



**SCG**



**Dow Jones  
Sustainability Indexes**

**2012 & 2011: Global Sector Leader (Building Materials & Fixtures)**

**2012-2008: Ranked Gold Class**

**2004: Member since**

**Ranking by SAM**

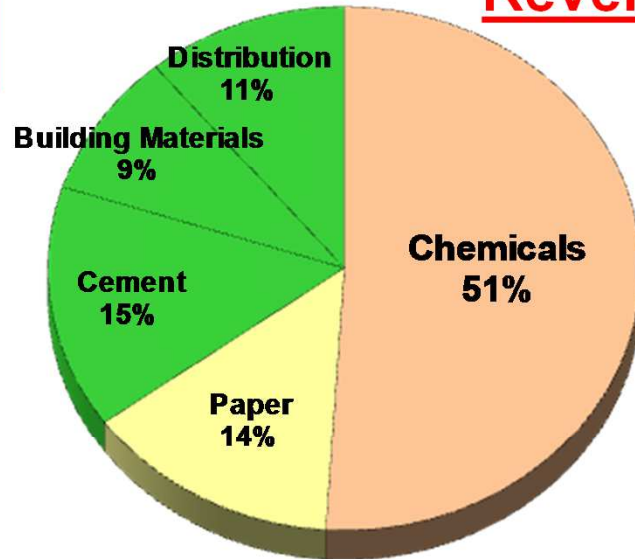
**NDR – London / Paris  
by JP Morgan  
Sep 24-26, 2012**

- **Strategy**
- **Sustainability**
- **Business Updates**
- **Financials**
- **Appendix**

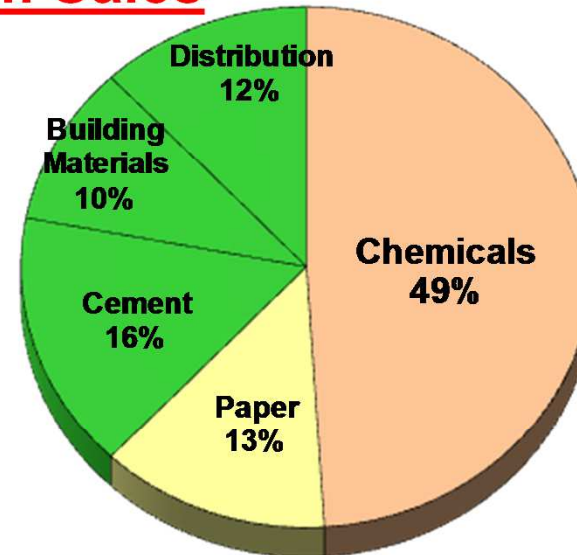
# Business segments today

## Revenue from Sales

**H1/11**  
186,354 MB

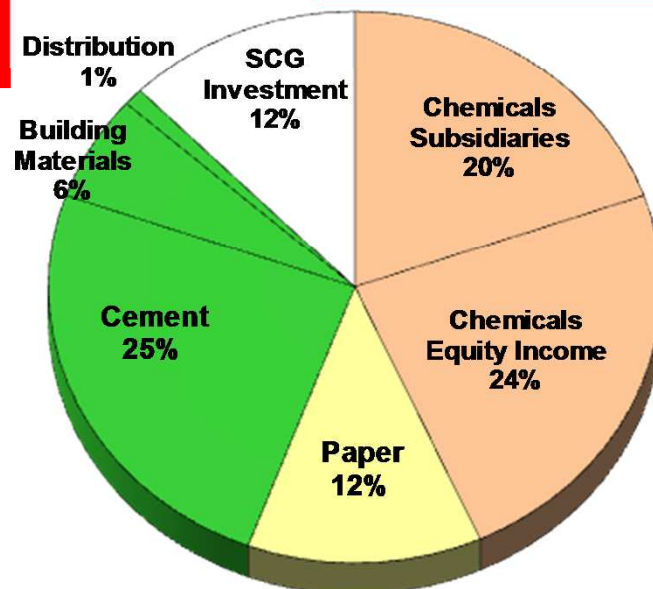


**H1/12**  
203,425 MB  
(+9% y-o-y)

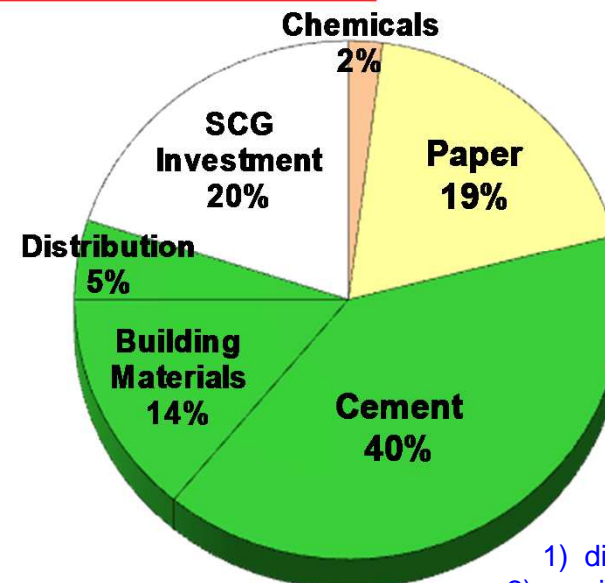


## Recurring Profit for the Period

**H1/11**  
16,703 MB



**H1/12**  
10,252 MB  
(-39% y-o-y)



### SCG Investment

- 1) dividend income (stake of <20%)
- 2) equity income (stake of 20% - 50%)

**GROWTH**

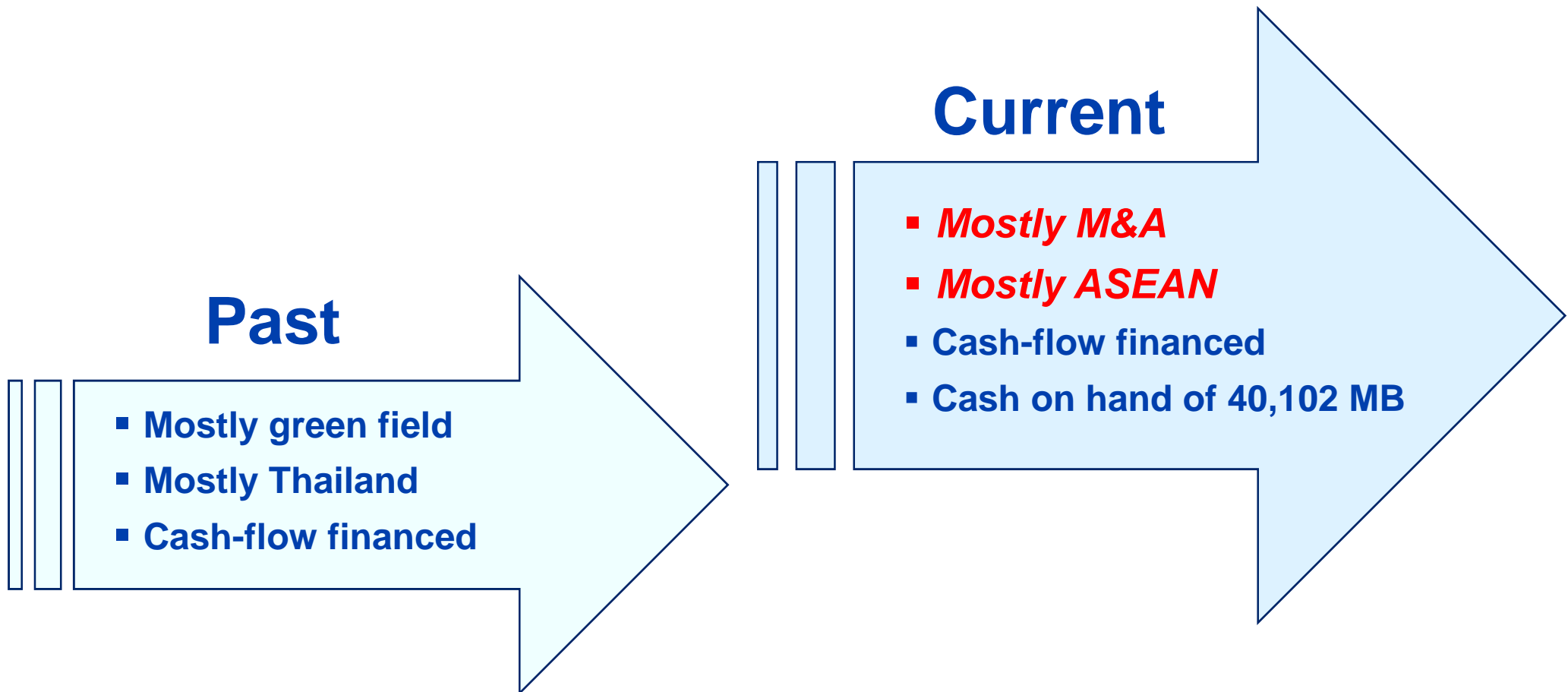
- 1) Expansion in *ASEAN*
- 2) *High Value Added products & services (HVA)*

**DISCIPLINED**

*“Cash return on investment”* hurdle of 15%  
*“Dividend payout”* policy of 40-50%

# CAPEX strategies

...include M&A and investment



...ASEAN expansion of core businesses

ASEAN assets = 53,800 MB  
(\$1.7 Billion or 14% of total assets)

SCG's staffs in ASEAN = 10,161 staffs  
(26% of total SCG's staffs)



## Myanmar (1996)

Total Assets \$5 Mil

- Cement (RMC)
- Distribution



## Vietnam (1996)

Total Assets \$380 Mil

- Cement
- Chemicals
- Paper
- Building Materials
- Distribution



## Laos & Cambodia (1994)

Total Assets \$140 Mil

- Cement
- Building Materials
- Distribution



## Malaysia & Singapore (1996)

Total Assets \$33 Mil

- Packaging Paper
- Distribution



## Philippines (1993)

Total Assets \$240 Mil

- Paper
- Building Materials
- Distribution



## Indonesia (1996)

Total Assets \$970 Mil

- Chemicals
- Building Materials
- Distribution
- Cement (RMC)

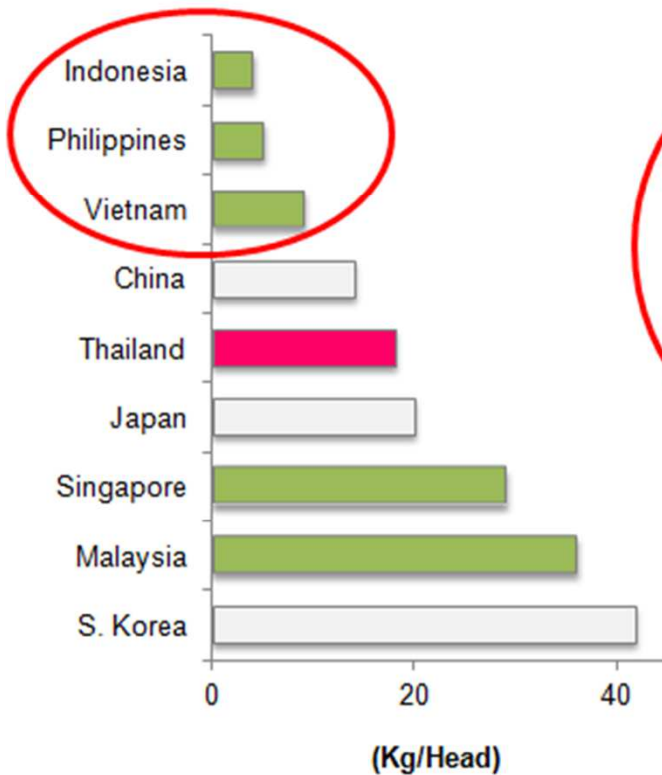
	<u>Thailand</u>	<u>ASEAN</u>
<b>Downstream Chemicals</b> <i>7.2 million tons</i>	1	1
<b>Packaging Paper</b> <i>1.9 million tons</i>	1	1
<b>Cement</b> <i>24 million tons</i>	1	2
<b>Building Products</b> <i>149 million sqm of ceramics</i>	1	1

Note: as of July/12

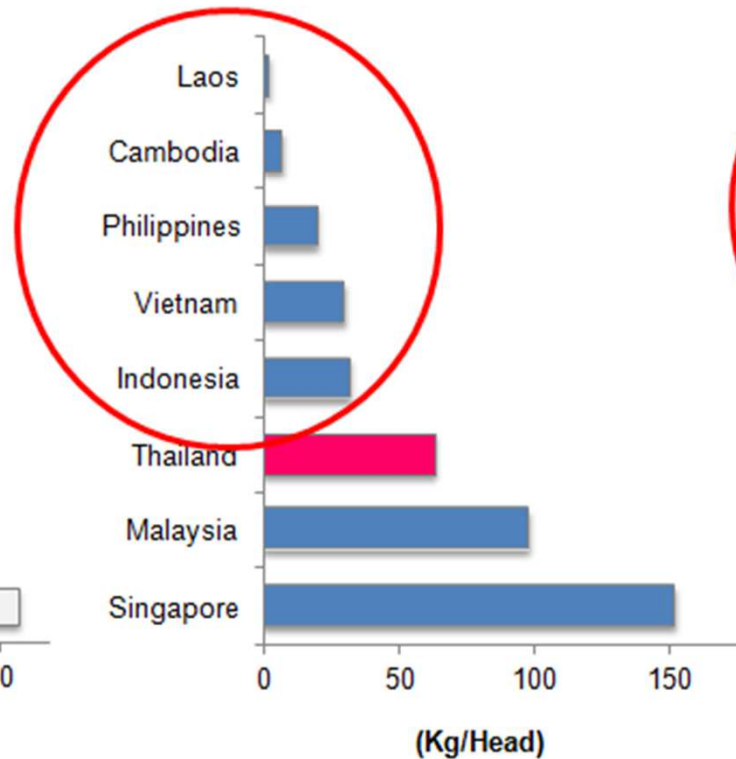
# Regional growth opportunities

## Low consumption per capita in ASEAN

### Plastic



### Paper



### Cement



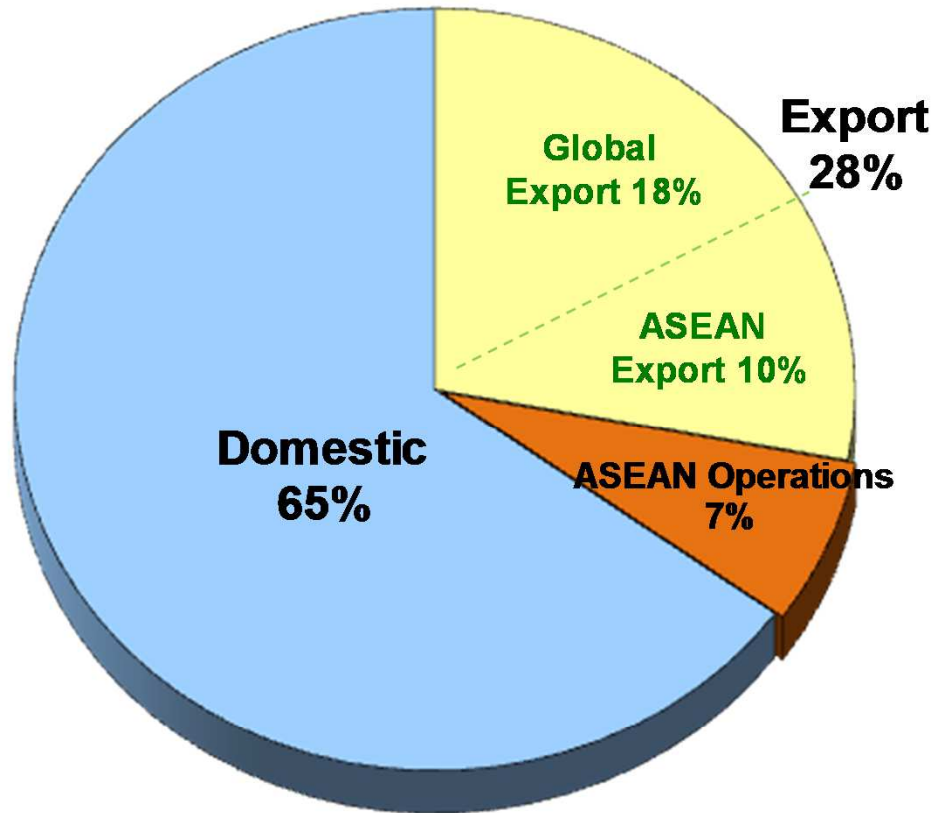
Note: figures for 2011



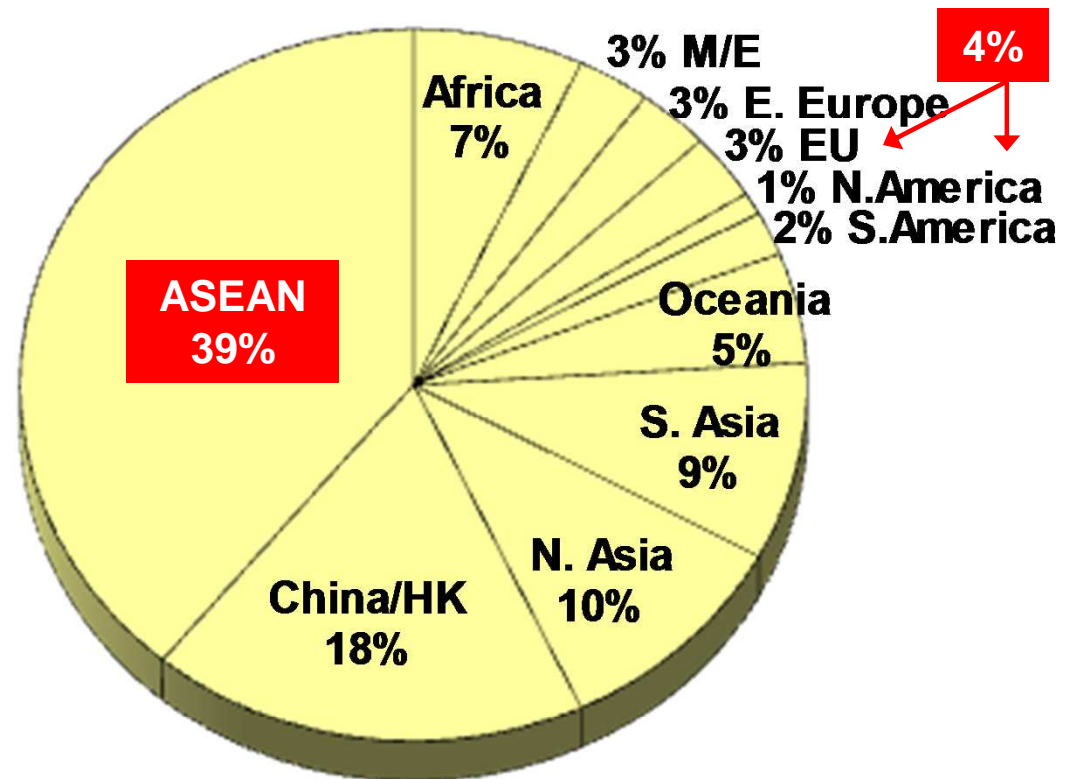
# Export destinations in H1/12

ASEAN accounted for 39% of all of SCG's exports.

