

THAI AIRWAYS INTERNATIONAL PLC.

Q1/2011

(Updated on 23 June 2011)



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 the Company's stock.



THAI in 2010



	MTHB	USD mn Equiv.	% Change
Assets	293,760	9,792	8.1
Total Revenue	180,588	6,020	11.7
Net Profit	15,398	514	107.6

# of Aircraft	90*
Destinations Served	72
Countries Served	35

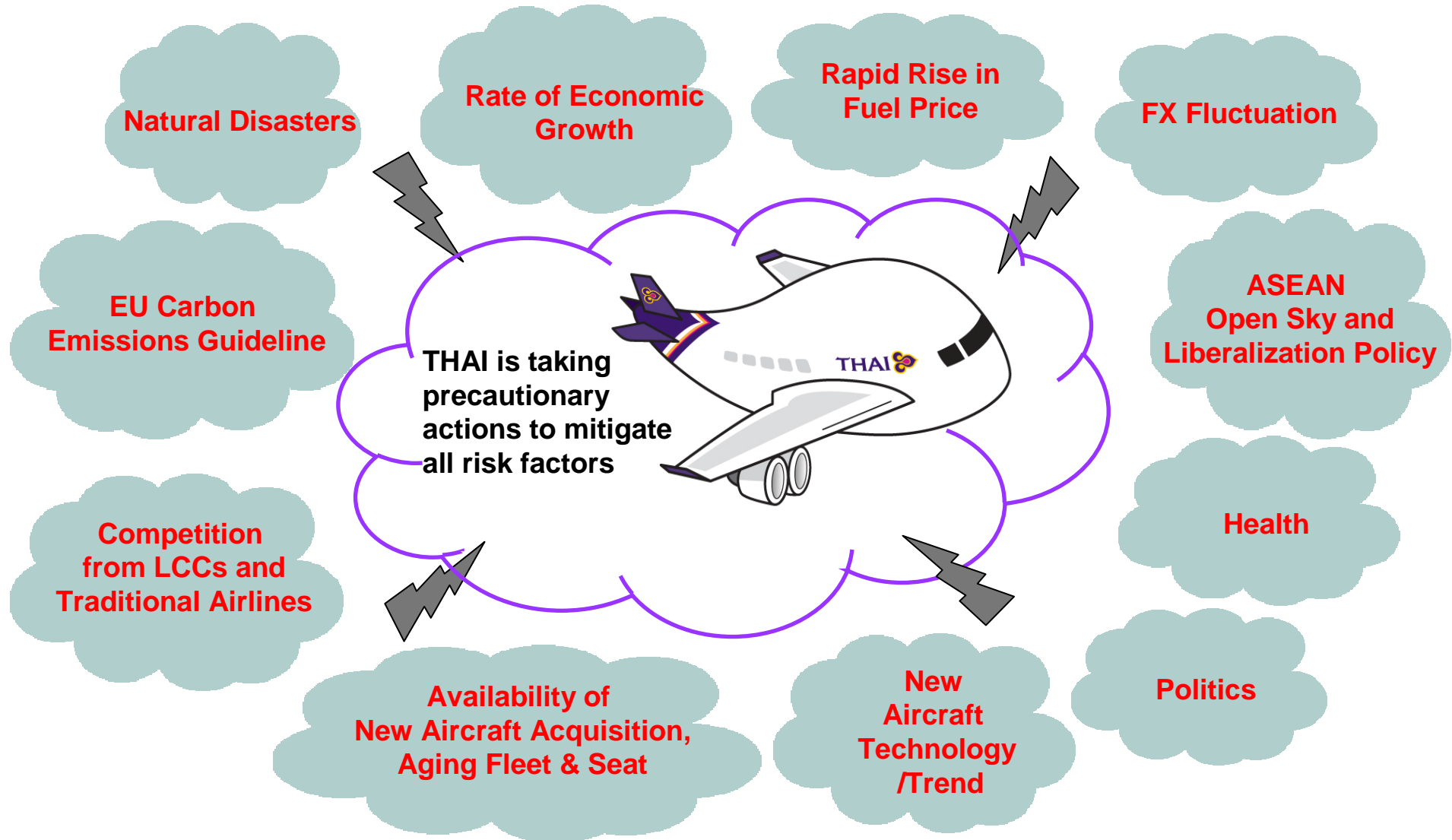


*Excluding 6 B 737-400 leased to Nok Air



	Million	% Change
Passengers carried (# of people)	18.2/annum	-1.7
Available Seat Kilometers (ASK)	55,676	+5.9
Freight Transport (tons)	713.9 /annum	+30.8
Available Ton Kilometer (ATK)	2,895	+38.4

Factors Affecting Aviation Business



	Units	Jan-Apr'11	Jan-Apr'10	% Change
Passenger Production	MASK	25,952	24,927	+4.1
Passenger Traffic	MRPK	19,460	19,666	-1.0
Cabin Factor	%	75.0	78.9	-5.0
Passenger Yield (April)	THB/km	2.82	2.68	+5.2

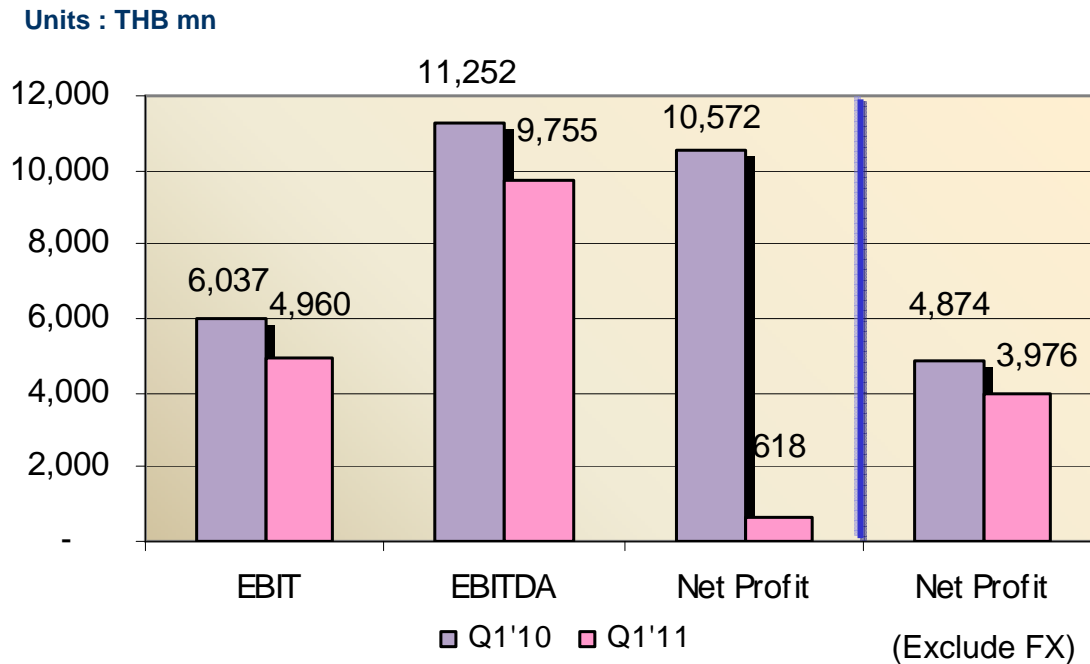
Note : Yield includes fuel surcharge

Freight Production	MADTK	1,659	1,461	+13.6
Freight Traffic	MRFTK	945	881	+7.3
Freight Factor	%	57.0	60.3	-5.5
Freight Yield (April)	THB/km	9.65	9.30	+3.8

Note : Yield includes fuel surcharge

Avg. Fuel Cost	USD/gallon	2.89	2.15	+34.4
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EBIT, EBITDA and Net Profit (Q1/2010 & Q1/2011)



Factors Impacting Q1'11 Results

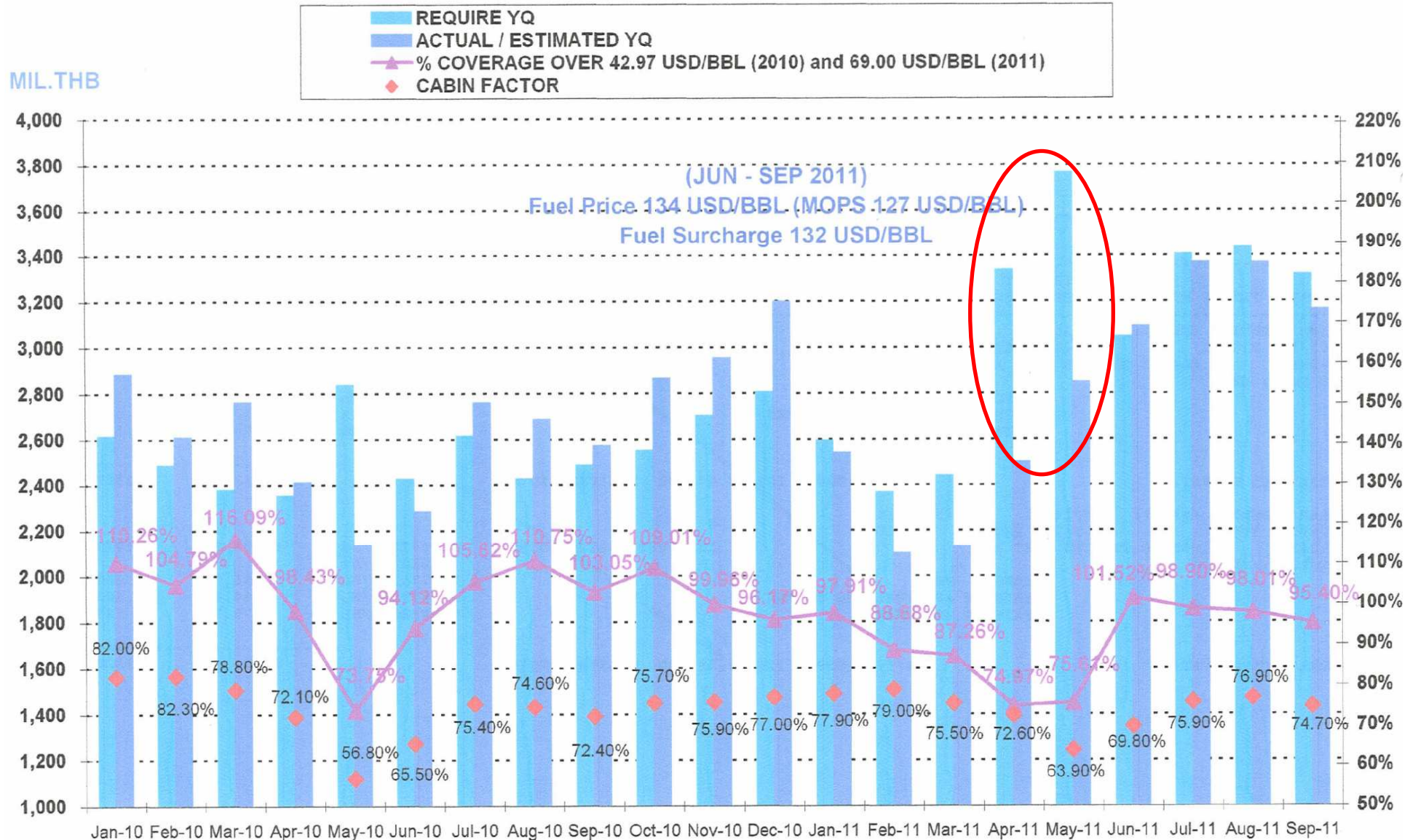
- Stronger contribution from freight business
- Higher average PAX yield
- Effective fuel hedging policy
- Impact from Japan
- High fuel price
- Lower # of passenger

**Price of Jet Fuel (US\$/BBL)
(Singapore Spot Price)**

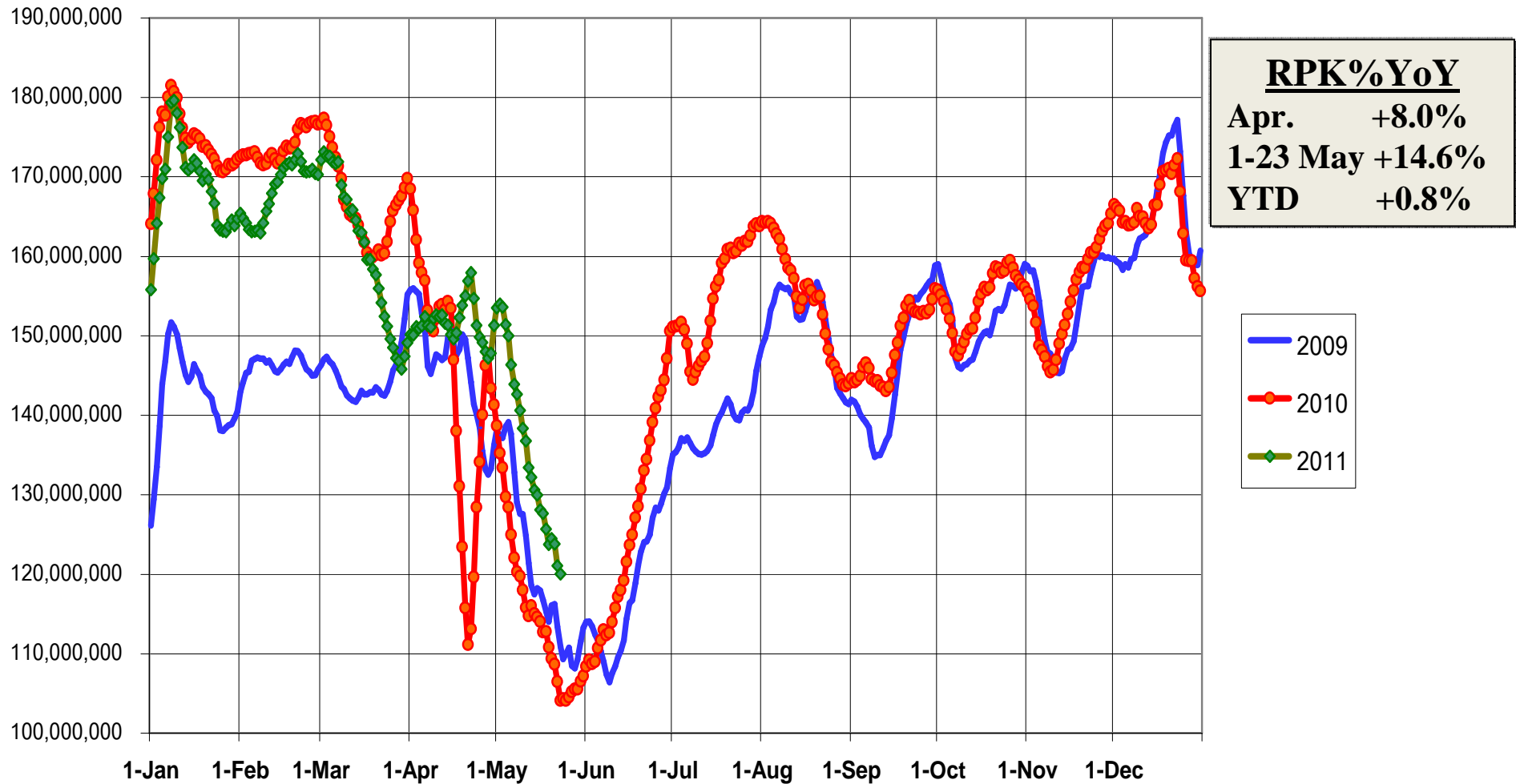


Fuel surcharge now covers fuel cost

Passenger & Cargo Fuel Surcharge Include Hedging Stock Management



DAILY REVENUE PASSENGER KILOMETRE (RPK) (7 Days Moving Average up to 23 May 2011)



