



THAI AIRWAYS INTERNATIONAL Pcl.

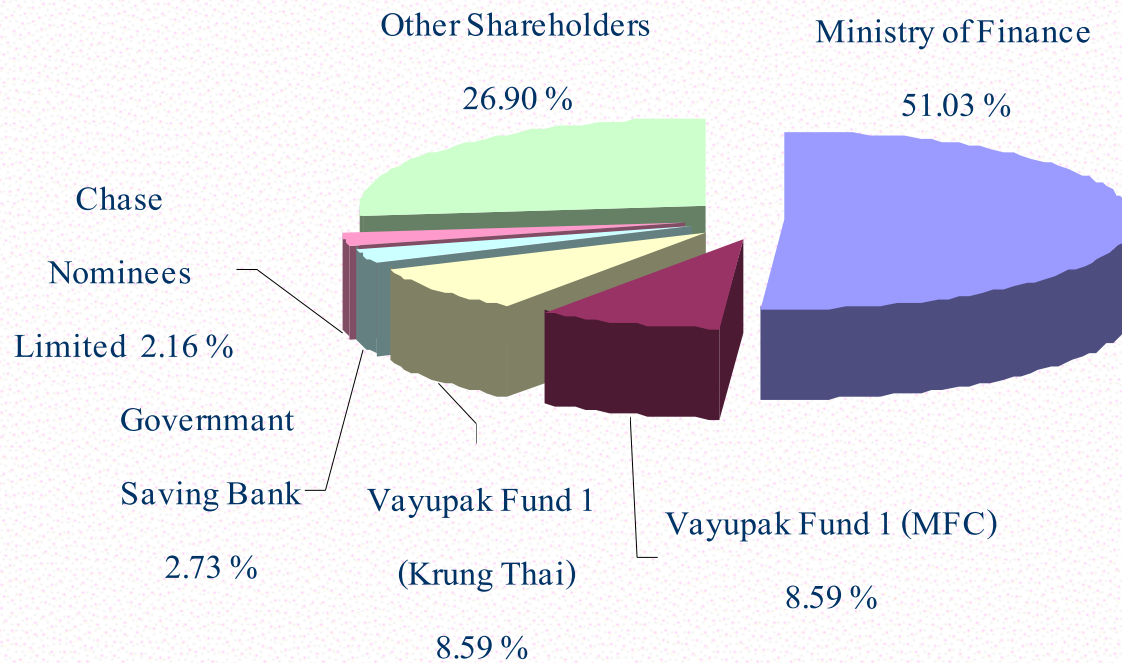
(Apr'08-Jun'08)

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1. The Company

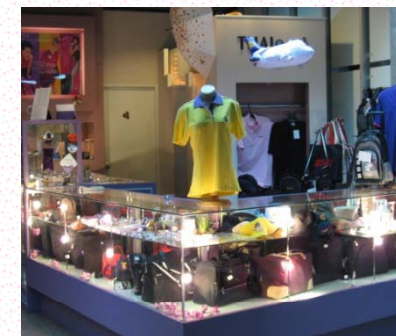
Shareholders



- **Registered Capital : 17,000 mn**
- **Par Value (THB) : 10**
- **Issued and paid-up : 16,989 mn**
- **Market Capitalization: 35,870 mn**

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



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

THAI 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

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 / 345 Flights / Week

- **North (4 Destinations)**

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

- **Northeast (3 Destinations)**

- Khon Kaen - Udon Thani
- Ubon Ratchathani

- **South (5 Destinations)**

- Hat Yai*
- Phuket *
- Samui

* Remark : International Airport

International
62 Destinations / 611 Flights / week

	Countries	Destinations
Regional	20	42
China	5	15
Southeast Asia	4	6
South China	3	4
Western	5	11
Middle East	3	6
Intercontinental	14	20
North Pacific	1	2
Europe	10	12
Australia & New Zealand	2	5
South Africa	1	1



Aircraft Fleet

As of June 2008

Type of Aircraft	Owned	Operating Lease	Total
B 747-400	17	1	18
B 777-300	6	-	6
B 777-200	4	4	8
B 777-200ER	6	-	6
B 737-400	6	4	10
A 300-600	17	-	17
A 340-600	5	-	5
A 340-500	4	-	4
A 330-300	10	2	12
ATR72*	2	-	2
Total	77	11	88

