

Thai Airways International Plc.

Analyst Briefing Q3/2010

November 22, 2010



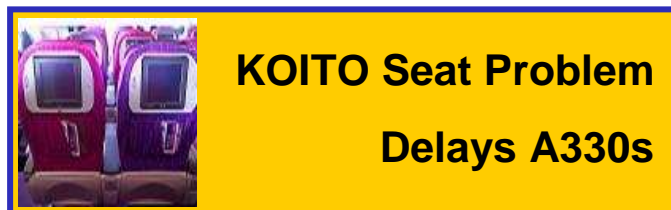
**Domestic
Political unrest**

**Domestic political riots in April and May
damaged tourism and THAI directly**



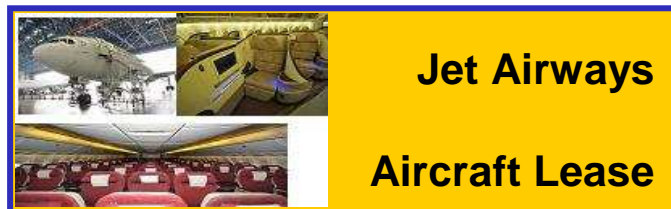
**Iceland Volcano
Eruption**

**Iceland's Eyjafjallajökull volcano eruption in late
April disrupted traffic in-out Europe and affected
THAI**



**KOITO Seat Problem
Delays A330s**

**5 new A330-300 could not enter our fleet due to
KOITO seats not passing safety tests**



**Jet Airways
Aircraft Lease**

**3 New B777-300ER from Jet Airways substitute for
aircraft delivery delayed**

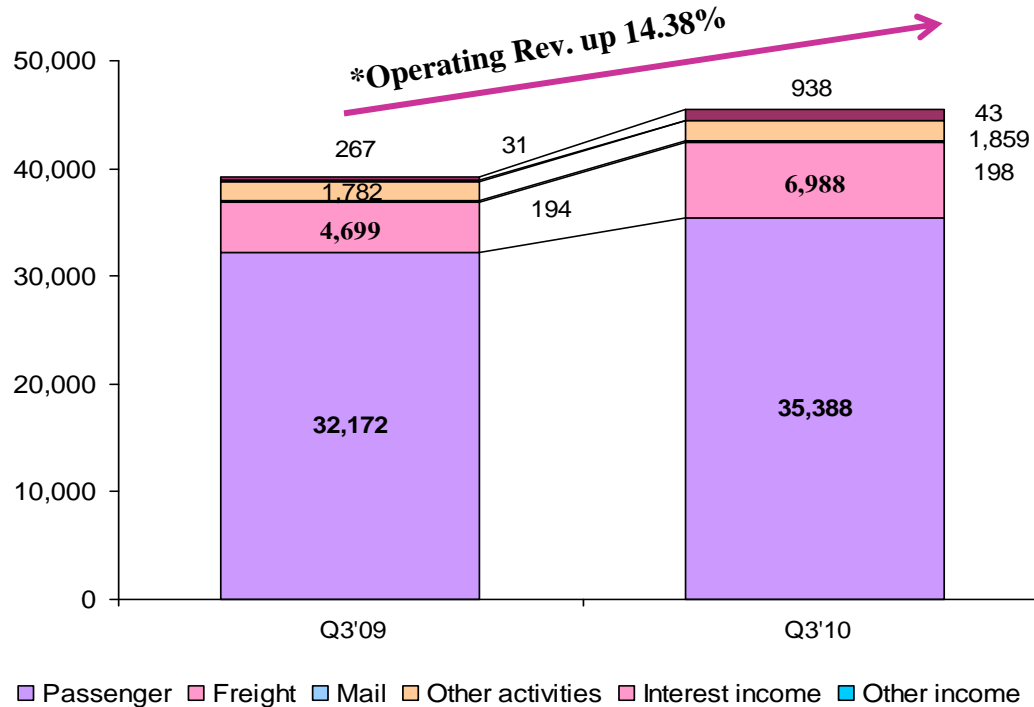
Performance Summary (3 months)

THAI and its subsidiary	Jul-Sep		Difference	
(Units : MTHB)	2010	2009	Amount	%
Total Revenue	45,414	39,147	+6,267	+16.0
Total Expense	41,249	38,823	+2,426	+6.2
Profit(Loss) before FX, finance costs , income tax	4,165	324	+3,841	+1,185.5
Foreign currency exchange	2,773	2,735	+38	+1.4
Share of losses (profit) of investments by the equity method	57	-27	+84	-311.1
Profit(Loss) before finance costs and income tax expense	1,449	-2,438	+3,887	-159.4
Financial Cost	1,315	1,424	-109	-7.7
Profit(Loss) before income tax	134	-3,862	+3,996	-103.5
Income Tax	14	-153	+167	-109.4
Net Profit (Loss)	149	-4,015	+4,164	+103.7
Net Profit(loss) per share	0.08	- 2.37	2.45	+103.4

Operating / Total Revenue (Q3/2009 & Q3/2010)