Change in RPK by Region (%YoY)

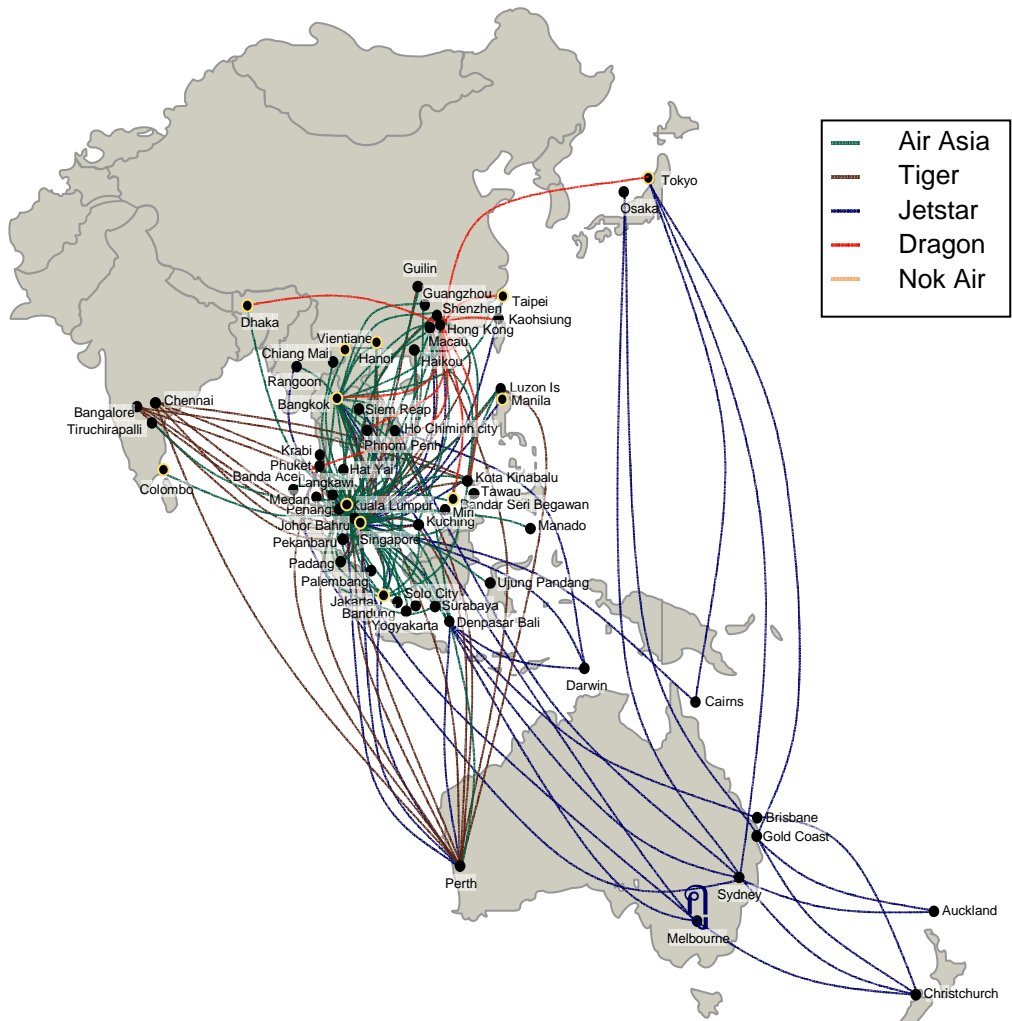
	Total	Domestic	Indo China	Western	Southern	Northern	North Pacific	Europe	Australia	Africa, ME, Others
% RPK/Day										
Jan-May	100.0%	5.6%	1.1%	7.5%	4.6%	24.1%	2.9%	38.7%	12.4%	3.1%
% YoY Growth										
Jan-11	-3.1%	-15.7%	0.7%	-5.6%	1.8%	1.8%	4.9%	-5.2%	-3.1%	9.6%
Feb-11	-3.0%	-16.1%	8.3%	3.1%	2.1%	1.7%	4.3%	-5.4%	-3.5%	-6.3%
Mar-11	-4.4%	-12.7%	1.5%	4.7%	10.3%	-2.7%	3.7%	-6.6%	-13.3%	12.7%
Apr-11	8.0%	5.8%	18.8%	5.1%	24.2%	-1.8%	-4.8%	10.3%	6.9%	63.7%
May-11	13.9%	18.2%	23.2%	8.9%	38.8%	22.8%	11.2%	1.3%	19.6%	-

Competitors Have Increased Significantly

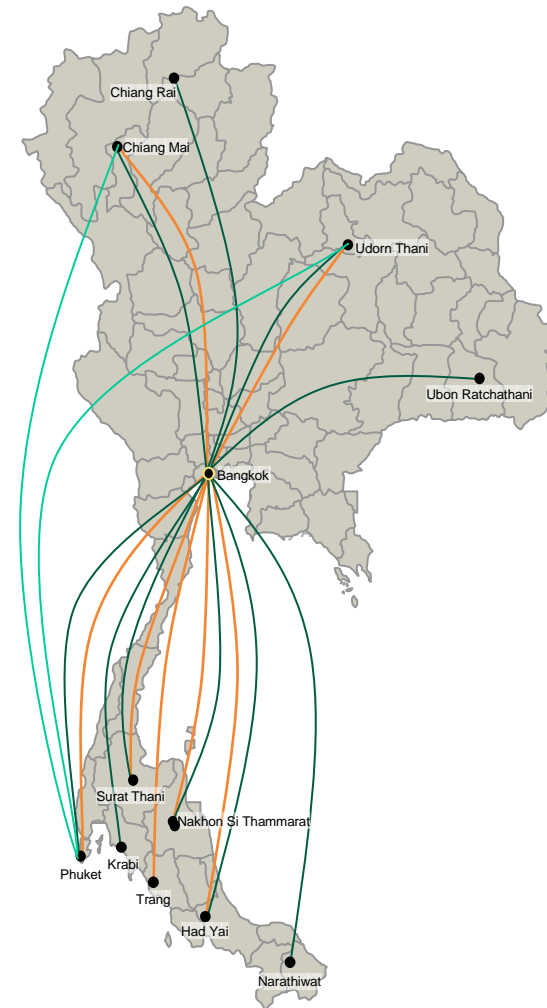
<p>Traditional full service airlines</p>	<p>Newly established full service airlines</p>	<p>Low Cost Carriers</p>

International Destinations

Domestic Destinations

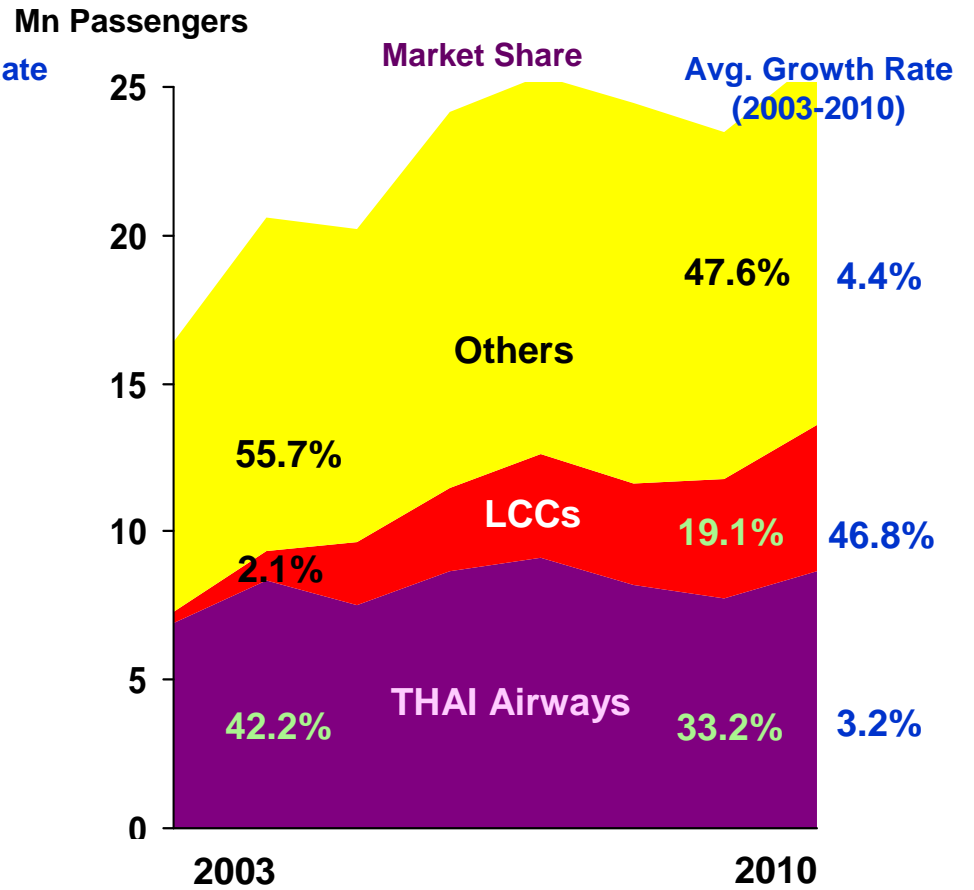
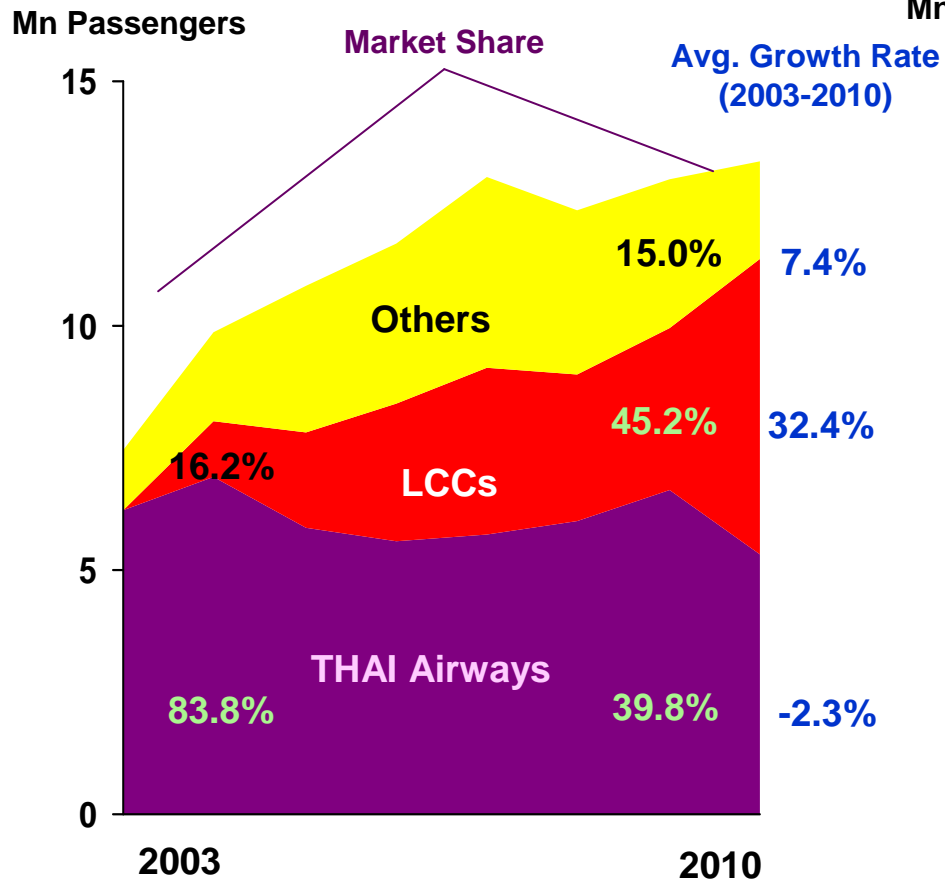


