

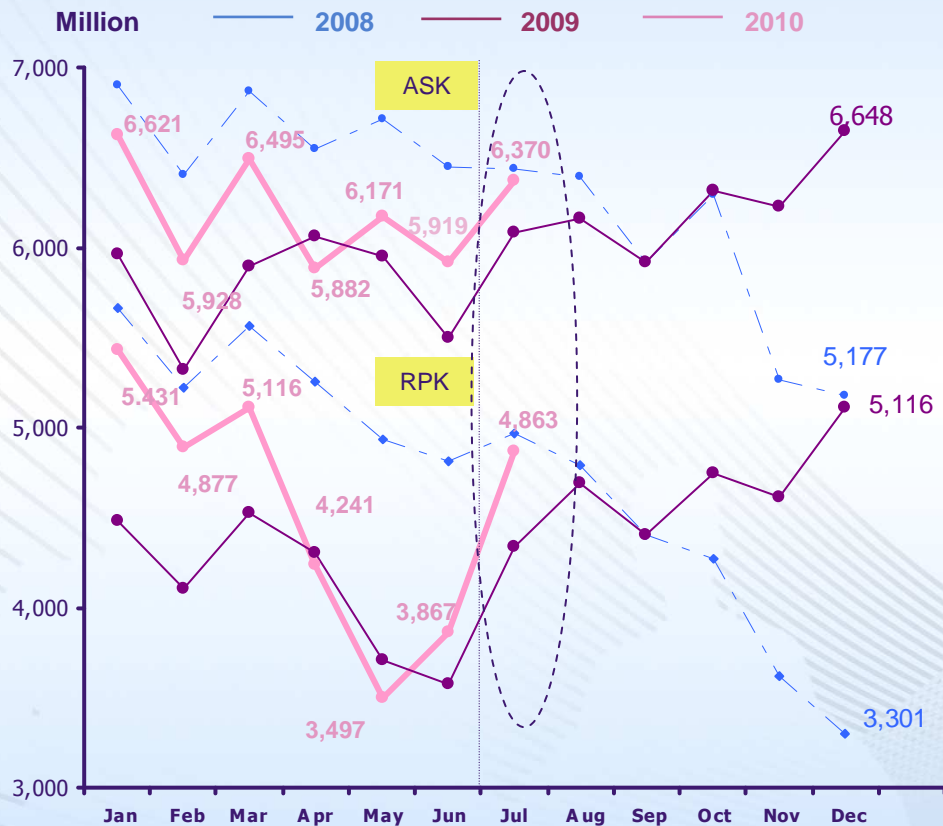
The logo for Thai Airways International, featuring a stylized golden bird emblem to the left of the word "THAI" in a bold, purple, serif font.

**2Q/2010 Analyst Briefing
& SET Opportunity Day**

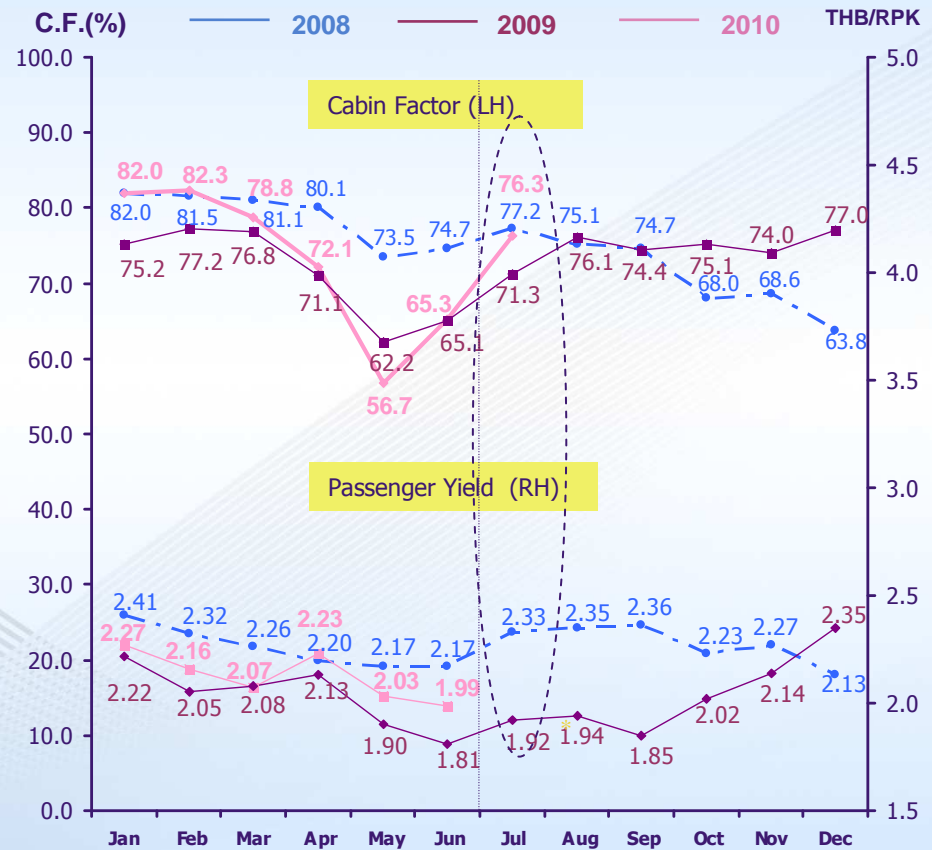
Operating Statistic



A Passenger Production & Traffic



B Cabin Factor & Passenger Yield (Excl. Surcharge)

