

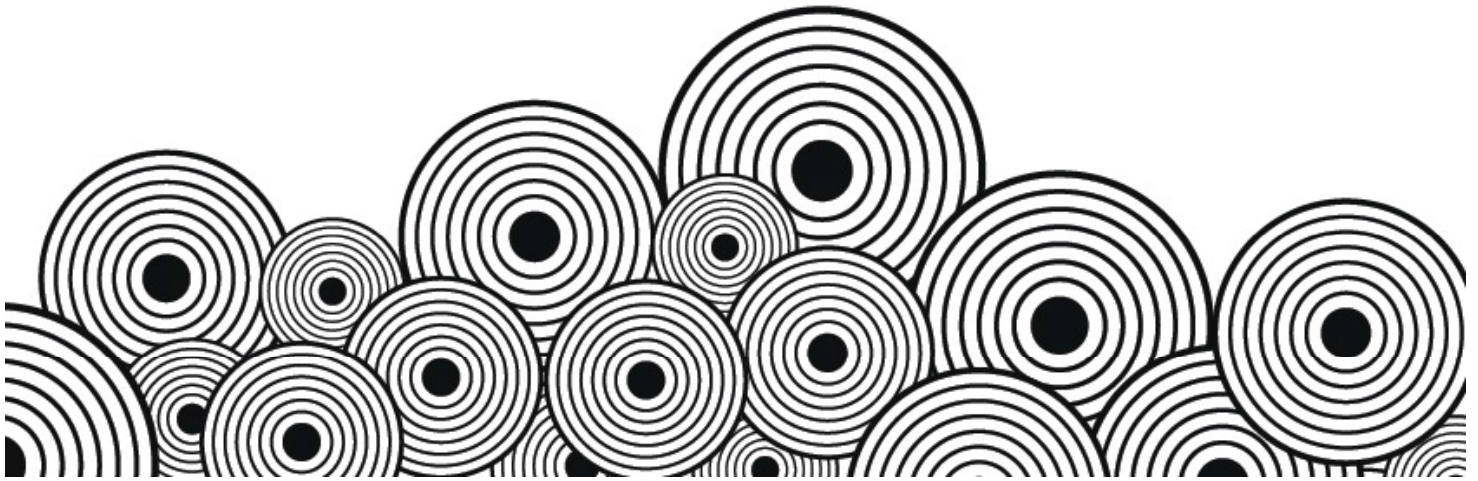


ASIA AVIATION

Public Company Limited

2Q12 Results Presentation

9 August 2012



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ASIA AVIATION
Public Company Limited

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2Q12 - Key Highlights

- From IPO proceeds, injected THB 2.7 billion into TAA, raising ownership stake from 51% to 55%
- AAV recognized gain on fair value of previously held equity interest of THB 14.7 billion
- Different accounting basis on AAV: 2Q12 fully consolidation from 4 May 2012 onwards versus 2Q11 51% proportionate consolidation
- **AAV 2Q12:**
 - Revenue THB 3.6 billion
 - Net profit THB 14.8 billion
- **TAA 2Q12:**
 - Revenue THB 4.4 billion (+15.7% YoY)
 - Net profit THB 245.8 million (-25.1% YoY)
- Healthy balance sheet as cash balance YTD of THB 5.2 billion; debt-free company and equity up to THB 25.2 billion as at 30 Jun 2012
- All 24 operating leased aircraft as at 30 Jun 2012 with upcoming three deliveries for 2H12



- Moving to Don Mueang Airport on all flights from 1 October 2012

3

2Q12 Financial Highlights

AAV

THB million	Consolidated 2Q12	Proportionate consolidated 2Q11	Consolidated 1H12	Proportionate consolidated 1H11
Revenues	3,572	1,916	6,055	3,996
Net profit	14,799	164	15,116	610

- AAV financial statements are under different accounting methods, thus, 2Q12 performance is not like-for-like in comparison.
- Net profit includes gain on fair value of equity interest of THB 14,690 million in 2Q12 under the full consolidation.