### Revenue from Sales



### Export Destinations

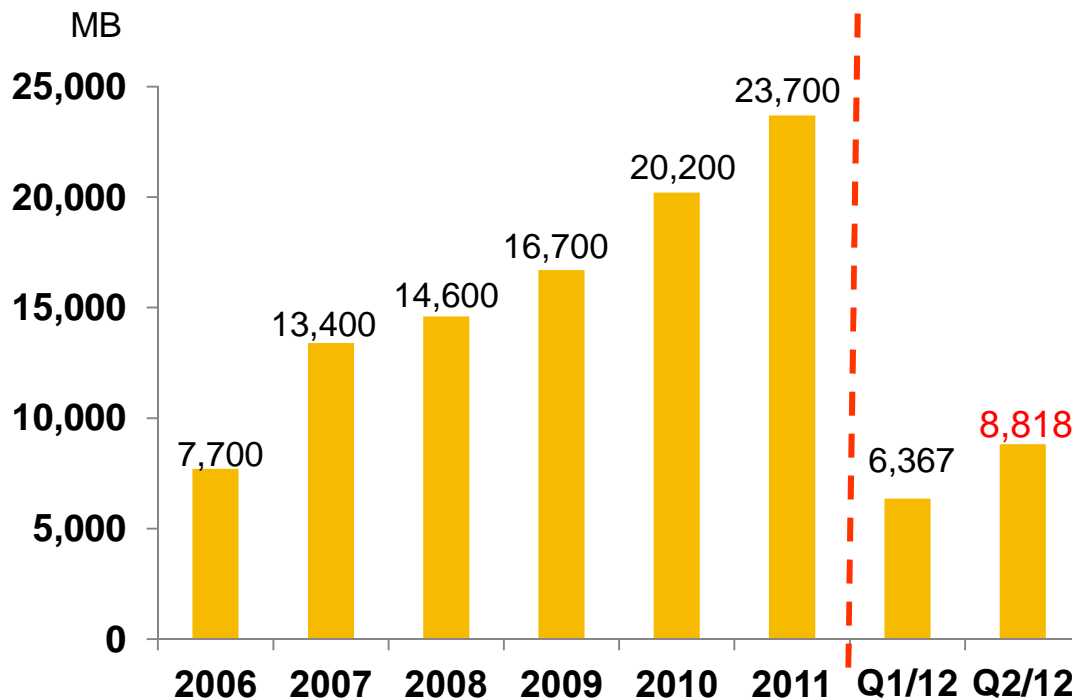


ASEAN Operations - subsidiaries in ASEAN.  
Export Destinations - from Thai subsidiaries

# ASEAN Drivers in H1/12

Indonesia, Myanmar, and Vietnam accounted for 62% of SCG's ASEAN export sales.

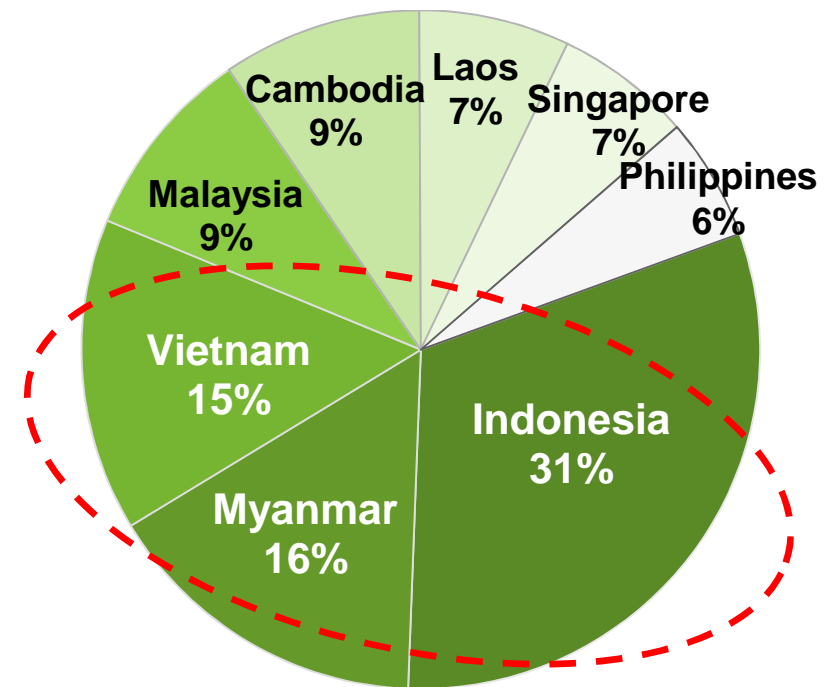
## Sales from ASEAN Operations



### Percentage of total sales from ASEAN Operations

3% 5% 5% 5% 7% 7% 6% 9%

## Export to ASEAN (from Thailand)



## Current: (as of H1/12)

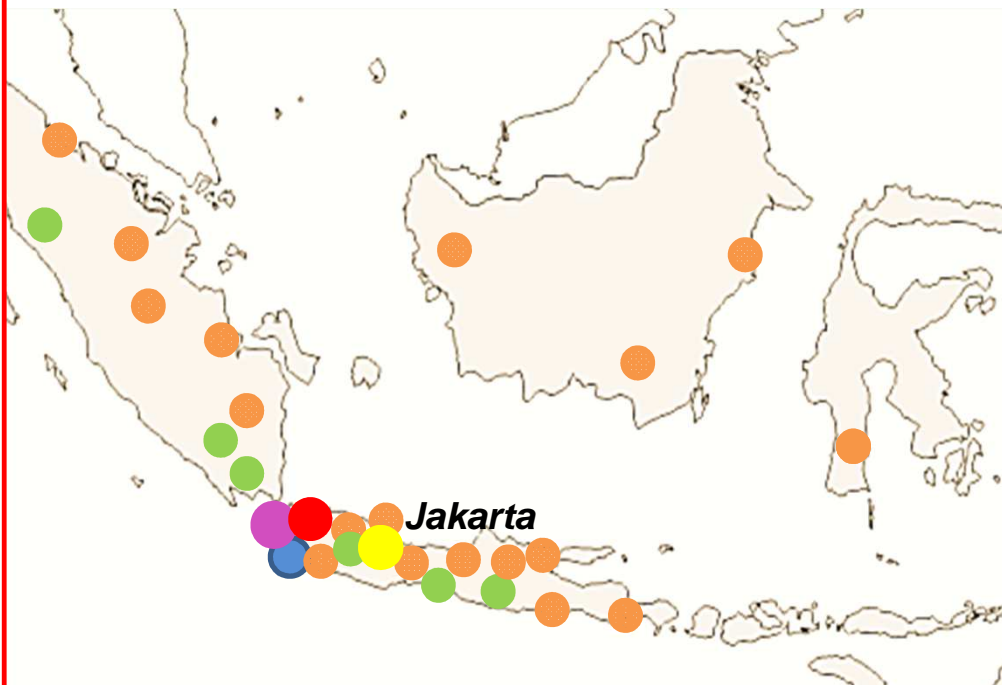
**Assets:** 29,700 MB (\$970 Mill)

**Total Sales:** 5,497 MB

**Total Export from Thailand:** 6,459 MB

## Operations: (staffs-5,924)

- Chemicals: PVC, chemicals complex (30%)
- Cement: RMC
- Building Materials: ceramics, roofing
- Distribution



Note: as of H1/12

## Recent investments since Q1/11:

- **Distribution: Kokoh**  
M&A / 99% stake  
22 distribution centre,  
+10,000 point of sales. } Jun/11 (3,100 MB)
- **Ceramic tiles: KIA**  
M&A / 94% stake / 27 mill sqm.
- **Ready-mixed concrete (RMC)** – Feb/12 (4,300 MB)  
M&A / 100% stake  
2.2 mill cubic metre of RMC  
concrete pipes, precast concrete, quarries, limestone
- **Lightweight Concrete Block** - May/12 (1,250 MB)  
Greenfield / 100% stake  
6 mill sqm / Q1/14 start
- **Chemicals Complex: Chandra Asri** – Sep/11 (13,500 MB)  
M&A / 30% stake  
Ethylene 600 KTA, downstream operations, port and pipe facilities.

## Future plans:

- Greenfield** - cement plant (first phase)
- Debottleneck** - Chandra Asri chemicals complex
- M&A opportunities** - all existing businesses

## Current: (as of H1/12)

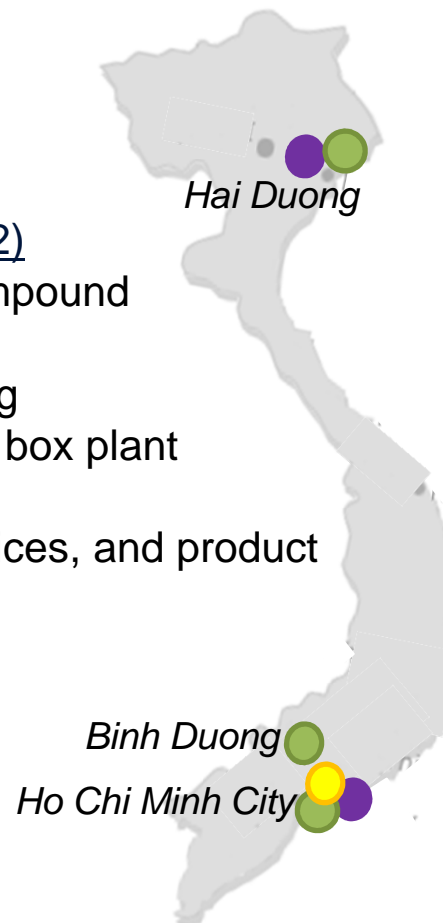
**Assets:** 11,700 MB (\$380 Mill)

**Total Sales:** 5,153 MB

**Total Export from Thailand:** 3,089 MB (H1/12)

## Operations: (staffs-2,172)

- Chemicals: PVC, PP compound
- Cement: RMC
- Building Materials: roofing
- Paper: packaging paper, box plant
- Distribution
- Trading & Investment offices, and product showroom



## Recent investments since Q1/11:

### ● White cement grinding plant

(Buu Long) - Jan/12 (200 MB)

M&A / 99% stake / 200,000 tons

### ● Chemicals (PVC pipe) - Mar/12 (1,200 MB)

M&A / 20-30% stake in local pipe makers

150,000 tons

### ● Box plant (Alcamax) - Jan/11 (750 MB)

M&A / 69% stake / 53,000 tons

## Future plans:

### **Chemicals: Integrated Complex**

- Greenfield / \$4.5 Bn
- JV with QPI (Qatar) and Vietnamese partners
- Flex-feed cracker

**M&A opportunities** – all existing businesses

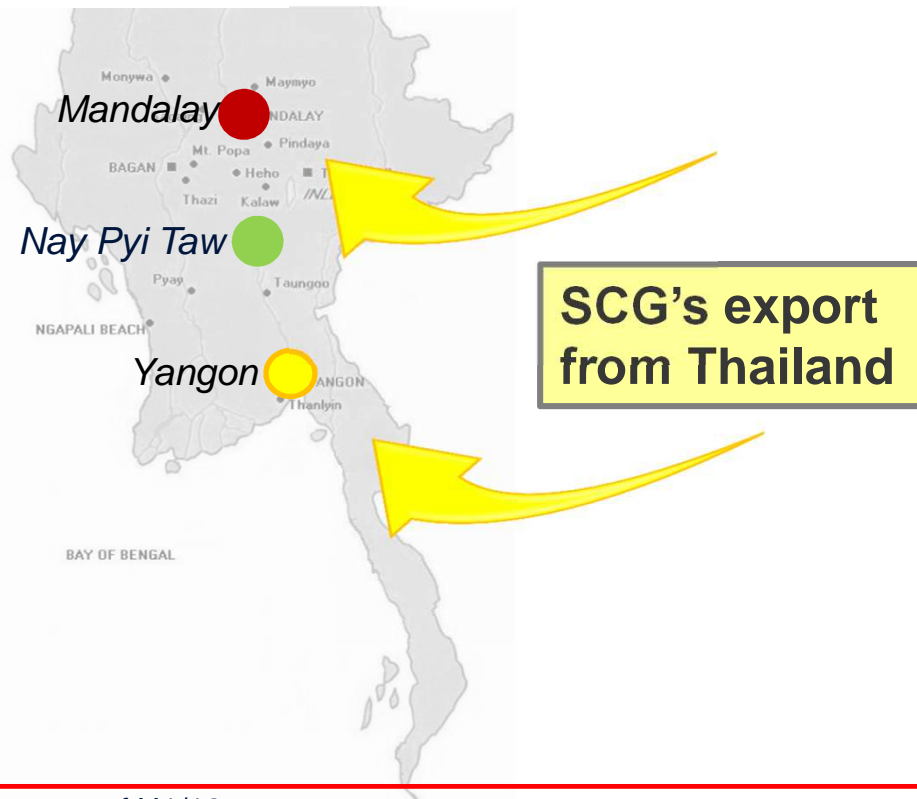
## Current: (as of H1/12)

**Assets:** 150 MB (\$5 Mill)

**Total Export from Thailand:** 3,260 MB (H1/12)

## Operations:

- Cement: RMC
- Distribution: bagged cement, building products
- Trading office



## Future plan:

**Green field** - cement plant (first phase)

## Key success factors:

- Branding
- Marketing expertise
- Established clients base

**Investment opportunities** – logistics and others

## Pending Requirement:

*Foreign investment law has been approved by the cabinet and will be further submitted to the parliament for final approval.*

## Cement

- Increased mortar capacity by 50% to 3.1 million tons. (HVA) *July/12 (1,000 MB)*

## Building Materials

- Increased modular home capacity (JV with Sekisui Heim) to 1,000 homes. (HVA) *May/11 (2,900 MB)*

## Distribution

- Entering into retail business with a 30%-33.4% stake in the SET listed “Siam Global House PLC.” *pending for EGM (Oct 1, 2012)*
- Pending for the approval of its shareholders on Oct 1, 2012 *(approx. 10,000 MB)*

## Chemicals

- Greenfield LLDPE cast film (15,000 tons), 45% JV with Mitsui Chemicals Tohcello. (HVA) *Mar/12 (1,400 MB)*
- Increased stake in Thai Plastic and Chemicals to 90% (from 46%). *Mar/12 (11,500 MB)*

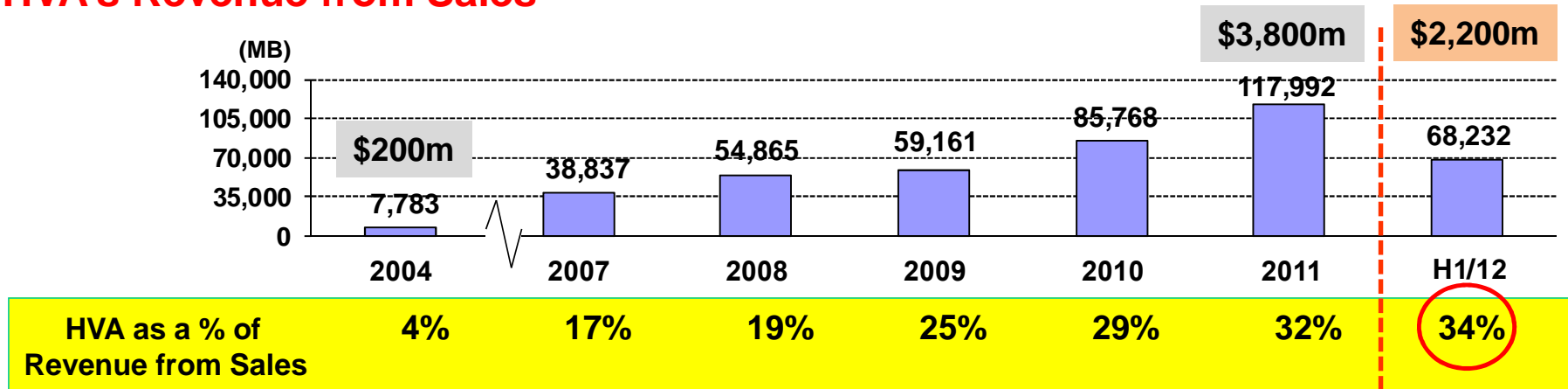
## Paper

- Green field Machine Glazed Paper (43,000 tons), 45% JV with Nippon Paper Group. (HVA) *Jun/12 (2,200 MB)*
- Upgrade existing pulp facilities to produce dissolving grade pulp. (HVA) *July/12 (400 MB)*
- M&A of Tawana Container (box capacity of 61,000 tons). *Mar/12 (410 MB)*

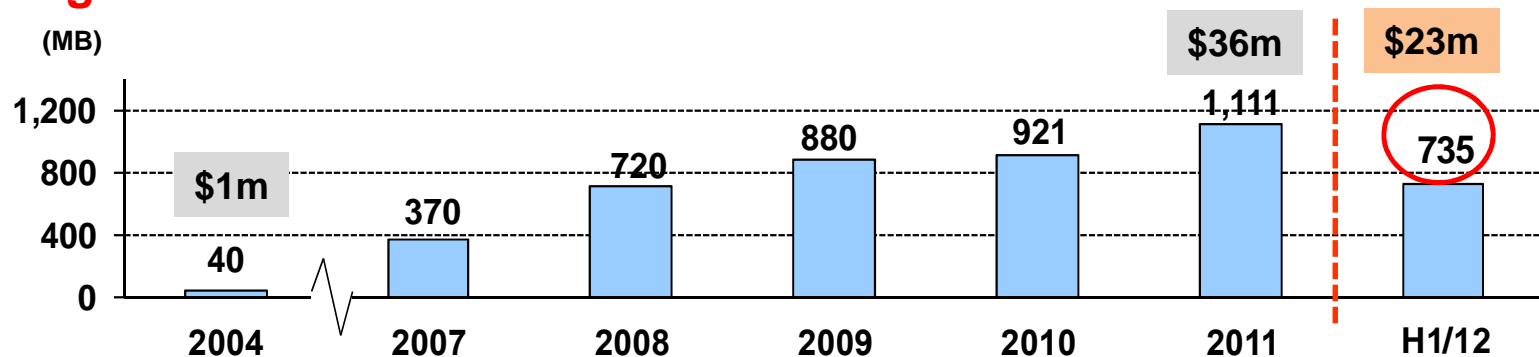
# HVA = High Value Added Products & Services

HVA on Sales target of 50% by 2015, from subsidiaries.

