

THAI AIRWAYS INTERNATIONAL Plc.

(Year 2008)

Table of Contents



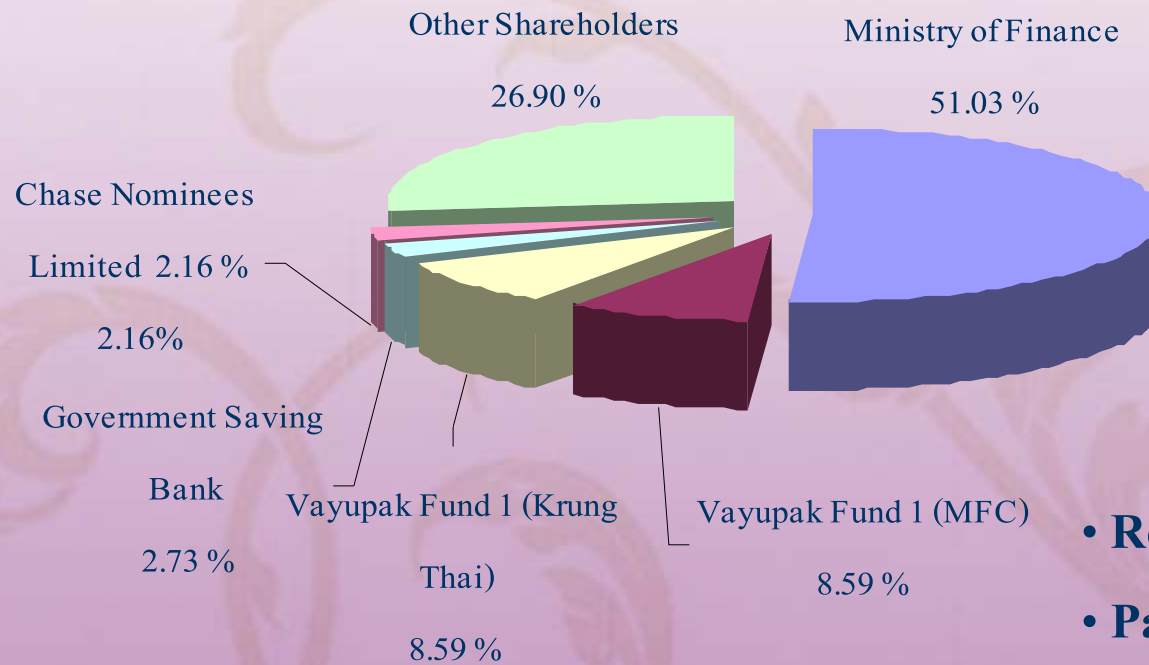
- 1. The Company**
- 2. Statistical Information**
- 3. Tentative Aircraft Delivery**
- 4. Financial Performance**
- 5. Going Forward**

1. The Company

The Company



Shareholders



- **Registered Capital : 17,000 mn**
- **Par Value (THB) : 10**
- **Issued and paid-up : 16,989 mn**
- **Market Capitalization: 13,175 mn**

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/Year
- Zoning Operation
- Future Expansion
- Semi-Automation/modern Equipment
- Cargo Custom Free Zone

The Company



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



Destinations

Domestic

12 Destinations / 331 Flights / Week

- **North (4 Destinations)**

- Chiang Mai * - Phitsanulok
- Chiang Rai * - Mae Hong Son
- Khon Kaen - Udon Thani

- **Northeast (3 Destinations)**

- Ubon Ratchathani

- **South (5 Destinations)**

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

* Remark : International Airport

International

62 Destinations / 553 Flights / week

Routes	Countries	Destinations
Regional	20	43
Northern	5	15
Southern	4	5
Indochina	3	4
Western	5	16
Middle East	3	3
Intercontinental	14	19
North Pacific	1	1
Europe	10	12
Australia & New Zealand	2	5
South Africa	1	1

The Company



Aircraft Fleet

As of Dec. 2008

Type of Aircraft	Owned	Operating Lease	Total
B 747-400	18	-	18
B 777-300	6	-	6
B 777-200	5	3	8
B 777-200ER	6	-	6
B 737-400	6	4	10
A 300-600	17	-	17
A 340-600	6	-	6
A 340-500	4	-	4
A 330-300	10	2	12
ATR72*	2	-	2
Total	80	9	89