TAA

THB million	2Q12	2Q11	Chg %	1H12	1H11	Chg %
Revenues	4,433	3,833	+15.7%	9,301	7,993	+16.4%
Net profit	246	328	-25.1%	867	1,220	-28.9%

- TAA 2Q12 revenue up 15.7% YoY from passengers and capacity growth with a 1 ppt increase in load factor to 79%.



- Net profit down -25.1% YoY from higher fuel, rental and maintenance costs due to larger fleet and tax.

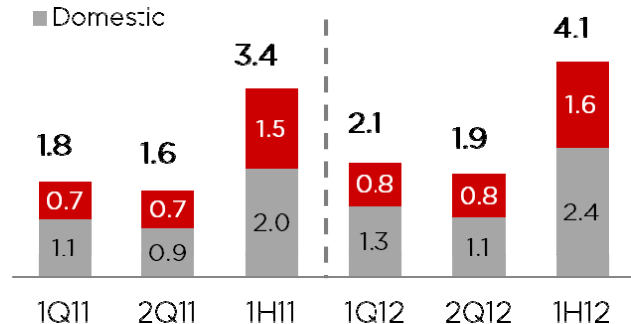
4

2Q12 and 1H12 Operational Highlights

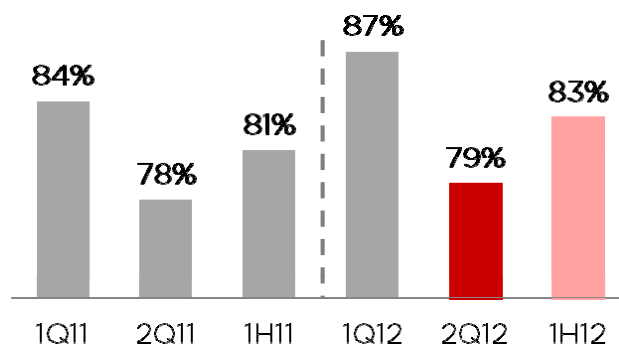
Passengers carried up YoY

Million passengers

■ International
■ Domestic

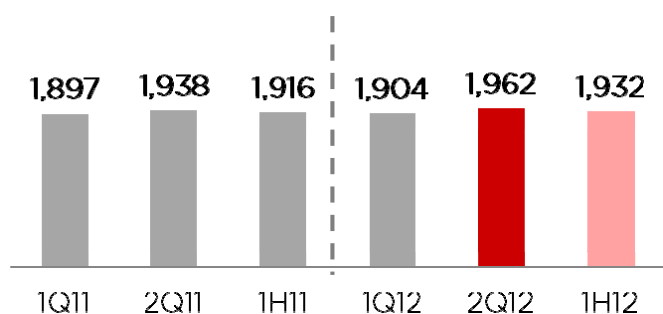


Load factor up YoY



Average fare up QoQ and YoY

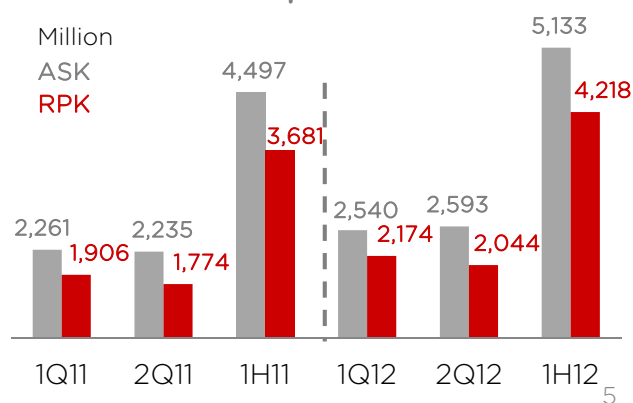
Baht per pax



* Includes fuel surcharge

ASK vs RPK up YoY

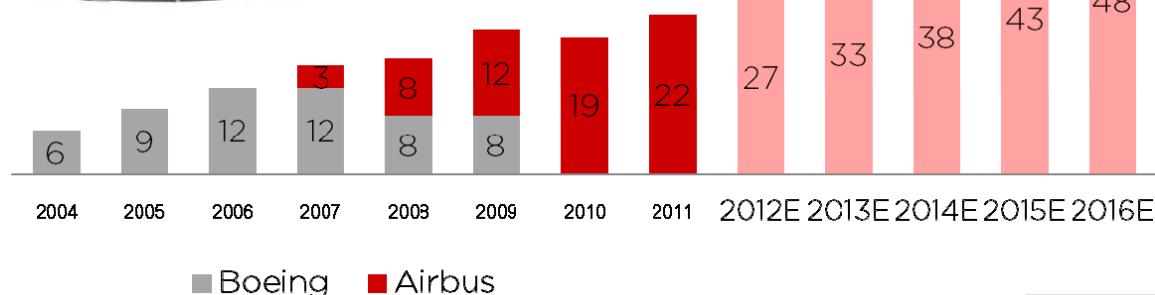
Million
ASK
RPK



Fleet Strategy

Confirmed fleet expansion

Aircraft



- 24 all operating lease aircraft as at 30 Jun 2012
- Average life of **2 years 6 months** as at 30 Jun 2012
- Upcoming three deliveries in 2H12 (Sep, Oct, Nov)