- Air Asia
- Tiger
- Jetstar
- Dragon
- Nok Air



Domestic Market

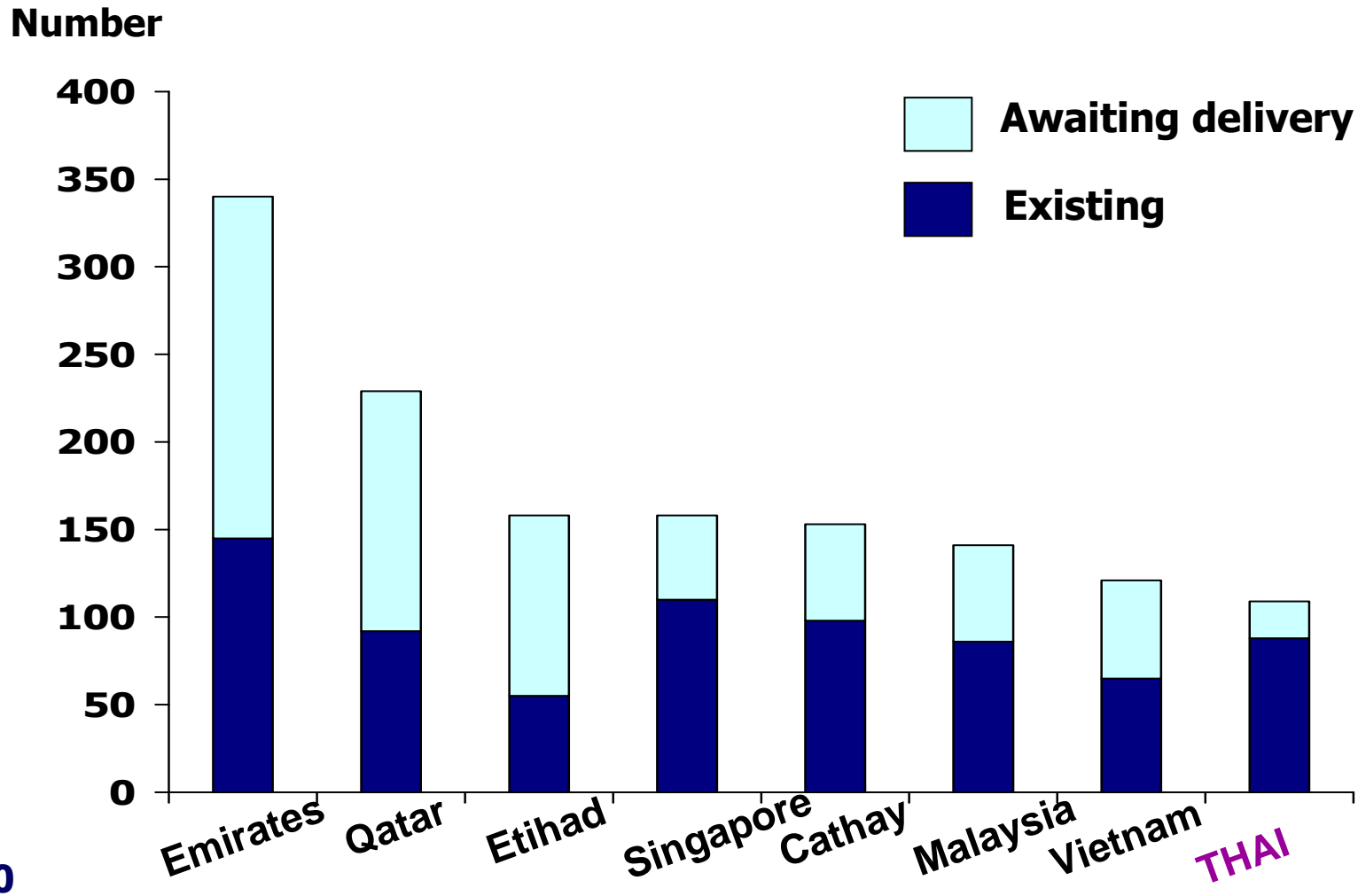
Regional Market



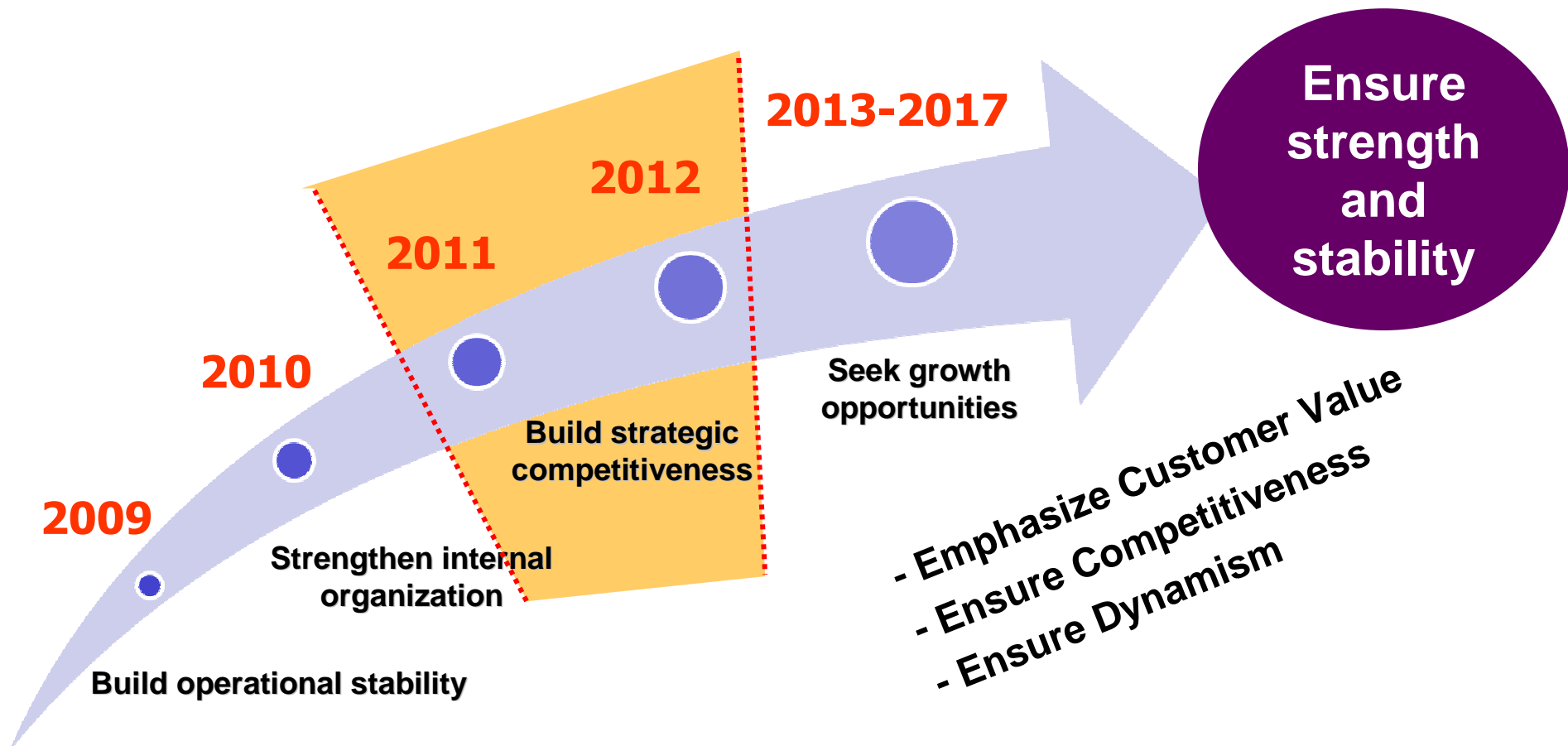
New Strong Competitors from Middle East



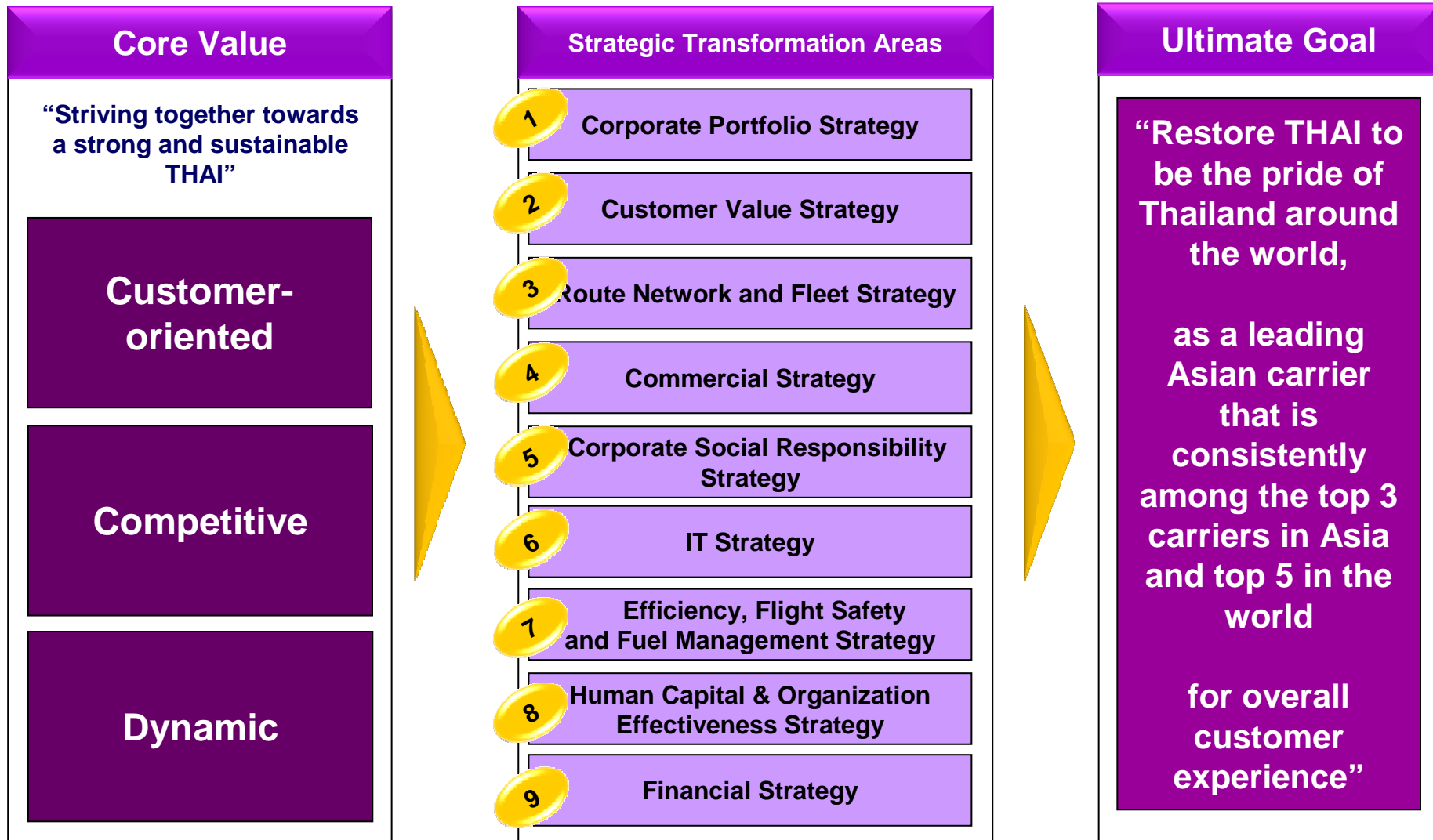
Competitors' Fleet and Expansion Plan



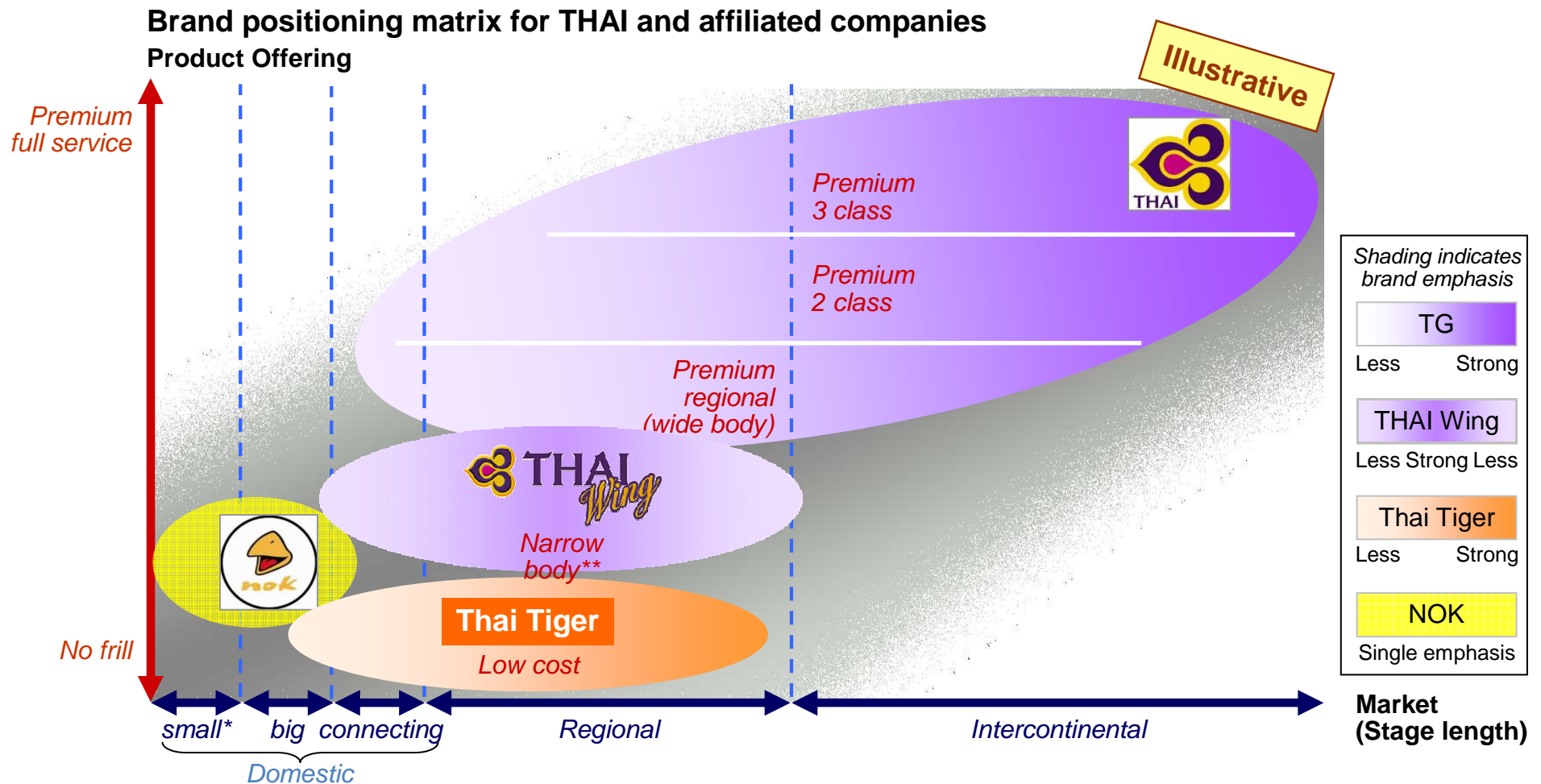
A380	Emirates	Qatar	Etihad	Singapore	Cathay	Malaysia	Vietnam	THAI
Existing/Awaiting delivery	15/75	-/5	-/10	11/8	-	-/6	-/4	-/6



Overall Strategic Roadmap







THAI Wing and Thai Tiger will provide a comprehensive product offering for THAI's product portfolio



Note: * NOK focuses on DMK only; ** Possibilities surrounding expanding fleet to include wide-body aircraft will be evaluated as opportunities arise
Source: Team discussion

Product by Cost Base

Brand	Brand positioning	Cost base
	Premium network carrier	<p>MEDIUM to HIGH</p> <ul style="list-style-type: none"> • Minor improvements could be made in cost efficiency
	Regional carrier	<p>LOW to MEDIUM</p> <ul style="list-style-type: none"> • Low cost base achieved through aspects of LCC model, such as single aircraft type, new fleet, etc.
	Domestic value-for-money carrier	<p>LOW to MEDIUM</p> <ul style="list-style-type: none"> • Domestic focus with some added value and maintaining very low cost
	Regional Ultra-low cost carrier	<p>LOW to ULTRA LOW</p> <ul style="list-style-type: none"> • No Frills (max seat density, max utilization)

