

# THAI AIRWAYS INTERNATIONAL PCL

## Q1'2015



# 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	Y'2014			Q1'2015		
		2013	2014	% Change YoY	2014	2015	% Change YoY
<b>Passenger Production</b>	MASK	85,655	82,969	-3.1%	20,934	21,869	+4.5%
<b>Passenger Traffic</b>	MRPK	63,479	57,194	-9.9%	14,677	16,489	+12.3%
<b>Cabin Factor</b>	%	74.1	68.9	-5.2	70.1	75.4	+5.3
<b>Passenger carried</b>	Million	21.51	19.10	-11.2%	4.81	5.62	+17.0%
<b>Passenger Yield (Inc. Surcharge)</b>	THB/km	2.65	2.66	+0.4%	2.75	2.60	-5.6%
<b>Freight Production</b>	MADTK	5,019	4,869	-3.0%	948	988	+4.3%
<b>Freight Traffic</b>	MRFTK	2,565	2,458	-4.2%	629	596	-5.4%
<b>Freight Factor</b>	%	51.1	50.5	-0.6	66.4	60.3	-6.1
<b>Freight carried</b>	Tons	655,570	613,915	-6.4%	158,155	151,768	-4.0%
<b>Freight Yield (Inc. Surcharge)</b>	THB/km	9.18	9.22	+0.4%	9.25	7.81	-15.6%

# Financial Performance

## Performance Summary (Q1'2014 & Q1'2015)

THAI and its subsidiaries

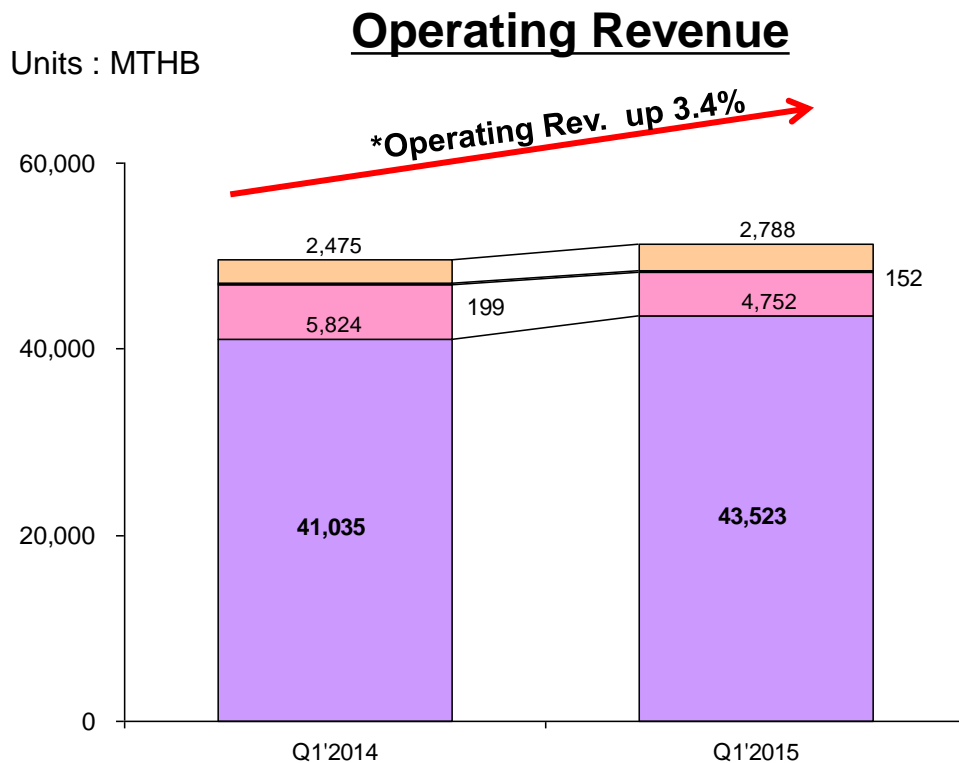
(Units : MTHB)	Q1'2014	Q1'2015	%Change
Total Revenues*	49,981	51,649	+3.3
<u>Less</u> Total Expenses**	51,845	45,825	-11.6
Finance cost	1,423	1,409	-1.0
Profit (Loss) before foreign currency exchange, income tax, and impairment	(3,287)	4,415	+234.3
<u>Less</u> Impairment loss of asset and aircraft	84	11,804	-
<u>Add</u> Gain (loss) on foreign currency exchange	990	9,654	+875.2
<b>Profit (Loss) before tax</b>	<b>(2,381)</b>	<b>2,265</b>	<b>+195.1</b>
<b>Profit (Loss) attributable to owners of the parent</b>	<b>(2,634)</b>	<b>4,541</b>	<b>+272.4</b>

\*Exclude foreign currency exchange

\*\*Exclude finance cost, impairment

# Financial Performance

## Operating / Total Revenue (Q1'2014 & Q1'2015)



### Total Revenue

Revenue	% Change	% of Total Revenue
Passenger	+6.06	71.00
Freight	-18.4	7.75
Mail	-23.39	0.25
Other activities	+12.67	4.55
Interest income	+14.66	0.13
Profit(loss) on FX	+875.16	15.75
Other income	-6.91	0.57
<b>Total Revenue</b>	<b>+20.27</b>	<b>100.0</b>

**Total revenue Q1'2014 = 50,972 MTHB**

**Total revenue Q1'2015 = 61,303 MTHB**

■ Passenger   
 ■ Freight   
 ■ Mail   
 ■ Other activities

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

- Operating revenue Q1'2014 = 49,533 MTHB

- Operating revenue Q1'2015 = 51,216 MTHB

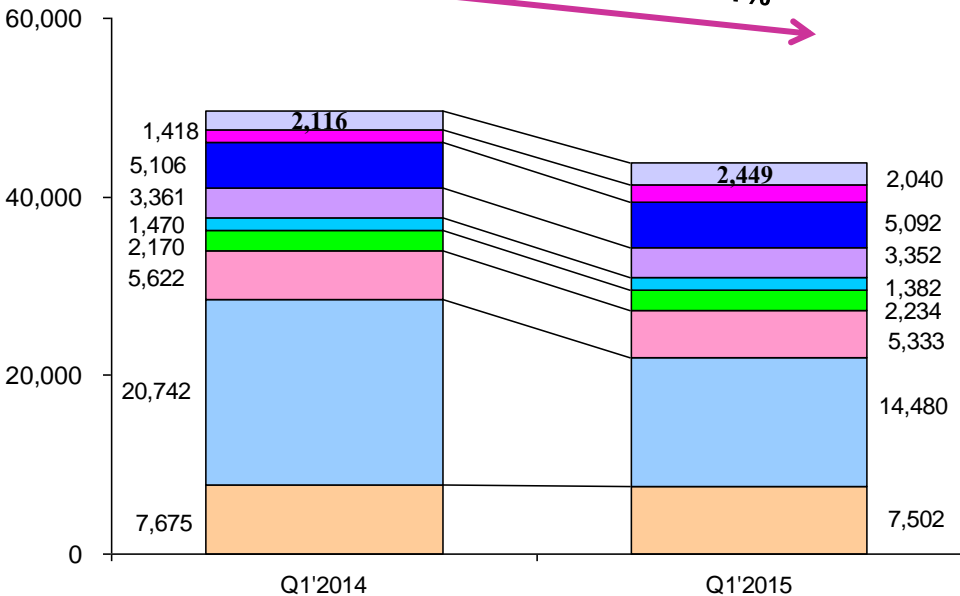
# Financial Performance

## Operating / Total Expense (Q1'2014 & Q1'2015)

### Operating Expense

Units : MTHB

\*Operating Exp. down 11.71%



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

### Total Expense

Expense	% Change YoY	% of Tot. Exp.
Personnel expense	-2.26	12.7
Fuel and oil	-30.19	24.5
Flight service expense	-5.13	9.0
Inventories and supplies	+2.92	3.8
Crew expense	-6.02	2.3
Maintenance/overhaul	-0.29	5.7
Depreciation/amortisation	-0.26	8.6
Aircraft lease/spare parts	+43.83	3.5
Other expense**	+204.51	29.9
<b>Total Expense</b>	<b>+10.66</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