## 1/ HVA's Revenue from Sales



## 2/ R&D Spending

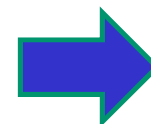


## 3/ R&D and Product Design Team

(staffs / Jul/12)



364 (Ph.D. 9)



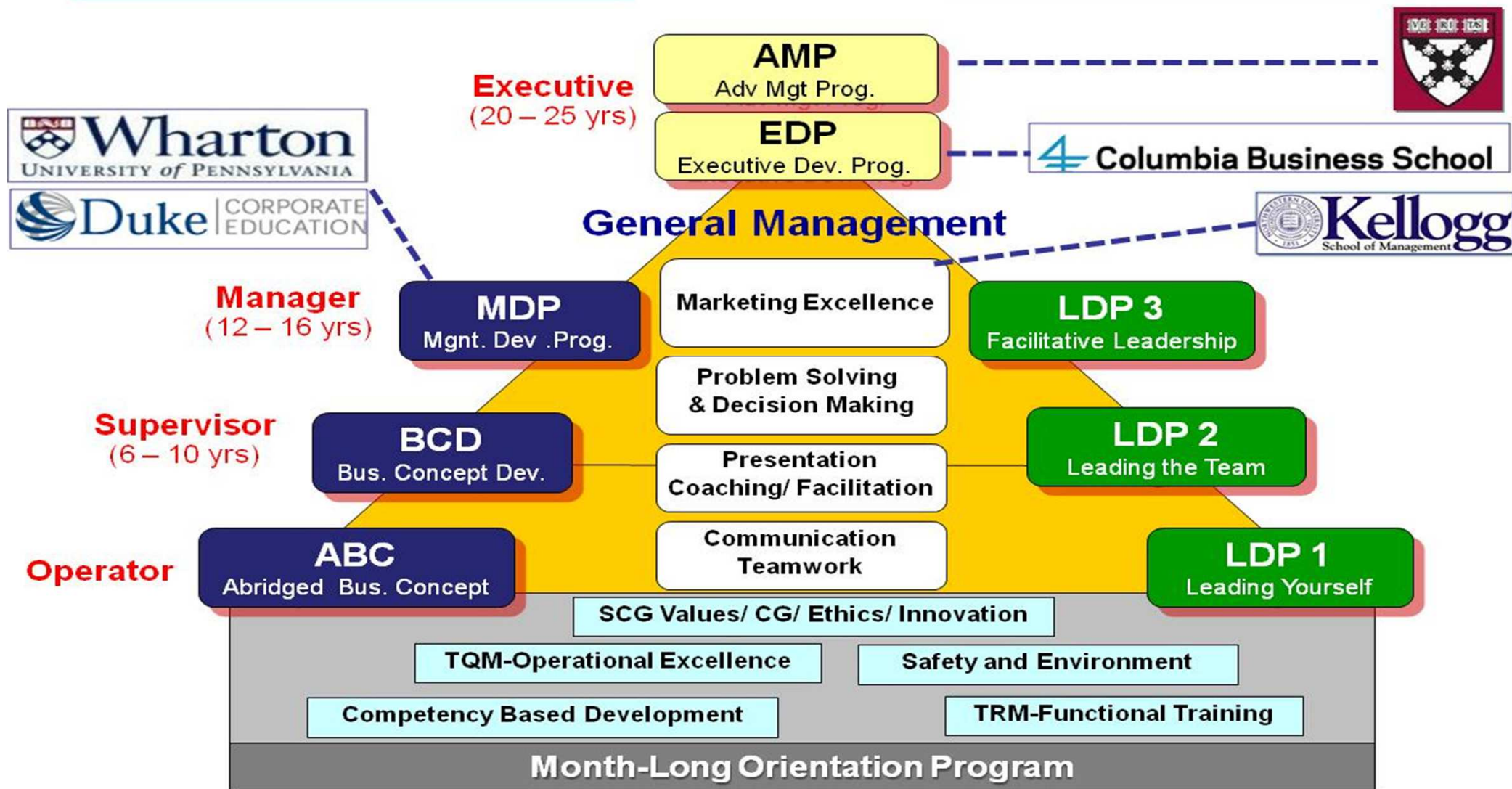
941 (Ph.D. 67)

# Systematic training roadmap

Competent staffs are key...

## Business Knowledge

## Leadership Skills





# SCG's external training programs

<b>Programs</b>	<b>Current</b>	<b>Since</b>	<b>Years</b>	<b>Staffs</b>
<b>AMP</b> - Advanced Management Program	Harvard	1982	31	65
	Wharton	2007	6	11
<b>EDP</b> - Executive Development Program	Columbia	2007	6	172
<b>MDP</b> - Management Development Program	Wharton	1981	32	1,307
	Duke	2011	2	111
<b>Marketing Excellence</b> Program	Kellogg	2006	7	406

Note: as of July/12

# Corporate scholarship program

Began in 1973, with 412 scholarships granted.

## MBA

		'08	'09	'10	'11	'12
US	Harvard	-	-	-	-	-
	Chicago	-	-	-	-	-
	Stanford	-	-	-	-	-
	Wharton	2	1	1	-	1
	MIT	2	2	2	1	-
	Columbia	1	-	-	2	-
	UC Berkeley	-	-	-	-	-
	NYU Stern	-	-	-	-	-
	Kellogg	2	2	3	-	1
	Dartmouth	-	-	-	-	-
	Michigan	-	1	1	-	2
	Duke	-	-	1	1	-
	IMD	-	-	-	-	-
	LBS	-	1	-	-	1
EU	INSEAD	-	-	1	-	1
	ISB (India)	-	-	-	-	-
ASIA	Tsinghua	-	-	-	-	-
	CEIBS	-	-	-	-	-
	HK UST	-	-	-	1	-
	Sasin	-	1	2	-	-
<b>Total</b>		<b>7</b>	<b>8</b>	<b>11</b>	<b>5</b>	<b>6</b>

## Engineering and Specialist

		'08	'09	'10	'11
US	MIT	-	1	-	-
	Stanford	-	-	-	-
	UC Berkeley	-	-	-	-
	Illinois	1	-	-	-
	Cal Tech	-	-	-	-
	Georgia Tech	-	3	1	-
	Carnegie Mellon	-	-	2	2
	Michigan	-	1	-	-
	NYU	-	-	-	1
	Northwestern	-	-	-	1
	Southern Calif	-	1	-	-
	Penn State	-	1	1	-
	Tennessee	-	-	-	1
	Washington	-	-	1	-
	W. Michigan	-	1	-	-
	U Mass Lowell	-	1	-	-
	Wisconsin-Madison	-	1	-	-
	North Carolina	1	-	-	-
	Portland State	1	-	-	-
	Purdue	1	-	-	-
Clemson (SC)	-	-	-	1	
EU	Oxford	-	1	-	-
	Imperial College	2	1	1	1
	RWTH Aachen	-	1	-	-
	U. of London	-	-	1	-
	CU-Warwick	-	-	1	4
	Queen Mary (UK)	-	-	1	-
	Queen's U. Belfast (UK)	-	-	1	-
	U. Of Southampton (UK)	-	-	1	-
	Brunel U. (UK)	-	1	-	-
	UEC, Birmingham (UK)	-	1	-	-
	U. Manchester (UK)	1	-	-	-
	Cranfield (UK)	-	-	-	1
	U. Aberdeen (Scotland)	1	1	-	-
	U. Dundee (Scotland)	2	1	-	-
	IFP School (FR)	-	-	1	-
	Domus Academy (GER)	1	1	-	-
Royal Institute of Tech (SWE)	-	-	-	1	
ASIA	Tokyo U.	-	-	-	-
	UEC (JAP)	-	-	-	1
	Waseda U. (JAP)	-	1	-	1
	U. Tsukuba (JAP)	-	-	-	1
	Ceramics Tech. (JAP)	-	-	1	-
	AIT	-	-	1	-
<b>Total</b>		<b>11</b>	<b>19</b>	<b>14</b>	<b>16</b>

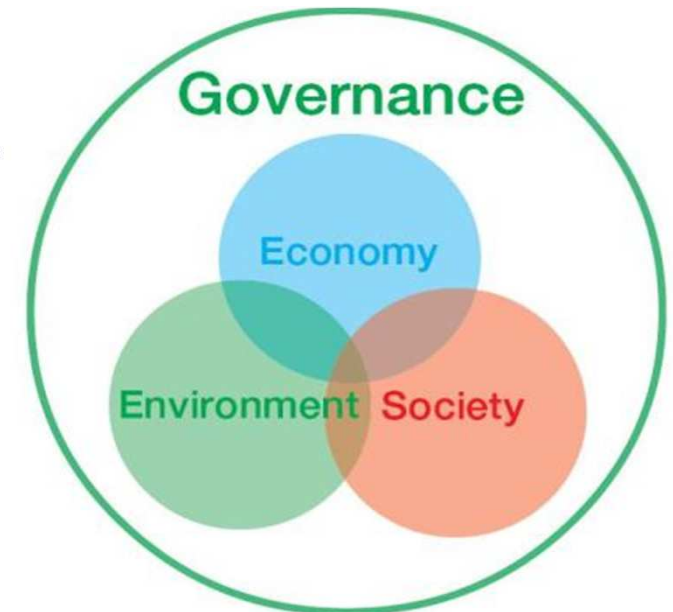
**Note:** 301 scholarships are active, others have mostly retired  
 Current 47 students (41 overseas): MBA 13, Engineering 31, Specialist 3

- **Strategy**
- **Sustainability**
- **Business Updates**
- **Financials**
- **Appendix**



## *2 years consecutively ranked “Global Sector Leader”*

- **2012 & 2011** : *Global Sector Leader (Building Materials & Fixtures)* by SAM
- **2012-2008** : ranked “Gold Class” which is top group for each sector.
- **2004** : initial year of DJSI membership.
- DJSI was established in 1999 as the first truly global index to monitor sustainability initiatives of listed companies.
- +60 global funds in 16 countries follow the DJSI.
- For further details: [www.sustainability-index.com](http://www.sustainability-index.com)



# DJSI sector overview

## Building Materials & Fixtures

### SUSTAINABILITY LEADERS

As of September 13, 2012

Company	Country	Industry Leader	DJSI World		DJSI Europe		DJSI North America		DJSI Asia Pacific	
			Universe	Member	Universe	Member	Universe	Member	Universe	Member
<b># of Companies</b>			42	8	11	3	2	0	10	3
<b>ASAHI GLASS</b>	Japan		✓	✓					✓	✓
<b>BORAL</b>	Australia		✓						✓	✓
<b>CRH PLC</b>	Ireland		✓	✓	✓	✓				
<b>Duratex SA</b>	Brazil		✓	✓						
<b>HOLCIM</b>	Switzerland		✓	✓	✓	✓				
<b>LAFARGE</b>	France		✓	✓	✓	✓				
<b>OWENS CORNING</b>	USA		✓	✓						
<b>SCG</b>	<b>Thailand</b>	✓	✓	✓						
<b>TOTO</b>	Japan		✓	✓					✓	✓

- **Strategy**
- **Sustainability**
- **Business Updates**
- **Financials**
- **Appendix**

## Chemicals

- PE/PP margins remain under pressure from soft global demand.
- ASEAN's PVC demand remains resilient.

## Cement

- Domestic demand growth of at least 5-10% in 2012.
- Demand growth in the residential and commercial sectors, while demand from the government sector will benefit from budget allocations.
- Domestic prices are expected to remain under pressure from competition.

## Building Materials

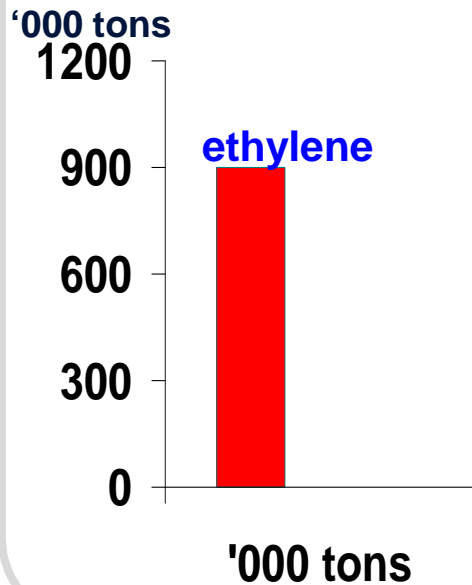
- Continued positive demand outlook , especially in the provincial areas.
- The government's economic stimulus budgets are expected to help drive domestic sales volume.

## Paper

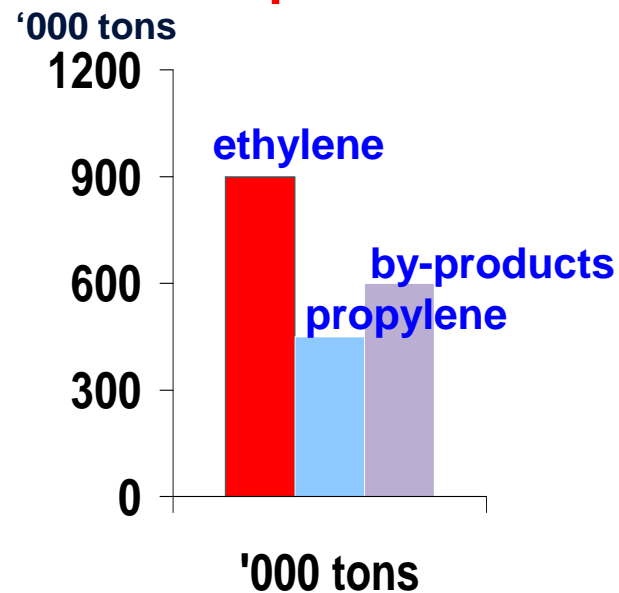
- Steady margins, but with low demand growth for P&W.

### Typical crackers

#### Gas-based

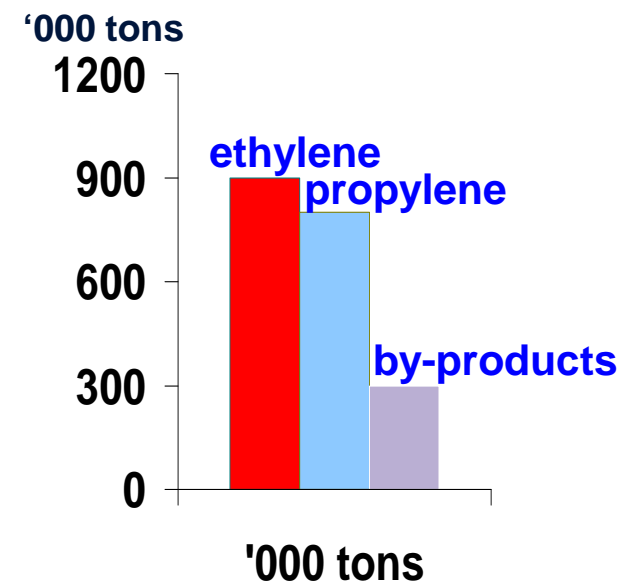


#### Naphtha-based



### Propylene-rich cracker

#### Naphtha-based



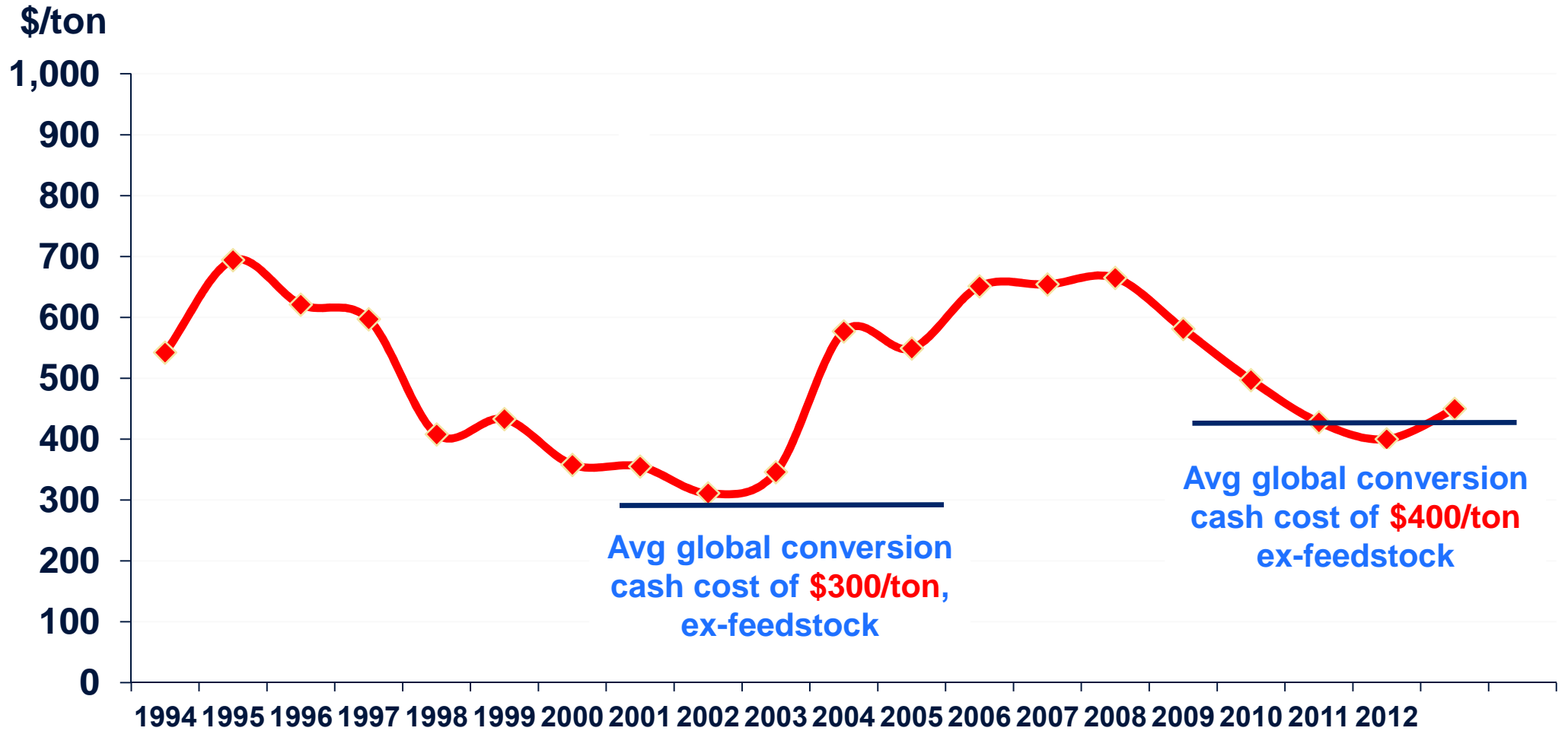
SCG's 1<sup>st</sup>  
cracker  
(1999)  
1.2 MT

