

(Translation)

TG. 07/23

February 26, 2018

Subject Submission of financial statements for the year ended December 31, 2017 for Thai Airways International Public Company Limited and its subsidiaries

To President of the Stock Exchange of Thailand

Enclosed 1. Thai Airways International Public Company Limited and its subsidiaries' financial statements for the year ended December 31, 2017

 2. Management's Discussion and Analysis (MD&A) for the year ended December 31, 2017 for 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 (THAI) would like to submit the Company's consolidated financial statements and its subsidiaries for the year ended December 31, 2017 which has been audited by the Office of the Auditor General of Thailand and also Management's Discussion and Analysis (MD&A) for the same period. Details have been enclosed and can be summarized as follows:

In 2017, THAI took delivery of 7 aircraft while decommissioned 2 operating lease aircraft: Airbus A330-300, resulting total number of 100 active aircraft in THAI's fleet as of December 31, 2017 which was 5 aircraft higher than as of December 31, 2016. Aircraft utilization increased from 11.5 hours last year to 12.0 hours this year from better rotation of aircrafts. Production traffic (ASK) increased by 6.4% while passenger traffic (RPK) increased by 14.7%. Average cabin factor was 79.2% higher than last year's 73.4% which was the highest level in the last 10 years with 24.6 million passengers carried representing 10.3% increasing from last year.

In 2017 THAI and its subsidiaries' performance indicated by the total revenue, the amount to THB 191,946 million, increased by THB 11,389 million (6.3%) resulting from the increase in passenger and excess baggage revenue, freight and mail revenue, and revenue from other activities while total expense, the amount to THB 189,090 million, increased by THB 12,604 million (7.1%) resulting from the increase of fuel expense by THB 4,879 million (10.8%) resulting from the rising jet fuel prices by 24.2% and the increase of traffic production. However, fuel risk management indicated better performance than last year. Non-fuel operating expense increased by THB 8,313 million (6.6%) due to the increase of traffic production and passenger traffic. Maintenance and overhaul expenses also increased. Net financial cost decreased by THB 588 million (11.5%) resulting from cash management and financial restructure programs implemented from 2016. Consequently, THAI and its subsidiaries' had an operating profit of THB 2,856 million, THB 1,215 million (29.8%) lower than last year.

This year THAI and its subsidiaries had one-time cost item totaled THB 979 million, recognized the impairment loss of assets and aircraft, amount of THB 3,191million, and loss on foreign currency exchange, amount of THB 1,581 million. Consequently, THAI and its subsidiaries reported the net loss of THB 2,072 million. Loss attributable to owners of the parent amounted to THB 2,107 million. Loss per share was THB 0.97 while last year's profit per share of THB 0.01.

As of December 31, 2017, total assets were THB 280,775 million, a decrease of THB 2,349 million (0.8%) from as at December 31, 2016. Total liabilities as of December 31, 2017 totaled THB 248,762 million, a decrease of THB 774 million (0.3%) from as of December 31, 2016. Total shareholders' equity amounted to THB 32,013 million, a decrease of THB 1,575 million (4.7%) resulting from the negative performance.

Please be informed accordingly.

Yours faithfully,

Mr. Narongchai Wongthanavimok
Executive Vice President
Finance and Accounting Department

Management Accounting and MIS Department
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