

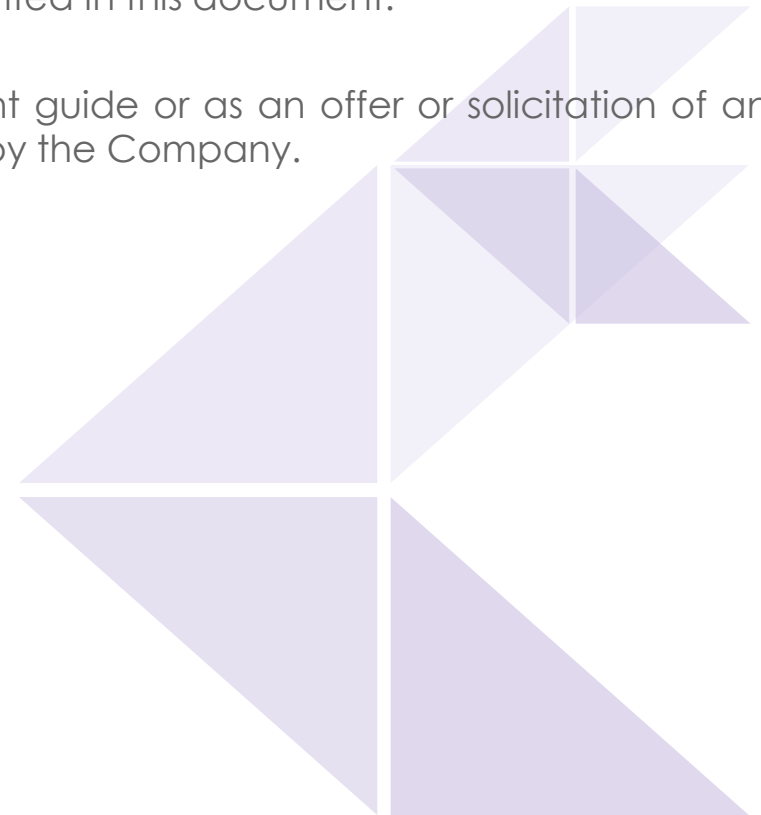
THAI AIRWAYS INTERNATIONAL PCL

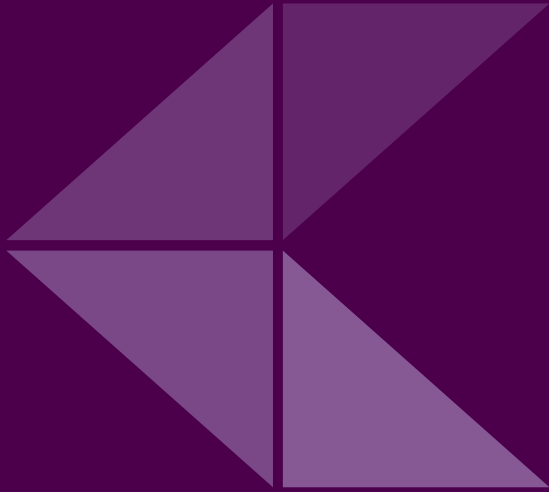
1Q2017 analysts briefing
19-May-2017



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

Profitable & competitive advantages

- Automatic Fare Management
- Simplify Fleet
- Self service check-in enhancement

Competitive capability & revenue generating

- New customer segment
- IFE and cabin upgrade 777-200ER, 787-8 & 330
- More codeshare & network sales
- Web sales

Excellent service ring

- End to end customer services
- Reprocess
- Increase efficiency

Competitive cost & efficient operation

- Cost management
- Aircraft Disposal
- Assets management
- Financial & Balance Sheets Management

Culture building

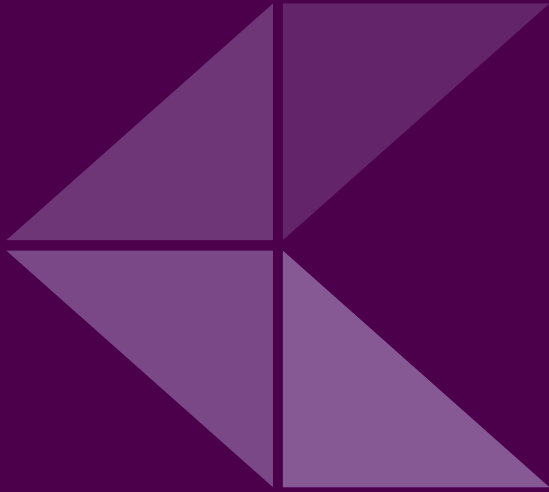
- Organization restructure
- Efficient Manpower planning
- Succession plan

Portfolio & new business development

- Business Portfolio, UTP MRO
- THAI Group

- Total 95 active aircraft + 1 A350 Since 21 Apr
- Signed MOUs with Airbus and Thai Royal Navy to develop U-Tapao as MRO center and air cargo and logistic hub
- 787-8 renovation by installing crew rest and In-flight connectivity
- Cabin factor reached 82.8%, 2.7pp higher than industry average
- ThaiSmile won 3 prizes from TripAdvisor
 - Best Airline in Thailand
 - Best Regional Airline in Asia Pacific
 - World Best Airline – Top 10





FINANCIAL PERFORMANCE

- **Network optimization**

- 10 year long term fleet plan in progress
- Combining TG&WE operation as a single airport at SBIA
- Launch new route to BKI by WE
- Signed codeshare with PG

- **Commercial**

- Pricing benchmark
- Promote web sale (16.6% in 1Q17)