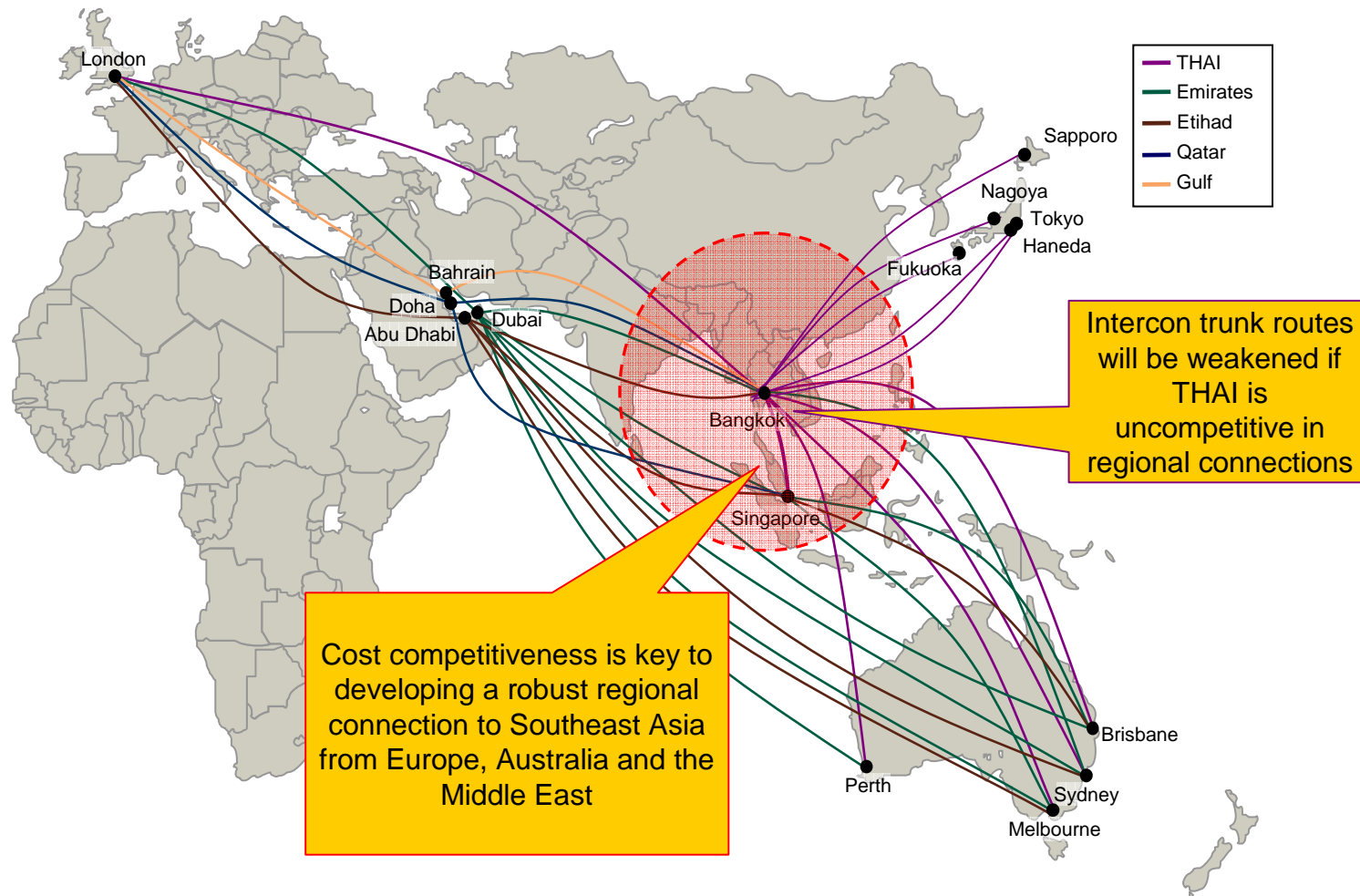
Source: Team discussion and analysis



Source: Team discussion and analysis

Thai to build short-haul and regional network strength to capture connecting traffic from Europe, Australia, and the Middle East

Selected Kangaroo routes for the ME carriers and THAI (2009)



Enhancing and improving products and services at all touch points to ensure consistent quality service.



Call Center



Increase Selection of Entertainment



Food & Beverage



Minimize Time for Baggage Claim



Premium Lounges



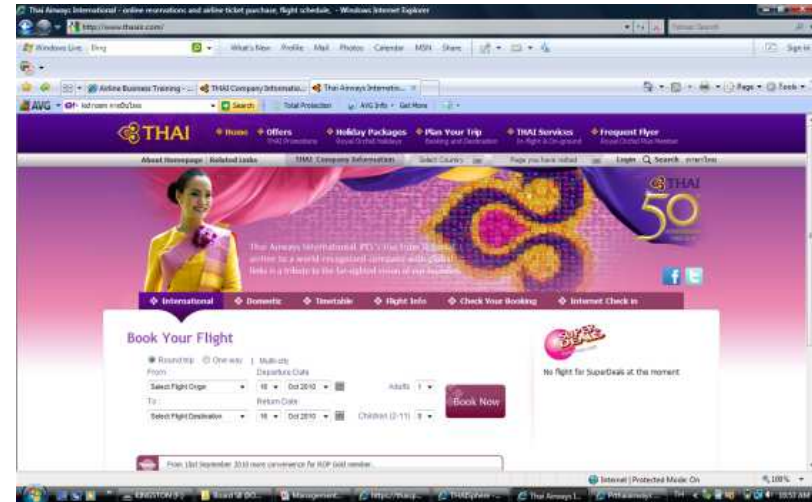
Royal Orchid Plus



E-Service on Mobile



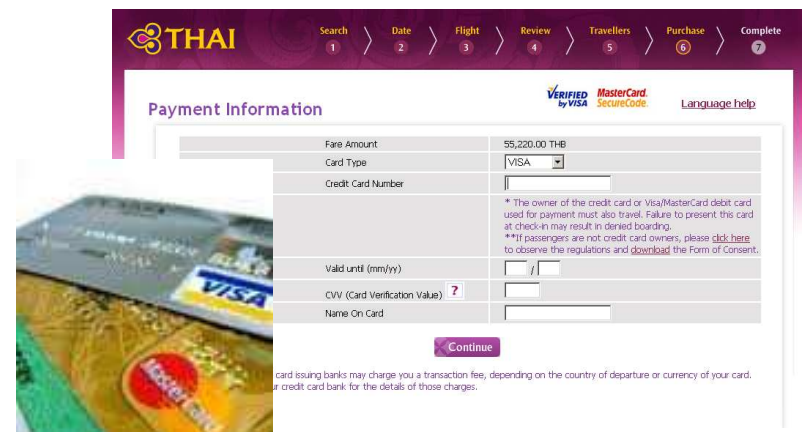
Internet Booking



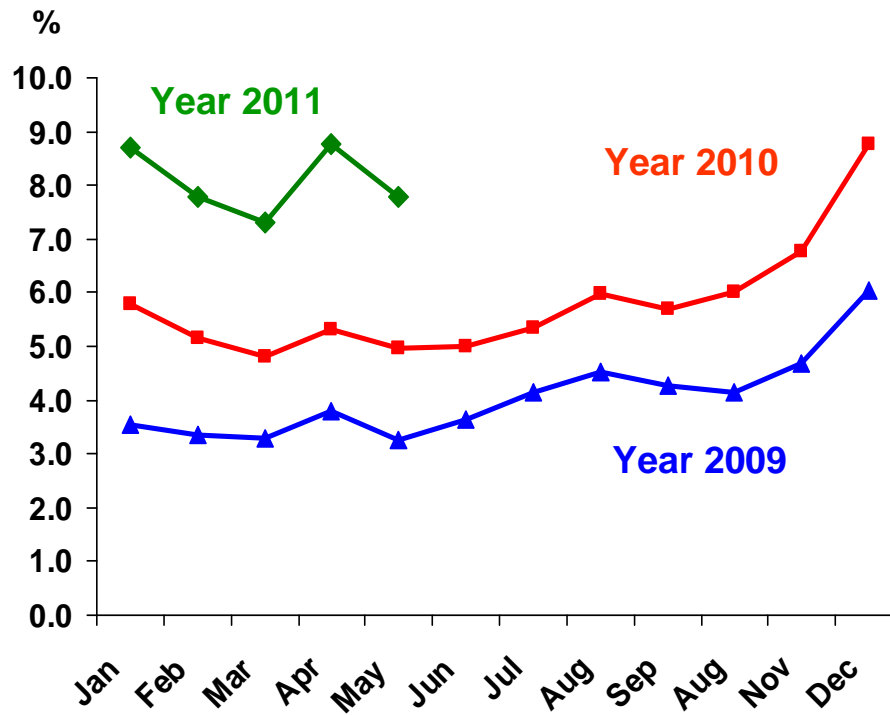
Internet check-in with home print boarding pass



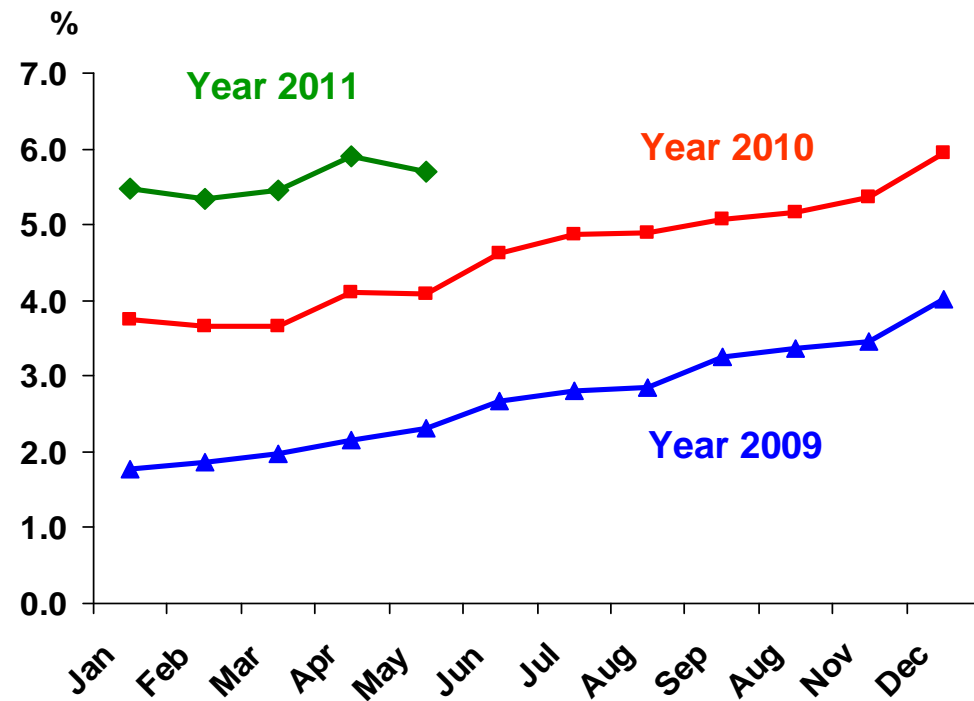
E-Payment Services



Ticket Sales Via Internet



Check-in via Internet



To Be Top 3 in Asia and Top 5 in the World

The World's Top Pier Airlines – Skytrax

	2011	2010	2009
★★★★★ QATAR	1	3	4
★★★★★ SINGAPORE AIRLINES	2	2	2
★★★★★ ASIANA AIRLINES	3	1	3
★★★★★ CATHAY PACIFIC	4	4	1
★★★★ THAI	5	9	10
★★★★ ETIHAD	6	6	7
★★★★ ANA	7	5	8
★★★★ QANTAS	8	7	6
★★★★ TURKISH AIRLINES	9	-	-
★★★★ Emirates	10	8	5
★★★★ Malaysia	-	10	9

Source: Skytrax

Skytrax 2011

Best Airline Seat - Economy Class
Best On Board Catering – Economy Class



Skytrax 2010

Best Airline Lounge – First Class
Best Airport Services



Norwegian Grand Travel Award

Best Intercontinental Airline

Business Traveler's Award

Best Ground Service
Best Lounges



TTG Award

Best Business Class
Best Southeast Asian carrier

Go Asia Award

Best Asian carrier

Current Fleet: 88 Aircraft

(As of June 2011)

Exc. 2 of ATR-72 } leased to Nok
4 of 737-400 }



Aircraft Type	Version	# of Aircraft	# of Seat					Financial Method
			First	Business	Premium Economy	Economy	Total	
A300-600	36R1	8	0	46	0	201	247	} 13 O
	36R3	5	0	28	0	232	260	
A340-500	3452	4	0	60	42	113	215	1 O, 3 FL
A340-600	3461	6	8	60	0	199	267	6 FL
A330-300	3302	12	0	42	0	263	305	} 10 O, 4 OL, 5 FL
	3303	7	0	36	0	263	299	
B737-400	7341	5	0	12	0	138	150	2 O, 3 OL
B747-400	7442	6	14	50	0	325	389	} 13 O, 5 FL
	7443	12	10	40	0	325	375	
B777-200	7723	8	0	30	0	279	309	6 O, 2 OL
B777-200ER	77E1	6	0	30	0	262	292	6 FL
B777-300	7732	5	0	34	0	330	364	} 6 FL
	7732 TKE	1	0	34	0	325	359	
B777-300ER	7739	3	8	30	0	274	312	3 OL
Total		88	40	532	42	3,529	4,143	45 O, 12 OL, 31 FL

O = Owned / OL = Operating lease / FL = Financial lease

Deliveries Over the Next 3 Years

	2011	2012	2013	Total
A380-800		3	3	6
B777-300ER		2	6	8
A330-300	5* + 2	3	2	12
Total	7	8	11	26

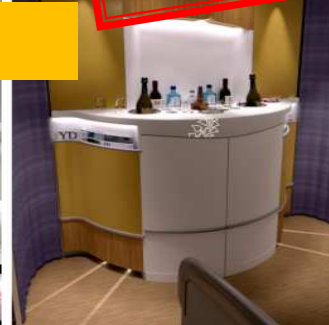
*Note : the 5 A330s deferred arrival is included in 2011's delivery plan



First Class Seats



Business Class Seats



	2011-2017						2018-22
	2011	2012-13	2014-15		2014-17	2016-17	
Type	A330-300	A320	A320	B777-300 ER	B787	A350	A350
# of A/C	7*	6**	5**	6	8	4	8
Method	FL	OL	FL	FL	OL	FL	OL
Contract Terms	12 yrs.	12 yrs.	-	-	12 yrs.	-	12 yrs.
Body Type	Narrow	Narrow	Narrow	Wide	Wide	Wide	Wide
TOTAL	37 Aircraft						38 Aircraft



Re-fleeting to enhance fuel efficiency, increase reliability & enhance overall customer satisfaction

