



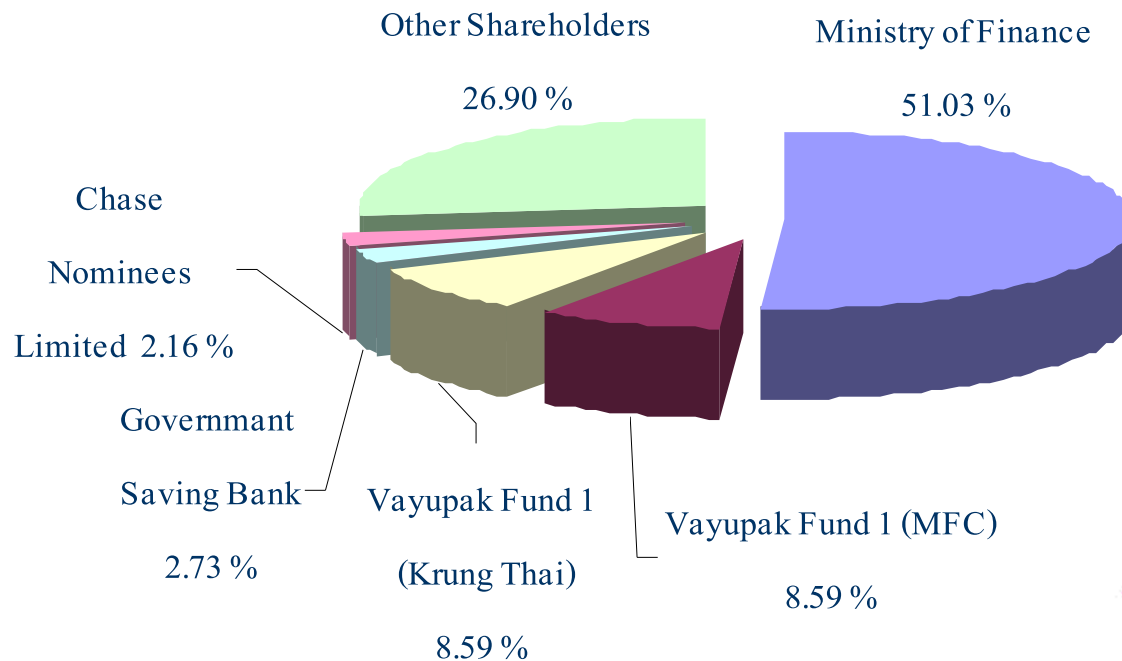
THAI AIRWAYS INTERNATIONAL Plc.

(Jul'08-Sep'08)

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

1. The Company

Shareholders



- **Registered Capital : 17,000 mn**
- **Par Value (THB) : 10**
- **Issued and paid-up : 16,989 mn**
- **Market Capitalization: 20,230 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

- Cover 69,397 square meters
- 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's Facilities at Suvarnabhumi



Operations Center

- Cover 55,564 square meters
- Crew Terminal
- Crew Center
- Ground & Flight Operations Center
- THAI city Headquarter
- Landmark



Ground Support Equipment

- Cover 89,416 square meters
- Environment Revolution
- Maintenance Shop Under One Roof
- New Modern Maintenance Equipment
- Enhancement Superior Quality & safety



Cargo & Mail

- Cover 112,885 square meters
- 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 / 324 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* - Surat Thani
- Phuket * - Krabi
- Samui

* Remark : International Airport

International

60 Destinations / 606 Flights / week

Routes	Countries	Destinations
Regional	20	41
Northern	5	15
Southern	4	5
Indochina	3	4
Western	5	11
Middle East	3	6
Intercontinental	14	19
North Pacific	1	1
Europe	10	12
Australia & New Zealand	2	5
South Africa	1	1

Aircraft Fleet

As of Sep 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 : One ATR 72 aircraft lease to Nok Air

Star Alliance (The Way the Earth Connects)

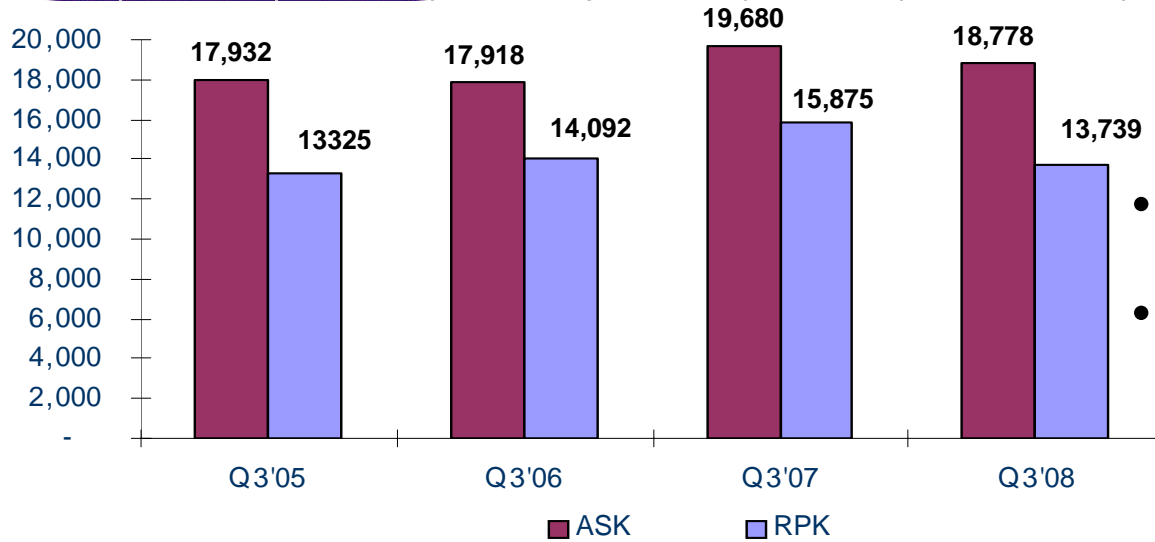
Founding Members	Member Carriers		Regional Carriers
- Air Canada	- Air China	- Air New Zealand	- Adria Airways
- Lufthansa	- ANA	- Asiana Airlines	- Blue 1
- Scandinavian Airlines	- Austrian	- Bmi	- Croatia Airlines
- Thai Airways	- Egypt Air	- LOT Polish Airlines	
- United Airlines	- Shanghai Airlines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

2. Statistical Information

- **Destinations** : Domestic = 12
International = 60
- **Continents served** : 5
- **Total aircraft in fleet** : 88 of which 5 are leased to Nok Air
- **Flight frequency per week** : International Routes 606 Flts/Week
Domestic Routes 324 Flts/Week
- **Monthly passengers carried** : 1.45 million average
- **Staff count** : 27,887
- **Core Staff** : 12,842

