

THAI AIRWAYS INTERNATIONAL Pcl.

**Fiscal Year 2007
(Oct'06-Sep'07)**

Investor Relations



Table of Contents

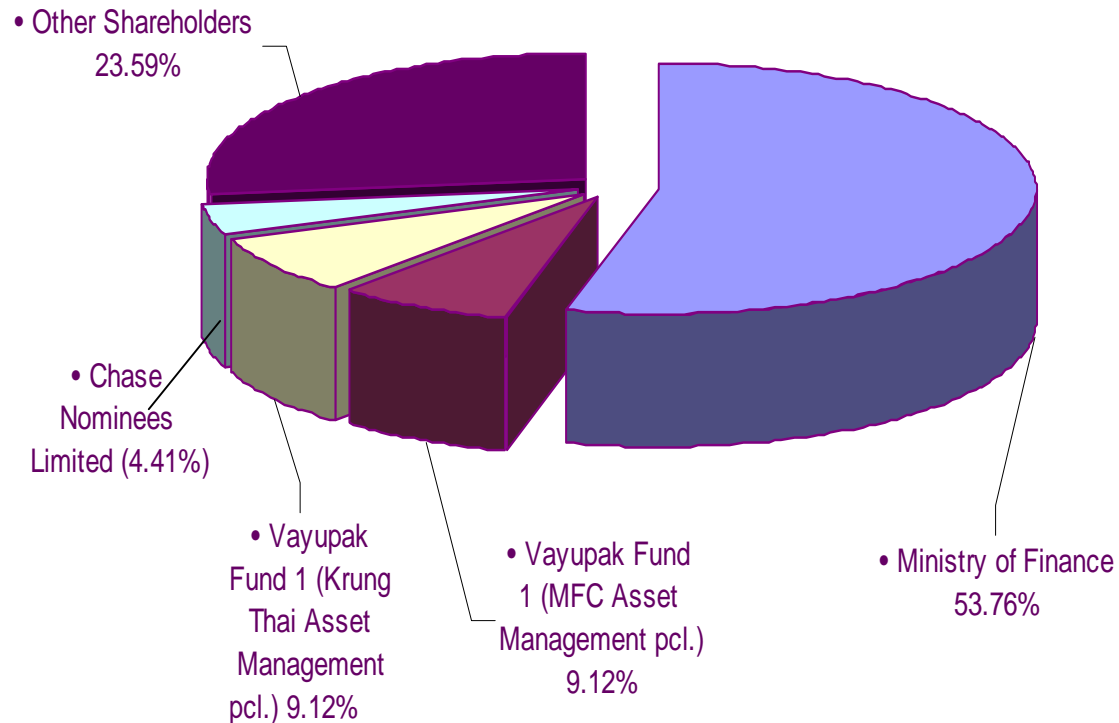
- 1. The Company**
- 2. Statistic Information**
- 3. Current Issue**
- 4. Financial Performance**
- 5. Going Forward**



1. The Company

The Company

Shareholders (Ending Sep. 2007)



- Registered Capital : 17,000.00 mn
 - Par Value (THB) : 10
 - Issued and paid-up : 16,988.96 mn
 - Market Capitalization: 71,400 mn
- (As of Sep. 2007)

The Company

THAI's Operations

1. Aviation Business

- Passenger Transportation
- Cargo and Mail Transportation

2. Business Units Related to Air Transport

- Ground Customer Services
- Ground Support Equipment Services
- Cargo and Mail Commercial Services
- Technical Services

3. Transport Support Activities

- Dispatch Service
- Sale of Duty Free Goods on Board
- Sale of Souvenir Products at THAI Shops



The Company

THAI's Facilities at Suvarnabhumi



Aircraft Maintenance

- Covers 24,300 square meters is the largest maintenance hangar in Southeast Asia for A380



Ground Customer Service

- Covering 16,000 square meters provides customers with a full range of customer services and facilities to facilitate customer service.