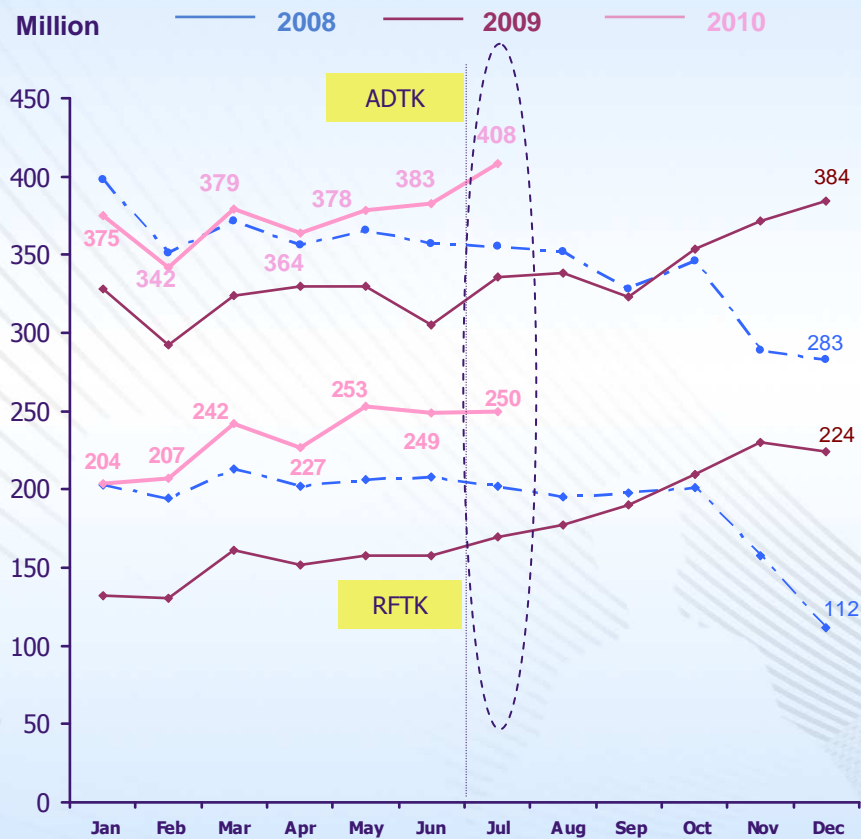


Investor Relations

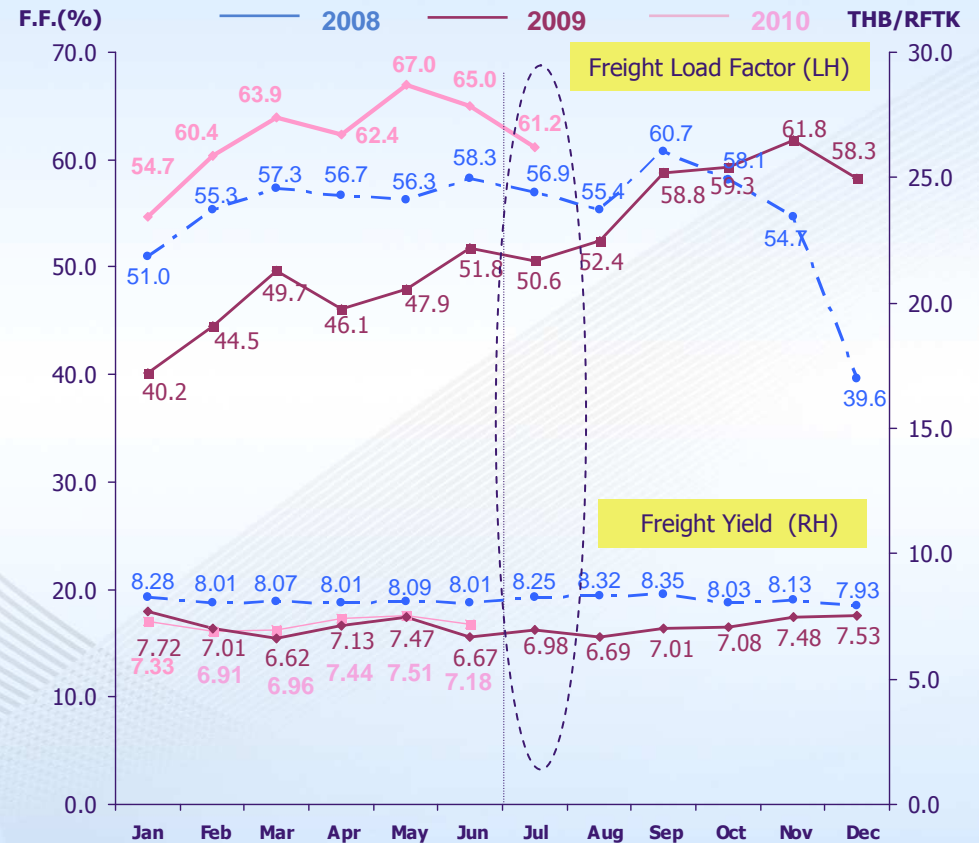
Operating Statistic



A Freight Production & Traffic



B Freight Load Factor & Freight Yield (Excl. Surcharge)



(E) = Estimate



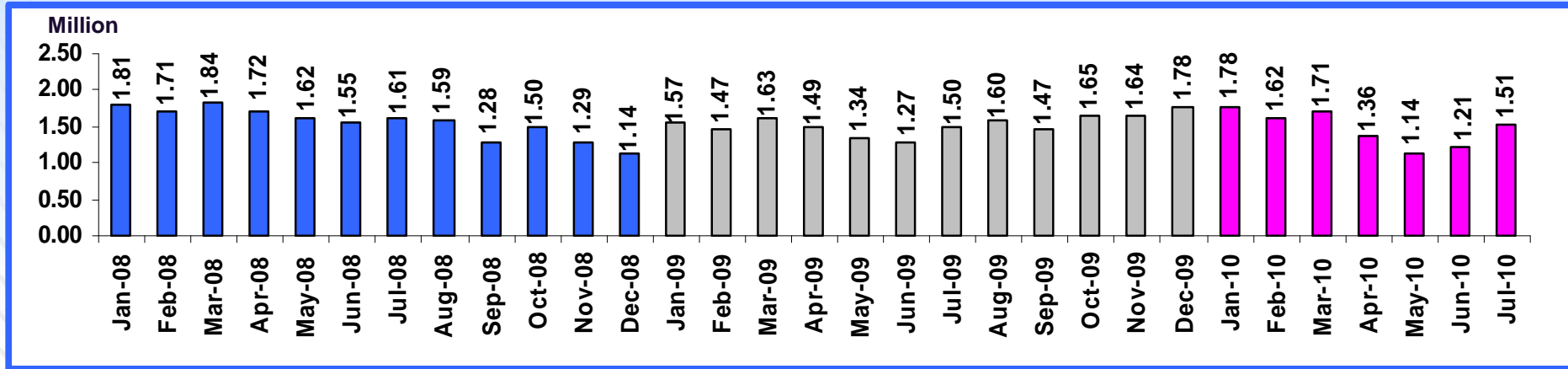
Investor Relations

Operating Statistic



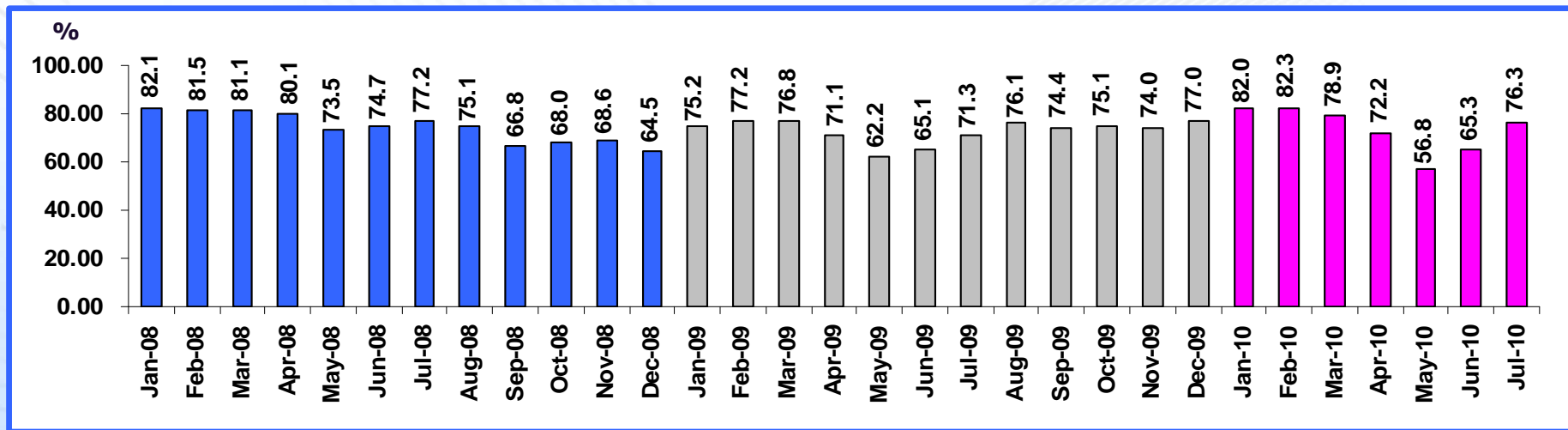
A

Passenger Number



B

Cabin Factor



Investor Relations

■ 2008

■ 2009

■ 2010

<http://www.thaiair.com/about-thai/investor-relations/en/investor.html>

Financial Performance



Performance Summary

THAI and its subsidiary

(Unit : MTHB)

Revenue

Operating Revenue

Other Revenue

Total

Expense

Operating Expense

Other Expense *

FX Gain (Loss)

Financial Expense

Total

EBT

Net Profit (Loss)

Net Profit per share (Baht)

Operating Profit

EBITDA

EBT&FX

	Apr-Jun		Diff.	
	2010	2009	Amount	%
Operating Revenue	38,759	34,362	+4,397	+12.8
Other Revenue	875	267	+608	+227.7
Total	39,634	34,629	+5,005	+14.5
Operating Expense	40,691	36,568	+4,123	+11.3
Other Expense *	(41)	110	-151	-137.3
FX Gain (Loss)	4,391	(1,822)	+6,213	+341.0
Financial Expense	1,263	1,423	-160	-11.2
Total	37,522	39,923	-2,401	-6.0
EBT	2,112	(5,294)	+7,406	+139.9
Net Profit (Loss)	1,553	(5,403)	+6,956	+128.7
Net Profit per share (Baht)	0.91	(3.18)	4.09	+128.6
Operating Profit	(1,932)	(2,206)	+274	+12.4
EBITDA	3,186	2,965	+221	+7.5
EBT&FX	(2,279)	(3,472)	+1,193	+34.4

* Including share of losses from investments by the equity method

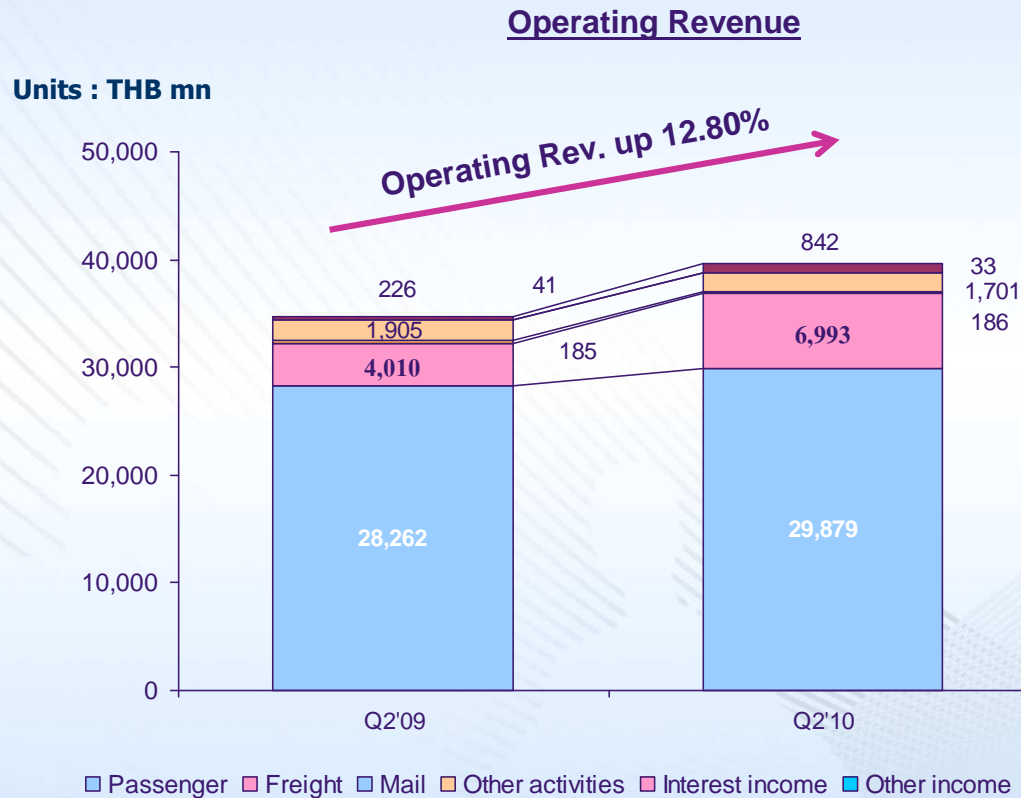


Investor Relations

Financial Performance



Operating / Total Revenue (Q2'09 & Q2'10)