* NOTE : ATR 72 lease of Nok Air 1 Aircraft

The Company



Star Alliance (The Way the Earth Connects)

Founding Members	Member Carriers	Regional Carriers	
- Air Canada	- Air China	- Air New Zealand	- Adria Airways
- Lufthansa	- ANA	- Asiana Airlines	- Blue 1
- Scandinavian Airlines	- Austrian	- bmi	- Croatia Airlines
- Thai Airways	- Egypt Air	- LOT Polish Airlines	
- United Airlines	- Shanghai Airlines	- Singapore Airlines	
	- South African Airways	- Spanair	
	- Swiss	- TAP Portugal	
	- Turkish Airlines	- United	
	- US Airways		

2. Statistical Information

Statistical Information



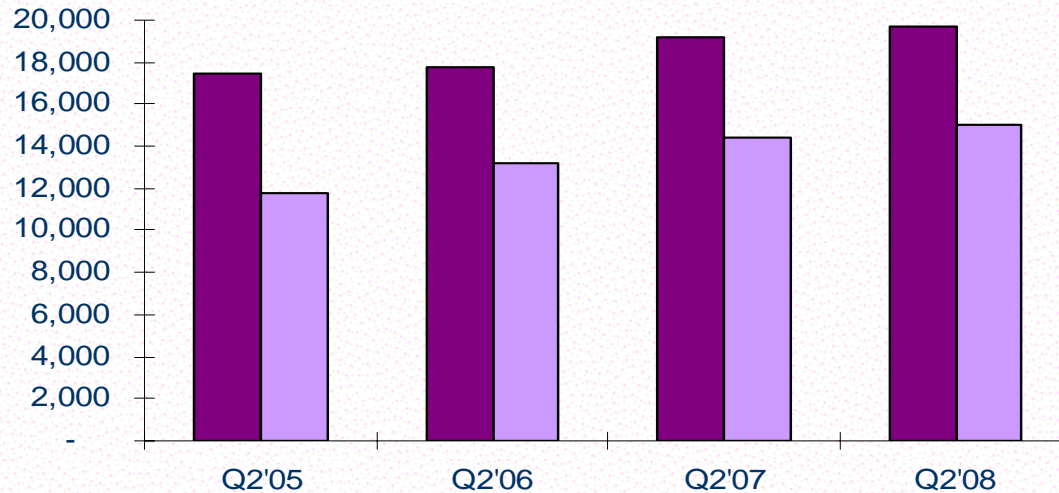
- **Destinations** : Domestic = 12
International = 62
- **Continents served** : 5
- **Total aircraft in fleet** : 88 of which 5 are leased to Nok Air
- **Flight frequency per week** : International Routes 611 Flts/Week
Domestic Routes 345 Flts/Week
- **Monthly passengers carried** : 1.58 million average
- **Staff count** : 27,838
- **Core Staff** : 12,775

Statistical Information

	<u>Q2'07</u>	<u>Q2'08</u>	<u>% Change</u>
• Record revenue earned (MTHB) :	35,853	40,668	+ 13.43%
• Million Available Seat Kms. (MASK) :	19,236	19,712	+ 2.50%
• Million Revenue Passenger Kms. (MRPK) :	14,446	15,000	+ 3.80%
• Cabin factor (%) :	75.1	76.1	+ 1.30%
• Freight load factor (%) :	54.0	57.1	+ 5.90%
• Load factor (%) :	67.8	69.7	+ 2.90%
• Aircraft utilization (hrs) :	11.6	12.1	+ 2.90%

