

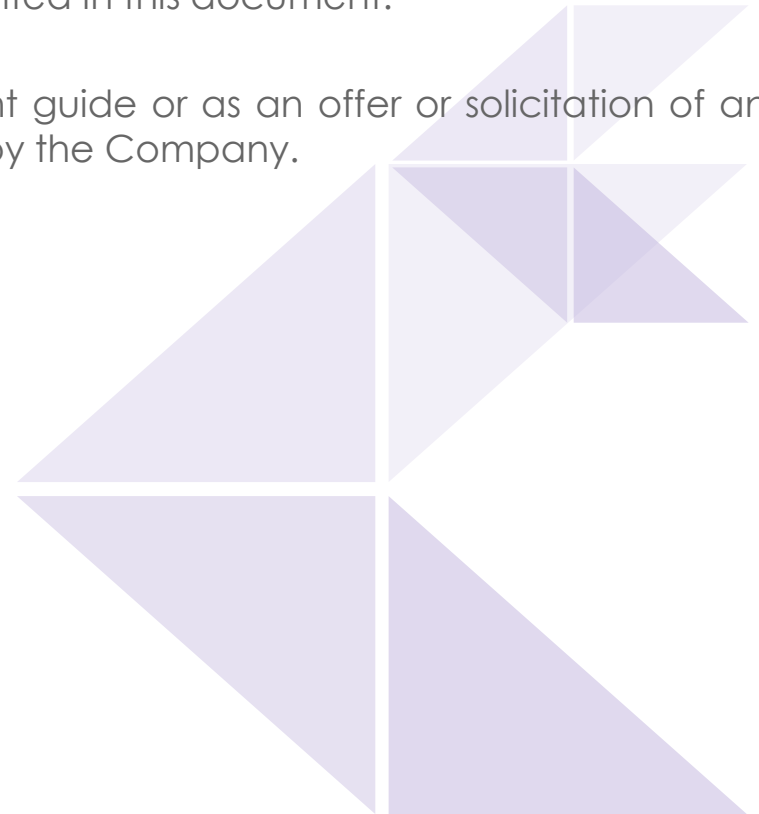
THAI AIRWAYS INTERNATIONAL PCL

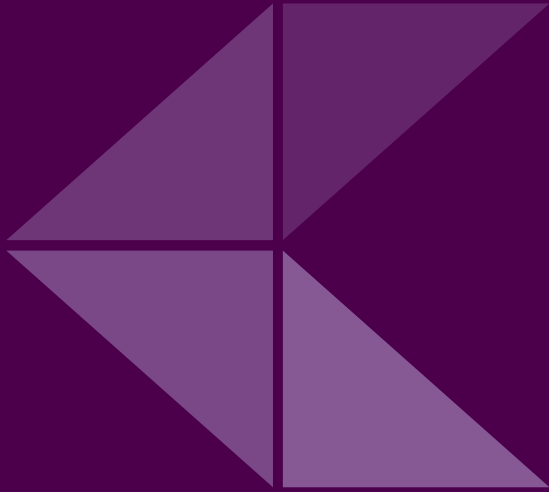
Q2'2016 analysts briefing
17-Aug-2016



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.





TRANSFORMATION PLAN

2015

2015-2016

2017 onward

Stop bleeding

Strength Building

Sustainable Growth

Transformation Plan

1. Revenue Management

2. Cost management & Efficiency uplift

3. Capabilities improvement

4. Customer excellence

Revenue

- New Fare Management
- Web Sales
- New customer segment

Cost

- Cost management
- Financial & Balance Sheets Mgt.
- Improved Economy class
- Aircraft Disposal
- Increase efficiency

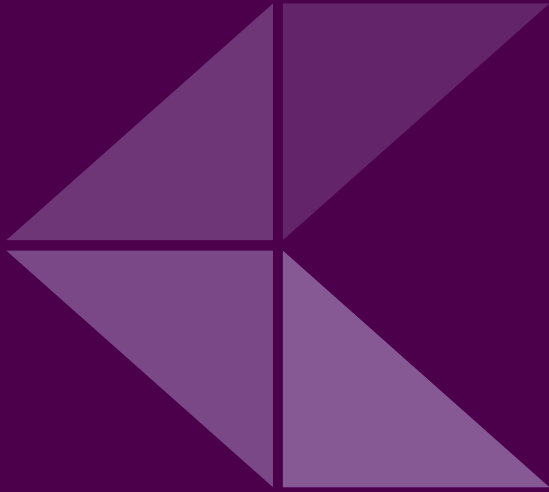
Capabilities

- Network restructure
- New Network Management System
- Simplify Fleet
- 500 new cabin crew
- Reprocess
- Business Portfolio, UTP MRO
- TG&WE integration

Service Excellence

- Business class services upgrade
- New First class
- End to end customer services
- Mobile capabilities
- Electronic enablement

- Total 94 active aircraft by phasing out 1 B777-200 (OL)
- Implement ROP's MyWallet-new digital mobile services for ROP members
- Launch 2016 the Mutual Separate Plan (280 staffs joined the program)
- Win Skytrax Most Improved Airline and Best Airline Lounge Spa Award 2016