Total Revenue

	% Change	% to Tot. Rev.
Passenger	5.72	75.39
Freight	74.38	17.64
Mail	0.48	0.47
Other activities	-	4.29
Interest income	-	0.08
Other income	272.90	2.13
Total Income	14.48	100.00



Investor Relations

Financial Performance

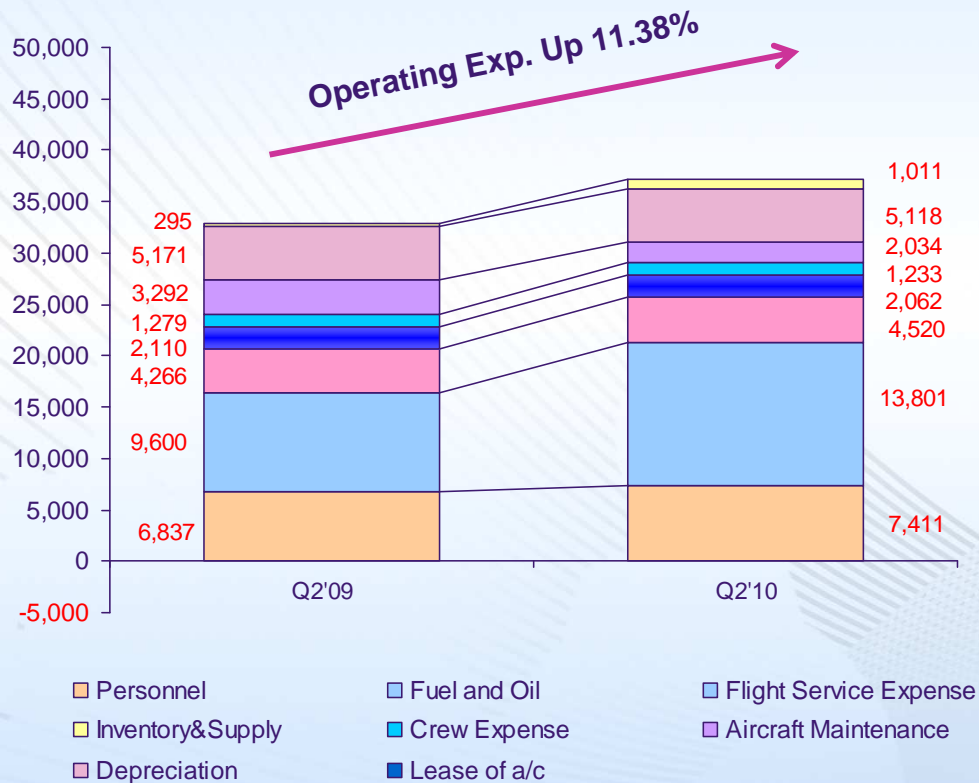


Operating / Total Expense (Q2'09 & Q2'10)

Units : THB mn

Operating Expense

Total Expense



	% Change YoY	% of Tot. Exp.
Personnel expense	8.39	20.34
Fuel and oil	43.76	37.86
Flight service expense	5.95	12.41
Inventories and supplies	-2.26	5.66
Crew expense	-3.56	3.39
Maintenance/overhaul	-38.24	5.58
Depreciation/amortisation	-1.03	14.05
Aircraft lease/spare parts	242.77	2.78
Other expense	-113.3	-2.07
Total Expense	-5.44	100.00



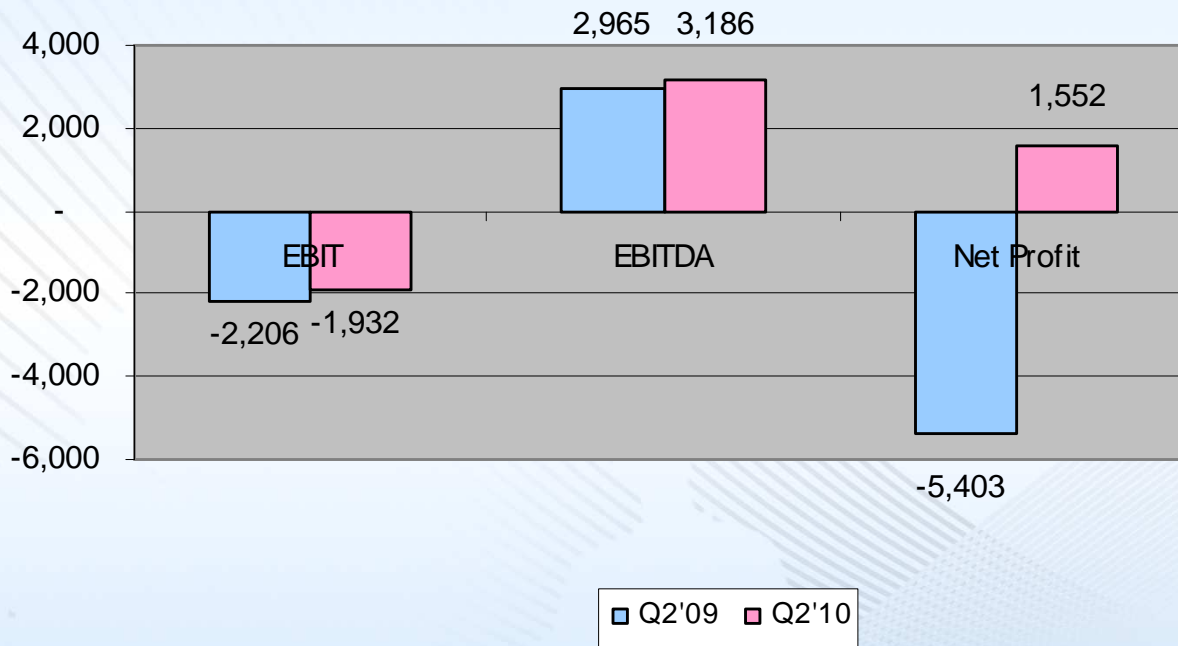
Investor Relations

Financial Performance



EBIT, EBITDA and Net Profit (Q2'09 & Q2'10)

Units : THB mn



Factors Improving Q2'10 Results

- Quick adjustments in operations to events
- Stronger contribution from freight business
- Focus on RBD management
- Control expense



Investor Relations

Financial Performance



Ratios Q2

RATIOS	unit	2008	2009	2010
Operating Profit Margin	(%)	- 8.9	- 6.4	- 5.0
Net Profit Margin	(%)	- 18.4	15.7	4.0
Return on Total Assets	(%)	- 3.5	- 2.1	0.6
Return on Equity	(%)	- 14.2	- 10.6	2.4
Total Debt to Equity	(times)	3.4	4.4	3.1
EBIT	(MTHB)	- 4,477.0	- 2,206.0	1,932.0
EBITDA	(MTHB)	583.0	2,965.0	3,186.0



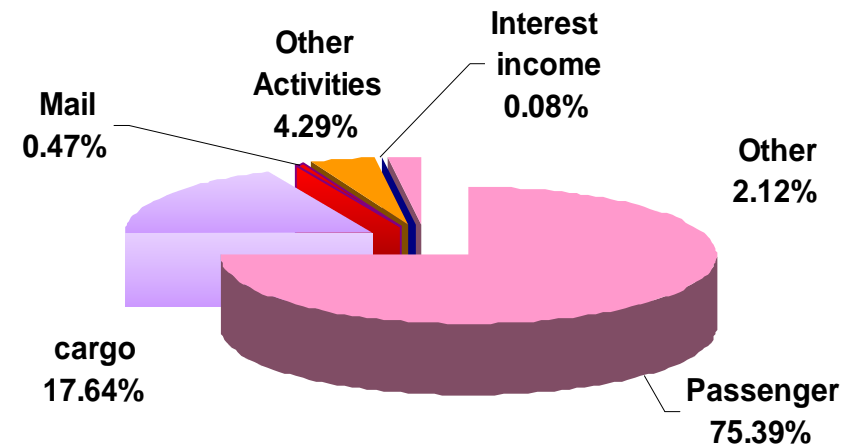
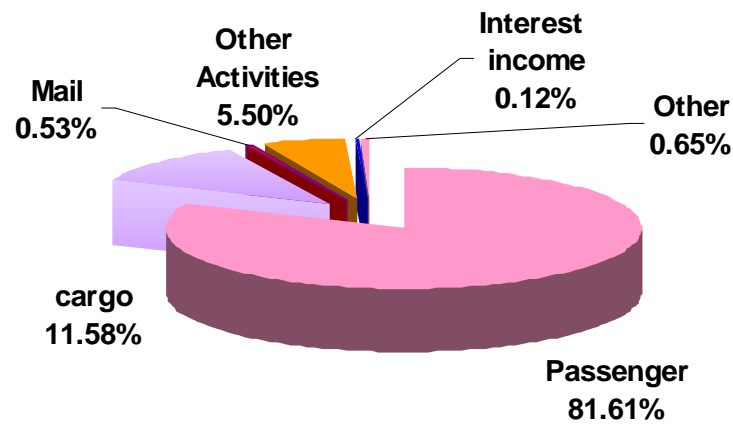
Financial Performance