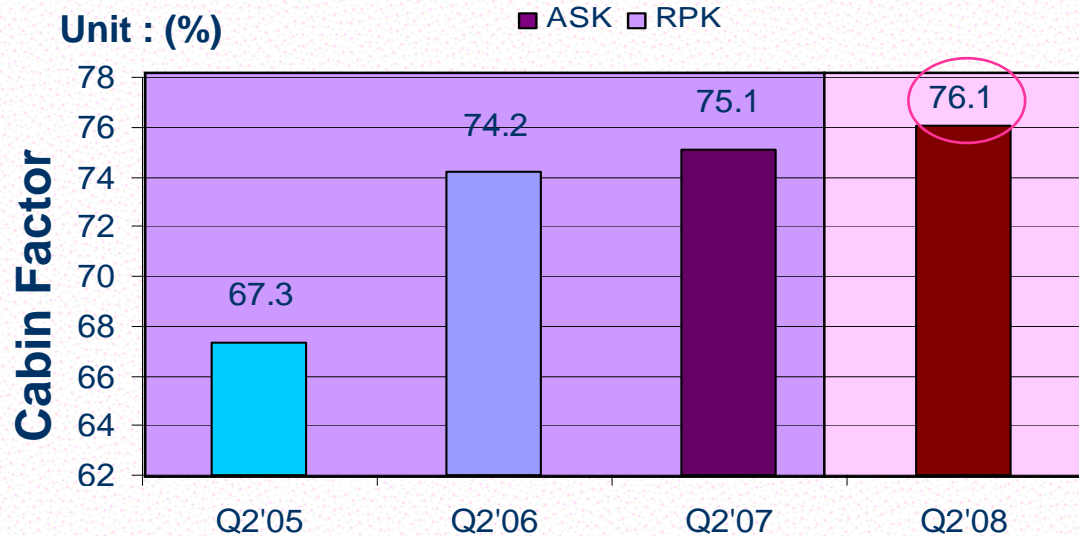
Statistical Information

ASK,RPK (Million)



- **ASK** increased yoy by 2.5%
- **RPK** increased yoy by 3.8%

Unit : (%)



- Active marketing targeting premium class.
- New seats and entertainment system.
- Record high cabin factor during weakest quarter growth 1.3%

3. Current Issues

Aircraft Delivery Schedule

ADDITIONAL AIRCRAFT (According to delivery schedule)	2007	2008	2009	2010	2011	TOTAL
A380	-	-	-	3	3	6
A340-600	-	1	-	-	-	1
A330-300	-	-	6	2	-	8
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**

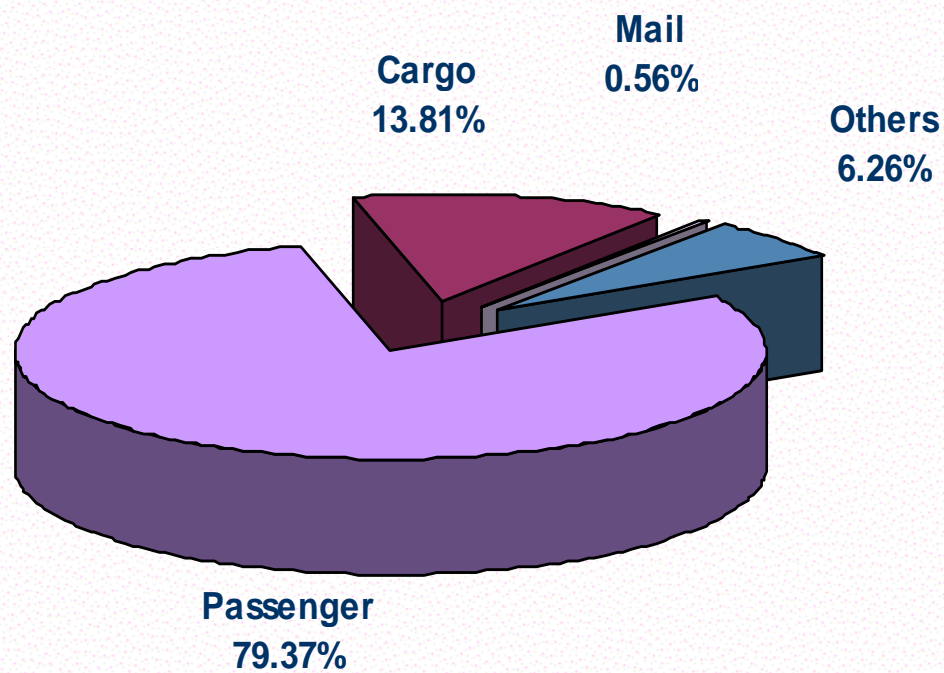
Fuel & Fuel Surcharge

- Fuel hedging up to 50% of full year's demand but flexible
- Fuel hedging approximately 7% on 3 months basis
- Hedging increase subject to fuel price trend
- Fuel surcharge :
 - Intercontinental – USD 146-281 per sector
 - Regional – USD 60-152 per sector
 - Domestic – THB 850 per sector
- Fuel surcharge coverage : approximately 80%
- No official guideline for fuel surcharge reduction
- Control fuel burn on ground