- **Capabilities / Efficiency**

- Online check-in 13.3%(from 26%)
- Kiosk check-in 54 % (from 6%)
- Streamline / rationalize catering meals uplift

- **Services**

- Continue new BC roll out
- Uplift economy class service



| Unit : THB' Billion/ Consolidated | Consolidated | | |
|--|---------------|---------------|--------------|
| | Q1'16 | Q1'17 | %change |
| Revenues | 50.2 | 49.8 | -0.8 |
| Costs | -41.7 | -45.7 | +9.6 |
| Interest payments | -1.3 | -1.2 | -8.1 |
| Operating Profit | 7.2 | 2.9 | -60.1 |
| (1-time) Expense | -1.1 | -0.5 | -54.6 |
| Impairment loss (1-time) | -0.2 | -1.0 | +484.5 |
| FX Gain/(Loss) | -0.7 | +1.5 | +329.1 |
| Profit before Tax | +5.2 | +2.9 | -43.4 |
| Tax | +0.8 | +0.3 | -62.5 |
| Net profit | 6.0 | 3.2 | -47.3 |
| Passenger Production (MASK) | 21,476 | 22,428 | +4.4 |
| Passenger Traffic (MRPK) | 16,637 | 18,564 | +11.6 |
| Cabin Factor (%) | 77.5 | 82.8 | +5.3 |
| Passenger carried (Million) | 5.92 | 6.52 | +10.1 |
| Passenger Yield Inc. Surcharge (THB/km) | 2.50 | 2.20 | -12.0 |
| Aircraft Utilization (Hrs./Day) | 11.5 | 12.4 | +7.8 |