Catering

- **Quality and Food Safety Management System**
- Semi-Automation Equipment
- Custom Free Zone
- Quality of food and services
- Hygiene of food & production
- Safety of food

The Company

THAI's Facilities at Suvarnabhumi



Operations Center

- Crew Terminal
- Crew Center
- Ground & Flight Operations Center
- THAI city Headquarter
- Landmark



Ground Support Equipment

- Environment Revolution
- Maintenance Shop Under One Roof
- New Modern Maintenance Equipment
- Enhancement Superior Quality & safety



Cargo & Mail

- Capacity Over 1 Million Tons/Day
- Zoning Operation
- Future Expansion
- Semi-Automation/modern Equipment
- Cargo Custom Free Zone

The Company



Smooth as silk

Subsidiaries and Associated Companies

Name of Company	Shareholding	Business Type
1. Thai-Amadeus Southeast Asia Company Limited	55.0%	Reservation Service
2. Royal Orchid Hotel (Thailand) Public Company Limited	24.0%	Hotel
3. Donmuang International Airport Hotel Company Limited	40.0%	Hotel
4. Suvarnabhumi Airport Hotel Company Limited	30.0%	Hotel & Services
5. Bangkok Aviation Fuel Service Public Company Limited	22.6%	Fuel Service
6. Phuket Air Catering Company Limited	30.0%	Catering Service
7. Nok Air Company Limited	39.0%	Low Cost Flight Service

The Company



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Destinations Domestic

11 Destinations / 331 Flights / Week

• North (4 Destinations)

- Chiang Mai * - Phitsanulok
- Chiang Rai * - Mae Hong Son

• Northeast (3 Destinations)

- Khon Kaen - Udon Thani
- Ubon Ratchathani

• South (4 Destinations)

- Hat Yai - Surat Thani
- Phuket * - Krabi *

* Remark : Operate to 2 Airports in Bangkok

(Domestic Flights Operates from Donmuang Airport)

International

62 Destinations / 585 Flights / week

Routes	Countries	Destinations
Regional	21	42
Northern	5	15
southern	4	6
Indochina	3	4
Western	5	10
Middle East	4	7
Intercontinental	14	20
North Pacific	1	2
Europe	10	12
Australia & New Zealand	2	5
South Africa	1	1

The Company



Smooth as silk

Aircraft Fleet

As of September 2007

Type of Aircraft	Owned	Operating Lease	Total
B 747-400	16	2	18
B 777-300	6	-	6
B 777-200	4	4	8
B 777-200ER	5	-	5
B 737-400*	6	4	10
A 300-600	19	-	19
A 340-600	5	-	5
A 340-500	4	-	4
A 330-300	10	2	12
ATR72 **	2	-	2
Total	77	12	89

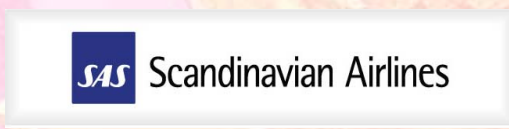
* Including 4 Aircraft leased to Nok Air

** Including 1 Aircraft leased to Nok Air

The Company

Star Alliance (The Way the Earth Connects)

Founding Members



Member Carriers



Regional Carriers



2. Statistical Information

Statistical Information

As of Fiscal Year 2007 (Ending Sep. 2007)

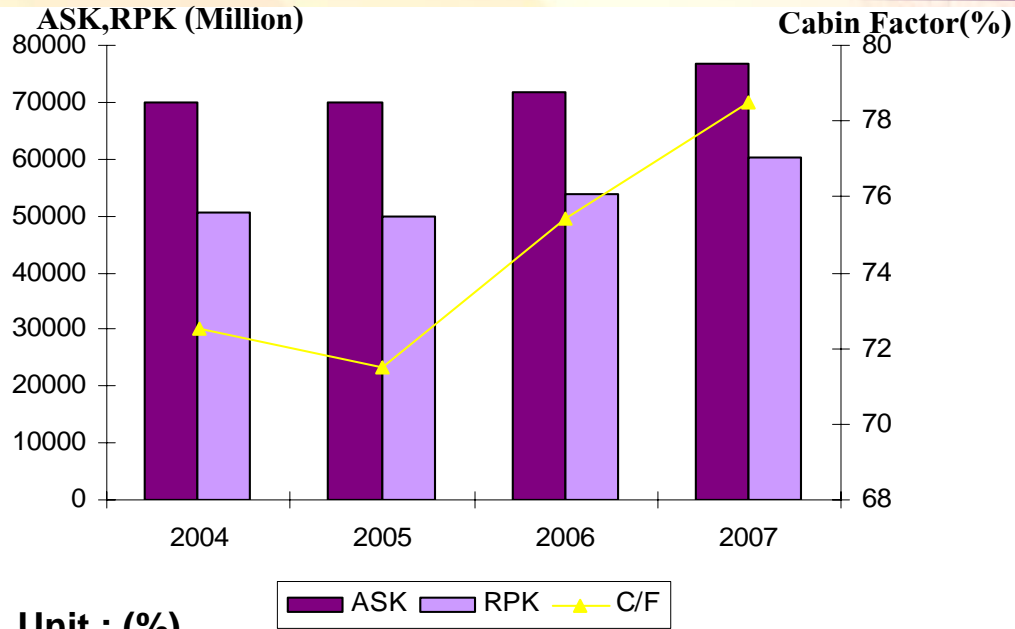
• Destinations	:	Domestic = 11 International = 62
• Continents served	:	5
• Total aircraft in fleet	:	89 of which 5 are leased to Nok Air
• Flight frequency per week	:	International Routes 585 Flts/Week Domestic Routes 331 Flts/Week
• Monthly passengers carried	:	1.63 million average
• Staff count	:	26,897
• Core Staff	:	12,472