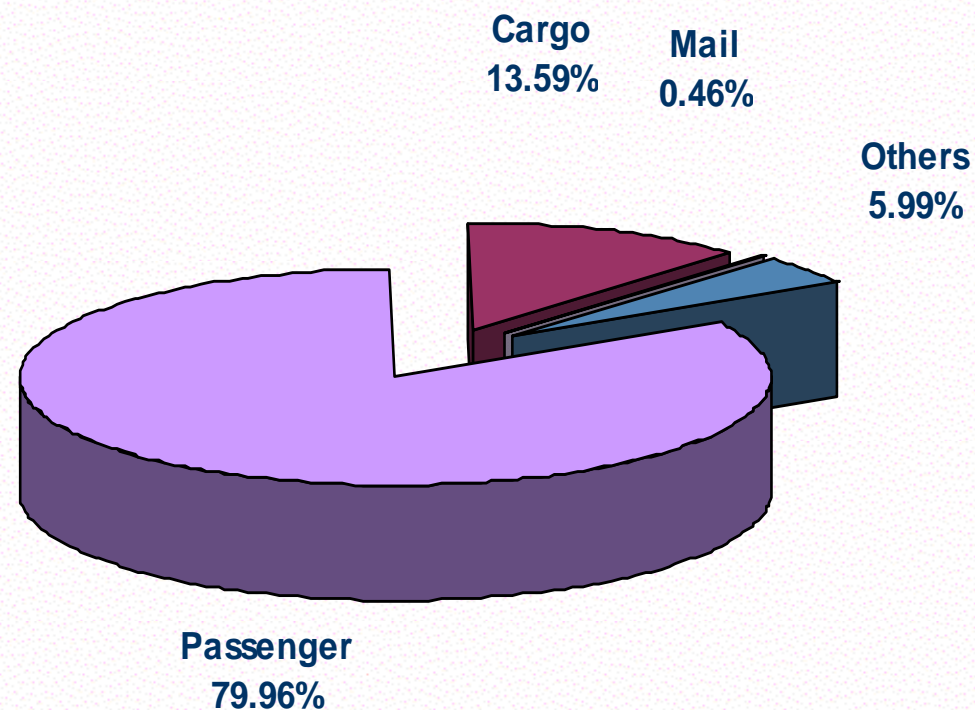
4. Financial Performance

Financial Performance

Revenue Breakdown (Apr'07-Jun'07)