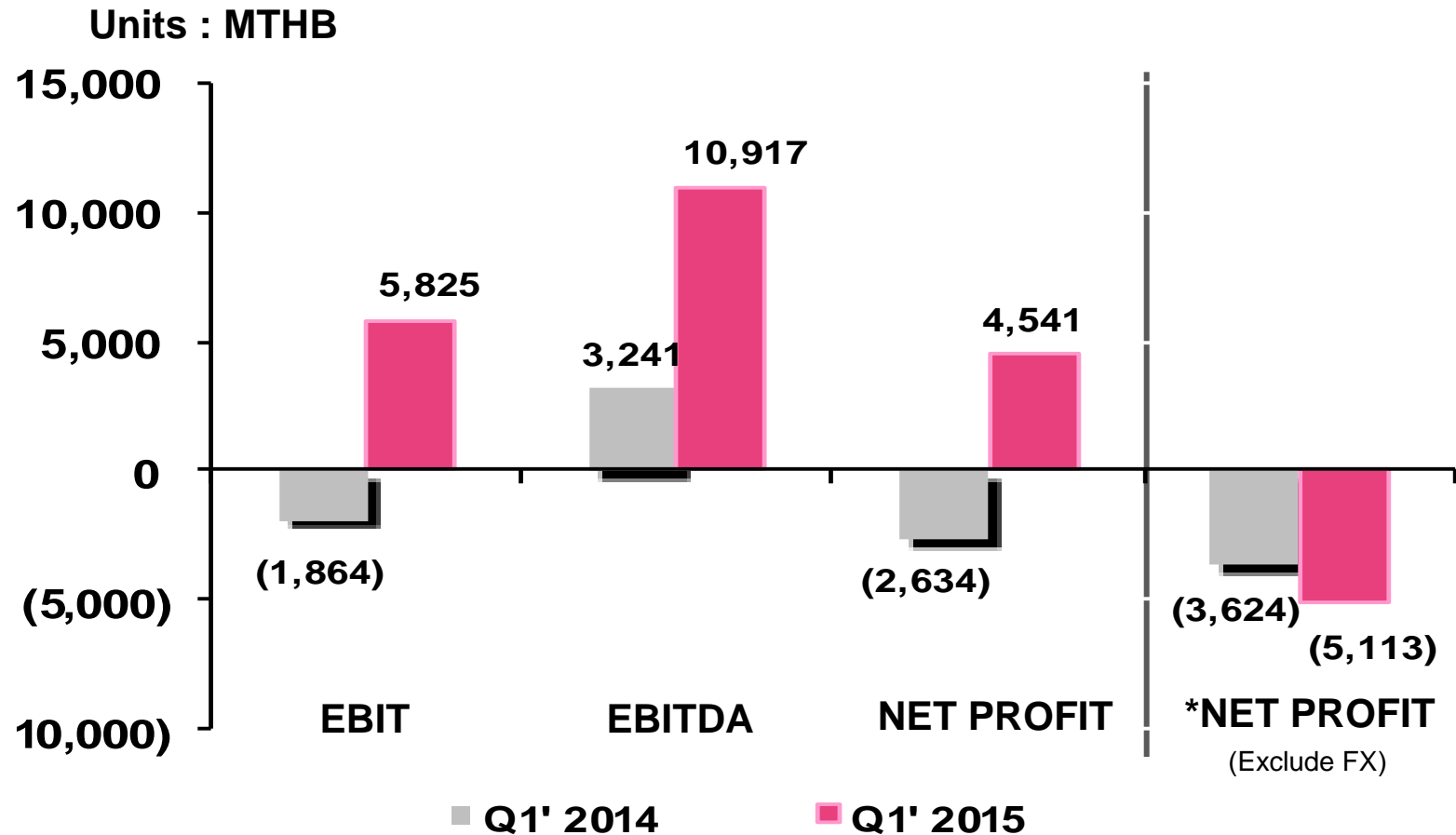
\* Excludes Impairment losses of assets and aircraft, Finance costs, Share of profits of associates and Other expenses

- Operating expense Q1'2014 = 49,682 MTHB
- Operating expense Q1'2015 = 43,864 MTHB