Operating Revenue

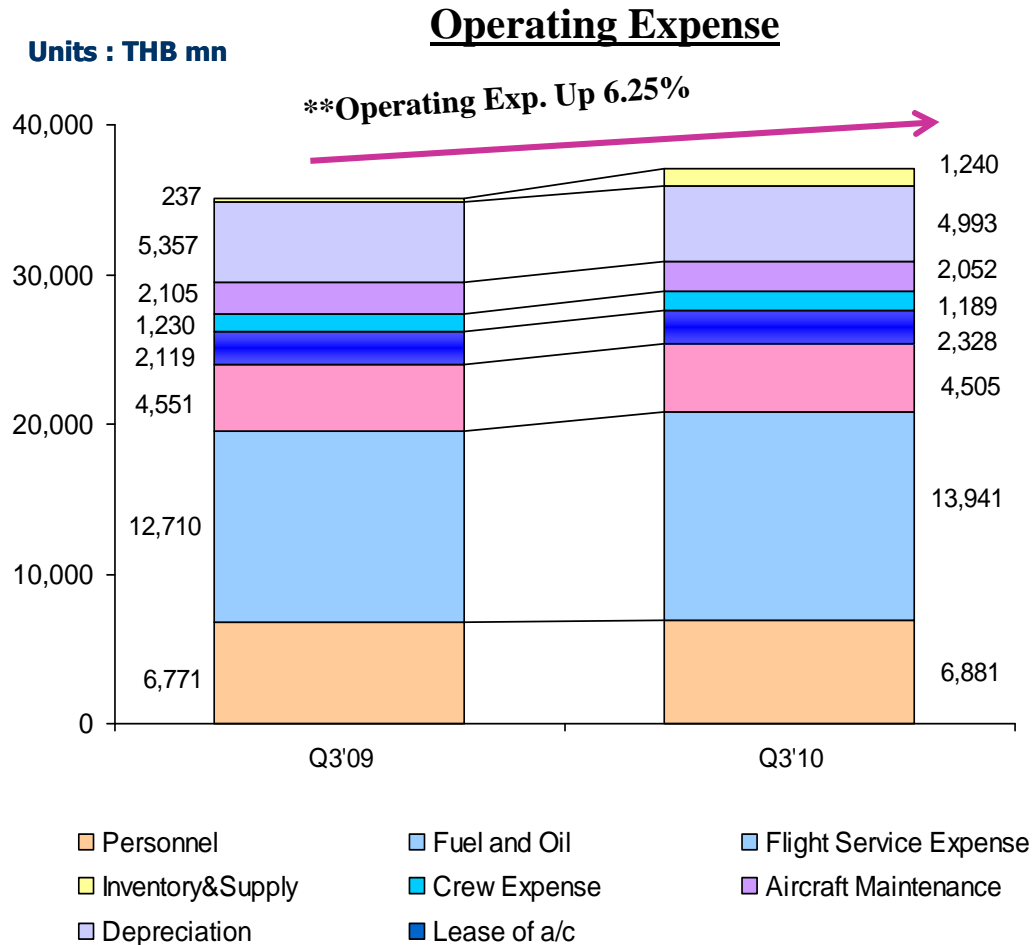
Total Revenue



Revenue	% Change	% to Tot. Rev.
Passenger	10.00	77.92
Freight	48.71	15.39
Mail	1.71	0.44
Other activities	4.29	4.09
Interest income	37.88	0.09
Other income	251.04	2.07
Total Income	16.01	100.00

*Excludes Interest & Other income

Operating / Total Expense (Q3/2009 & Q3/2010)



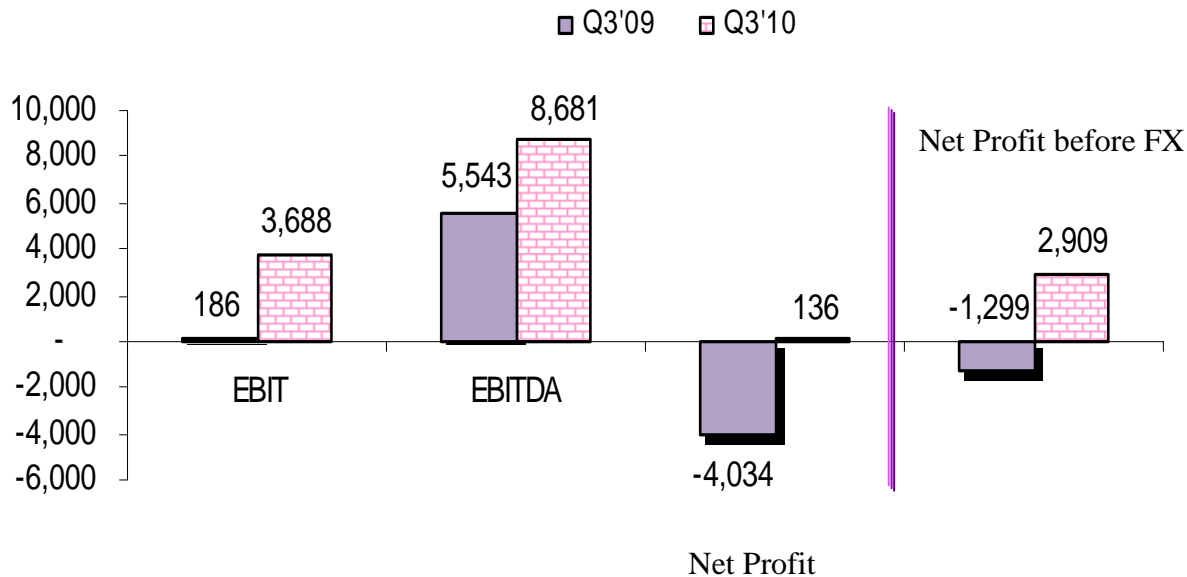
Total Expense

Expense	% Change YoY	% of Tot. Exp.
Personnel expense	1.62	16.68
Fuel and oil	9.69	33.80
Flight service expense	- 1.01	10.92
Inventories and supplies	9.89	5.64
Crew expense	- 3.33	2.88
Maintenance/overhaul	- 2.49	4.98
Depreciation/amortisation	- 6.79	12.10
Aircraft lease/spare parts	424.94	3.01
Other expense	10.10	9.99
**Total Expense	6.25	100.00

****Excludes FX**

EBIT, EBITDA and Net Profit (Q3/2009 & Q3/2010)

Units : THB mn



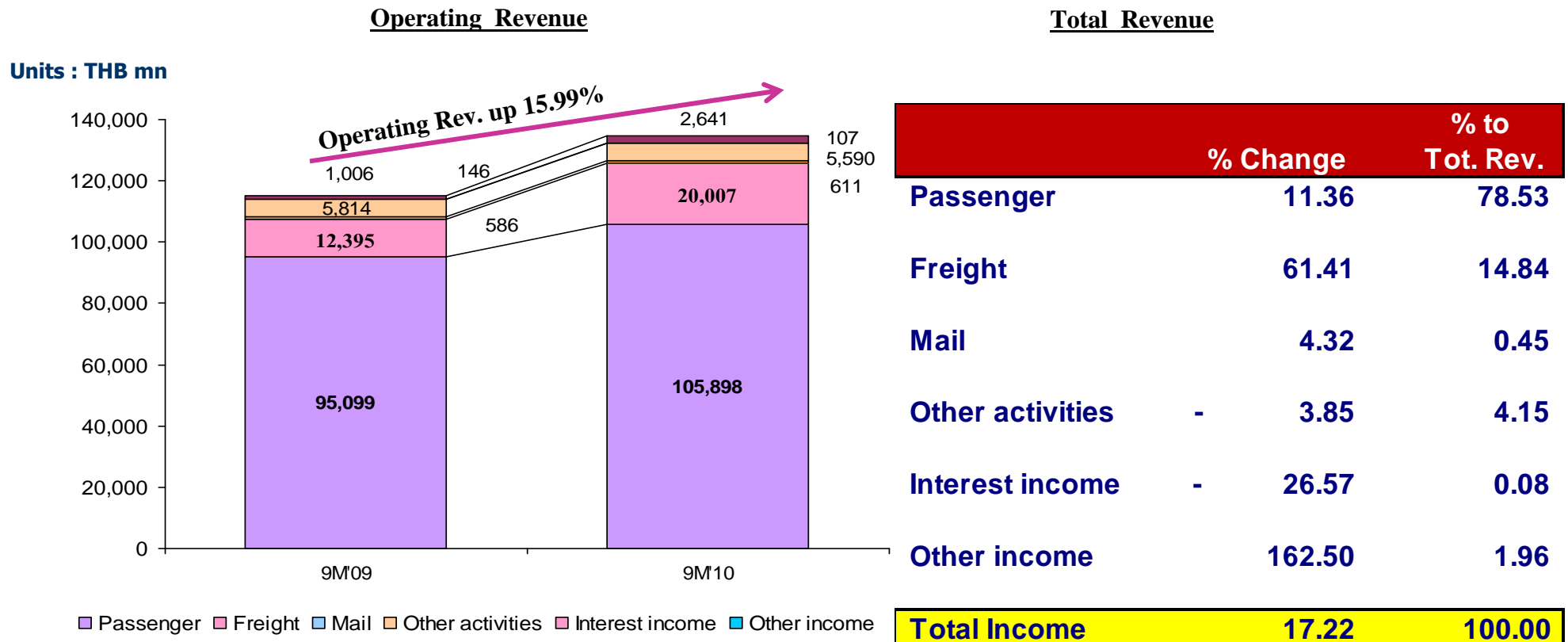
Factors Improving Q3'10 Results

- Travel demand recovering to Thailand
- Quick operational adjustments to disruptive events
- Stronger contribution from freight business
- Higher average PAX yield
- Effective fuel hedging policy