- A combination of finance and operating leases in 2H12



Route Network

- Flying to 28 destinations (as at 2Q12)
 - 16 international
 - 12 domestic
- Opportunities in southern China
- Operating from 3 hubs:
 - Bangkok
(Don Mueang from Oct 2012 onwards)
 - Phuket (2009)
 - Chiangmai (2011)
 - Hatyai (2013F)
- Route updates in 1H12:
 - New routes:
 - Bangkok - Nakhorn Phanom (1Q12)
 - Bangkok - Trang (1Q12)
 - Bangkok - Colombo (1Q12)
 - Bangkok - Chennai (1Q12)
 - Bangkok - Chongqing (1Q12)
 - Chiangmai - Macau (2Q12)

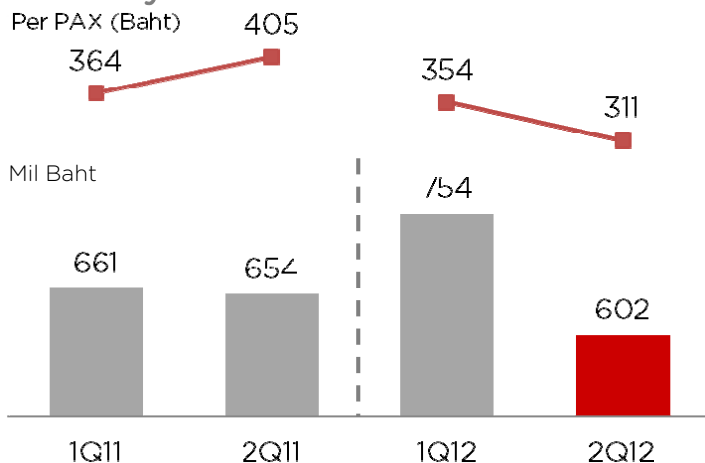


- Additional frequency:
 - Bangkok - Trang (2Q12)

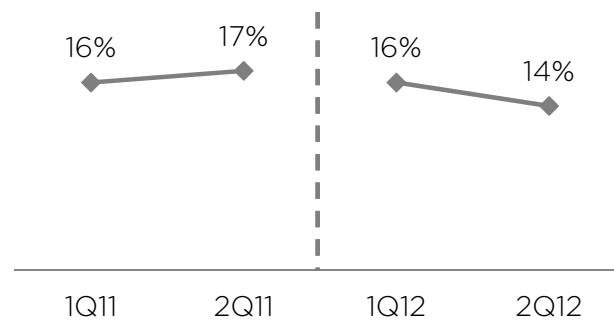


Ancillary Revenue

Ancillary down -8% YoY



Ancillary as % of revenue



- 2Q12 down mainly due to reduction in unit price of baggage handling fees to entice demand
- Unit price returned to normal at the end of Jun 2012 positive trend in Jul 2012
- Ancillary products in the pipeline
 - Red carpet
 - Lounge
 - In-flight entertainment and etc.