**Total expense Q1'2014 = 53,353 MTHB**  
**Total expense Q1'2015 = 59,038 MTHB**

# Financial Performance

## EBIT, EBITDA and Net Profit (Q1'2014 & Q1'2015)



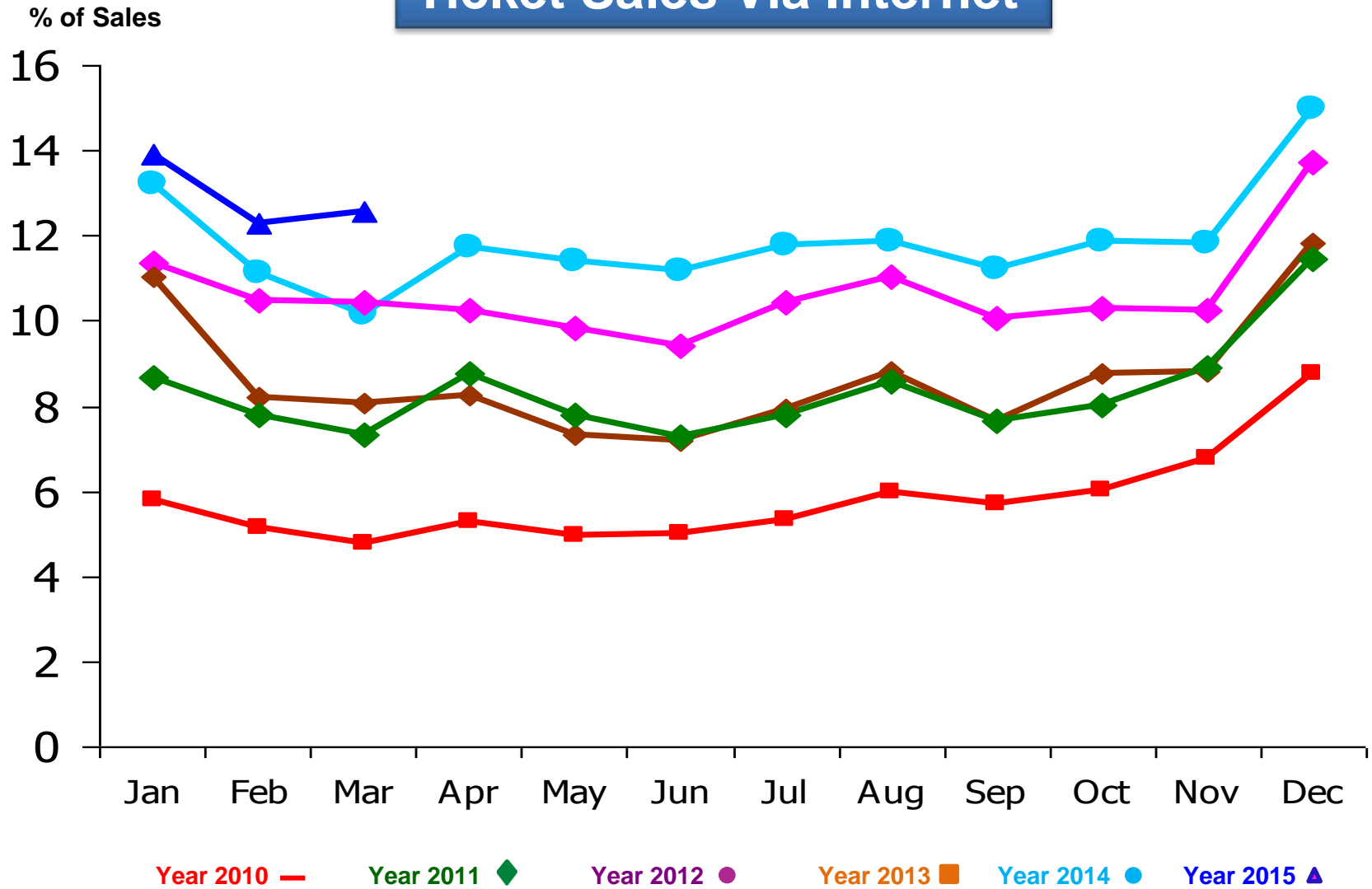


## Ratios – Q1'2014 & Q1'2015

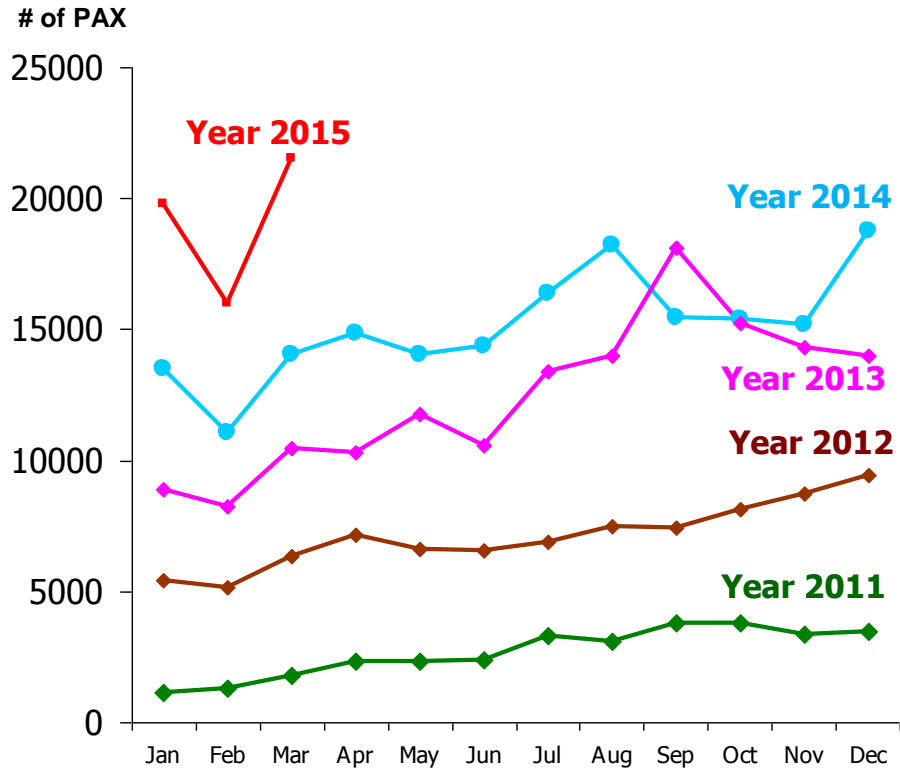
Ratios	units	Q1'2014	Q1'2015
Earnings Per Share	(THB)	(1.21)	2.08
Book Value per Share	(THB)	24.83	21.00
Price / Book Value	(Times)	0.56	0.51
EBIT	(MTHB)	(1,864)	5,825
EBITDA	(MTHB)	3,241	10,917
IBD to Equity	(Times)	3.4	3.9
Debt Service Coverage*	(Times)	0.6	4.6
Interest Coverage	(Times)	2.3	7.7
Operating Profit Margin	(%)	(4.5)	10.6
Net Profit Margin	(%)	(5.2)	8.8

