

Bangkok Airways announces Operating Results of 2016 and Business Outlook for 2017

Bangkok / 24 February 2017 (Today) – Bangkok Airways Public Company Limited headed by the airline’s executives, Mr. Puttipong Prasarttong-Osoth – President, Mr. Prote Setsuwan - Vice President-Marketing, and Mr. Varong Israsena Na Ayudhya – Vice President-Sales, jointly announce the company’s operating results of 2016 and business outlook for 2017 at the Grand Ballroom 2, InterContinental Hotel, Bangkok.

Mr. Puttipong Prasarttong-Osoth, President of Bangkok Airways Public Company Limited commented that, "In 2016, total revenue of the company was 26,765.8 million baht, increased by 7.5 percent from the previous year. Net profit before income tax expenses was reported amounting to 2,776.4 million baht. Referring to the announcement of the Ministry of Finance, additional tax paid at the amount of 506.1 million baht was filed during the period. After deducting tax, net profit would be 1,837.0 million baht in which the profit attributable to the equity holders of the company was 1,768.4 million baht. Earnings per share was 0.84 baht. The total number of passengers in 2016 was 5.6 million passengers, increased by 9.5 percent from the previous year. In 2017, the number of passengers is expected to grow 12-13 percent. The passenger load factor in 2017 is expected to be at 72 percent in which passenger load factor in 2016 was at 69 percent.

As for our 2017 business outlook and direction, we will still focus on expanding our network to cover the most important destinations throughout Asia in order to facilitate our passengers and our codeshare partners. We will further utilize our strategic flying hubs which are Bangkok (Suvarnabhumi), Samui and Chiang Mai by offering new non-stop services from these airports to some high potential destinations in Asia such as Chiang Mai–Vientiane (Lao PDR), Chiang Mai–Bagan

(Myanmar), Bangkok–Nakhon Ratchasima, Bangkok-Phu Quoc (Vietnam), however, these routes are still being approved by the local authorities. Also in January, we launched a non-stop service between Samui-Guangzhou (China.) In addition to that, increased frequency will be added to our popular domestic and international routes such as Chiang Mai-Samui from 1 to 2 flights a day, Chiang Mai-Phuket from 1 to 2 flights a day, Chiang Mai-Mae Hong Son from 1 to 2 flights a day, Bangkok-Chiang Mai (one way) from 8 to 9 flights a day, Phuket-Bangkok (one way) from 9 to 10 flights a day, Bangkok-Danang (Vietnam) from 4 flights a week to 7 flights a week, Bangkok-Vientiane (Lao PDR) from 1 to 2 flights a day and Chiang Mai-Mandalay (Myanmar) from 6 to 7 flights a week.

Moreover, we will increase the number of our codeshare partners. To date, Bangkok Airways is in partnership with 22 airlines around the world, including our latest partner – Xiamen Airlines. In 2017, we expect to sign more agreements with another 4 Asian carriers.

As for aircraft delivery plans, we are expecting to receive 5 aircraft, which include two ATR72-600's, and three Airbus A319's which will bring the total number to 39 aircraft for 2017.

This year, the company also plans to invest more in airport-related businesses in order to enhance the company's overall performance. We are planning to build a new hangar at Suvarnabhumi airport as well as the Sukhothai airport, which can accommodate aircraft maintenance up to C-Check. We are also looking at developing and building two new airports, however, this has to undergo a lot of processes and be approved by the relevant authorities. We plan to expand our Bangkok Air Catering business by opening two more air catering houses at the Phuket international airport (expected to be in operation by the third quarter of 2017) and the Chiang Mai international airport (expected to be in operation by 2018). Moreover, we plan to expand our culinary ventures beyond airline catering by assuming a new role as gourmet food supplier called Gourmet Primo Co. (GPC) to supply high quality foods, delicacies and special frozen meals for consumers of kosher and halal food.

Bangkok Airways continually strives to support and be involved in Corporate Social Responsibility activities which remains one of our core missions whilst operating our business. To produce a fruitful and sustained Corporate Social Responsibility scheme, we plan to help build a stronger community, mainly around our three airports, Samui airport, Trat airport, and Sukhothai airport, as well as other destinations that we serve. We will extend our support to the local community through various campaigns.” added Mr. Puttipong.