SCG's 2<sup>nd</sup>  
cracker  
(2010)  
1.7 MT



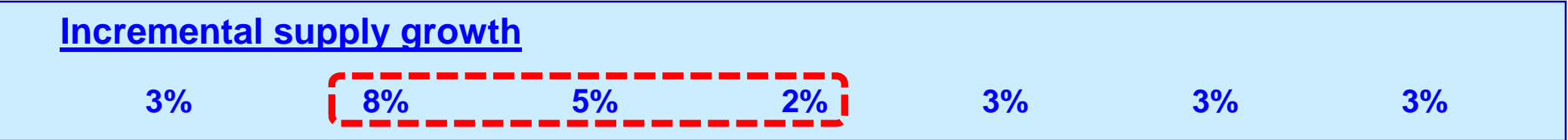
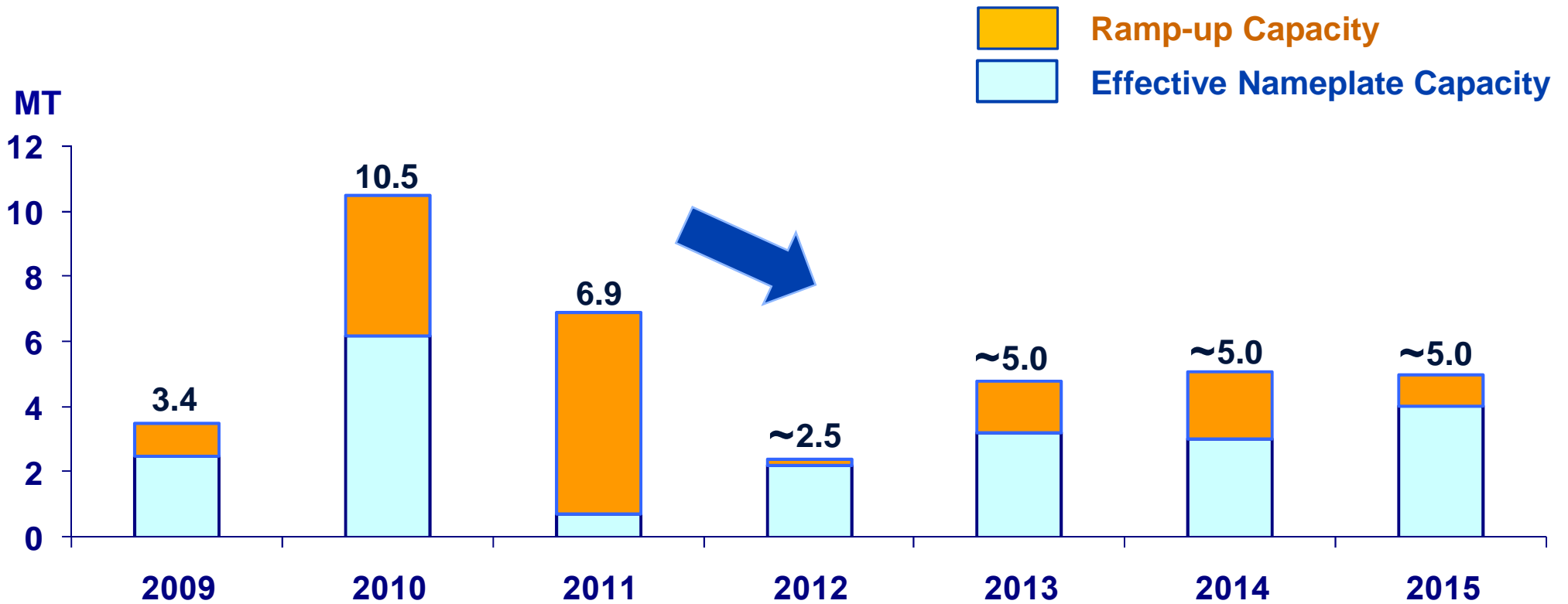
# Historical margin: HDPE – Naphtha

Chemical margins are currently at trough levels.



# Global ethylene incremental supply growth

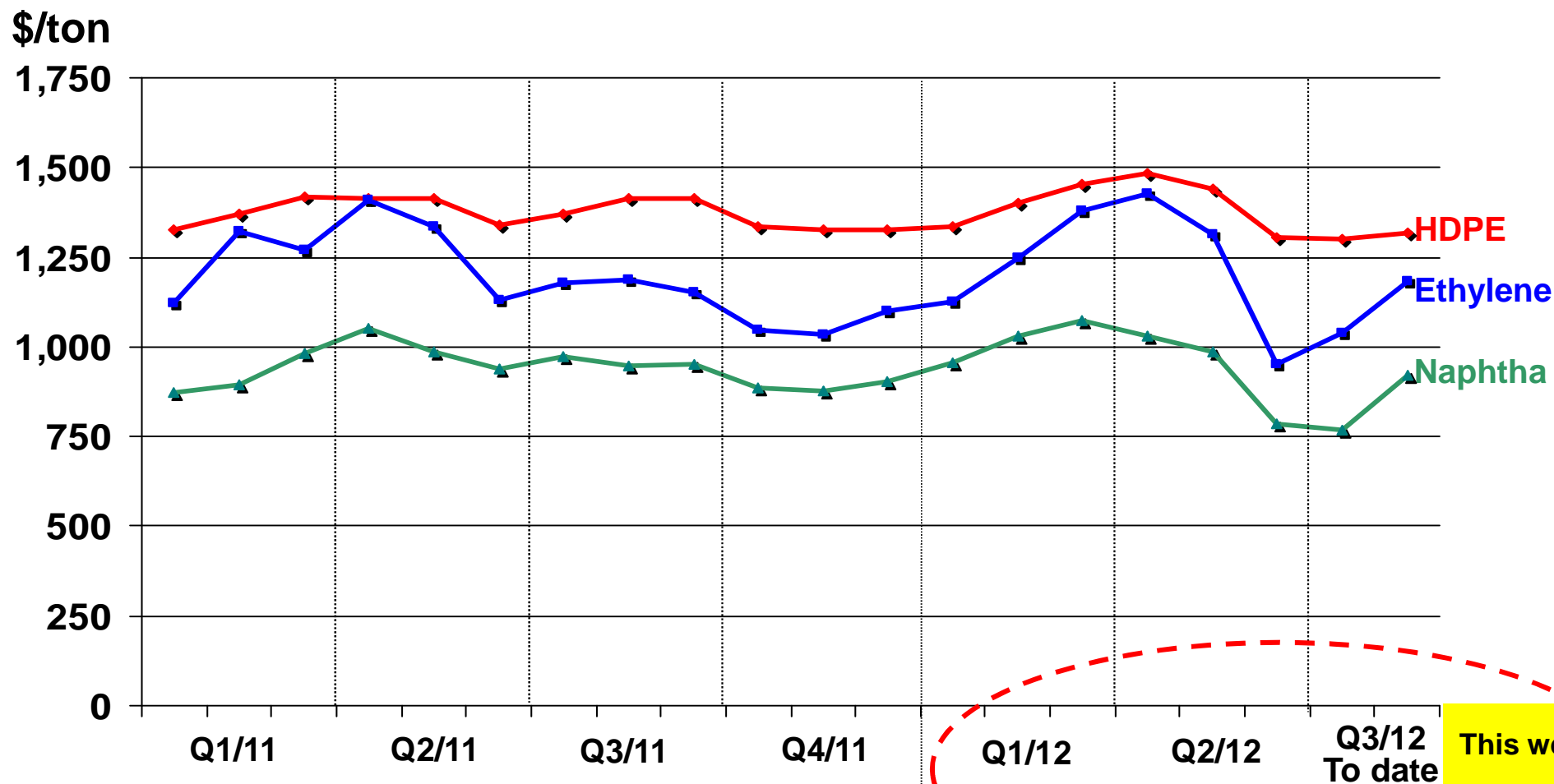
Excess supply and soft demand...



Note: as of Jun/12, estimated by ground breaking basis

# HDPE – Naphtha Price Gap

PE margins are at trough levels



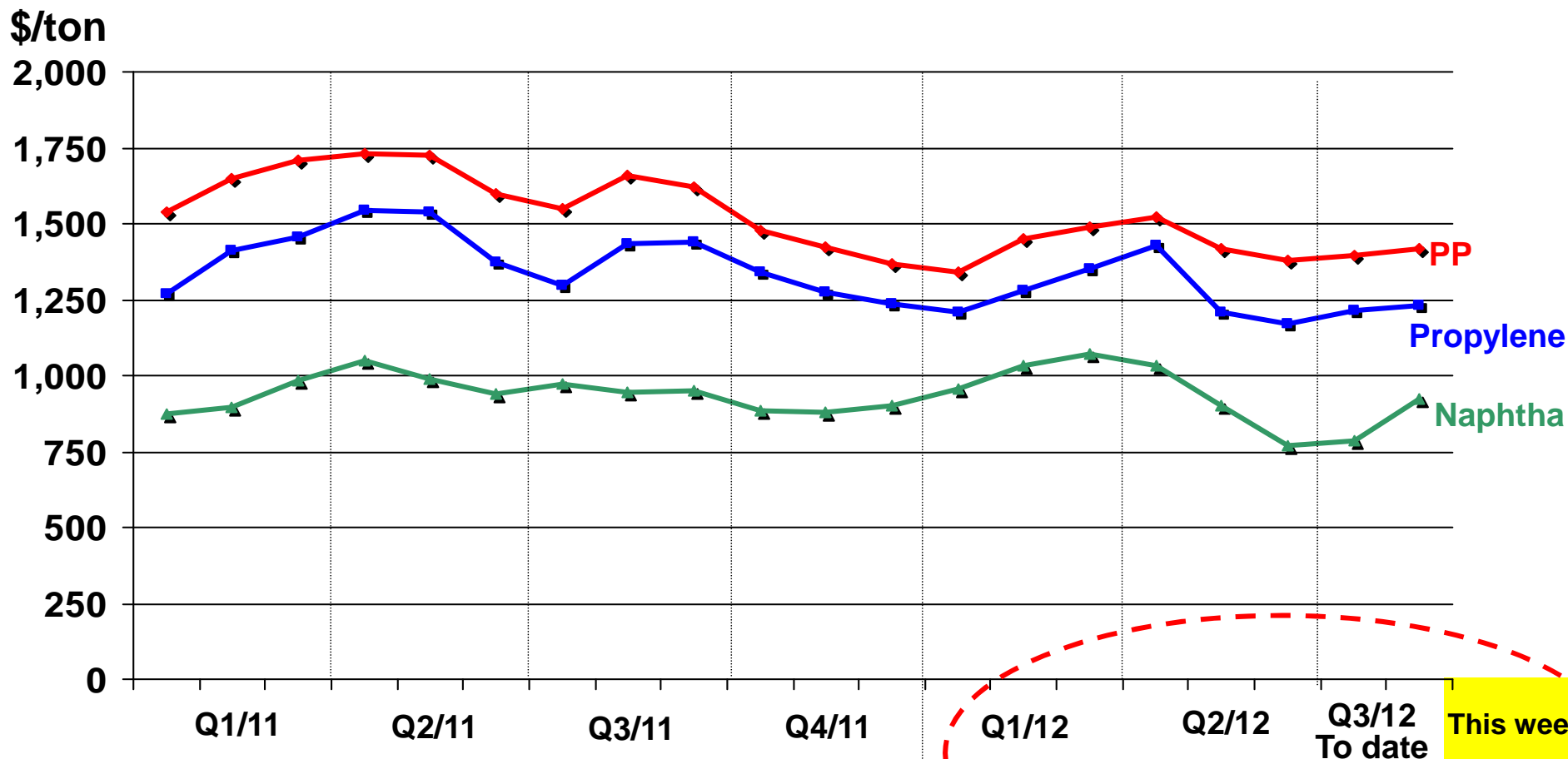
<b>HD-Naphtha Spread (\$/T)</b>	456	396	443	441	375	481	417	<b>387</b>
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Conversion rate: 1 PE = 1 Ethylene

Note: SEA regional prices

# PP – Naphtha Price Gap

PP margins carries a premium over PE margins.



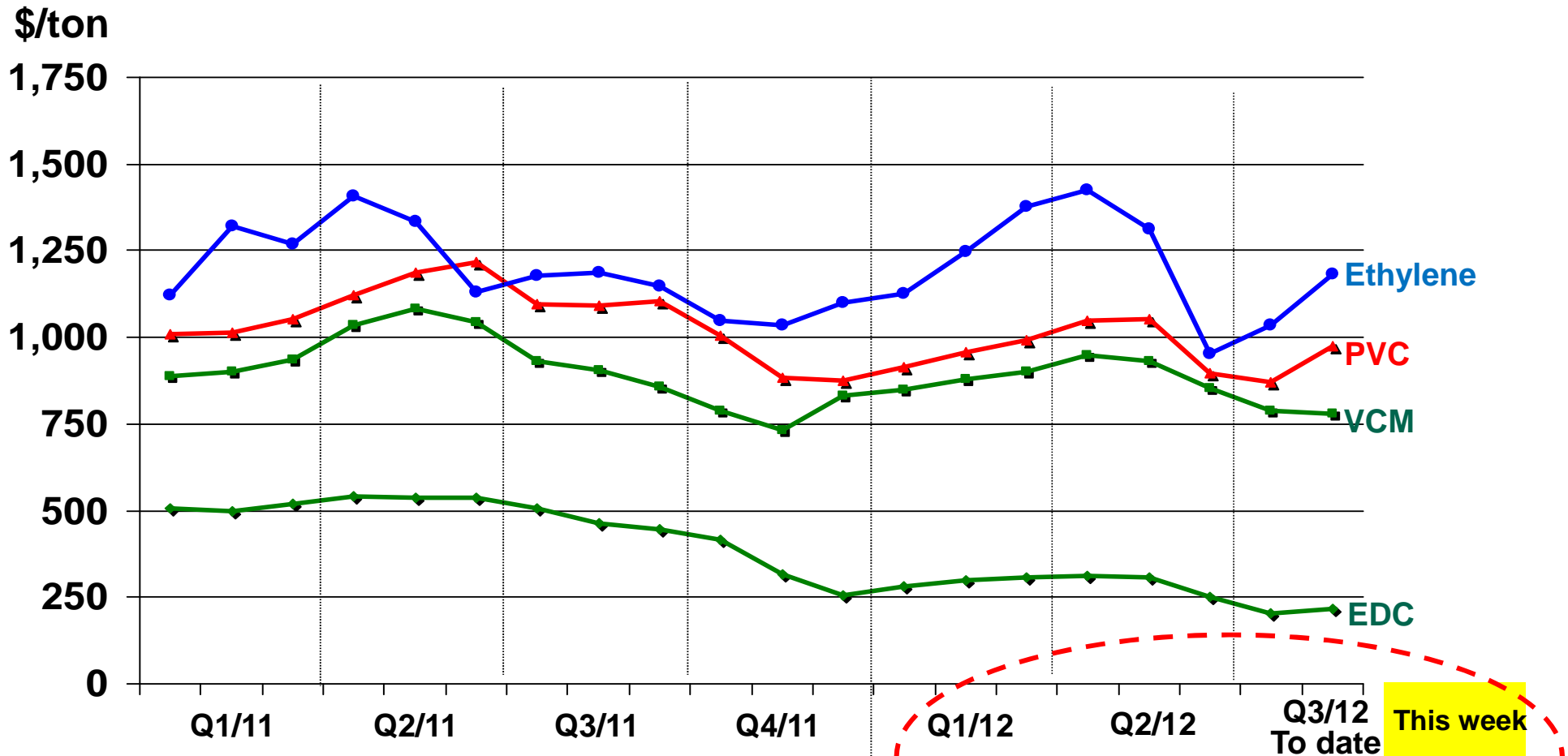
PP-Naphtha Spread (\$/ton)	717	691	650	535	408	539	520	492
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Conversion rate: 1 PP = 1 Propylene

Note: SEA regional prices

# PVC

Continued healthy margins.



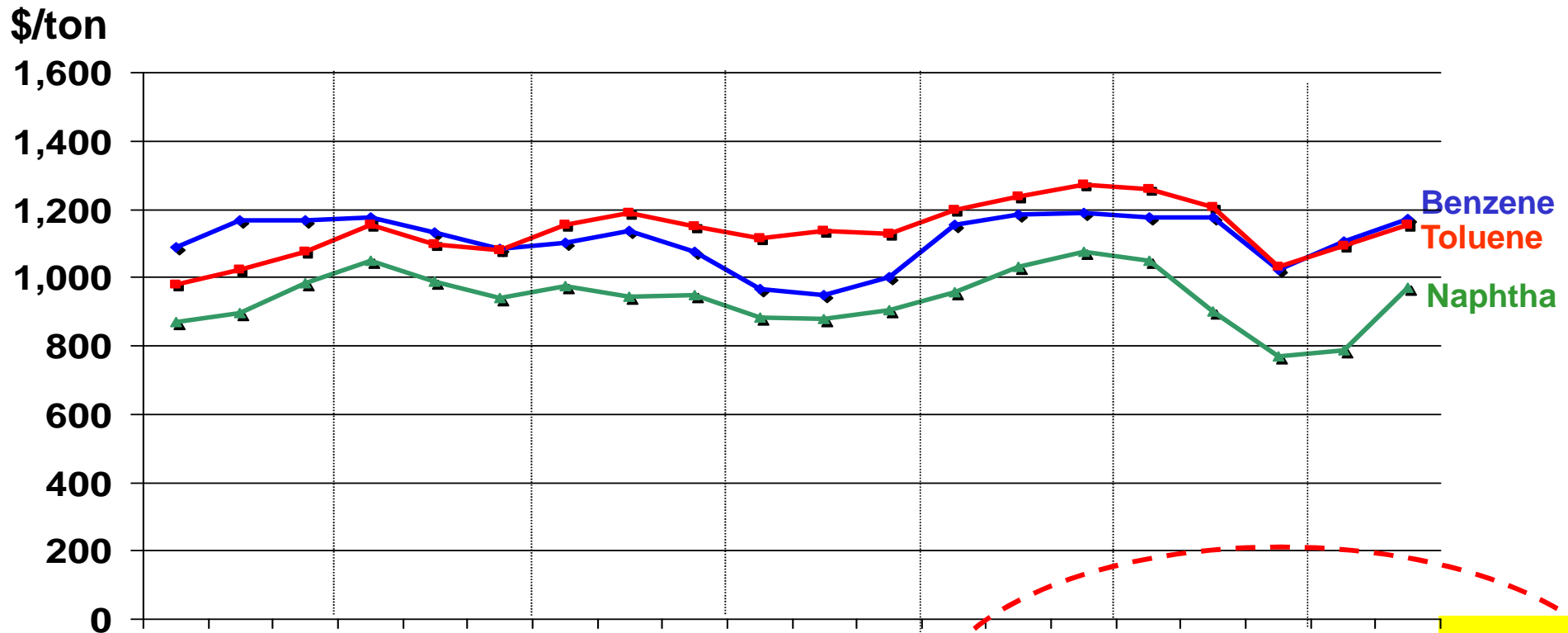
PVC-EDC/C2	323	437	444	406	424	487	511	528
Spread (\$/ton)	← 403 →							