Performance Summary (9 months)

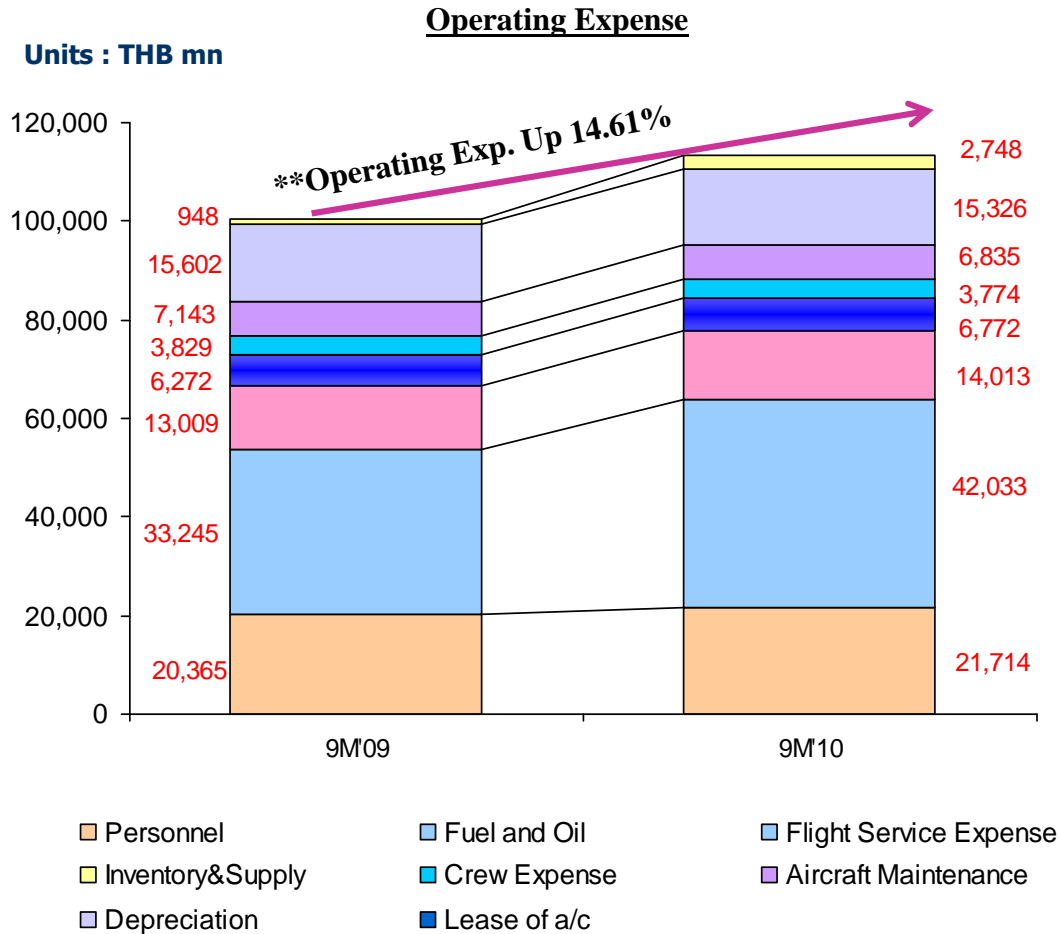
THAI and its subsidiary	Jan-Sep		Difference	
(Units : MTHB)	2010	2009	Amount	%
Total Revenue	134,854	115,045	+19,809	+17.2
Total Expense	124,920	111,896	+13,024	+11.6
Profit(Loss) before FX, finance costs , income tax	9,934	3,149	+6,785	+215.5
Foreign currency exchange	-7,317	-52	-7,265	+13,971.2
Share of losses (profit) of investments by the equity method	225	-2	+227	+11,350.0
Profit(Loss) before finance costs and income tax expense	17,476	3,204	+14,272	+445.4
Financial Cost	3,922	4,295	-373	-8.7
Profit(Loss) before income tax	13,554	-1,091	+14,645	+1,342.3
Income Tax	1,101	422	+679	+160.9
Net Profit (Loss)	12,453	-1,514	+13,967	+922.5
Net Profit(loss) per share	7.25	- 0.92	8.17	+888.0

Operating / Total Revenue (9M'09 & 9M'10)



*Exclude Interest & Other income

Operating / Total Expense (9M'09 & 9M'10)



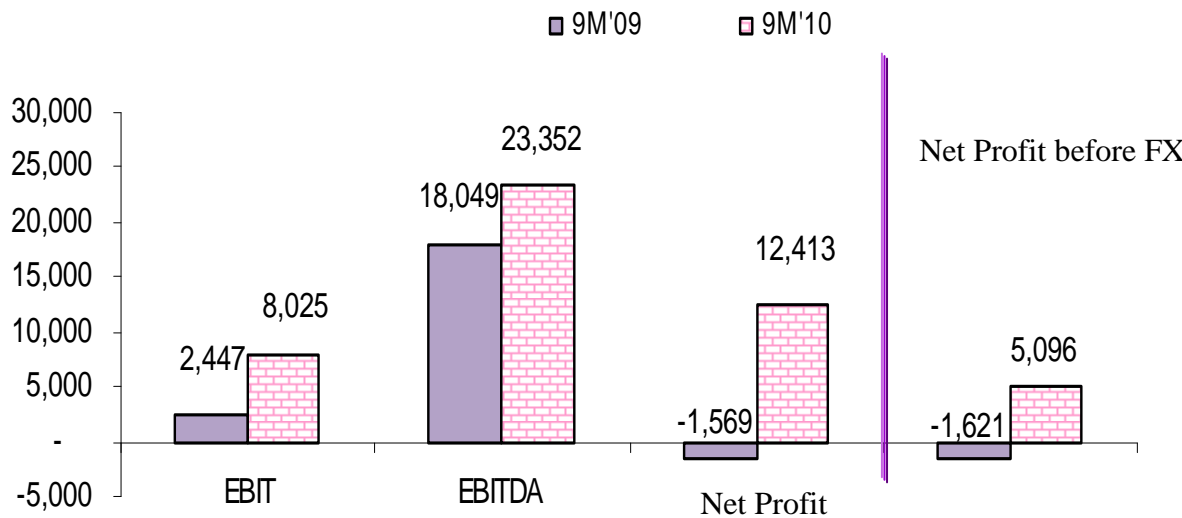
Total Expense

	% 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

**Excludes FX

EBIT, EBITDA and Net Profit (9M'09 & 9M'10)