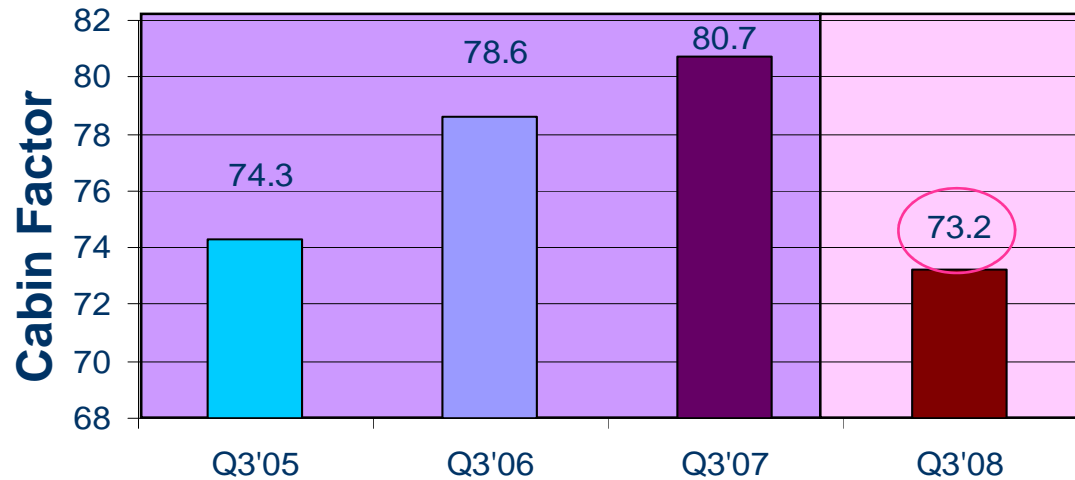
	<u>Q3'07</u>	<u>Q3'08</u>	<u>% Change</u>
Passenger revenue earned (MTHB) :	39,862	43,951	+ 10.26%
Million Availabel Seat Kms. (MASK) :	19,860	18,778	- 4.58%
Million Revenue Passenger Kms. (MRPS)	15,875	13,739	- 13.46%
Cabin factor (%) :	80.7	73.2	- 9.30%
Freight load factor (%) :	54.16	57.39	+ 5.95%
Load factor (%) :	71.1	68.1	- 4.30%
Aircraft utilization (hrs) :	11.93	11.40	- 4.47%

ASK, RPK (Million)



- **ASK** decreased yoy by 4.58%
- **RPK** decreased yoy by 13.46%

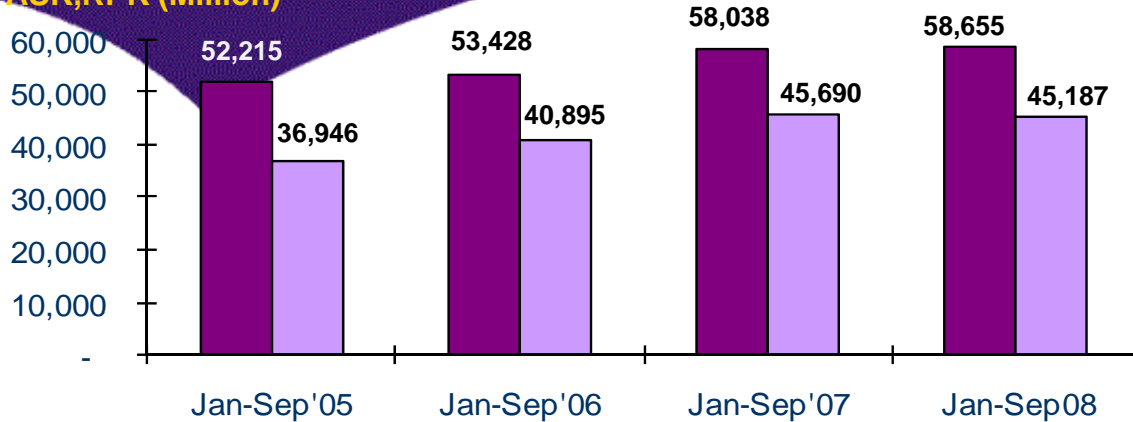
Unit : (%)



- Active marketing targeting premium class.
- New seats and entertainment system.
- Strong cabin factor despite turmoil.

	<u>Jan-Sep'07</u>	<u>Jan-Sep'08</u>	<u>% Change</u>
Passenger revenue earned (MTHB) :	116,723	130,259	+ 11.60%
Million Availabel Seat Kms. (MASK) :	58,038	58,655	+ 1.10%
Million Revenue Passenger Kms. (MRPS)	45,690	45,187	- 1.10%
Cabin factor (%) :	78.7	77.0	- 2.10%
Freight load factor (%) :	53.50	56.30	+ 5.20%
Load factor (%) :	69.7	70.0	- 0.40%
Aircraft utilization (hrs) :	11.70	12.00	+ 2.56%

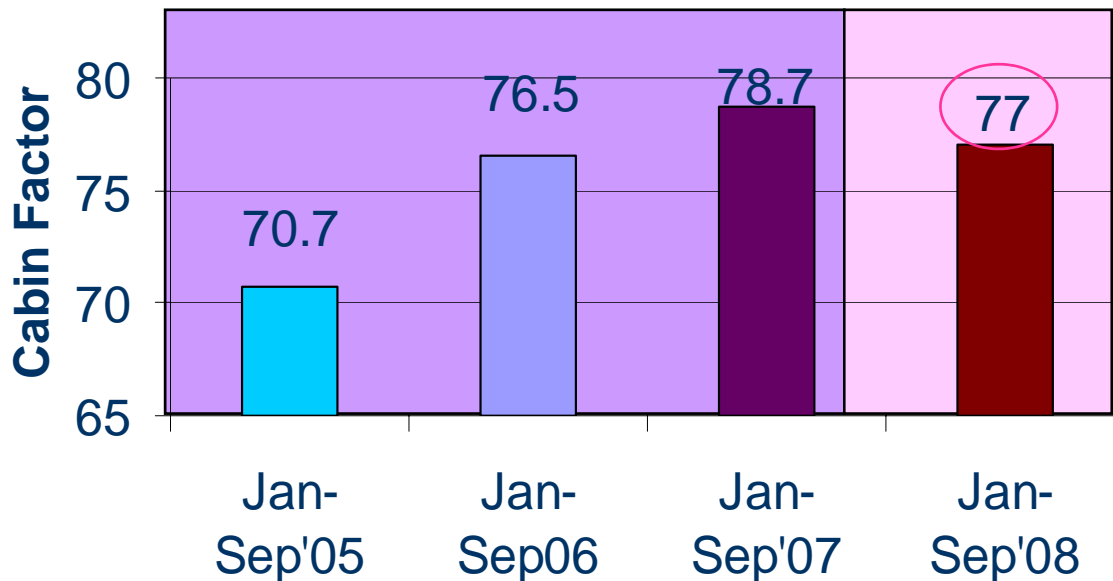
ASK, RPK (Million)



- **ASK** decreased yoy by +1.10%
- **RPK** decreased yoy by -1.10%

Unit : (%)

■ ASK □ RPK



- Active marketing targeting premium class.
- New seats and entertainment system.
- Strong cabin factor despite turmoil.