* NOTE : 3 B737-400 aircraft lease to Nok Air

The Company



Star Alliance (The Way the Earth Connects)

Founding Members	Member Carriers	Regional Carriers
- Air Canada	- Air China	- Air New Zealand
- Lufthansa	- ANA	- Asiana Airlines
- Scandinavian Airlines	- Austrian	- Bmi
- Thai Airways	- Egypt Air	- LOT Polish Airlines
- United Airlines	- Shanghai Airlines	- Singapore Airlines
	- South African Airways	- Spanair
	- Swiss	- TAP Portugal
	- Turkish Airlines	
	- US Airways	

2. Statistical Information

Statistical Information



- **Destinations** : Domestic = 12
International = 62
- **Continents served** : 5
- **Total aircraft in fleet** : 89 of which 3 are leased to Nok Air
- **Flight frequency per week** : International Routes 553 Flts/Week
Domestic Routes 331 Flts/Week
- **Monthly passengers carried** : 1.56 million average
- **Staff count** : 27,193
- **Core Staff** : 12,708

Statistical Information

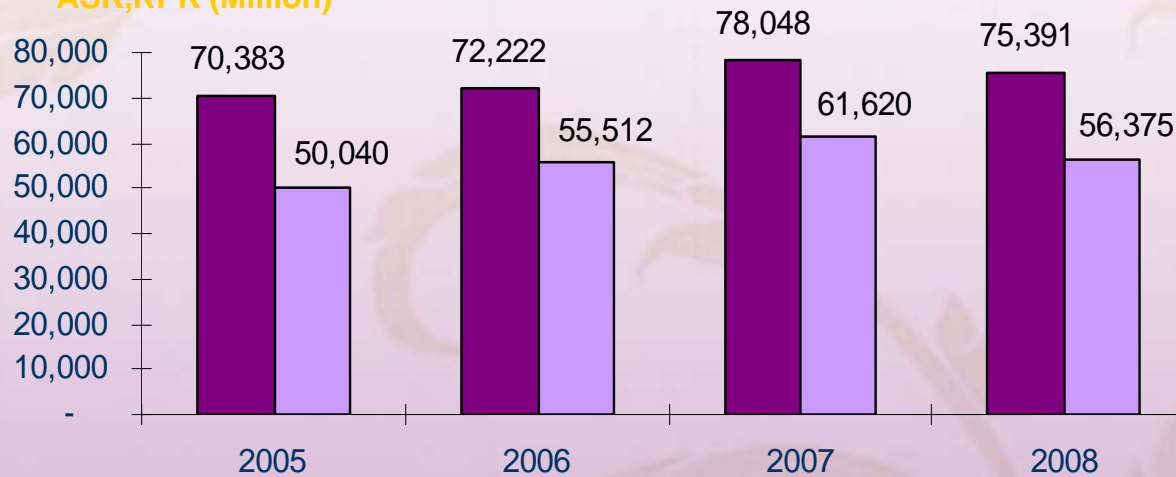


	<u>2007</u>	<u>2008</u>	<u>% Change</u>
Passenger revenue earned (MTHB) :	160,558	164,319	2.3
Million Available Seat Kms. (MASK) :	78,048	75,391	- 3.4
Million Revenue Passenger Kms. (MRPK) :	61,619	56,377	- 8.5
Average Cabin factor (%) :	78.9	74.8	- 5.2
Average Freight load factor (%) :	54.60	55.20	1.1
Average Load factor (%) :	70.3	68.2	- 3.0