Units : THB mn

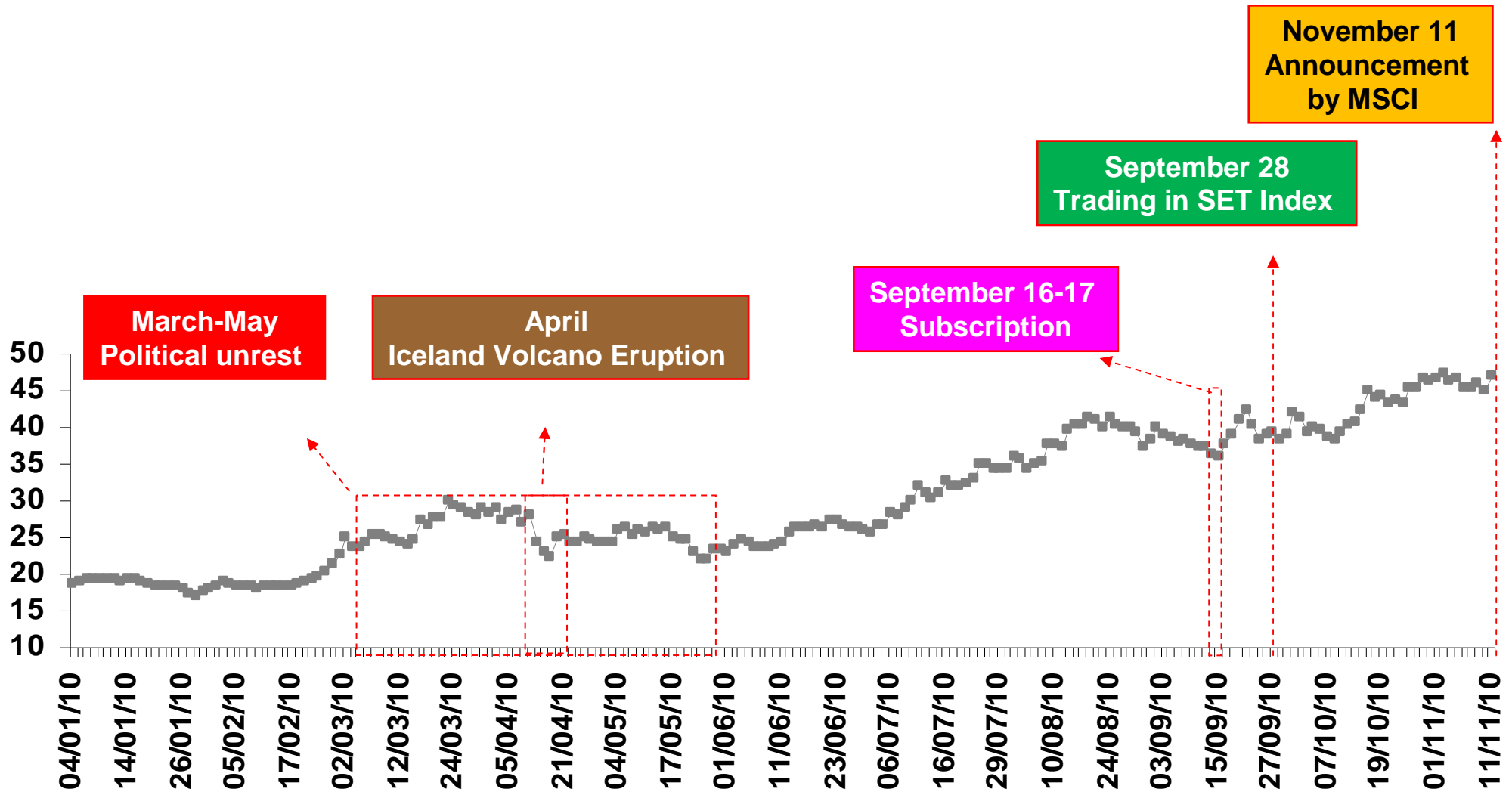


Factors Impacting 9M'10 Results

- Record cabin factor during Q1'10
- Stronger average YoY yield
- Strengthening cost control measures
- Flexible flight scheduling
- Strong FX gain

Ratios – 9M 2010

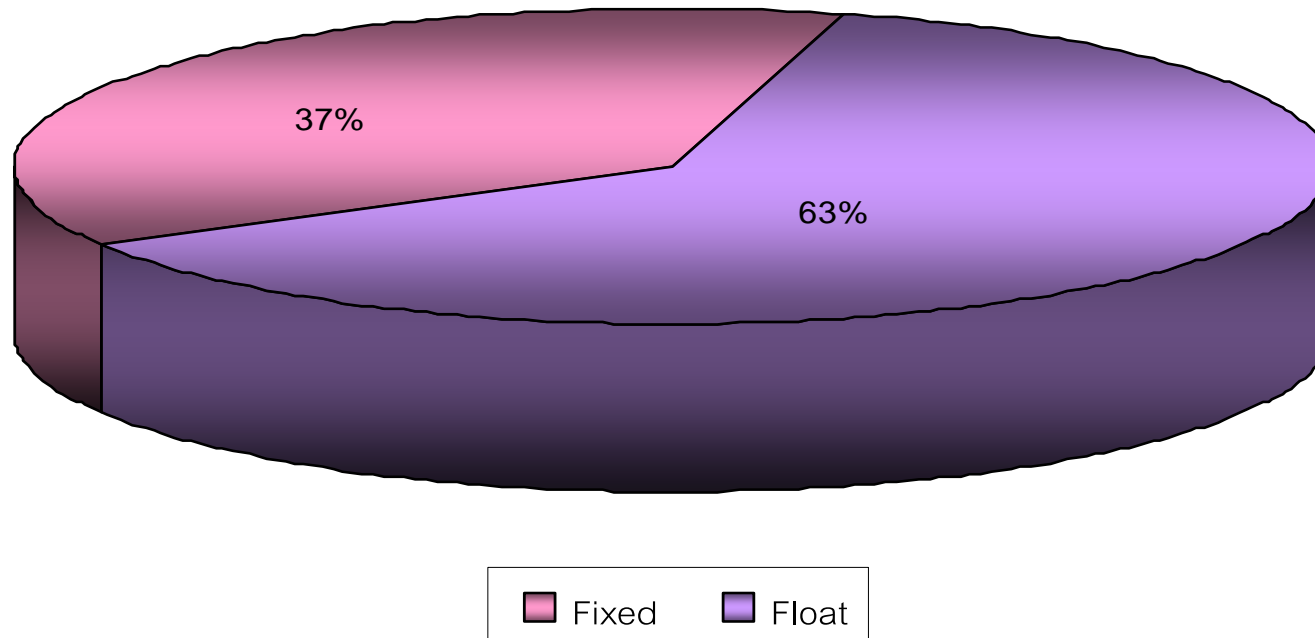
Ratios	units	2008	2009	2010	
Earnings Per Share	(THB)	(3.9)	(0.9)	7.3	↑
EBIT	(MTHB)	(3,293.0)	2,447.0	8,025.0	↑
EBITDA	(MTHB)	11,847.0	18,049.0	23,352.0	↑
EBITDAR	(MTHB)	14,813.0	18,997.0	26,100.0	↑
Total Debt to Equity	(Times)	3.3	5.0	2.5	↓
Debt Service Coverage	(Times)	0.7	1.3	1.4	↑
Interest Coverage	(Times)	3.0	4.2	6.0	↑
Operating Profit Margin	(%)	(2.1)	2.2	6.1	↑
Net Profit Margin	(%)	(4.2)	(1.4)	9.4	↑
EBITDA Margin	(%)	7.5	15.9	17.7	↑
Return on Total Assets	(%)	(2.5)	(0.6)	4.5	↑
Return on Total Equity	(%)	(10.3)	(3.5)	18.6	↑
P/E Ratio(30 Sep)	(Times)	(3.1)	21.4	5.8	↓