3. Current Issues

Aircraft Delivery Schedule

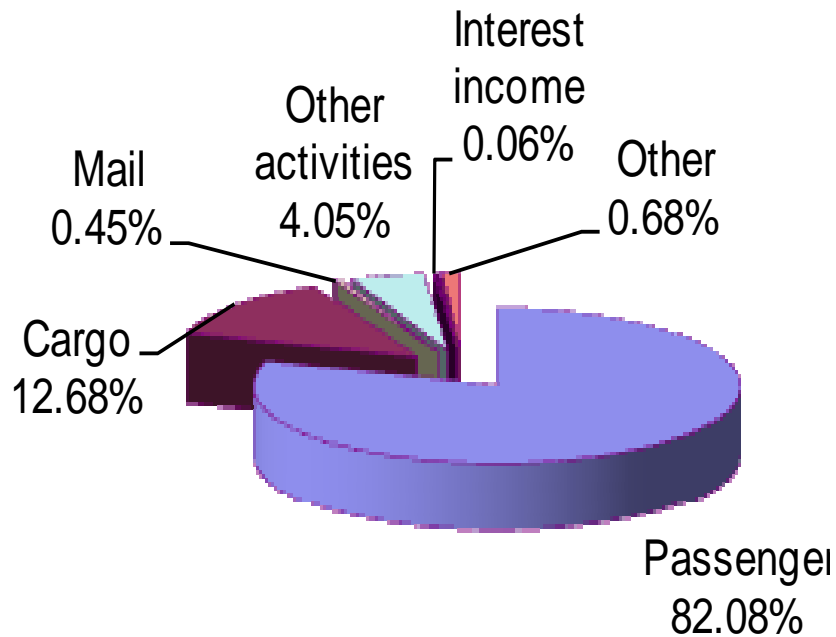
ADDITIONAL AIRCRAFT (According to delivery schedule)	2007	2008	2009	2010	2011	TOTAL
A380	-	-	-	3	3	6
A340-600	-	1	-	-	-	1
A330-300	-	-	6	2	-	8
TOTAL	-	1	6	6	2	15

Fuel & Fuel Surcharge

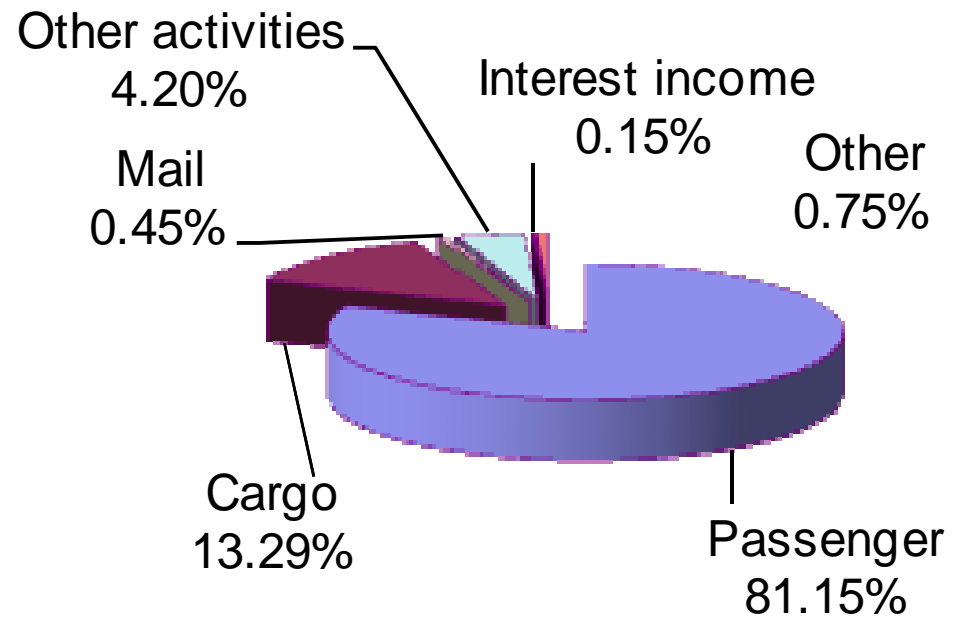
- Fuel hedging up to 50% of full year's demand but flexible
- Fuel hedging approximately 44% on 3 months basis
- Hedging position subject to fuel price trend
- Fuel surcharge :
 - Intercontinental – USD 185-281 per sector
 - Regional – USD 60-152 per sector
 - Domestic – THB 850 per sector
- No official guideline for fuel surcharge reduction

4. Financial Performance

Revenue Breakdown (Jul'07-Sep'07)

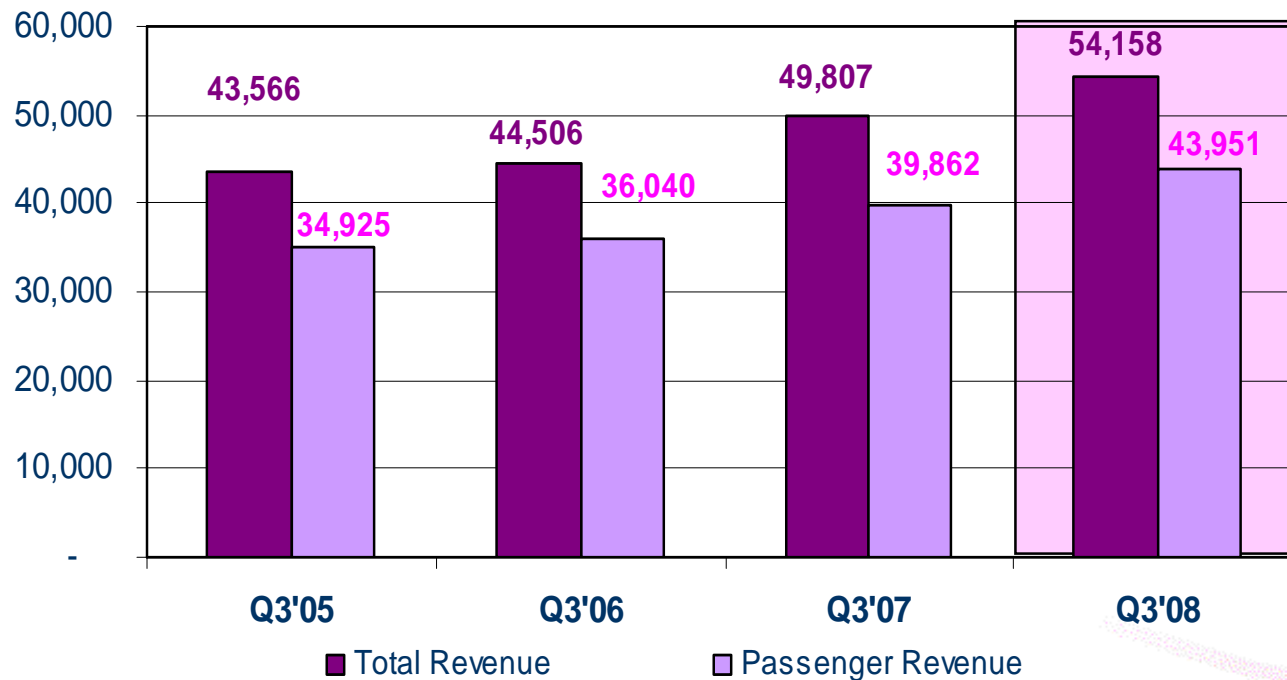


Revenue Breakdown (Jul'08-Sep'08)