Conversion rate: 1 PVC = 1 VCM = 0.8 EDC + 0.2 Ethylene

Note: FE regional prices

# Benzene & Toluene

## Margins recovery



	Q1/11	Q2/11	Q3/11	Q4/11	Q1/12	Q2/12	Q3/12 To date	This week
BZ-Naphtha	224	137	148	84	155	211	259	243
TL-Naphtha	111	116	208	239	214	249	245	237
BZ Spread (\$/ton)	← 148 →							
TL Spread (\$/ton)	← 169 →							

Note: SEA regional prices

# Price Gaps of Associates

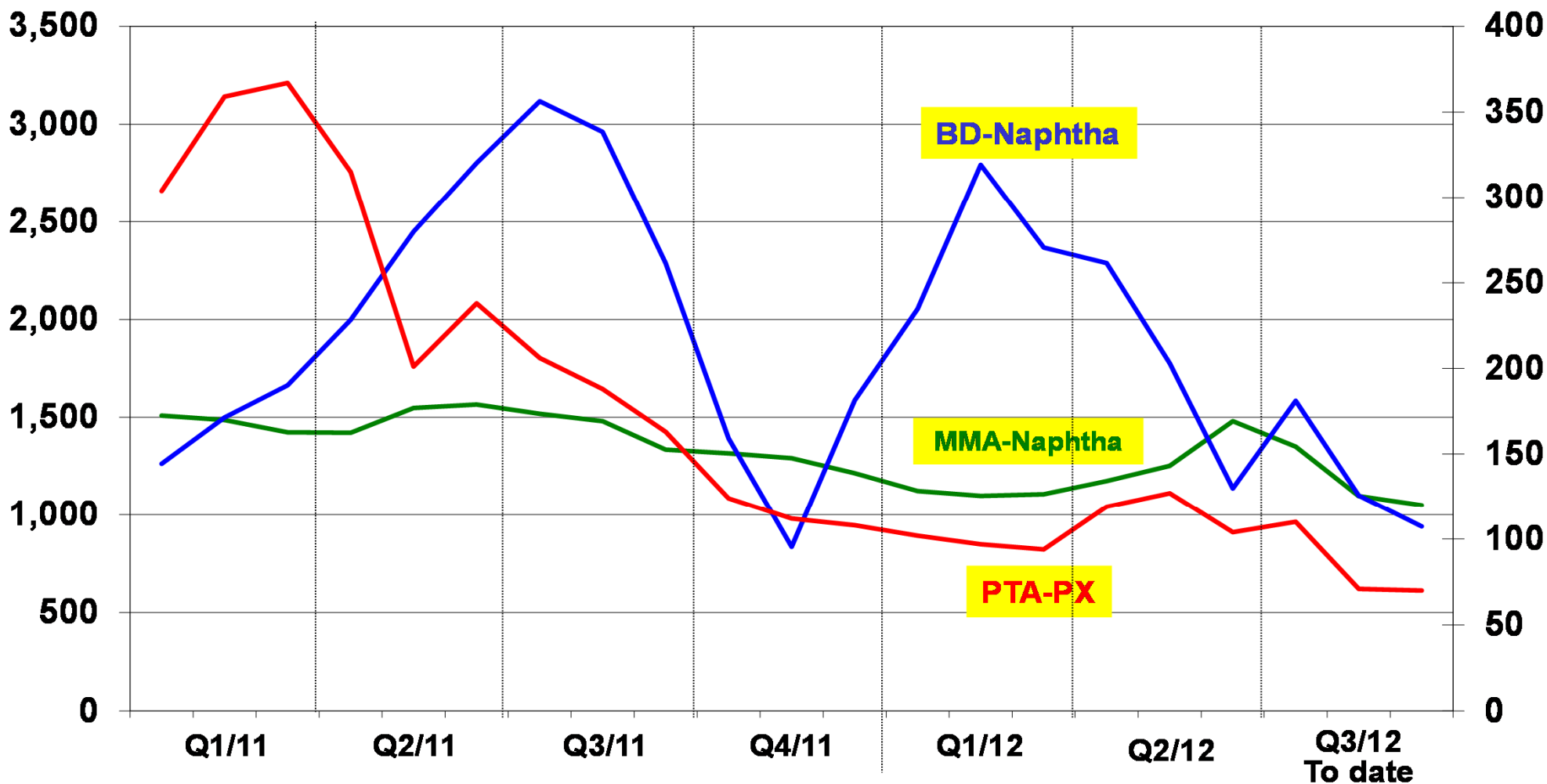
**MMA-Naphtha:** Continued weak demand of electronic industry.  
**BD-Naphtha:** Weak demand effected by global destocking.  
**PTA-PX:** Still slow demand in textile market.

Chemicals

MMA-Naphtha \$/ton

BD-Naphtha \$/ton

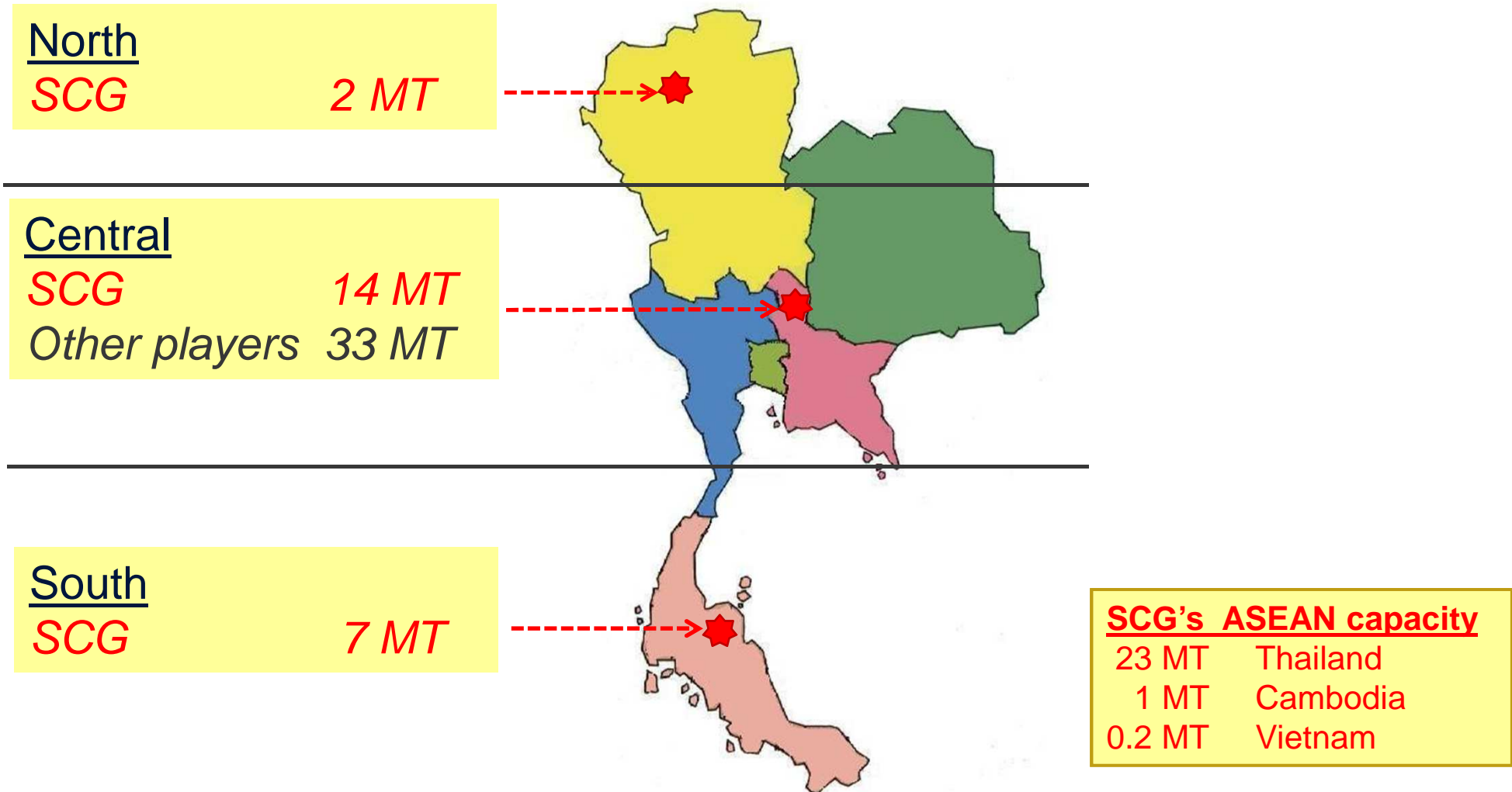
PTA-PX \$/ton



# SCG Cement

SCG is the only producer with nationwide production facilities, and the leading domestic market share of 40%.

Cement





# Domestic cement industry

Forecasted 2012 domestic demand growth of at least 5-10%.



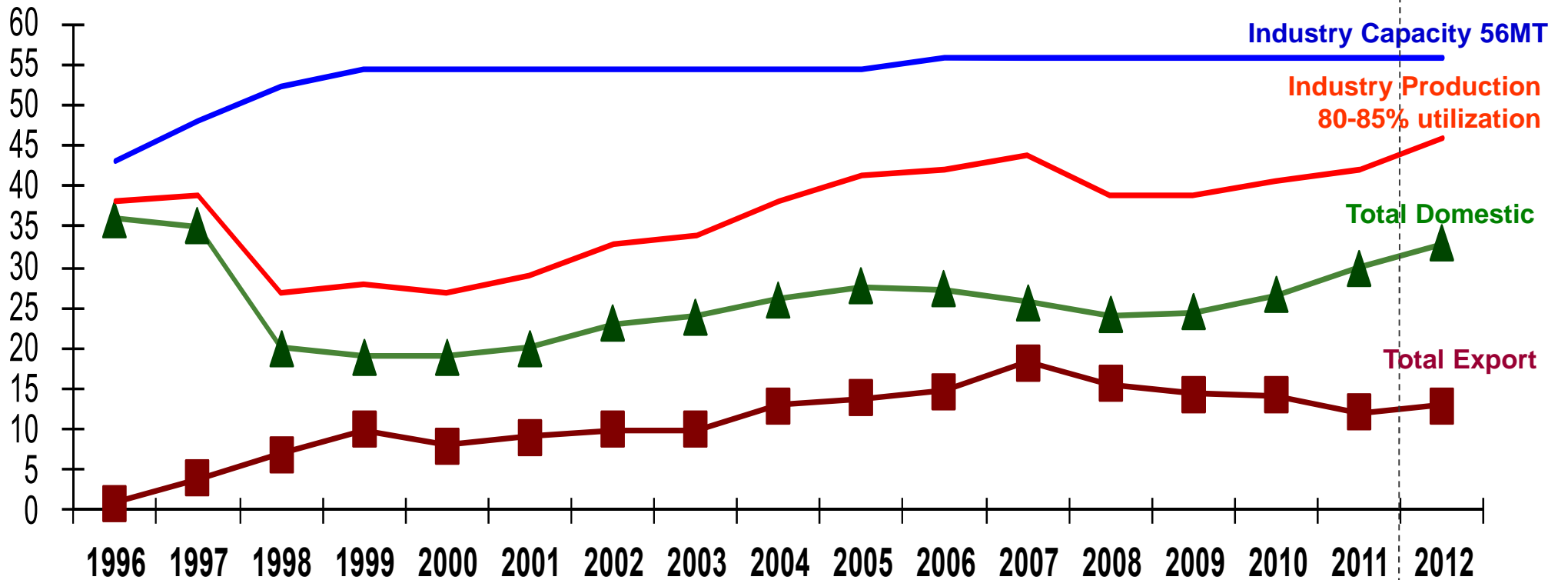
Slide 33

Cement

Million Ton

## Thai cement market

2012F



### Total Domestic Growth Rate (% y-o-y)

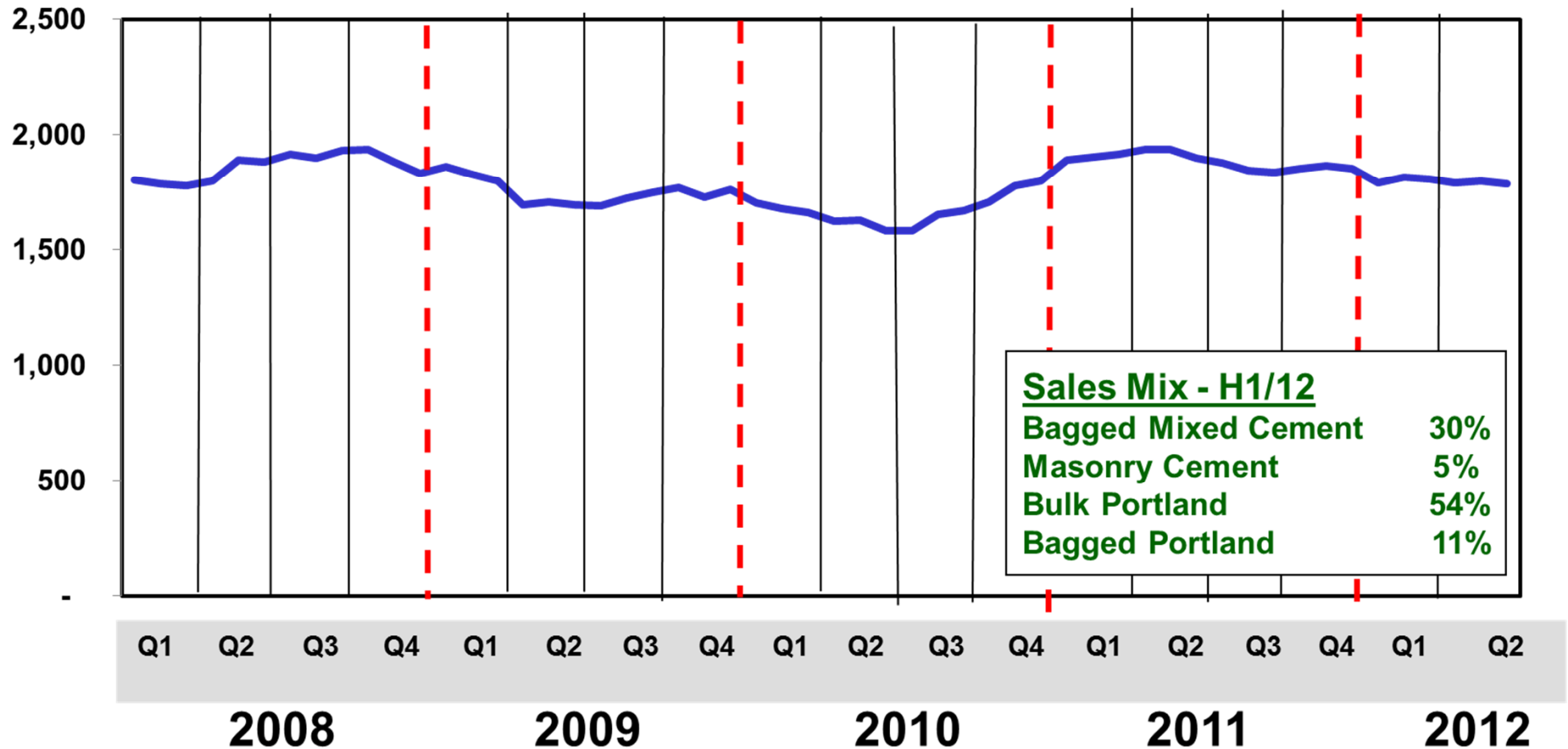
- 10% -45% 15% -8% -1% 23% 6% 11% 9% -2% -6% -6% 1% 10% 3% **5-10%**

# Domestic cement prices

Ex-factory price was \$60/ton in Q2/12, with domestic demand growth of 10% y-o-y.

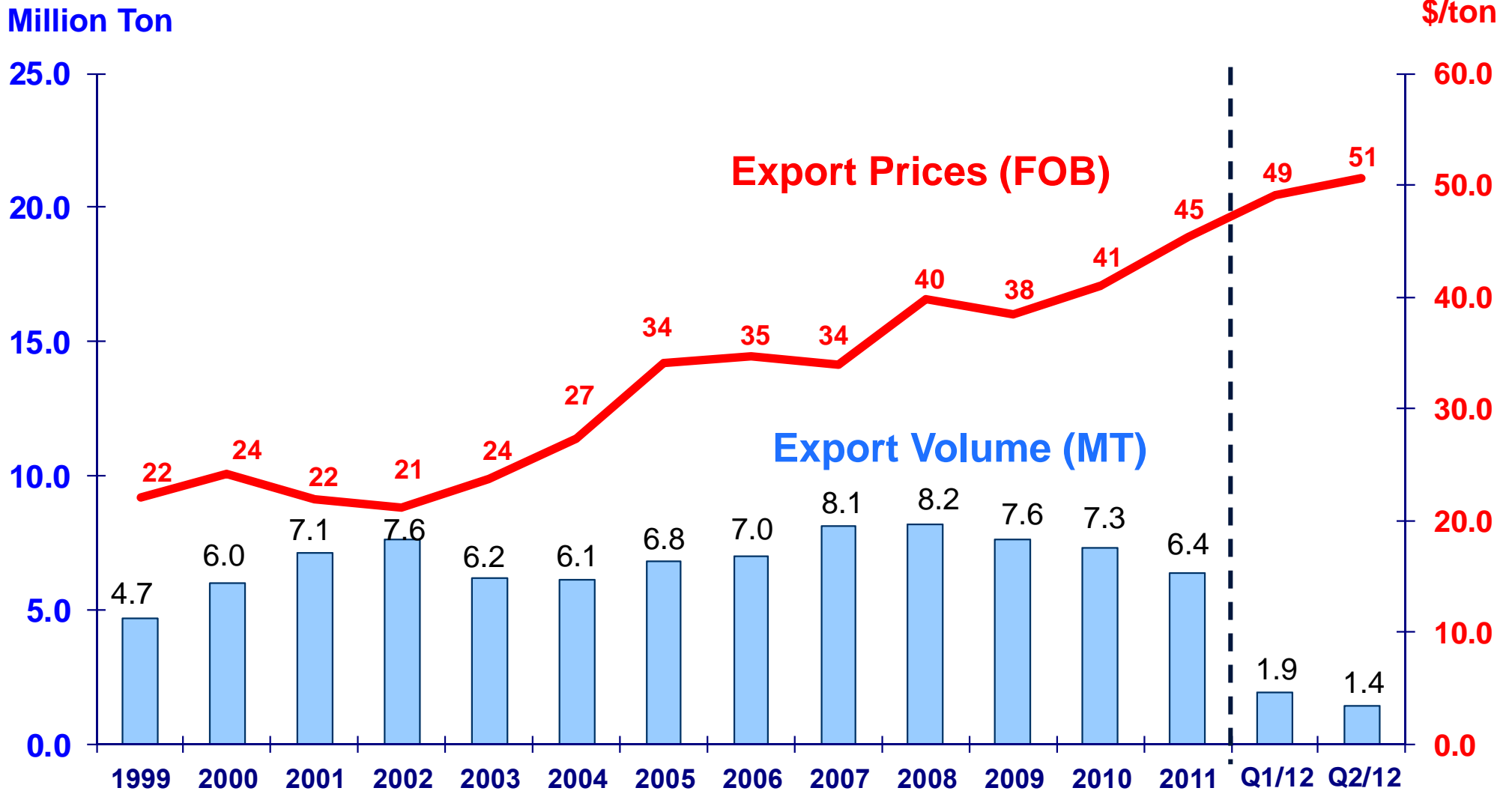
Average Domestic Price of Grey Cement (Net ex-factory)