Statistical Information



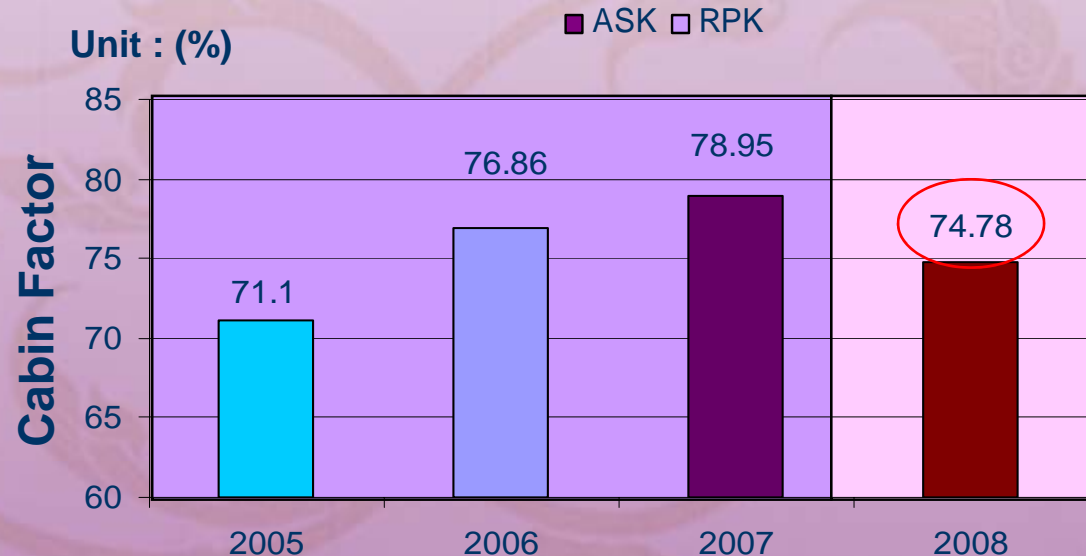
ASK, RPK (Million)



Years 2005 - 2008

- **ASK** decreased yoy by - 3.40%
- **RPK** decreased yoy by - 8.51%

Unit : (%)



- 2008 affected by global economic & domestic political factors
- Still strong compared to normal year

3. Tentative Aircraft Delivery

Tentative Aircraft Delivery



Aircraft Delivery Schedule

ADDITIONAL AIRCRAFT (According to delivery schedule)	2007	2008	2009	2010	2011	TOTAL
A380	-	-	-	-	6	6
A340-600	-	1	-	-	-	1
A330-300	-	-	6	2	-	8
TOTAL	-	1	6	2	6	15

Fuel & Fuel Surcharge

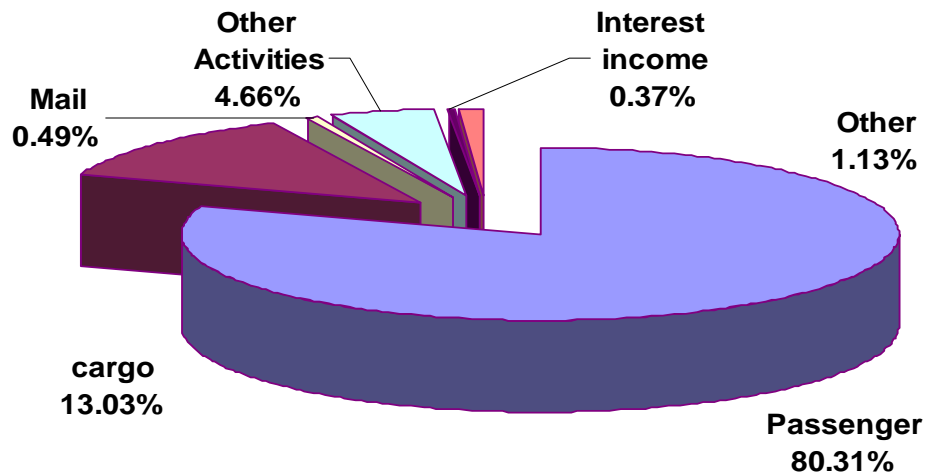
- Fuel hedging up to 50% of full year's demand but flexible
- Fuel hedging approximately 42% on 3 months basis
- Hedging position subject to fuel price trend
- Fuel surcharge :
 - Intercontinental – USD 64.5- 89.5 per sector
 - Regional – USD 14.5 - 49.5 per sector
 - Domestic – THB 400 per sector
- No official guideline for fuel surcharge reduction

