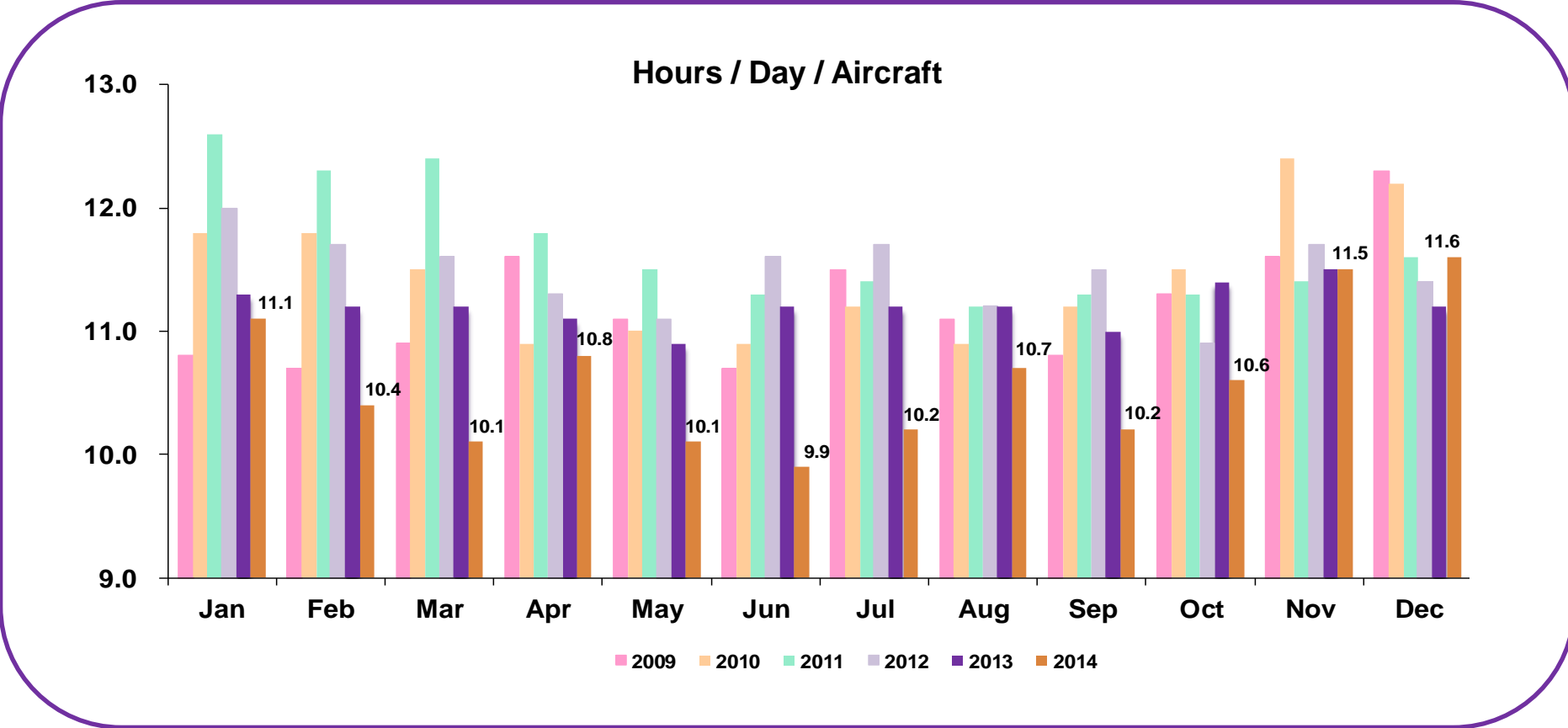


## Freight Yield (Including Fuel Surcharge)



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 Q4'2014 = 11.2 Hours/Day/Aircraft**