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

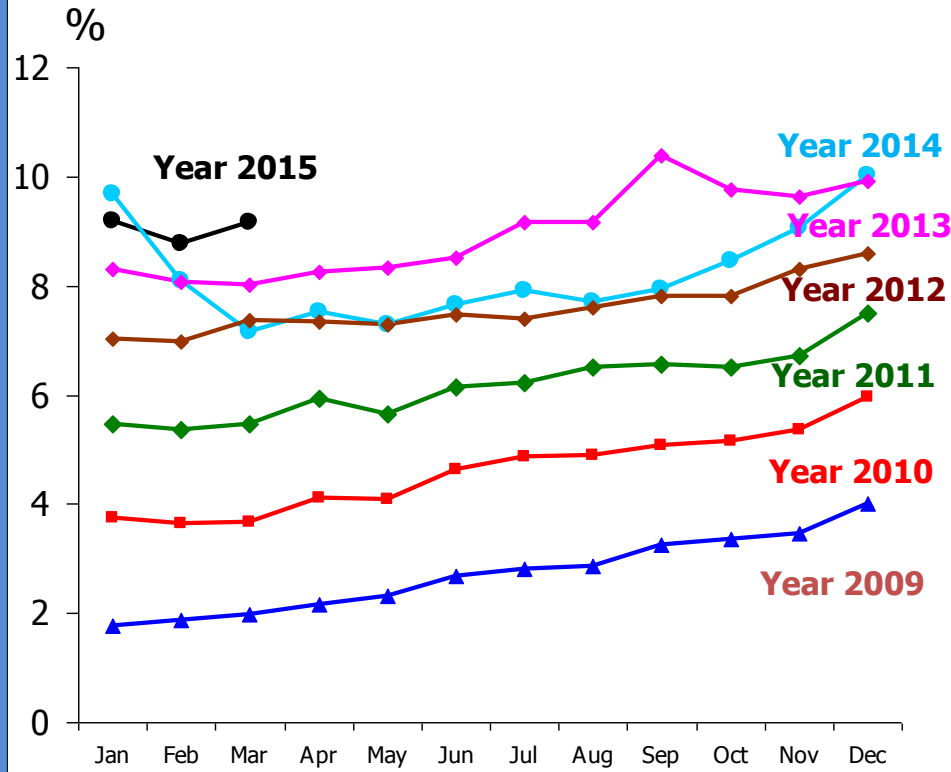
## Ticket Sales Via Internet



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

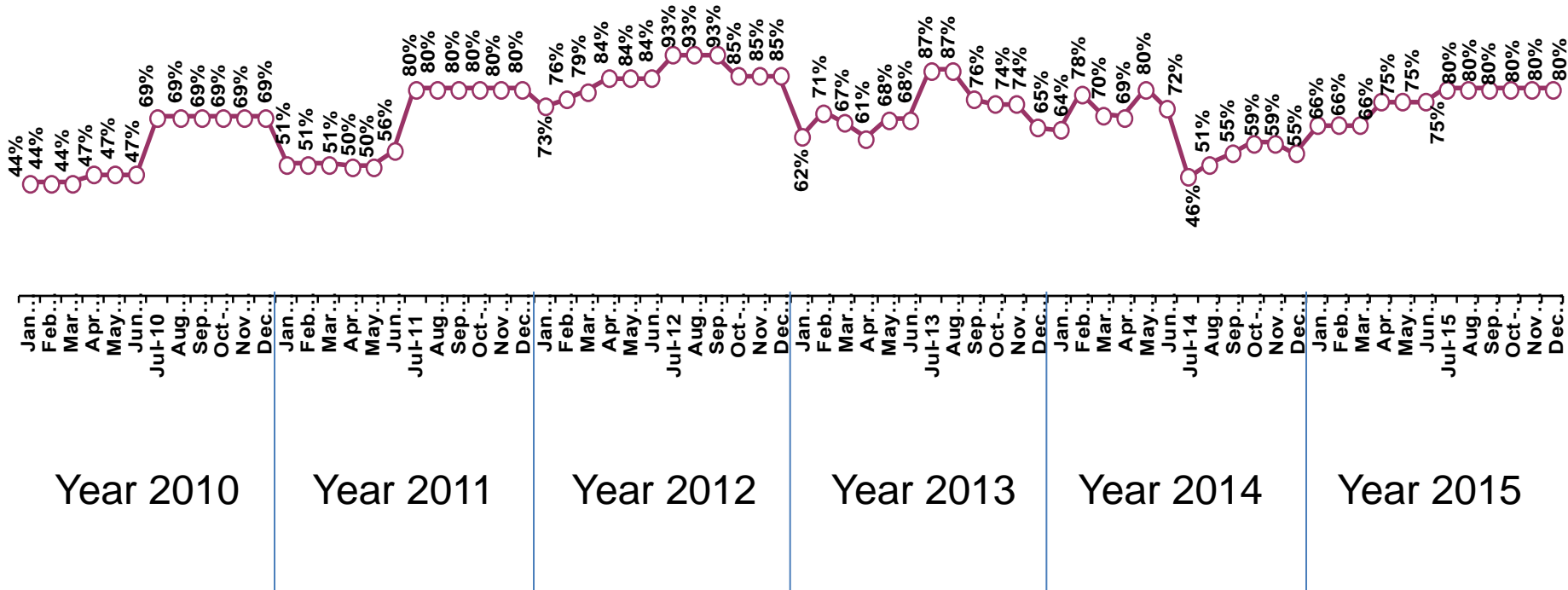


## Check-in via Internet



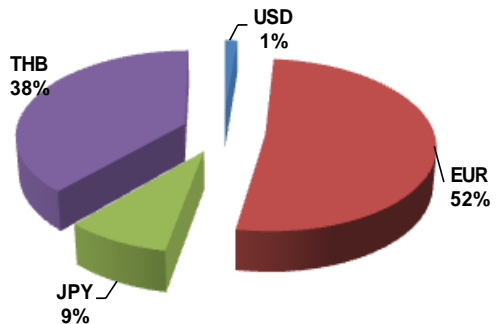
Hedging combined with fuel surcharge greatly mitigates fuel price fluctuation risk

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



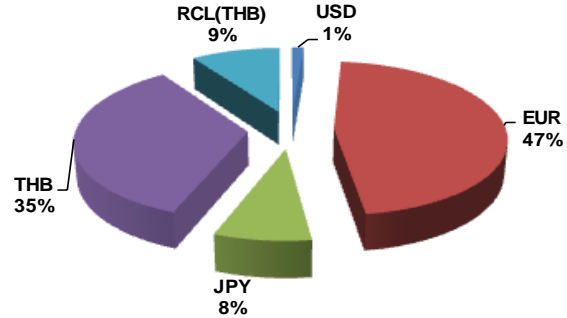
# Currency Break down

## Outstanding long term loan (After Swap)



Percentage of TOTAL  
(TOTAL = 160,341.45 MTHB)

## Outstanding St + Lt loan (After Swap)

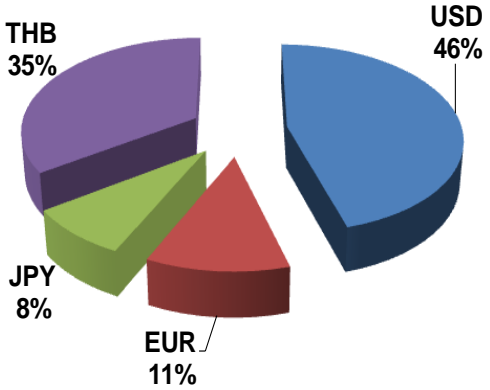


Percentage of TOTAL  
(TOTAL = 177,341.45 MTHB)

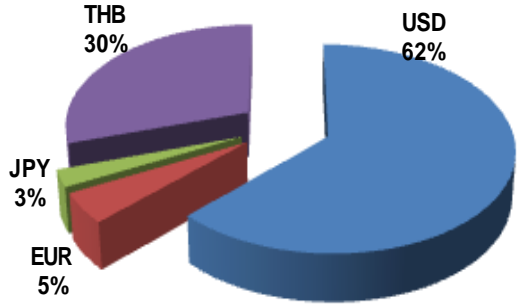
# Foreign Currency Exposure

(As of Mar 2015)

## Revenue



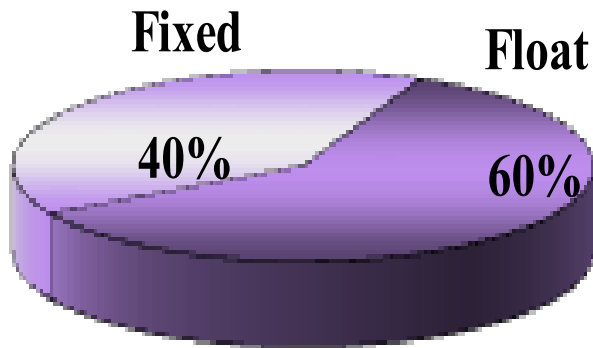
## Expense



## Proportion of Fixed and Float

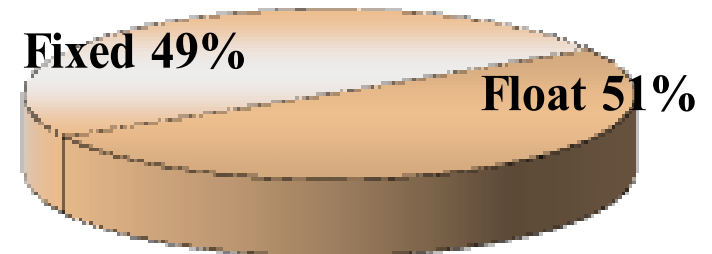
(As of Mar 2015)

### Before Swap



Percentage of TOTAL  
(TOTAL = 160,678.60 MTHB)