FINANCIAL PERFORMANCE

	Unit	Q2			1H		
		2015	2016	% Change YoY	2015	2016	% Change YoY
Passenger Production	MASK	20,278	20,237	-0.2	42,147	41,713	-1.0
Passenger Traffic	MRPK	14,042	13,953	-0.6	30,530	30,590	+0.2
Cabin Factor	%	69.2	69.0	-0.2	72.4	73.3	+0.9
Passenger carried	Million	5.07	5.11	+0.8	10.69	11.02	+3.1
Passenger Yield (Inc. Surcharge)	THB/km	2.38	2.38	-	2.50	2.45	-2.0
Aircraft Utilization	Hrs./Day	10.9	11.0	+0.9	10.8	11.2	+3.7

Consolidated

Unit : THB' Billion	1Q16	2Q16	2Q15
Revenues	50.1	41.2	41.8
Costs	-41.6	-41.7	-45.1
Interest payments	-1.3	-1.3	-1.4
Operating Profit	7.2	-1.8	-4.7
Impairment loss (1-time)	-0.2	-1.9	-0.4
(1-time) Expense	-1.1	-0.4	-3.7
FX Gain/(Loss)	-0.7	+0.6	-3.7
Profit before Tax	5.2	-3.5	-12.5
Tax	+0.8	+0.5	-0.3
Net profit	6.0	-3.0	-12.8

2Q16 Performance highlights







-  Revenue slightly drop – fuel surcharge decrease
-  Cost (41.7bn / 45.1bn) – fuel decrease
- Yield flat (2.38)
-  Cabin Factor (69.0 / 69.2)
-  Pax (5.11m / 5.07m) increase despite less ASK