Passenger Revenue (Q3'05-Q3'08)

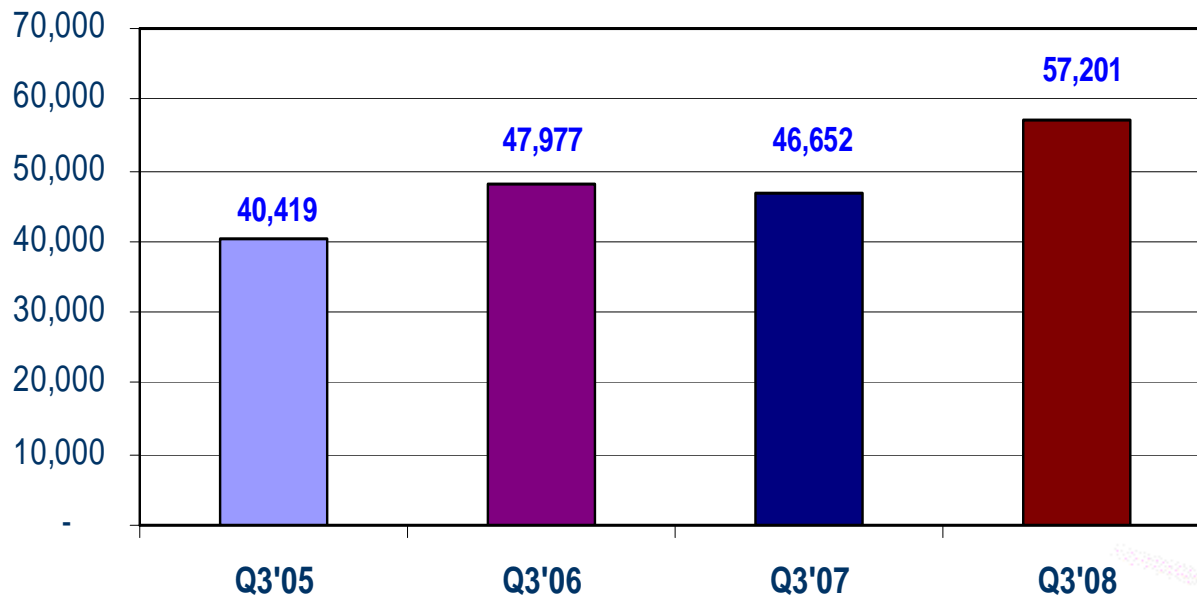
Units : THB mn



- 7.52% CAGR for Total Revenue growth
- 7.96% CAGR for Passenger Revenue growth
- Total revenue increased yoy by 8.74%
- Passenger revenue increased yoy by 10.26%

Operating Expense

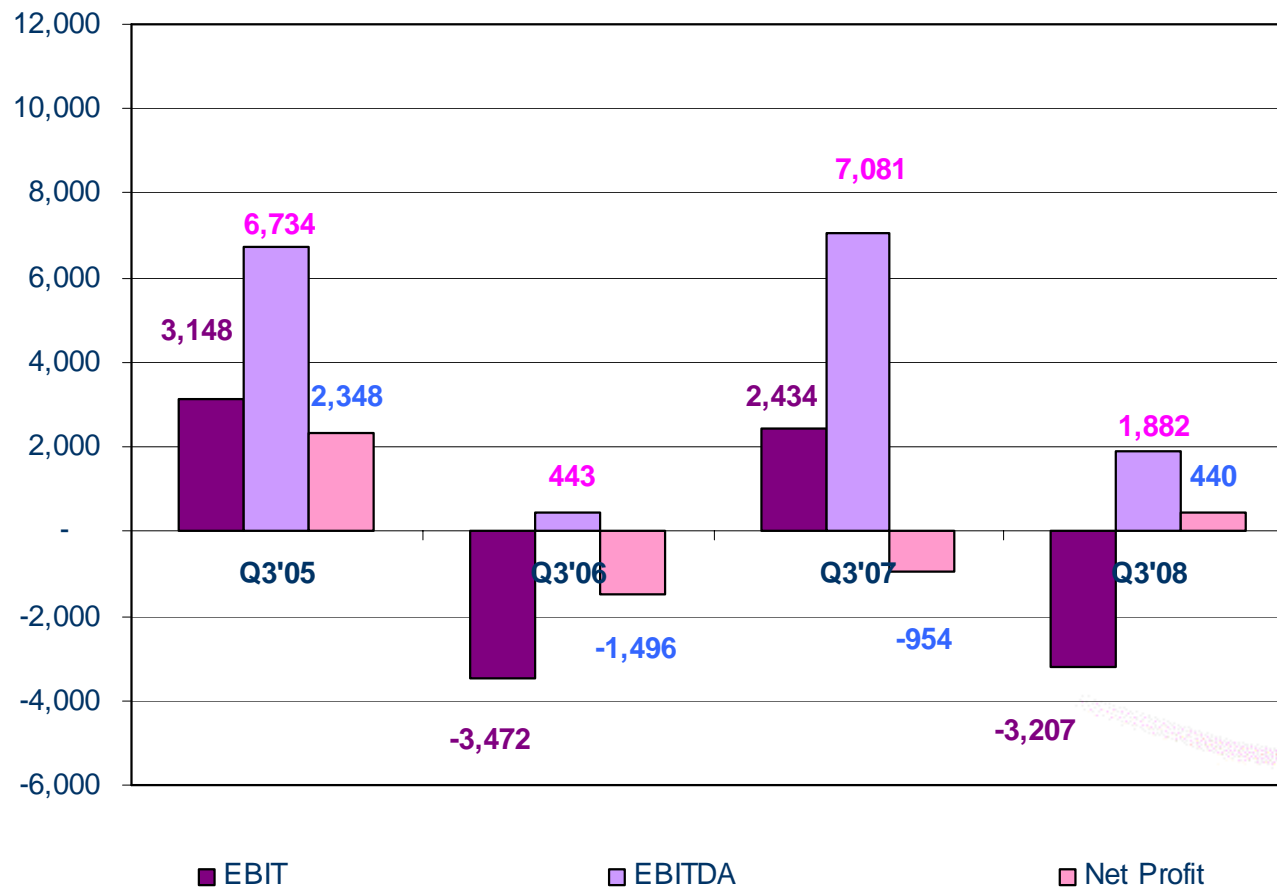
Units : THB mn



- Total expense increased yoy by 22.61%
- Personnel expense increased yoy by 11.01%
- Fuel cost increased yoy by 68.20%
- Depreciation increased yoy by 9.50% from reducing aircraft depreciation period to 15 years