Foreign Currency Exposure – 9M 2010

	Revenue		Expense		Surplus or Deficit	Outstanding Borrowings			
	Amount	%	Amount	%		Before Swap		After Swap	
					Amount	%	Amount	%	
USD BASED	63,187	47.92	66,171	61.03	- 2,984	2,489	2	1,532	1
USD	13,721		58,207		- 44,486				
Others ⁽¹⁾	49,466		7,964		41,502				
EUR BASED	25,833	19.59	5,933	5.47	19,900	52,970	38	53,984	38
EUR	12,372		4,138		8,234				
Others ⁽²⁾	13,461		1,795		11,666				
JPY	9,756	7.40	2,913	2.69	6,843	14,378	10	14,378	10
THB	33,084	25.09	33,410	30.81	- 326	71,259	50	71,259	51
TOTAL	131,860	100.00	108,427	100.00	23,433	141,096	100	141,153	100

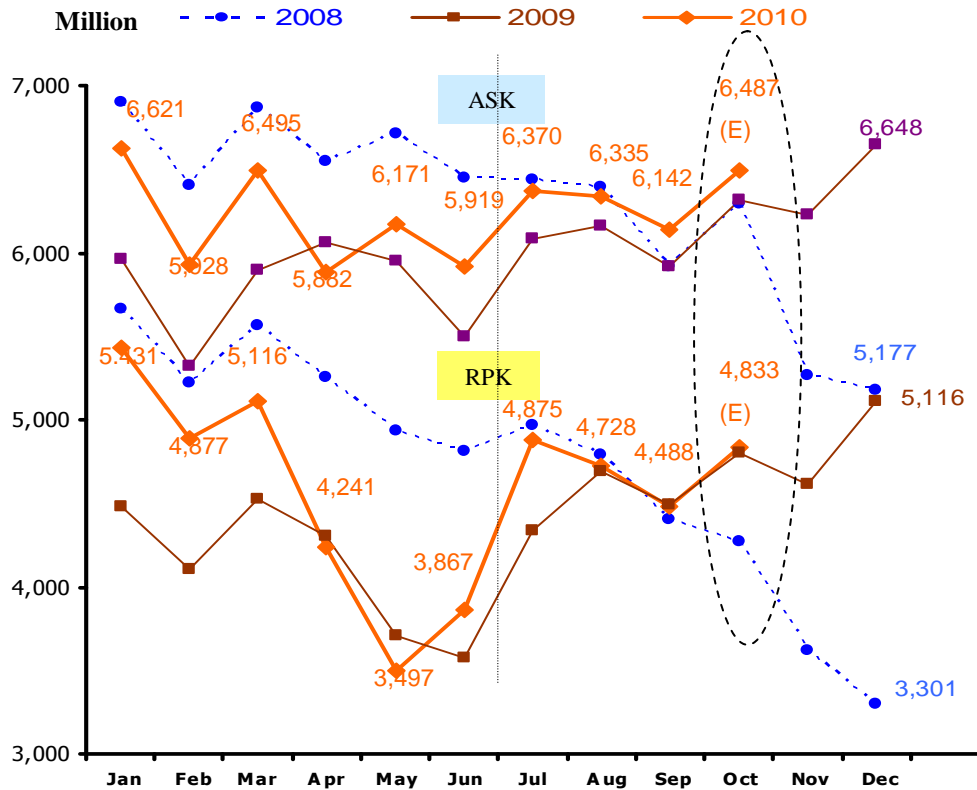
Proportion of Fixed and Float (Before Swap)



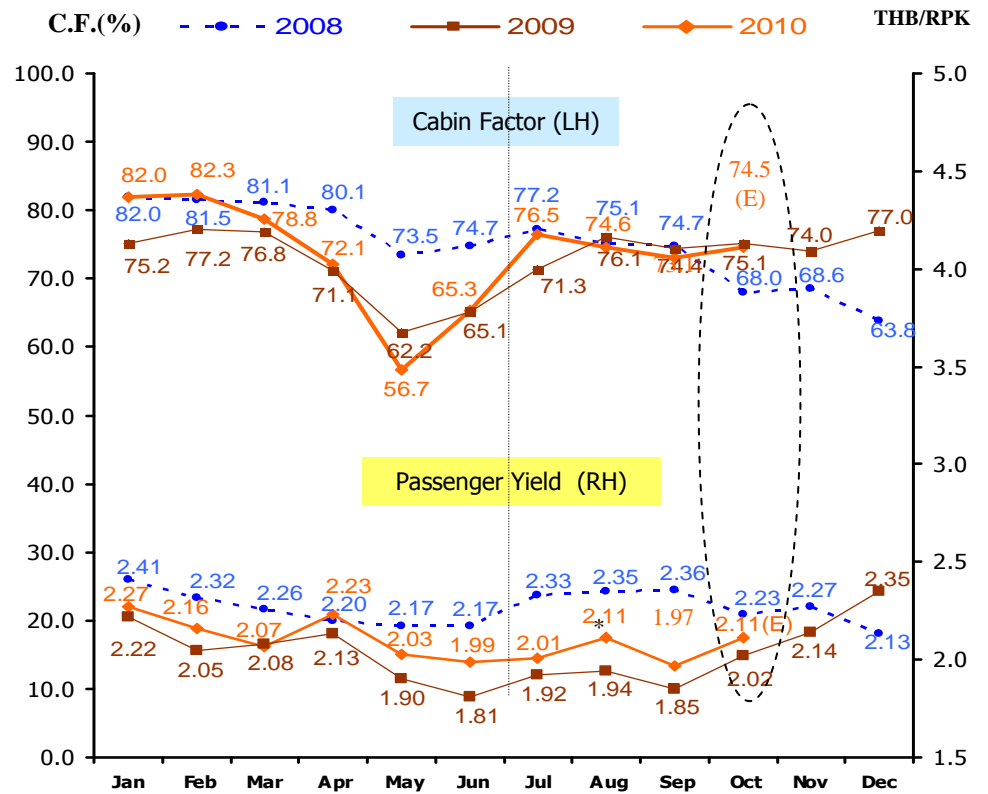
Percentage of TOTAL
(TOTAL = 141,096 MTHB)