One-off item

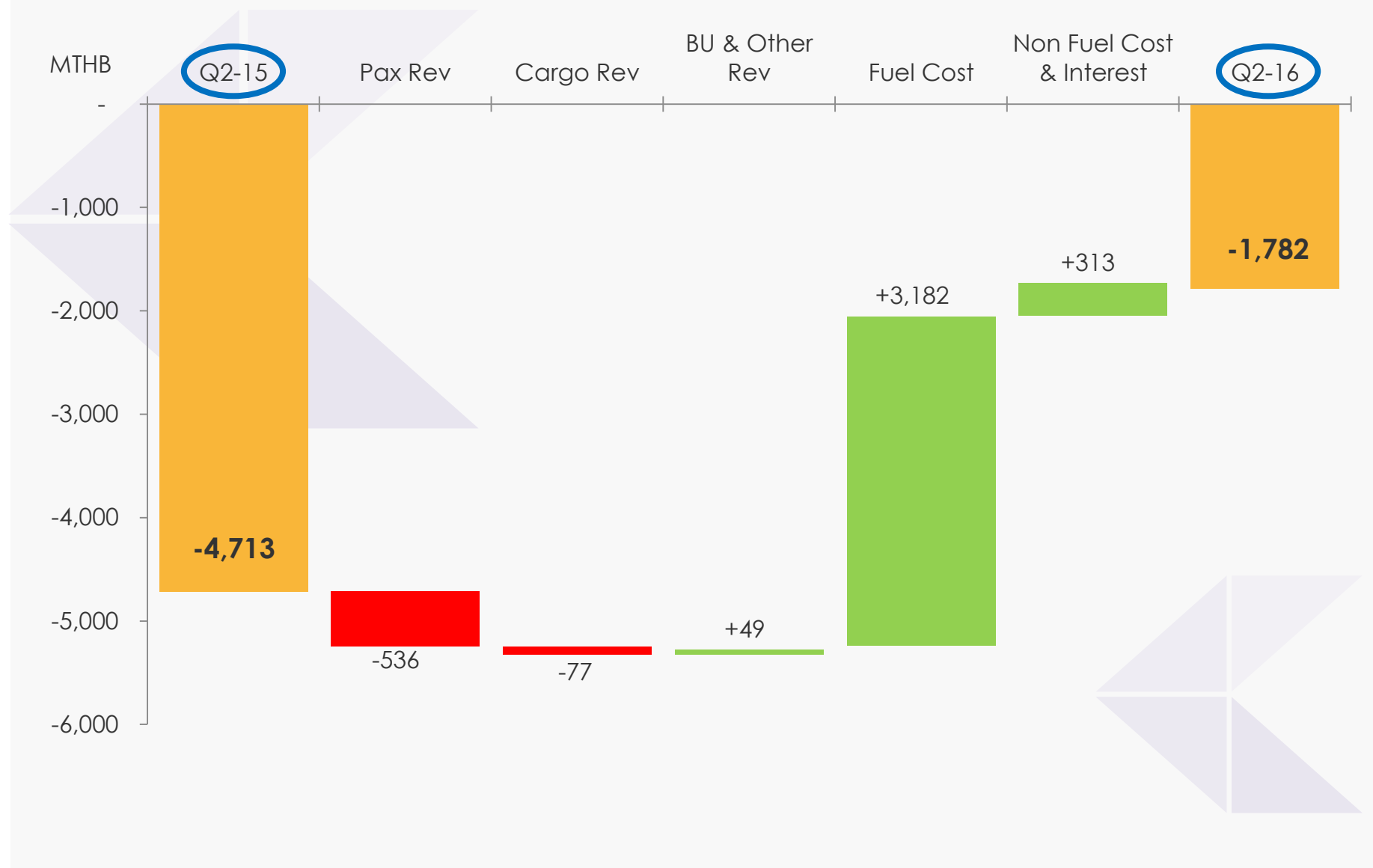
- 0.4bn MSP
- 1.9bn Impairment

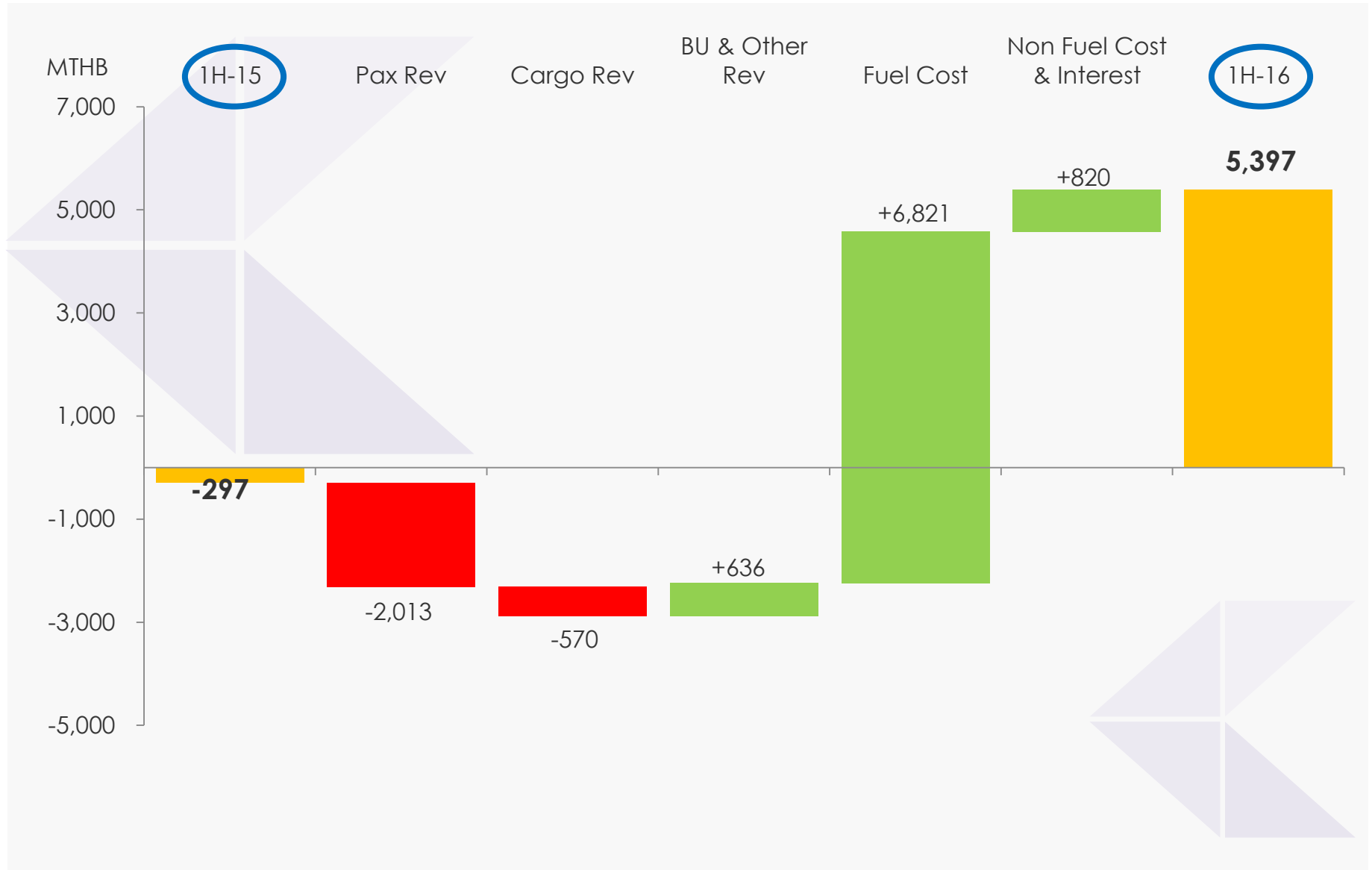
Unit : THB' Billion	Consolidated	
	1H16	1H15
Revenues	91.4	93.4
Costs	-83.4	-90.9
Interest payments	-2.6	-2.7
Operating Profit	5.4	-0.2
Impairment loss (1-time)	-2.1	-12.2
(1-time) Expense	-1.5	-3.7
FX Gain/(Loss)	-0.1	+5.9
Profit before Tax	1.7	-10.2
Tax	+1.4	+2.0
Net profit	3.1	-8.2