↓ Pax revenue suppressed from competition & fuel surcharge

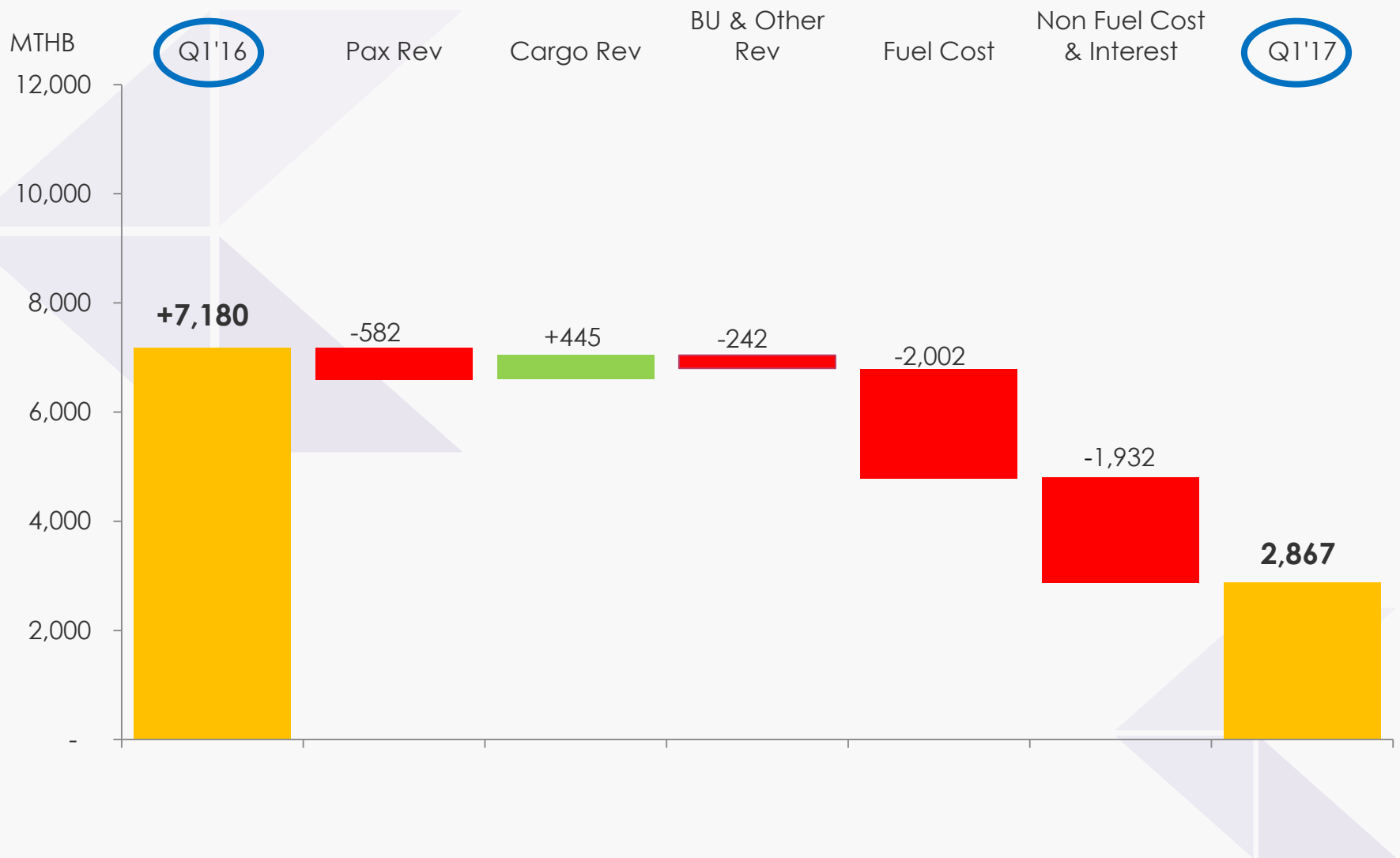
↑ Fuel cost increase

↑

↓ Impact from fuel surcharge

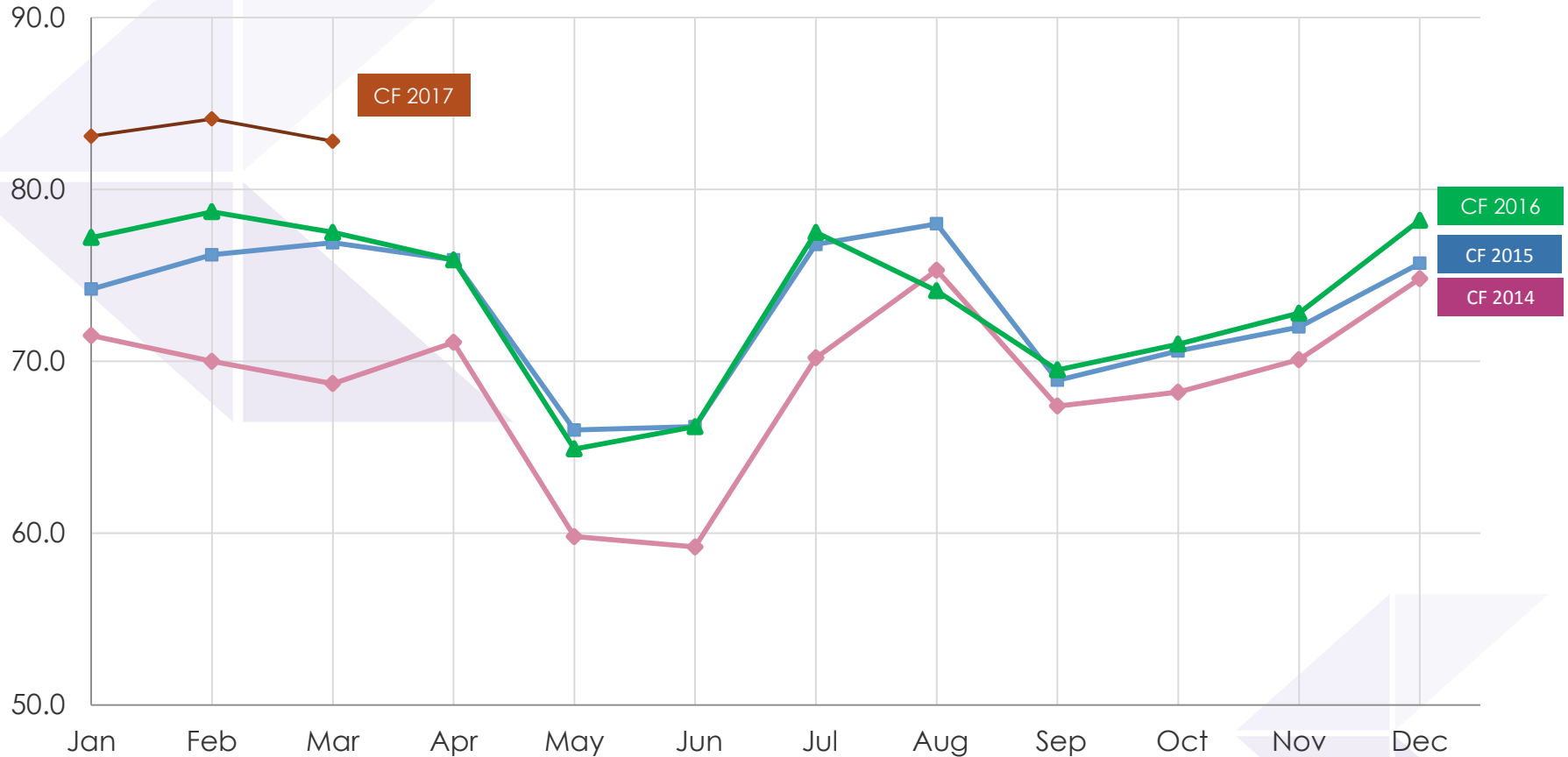
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Consolidated