Cost Structure

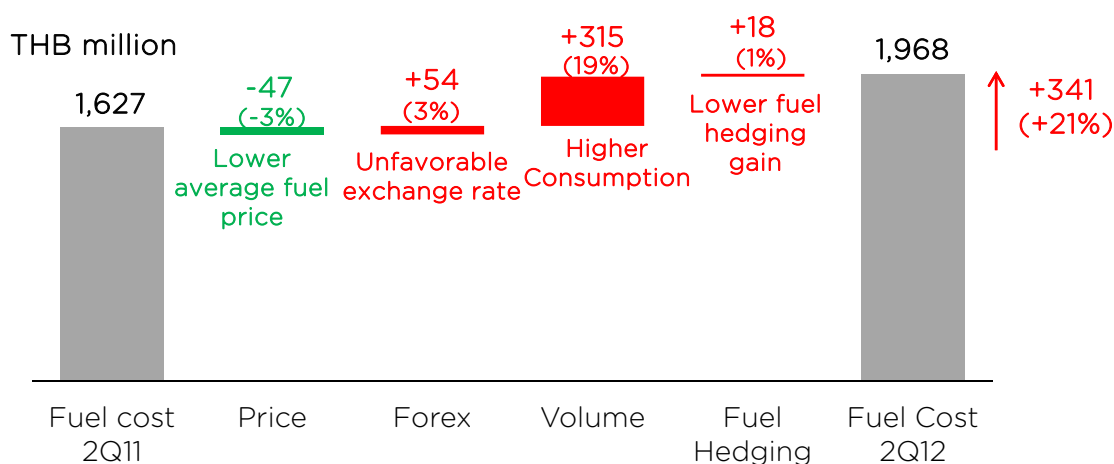
	2Q12	2Q11	Change
Cost per ASK (THB)	1.66	1.61	+0.05
Cost per ASK ex-fuel (THB)	0.90	0.88	+0.02
Cost per ASK (US cents)	5.19	5.24	-0.05
Cost per ASK ex-fuel (US cents)	2.81	2.87	-0.06

- CASK up in 2Q12 primary attributable to higher consumption in fuel costs, higher aircraft rental and maintenance from larger fleet.



Fuel and Hedging

Fuel cost 2Q12 vs 2Q11



- 2Q12: Average jet fuel price @ USD 131/barrel (versus USD 133/barrel in 2Q11)
- Hedging strategy to match forward bookings
- Fuel hedging:-
 - Up to 44% for 3Q12
 - Up to 28% for 4Q12



Moving to Don Mueang Update

- All domestic and international flights will operate services from Don Mueang Airport beginning of 1 October 2012 onwards
- Savings:
 - Airport charges paid to AOT based on discounts offered (*charges include landing, parking, aerobridges, check-in counter and rental space expenses*):
 - Year 1 → 30%
 - Year 2 → 20%
 - Year 3 → 10%
 - Improved in efficiency, expecting to reflect through 1%-2% of fuel costs
- Moving costs
 - Estimated THB 80 million (approximately 75% capitalized)



11

2H12 Outlook...

- Three deliveries in Sep., Oct., Nov. respectively
- New destinations:
 - Mandalay (Myanmar)
 - Couple of cities in southern China
- Additional frequencies:
 - Yangon (Myanmar)
 - Dominant routes in domestic and international
- Expected improved efficiencies from moving operation to Don Mueang Airport from 1 October 2012