(As of 30 Sep 10)

A Passenger Production & Traffic



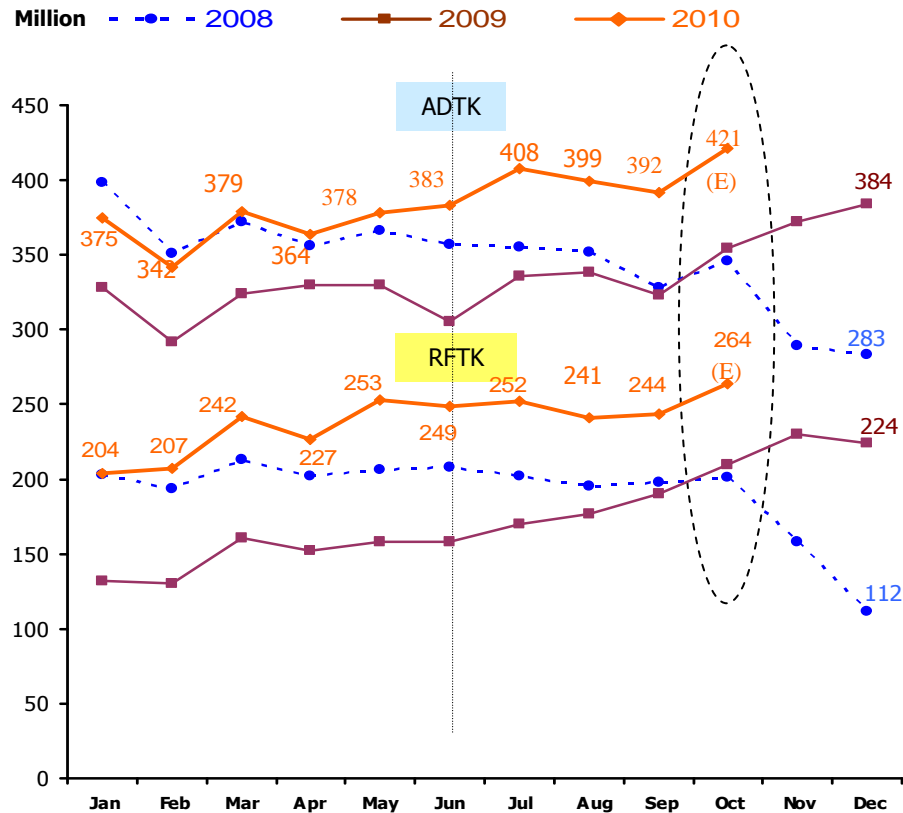
B Cabin Factor & Passenger Yield (Excl. Surcharge)



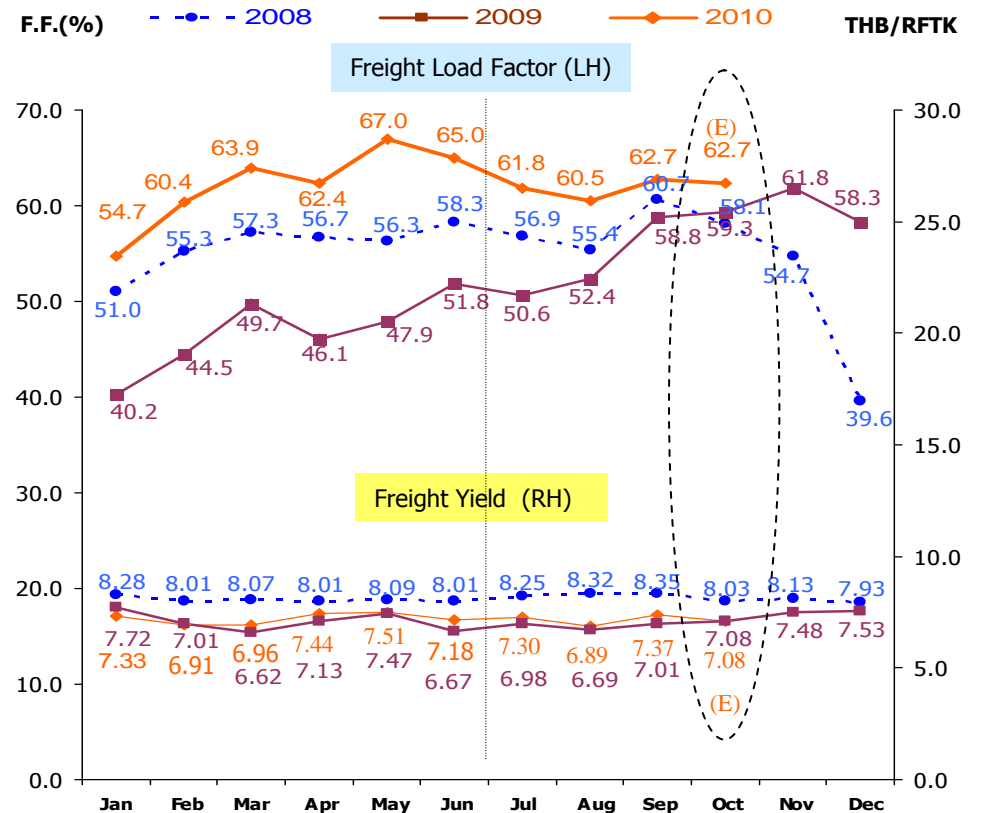
	YoY (Q3'10 vs Q3'09)			QoQ (Q3'10 vs Q2'10)			YoY (Month)		
	Q3'10	Q3'09	YoY%	Q3'10	Q2'10	QoQ%	Sep'10	Sep'09	YoY%
MASK	18,847	18,160	3.78	18,847	17,972	4.87	6,142	5,918	3.79
MRPK	14,091	13,424	4.97	14,091	11,605	21.42	4,488	4,400	2.00
Cabin factor	74.77	73.92	1.15	74.77	64.57	15.80	73.07	74.35	- 1.72
PAX Yield	2.03	1.94	4.64	2.03	2.09	- 2.87	1.97	1.85	6.49