1H16 Performance highlights

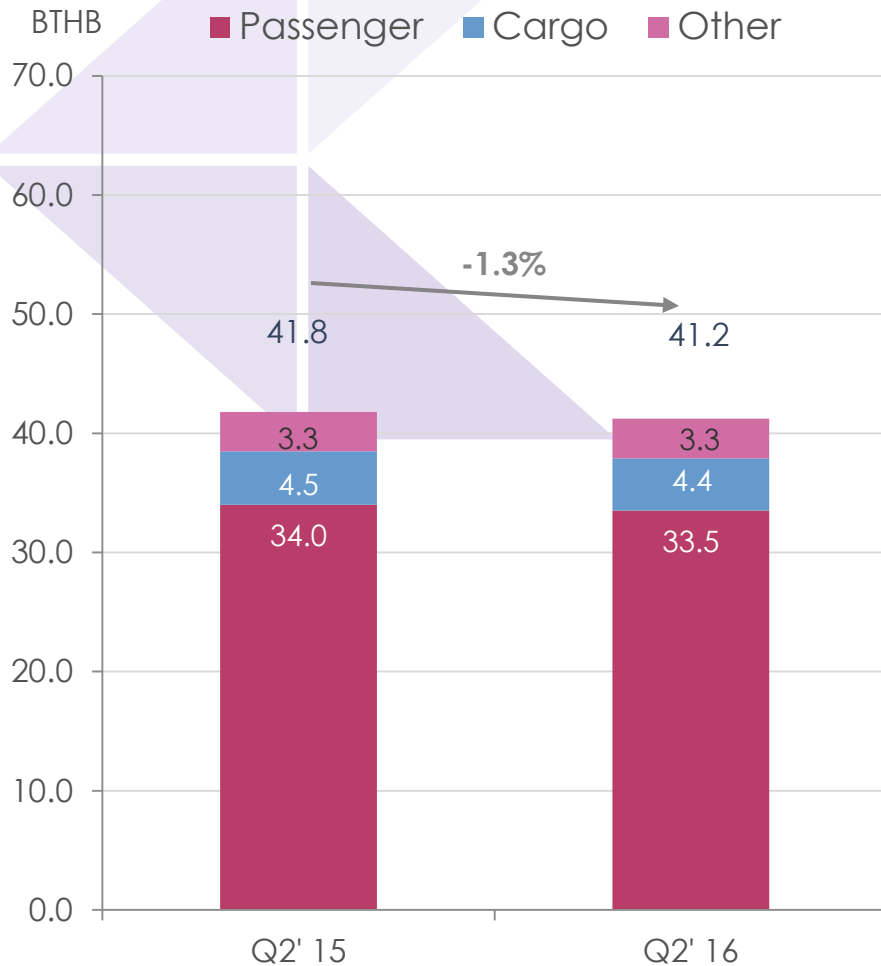
-  Revenue (91.4bn / 93.4bn) – pax & cargo drop
-  Cost (83.4bn / 90.9bn) – fuel & NFCC decrease
-  Yield (2.45 / 2.50) – fuel surcharge drop
-  Cabin Factor (73.3 / 72.4)
-  Pax (11m / 10.7m)
-  Aircraft utilization (11.2/10.8)