Statistical Information

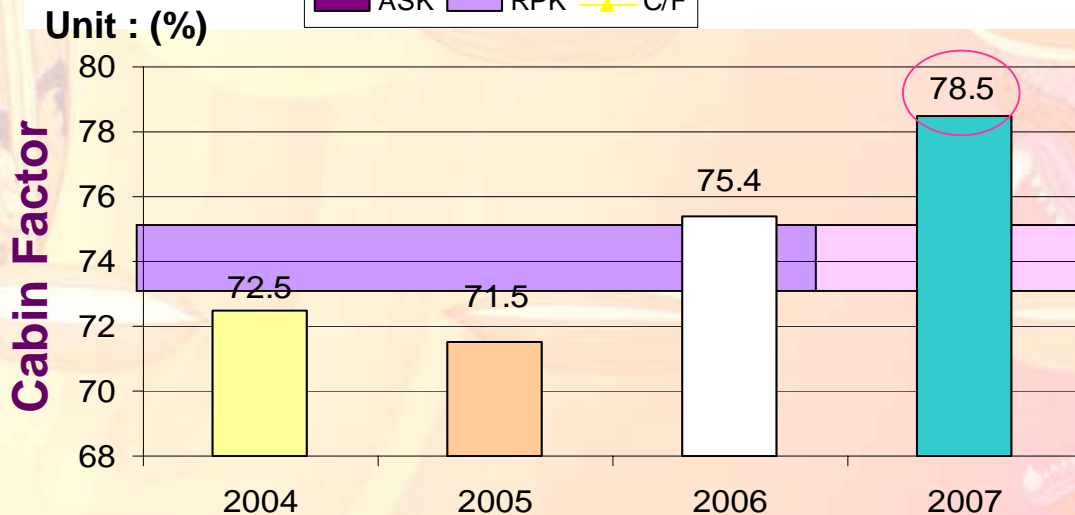
As of Fiscal Year 2007 (Ending Sep. 2007)

• Record revenue earned :	192,037 MTHB ;	+7.52%
• Million Available Seat Kms. (MASK) :	76,830 ;	+7.31%
• Million Revenue Passenger Kms. (MRPK) :	60,305 ;	+11.70%
• Cabin factor :	78.5% ;	+4.11%
• Freight load factor :	54.1% ;	-0.10%
• Load factor :	69.9% ;	+2.49%
• Aircraft utilization :	11.6 hrs ;	+7.41%

Statistical Information



- **ASK** increased yoy by 7.31%
- **RPK** increased yoy by 11.7%
- **Cabin Factor** increased yoy by 4.1%



- Active marketing targeting premium class.
- Record high cabin factor for FY2007

3. Current Issues

Current Issues

Aircraft Delivery Schedule (Year 2007/08 – 2011/12)

ADDITIONAL AIRCRAFT (According to delivery schedule)	2007	2008	2009	2010	2011	TOTAL
A380	-	-	-	4	2	6
A340-600	-	1	-	-	-	1
A330-300	-	-	6	2	-	8
B747-8	-	-	-	-	-	-
A350-1000	-	-	-	-	-	-
B787-9 ®	-	-	-	-	-	-
A321/B737-900	-	-	-	-	-	-
TOTAL	-	1	6	6	2	15

Dual Airport Status

- **Don Muang Airport (old international airport) – Domestic service**
- **International flights to remain at Suvarnabhumi International Airport (SBIA)**
- **THAI & Star Alliance to remain at SBIA**
- **THAI's secondary domestic routes currently operated from Don Muang**

Current Issues

Fuel & Fuel Surcharge (Ending Sep. 2007)

- Fuel hedging up to 50% of full year's demand but flexible
- Fuel hedging approximately 12% on 3 months basis
- Hedging increase subject to fuel price trend
- Fuel surcharge :
 - Intercontinental – USD 50-75 per sector
 - Regional – USD 25-30 per sector
 - Domestic – THB 400 per sector
- Fuel surcharge coverage : approximately 50-60%
- No official guideline for fuel surcharge reduction
- Control fuel burn on ground