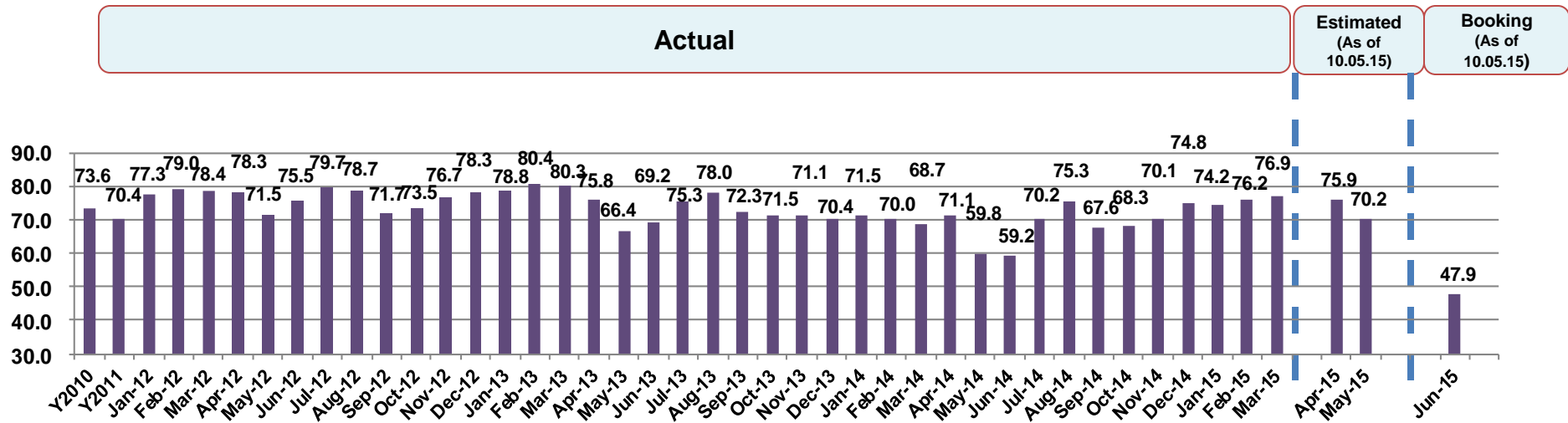
### After Swap



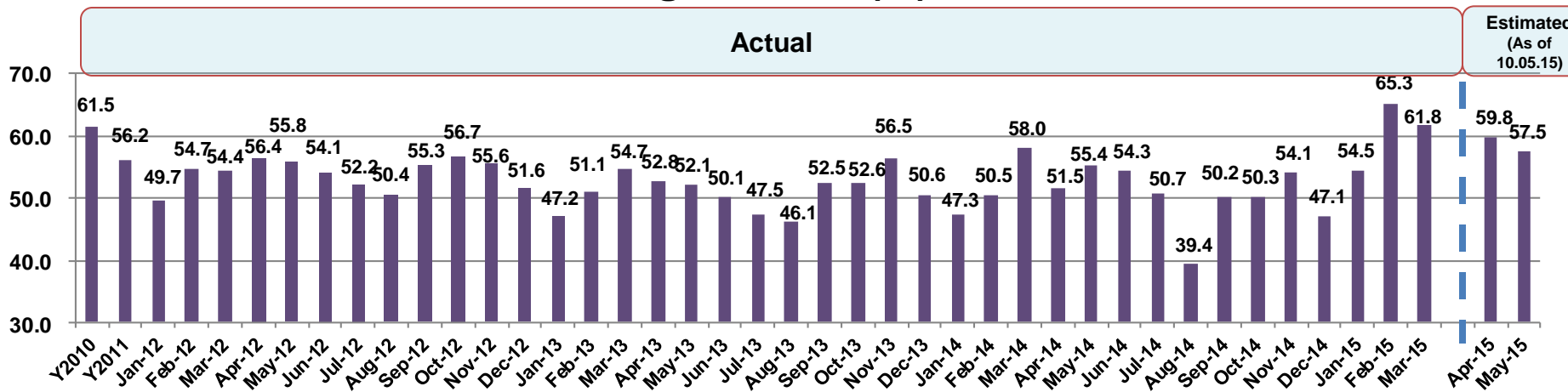
Percentage of TOTAL  
(TOTAL = 160,341.45 MTHB)

**Looking ahead**

## Cabin Factor (%)



## Freight Factor (%)





# Company Facts

## Current Fleet: 93 Aircrafts

30.11% of O    36.56% of FL    33.33% of OL  
 O=Owned    FL=Financial lease    OL=Operating lease

(Note: Approximately)



Average age of aircraft = 7.6 years

Aircraft Type	Own	Finance Lease	Operating Lease	Aircraft As of March 31, 2015
B747-400	10	2	-	12
B777-300	6	-	-	6
B777-200ER	-	6	-	6
B777-200	6	-	2	8
B737-400	6	-	2	2
B777-300ER	-	4	8	12
B787-8	-	-	4	4
A340-600	-	6	-	
A340-500	4	-	-	
A330-300	9	15	2	19
A320-200	-	3 <sup>5)</sup>	15 <sup>4)</sup>	18
A380-800	2	4	-	6
A300-600	7	-	-	
ATR 72	2	-	-	
Freighter				
B747-400	2	-	-	
<b>Total</b>	<b>54<sup>1)</sup></b>	<b>40<sup>2)</sup></b>	<b>33<sup>3)</sup></b>	<b>93</b>

- Note: 1. Included 26 decommissioned aircraft owned by THAI and held for sales  
 2. Included 6 decommissioned aircraft under finance lease by THAI and held for sales  
 3. Includes 2 Boeing B737-400 aircraft held for returning to lessor  
 4. Included 10 aircraft transferred the leasehold rights to THAI Smile Airways Co.,Ltd.  
 5. Included 3 Airbus A320-200 aircraft under finance lease subleased to THAI Smile Airways Co.,Ltd.

# 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/NOV )				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 9 Apr 15

# Phase Out Plan

PHASE-OUT PLAN	2014	2015	2016	2017	2018	TOTAL
A300-600	5	-	-	-	-	5
A330-300	4	4	-	2	-	10
A340-600		6				6
B747-400	-	2	-	2	2	6
B777-300ER (Jet Airways)	-	-	-	-	-	-
B777-200	-	-	2	3	3	8
B737-400	3	-	-	2	-	5
ATR	-	-	-	-	-	-
B747-Freighter		2				2
<b>TOTAL</b>	<b>12</b>	<b>14</b>	<b>2</b>	<b>9</b>	<b>5</b>	<b>42</b>

\* Pending final approval



# THAI's Route Network

## World Route Network



International 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)
Countries	34	34
Destinations	66	68
Flight Frequency / Week	633	655
Seats / Week	405,548	421,721

**FLIGHTS OPERATED BY**

- THAI
- THAI Smile
- THAI and THAI Smile

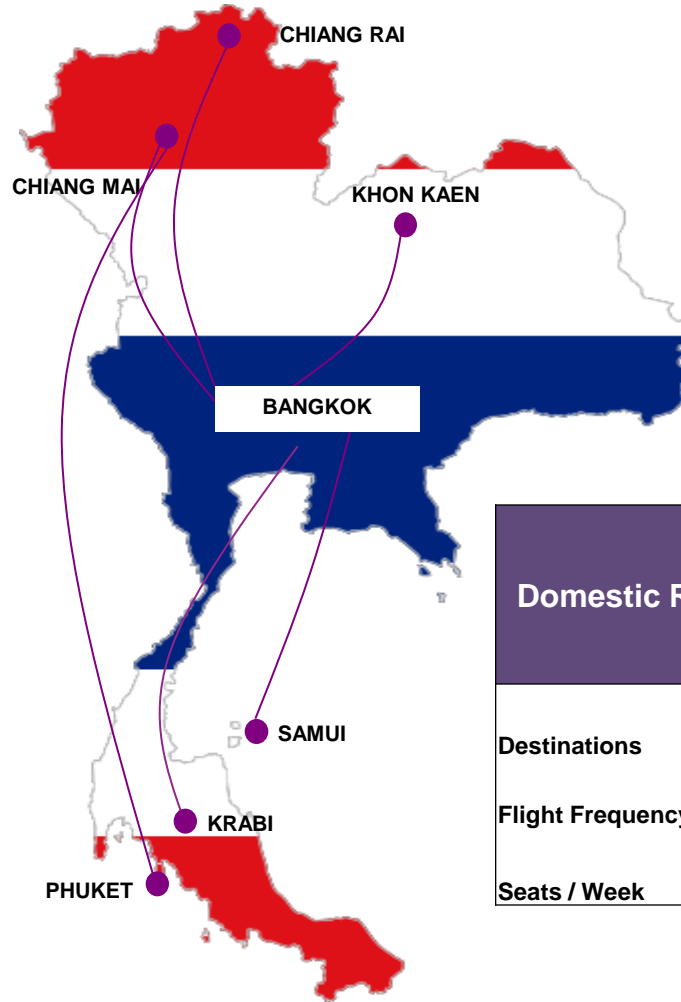


\* Schematic scale only    \*\* Flights and destinations are subject to change without prior notice. As of October 2013