EBIT, EBITDA and Net Profit

Units : THB mn

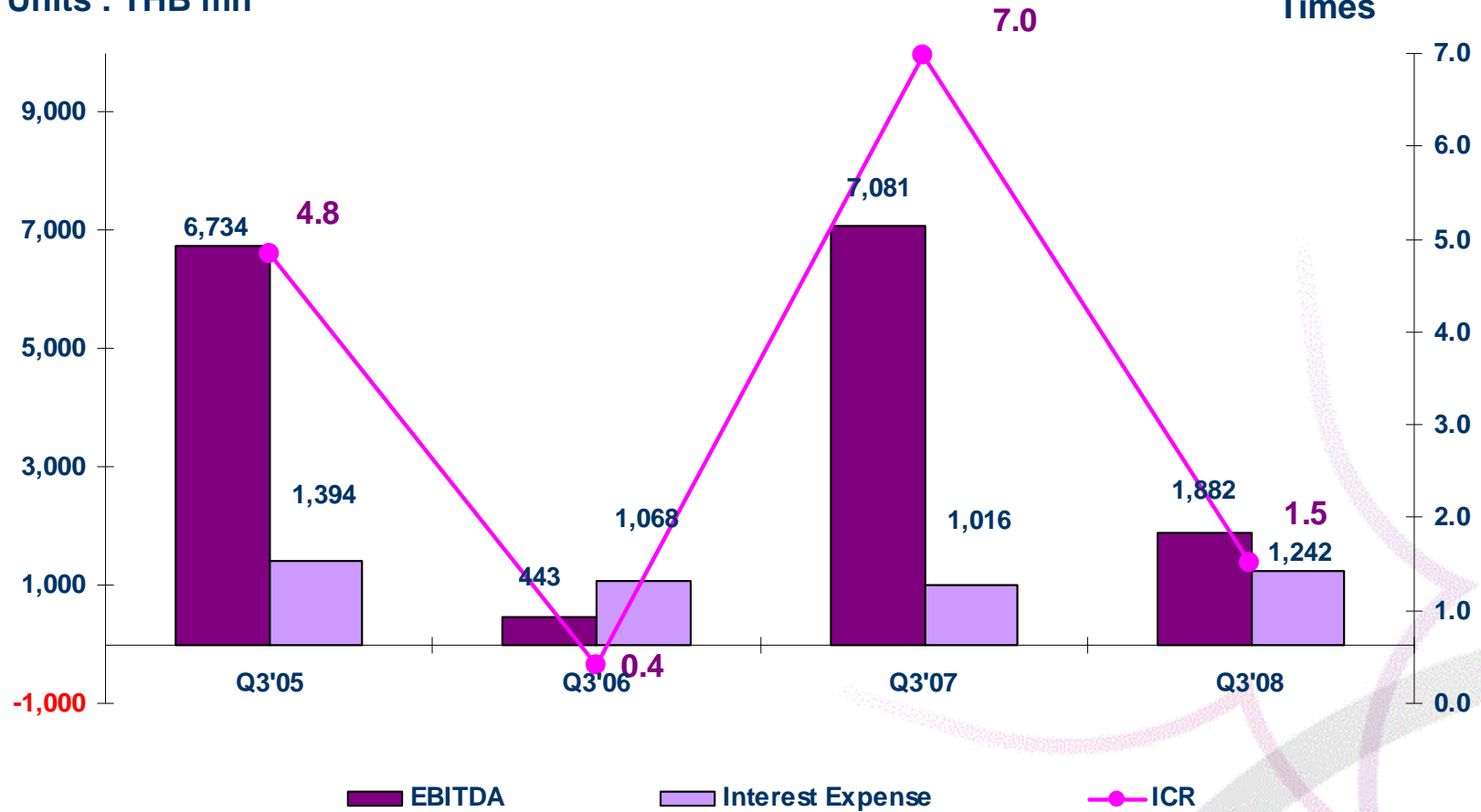


• Fuel cost the main culprit for disappointing performance

Interest Coverage Ratio

Units : THB mn

Times

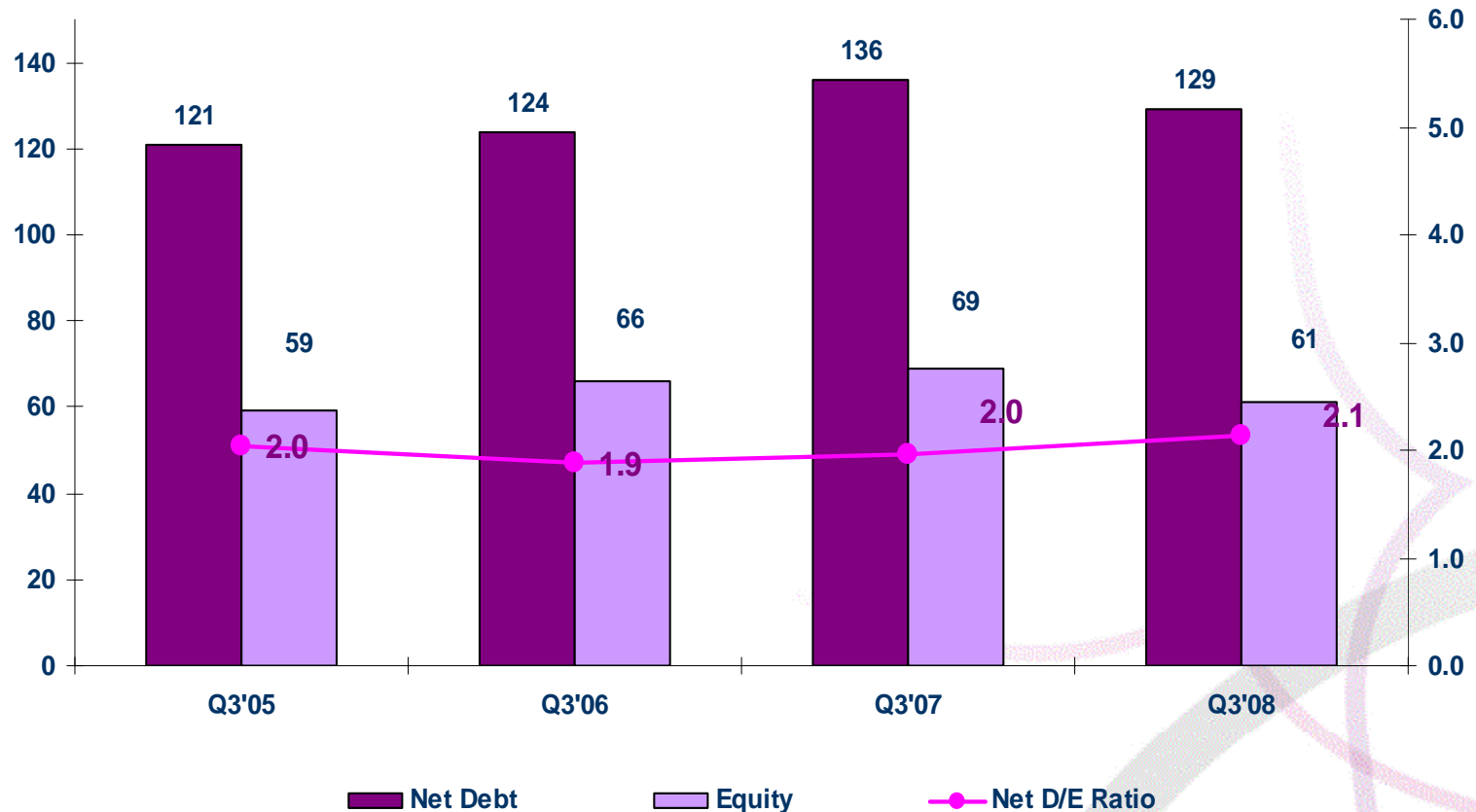