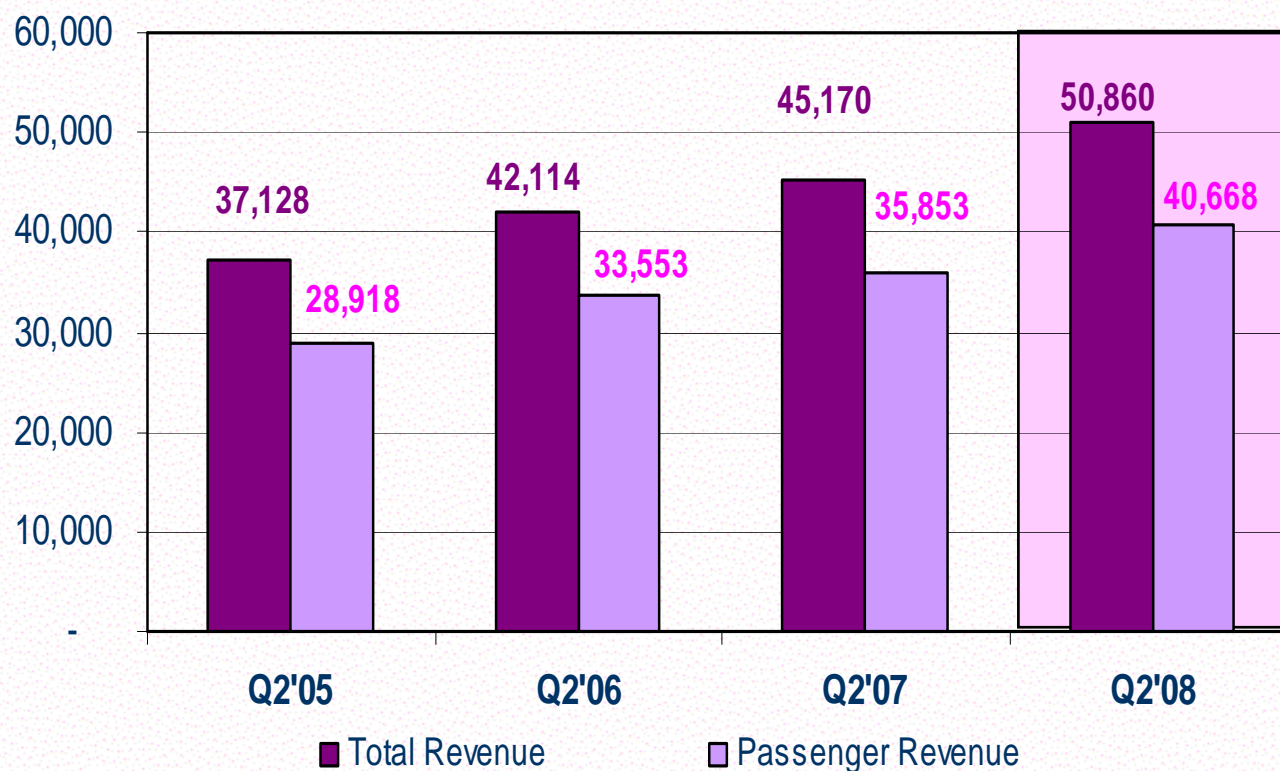
Revenue Breakdown (Apr'08-Jun'08)



Financial Performance

Passenger Revenue (Q2'05-Q2'08)

Units : THB mn

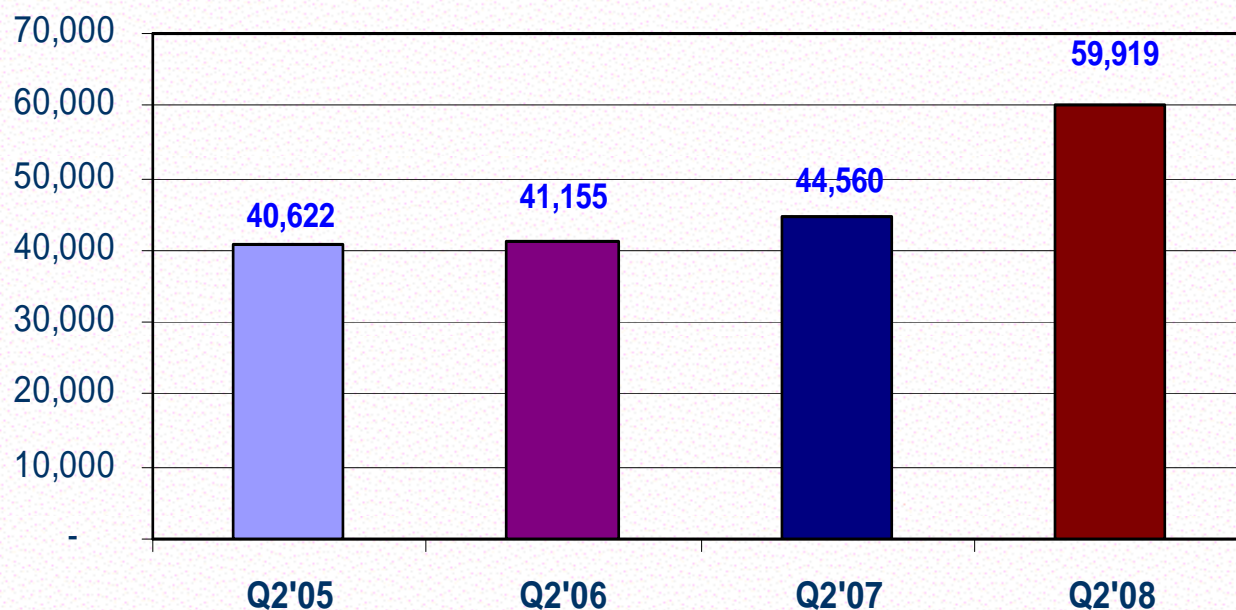


- 11.06% CAGR for Total Revenue growth
- 12.04% CAGR for Passenger Revenue growth
- Total revenue increased yoy by 12.60%
- Passenger revenue increased yoy by 13.43%