Current Issues

STAR ALLIANCE – Economic Contribution

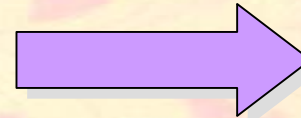
Incremental Member Revenue

- **Network Effect** – Interline sales & enhance connectivity
- **Loyalty Effect** – Recurring business through Alliance member traffic
- **Alliance Sales** – Cross-selling of member airline tickets



Member Cost Savings – Trackable Savings

- “Under One Roof” concept
- Joint use of staff and equipment
- Forum to enhance staff competency

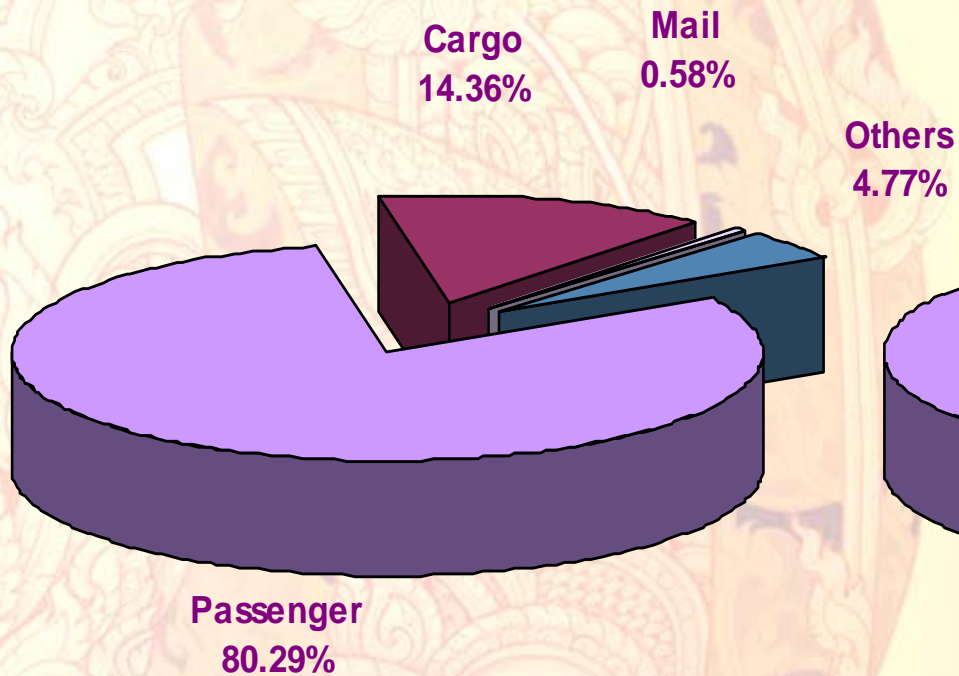


**Gross
Benefit**

4. Financial Performance (Ending Sep. 2007)

Financial Performance

Revenue Breakdown – FY'06

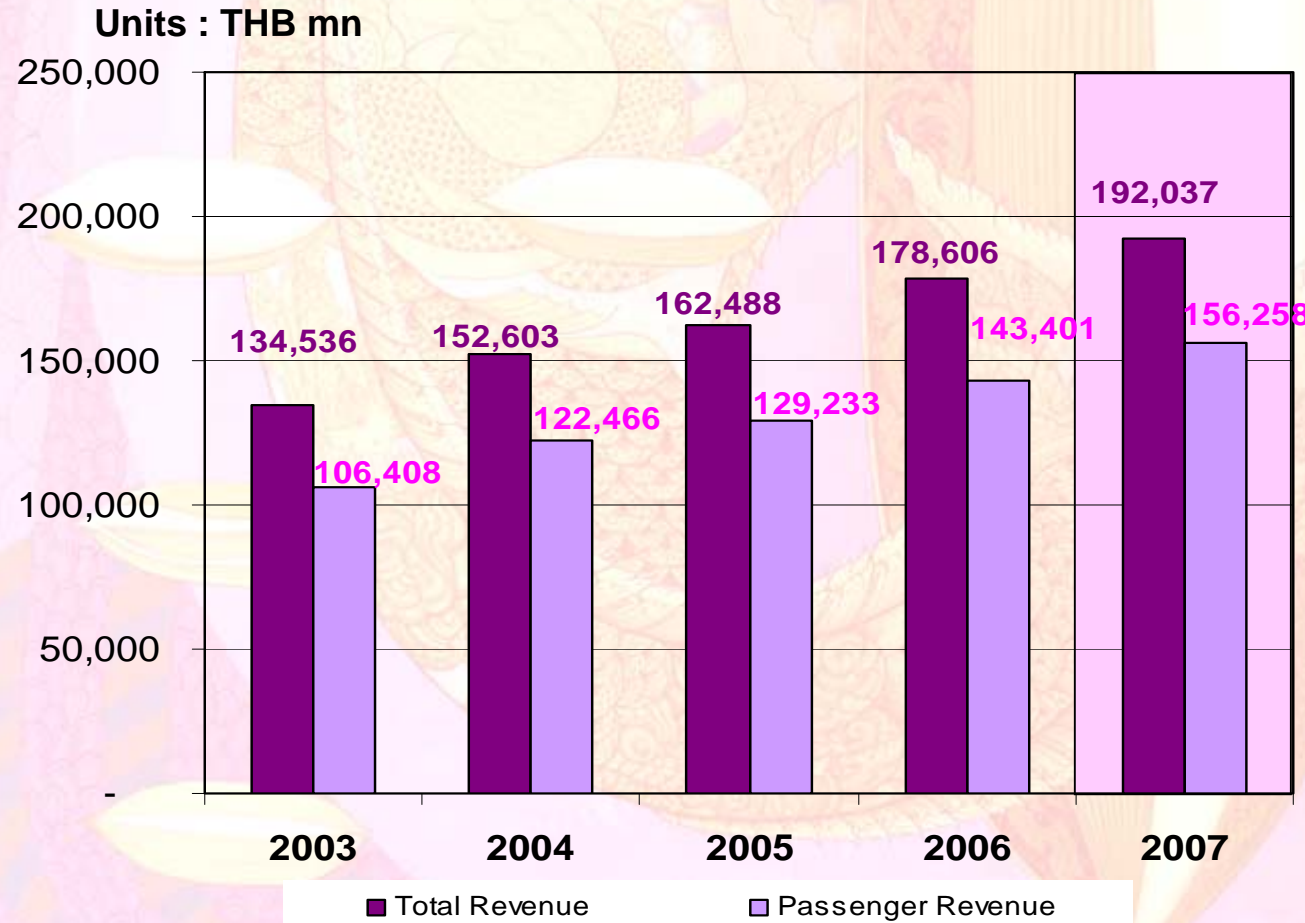


Revenue Breakdown – FY'07



Financial Performance

Passenger Revenue (FY'03-FY'07)