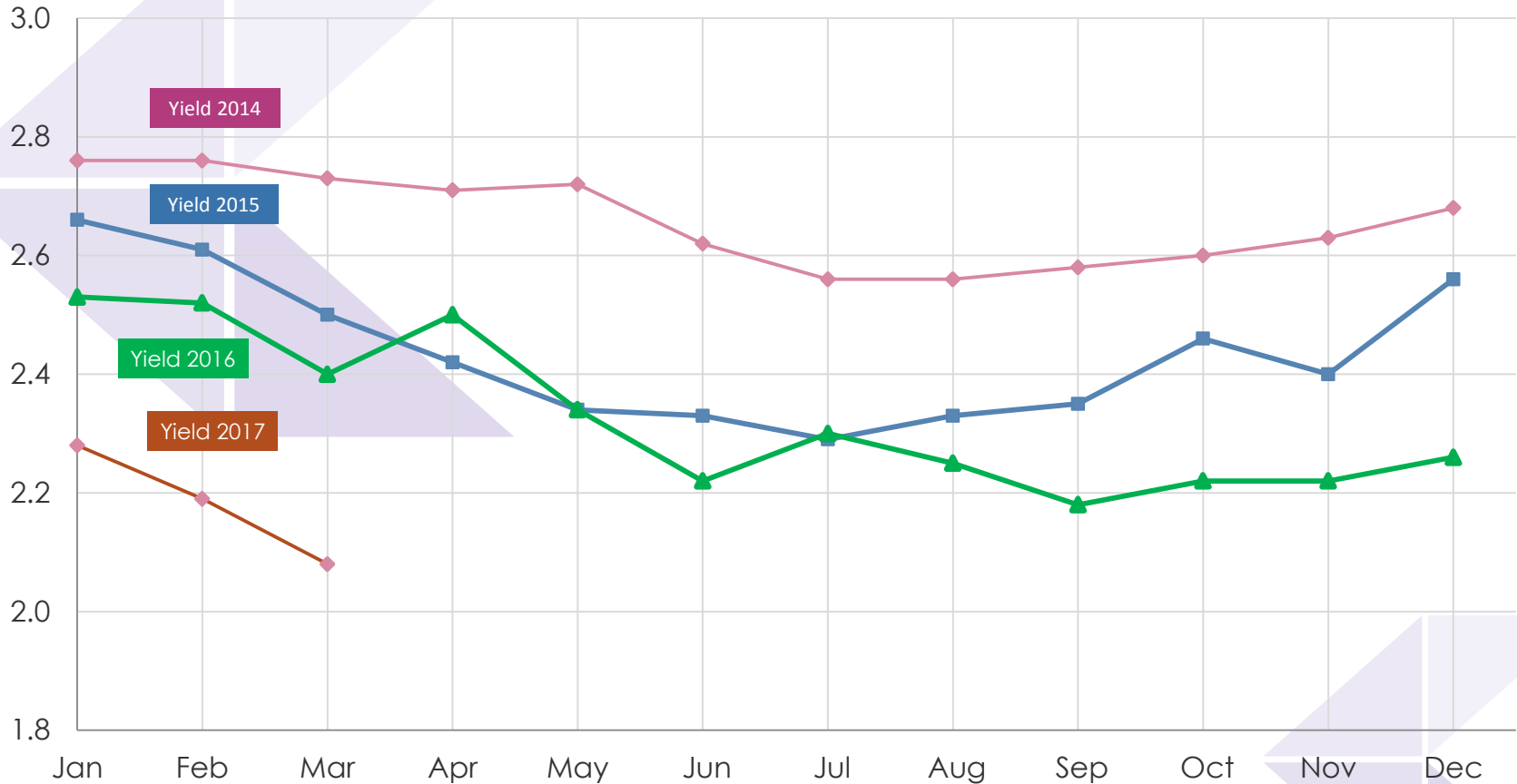
TG Only

Cabin Factor (%)



TG Only

THB / RPK



Consolidated

| (THB/RPK) | Q1'16 (Q1'17 Rate) | Q1'17 | % Change |
|------------------------|-----------------------|-------------|--------------|
| Pax Rev | 2.46 | 2.20 | -10.6 |
| FX impact | 0.04 | - | - |
| Total Pax Yield | 2.50 | 2.20 | -12.0 |

Passenger Yield by Region

| (THB/RPK) | Q1'16 | Q1'17 | % Change |
|---------------------|-------------|-------------|--------------|
| Domestic | 3.19 | 2.93 | -8.2 |
| Regional | 2.91 | 2.57 | -11.7 |
| Intercontinental | 2.02 | 1.75 | -13.4 |
| Total system | 2.50 | 2.20 | -12.0 |

Consolidated

| | | JAN - MAR | |
|-----------------------------------|---------|-----------|-------|
| | | 2016 | 2017 |
| Liquidity Ratio | | | |
| - Current Ratio | (times) | 0.85 | 0.83 |
| Profitability Ratio | | | |
| - Operating Profit (loss) margin | % | 14.29 | 5.75 |
| - Net profit (loss) Margin | % | 11.96 | 6.36 |
| - Return to Equity | % | 16.84 | 8.98 |
| Efficiency Ratio | | | |
| - Return to Total Assets | % | 2.17 | 1.48 |
| Financial Policy Ratio | | | |
| - Interest Bearing Debt to Equity | (times) | 4.95 | 4.33 |
| - Total Debt to Equity | (times) | 6.90 | 6.64 |
| - IBD/EBITDA | (times) | 15.79 | 20.41 |
| - Interest Coverage Ratio | (times) | 8.64 | 6.23 |
| - EBITDA | (MTHB) | 12,049 | 7,850 |