Revenue Breakdown Q2'10 over Q2'09

(Q2'09)

(Q2'10)



Investor Relations

Financial Performance



Performance Summary

THAI and its subsidiary

(Unit : MTHB)

Revenue

Operating Revenue

Other Revenue

Total

Expense

Operating Expense

Other Expense *

FX Gain (Loss)

Financial Expense

Total

EBT

Net Profit (Loss)

Net Profit per share (Baht)

Operating Profit

EBITDA

EBT&FX

	Jan-Jun		Diff.	
	2010	2009	Amount	%
Operating Revenue	87,673	75,045	+12,628	+16.8
Other Revenue	1,767	854	+913	+106.9
Total	89,440	75,899	+13,541	+17.8
Operating Expense	83,336	72,785	+10,551	+14.5
Other Expense *	165	260	-95	-36.5
FX Gain (Loss)	10,090	2,788	+7,302	+261.9
Financial Expense	2,608	2,872	-264	-9.2
Total	76,019	73,129	+2,890	+4.0
EBT	13,421	2,770	+10,651	+384.5
Net Profit (Loss)	12,275	2,465	+9,810	+398.0
Net Profit per share (Baht)	7.23	1.45	+5.78	+398.6
Operating Profit	4,337	2,260	+2,077	+91.9
EBITDA	14,671	12,505	+2,166	+17.3
EBT&FX	3,331	(18)	+3,349	

* Including share of losses from investments by the equity method

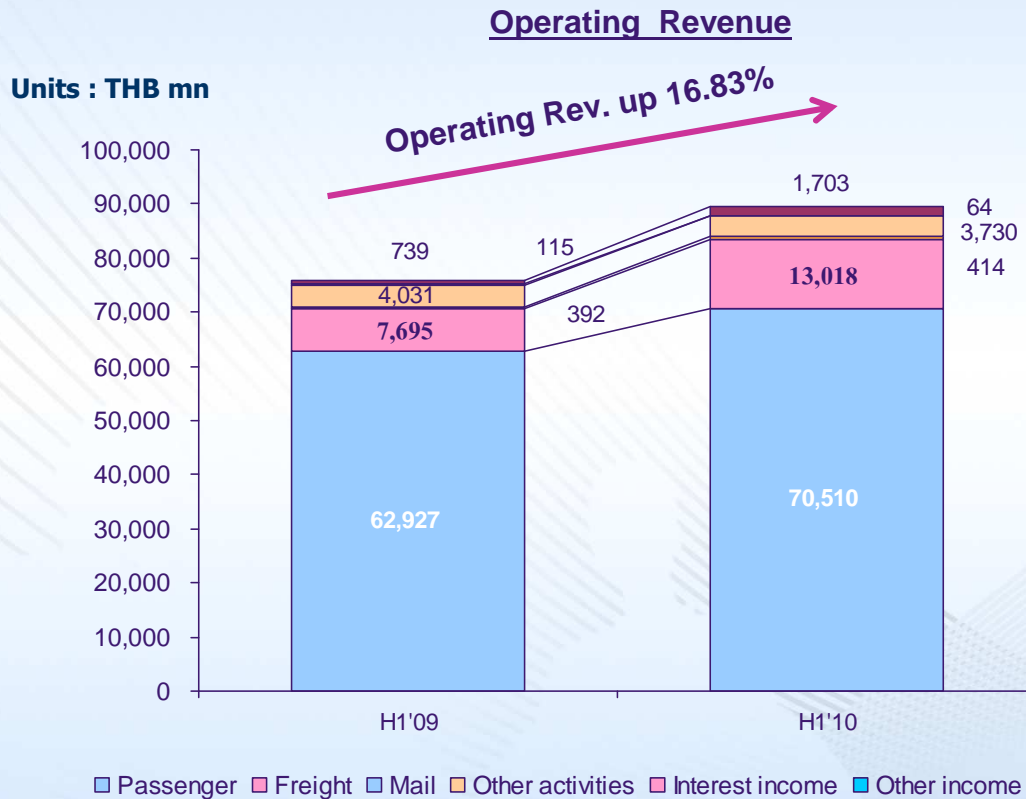


Investor Relations

Financial Performance



Operating / Total Revenue (H1'09 & H1'10)



Total Revenue

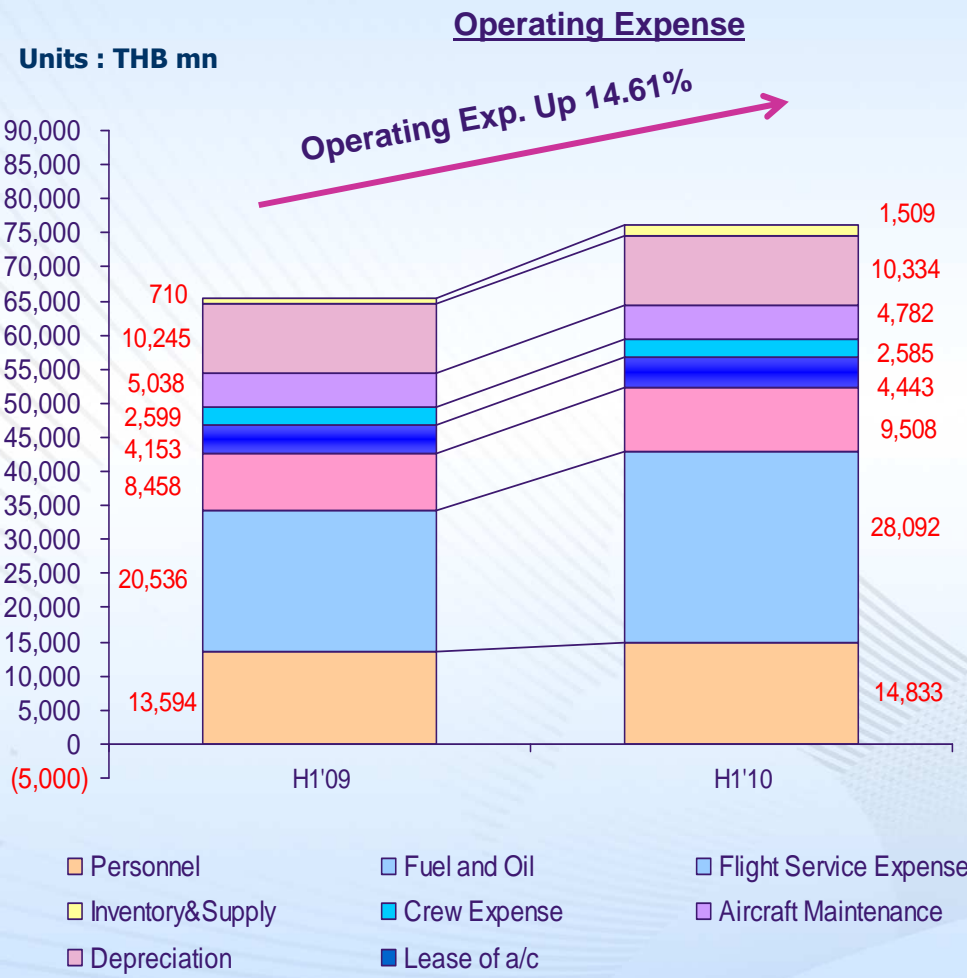
	% Change	Tot. Rev.
Passenger	12.05	78.84
Freight	69.17	14.56
Mail	5.61	0.46
Other activities	-7.46	4.17
Interest income	-44.08	0.07
Other income	130.49	1.90
Total Income	17.84	100.00



Financial Performance



Operating / Total Expense (H1'09 & H1'10)