4. Financial Performance

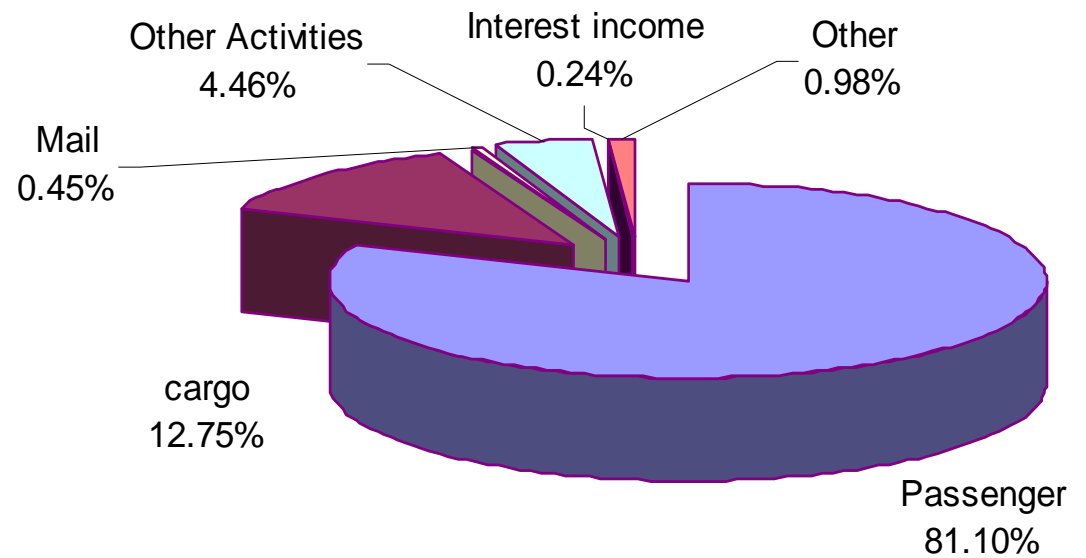
Financial Performance



Revenue Breakdown (Year'07)



Revenue Breakdown (Year'08)

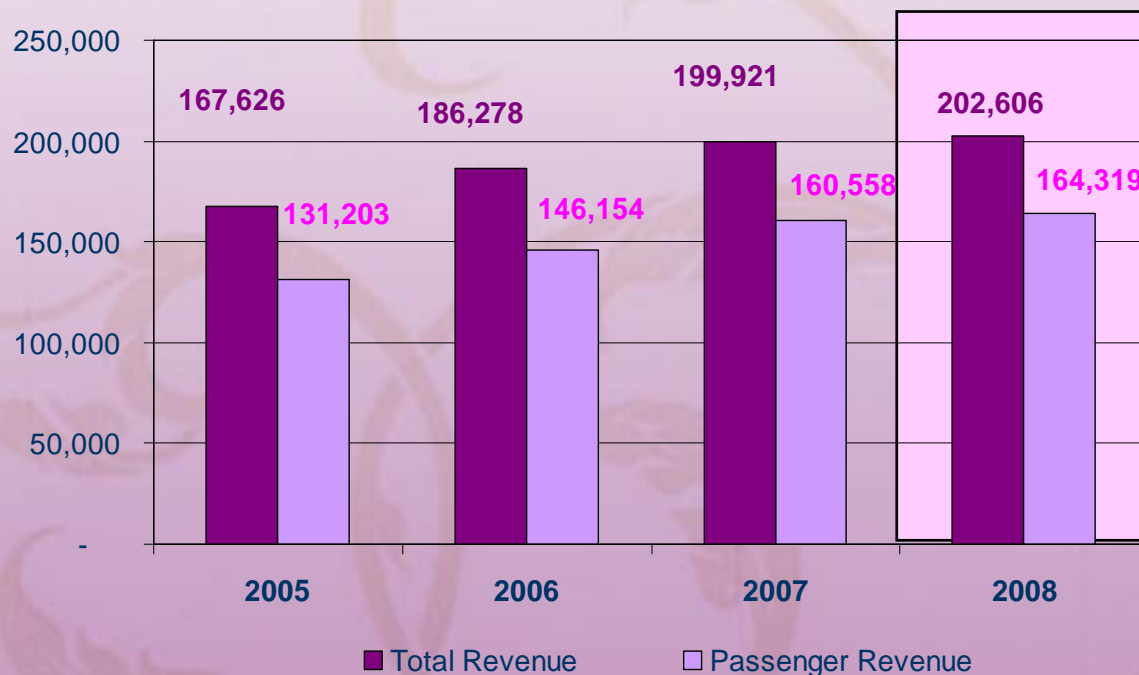


Financial Performance



Passenger Revenue (Years 2005-2008)