Consolidated

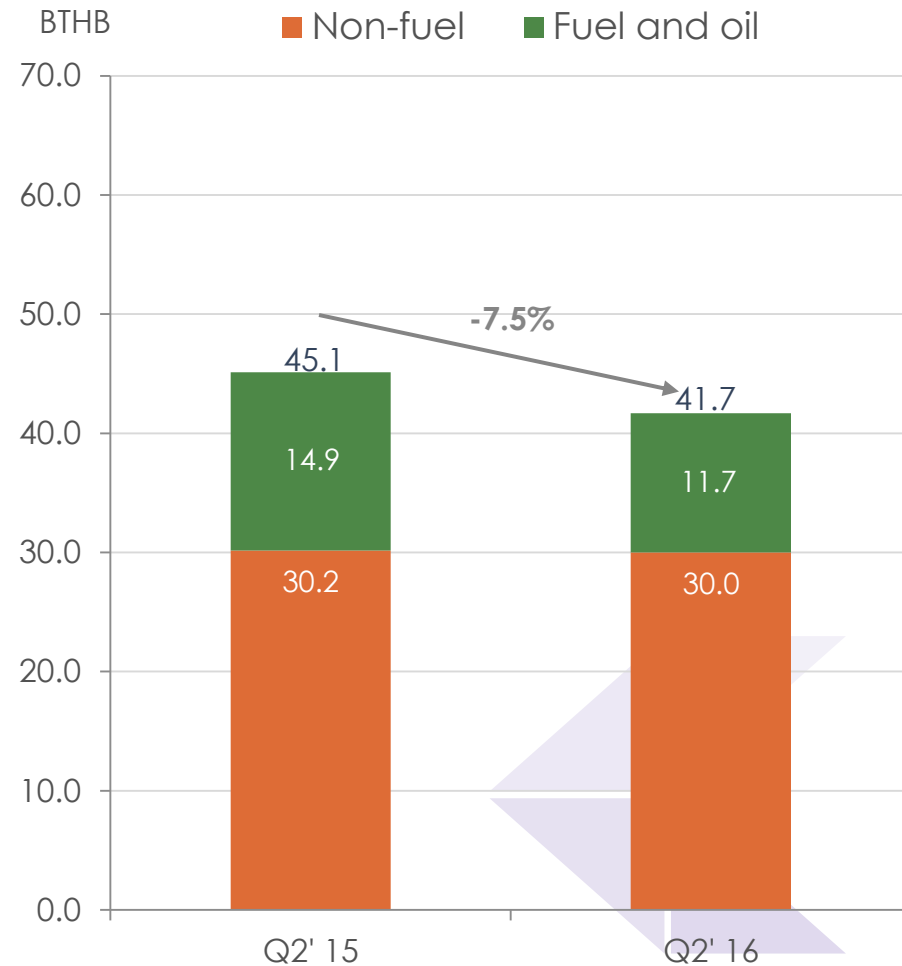




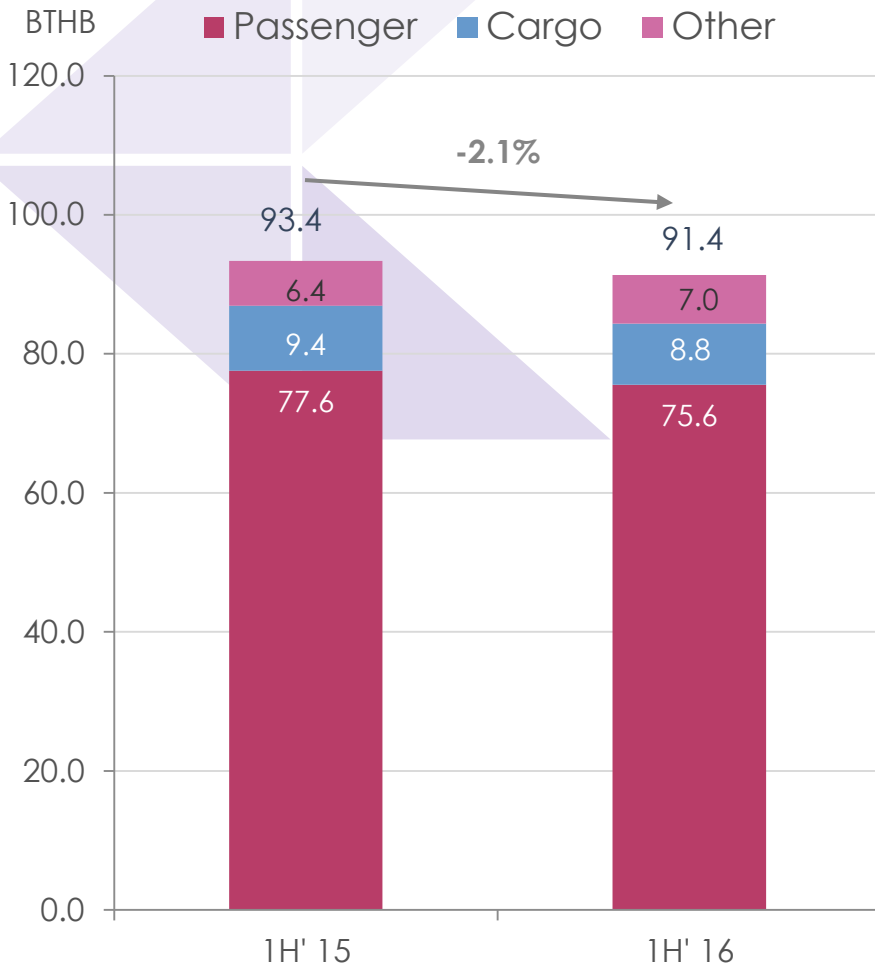
Total Revenue



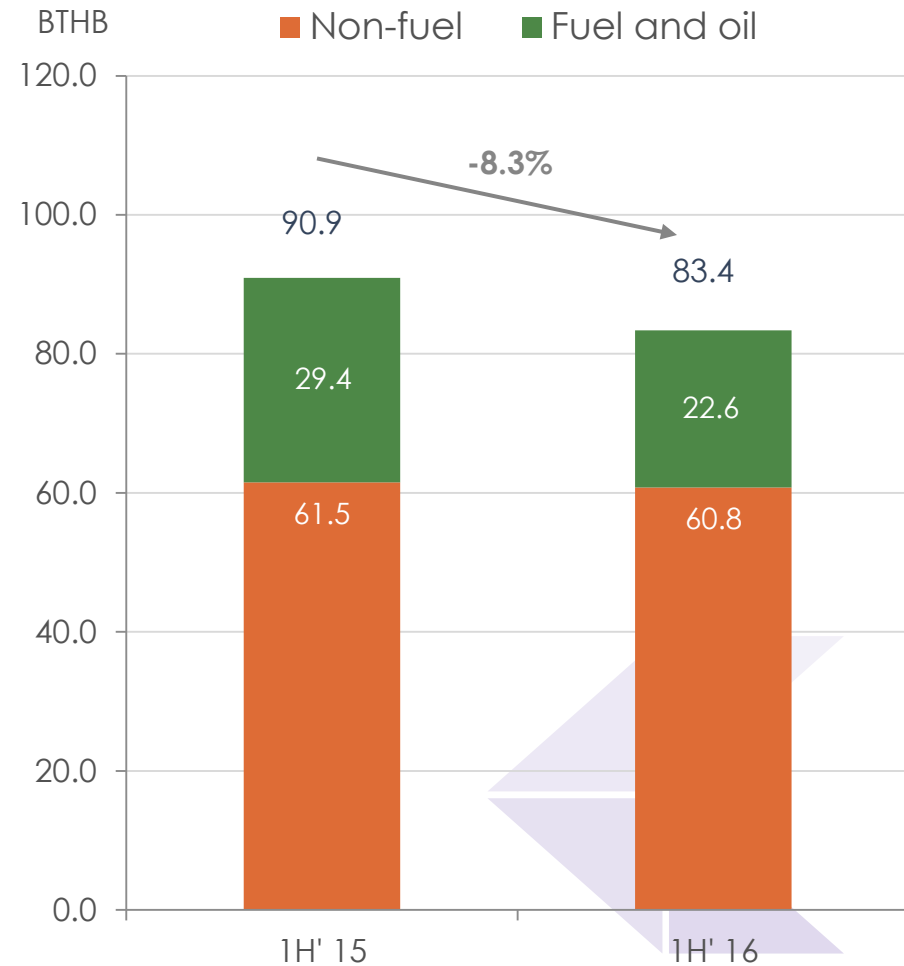
Total Expense