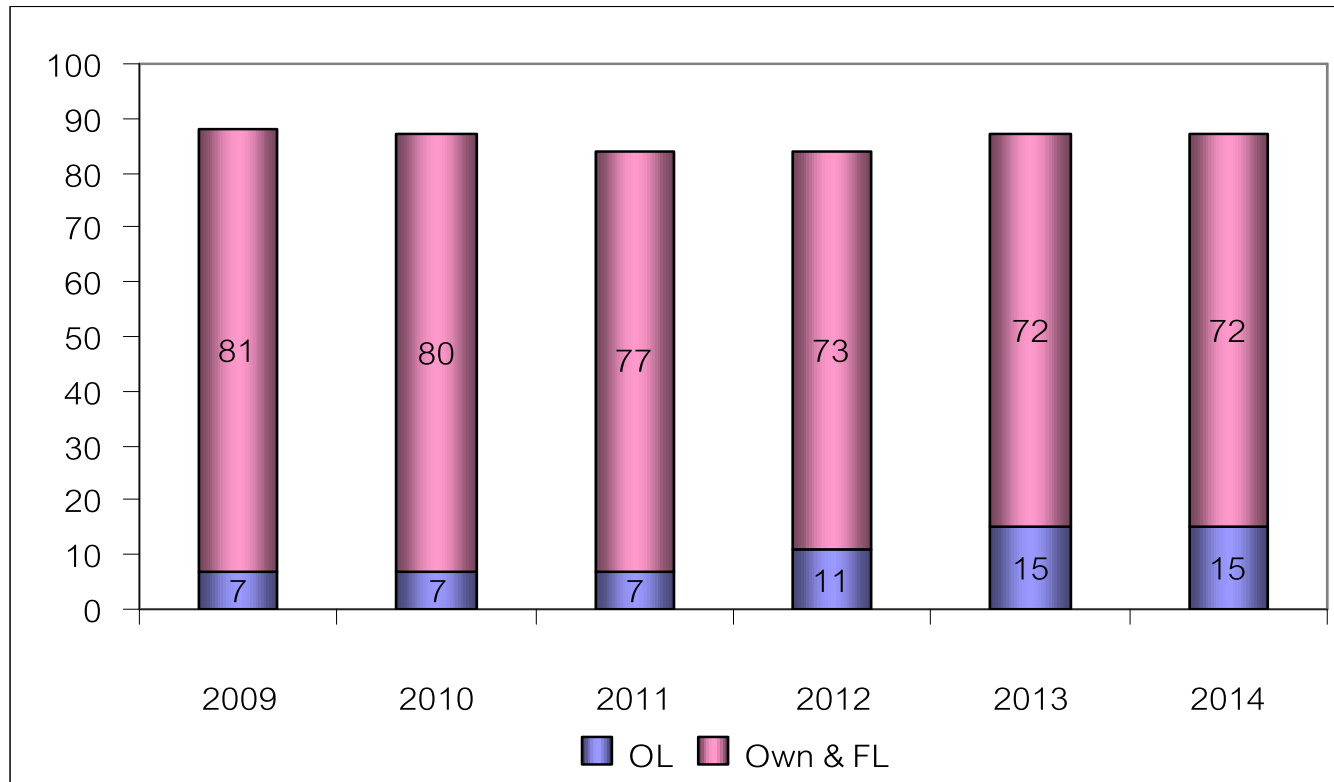
Target avg. fleet age in 2017 = 8.5 yrs from current 11.8 yrs

	< ----- PLAN ----->						TOTAL
	2552	2553	2554	2555	2556	2557	5 YEARS
	2009	2010	2011	2012	2013	2014	(2010-14)
TOTAL INCOMING AIRCRAFT	3	3	9	12	13	9	49
<u>Previously Approved</u>	3		5	3	3		14
- A330-300 HGW (High Gross Weight)	3		*5				8
- A380-800				3	3		6
<u>Additional Aircraft (New)</u>		3	4	9	10	9	35
- A320				4	2	2	8
- A330-300			2	3	2		7
- B777-300ER		3	2	2	6	3	16
- B787-800						4	4
TOTAL OUTGOING AIRCRAFT	1	5	5	7	11	5	34
- B747-400 (B744)			2	2	2		6
- B777-300ER (Jet Airways)					5		5
- B737-400	1	1				2	4
- A300-600		4	3	3	2	3	15
- A340-500				2	2		4

*Note : the 5 A330s deferred arrival is included in 2011's delivery plan

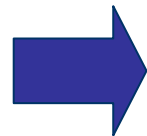
OL & FL Aircraft Proportion - Plan

OL percent 8.0% 8.1% 8.3% 13.1% 17.2% 17.2%



Note : Based on available slot for purchase

Resolving Koito Seat Problem



ZIM
FLUGSITZ



ZIM will be providing economy class seats and enabling the 5 new A330-300 aircraft to join the fleet in the following months.

Delivery	March	April	May	June	July
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Upgrades and Retrofit Schedule

	# of Aircraft	First	Business	Economy	Tentative Completion
B777-300	6				■ Completed
B747-400 No. 7-12	6				■ May – Dec. 2011
B777-200	8				■ Sept. 2011 – Jun. 2012
B747-400 No. 13-18	6				■ Feb. 2012 – Oct. 2012
Airbus 340-600	6				■ 2013
Airbus 340-500	4				■ 2014
B777- 200ER	6				■ 2014

Aircraft lease to Supplement Capacity

- Leased 3 B777-300ER aircraft from Jet Airways for 3 years
- Another 2 B777 – 300ER will be leased from Jet Airways beginning October 2011
- Used on European flights and to replace routes where older A330-300 aircraft flies in the region

First Class Seats



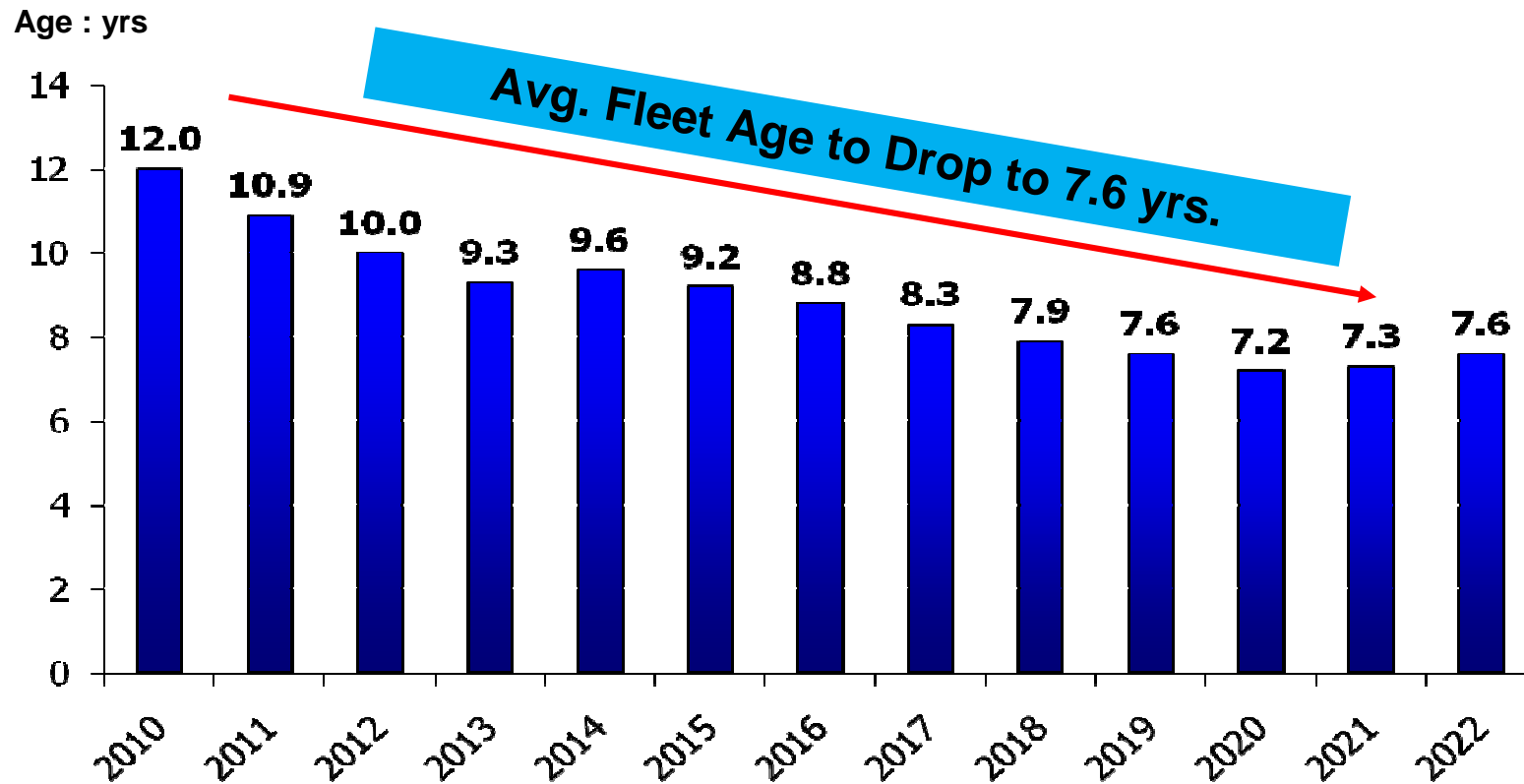
Business Class Seats



Economy Class Seats



	2011-2013	2014-2017	2018-2022	Total
Medium sized body aircraft		26	21+17 = 38	47 + 17 = 64
Narrow body aircraft	11		-	11
Total	37		38	75



Changes were made to better reflect customer demand



Increased flights

Paris	7 to 10 flts/wk
Oslo	5 to 7
Moscow	3 to 4
Nagoya	7 to 10
Fukuoka	5 to 7

New Destinations

Haneda	7 flts/wk
BKK-Gaya-Varanasri	3 flts/wk

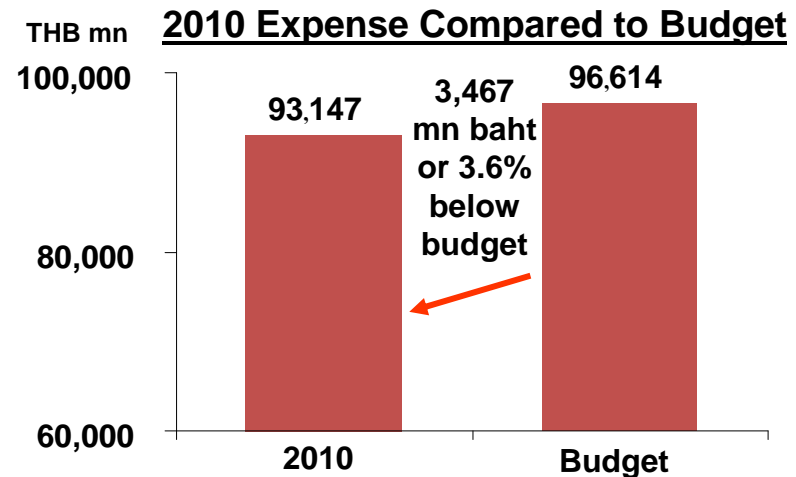
Relaunch

Johannesburg	4 flts/wk
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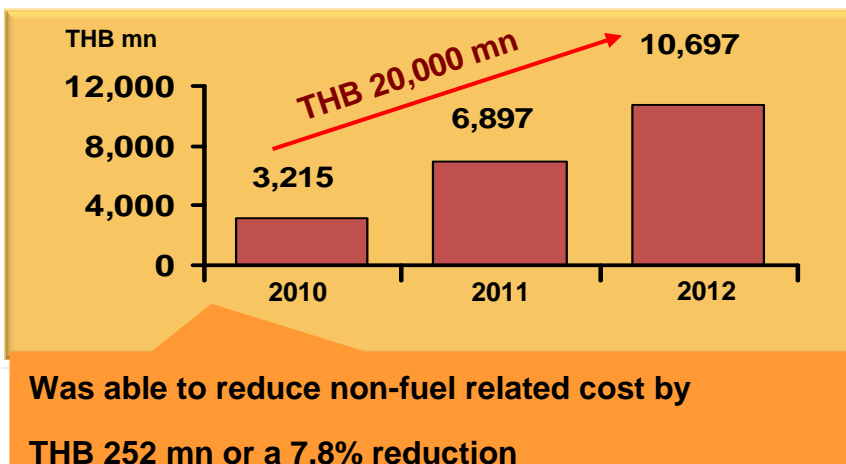
THAI is committed to achieving the THB 20,000 mn cost reduction target agreed to with the Ministry of Finance through 2012

Strategy to Reign in Costs

- Improved fuel management
- Increased proportion of ticket sales via internet & minimize commission payment
- Launched early retirement program / Mutual separation plan / Continue to offer Golden Handshakes / Use of Wingspan / Manage reduction in crew accommodation cost
- Reduction of management & admin. Expense
- Continued to negotiate with all suppliers
- No pay leave project
- Changed approach in undertaking marketing and advertising initiatives



Yearly Cost Reduction Targets

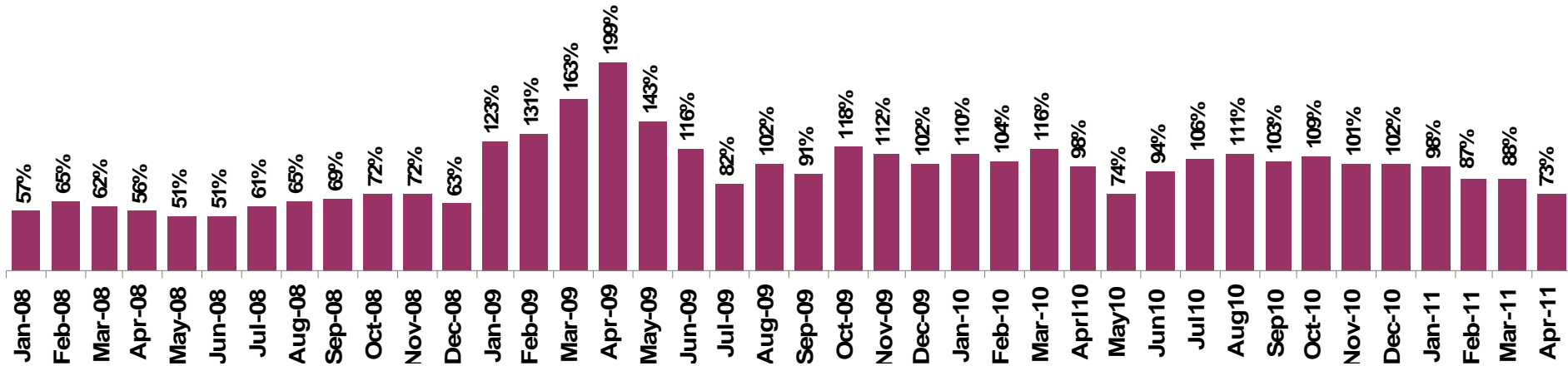


Minimum 20% fuel hedging requirement to mitigate risk of rapid fuel cost rise

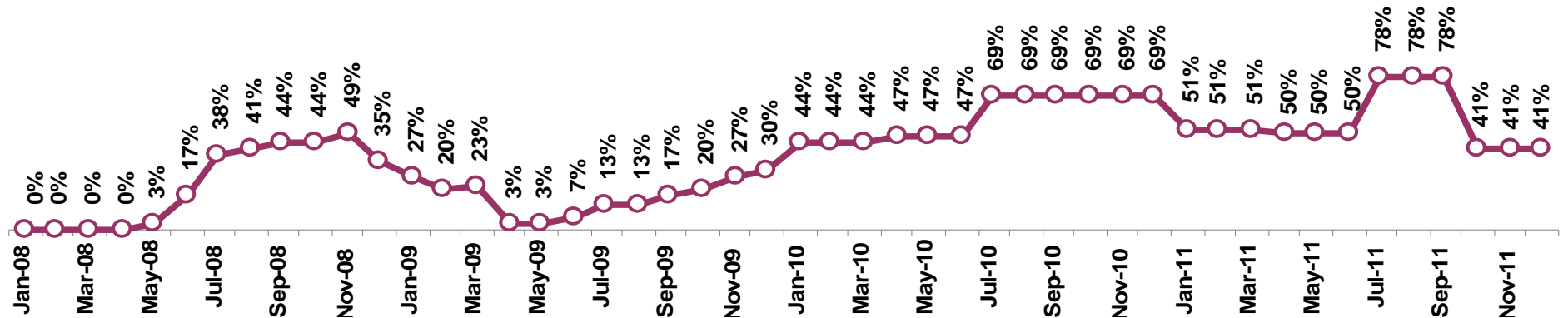
Hedging Volume																				
>80%	Board Authority																			
>60<=80%	Fuel Price Risk Management Committee (President, EVP Finance & Accounting, VP, Director and Department)																			
>30<=60%	VP, Director and Department Level Decision																			
>20<30%																				
<=20%	Board Authority																			
		1m	2m	3m	4m	5m	6m	7m	8m	9m	10m	11m	12m	13m	14m	15m	16m	17m	18m	>18 months
		Contract Period																		