Monthly fuel hedging as % of consumption by month



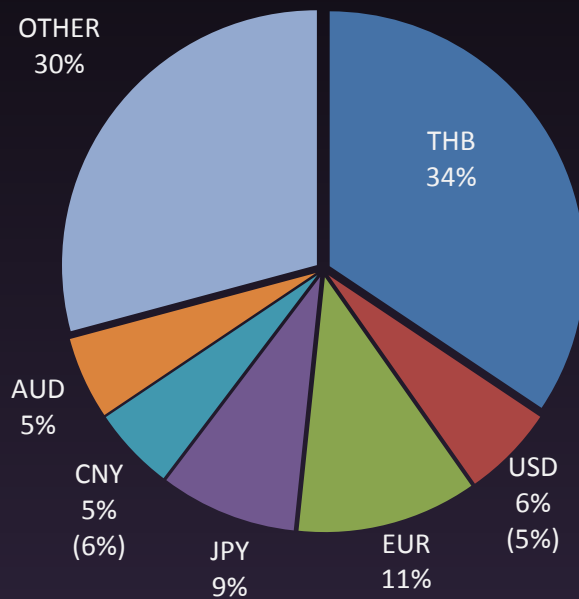
Note : As of 16-MAY-17



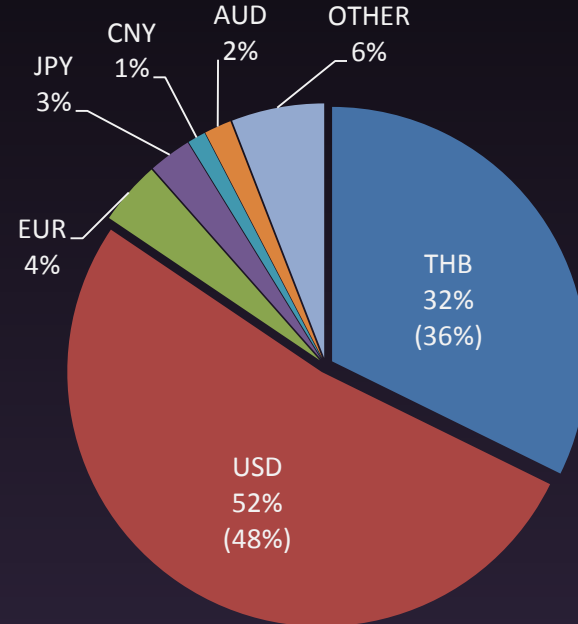
Q1'2017 Financial Restructuring

THAI has over 50+ multiple currencies

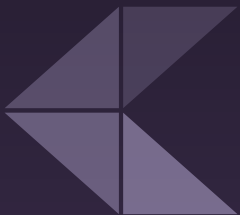
Revenue



Expense

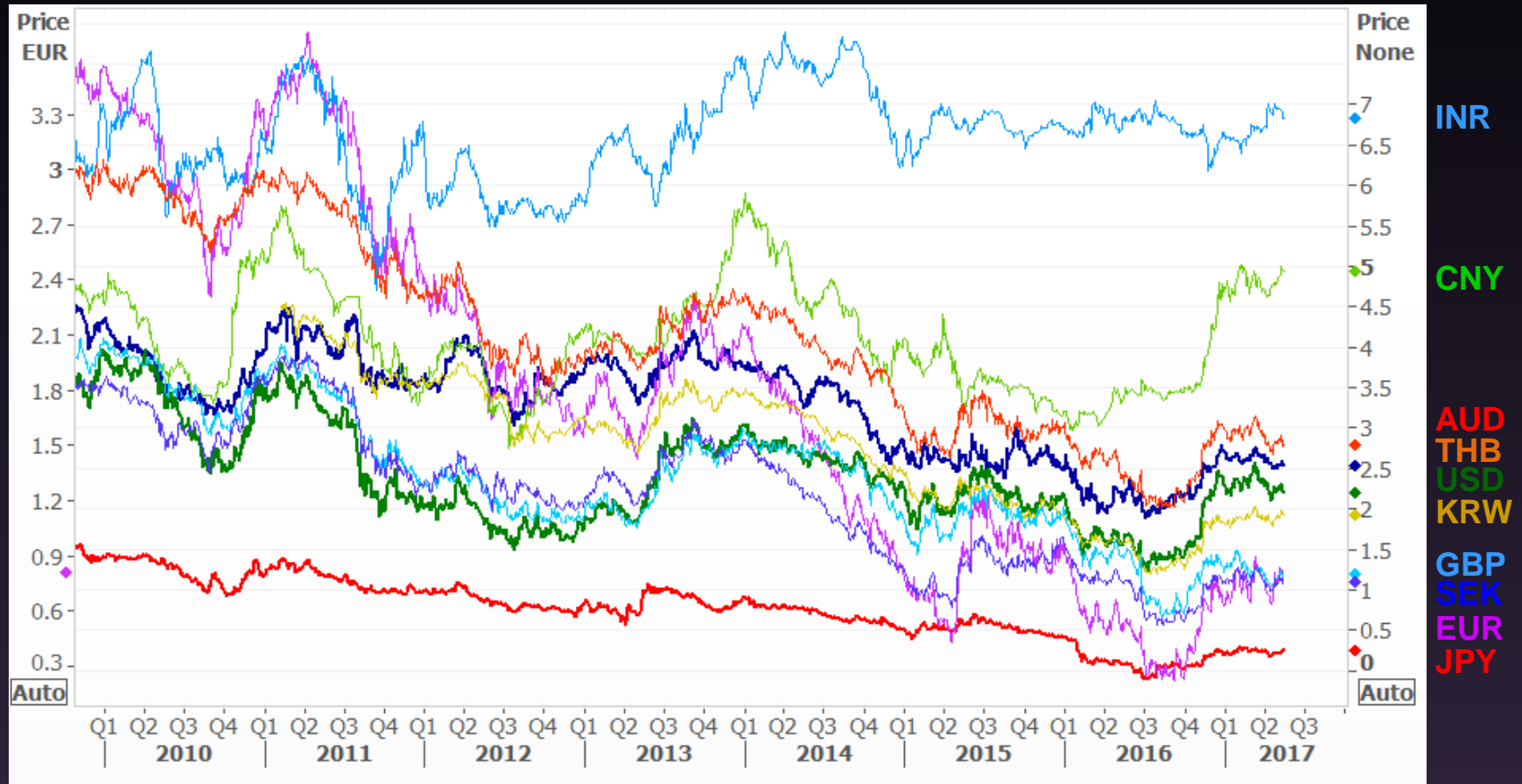
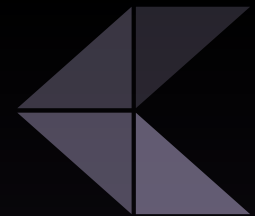