# THAI's Route Network

## Domestic Route Network



Domestic Routes	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)

## Temporarily Suspended Flights

- Bangkok-Mandalay-Bangkok (06May15-29JUL15)

## 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 (30Jul15)
- Bangkok-Hat Yai-Bangkok (05May15)
- Bangkok-Khon Kaen-Bangkok (05May15)

Note: -Based on TPI Summer 2015 Issue 2 (29MAR15– 24OCT15 ) Compare with TPI Winter 2014/15

As of 23APR15

-Subject to current market condition

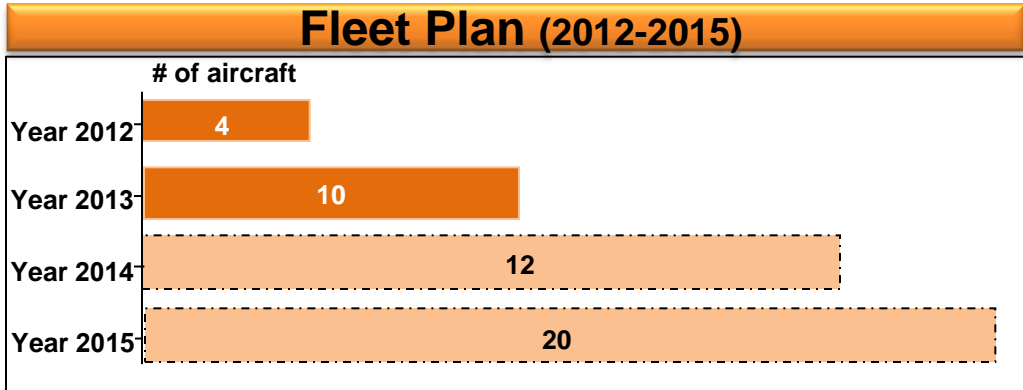


THAI Smile based at Suvarnabhumi / Don Mueang Airport Operates in domestic and regional secondary routes and synchronizes with TG's network.



FREQUENCY*	DESTINATION	
7 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 22 April 2015)



\*Note: Based on Thai Smile TPI Winter 2014/15 Issue 2 (01-31 March 2015)

International & Domestic Routes	01 MAR 2015 To 31 MAR 2015 (Based on Thai Smile TPI Winter2014/15 Issue 2 Updated SSM)	01 DEC 2014 To 31 DEC 2014 (Based on TPI Winter2014/15 Issue 2 Updated SSM)
	Countries	1
Destinations	10	10
Flight Frequency / Week	217	217
Seats/Week	70,392	70,308



# Nok Air Route Network

**24 Aircraft**  
(As of 31 Mar 2015)

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	Q1/2015	Year 2014 (Jan-Dec)
Destinations	25	25
Freq./Week	686	686

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

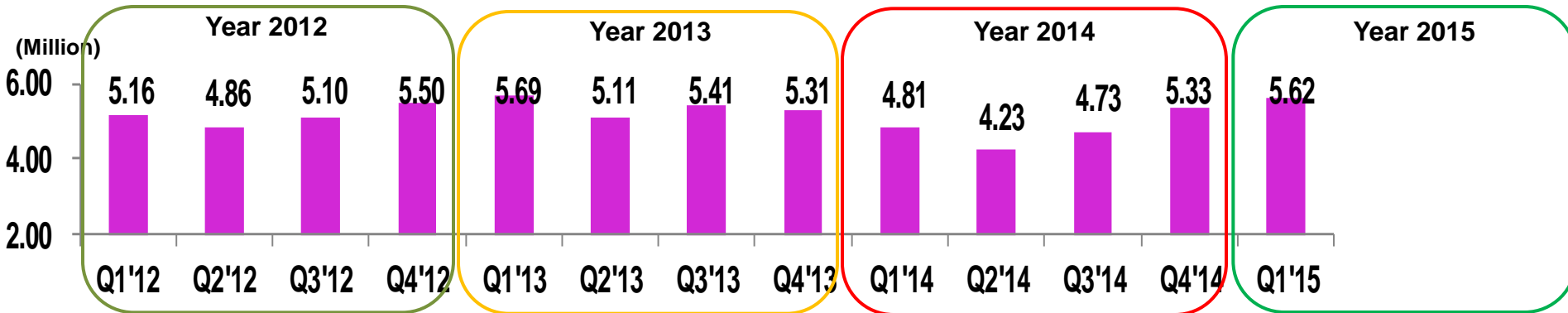
**Have 4 of 12 Board seats**

# Operating Statistics

# Operating Statistics

## Passengers Carried\*

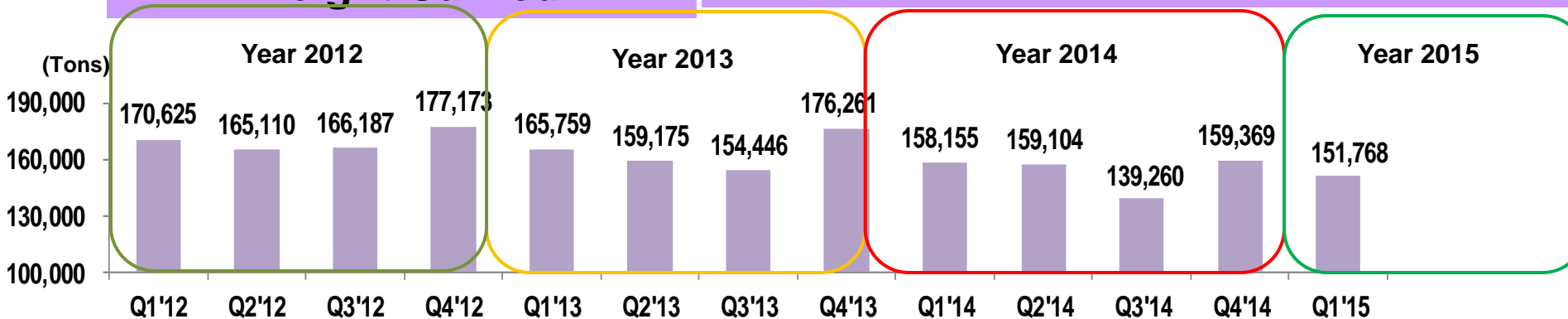
Q1'2015 = 5.62 million (increased 17%YoY)



\*Includes THAI Smile (WE)