Hedging combined with fuel surcharge greatly mitigates fuel price fluctuation risk

Percentage of Fuel Surcharge & Hedging Coverage



Monthly fuel hedging 2008-2011 - % of consumption by month



THAI is the first Asian airline to sign an agreement with IATA to find means to mitigate fuel



Carbon Footprint



- Determined the carbon foot print of 2 meals and provided labeling for customers to choose

Emissions Trading

2012

Monetary Value

Amount of CO₂ ~1.07 mn tons THB 646 mn



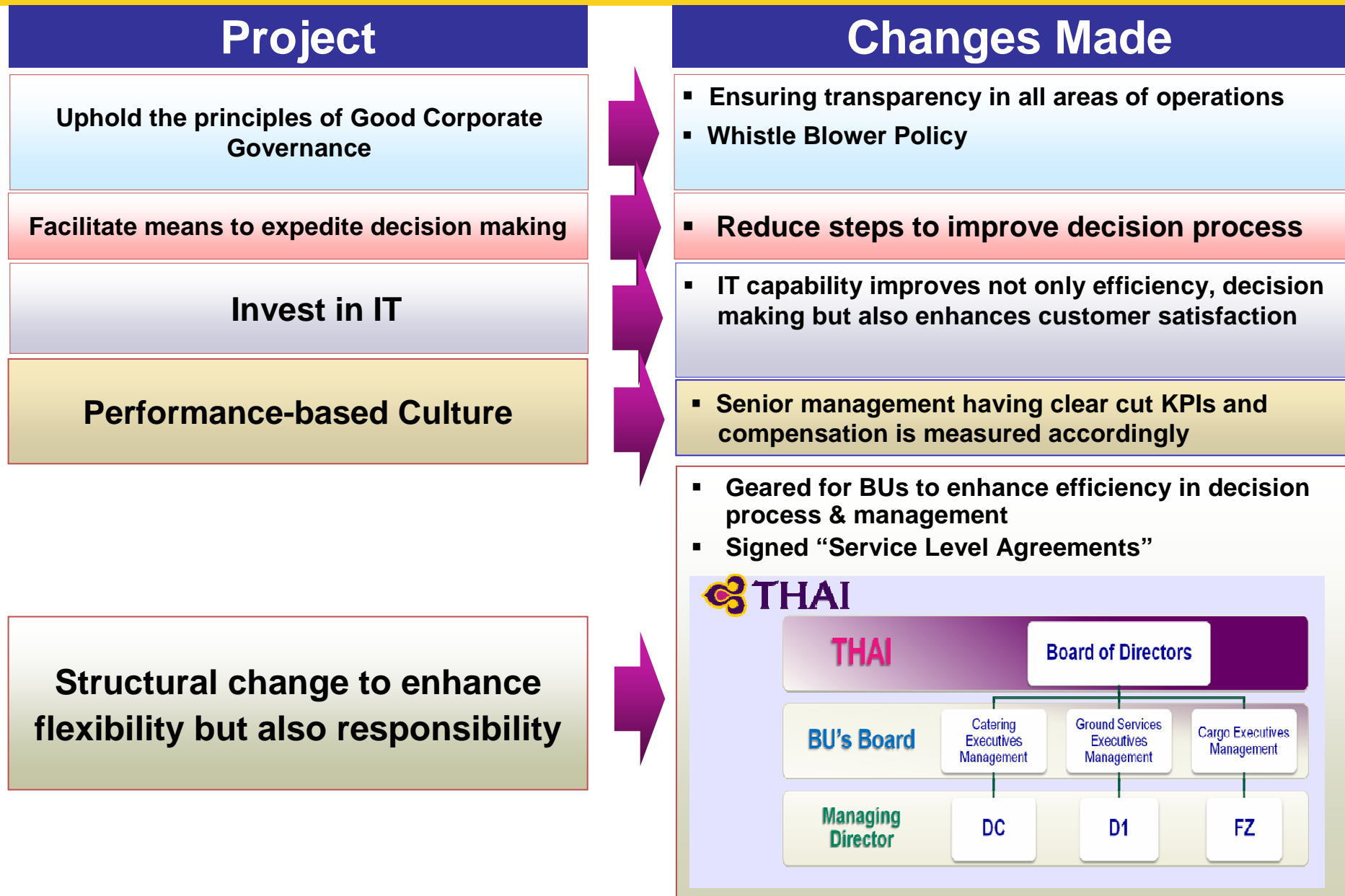
- CERs 0.47 mn tons THB 239 mn
- EUAs 0.60 mn tons THB 407 mn

Carbon Offset



- Launched the carbon offset program

Improvements in Dynamism



EC	Rescinded all charges against THAI
US Cargo DOJ	Stopped further proceedings
US Cargo Class Action	Settled by paying USD 3.5 mn
Korea	Pending charges is for KW 2.85 mn

Wrote back a portion of reserves that were set aside

4,290 MTHB → 2,507 MTHB



**Raised 15,000 MTHB
in new equity**

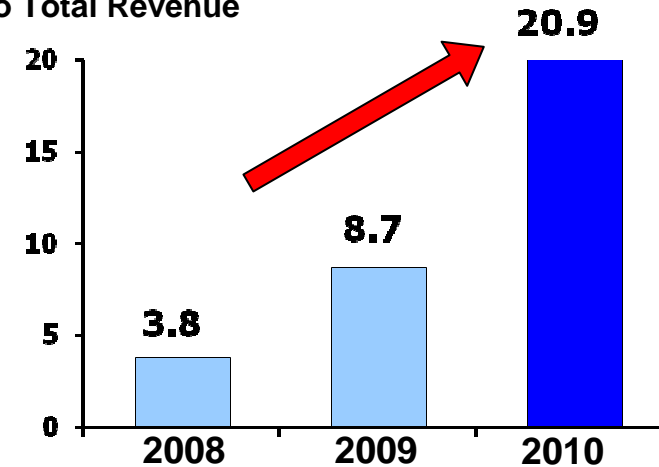
**Received additional
borrowing from financial
institutions**

**Obtained Revolving
Credit Lines**

**8,000 MTHB Debenture
issued in May 13, 2011**

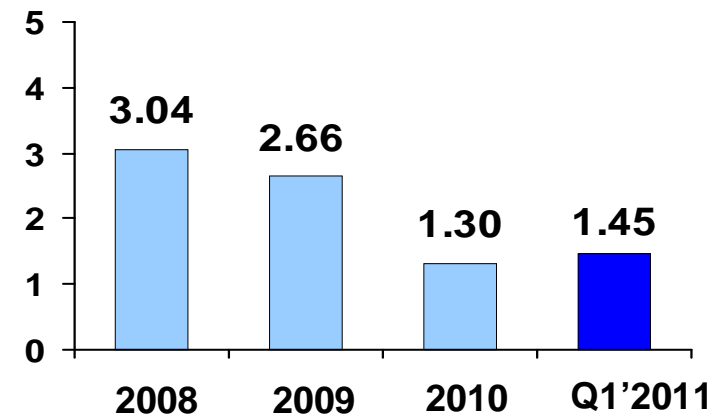
Improved Cash Position

Cash to Total Revenue

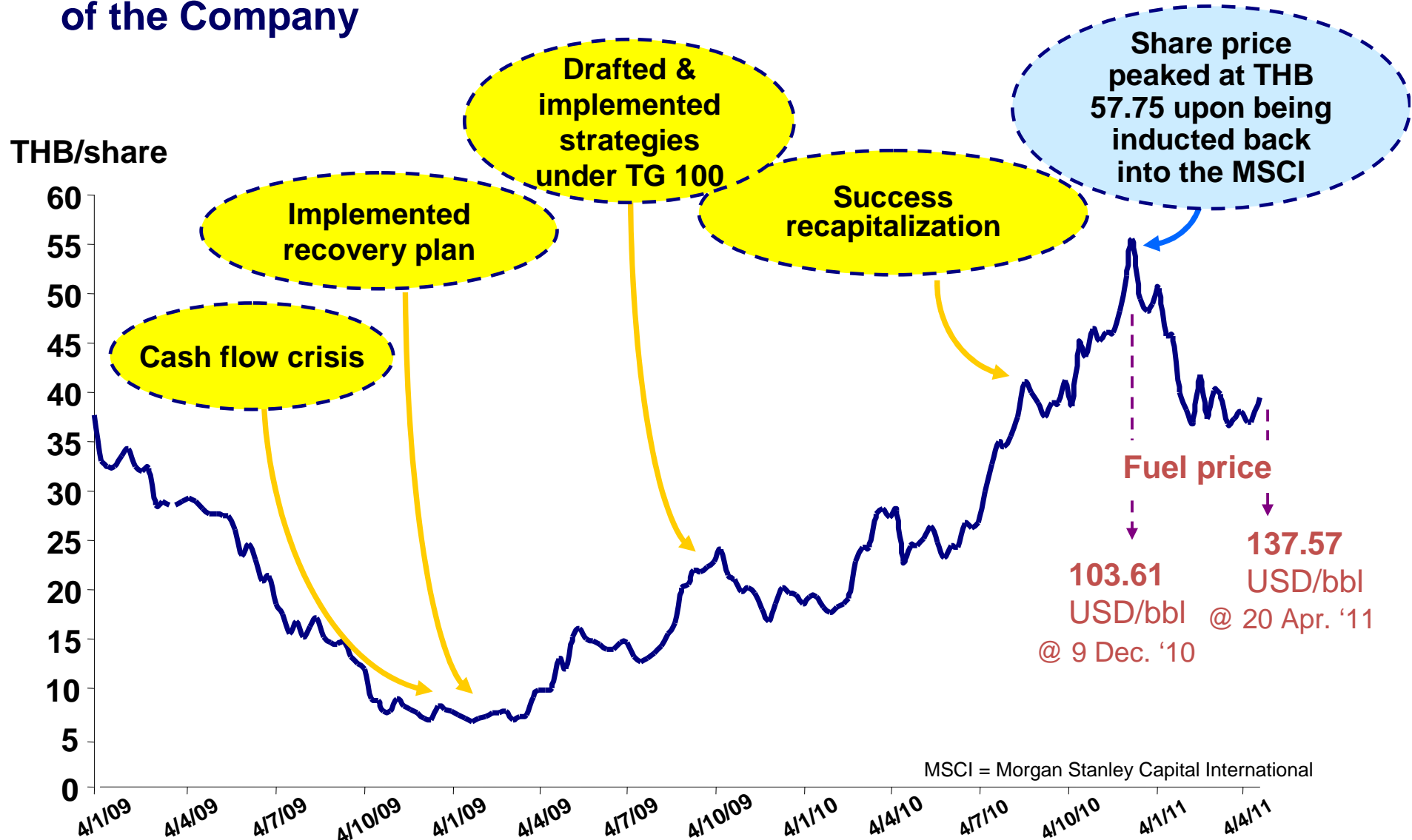


Capital Structure Strengthened

Net interest bearing
Debt to Equity



THAI's share price reflects the confidence in the improved health of the Company



Fuel price
 103.61 USD/bbl @ 9 Dec. '10
 137.57 USD/bbl @ 20 Apr. '11

MSCI = Morgan Stanley Capital International

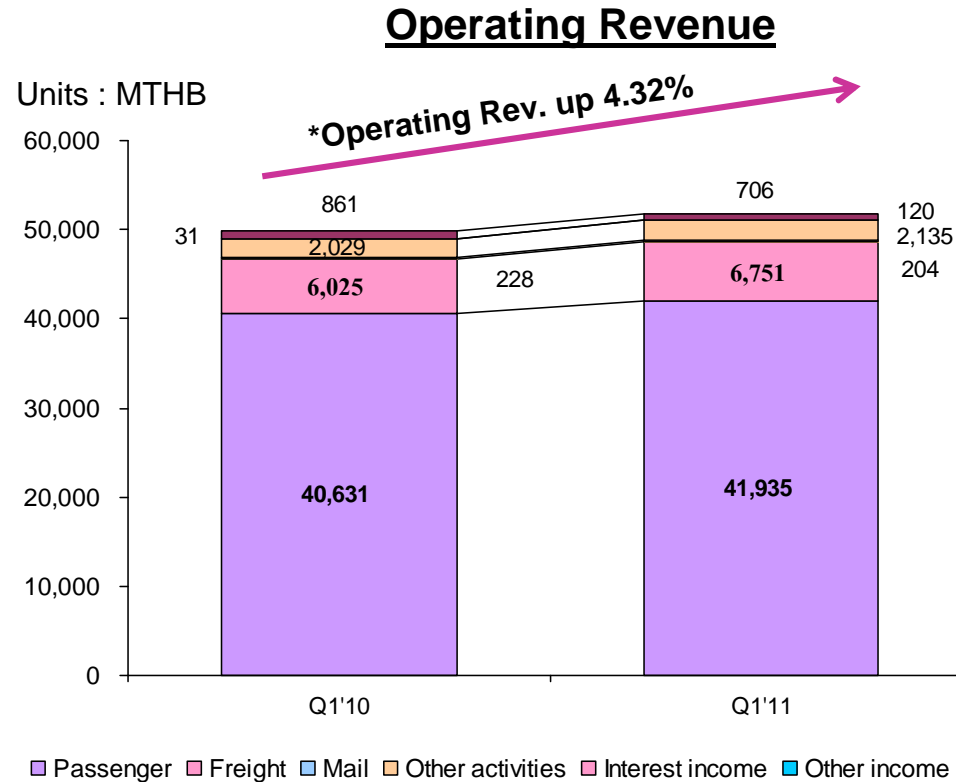
Financial Performance

Performance Summary (Q1/2011)

THAI and its subsidiary

(Units : MTHB)	Jan-Mar	
	2011	2010
Total Revenue	51,851	49,806
Total Expense	-46,468	-43,061
Foreign currency exchange (Gain)	-3,358	5,698
Share of losses of investments by the equity method	38	-7
Profit(Loss) before finance costs, income tax	2,063	12,436
Financial Cost	-1,309	-1,345
Income tax expense	-121	-499
Net profits (losses)	633	10,592
Profits (losses) Attributable to:		
Non controlling interest	-15	-20
Equity holders of the parent	618	10,572

Operating / Total Revenue (Q1/2010 & Q1/2011)



Total Revenue

Revenue	% Change	% to Tot. Rev.
Passenger	3.21	80.88
Freight	12.05	13.02
Mail	-	0.39
Other activities	5.19	4.12
Interest income	291.51	0.23
Other income	-	1.36
Total Income	4.11	100.00