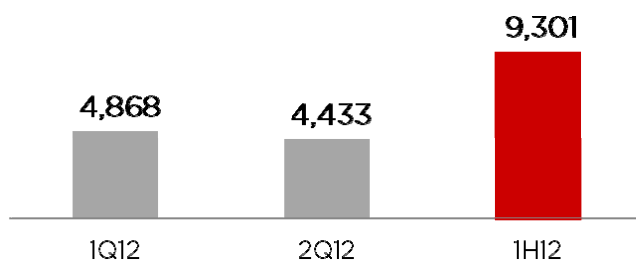


12

TAA: Key Income Statements Items

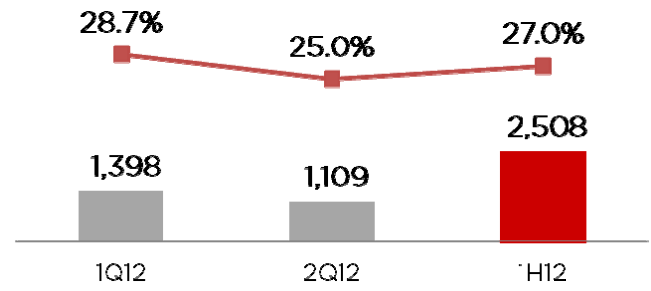
Revenues

Baht million



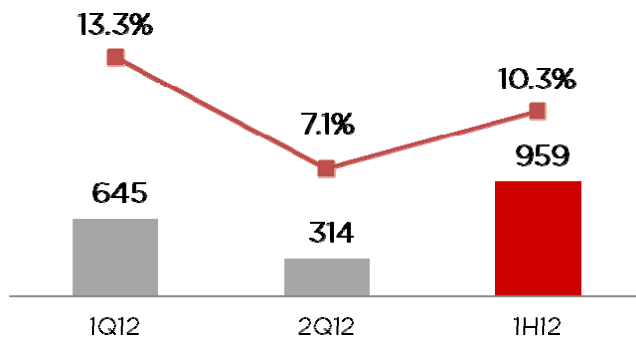
EBITDAR and EBITDAR margin

Baht million



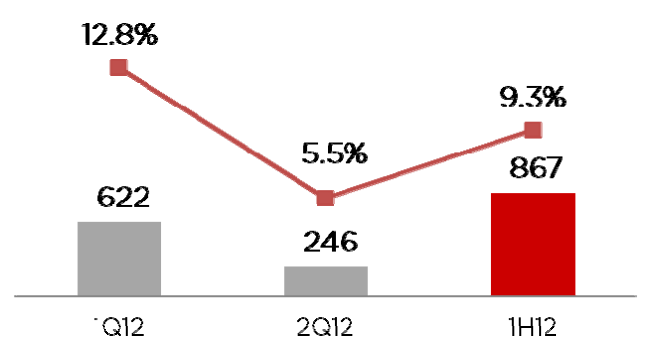
EBITDA and EBITDA margin

Baht million



Net profit and net profit margin

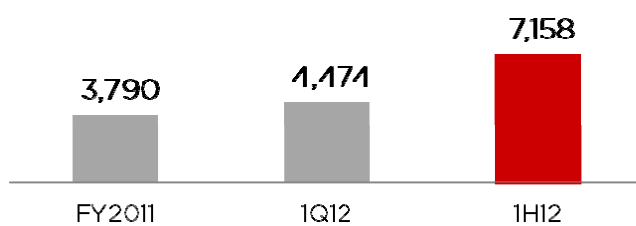
Baht million



TAA: Key Balance Sheet Items

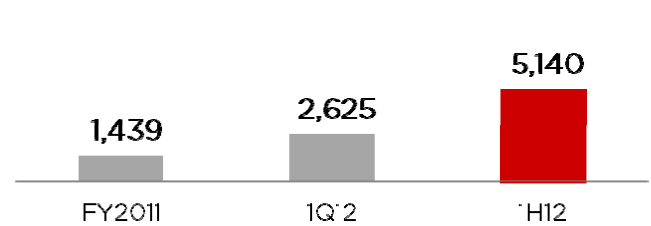
Total assets

Baht million



Cash and cash equivalents

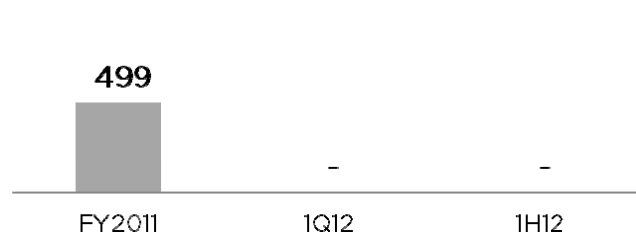
Baht million



* Includes cash at financial institutions pledged as security and short-term investments

