

(Translation)

TG. 07/021

February 28, 2017

Subject Submission of financial statements for the year ended December 31, 2016 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, 2016
2. Management's Discussion and Analysis (MD&A) for the year ended December 31, 2016 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) is pleased to submit the Company's consolidated financial statements and its subsidiaries for the year ended December 31, 2016 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 2016, THAI entered into the second phase of the transformation plan "Strength Building" by embarking on 4 main strategies : 1) generating aggressive revenue 2) reducing cost and increasing efficiencies 3) building capabilities for sustainable growth 4) creating excellent quality of service. This year, THAI had implemented these main tasks by using information technology which contains international standard to enhance revenue management effectiveness and other services, introducing new business class service, launching new routes : Bangkok- Tehran, Iran, Phuket – Frankfurt, resuming Bangkok-Moscow route, adding flight frequencies in European routes, continuing the MSP program from last year, and so on.

In 2016, THAI took delivery of 2 Airbus A350-900XWB; simultaneously, decommissioned 2 operating lease aircraft: Boeing B777-200 resulting unchanged in total number of 95 active aircraft in THAI's fleet as of December 31, 2016 which was equal to December 31, 2015 but in term of aircraft utilization has been improving. Consequently, production traffic (ASK) increased by 1.9% while passenger traffic (RPK) increased by 2.5%. Average cabin factor was 73.4% higher than last year's 72.9% with 22.3 million passengers carried representing 4.8% increasing from last year.

According to these development programs which were proven their successes indicated by better financial status and in other areas resulting the improving customer satisfactions. THAI has been awarded in many areas. THAI and its subsidiaries' financial performance of 2016 showed an operating profit of THB 4,071 million while last year was a loss of THB 1,304 million or 412.2% a leap of improvement from last year mainly because total expense decreased by 7.1% from the decrease of fuel expense by THB 17,907 million (28.3%) resulting from the falling jet fuel prices by 21.6% and better fuel risk management, net finance cost reduced by THB 431 million (7.7%) because of the efficient cash management and financial restructure engagement but non-fuel operating expense increased by THB 4,773 million (3.9%) mostly due to increase in maintenance and overhaul expenses. Total revenues decreased by THB 8,190 million(4.3%). Passenger and excess baggage revenue reduced by THB 4,428 million (2.9%) due to the fuel surcharge adjustment

while other revenues reduced by THB 3,775 million since last year THAI received the insurance compensation from the delay delivery of economy class seats, the amount of THB 3,968 million.

This year THAI and its subsidiaries had one-time cost item occurred from maintenance provision based on actual conditions of aircraft and maintenance contractual obligations, amount of THB 1,317 million, the expenses from Transformation plan, the amount of THB 1,228 million, and impairment loss of assets and aircraft, amount of THB 3,628 million but had THB 685 million gain on foreign currency exchange. Consequently, THAI and its subsidiaries reported the net profit of THB 47 million. Profit attributable to owners of the parent amounted to THB 15 million. Profit per share was THB 0.01 or 100.2% higher than last year's loss per share of THB 5.99.

As of December 31, 2016, total assets were THB 283,124 million, a decrease of THB 19,347 million(6.4%) from as at December 31, 2015 mainly due to short-term and long-term repayment, additional provision of impairment of aircraft and sold aircraft during the year. Total liabilities as of December 31, 2016 totaled THB 249,536 million, a decrease of THB 20,009 million(7.4%) from as of December 31, 2015. Total shareholders' equity amounted to THB 33,588 million, an increase of THB 662 million (2.0%).

Please be informed accordingly.

Yours faithfully,

Mr. Narongchai Wongthanavimok
Executive Vice President
Finance and Accounting Department