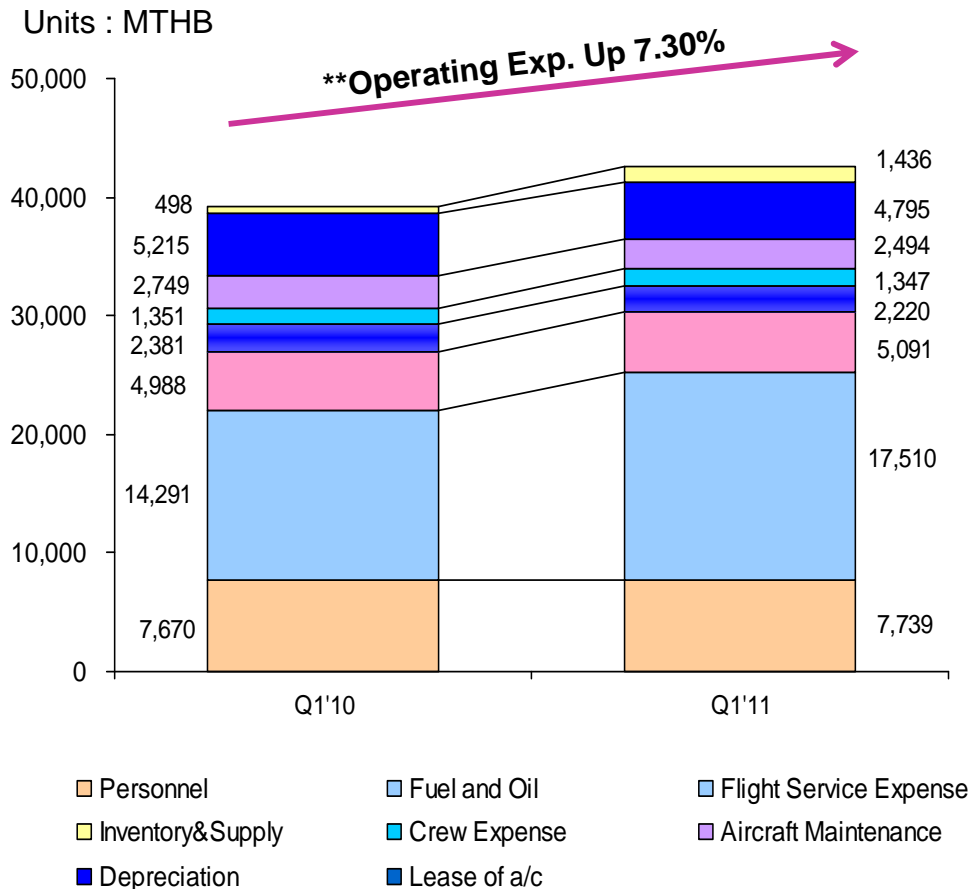
*Excludes Interest & Other income
 Operating revenue Q1'10 = 48,913 MTHB
 Operating revenue Q1'11 = 51,025 MTHB

Total revenue Q1'10 = 49,805 MTHB
Total revenue Q1'11 = 51,851 MTHB

Operating / Total Expense (Q1/2010 & Q1/2011)

Operating Expense

Total Expense



Expense	% Change YoY	% of Tot. Exp.
Personnel expense	0.90	15.53
Fuel and oil	22.52	35.14
Flight service expense	2.06	10.22
Inventories and supplies	- 6.74	4.46
Crew expense	- 0.32	2.70
Maintenance/overhaul	- 9.25	5.01
Depreciation/amortisation	- 8.05	9.62
Aircraft lease/spare parts	188.51	2.88
Other expense	- 504.00	14.44
**Total Expense	33.36	100.00

**** Excludes FX & Impairment losses**
Operating expense Q1'10 = 42,973 MTHB
Operating expense Q1'11 = 46,111 MTHB

Total expense Q1'10 = 37,362 MTHB
Total expense Q1'11 = 49,826 MTHB

Ratios – Q1'2010 & Q1'2011

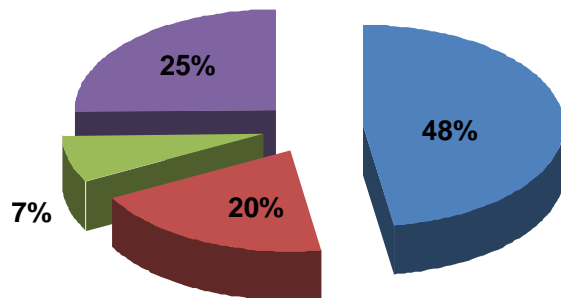
Ratios	units	Q1'10	Q1'11
Earnings Per Share	(THB)	6.22	0.28
EBIT	(MTHB)	6,037	4,960
EBITDA	(MTHB)	11,252	9,755
EBITDAR	(MTHB)	11,750	11,191
Book Value	(MTHB)	63,670	76,712
Book Value per Share	(THB)	37.48	35.14
Total Debt to Equity	(Times)	3.90	2.80
Net Debt to Equity	(Times)	2.35	1.88
Debt Service Coverage	(Times)	2.00	1.50
Interest Coverage	(Times)	8.40	7.50
Operating Profit Margin	(%)	12.30	9.70
Net Profit Margin	(%)	21.60	1.20
EBITDA Margin	(%)	23.00	19.10
Return on Total Assets	(%)	3.80	0.80
Return on Total Equity	(%)	20.10	0.20

Foreign Currency Exposure (Year 2010)

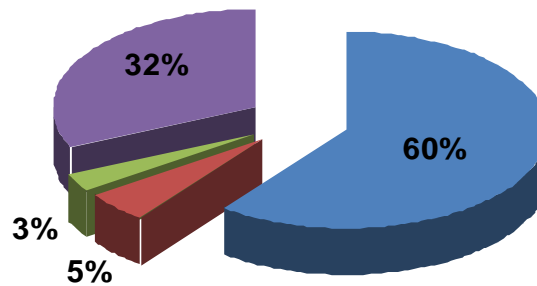
Unit : MTHB

	Revenue		Expense		Surplus or Deficit	Outstanding Borrowings			
	Amount	%	Amount	%		Before Swap		After Swap	
					Amount	%	Amount	%	Amount
USD BASED	85,801	48	89,994	60	- 4,193	1,977	1	1,212	1
USD	18,604		79,340						
Others ⁽¹⁾	67,197		10,654						
EUR BASED	35,210	20	8,030	5	27,180	49,796	34	50,584	35
EUR	16,809		5,623						
Others ⁽²⁾	18,401		2,407						
JPY	13,509	7	3,980	3	9,529	13,766	9	13,766	9
THB	45,753	25	47,228	32	- 1,475	80,741	55	80,741	55
TOTAL	180,273	100.00	149,232	100.00	31,041	146,280	100	146,303	100

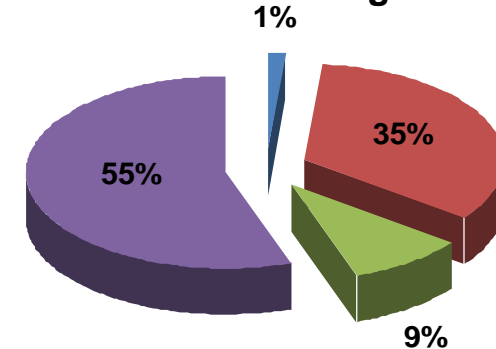
Revenue



Expense



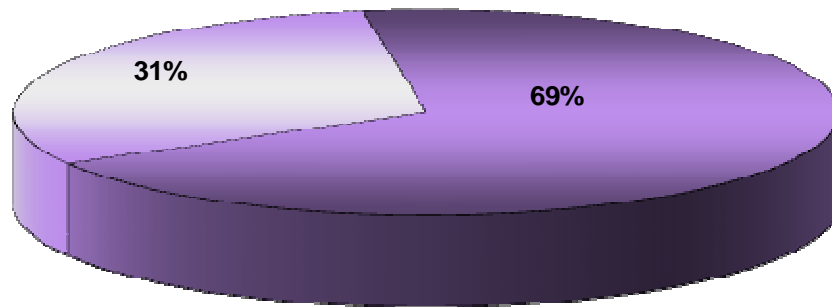
Outstanding



■ USD BASED ■ EUR BASED ■ JPY ■ THB

Proportion of Fixed and Float (As of Apr 2011)

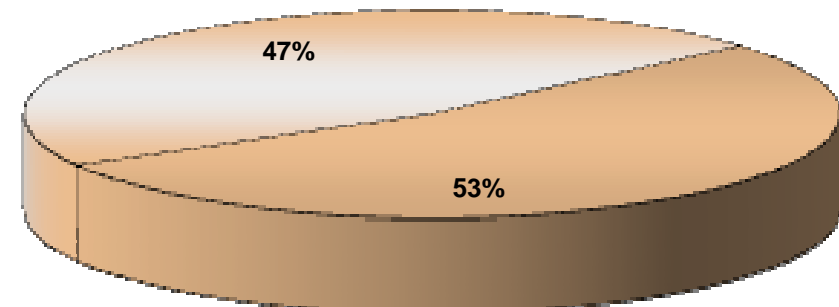
Before Swap



□ Fixed □ Float

Percentage of TOTAL
(TOTAL = 144,738 MTHB)

After Swap



□ Fixed □ Float

Percentage of TOTAL
(TOTAL = 144,797 MTHB)

A large purple triangle with a yellow border, pointing downwards, containing the title text.

Economic & Airline Industry Trend and Growth for 2011-2012

- **Global Economy expected to grow by 5% - IMF**

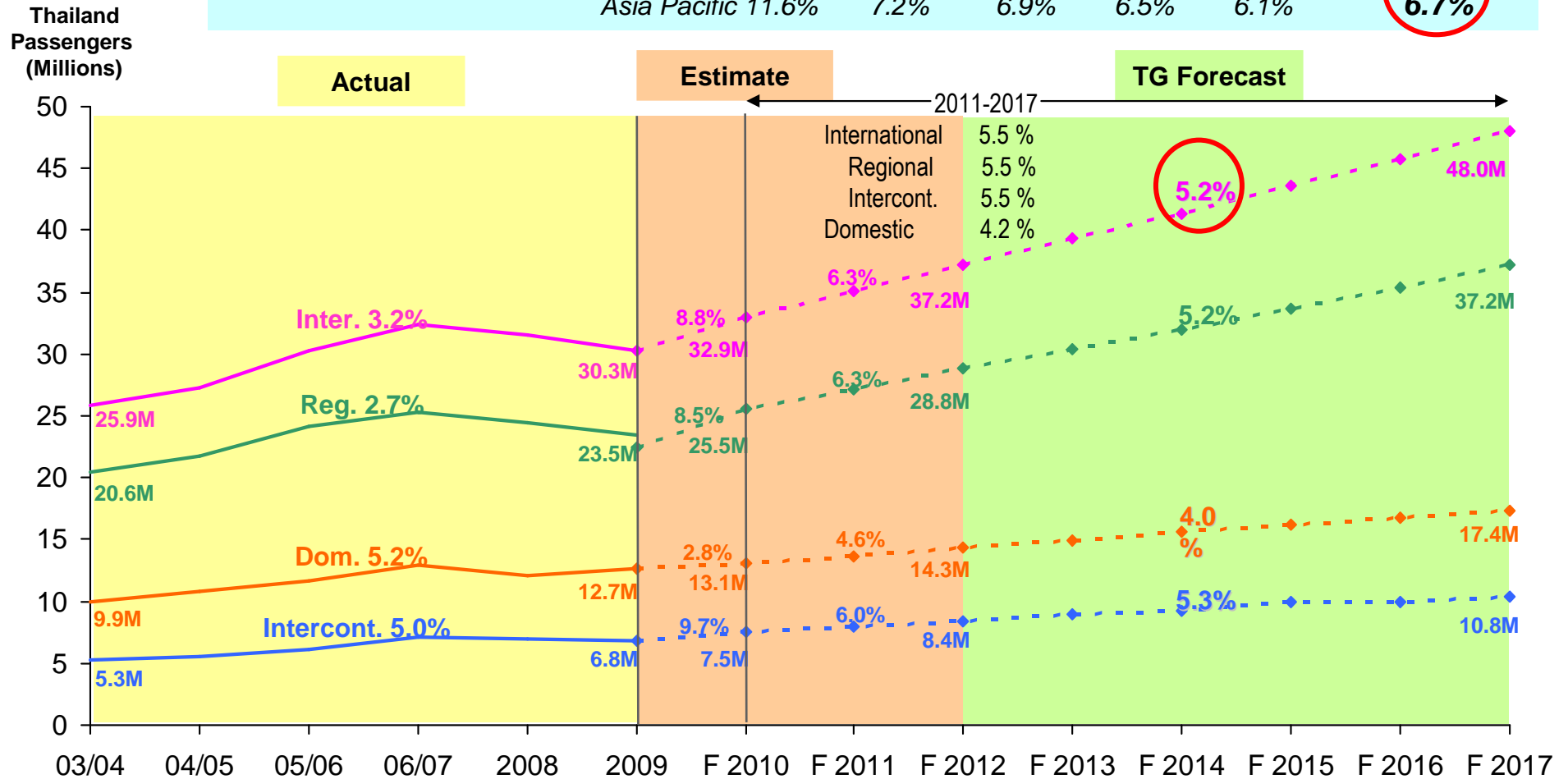
- **Global # of Tourists expected grow by 4-5 - UNWTO**

- **Passenger Traffic expected to grow by 5.2% - IATA**

- **Air Traffic Transportation expected to grow by 5.5% - IATA**

Passenger from / to Thailand Forecast 2011-2017

<u>IATA International Passenger Forecast</u> (As September 2010)	2010	2011	2012	2013	2014	CAGR2011-2014
World	7.9%	4.9%	5.4%	5.4%	5.4%	5.3%
Asia Pacific	11.6%	7.2%	6.9%	6.5%	6.1%	6.7%

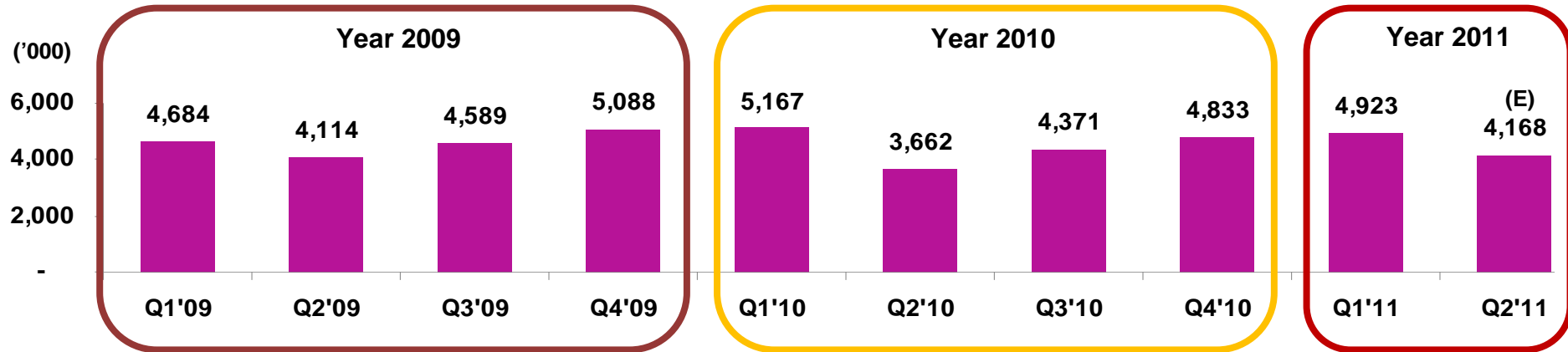


Appendix

Passenger Carried

Year 2010 = 18.2 million (decreased 1.7% YoY)