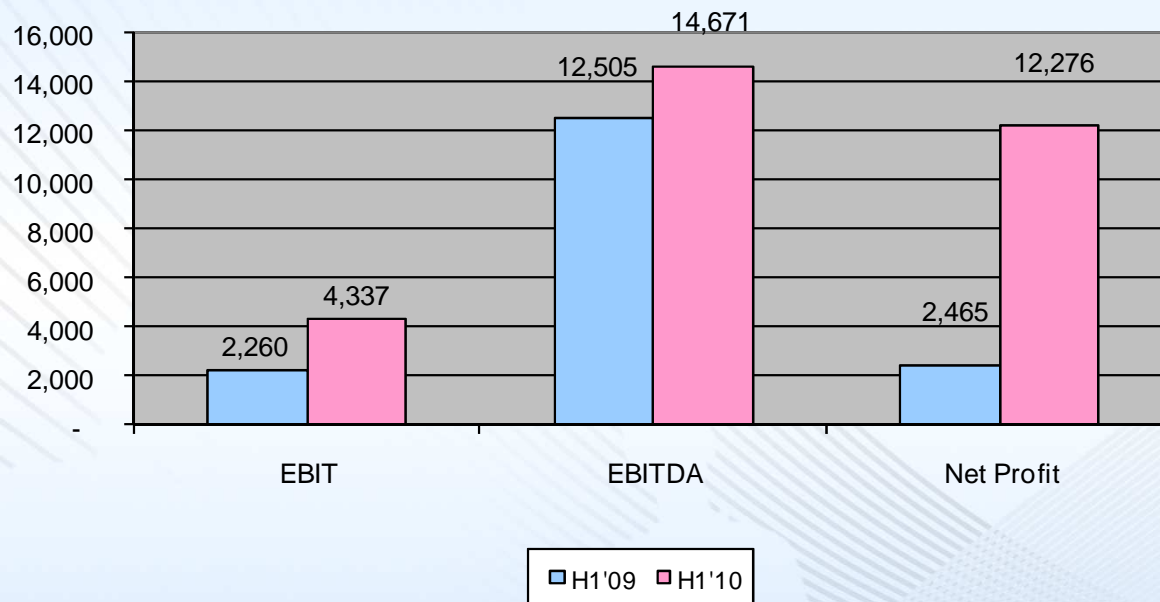
Total Expense

	% Change YoY	% of Tot. Exp.
Personnel expense	9.11	20.16
Fuel and oil	36.80	38.18
Flight service expense	12.41	12.92
Inventories and supplies	6.98	6.04
Crew expense	-0.53	3.51
Maintenance/overhaul	-5.08	6.50
Depreciation/amortisation	0.87	14.04
Aircraft lease/spare parts	112.45	2.05
Other expense	-150.58	-3.4
Total Expense	4.69	100.00



EBIT, EBITDA and Net Profit (H1'09 & H1'10)

Units : THB mn



Factors Improving H1'10 Results

- Control personnel expense – outsource and OT
- Ability to maintain suitable fuel surcharge
- Focus on RBD management





Ratios H1

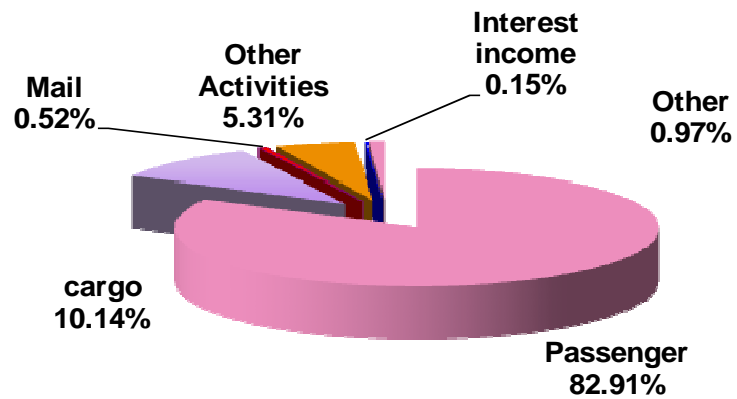
RATIOS	unit	2008	2009	2010
Operating Profit Margin	(%)	- 0.1	3.0	5.0
Net Profit Margin	(%)	- 6.7	3.3	14.0
Return on Total Assets	(%)	- 2.6	1.0	4.6
Return on Equity	(%)	- 11.0	5.2	20.8
Total Debt to Equity	(times)	3.4	4.4	3.1
EBIT	(MTHB)	- 134.0	2,260.0	4,337.0
EBITDA	(MTHB)	9,918.0	12,505.0	14,671.0



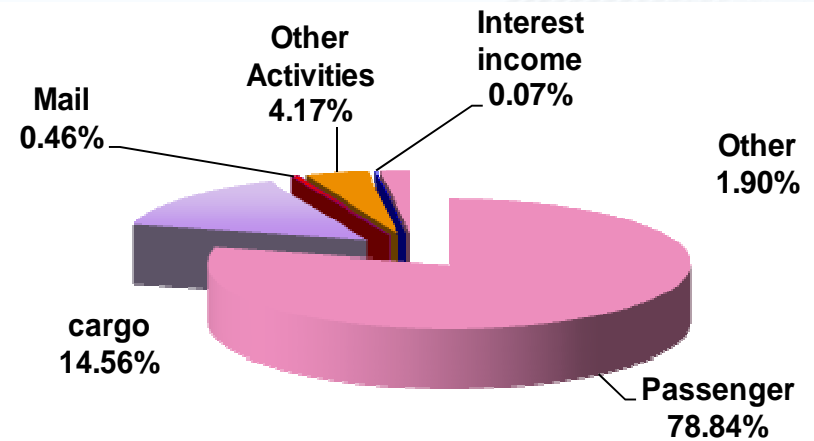


Revenue Breakdown H1'10 over H1'09

(H1'09)



(H1'10)



Financial Performance



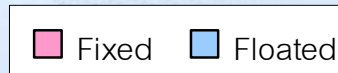
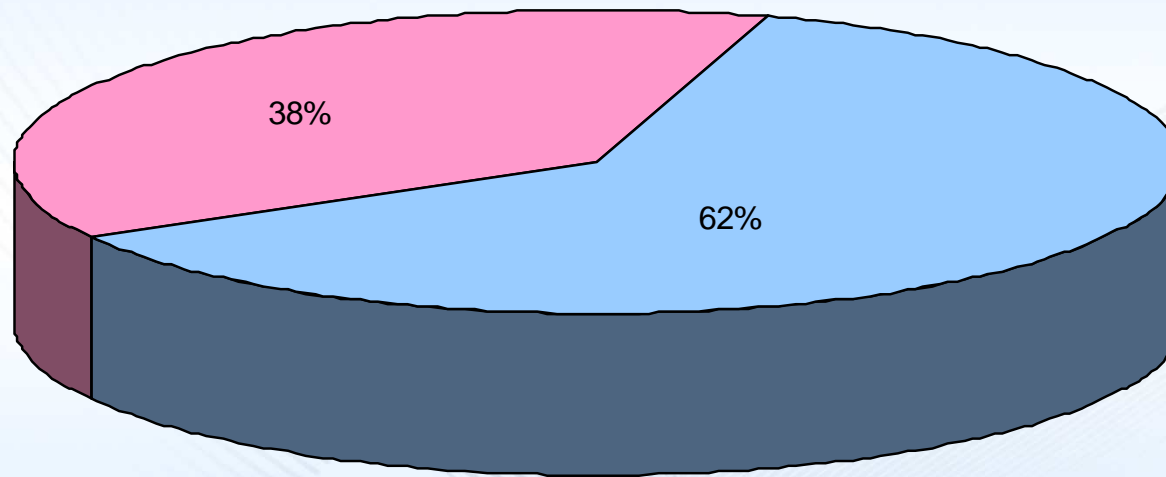
January 2010 – Jun 2010

						Unit : MTHB			
	Revenue		Expense		Surplus or Deficit Amount	Outstanding Balance			
	Amount	%	Amount	%		Amount	%	After Swap	
								Amount	%
USD BASED	41,254	47.15	44,068	60.52	- 2,814	3,174	2	1,958	1
USD	9,015		38,713		- 29,698				
Others ⁽¹⁾	32,239		5,355		26,884				
EUR BASED	18,198	20.80	3,953	5.43	14,245	51,933	37	53,088	38
EUR	8,651		2,741		5,910				
Others ⁽²⁾	9,547		1,212		8,335				
JPY	6,106	6.98	1,960	2.69	4,146	15,335	11	15,334	11
THB	21,946	25.08	22,839	31.36	- 893	69,002	49	69,002	50
TOTAL	87,504	100.00	72,820	100.00	14,684	139,444	100	139,382	100





Proportion of Fixed and Float Rate Borrowings (Before Swap)



Percentage of TOTAL
(TOTAL = 139,444 MTHB)