Baht/Ton

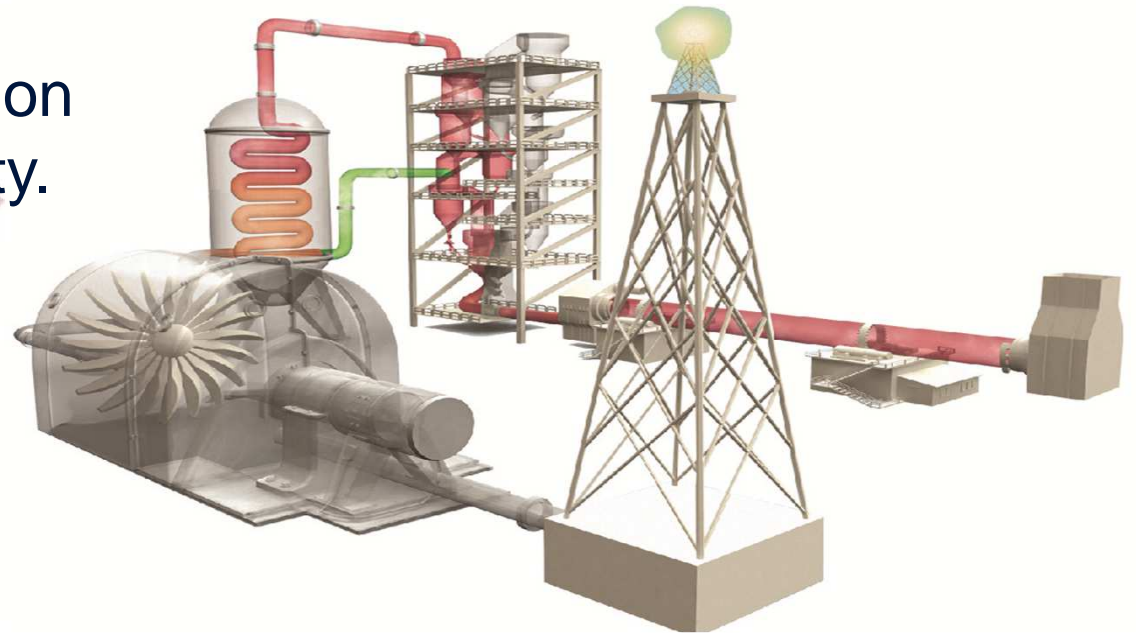


# Cement exports

Export prices are at FOB basis.



- Utilize heat from the production process to generate electricity.

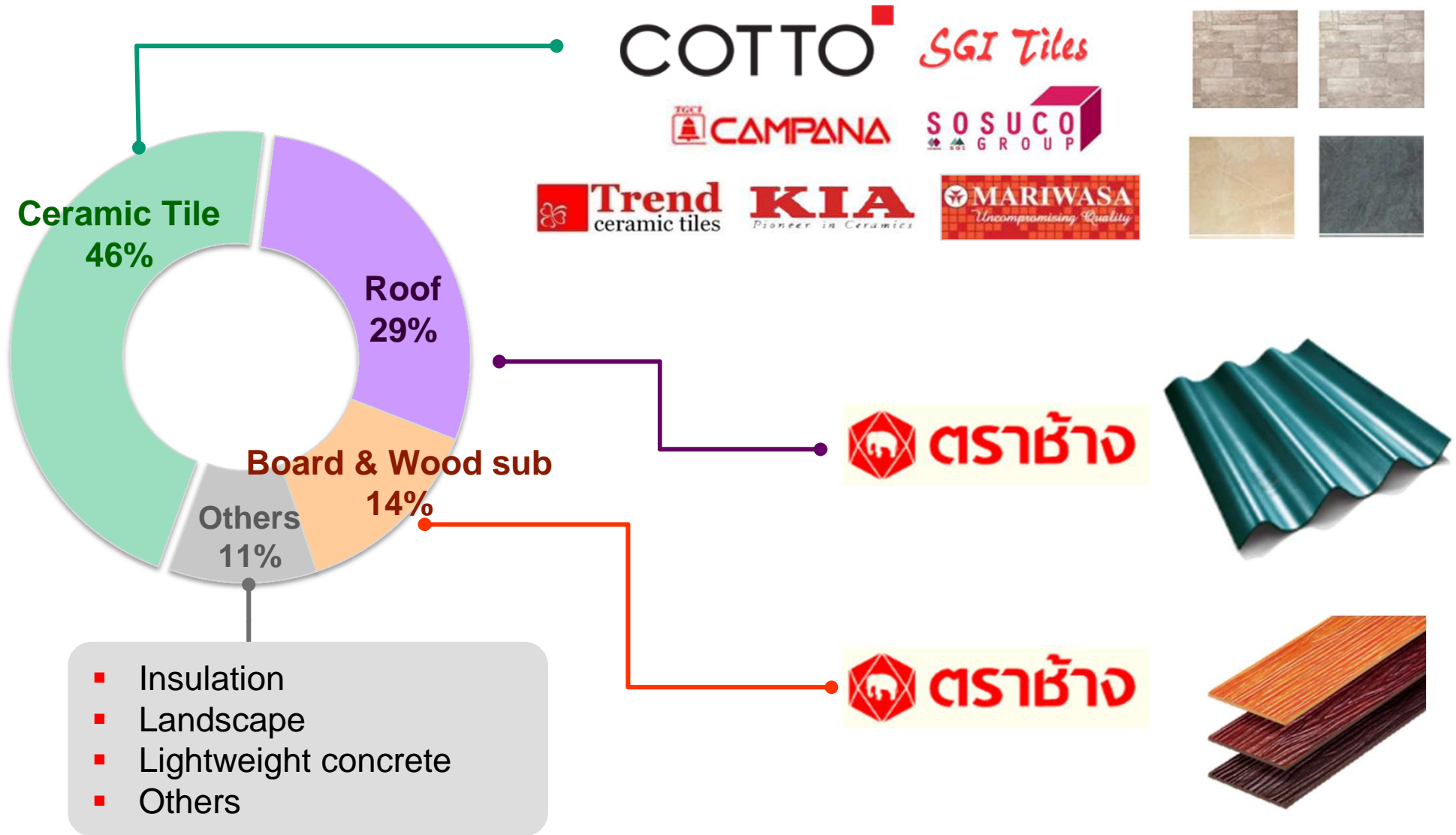


<b>Phase 1</b>	2,000 MB	Thailand	-started in Q1/08
<b>Phase 2</b>	350 MB	Cambodia	-started in Q2/09
<b>Phase 3</b>	3,400 MB	Thailand	-started in Q4/09
<b>total</b>	<u><u>5,750 MB</u></u>		

**Return on investment of 25%  
or 1,600 MB per year**

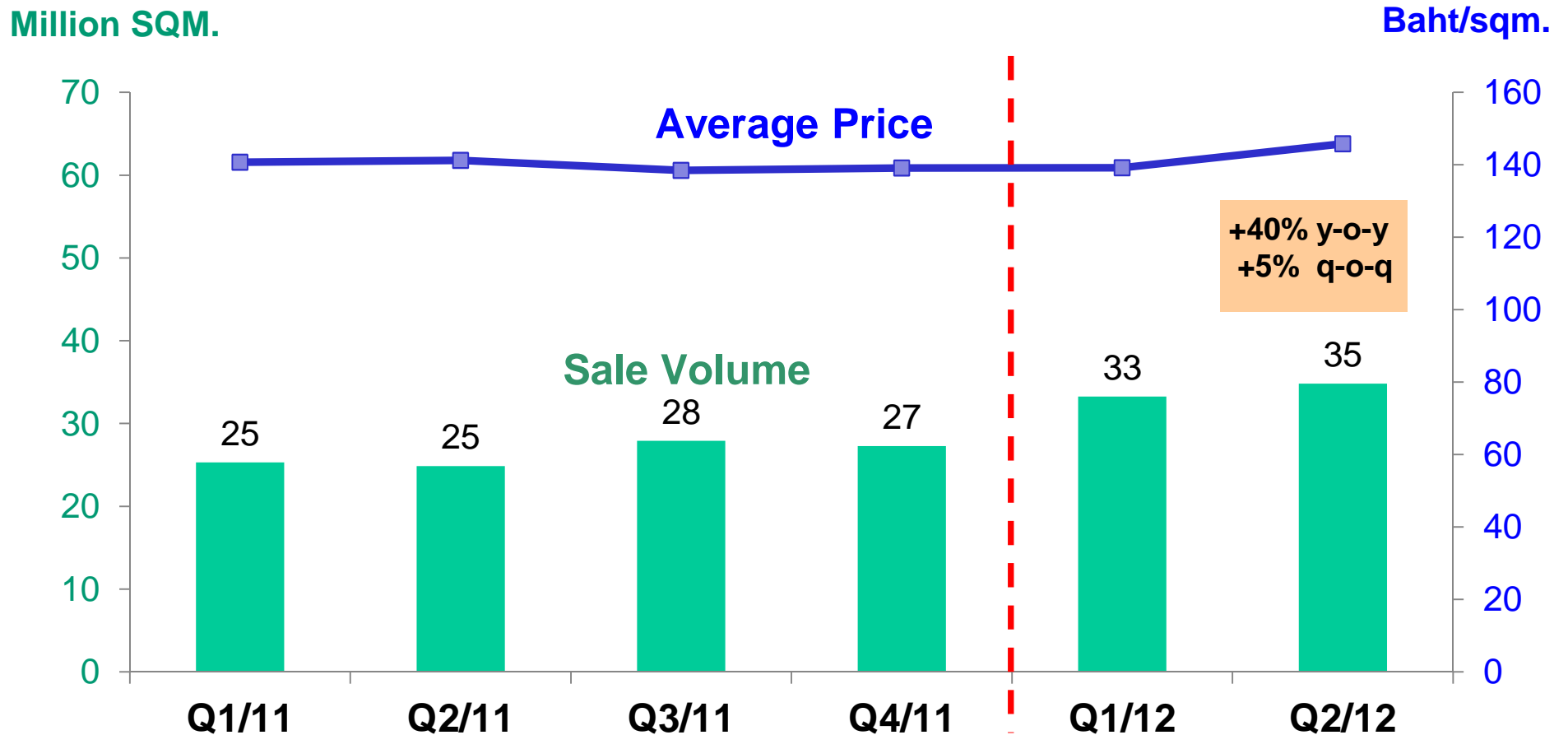
# SCG Building Materials

## Product Segmentation - Sales proportion



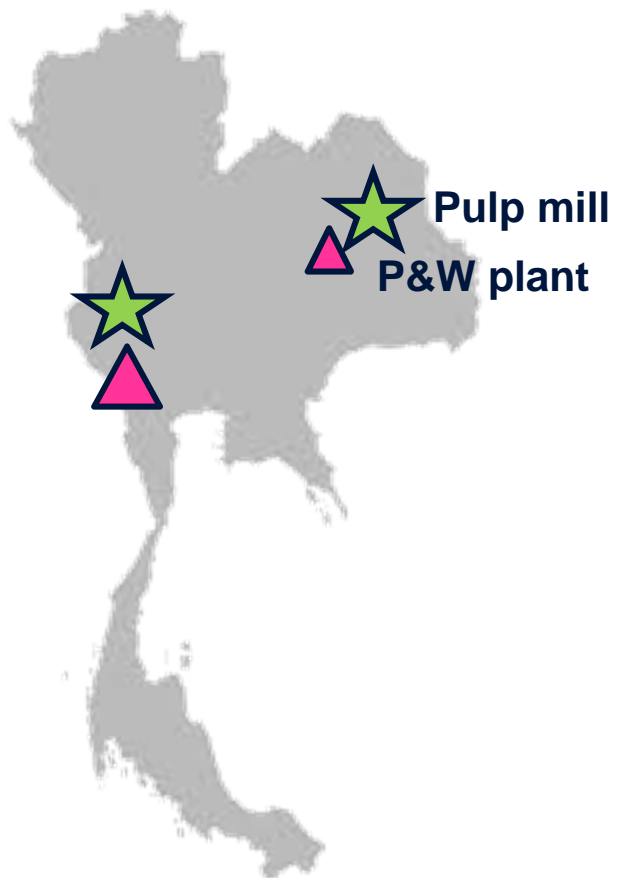
# SCG Building Materials - Ceramic Tile:

SCG's sales volume & price for all subsidiaries in the ASEAN region.



### P&W

Short-fiber pulp: 425,000 tons  
P&W paper: 565,000 tons



### Packaging

Packaging paper: 1,880,000 tons  
Box plants: 855,000 tons



# SCG Paper

## Integrated operations

### P&W

#### Internal Eucalyptus Pulp



100%  
integration

#### P&W Paper



### Packaging



46%  
integration

54%

#### Internal Sales

-Corrugated Box



#### External Sales

-Containerboard

-Paperboard

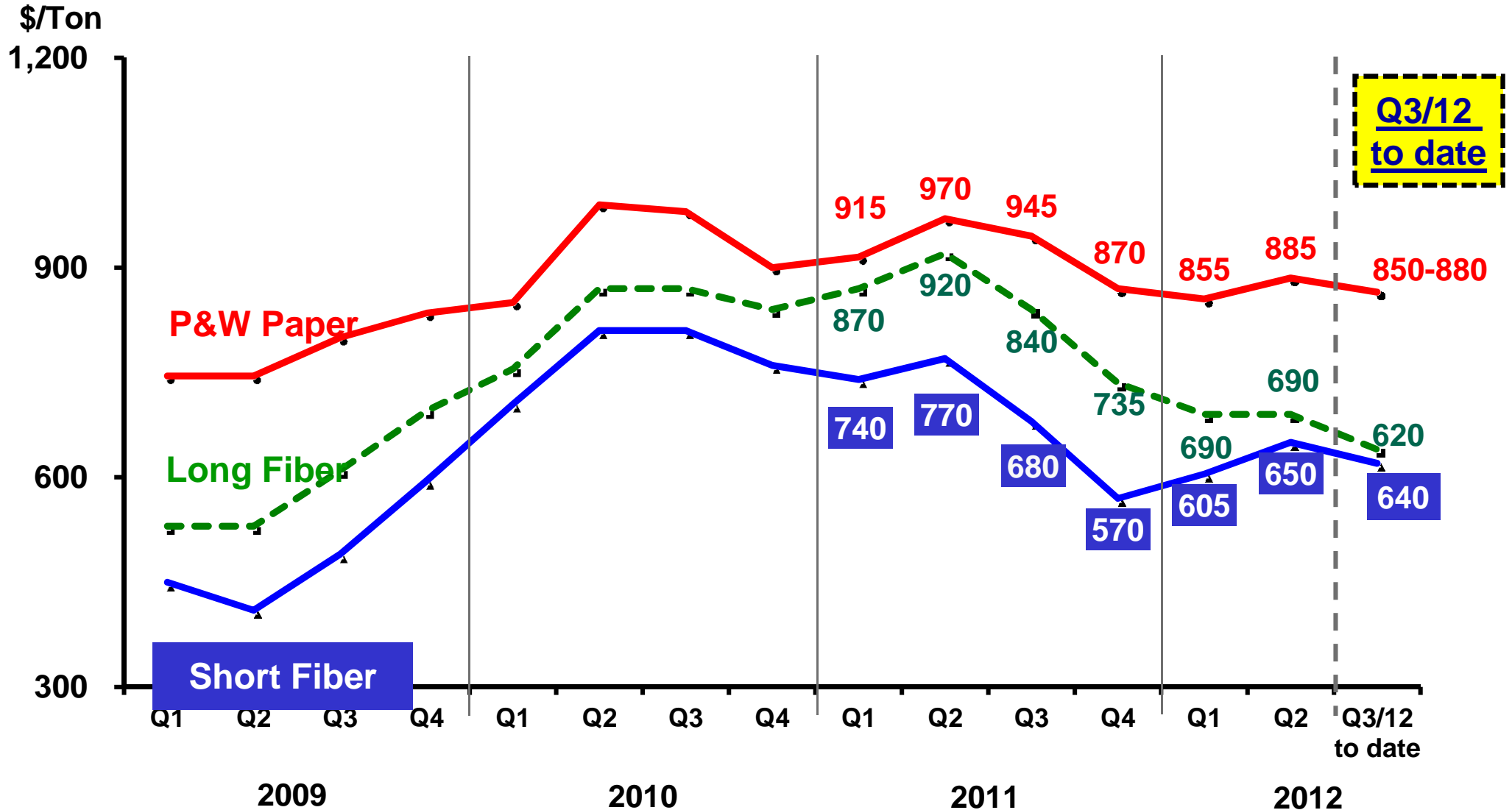




# P&W paper

Long-fiber pulp prices weakened by demand softness and oversupply from EU and Scandinavian countries, while short-fiber prices picked up slightly.