Total debt*

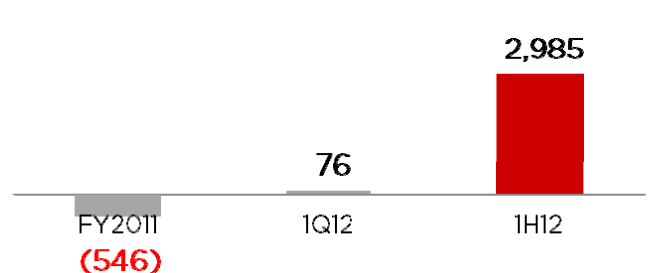
Baht million



* Includes borrowing from financial institution

Total equity

Baht million

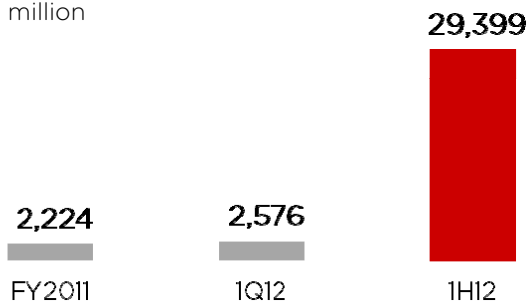


- Total assets include cash from right offering THB 2,663 million

AAV: Key Balance Sheet Items

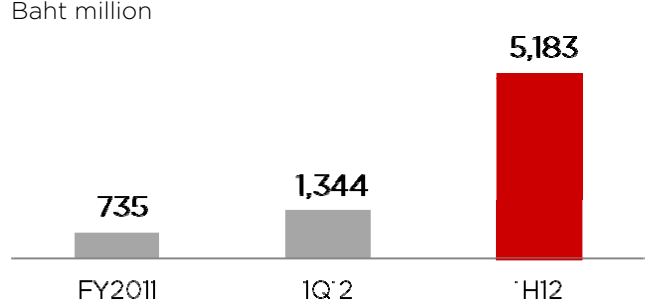
Total assets

Baht million



Cash and cash equivalents

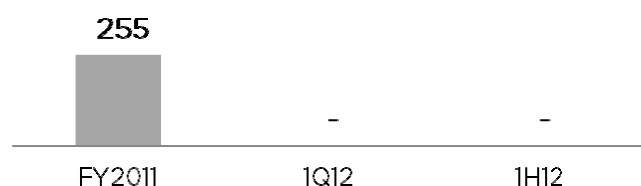
Baht million



* Includes cash at financial institutions pledged as security and short-term investments

Total debt*

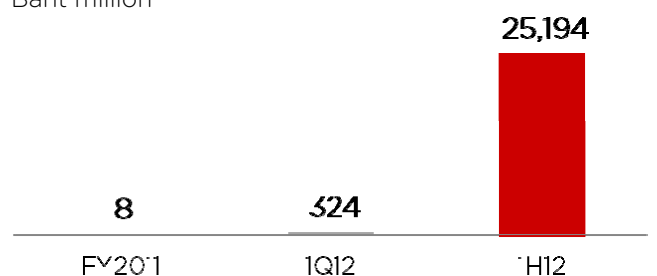
Baht million



* Includes borrowing from financial institution

Total equity

Baht million



- Total assets include goodwill THB 7,415 million and intangible assets THB 14,867 million from consolidation
- Total equity include gain from equity value THB 14,890 million