Thai Airways Update

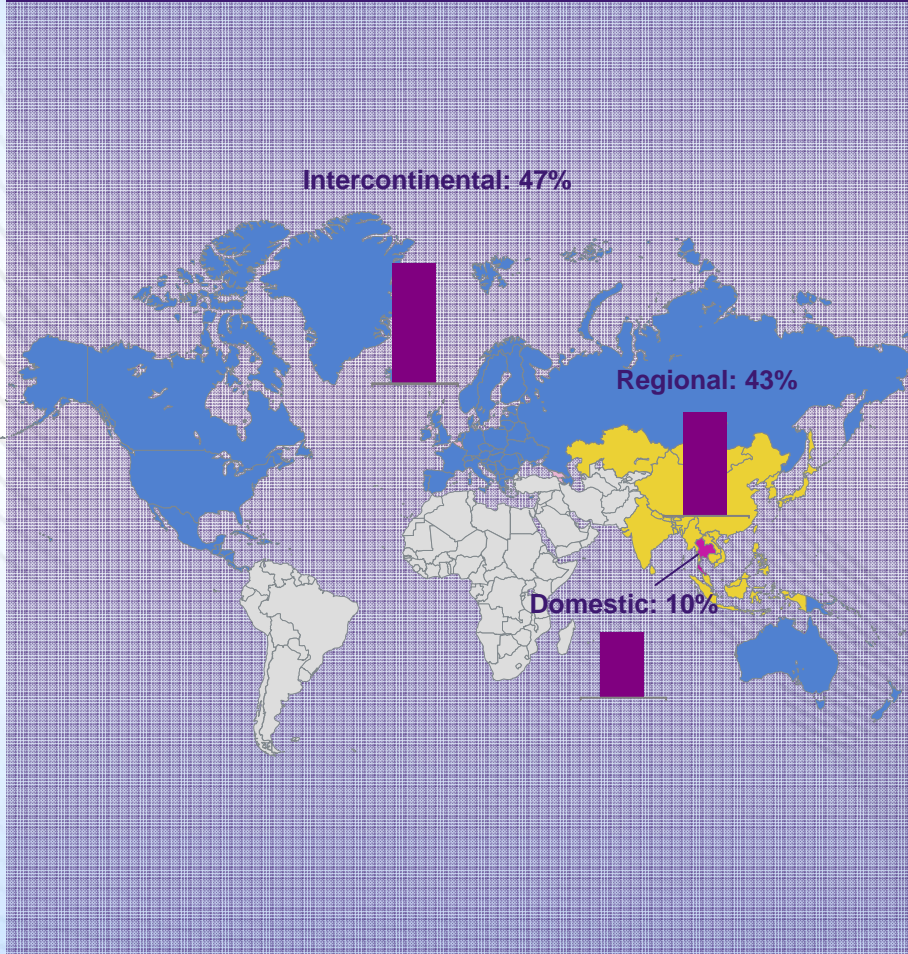


Investor Relations

Highly Defensible Route Network



Global Revenue Allocation (1H 2010)



Network Strengths

- ✓ High Proportion of Thailand O&D Traffic
- ✓ Limited Direct Competition with LCCs
- ✓ 90% of Revenue Derived from International Markets
- ✓ Large Proportion of Domestic Traffic Connects from Our International Network
- ✓ Central Geographic Location in Asia
- ✓ State-of-the-Art Airport Facilities

Network Weaknesses

- ✗ Penetration of Domestic and Regional Low Fare Market
- ✗ Significant Reliance on Travel to Thailand

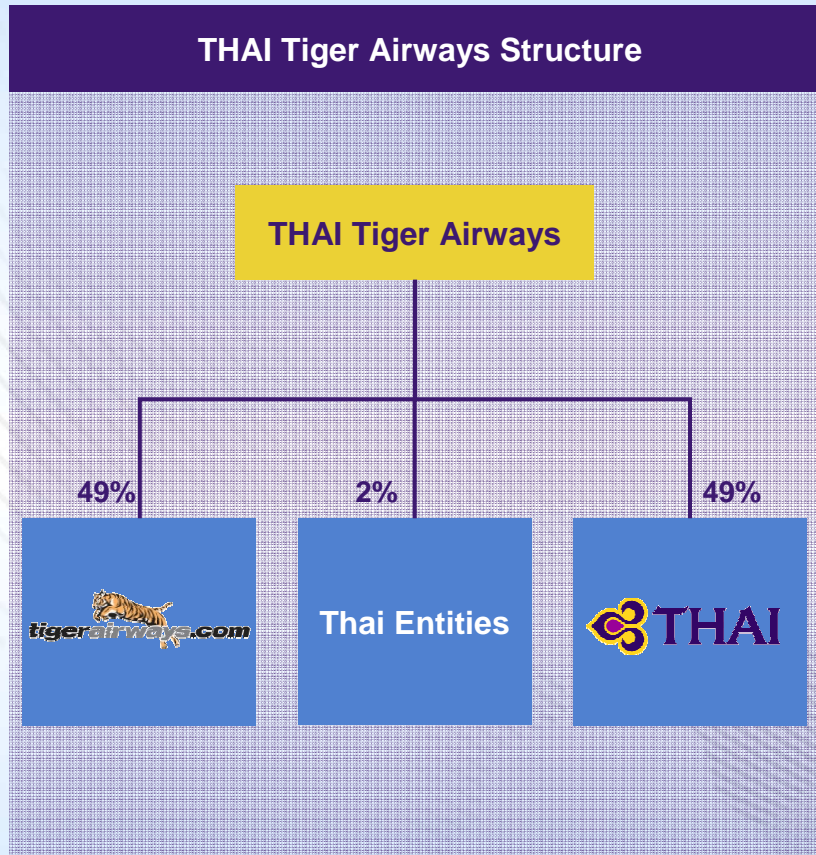


Investor Relations

THAI Tiger Airways: A New Vehicle For Growth



THAI Tiger Airways Structure



Summary of Key MOU Terms

- ✓ Board Composition: 3 THAI and 2 Tiger Airways
- ✓ Initial capitalization of THB 200 MM
- ✓ Route network focused on 5-hour flying radius
- ✓ Tiger Airways livery
- ✓ Tiger Airways operations, cost structure and fares
- ✓ Operations expected to begin 1Q 2011

We expect to position THAI-Tiger Airways as a low cost offering to capture the fast growing low cost travel market in Asia