Paper

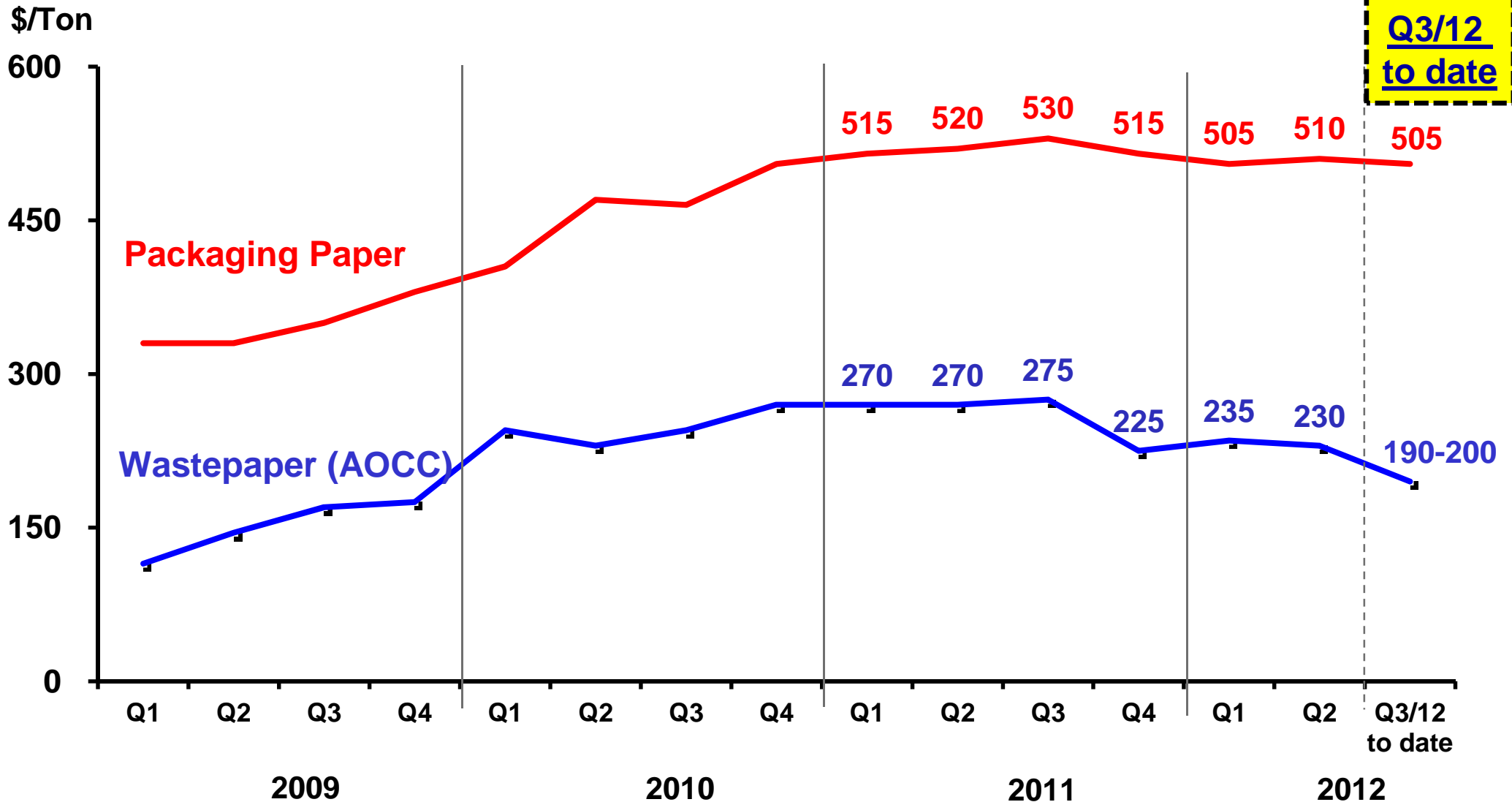


Note: regional prices

# Packaging Paper:

Packaging Paper prices stayed in the range of \$500-\$520/ton, while AOCC prices were flat due to weakness in Chinese demand.

Paper

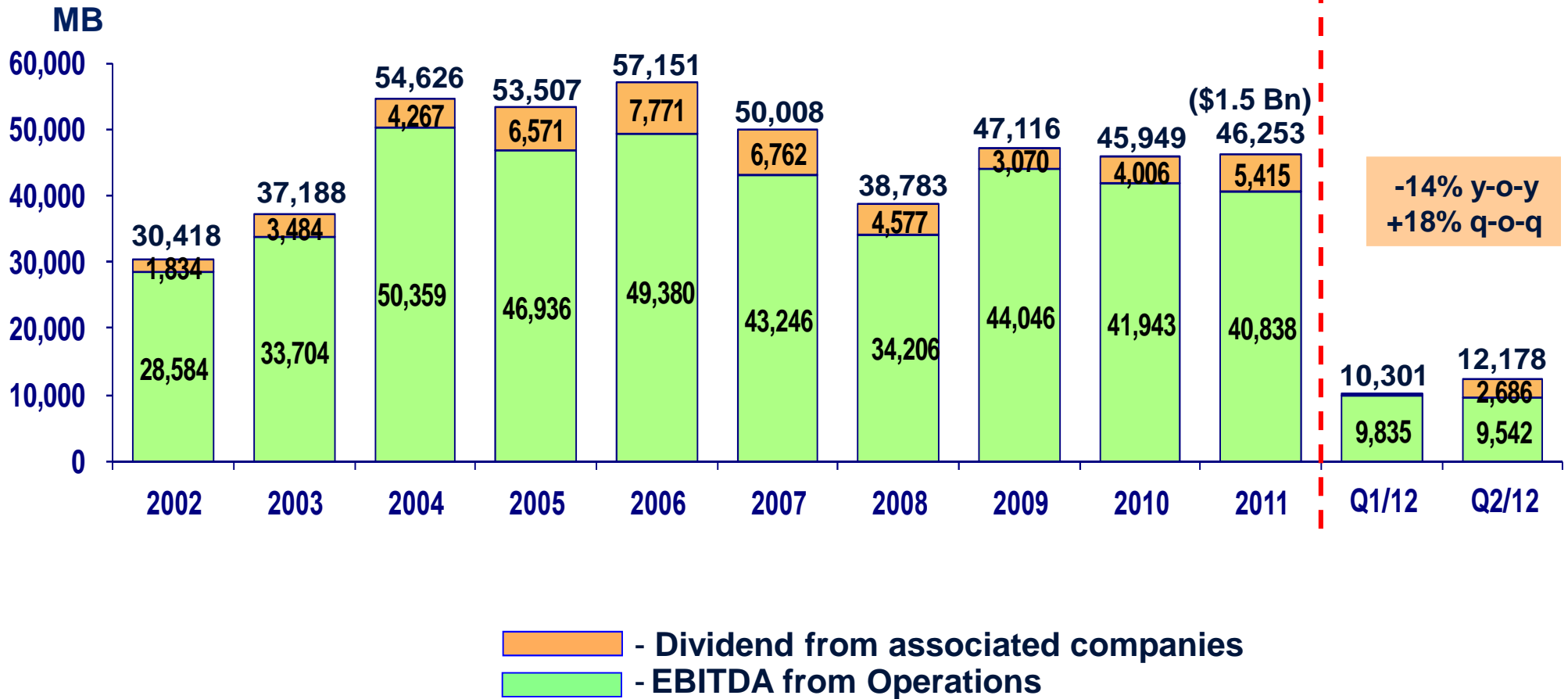


Q3/12 to date

Note: regional prices

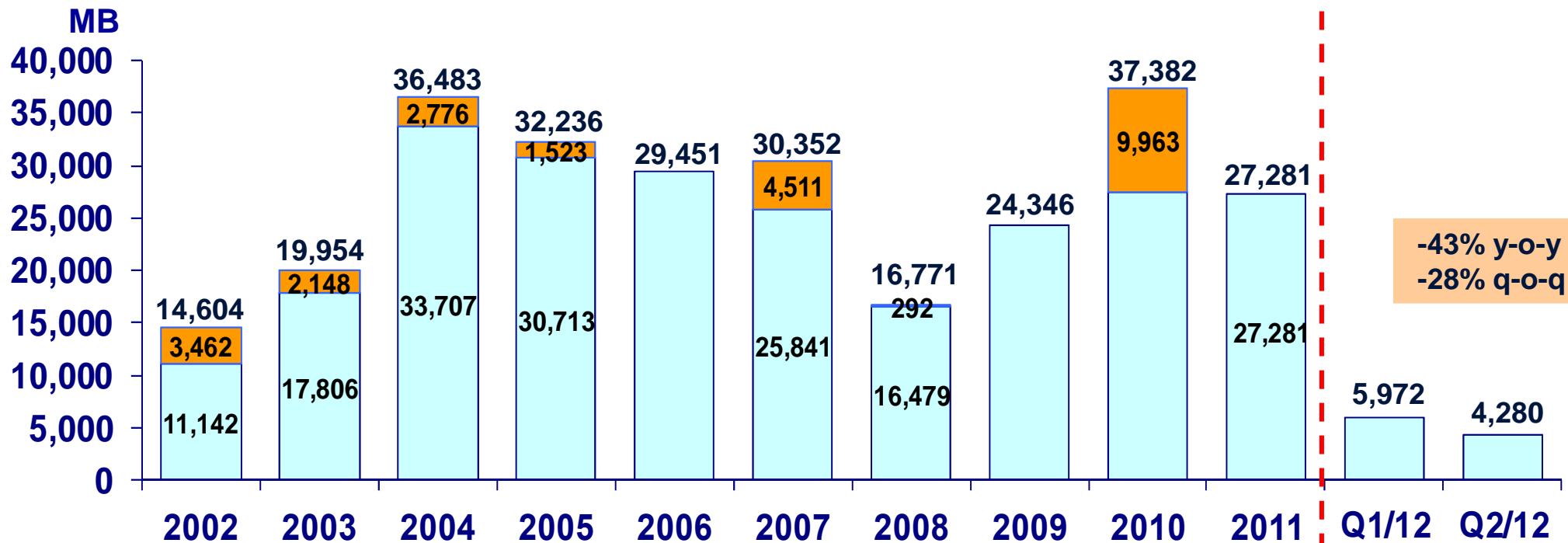
- **Strategy**
- **Sustainability**
- **Business Updates**
- **Financials**
- **Appendix**

# EBITDA



Note: EBITDA includes dividend received

# Profit for the period



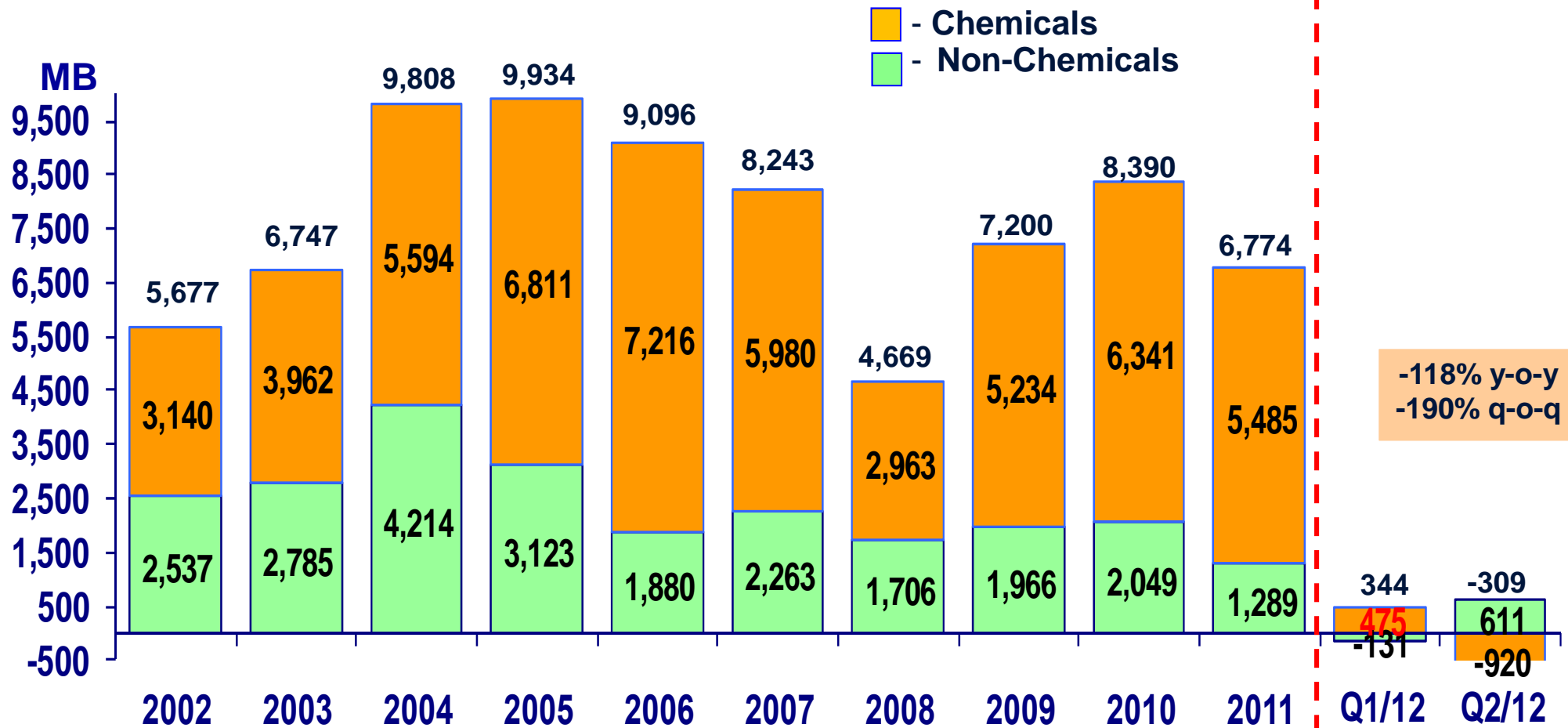
-43% y-o-y  
-28% q-o-q

EPS (Bt/sh)	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Q1/12	Q2/12
EPS (Bt/sh)	12.2	16.6	30.4	26.9	24.5	25.3	14.0	20.3	31.2	22.7	5.0	3.6

- Divestment gain

# Equity Income

Inventory adjustment for the associates of SCG Chemicals, while the associates of SCG Investment have recovered somewhat from the flood of Q4/11.



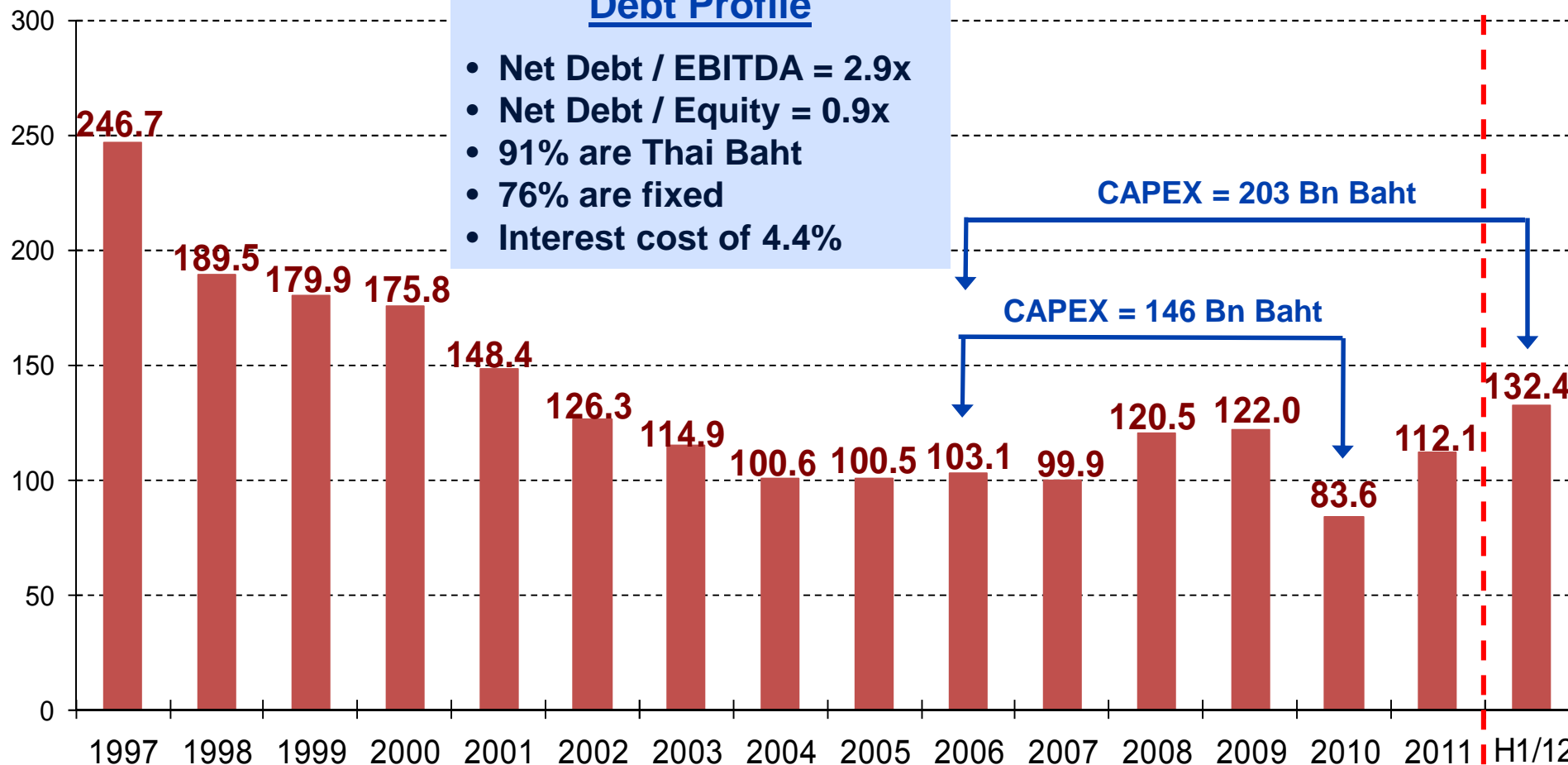
# Net debt

Includes cash of 40,102 MB (\$1.3 Billion)