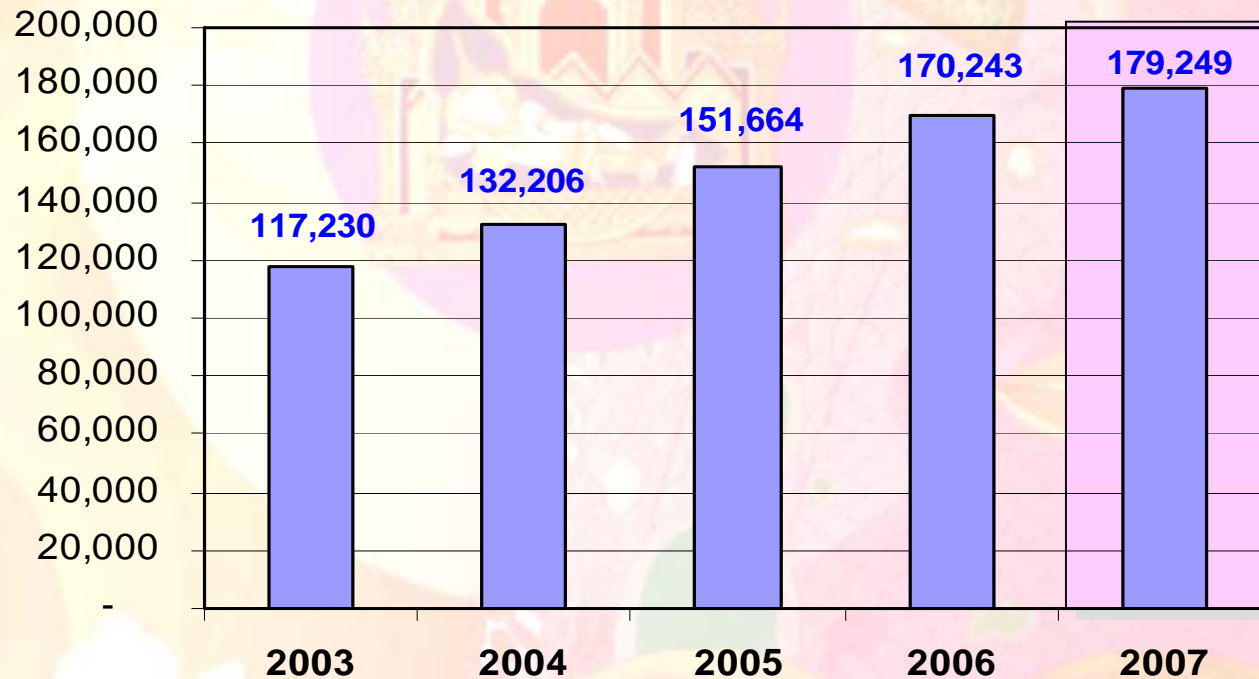


- 9.30% CAGR for Total Revenue growth
- 10.08% CAGR for Passenger Revenue growth
- Passenger revenue increased yoy by 8.97%
- Total revenue increased yoy by 7.52%

Financial Performance

Operating Expense

Units : THB mn

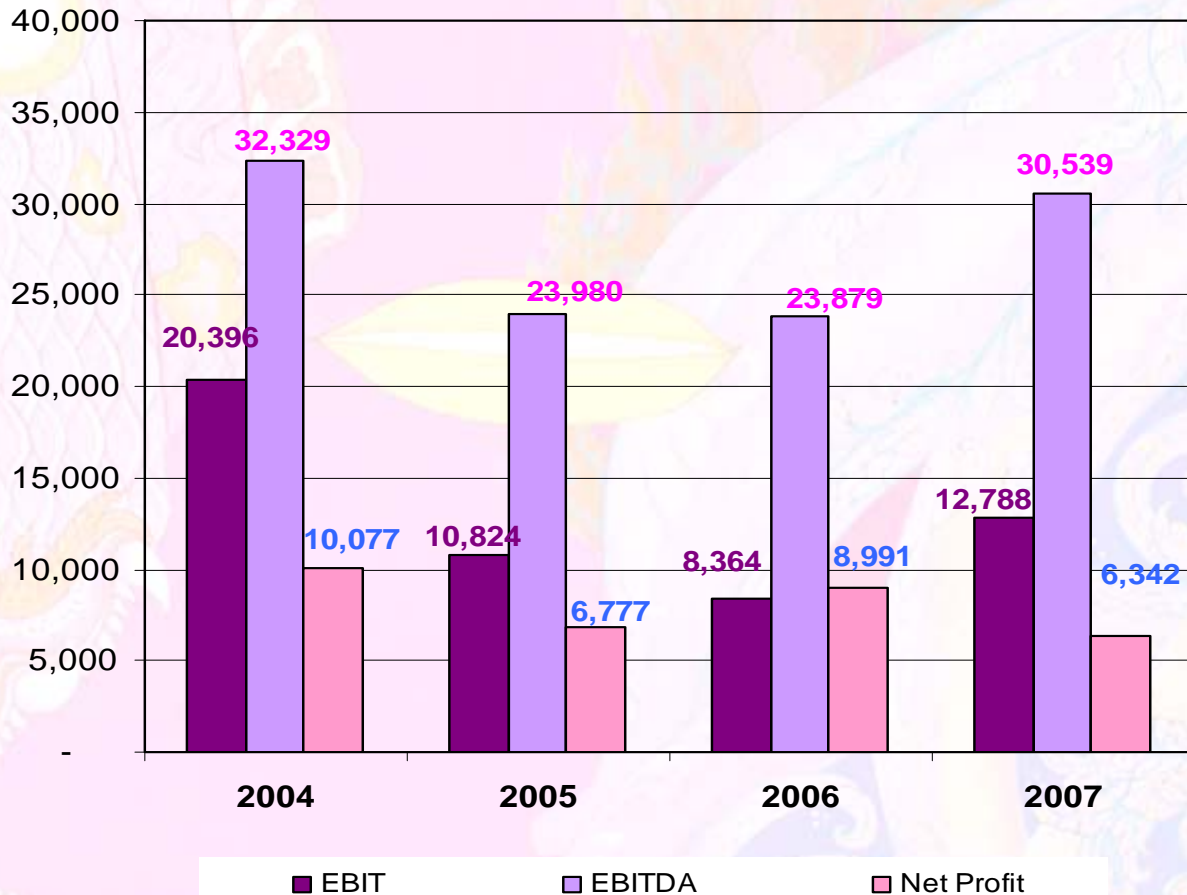


- 11.20% CAGR for Total Operating Expense
- Total expense increased yoy by 5.29%
- Personnel expense increased yoy by 6.20%
- Depreciation increased yoy by 14.42%
- Fuel cost decreased yoy by -1.84 %
- Flight operations increased yoy by 8.24%