Total Revenue



Total Expense

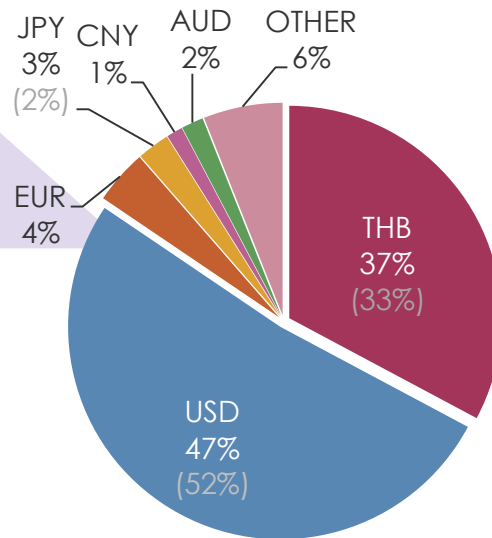
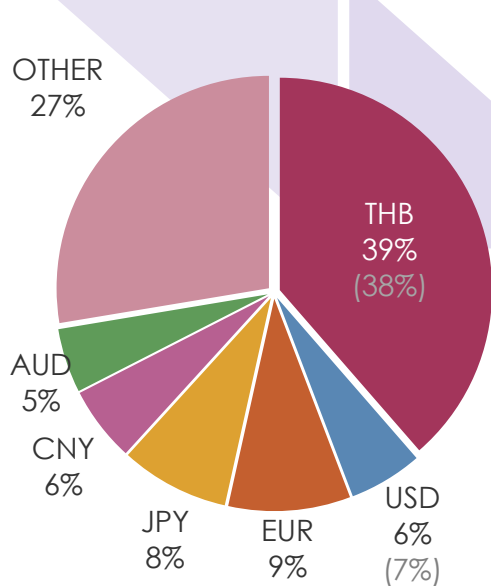


Foreign Currency Exposure

(Jan - June 2016)