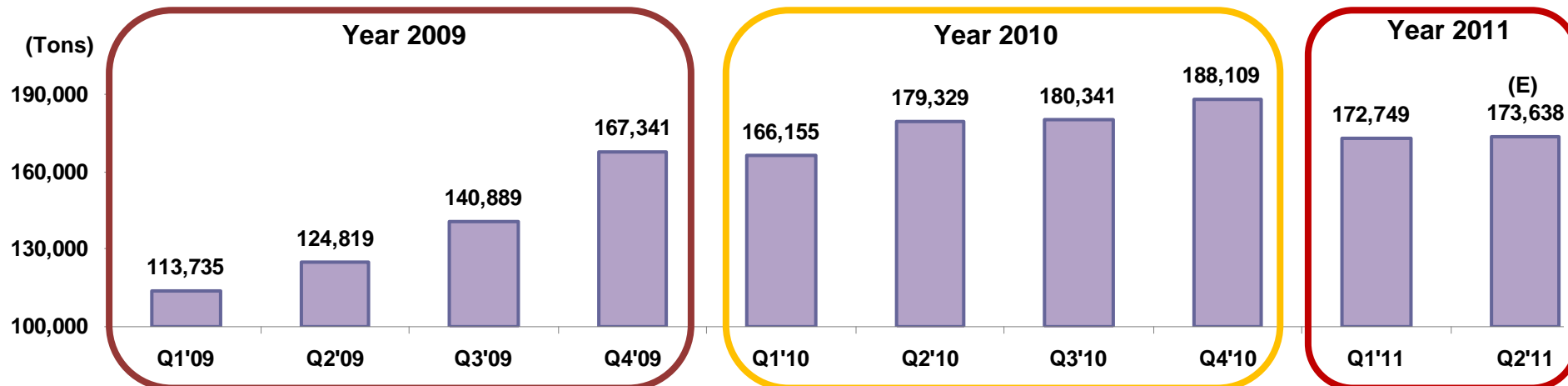
Q2/11 (E) = 4.2 million (increased 12.5% YoY)



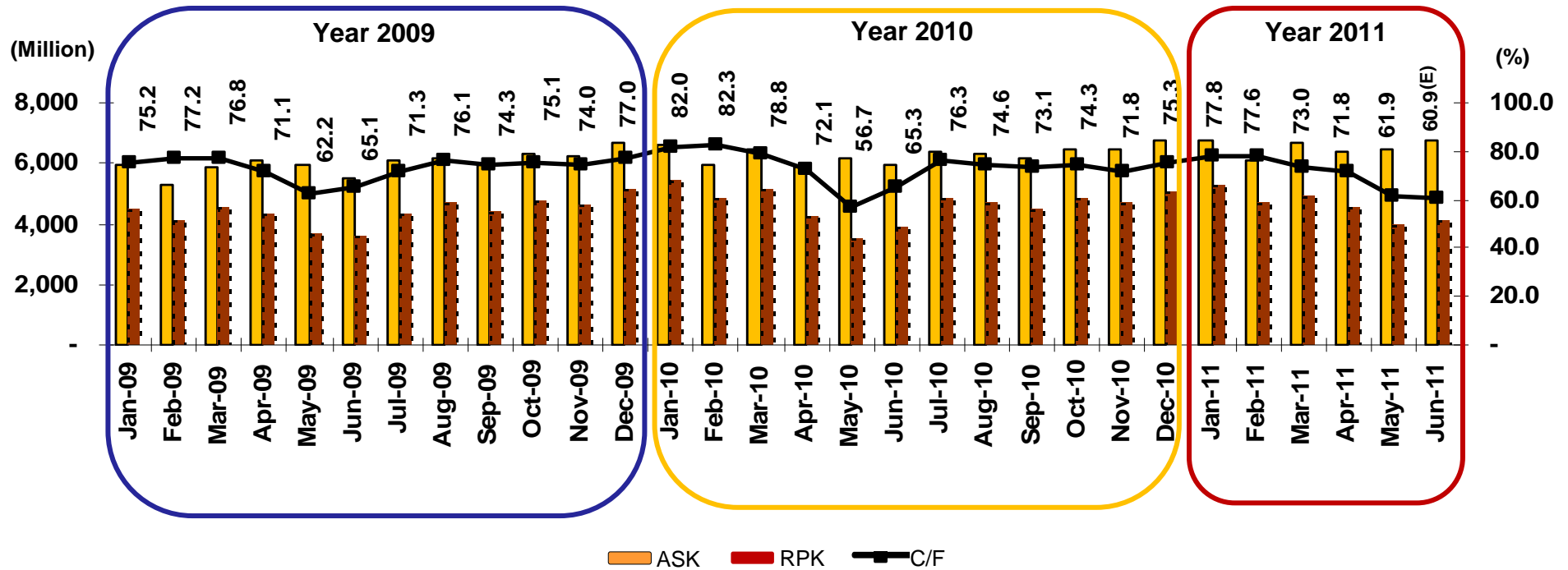
Freight Carried

Year 2010 = 713,931 tons (increased 30.8% YoY)

Q2/11 (E) = 173,638 tons (decreased 3.2% YoY)

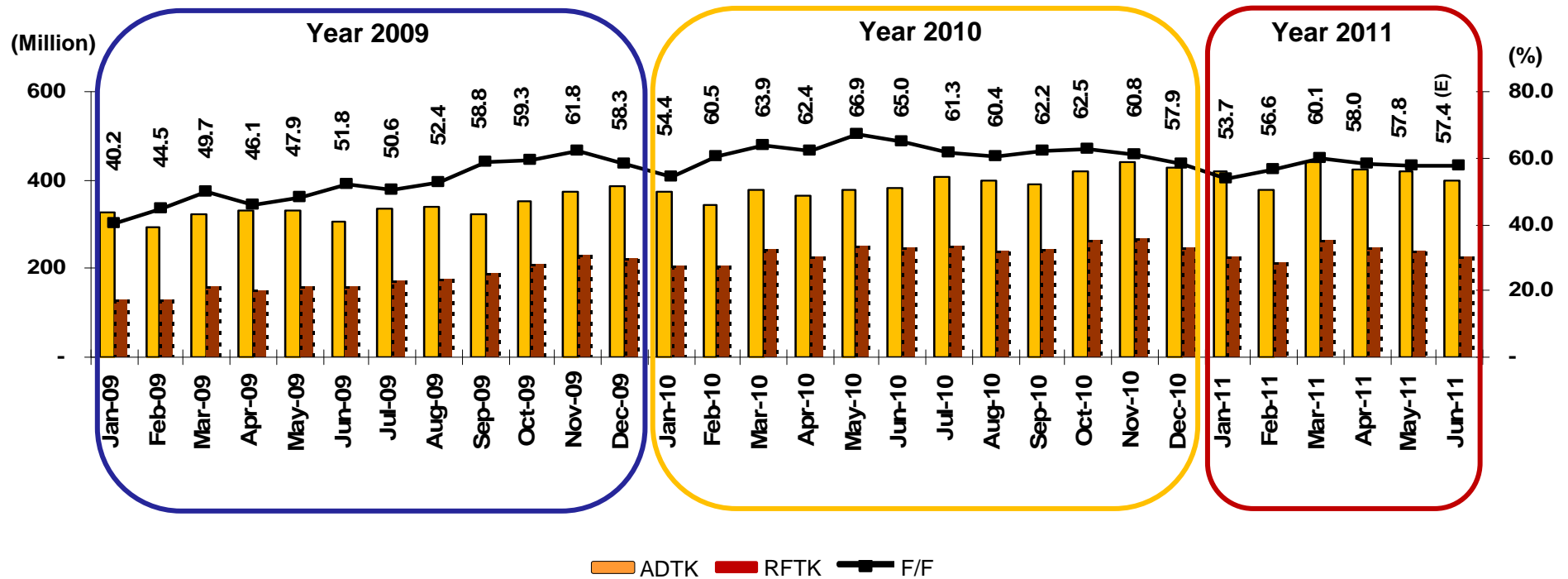


Passenger



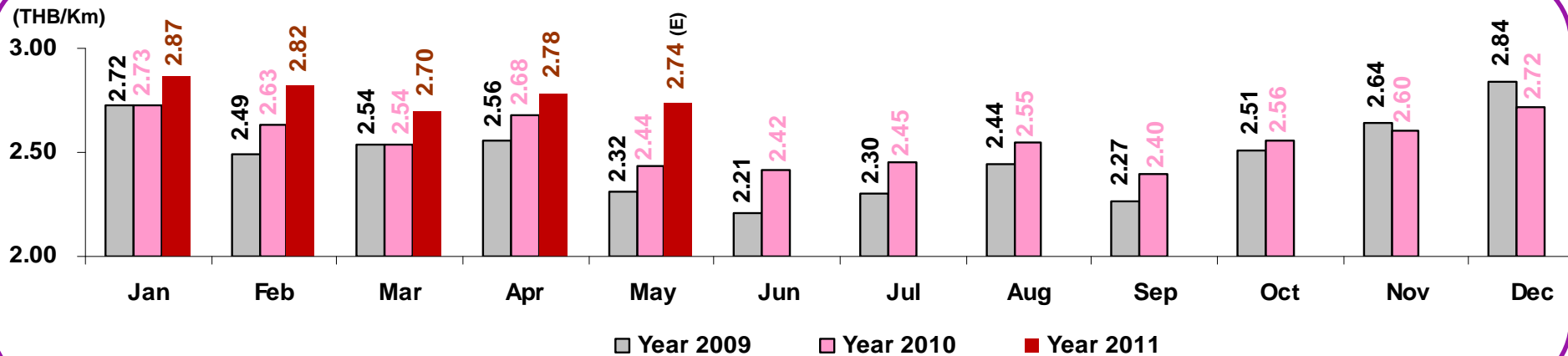
	YoY (Month)			YoY (Quarter)			YoY (Year)		
	Jun'11(E)	Jun'10	YoY%	Q2'11(E)	Q2'10	YoY%	Year'10	Year'09	YoY%
MASK	6,731	5,919	13.7	19,545	17,972	8.8	75,600	72,031	5.0
MRPK	4,099	3,867	6.0	12,660	11,605	9.1	55,676	52,593	5.9
Cabin factor%	60.9	65.3	- 6.8	64.8	64.6	0.3	73.6	73.0	0.9

Freight

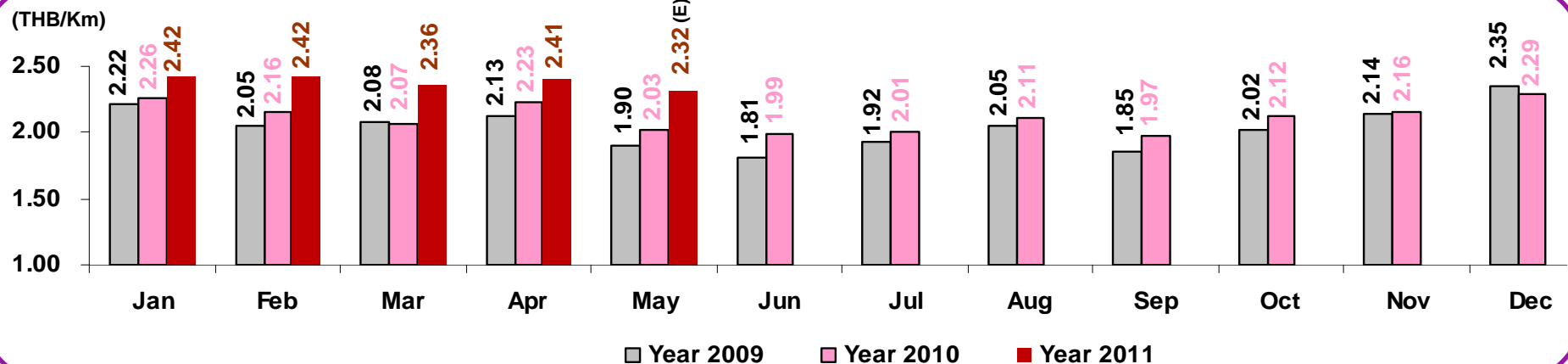


	YoY (Month)			YoY (Quarter)			YoY (Year)		
	Jun'11(E)	Jun'10	YoY%	Q2'11(E)	Q2'10	YoY%	Year'10	Year'09	YoY%
MADTK	397	383	3.7	1,240	1,125	10.2	4,708	4,016	17.2
MRFTK	228	249	- 8.4	716	729	- 1.8	2,895	2,092	38.4
Freight Factor%	57.4	65.0	- 11.7	57.7	64.8	- 10.9	61.5	52.1	18.0

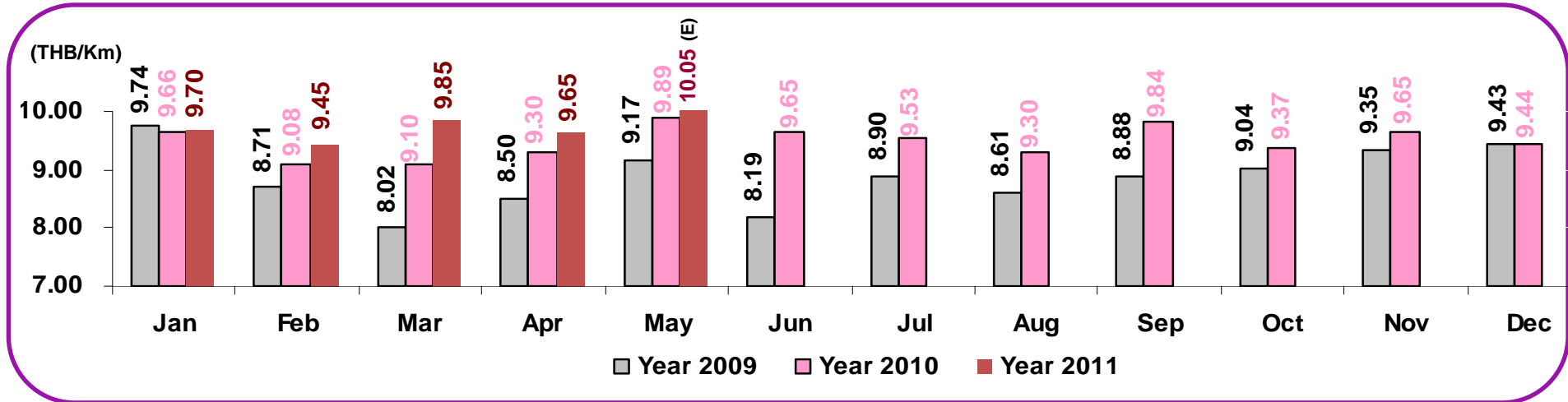
Passenger Yield (Including Fuel Surcharge)



Passenger Yield (Excluding Fuel Surcharge)



Freight Yield (Including Fuel Surcharge)



Freight Yield (Excluding Fuel Surcharge)