As of Mar 2017



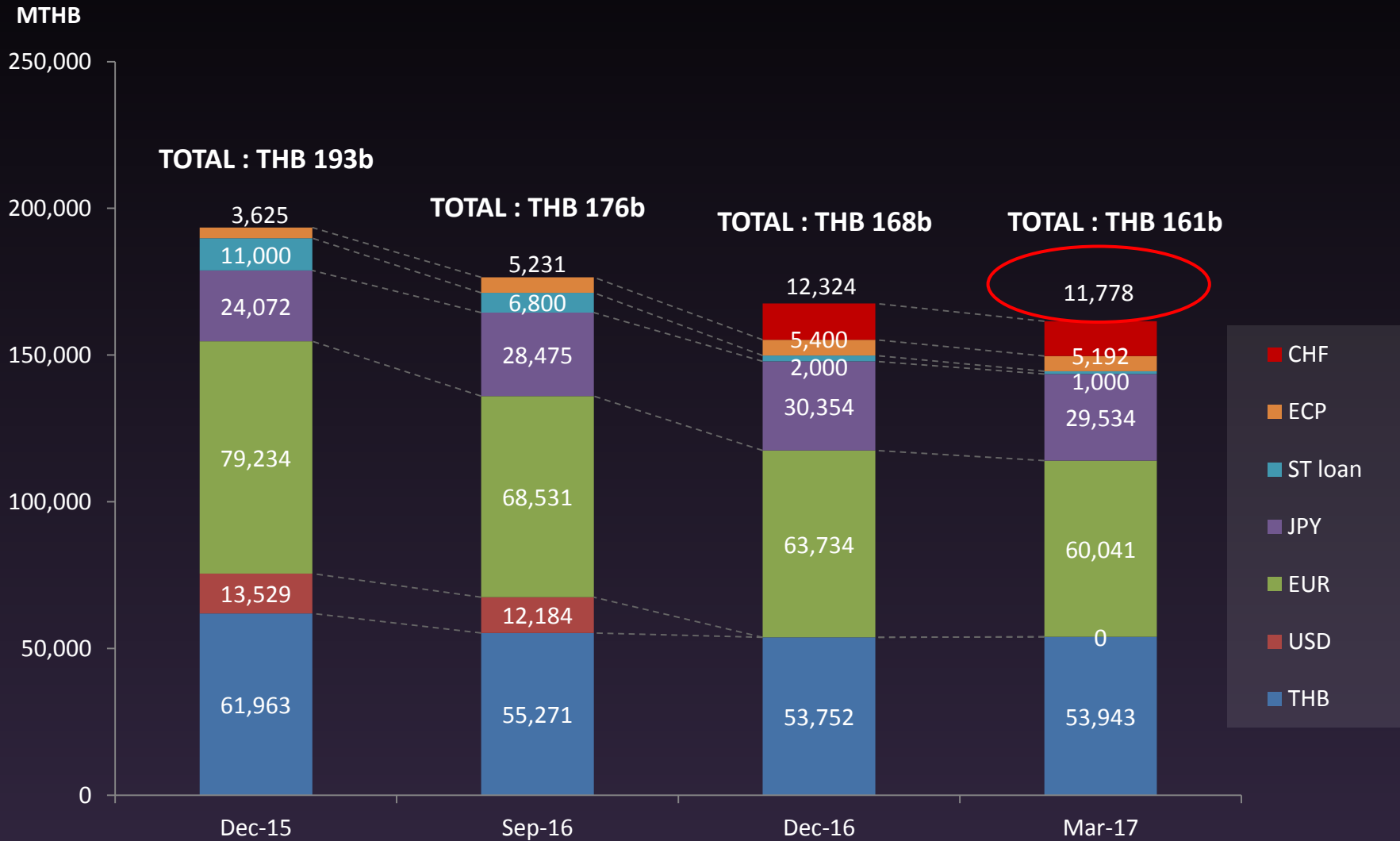
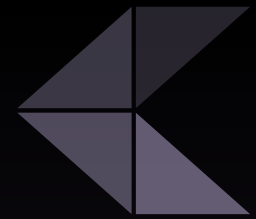
Interest rate environment

Can benefit from low interest rate currencies



Source : Reuters

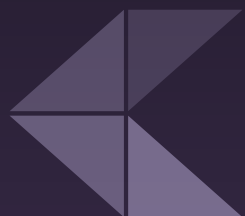
Liabilities by currency



Managing Interest Cost

TG Only

| Unit : THB 'bn | Actual 1Q15' | Actual 1Q16' | Actual 1Q 17' |
|--------------------|--------------|--------------|---------------|
| Interest Payment | 1.4 | 1.4 | 1.3 (-8.1%) |
| Loan balance (avg) | 167.2 | 150.7 | 142.9 (-5.5%) |