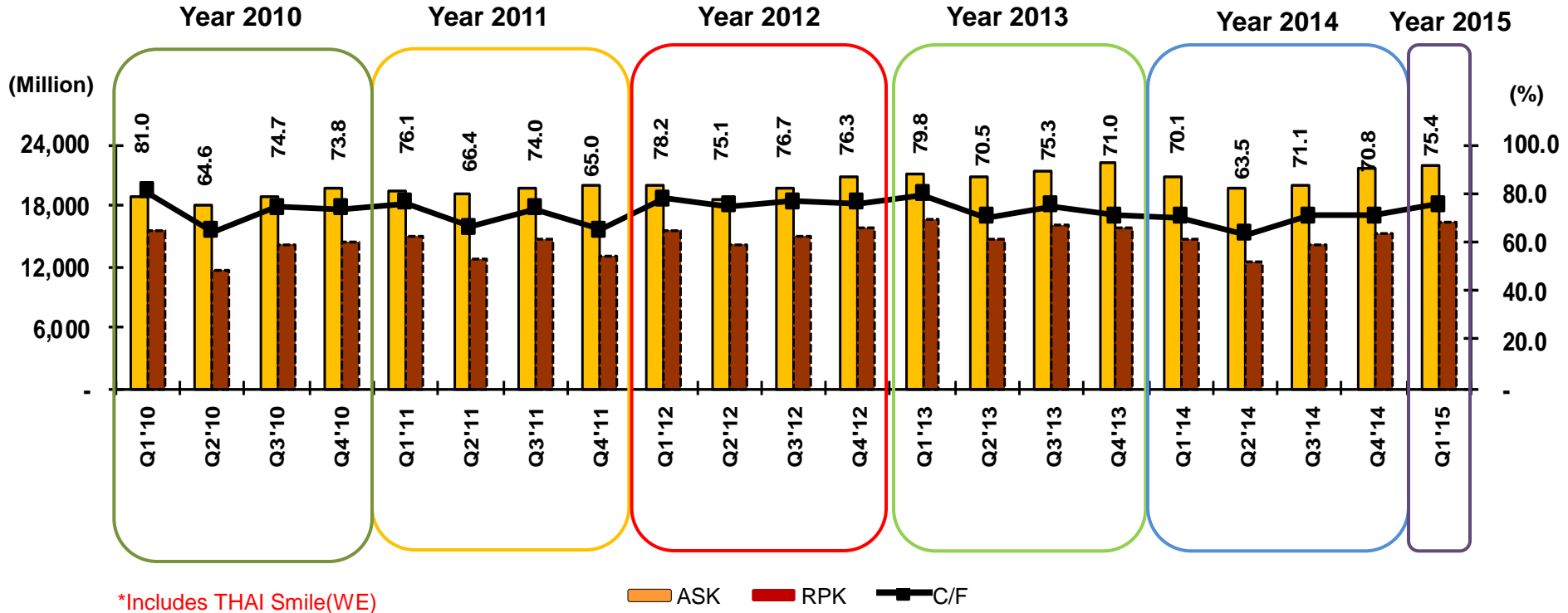
## Freight Carried

Q1'2015 = 151,768 tons (decreased 4% YoY)



# Operating Statistics

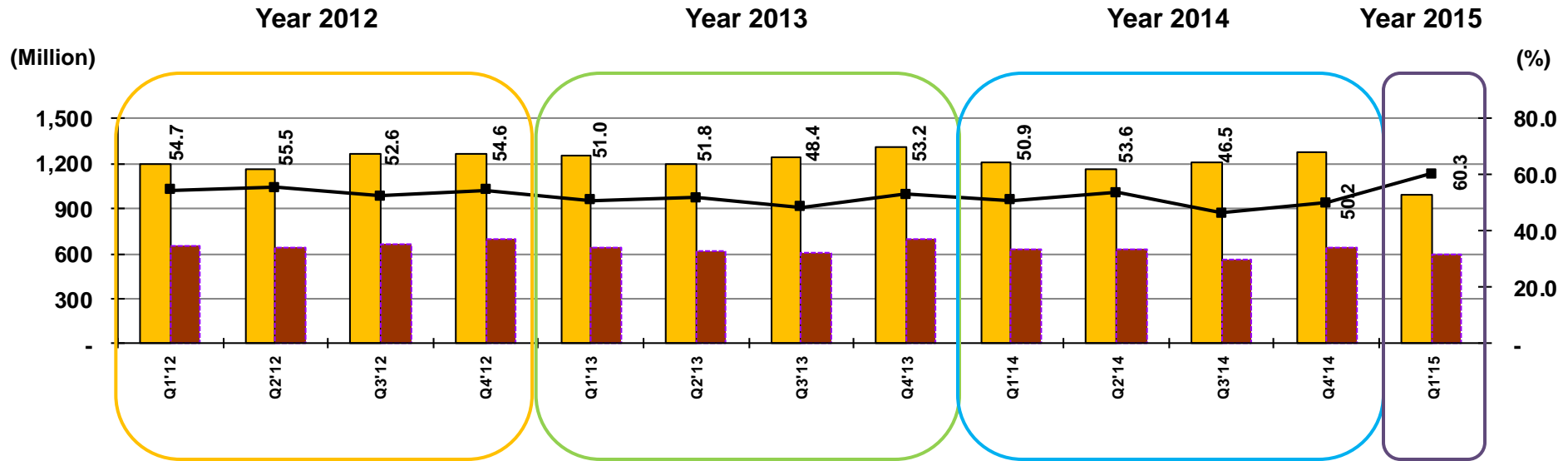
## Passengers\*



	YoY (Year)			YoY (Quarter)		
	Y'13	Y'14	YoY%	Q1'14	Q1'15	YoY%
MASK	85,655	82,969	-3.1	20,934	21,869	+4.5
MRPK	63,479	57,194	-9.9	14,677	16,489	+12.3
Cabin factor (%)	74.1	68.9	-5.2	70.1	75.4	+5.3

# Operating Statistics

## Freight

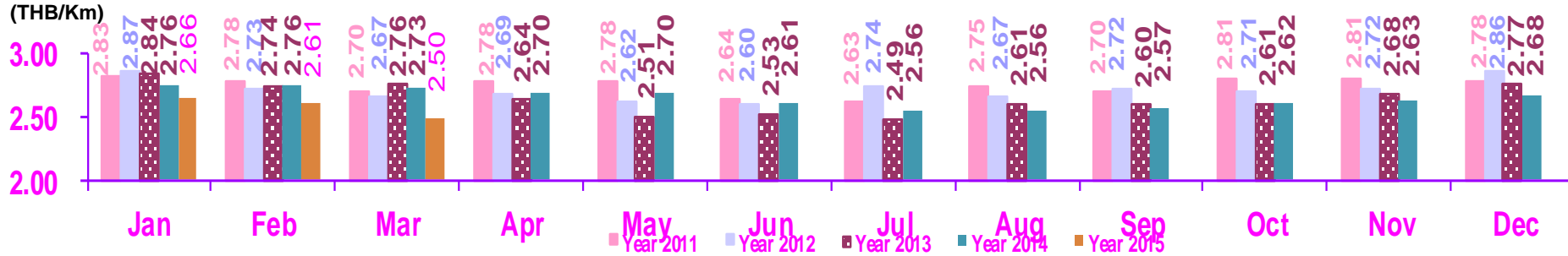


\*Includes THAI Smile (WE)