Mr. Prote Setsuwan, Vice President-Marketing, revealed his marketing directions for 2017 stating that, “Our marketing goal this year is to support sales activities and increase sales volume. We will use integrated strategies to help elevate Bangkok Airways brand positioning in both Thailand and the overseas markets. We will continue exercising our Sport Marketing strategy in order to create and strengthen our brand awareness with connections to our sport fans. This year, Bangkok Airways will be organizing various sport-related events such as running races, - Bangkok Airways Boutique Series 2017, the golf tournament, – Queens Cup Bangkok Airways – SAT Golf Tournament 2017, the cycling race, – Bangkok Airways Boutique Cycling Tour powered by OCTO to name a few. Moreover, we will be sponsoring the THAI FIGHT which is seen as one of the most celebrated combat events in the world.

Bangkok Airways is currently an official sponsor for four professional football teams in Thailand which are Chiang Rai United, Chiang Mai FC, Krabi FC and Lampang FC. This year, we will add two more teams and become an official sponsor for Trat FC and Kasetsart FC.

Apart from that, we will increasingly work closely with government and private sectors to help promote Thailand and South East Asian tourism. For instance, we have joined hands with the Tourism Authority of Thailand to organize the Thailand Wedding Destiny Campaign, taking 9 famous couples from around the world, to have a wedding ceremony in popular destinations in Thailand which are Samui,

Sukhothai, Phuket and Krabi. We also continue to work with local partners to promote local events such as the Phuket Old Town Festival, Chiang Rai International Balloon Fiesta, Chiang Mai Songkran Festival and Hoi An Lights & Sounds Festival.

This year, we will continue to focus on building customer loyalty through various tailored-made campaigns such as the U Fare campaign that offers great fares and amazing benefits to college students plus the Resident Card campaign that allows passengers whose residence is in Samui, Trat and Sukhothai to be able to fly at a more reasonable fare. A Lifetime Experience in London is a Bangkok Airways campaign that offers a truly unforgettable experience to the lucky winners who get to enjoy a Premier League football match in a VIP box seat at Stamford Bridge stadium plus visit main tourist attractions and taste savory menus recommended by the Michelin Guide while in London.

We are creating some special promotional fares for our elderly passengers, disabled passengers, and government officers passengers. As you can see, this year we are trying to cater to a very wide audience so that our brand can be grown in the broader Thai market.” Mr. Prote added.

Mr. Varong Israsena Na Ayudhya – Vice President-Sales, revealed his 2017 sales plan stating that, “This year, Bangkok Airways will concentrate on CMLV countries which are Cambodia, Myanmar, Laos and Vietnam, as we foresee that these countries project notable economic growth and high travel demands. Additionally, these countries are among the most popular destinations for European and American travelers. Currently, Bangkok Airways operates more than 40 flights between Thailand and these four countries and we are planning to add more frequency plus introduce new services to meet the growing travel demand.

Apart for the mentioned markets above, we are also eyeing the Chinese market, especially industrial cities in China such as Guangzhou, Chengdu, and Chongqing. Bangkok Airways currently operates daily non-stop flights between Koh Samui-

Chengdu and Koh Samui-Guangzhou and is planning to launch new non-stop service linking Koh Samui and Chongqing in the near future. Furthermore, we plan to attend a few tradeshows in China to broaden our presence in this market.

We are also interested in other continents such as Europe, the Americas, and Africa, especially, countries in South America that project high spending power, which encouraged us to appoint a sales representative in Brazil. We are also looking to appoint more representatives in various countries such as Mexico, Kazakhstan and Uzbekistan.

Apart from making our presence known at world-class travel fairs like ITB Berlin and the World Travel Mart in London, we will also attend tradeshows in Chinese and Russian speaking countries.

For domestic sales, we will launch special-fare promotions year-round to boost advance sales. Since the beginning of 2017 we have already launched great promotions such as the Magical New Year Journey and the Lovely Journey to name a couple. Moreover, we will be attending some important domestic travel fairs including the Thai Tiew Thai Fair and the Samui Travel Fair.” added Mr. Varong.