*Note : ICR = EBITDA / INTEREST EXPENSE

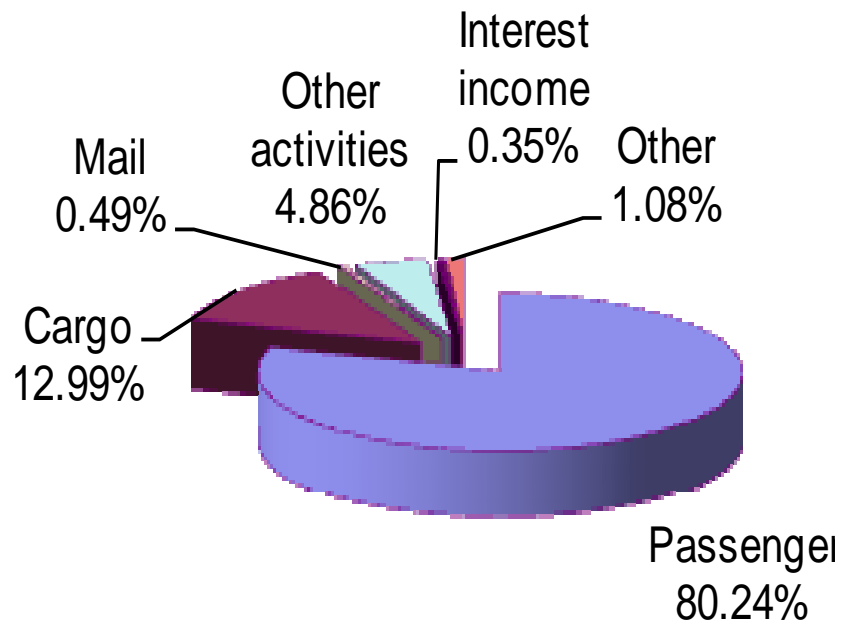
Net Debt/Equity Ratio

Units : THB mn

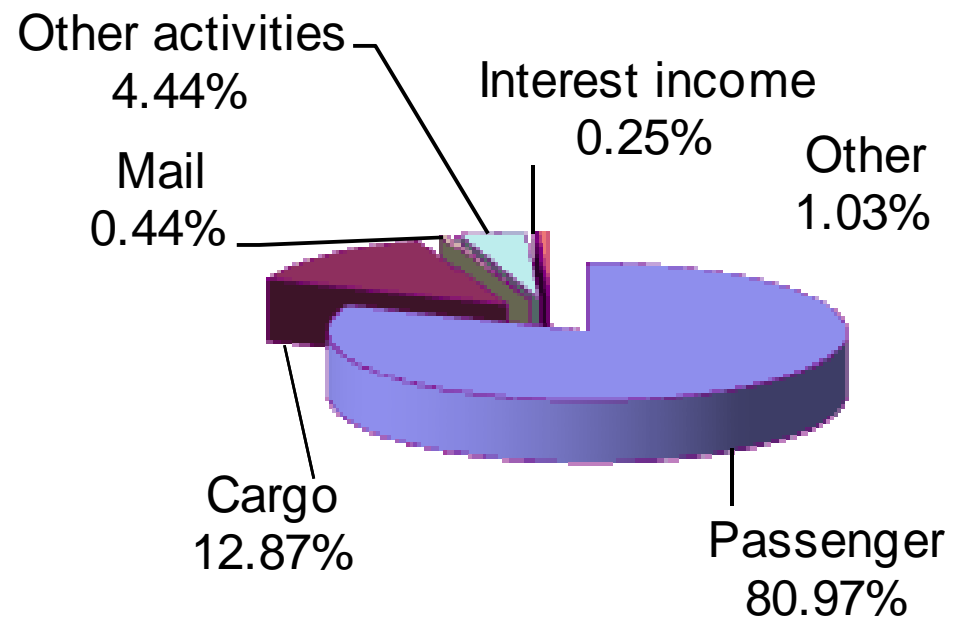
Times



Revenue Breakdown (Jan-Sep'07)

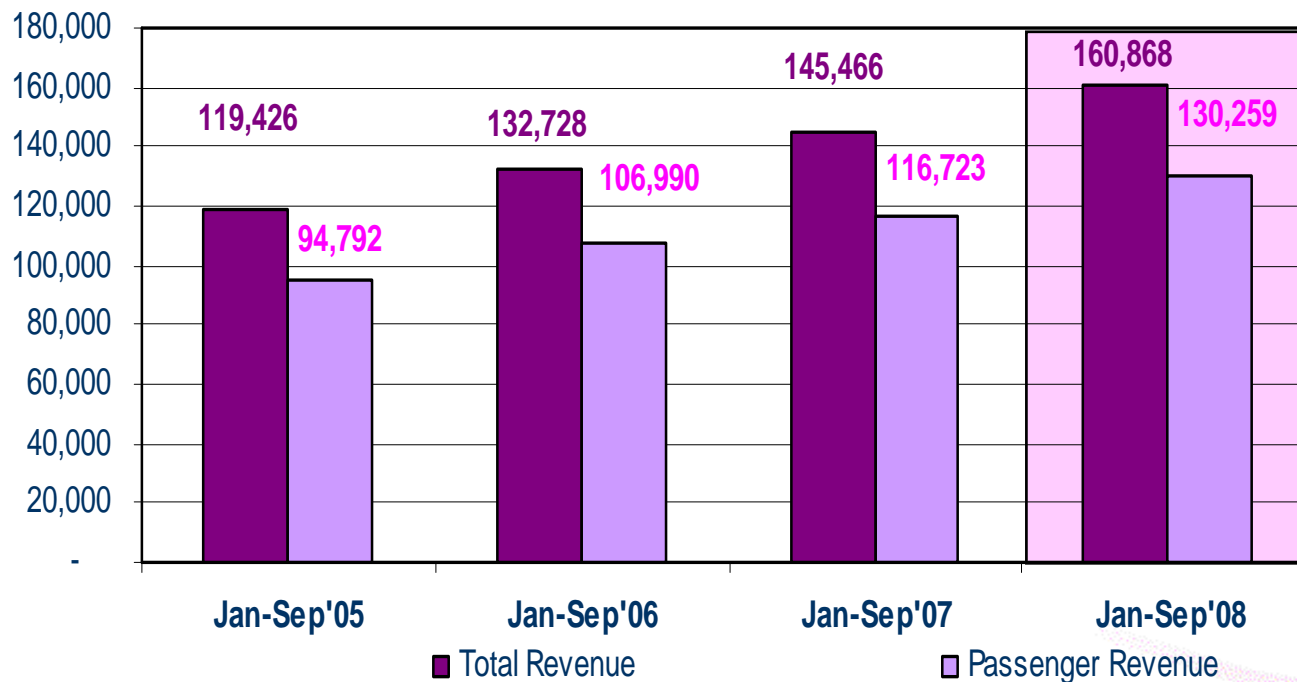


Revenue Breakdown (Jan-Sep'08)