(E) = Estimate

A Freight Production & Traffic



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

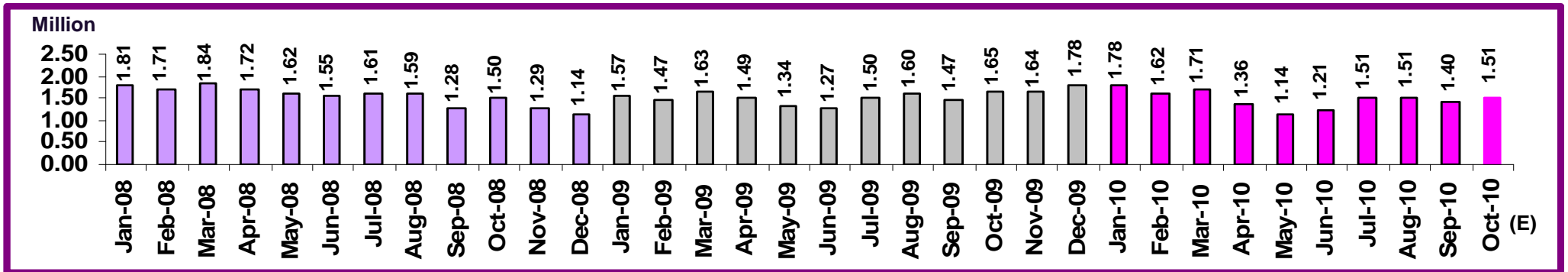


	YoY (Q3'10 vs Q3'09)			QoQ (Q3'10 vs Q2'10)			YoY (Month)		
	Q3'10	Q3'09	YoY%	Q3'10	Q2'10	QoQ%	Sep'10	Sep'09	YoY%
ADTK	1,199	997	20.26	1,199	1,125	6.58	392	323	21.36
RFTK	735	537	36.87	735	729	0.82	244	190	28.42
Freight Factor	61.30	53.86	13.81	61.30	64.80	- 5.40	62.24	58.82	5.81
Freight Yield	7.19	6.89	4.35	7.19	7.37	- 2.44	7.37	7.01	5.14