Units : THB mn



- 7.79% CAGR for Total Revenue
- 6.52% CAGR for Passenger Revenue
- Total revenue increased yoy by 1.34% (2008 over 2007)
- Passenger revenue increased yoy by 2.34%(2008 over 2007)

Operating Expense (Years 2005-2008)

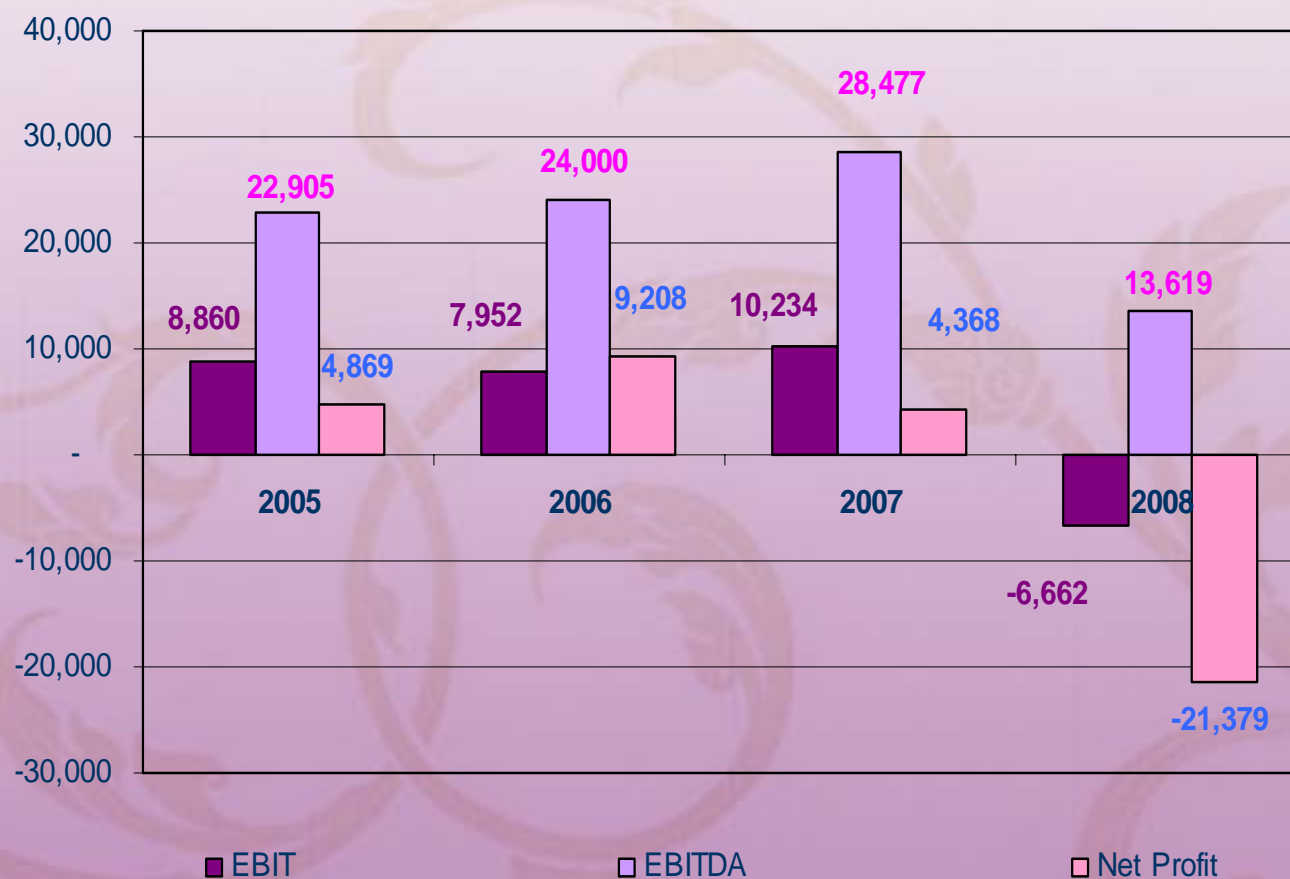
Units : THB mn



- Total expense increased yoy by 17%
- Personnel expense decreased yoy by 7.57%
- Fuel cost increased yoy by 42.88%
- Depreciation increased yoy by 11.77% from reducing aircraft depreciation period to 15 years