Passenger Revenue (Jan-Sep'05-Jan-Sep'08)

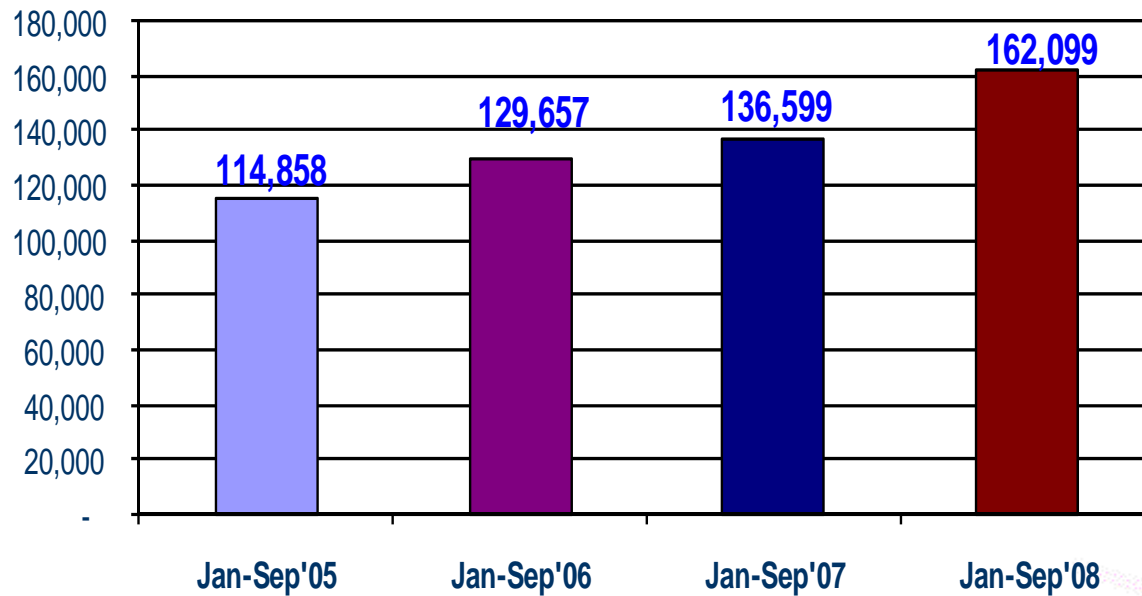
Units : THB mn



- 10.44% CAGR for Total Revenue growth
- 11.18% CAGR for Passenger Revenue growth
- Total revenue increased yoy by 11.14%
- Passenger revenue increased yoy by 12.87%

Operating Expense

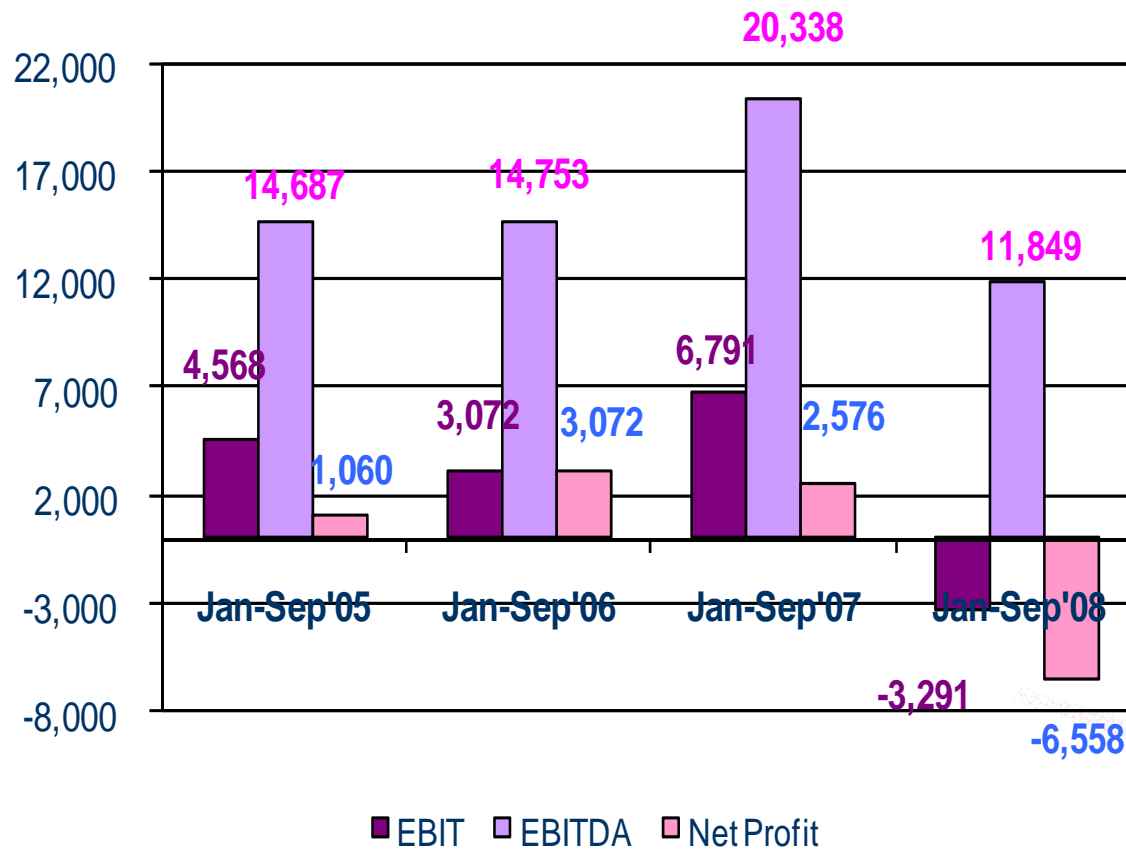
Units : THB mn



- Total expense increased yoy by 18.67%
- Personnel expense increased yoy by 4.52%
- Fuel cost increased yoy by 57.58%
- Depreciation increased yoy by 11.76% from reducing aircraft depreciation period to 15 years