Investor Relations

Continuing to Diversify Route Network



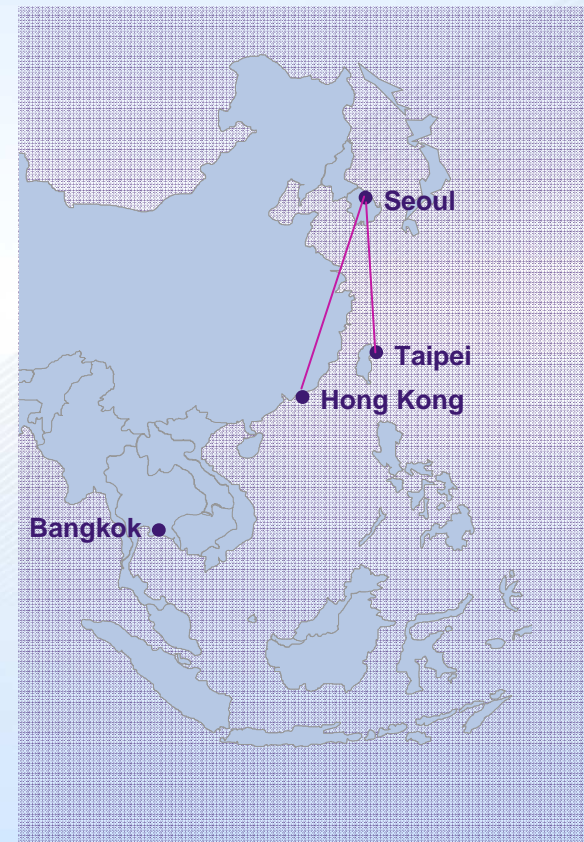
Further Develop Phuket



Connect Traffic through Bangkok



Leverage Fifth Freedom Rights

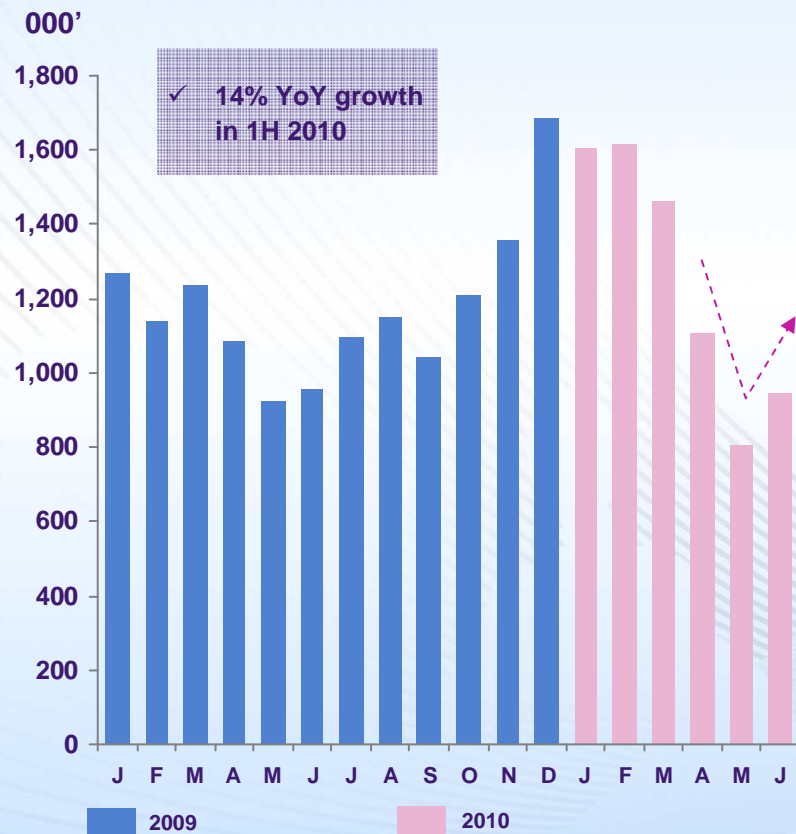


Investor Relations

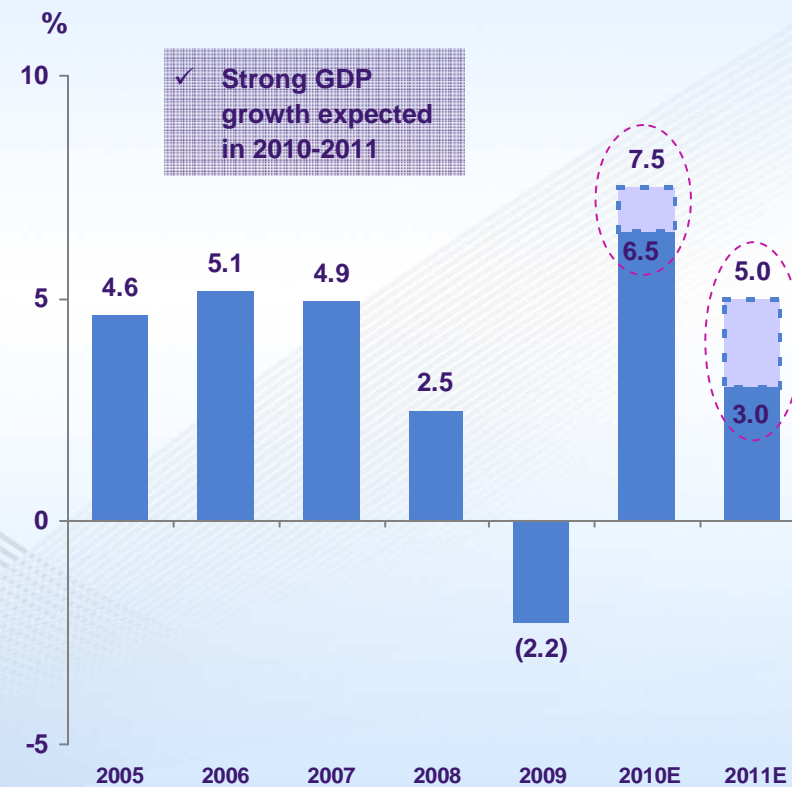
Resilient Passenger Traffic Market



Foreign Tourist Arrivals



Thailand – Real GDP Growth



Source: Bank of Thailand

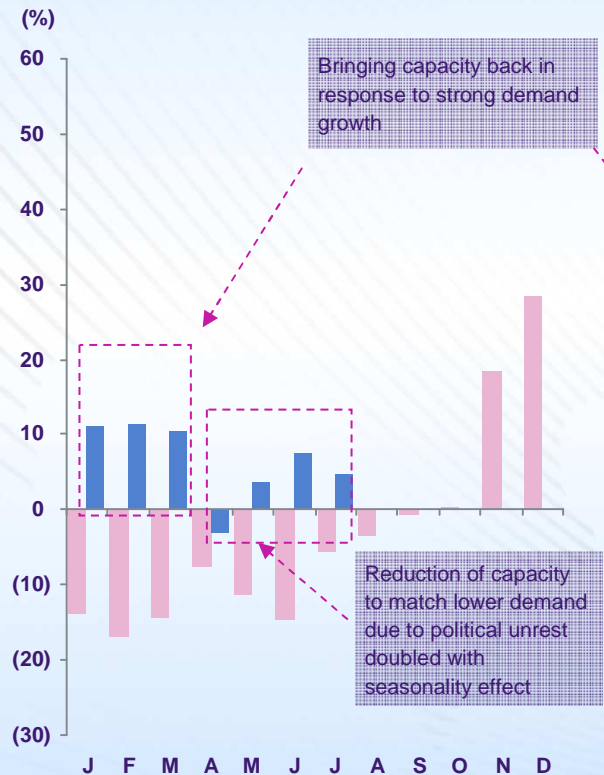


Investor Relations

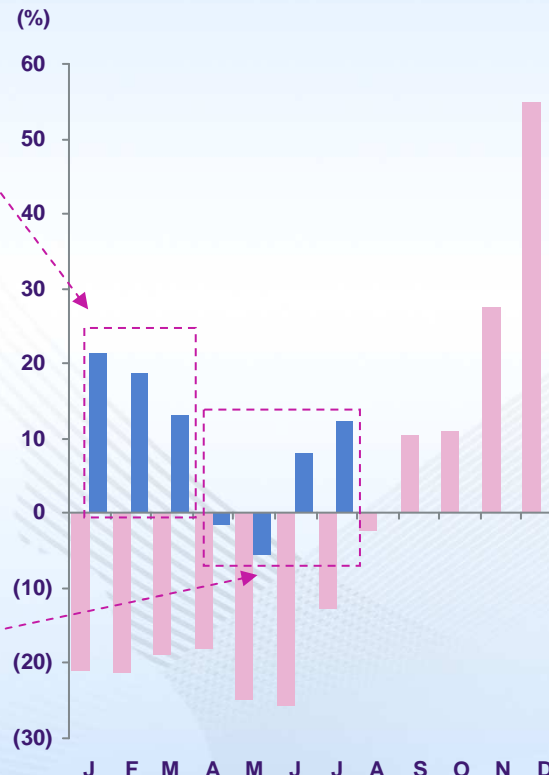
Strong Performance Despite Setbacks in May