Revenue

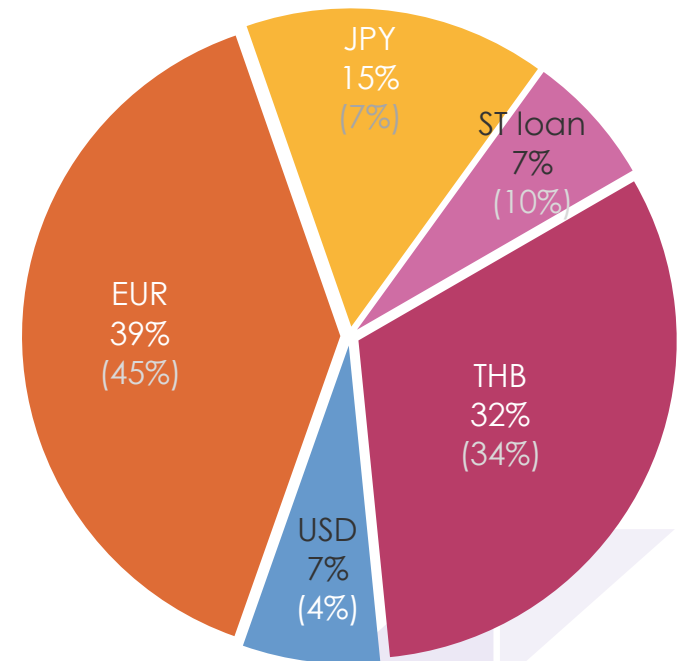
Expense



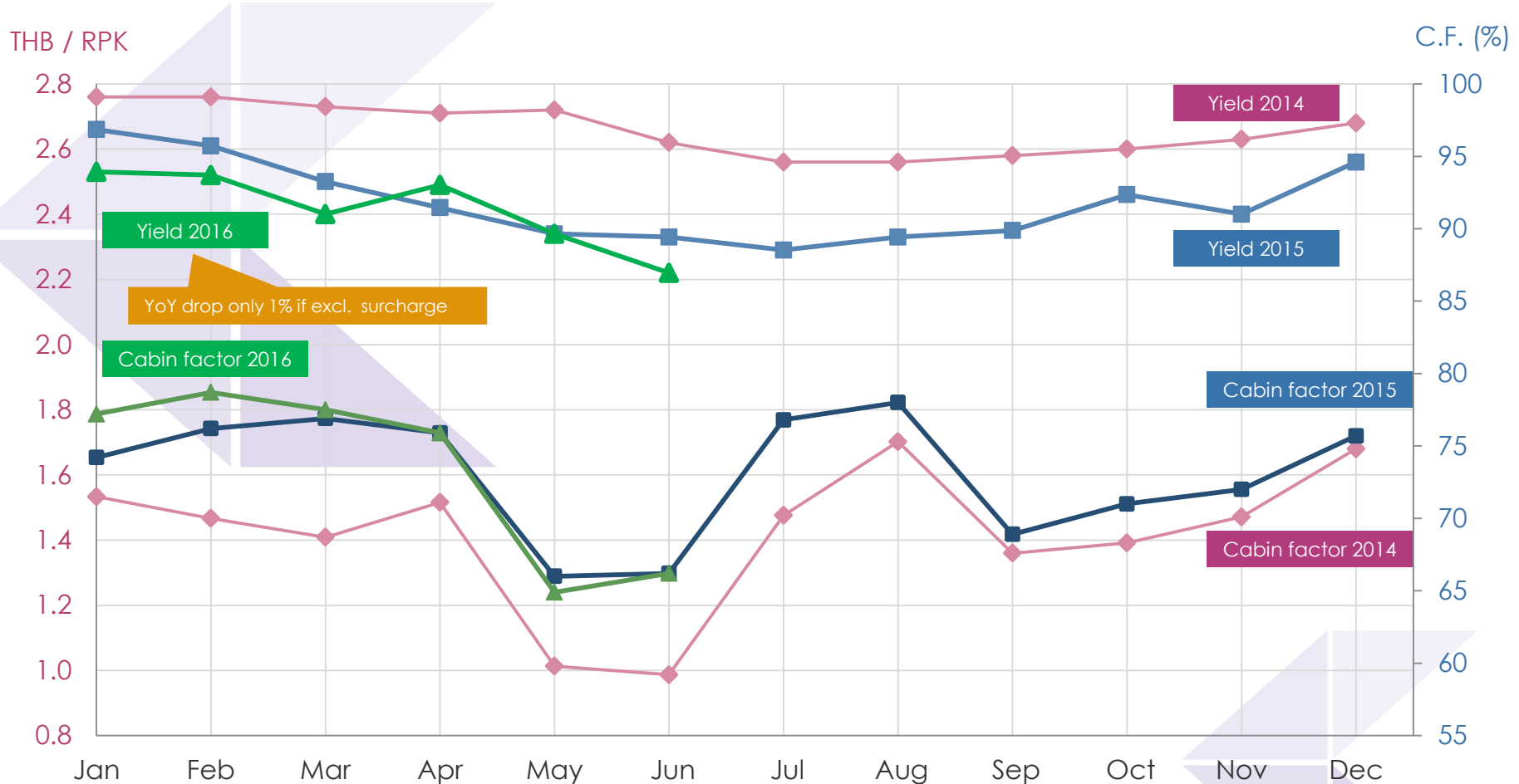
Liability

30 June 16 : 181bn

30 June 15 : 188 bn



TG Only



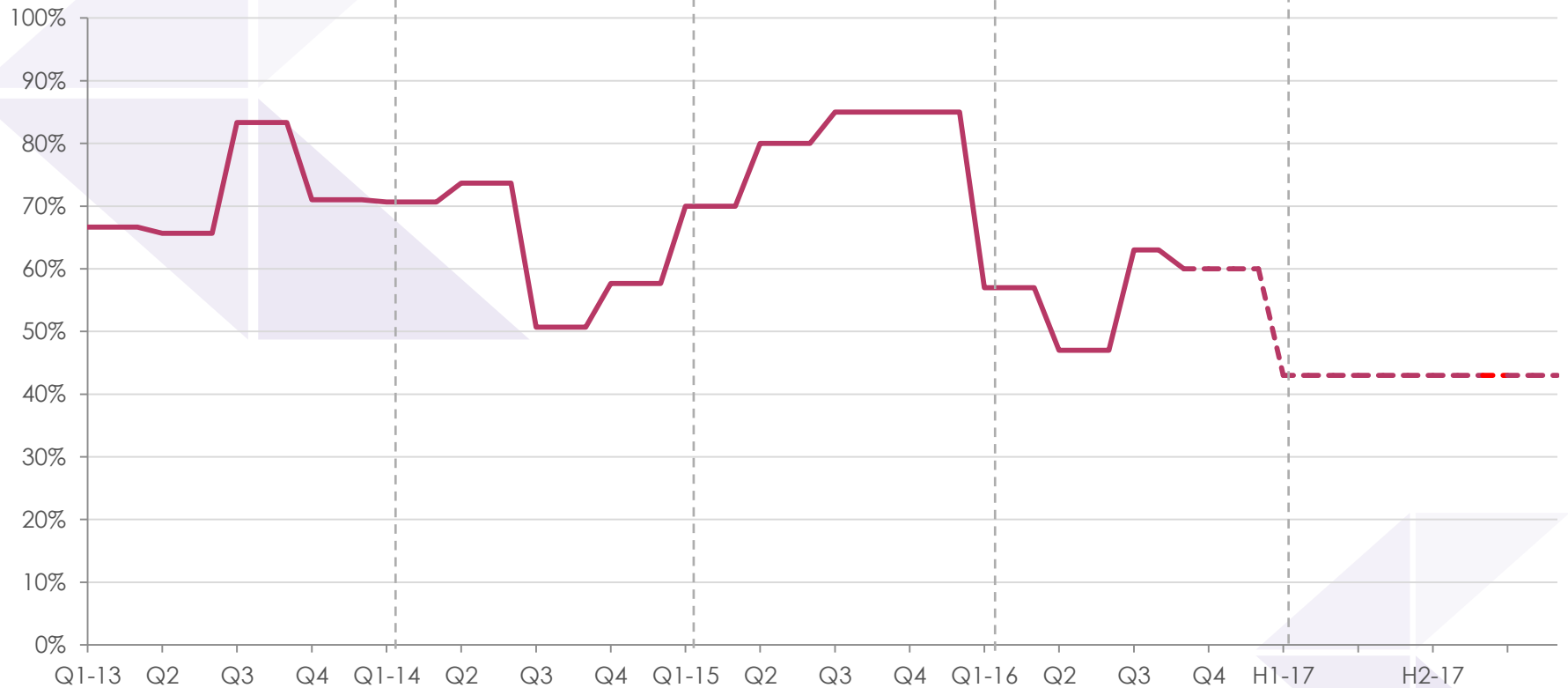
Consolidated

(THB/RPK)	Q2'15 (Q2'16 Rate)	Q2'16	% Change
Pax Rev	2.46	2.38	-3.2
FX impact	(0.08)	-	-
Total Pax Yield	2.38	2.38	-

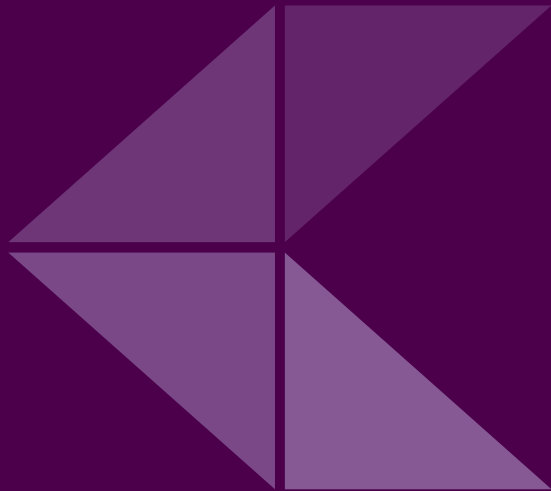
Passenger Yield by Region

(THB/RPK)	Q2'15	Q2'16	% Change
Domestic	2.76	2.84	2.9
Regional	2.70	2.77	2.6
Intercontinental	1.94	1.87	(3.6)
Total system	2.38	2.38	-

Monthly fuel hedging as % of consumption by month



Note : As of Aug 17,2016



OUTLOOK FOR 2016

- Take delivery of two A350-900 (Q3-16)
- Embark on potential business units JV or partner, Utapao MRO business as corresponding to government mandate
- Comprehensive long term fleet planning
- Comprehensive new route / network planning
 - More effective bank structure at SBIA
 - Better connections to destinations cross regions
 - Add more frequency to existing destination
 - Start operate to Iran and Moscow (Q4-16)



- More passengers carried at very minimal cost
- Improve cabin factor
- Better aircraft utilization

TG should own SEA, Middle East and subcontinent connections

Thank you



**Most Improved Airline
Best Airline Lounge Spa Award 2016**