

**(Translation)**

TG. 01/502

August 11, 2015

**Subject** Submission of financial statements for the three-month period and the six-month period ended June 30, 2015

**To** President of the Stock Exchange of Thailand

- Enclosed**
1. Thai Airways International Public Company Limited and its subsidiaries' financial statements for the three-month period and six-month period ended June 30, 2015
  2. Management's Discussion and Analysis (MD&A) for the second quarter of the financial year 2015 ended June 30, 2015 of Thai Airways International Public Company Limited and its subsidiaries
  3. Report Summarizing Operating Results of the Company (F45-3)

Thai Airways International Public Company Limited is pleased to submit the Company's consolidated financial statements and its subsidiaries for the three-month period and six-month period ended June 30, 2015 which has been reviewed by the Office of the Auditor General of Thailand and also Management's Discussion and Analysis (MD&A) for the second quarter of the financial year 2015 ended June 30, 2015. Details have been enclosed and can be summarized as follows:

During the second quarter of 2015, THAI continues to implement its transformation plans, which launched since the past quarter by ceasing "Day Flight" to Frankfurt from May 1, 2015, to reduce losses as per the network strategy and proceeded the fleet strategy by decommissioning one aircraft, simultaneously, receiving two new aircraft as of June 30, 2015 which made a total of 94 aircraft to THAI's fleet. THAI also provided the Mutual Separation Plan - MSP for general employees and Golden Handshake scheme for flight attendants to manage manpower affected by the reduction of flights and routes in order to improve the personnel and cost structure and reduce overall costs in the long term basis.

Due to the recovery of the tourism sector in Thailand, the economic growth in several countries and the expansion of Chinese tourists traveling abroad from easing measures of the Chinese authorities, the second quarter of 2015, THAI had the increasing passengers 19.7% over last year. The passenger traffic increased 11.2% while passenger production increased only by 2.0 % due to the Fleet strategy, which pushed cabin factor to 69.2% compared to 63.5% last year. Consequently, THAI and its subsidiaries' financial performance showed an operating loss - a decrease of THB 2,805 million (45.9%) due to THB 1,557 million (3.6%) drop in revenue from last year, mainly from the impact of the export downturn and reduction in freight production from the decommissioned freighter aircrafts in March 2015 which made a drop in cargo revenue offset with 8.8% (THB 4,362 million) drop in expenses mainly in fuel and oil expense.

THAI and its subsidiaries had one-time expense of THB 7,827 million comprises of THB 3,722 million Mutual Separation plan and Golden Handshake programs, THB 426 million loss of impairment on assets and aircraft, together with THB 3,679 million loss of foreign currency exchange while the net finance cost was THB 1,409 million. Consequently, THAI and its subsidiaries reported the net loss of THB 12,754 million. Loss attributable to owners of the parent amounted to THB 12,759 million or THB 5,097 million higher than last year. Loss per share was 5.85 THB.

As of June 30, 2015, THAI's consolidated total assets were THB 296,429 million, a decrease of THB 10,838 million (3.5%) from as at December 31, 2014. Most of them were impairment of aircraft. Total liabilities totaled THB 264,544 million, which was a decrease of THB 1,427 million (0.5%). Total shareholders' equity amounted to THB 31,885 million, which was a decrease of THB 9,410 million(22.8%).

Please be informed accordingly.

Yours faithfully,

Mr. Charamporn Jotikasthira  
President

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