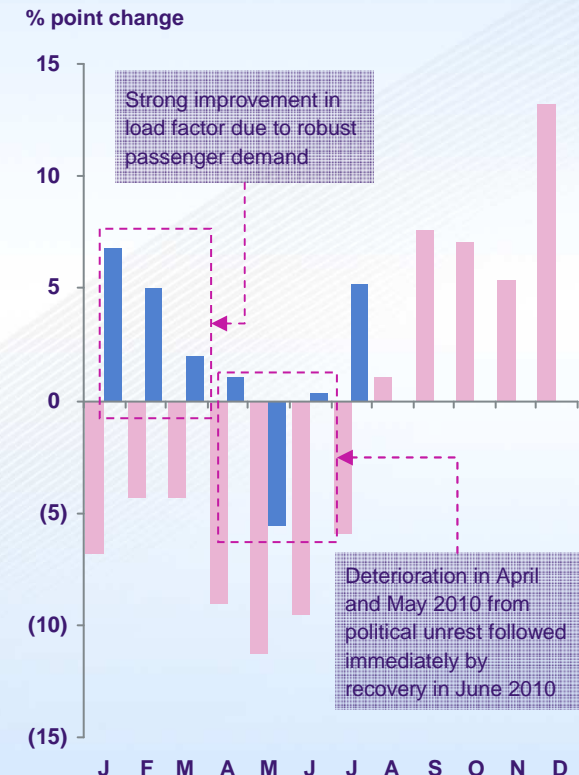
Capacity (ASK) Growth YoY



Demand (RPK) Growth YoY



Cabin Factor Growth YoY



2009 vs. 2008 Growth

2010 vs. 2009 Growth

Source: THAI's IR Operating Statistics

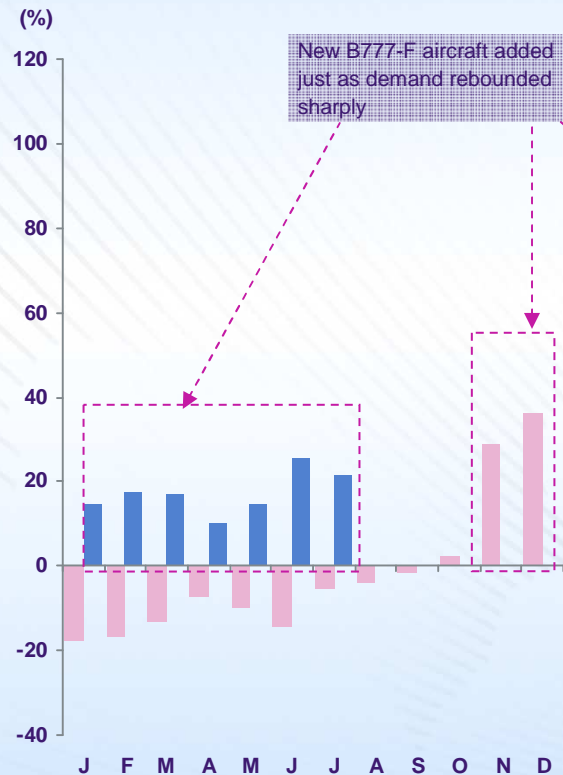


Investor Relations

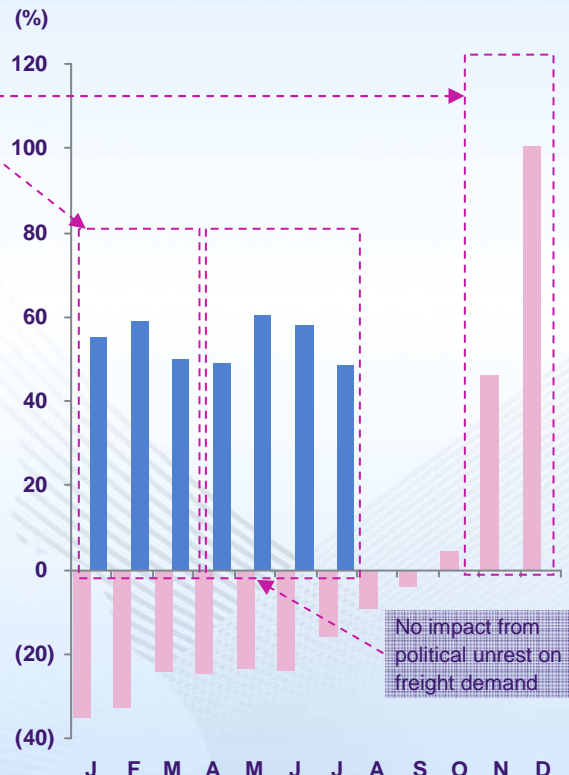
Cargo Continues to Perform Well



Capacity (AFTK) Growth YoY



Demand (RFTK) Growth YoY



Freight Factor Growth YoY



■ 2009 vs. 2008 Growth
 ■ 2010 vs. 2009 Growth

Source: THAI's IR Operating Statistics

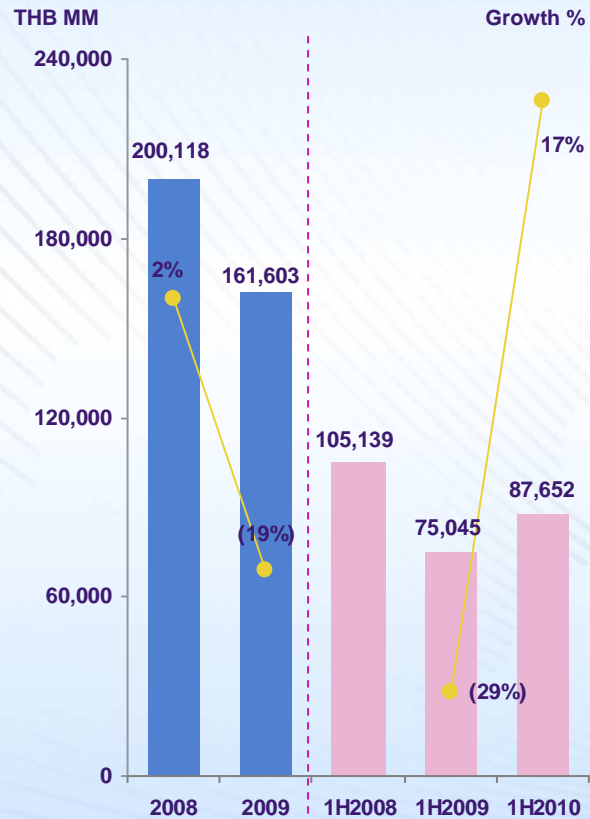


Investor Relations

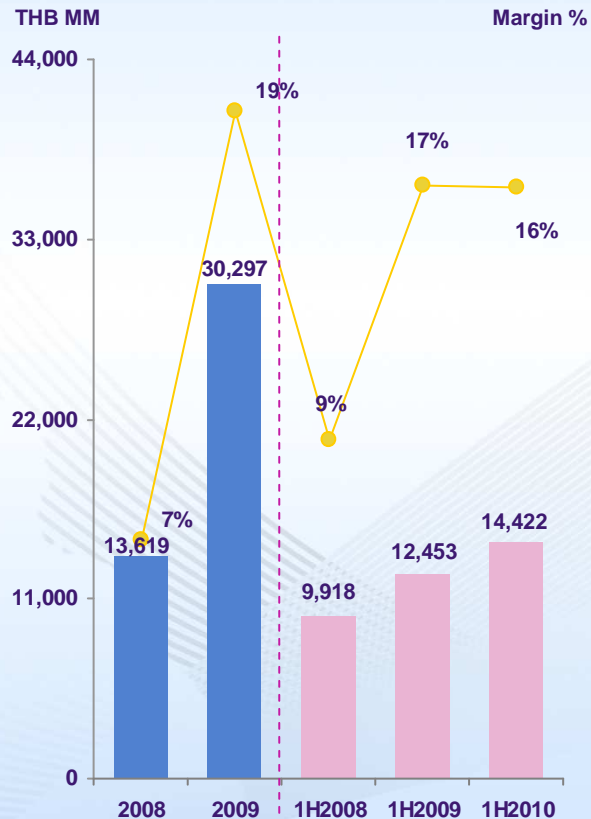
Robust Recovery in 1Q 2010 Helped Overall Results



Revenue



EBITDA



Net Income

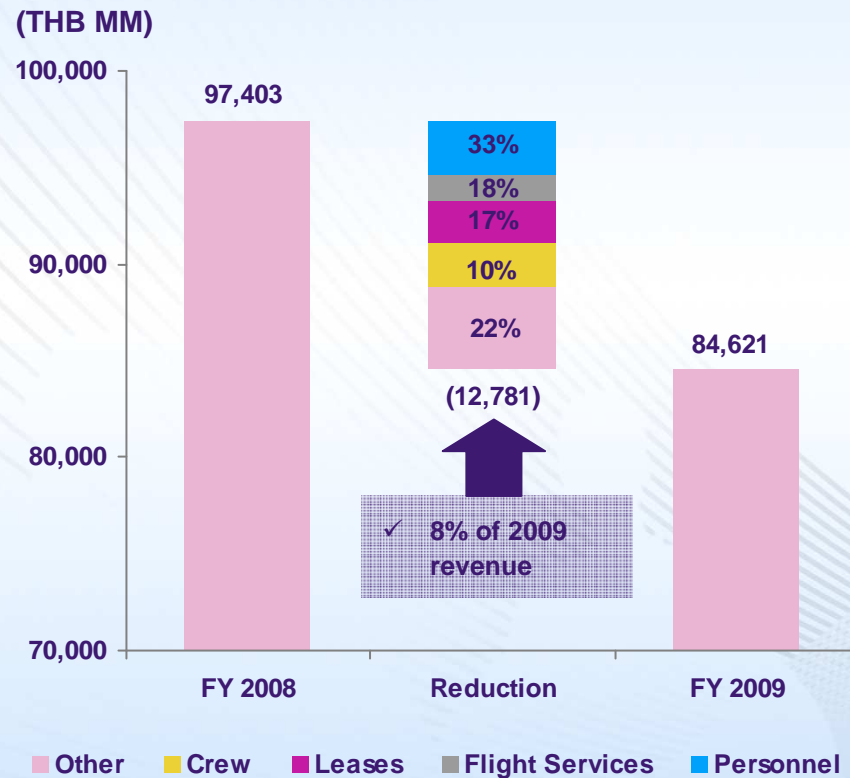


Investor Relations

Cost Cutting Initiative Continue to Progress



Reduction of Controllable Costs ⁽¹⁾



Cost Reduction Initiatives Ongoing

- ↓ Increase Internet Sales and Lower Reservation Fees
- ↓ Personnel and Crew Cost Control Measures
- ↓ Improved Fuel Management
- ↓ Renegotiation of Key Supplier Contracts

(1) Non-fuel expenses excluding depreciation and amortization, interest expenses, FX gains/losses and other one-time items



Investor Relations

Implementing Business Strategies to Make THAI More Dynamic



Action	Impact
<ul style="list-style-type: none">Establish KPI's for senior management	<ul style="list-style-type: none">Improve accountability and align objectives with shareholders
<ul style="list-style-type: none">Business units to operate as profit centers	<ul style="list-style-type: none">Empower managers to focus on bottom line results
<ul style="list-style-type: none">Streamline decision making	<ul style="list-style-type: none">Improve efficiency and reaction time
<ul style="list-style-type: none">Implement corporate governance measures	<ul style="list-style-type: none">Expose corporate wrongdoing
<ul style="list-style-type: none">Invest in IT system upgrades	<ul style="list-style-type: none">Better-informed decisions



Economy Class Seats for 5 A330-300s



- In September 2009, EASA suspended the installation of seats manufactured by Koito Industries on all Airbus aircraft due to safety-test issues. This affects the economy class seats of five A330-300 of THAI which were delivered in December 2009 and March 2010
- The five aircraft are currently parked in Bordeaux, France
- THAI terminated the contract with Koito on August 2, 2010 and has appointed ZIM Flugsitz GmbH ("ZIM") to provide the required seats. THAI expects the seats to be delivered by ZIM between February 2011 - June 2011
- Failure to provide the seats in time would cause THAI to default on some of the ECA guaranteed loans. However, THAI has obtained from the ECA an extension of seat installation deadline until October 22, 2011



Implement Comprehensive Financing Program



Key Objectives of Financing Program



To reduce the amount of loan repayment in the short-term by negotiating with both existing and new financial institutions to increase average loan life



To fulfill all funding requirement for 2010



To facilitate interest rate hedging