Financial Performance

EBIT, EBITDA and Net Profit

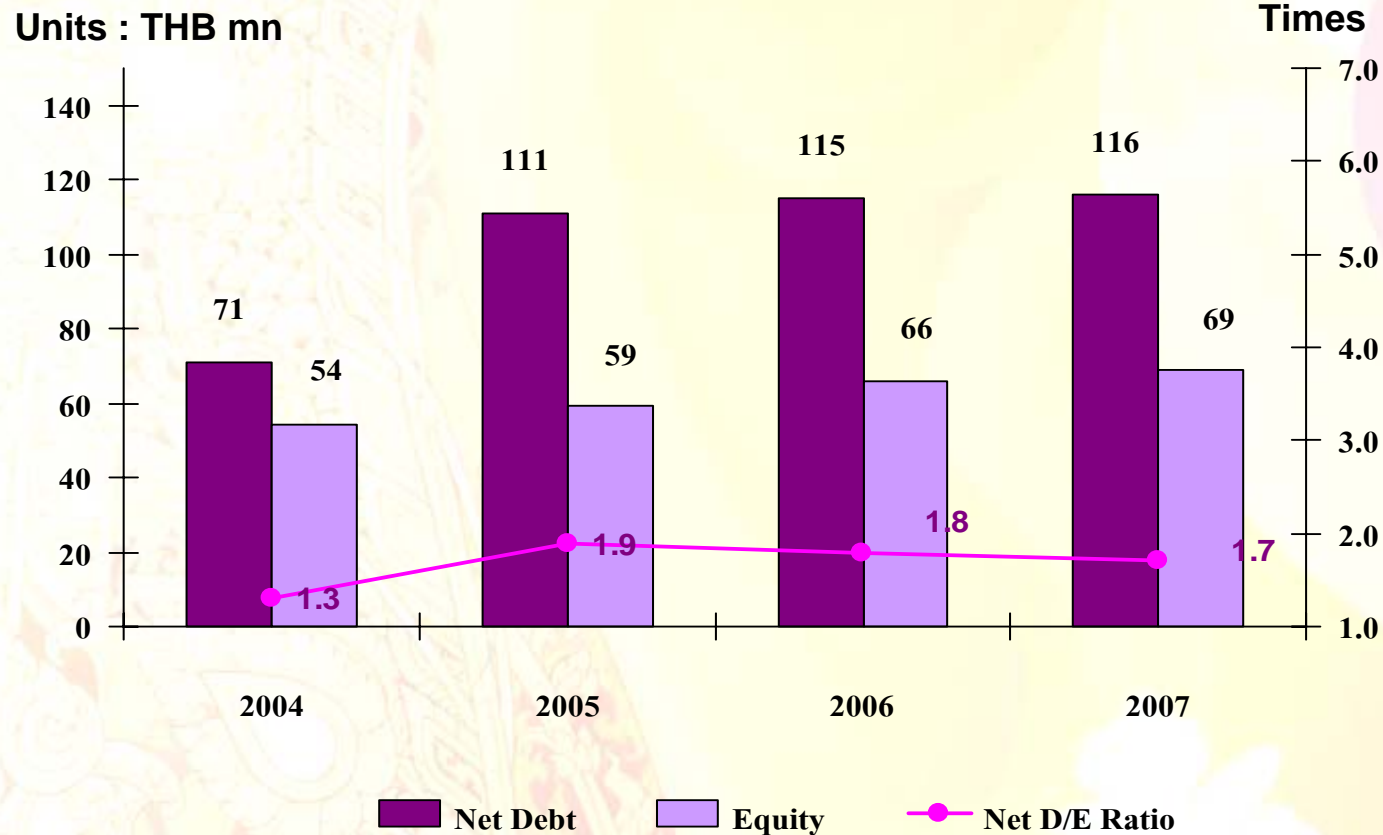
Units : THB mn



- FY'06 recognized gains on 3 aircraft sales.
- FY'07 extra charge on engine care package.
- Active marketing targeting premium class.
- Record high cabin factor for FY2007