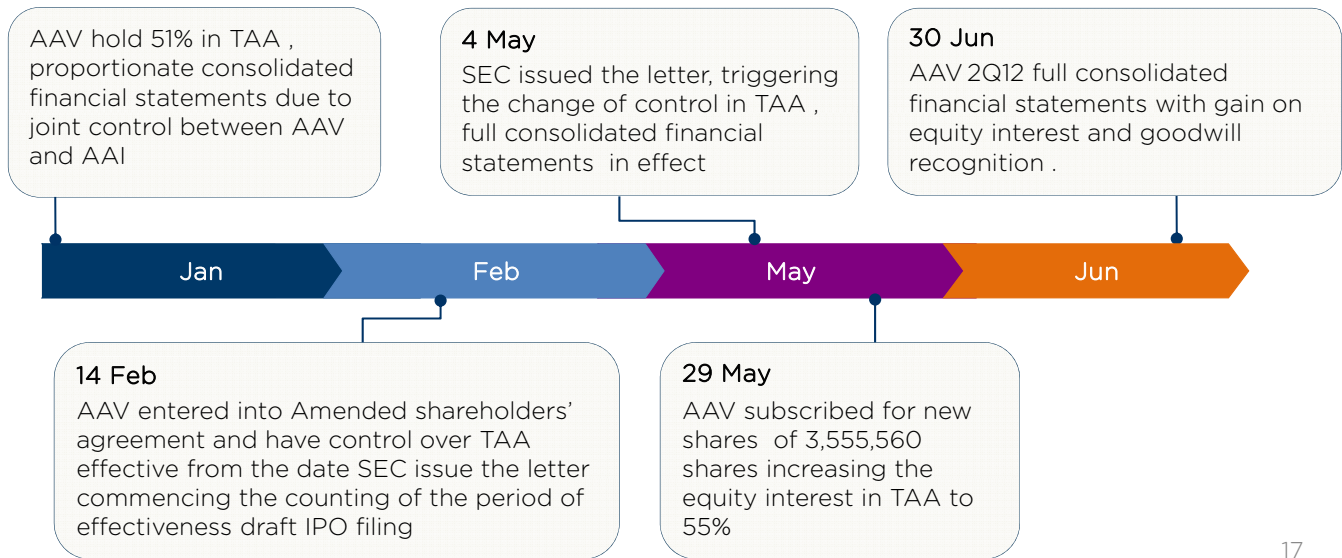


TFRS 3: Business Combination



Accounting for full consolidation (TFRS 3)

- On 4 May 2012 (“Effective Date”), SEC’s acceptance of IPO filing triggered official change of control of AAV in Thai AirAsia, treating TAA as a subsidiary instead of a joint venture.
- In 2Q12, AAV’s financial statement prepared under fully consolidation method instead of 51% proportionate consolidation method.
- Timeline:

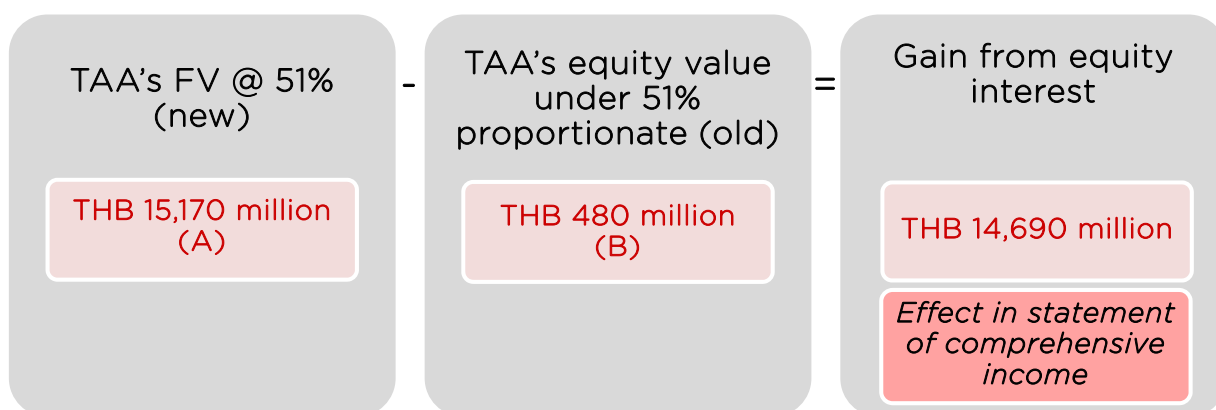


17

Accounting for full consolidation (TFRS 3)

TFRS 3: Business combination:

Transaction 1: Measurement of fair value (as at 4 May 2012)



A) TAA shares x AAV's stake x TAA fair price per share

$$\rightarrow (40 \text{ mil. shares}) \times (51\%) \times (\text{THB } 744^*) = \text{THB } 15,170 \text{ million}$$

B) [TAA equity at 30 April 2012** x AAV's stake] + Goodwill (original) + Equity adj.***

$$\rightarrow [\text{THB } 350 \text{ million} \times 51\%] + (\text{THB } 286 \text{ million}) + (\text{THB } 15 \text{ million}) = \text{THB } 480 \text{ million}$$

* $[(\text{AAV shares} \times \text{IPO price}) \div \text{AAV's stake}] \div \text{TAA shares}$