**Aircraft Utilization for Year 2014 = 10.6 Hours/Day/Aircraft**

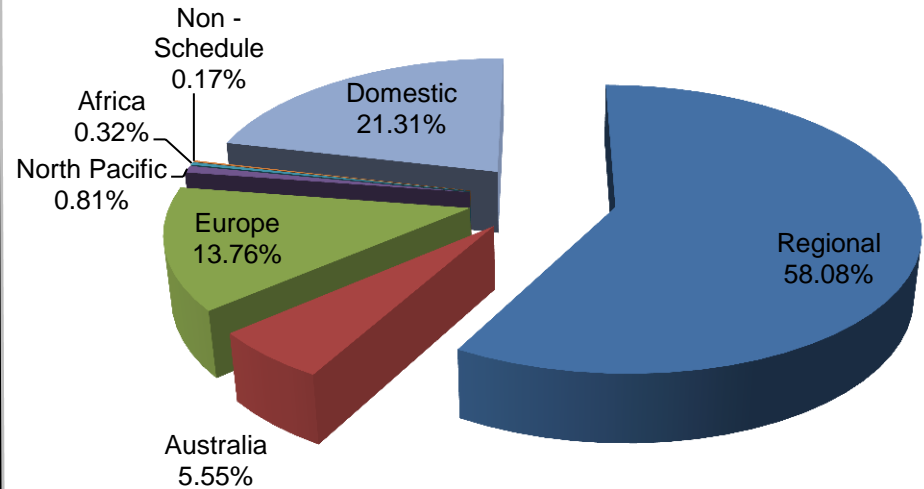
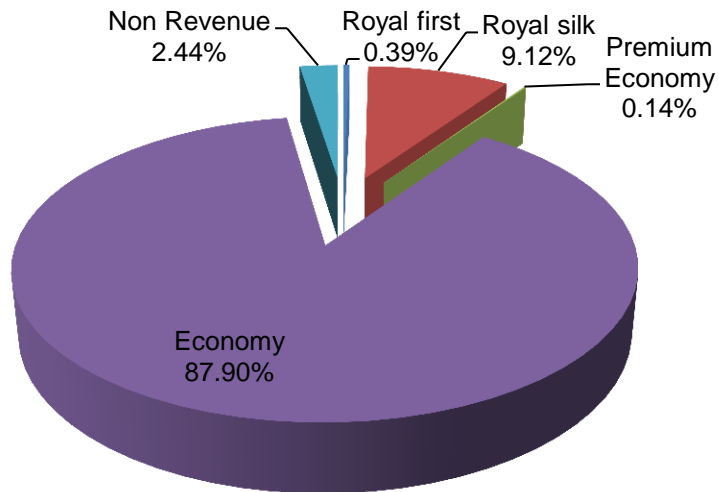
**Aircraft Utilization for Year 2013 = 11.2 Hours/Day/Aircraft**

# THAI's Number of PAX

## By Class

## By Area

Year'2014



Total passengers for Jan-Dec 2014 = 16.8 million\*

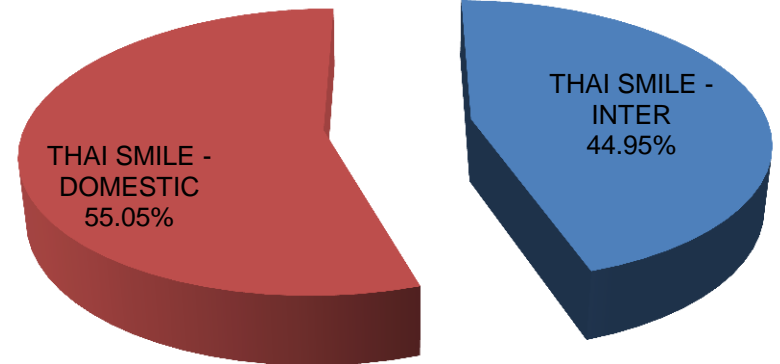
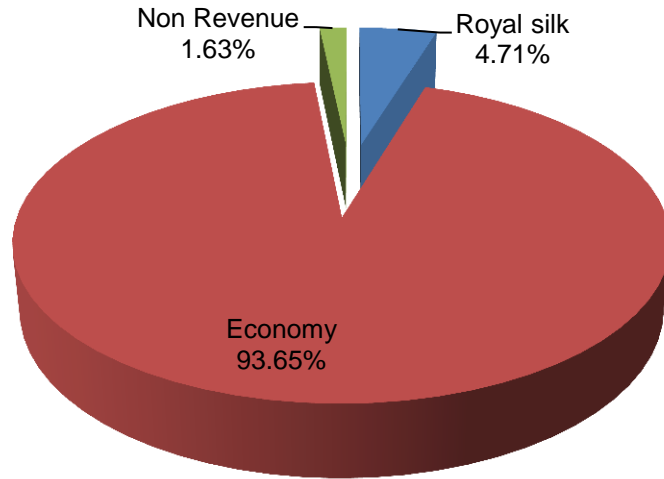
Exclude Thai Smile (WE)

# THAI Smile's Number of PAX

By Class

By Area

Year'2014



Total passengers for Jan-Dec 2014 = 966,319