Financial Performance

Operating Expense

Units : THB mn

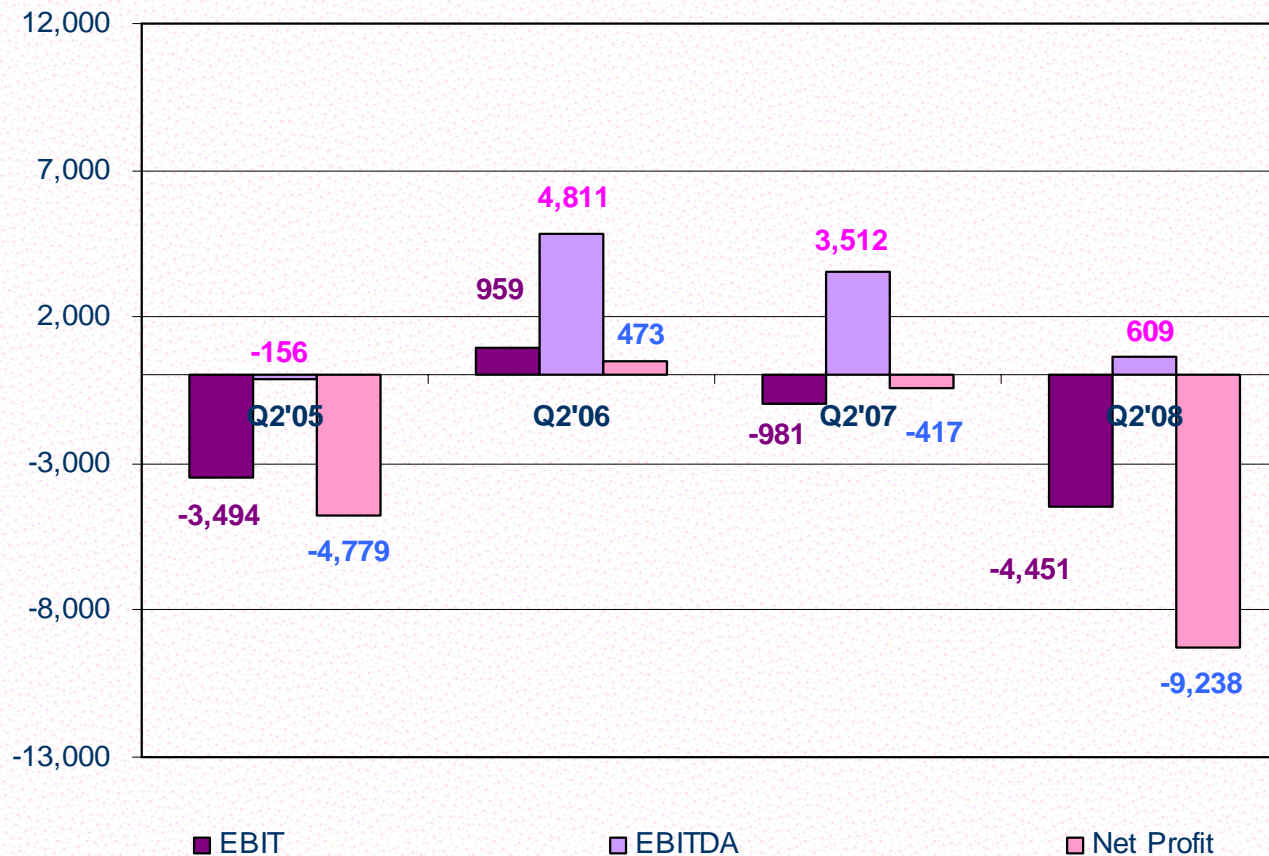


- Total expense increased yoy by 34.47%
- Personnel expense increased yoy by 0.96%
- Fuel cost increased yoy by 63.49%
- Flight operations increased yoy by 0.31%
- Depreciation increased yoy by 12.61% from reducing aircraft depreciation period to 15 years