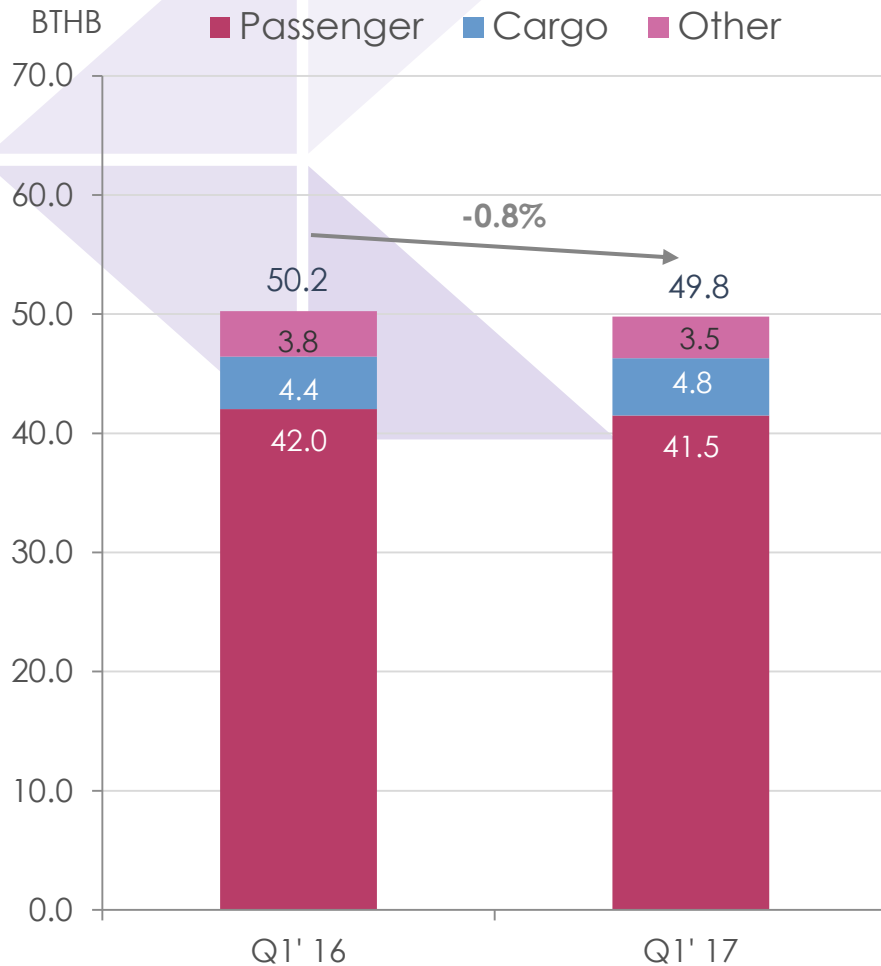
Saving continues

Q1'2017

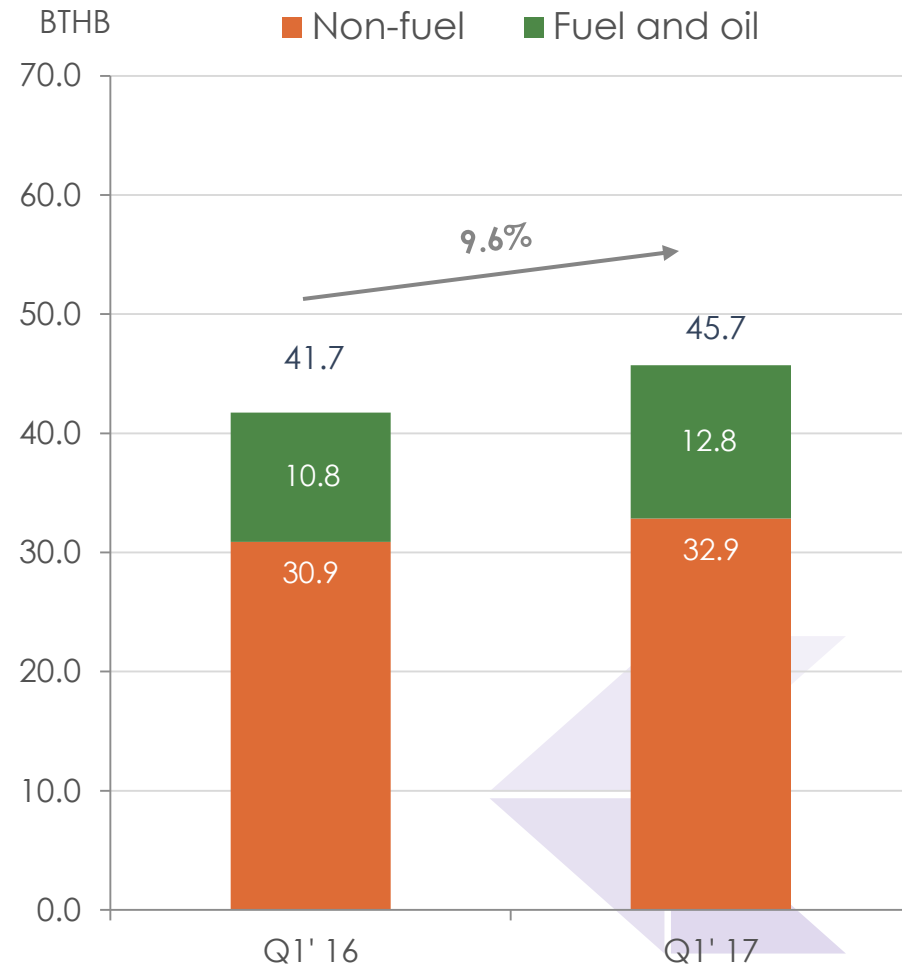
 **-0.44%**
Cost of fund

 **THB -109mm**
Interest expense

Total Revenue



Total Expense

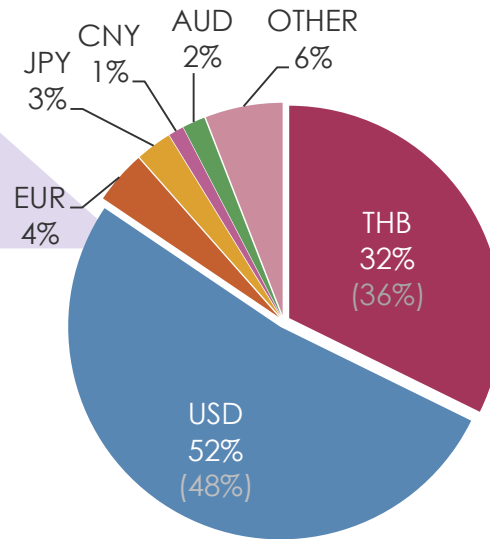
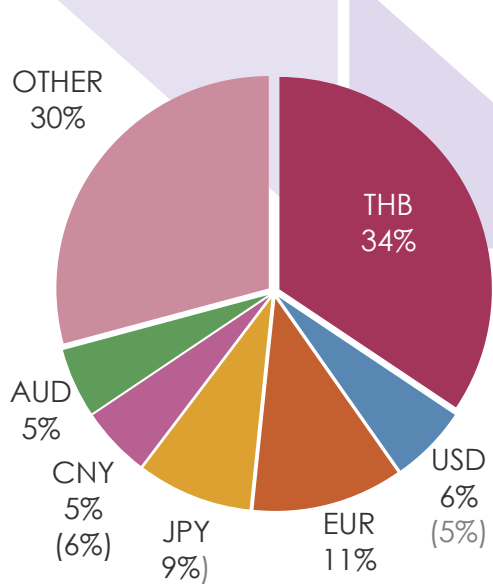


Foreign Currency Exposure

(Jan - Mar 2017)

Revenue

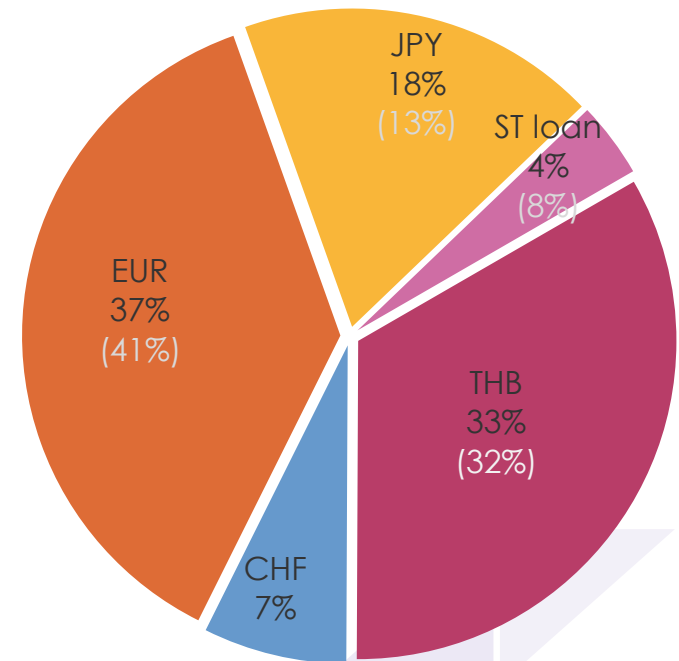
Expense



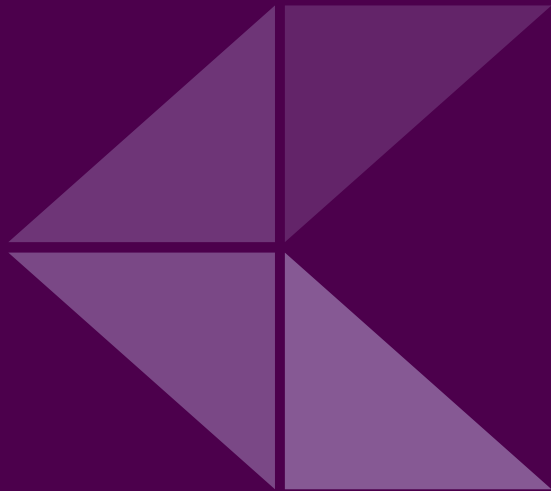
Liability

31 Mar 17 : 161 bn

31 Mar 16 : 192 bn



Liability to be restructured, especially USD



OUTLOOK FOR 2017

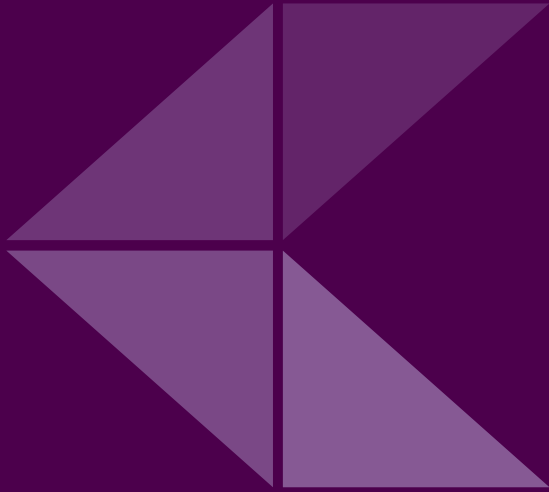
- **MRO Project at UTP & EEC**
 - Signed MOUs with Royal Thai Navy on April 5, 2017

- **Comprehensive network & long term fleet uplift**
 - 4 forward TPI planned – adjusting for better network
 - New aircraft 41% in 2013 and 81% in 2018
 - Flexible aircraft -20%

- **Sales capabilities uplift**
 - New internet platform
 - New mobile platform
 - Partner with airlines in creating 524+ routes - Codeshare agreement signed with Bangkok Airways

- **Service capabilities uplift**
 - Around 200 New recruitments for cabin crew(TQV2017)
 - Retrofit of new passenger seats and entertainment system
 - New IRF (Integrated Route Folder) (www.salesforce.com) for all customer touch points





Q & A