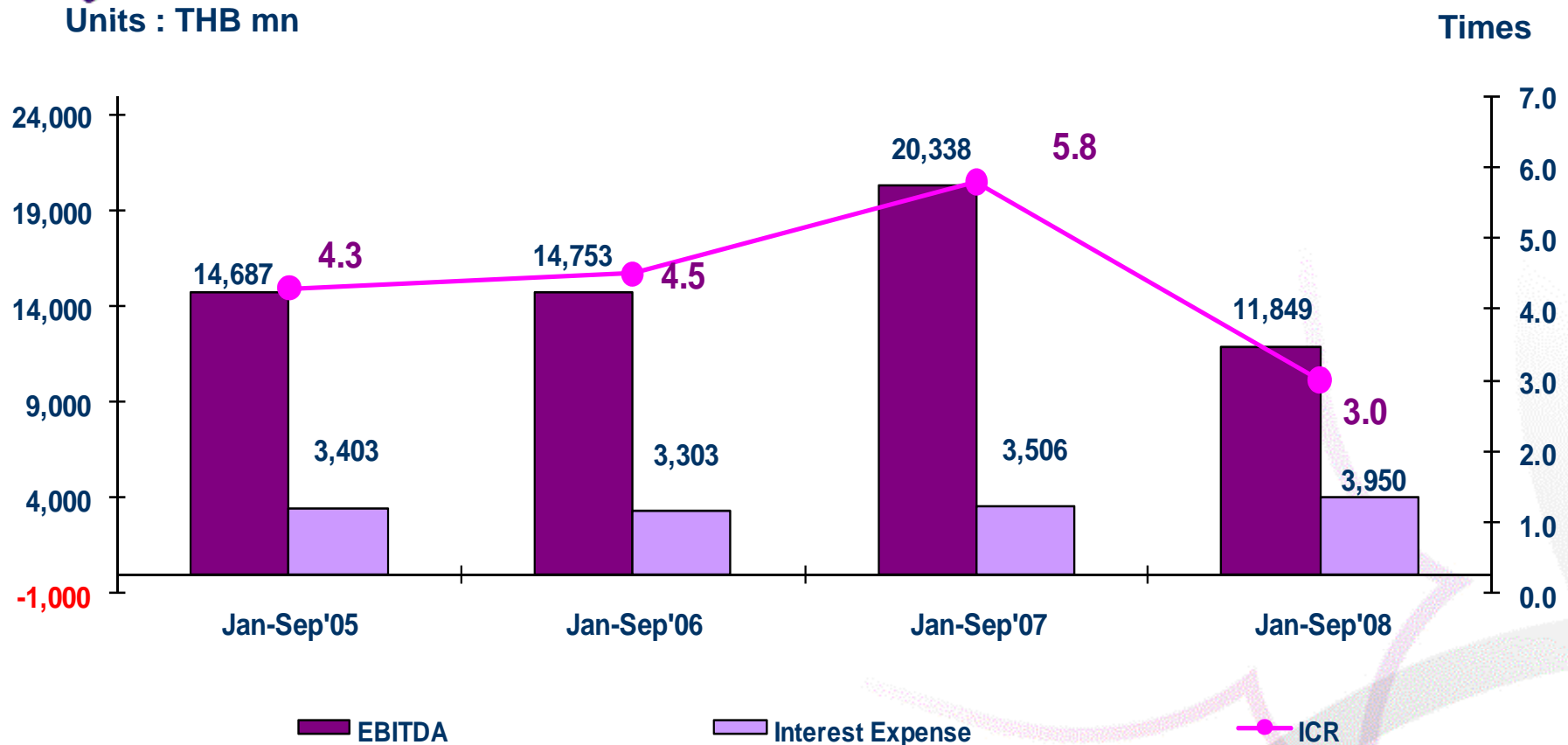
EBIT, EBITDA and Net Profit

Units : THB mn



- Fuel cost the main culprit for disappointing performance

Interest Coverage Ratio

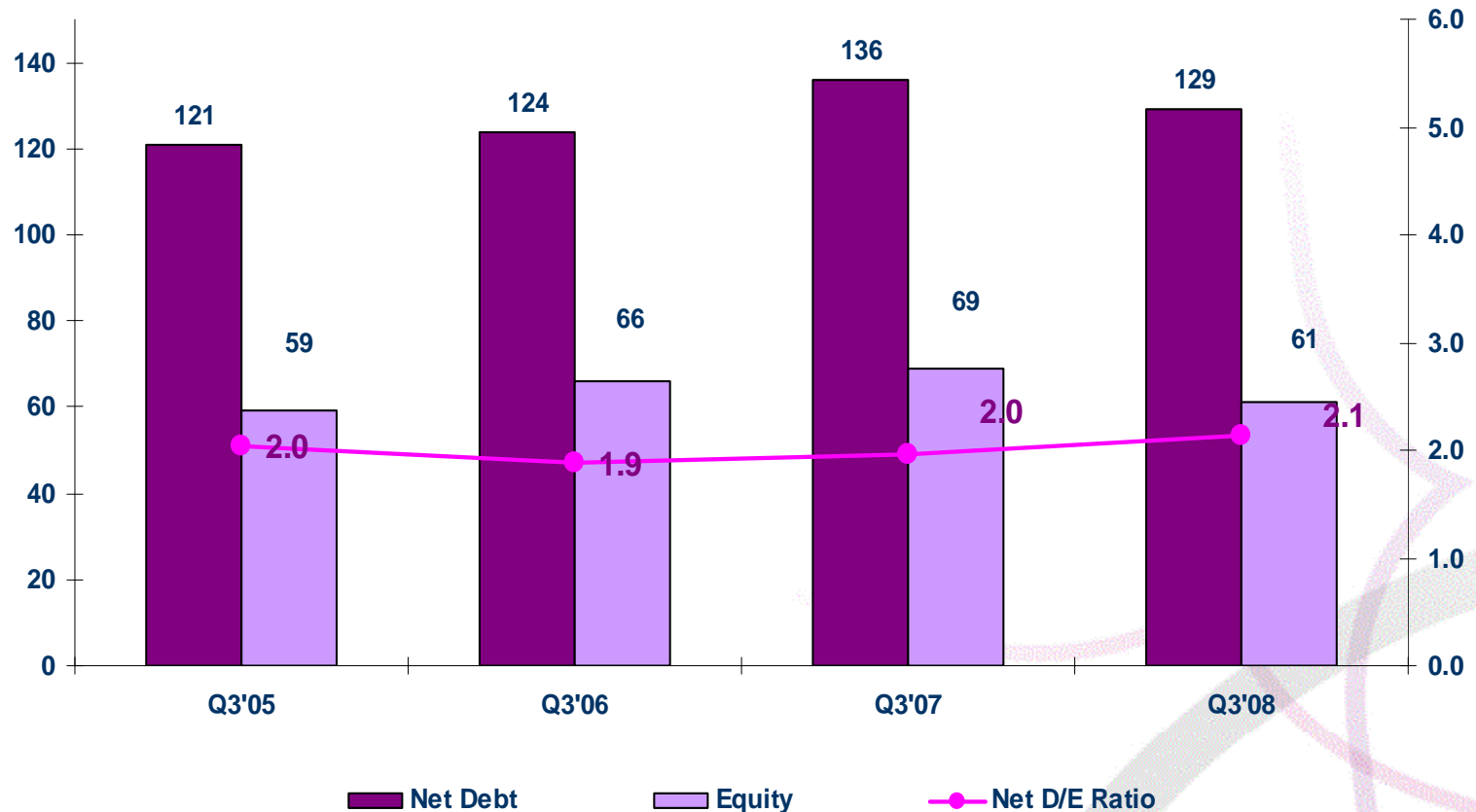


*Note : ICR = EBITDA / INTEREST EXPENSE

Net Debt/Equity Ratio

Units : THB mn

Times



5. 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