$\rightarrow [(4,100 \text{ mil. shares} \times \text{Baht } 3.7) \div 51\%] \div (40 \text{ mil. shares}) = \text{Baht } 744$

** TAA equity as at 31 March 2012 + April 2012 profit (nearest to effective date)

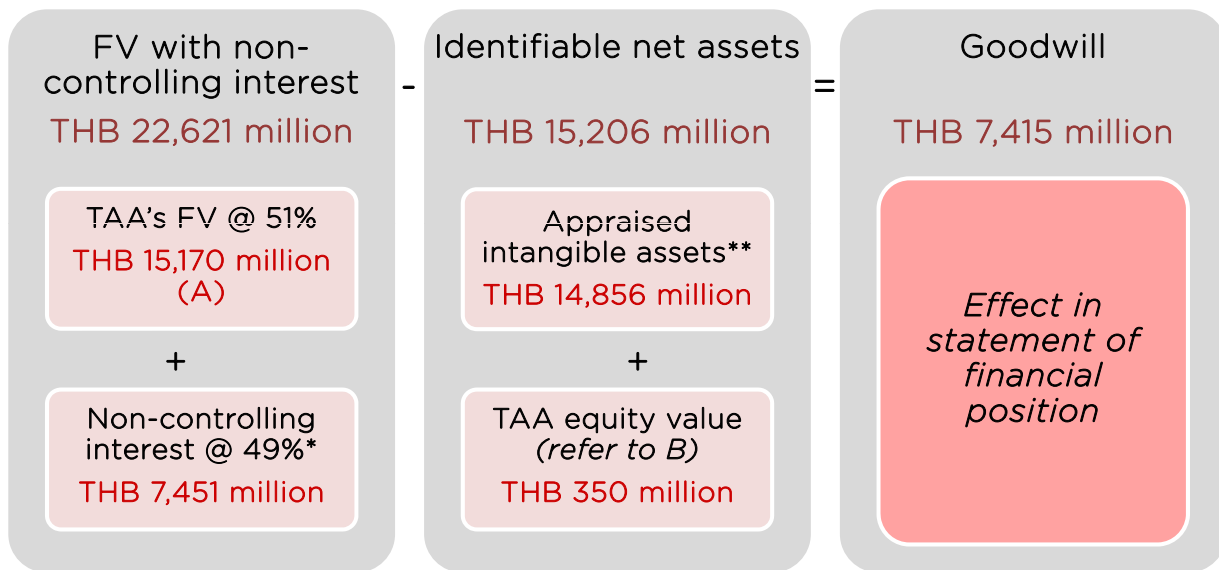
*** Effect of change in proportion of investment in a joint venture as at 31 March 2012

18

Accounting for full consolidation (TFRS 3)

TFRS 3: Business combination:

Transaction 2: Measurement of goodwill (as at 4 May 2012)



* Identifiable net assets x non-controlling interest's stake
→ (THB 15,206 million) x (49%) = **THB 7,451 million**

** Valuation of intangible asset using income approach by KPMG

*** Goodwill and/or intangible assets shall be recognized an impairment loss if such assets are subsequently impaired. 19

Accounting for full consolidation (TFRS 3)

KPMG's valuation Report of TAA's intangible assets dated on 16 Jul 2012

- Consideration and Identification of intangible assets

Landing rights of existing flights	Yes
Brand license	No
Customer list	No
- Valuation approach
 - The multi-period excess earnings (MEEM) of the income approach
 - Actual operating performance in 2009-2011 and actual fleet size and number of flights as of 1 April 2012.
 - The value of intangible assets is **THB 14,856 million**

Accounting for full consolidation (TFRS 3)

In summary...

(THB million)	1H12	1Q12
Consolidated Statement of Comprehensive Income		
Net profit	15,116	316
Consolidated Statements of Financial Position		
Total assets	29,399	2,576
Total Liabilities	4,205	2,252
Retained earnings	14,746	(70)
Shareholders' equity	25,194	324
P/E (4 latest quarter)	0.9x*	17.1x**
EPS (THB)	3.57	0.08
Book value	4.19	0.08
P/B	0.8x*	46.8x**



* Price as at 30 Jun 2012 @THB 3.4

**Price at IPO @THB 3.7