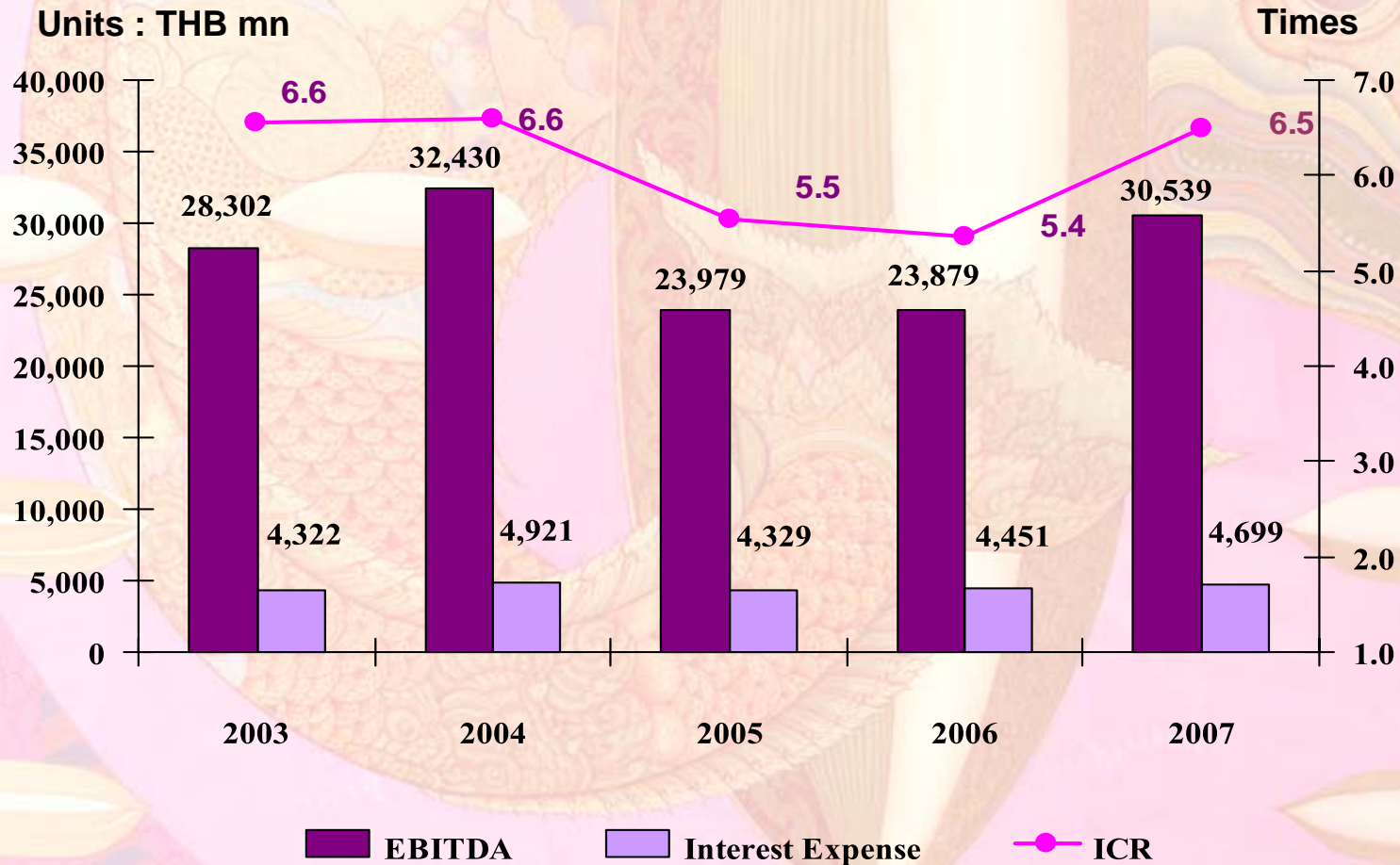
Financial Performance

Net Debt/Equity Ratio



Financial Performance

Interest Coverage Ratio





5. Going Forward

Going Forward

- **Concentrate Regional Route** : increase profitable regional routes, flight per week to daily flight and double daily flight
- **Increase Night flight** : increase aircraft utilization for short or night routes
- **The Reservation Boding Designator Guideline System (RBD)** : assist in setting airfares to maximize overall revenue
- **Revenue Management System (RMS)** : maximize efficiency in optimizing revenue generating
- **Network Development** : increase network in conjunction with Star alliance

Going Forward for THAI

- **Proactive Marketing :**

- **Sell Globally** : increase the company's overall revenue
- **Provide Unsurpassed** : aligned strategy and goals
- **Creative Product Development** : developed product geared
- **Focus on Premium Passengers** : corporate client base for premium class customers
- **Increase Frequency to Profitable Destinations** : competitive position in respective markets

Going Forward for THAI

- **Customer Satisfaction :**
 - **Emphasizes Magic Service Ring :** Unsurpassed service quality
 - **Promote Customer Oriented :** Integrate the inherent beauty and friendliness of Thai culture
 - **Customer Relationship Management (CRM) :**
- **Ensure Ongoing Operation Excellence.**
- **Enhance Asset Management and Undertake Fleet Restructuring**



SAWASDEE