(E) = Estimate

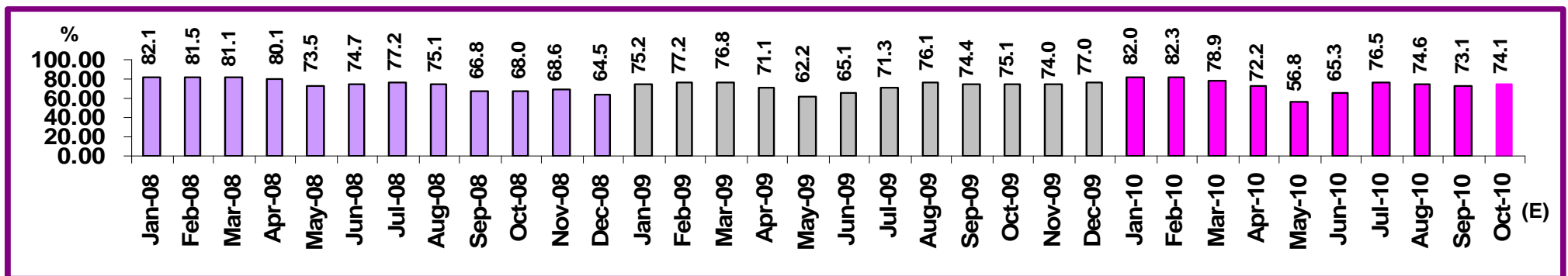
A

Passenger Number



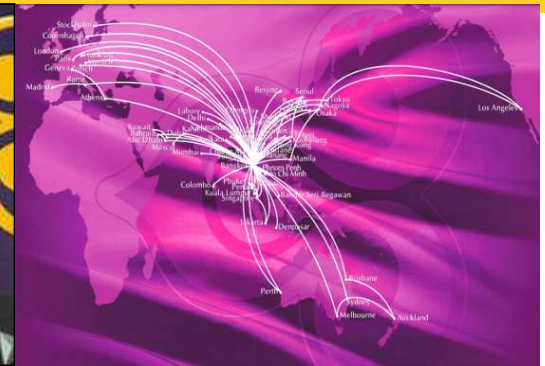
B

Cabin Factor



2008 2009 2010

THAI
50th
ANNIVERSARY
1960-2010



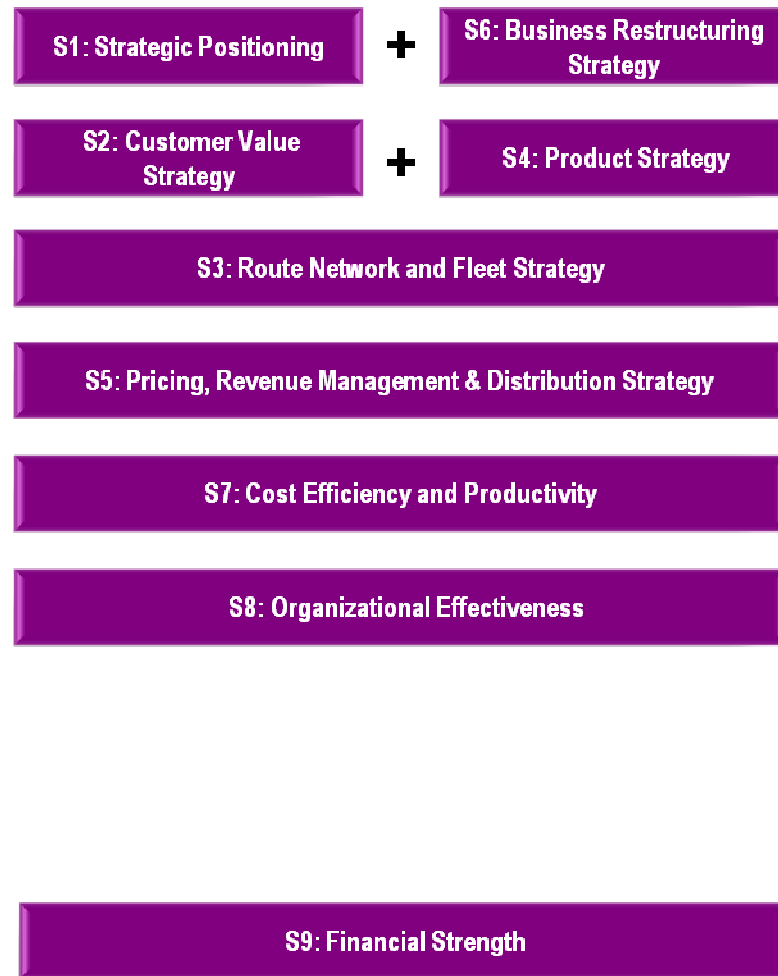
TOP 5

Airlines in the world

Airlines in Asia



Corporate Strategy 2010 - 2014



New Corporate Strategy 2011 - 2017

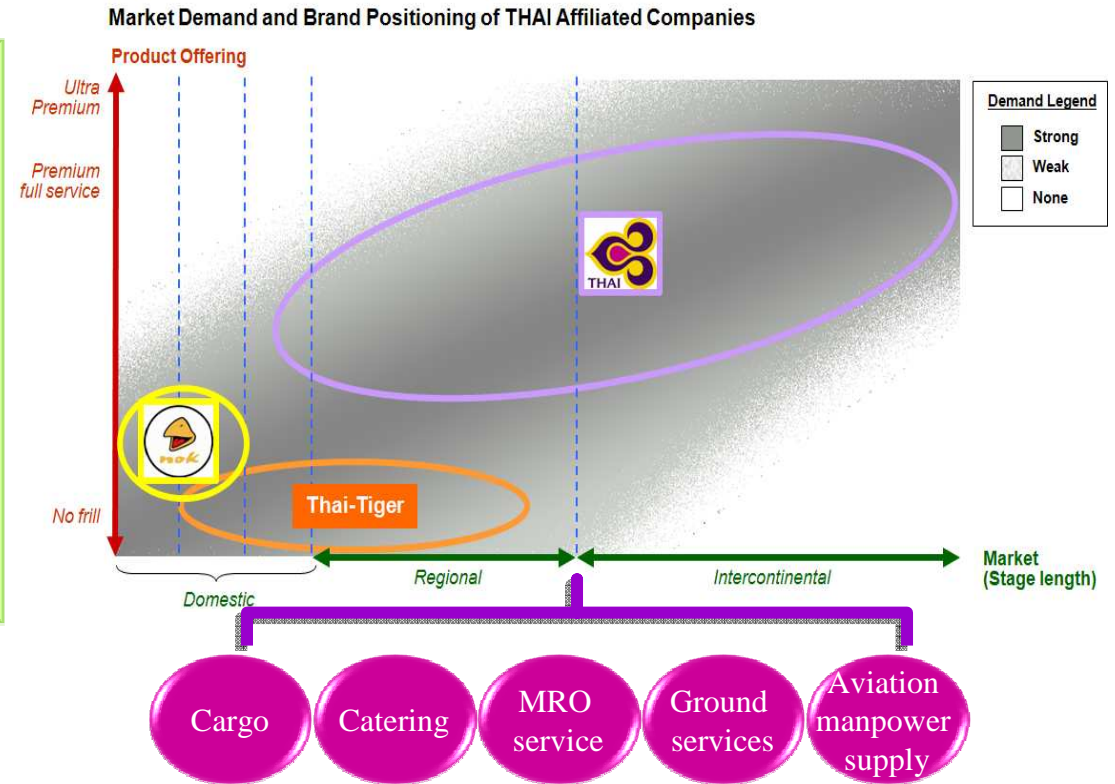


1. Corporate Portfolio Strategy

Completed Tasks

- NOK take over of some domestic routes
- TG-Tiger JV MoU signing
- Clearing BU accounts & internal pricing
- Measuring BU performance on KPI

Moving Forward



- Capture all attractive market segments
- Stimulate demand for related businesses
- Reduce risk and revenue volatility
- Lower overall operating costs

2. Customer Value Strategy



Completed Tasks

- Product & service improvement at all touch points: quick-wins and 2010 programs
- Long-Term product plan



Moving Forward

In Progress

- Strengthen ROP program
- Enhance value proposition at all touch points
- Implement CRM
- Continue product retrofit implementation

- Enhance customer satisfaction
- Increase customer retention

- Improve yield
- Reduce waste & unnecessary expense

3. Route network and fleet strategy



Completed Tasks

- Developed Route Network Strategy for 2013-2017
- Discontinued unprofitable routes and adjust network scheduling
- Developed new route networks



Moving Forward

In progress

- Long-term fleet planning

- Strengthen THAI's route network
- Enhance efficiency & improve yield

- Appropriate aircraft type selection
- Common product & reliability

4. Commercial strategy



Completed Tasks

Moving Forward

- Revenue Management System
- Strategic & flexible pricing structure
- Developed appropriate fuel surcharge strategy



In progress

- Real time dynamic pricing
- Manage and monitor fuel surcharge
- Diversify distribution channels

- Ensure optimal yield
- Ensure optimal cabin factor

- Ensure sufficient fuel cost coverage
- Enhance revenue channels

5. Efficiency, Productivity, and Social Responsibility Strategy



Completed Tasks

- “Quick-win” cost cutting activities
- Developed effective fuel hedging strategy



Moving Forward

In progress

- “Lean & Green” / carbon management strategy
- Strengthen internal fuel risk management capability
- Streamline procurement process

- Ensure alignment with social trends
- Minimizing environmental impact

- Ensuring operations stability
- Enhancing efficiency & minimizing cost

6. Human Capital and Organization Effectiveness Strategy



Completed Tasks

Moving Forward

- “Whistle Blower”
- Financial Authority Approval
- Establishment of WingSpan
- Modern Staffing and Job Classification Policies
- Performance Management and Performance-based pay for senior management



In progress

- Implement modern staffing & job classification system
- Implementing performance-based management at individual level
- Knowledge Management / Cross functional integration
- Talent development/ Succession Planning
- General management & procurement regulations

- Ensure transparency at all levels
- Expedite decision & operating processes

- Ensure performance based reward
- Ensure succession talent

7. IT Strategy



Completed Tasks

- Identified key issues to tackle
- Developed concrete plans to move ahead with enhancing IT capability

Moving Forward

In Progress:

- Corporate SAP system
- THAI Star Common Platform
- Commercial Data Warehouse
- New cargo system
- New ROP
- New ROH

- Ensure future ability to compete
- Enhance efficiency & reduce redundancy
- Improve quality & speed of decisions
- Enhance integrity & speed of service

8. Fuel Hedging & Management Strategy



Completed Tasks

- Established working guidelines
- Established authority
- Enable active & quick decision making process



Moving Forward

In progress

- Actively manage fuel burn
- Active fuel surcharge management
- Be vigilant of fuel trend
- Study new fuel options

- Ensure least fuel burn & reduce waste
- Ensure optimum hedging

- Ensure sufficient surcharge coverage
- Being aware of the environment

9. Financial Strategy



Completed Tasks

- Public Offering : 15,000 MTHB
- Secured Term Loans & to issue debentures in 2010
- Signed revolving credit



Moving Forward

In progress

- Secure favorable term loans as part of Financial Risk Management
- Study of FX management
- Ensuring sufficient & appropriate funding needs

- Ensure healthy capital structure
- Ensure sufficient liquidity

- Ensure manageable capital burden
- Minimizing FX impact

Completed Tasks

- Increased operating efficiency
- Stabilized operations
- Greater customer satisfaction
- Enhanced profitability
- Greater financial stability

Inducted to the MSCI Index



Moving Forward

- Positioning THAI to compete globally
- Ensuring necessary structure, processes, preparation to meet challenges
- Leveraging off every busy operation to maximize revenue
- Ensuring cost effectiveness with robust risk management for all aspects of operations