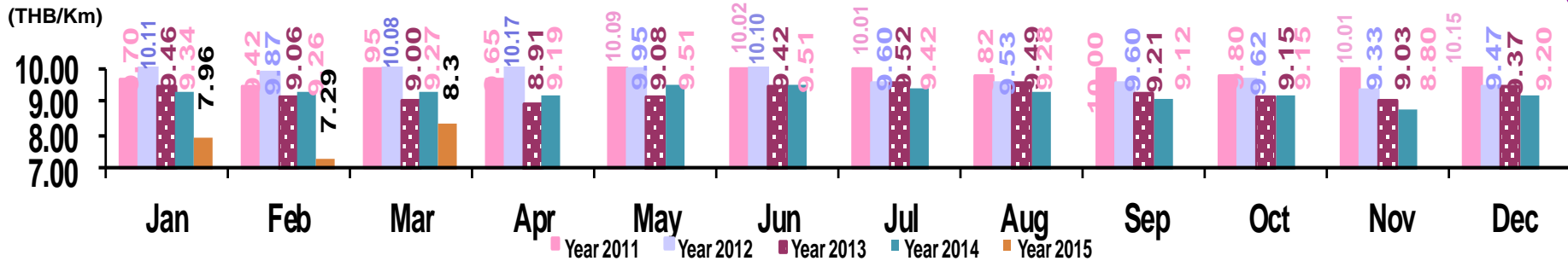
ADTK MRFTK F/F

	YoY (Year)			YoY (Quarter)		
	Y'13	Y'14	YoY%	Q1'14	Q1'15	YoY%
MADTK	5,020	4,869	-3.0	948	988	+4.3
MRFTK	2,565	2,458	-4.2	629	596	-5.4
Freight factor (%)	51.1	50.5	-1.2	66.4	60.3	-6.1

## Passenger Yield (Including Fuel Surcharge)



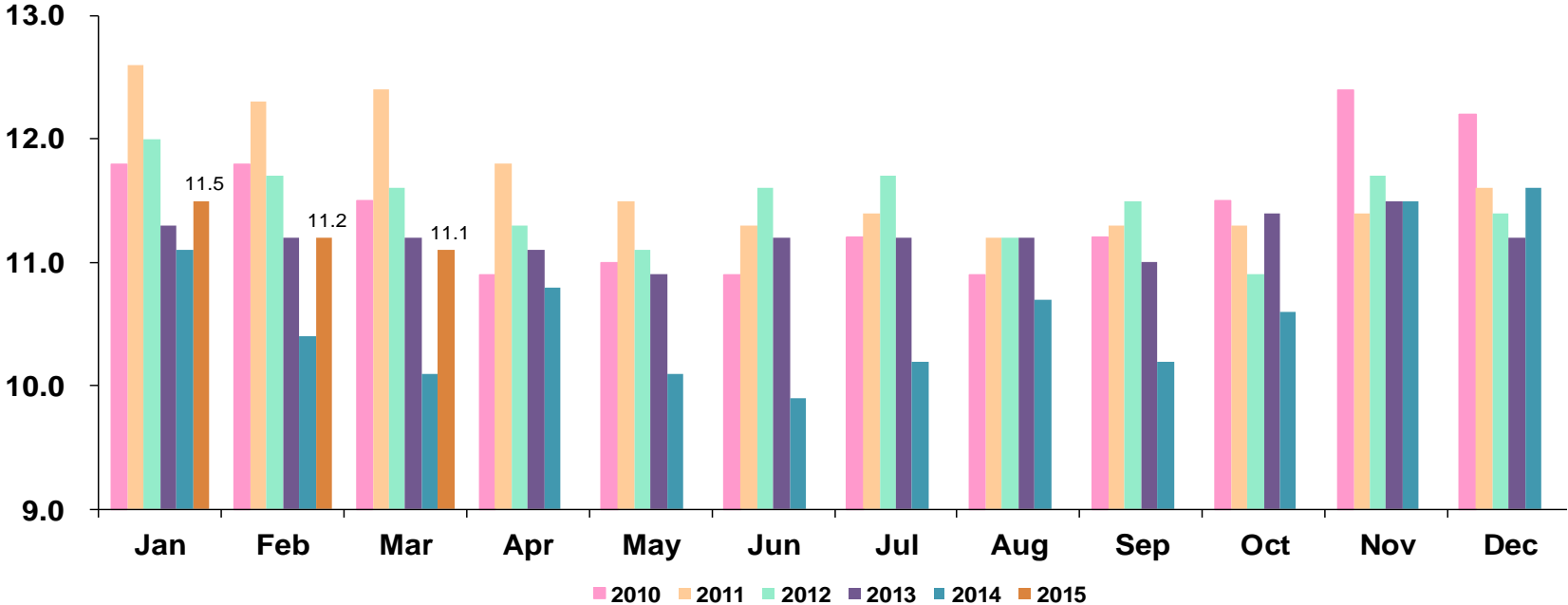
## Freight Yield (Including Fuel Surcharge)



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

Hours / Day / Aircraft



**Aircraft Utilization for Q1'2015 = 11.3 Hours/Day/Aircraft**

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

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

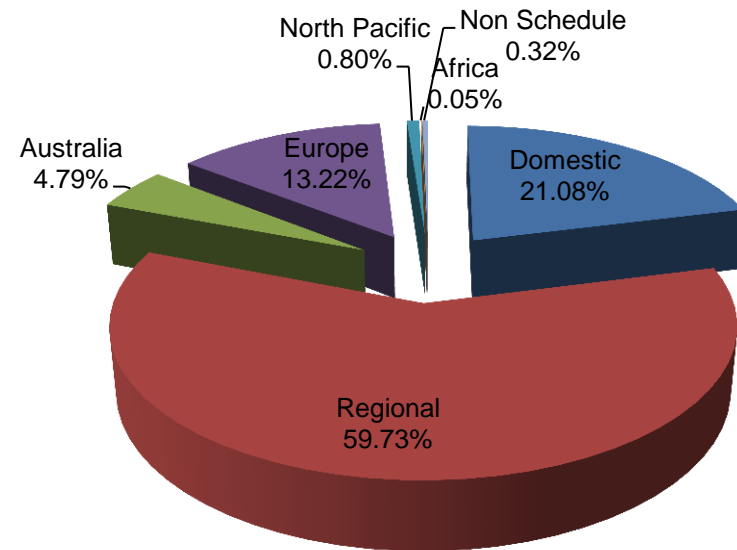
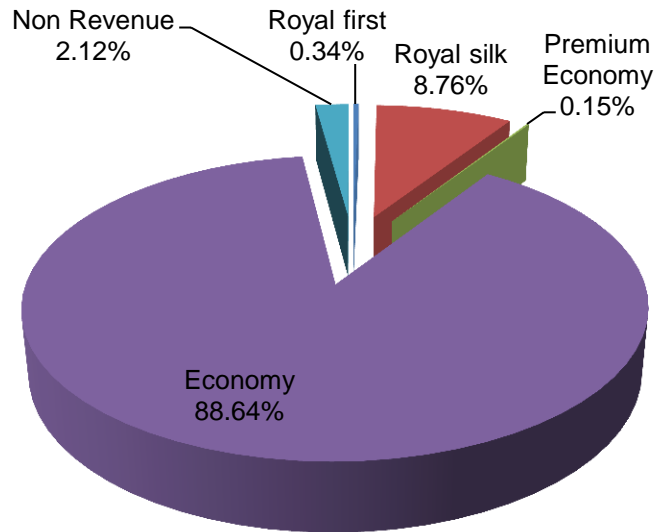


# THAI's Number of PAX

## By Class

## By Area

Q1'2015



Total passengers for Jan-Mar 2015 = 5.04 million