Financial Performance

EBIT, EBITDA and Net Profit

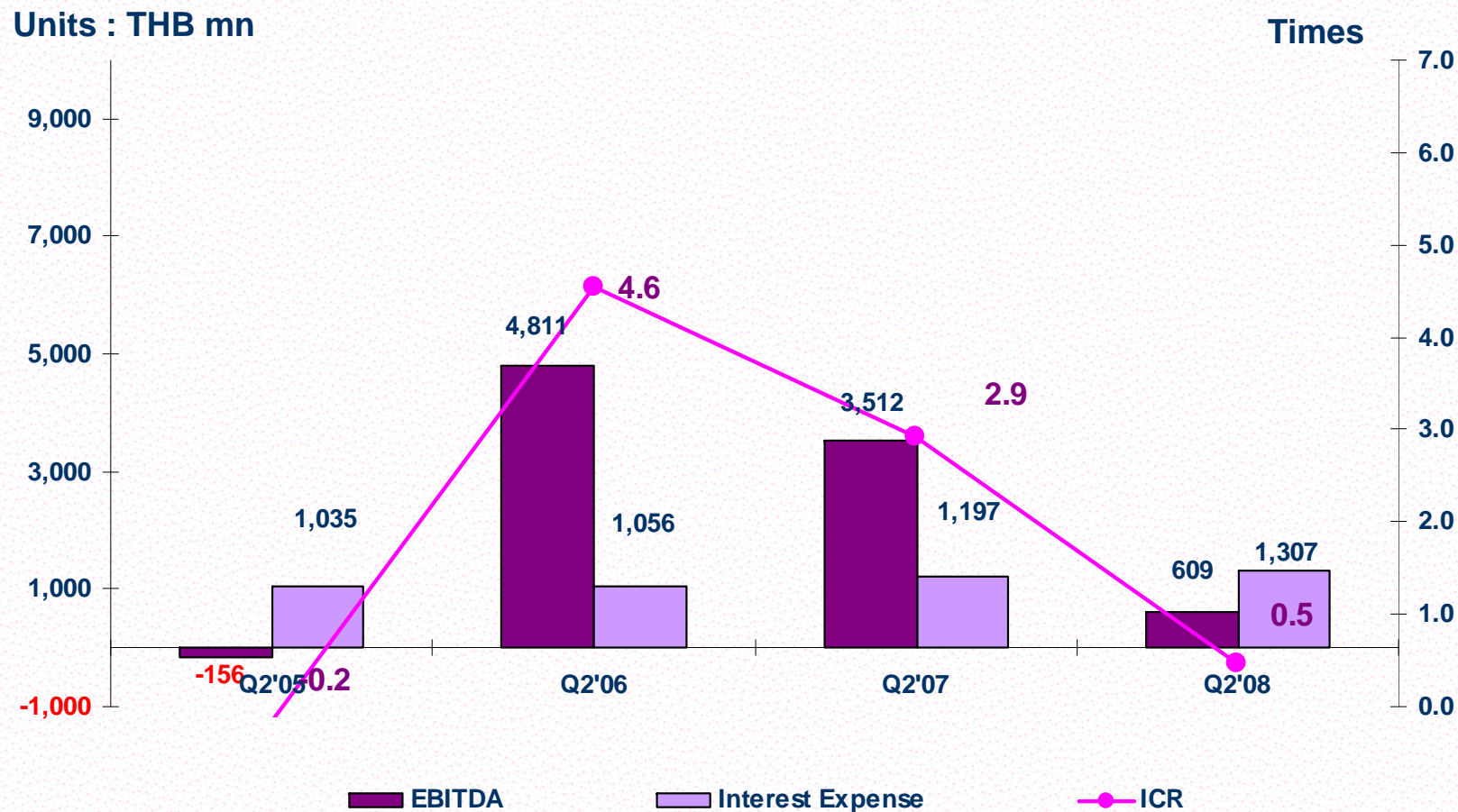
Units : THB mn



- Fuel cost the main culprit for disappointing performance
- Operating profit still in the black with worst Operating factors