EBIT, EBITDA and Net Profit

Units : THB mn



- Fuel cost the main culprit for disappointing performance

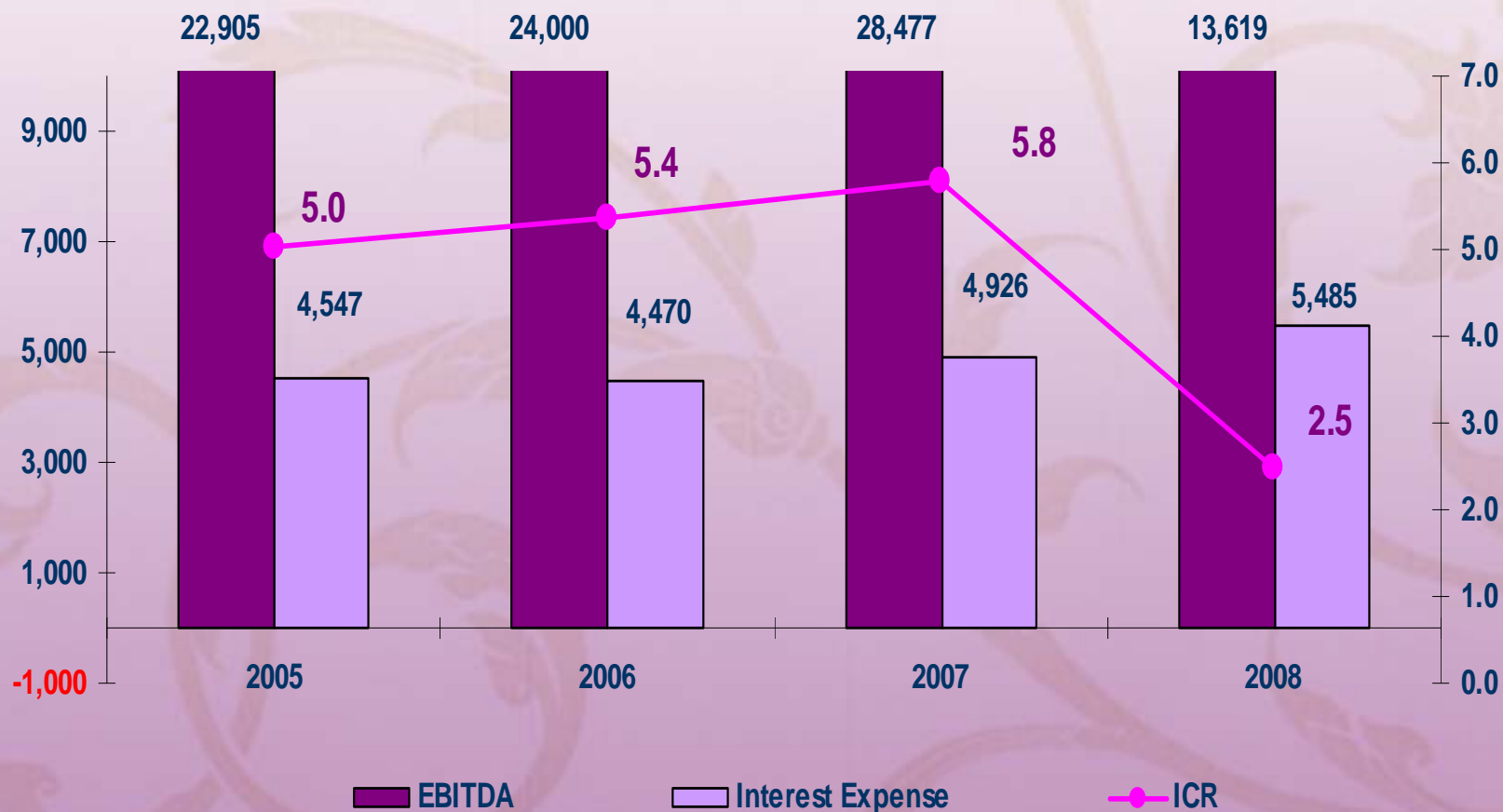
Financial Performance



Interest Coverage Ratio

Units : THB mn

Times



*Note : ICR = EBITDA / INTEREST EXPENSE

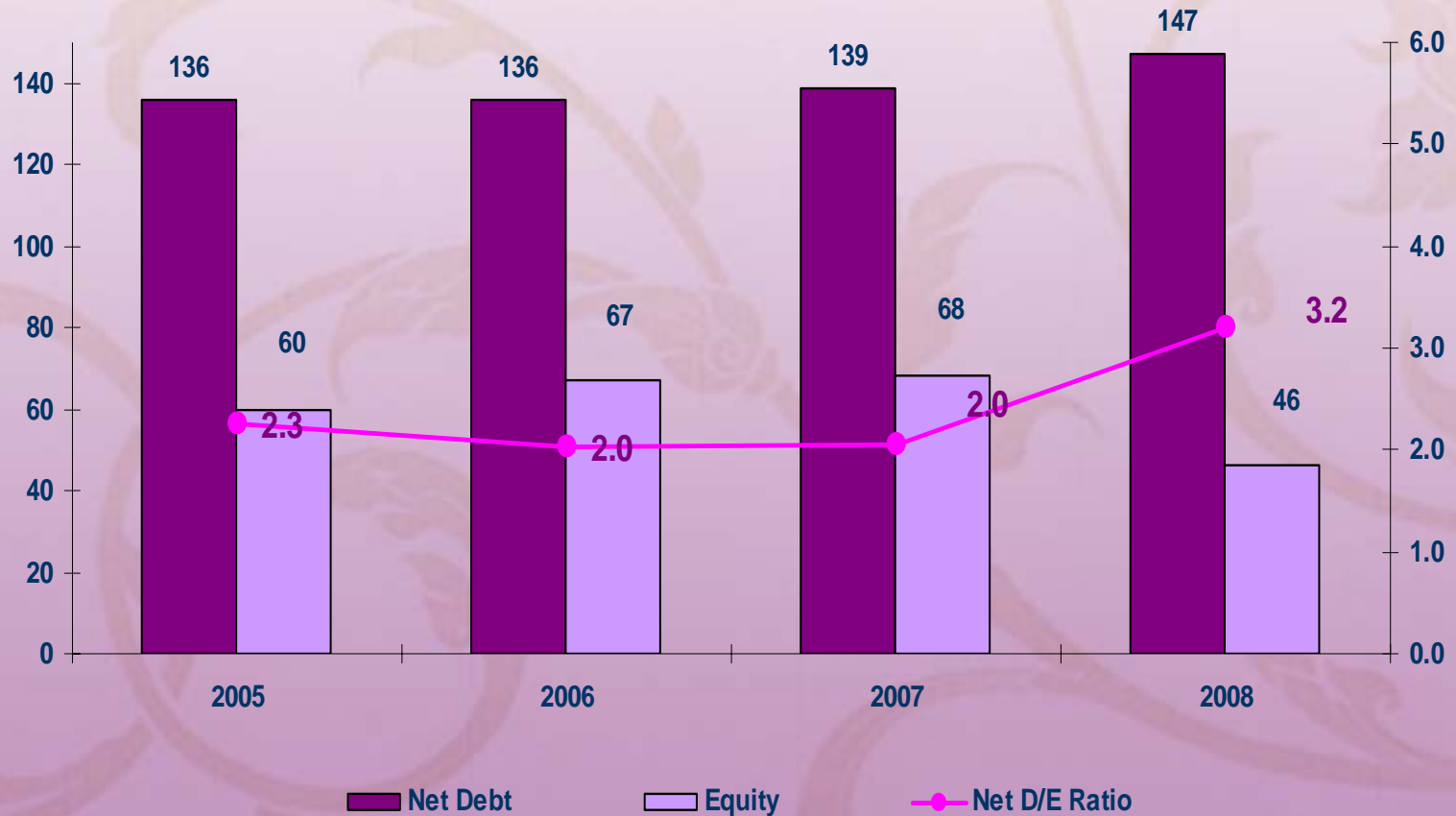
Financial Performance



Net Debt/Equity Ratio

Units : THB mn

Times



5. Going Forward

Going Forward



- **Revenue Maximization** - Optimizing flights to profitable routes
 - Flexible pricing
 - Proactive marketing
 - Review less profitable routes
- **Network Development** - Reduce redundant capacity through synergy
- **Ensure Ongoing Operation Excellence** - Highest level of safety
 - Unsurpassed service quality
 - Timely service
- **Enhance Asset Management and Undertake Restructuring**



SAWASDEE