Financial Performance

Interest Coverage Ratio

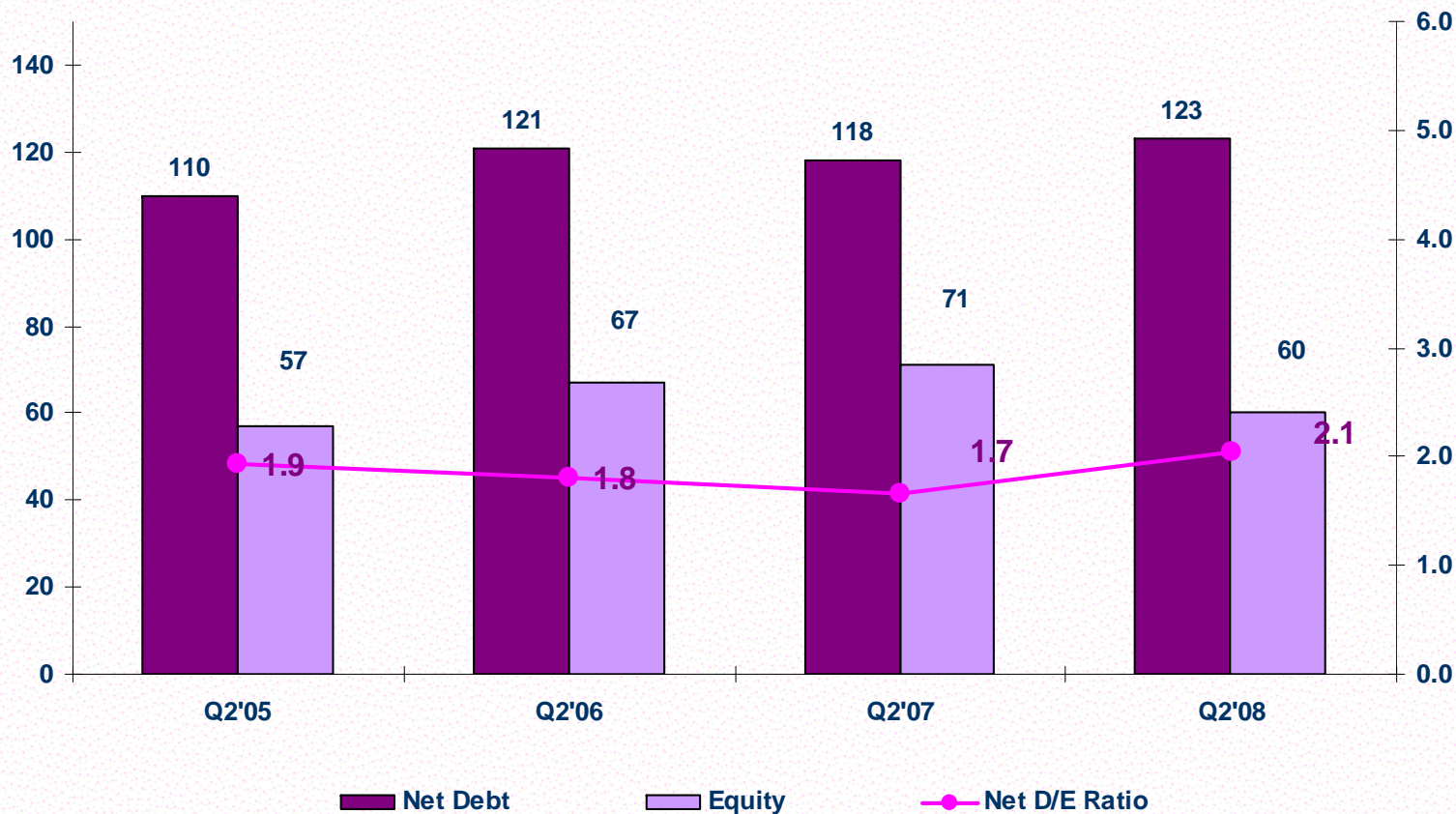


*Note : ICR =EBITDA / INTEREST EXPENSE

Net Debt/Equity Ratio

Units : THB mn

Times



5. Going Forward

Going Forward

- **Revenue Maximization** - Optimizing flights to profitable regional 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 Fleet Restructuring**



SAWASDEE