Billion Baht

## Debt Profile

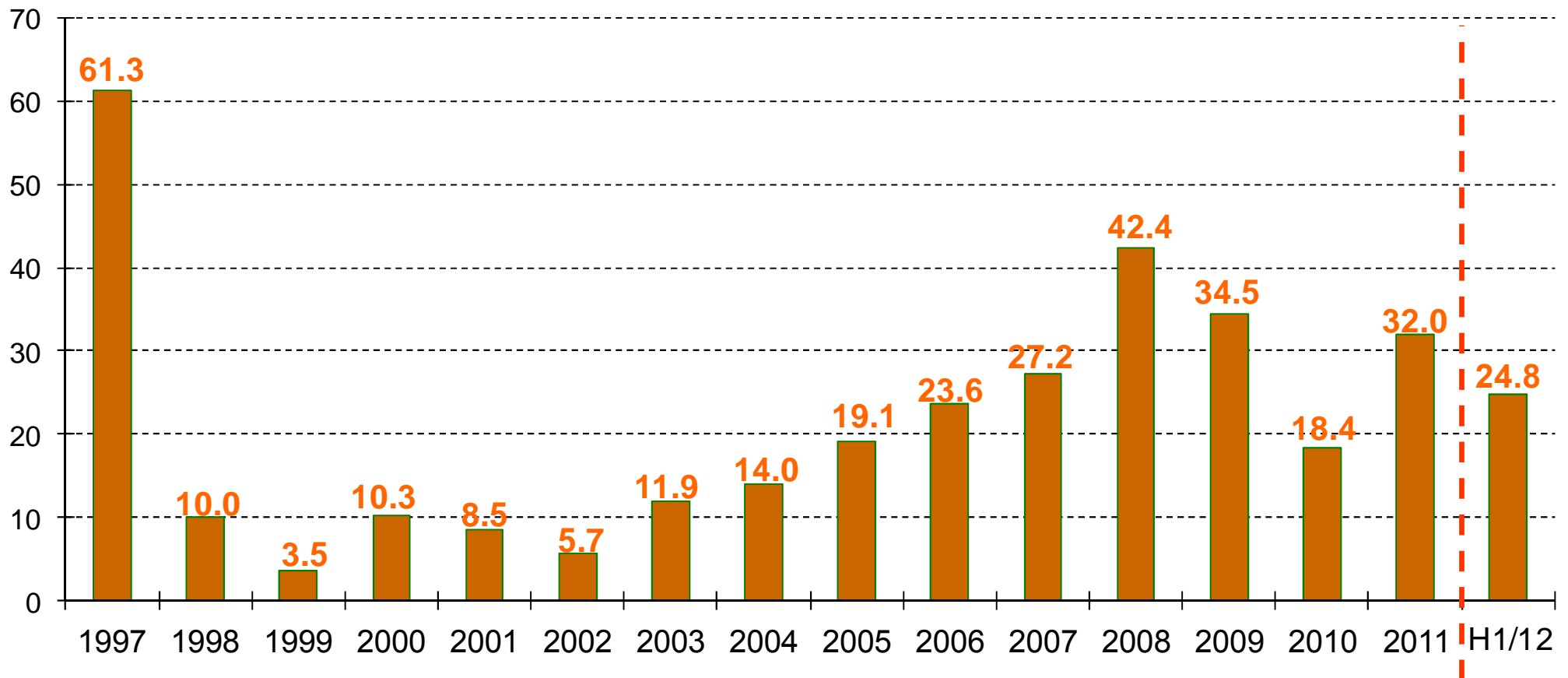
- Net Debt / EBITDA = 2.9x
- Net Debt / Equity = 0.9x
- 91% are Thai Baht
- 76% are fixed
- Interest cost of 4.4%



Net Debt on EBITDA: 9.2 (1997), 7.7 (1998), 6.4 (1999), 5.8 (2000), 5.1 (2001), 4.1 (2002), 3.1 (2003), 1.8 (2004), 1.9 (2005), 1.8 (2006), 2.0 (2007), 3.1 (2008), 2.6 (2009), 1.8 (2010), 2.4 (2011), 2.9 (H1/12)

# CAPEX & investments

Billion Baht



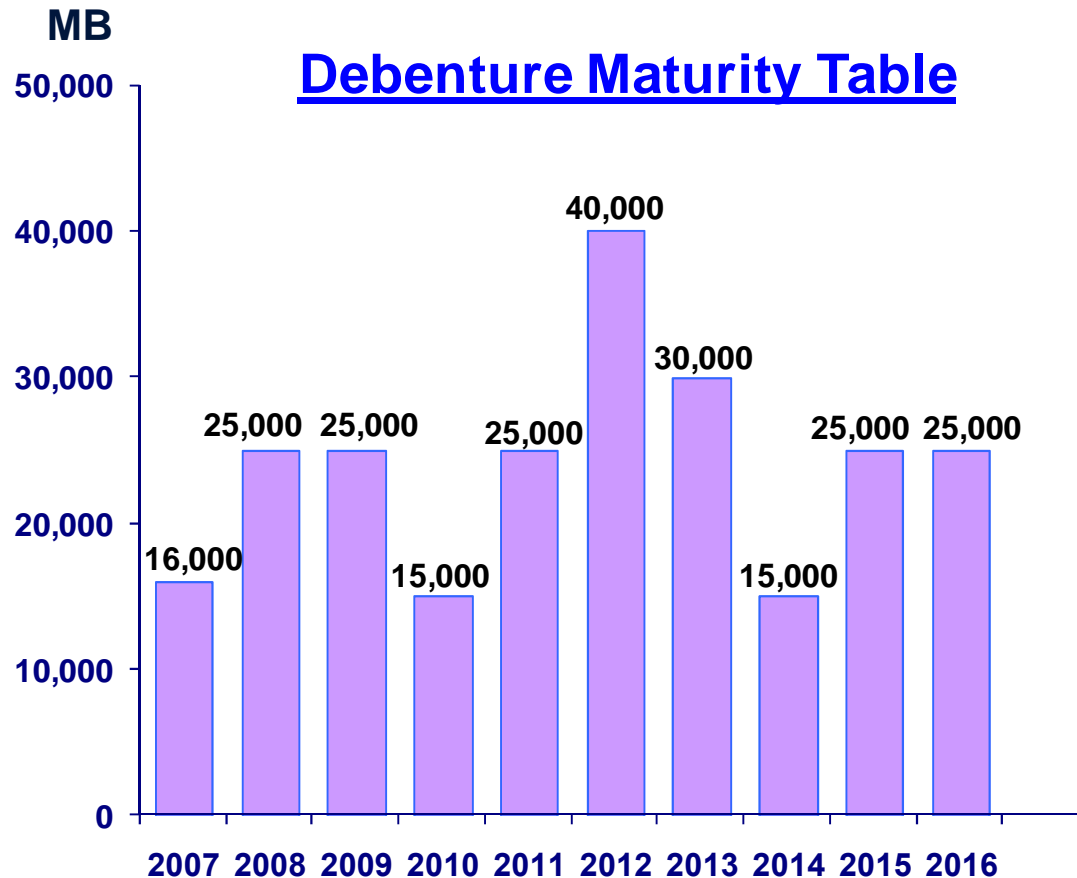
- CAPEX includes debottlenecking, expansion projects, and major turnaround.
- Investments are acquisitions and purchase of shares.



# Incremental capacity:

(Capacity at year end = '000 tons)	Total Cap					Increase		Project Cost	
	2007	2008	2009	2010	2011	2007 - 2011		SCG Stake	CAPEX (MB)
<b><u>Chemicals Upstream (Cracker)</u></b>						<b>Cap</b>	<b>Times</b>		
Ethylene (subsidiary)	800	800	800	1,700	1,700	900	2.1 x	} 67%	} 45,600 MB (\$1.2 Bill)
Propylene (subsidiary)	400	400	400	1,200	1,200	800	3.0 x		
<b><u>Chemicals Downstream</u></b>									
HDPE (subsidiary)	780	780	780	1,180	1,180	400	1.5 x	} 100%	} 17,100 MB (\$450 mill)
PP (subsidiary)	320	320	320	720	720	400	2.3 x		
PVC (90% stake in TPC)	858	828	766	886	886	28	1.2 x	45%	2,200 MB
LLDPE (Dow JV)	300	300	300	650	650	350	2.2 x	50%	2,100 MB
Specialty Elastomers (Dow JV)	-	-	Apr start	220	220	220	-	50%	3,000 MB
Propylene Oxide (Dow JV)	-	-	Oct start	390	390	390	-	50%	2,400 MB
MMA (Mitsubishi Rayon JV)	85	85	85	175	175	90	2.1 x	} 47%	} 2,500 MB
Cast Sheets (Mitsubishi Rayon JV)	-	-	20	20	20	20	-		
<b><u>Paper</u></b>									
Printing & Writing Paper	365	565	565	565	565	200	1.5 x	100%	7,300 MB
Packaging Paper	1,660	1,660	1,880	1,880	1,880	220	1.1 x	70%	5,200 MB
Box	550	637	692	741	795	245	1.4 x	70%	3,200 MB
<b><u>Cement</u></b>									
Cambodia Grey Cement (MT)	23	24	24	24	24	1	1.04x	90%	3,000 MB
<b><u>Building Products</u></b>									
Ceramic Tiles (M sqm)	95	122	122	122	149	54	1.6 x	54% to 100%	6,800 MB
Ceiling & Wall product (M sqm)	34	50	57	57	65	31	1.9 x	100%	3,200 MB
Lightweight concrete (M sqm)	3	3	3	15	15	12	4.0 x	68%	1,600 MB

HVA from Assc.

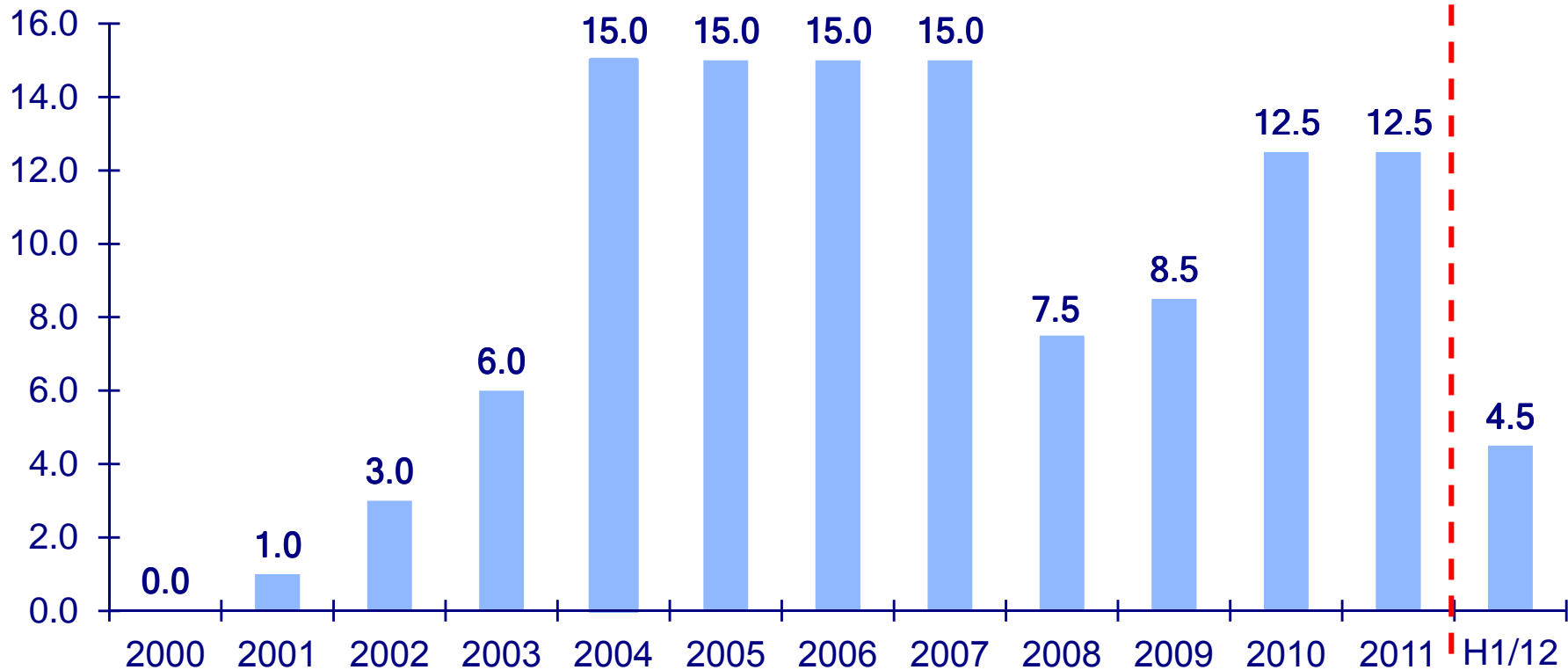


- Retail investors only.
- Unsecured, unsubordinated.
- No debt covenant.
- Thai Baht, fixed rate, and 4 year maturity.
- Current “A” rating by Fitch (local).

**NOTE:** Debentures amount to 115,000 MB, as of Q2/12.

# Dividend Payout Summary

Baht / Share

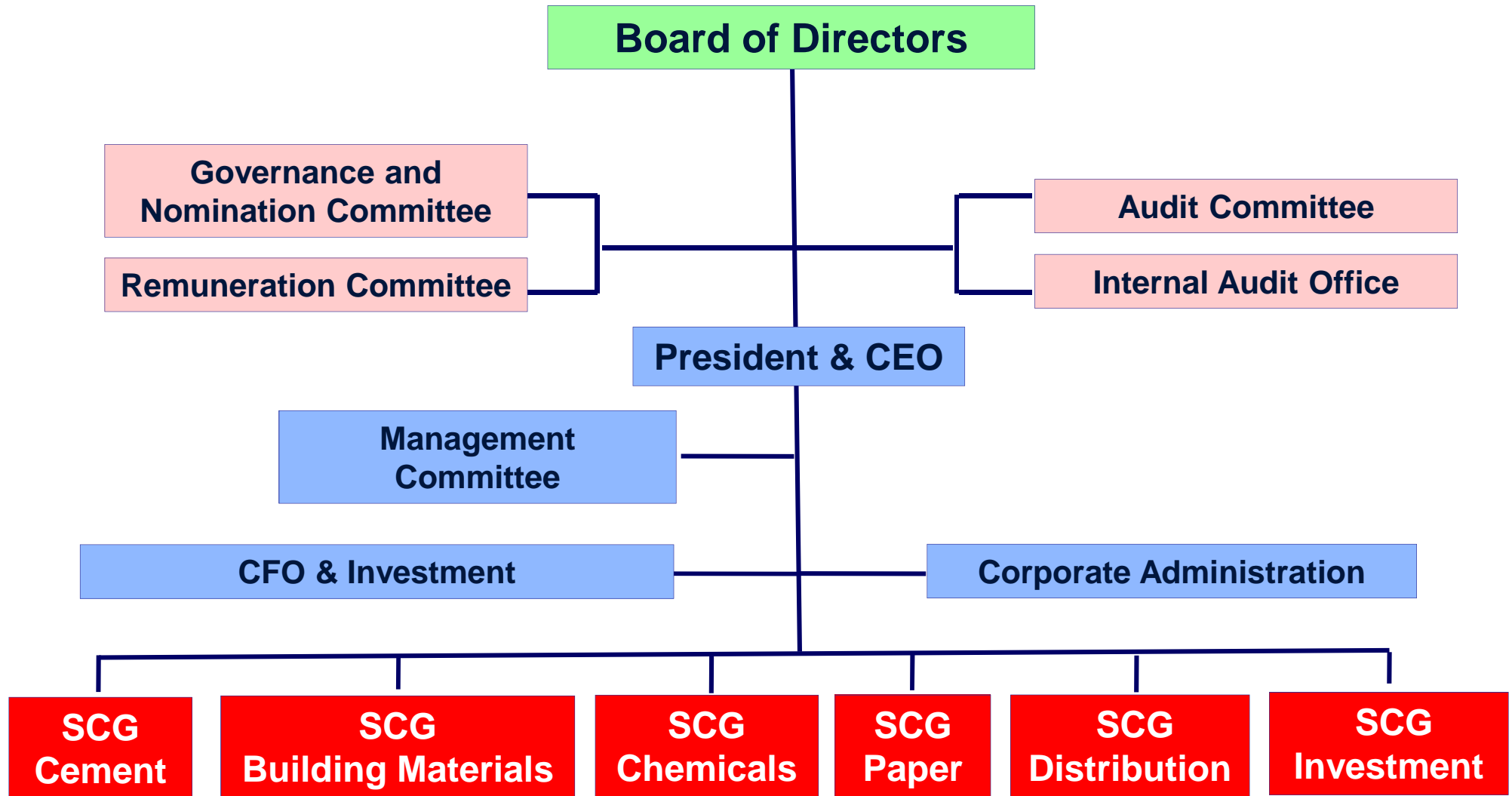


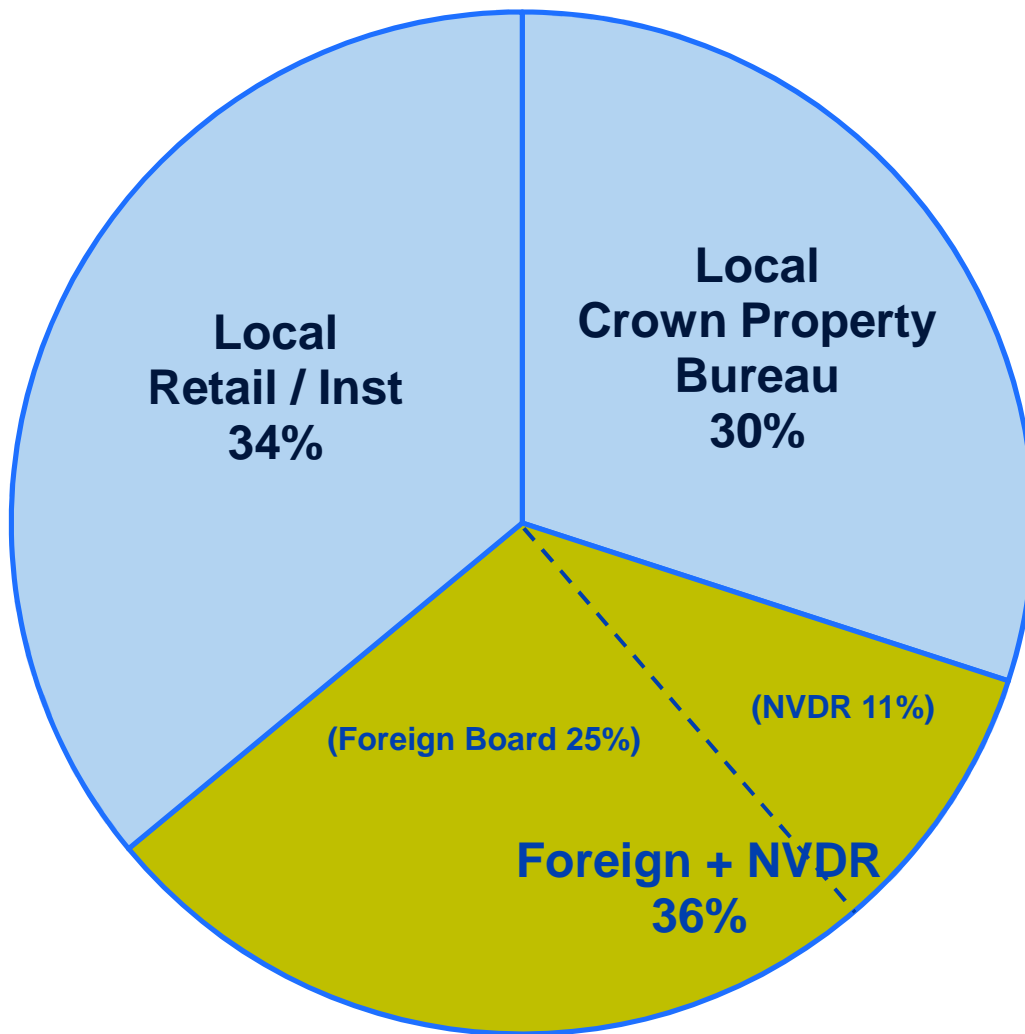
% of Net Profit	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	H1/12
	0%	16%	25%	36%	49%	56%	61%	59%	54%	42%	40%	55%	53%

- **Strategy**
- **Sustainability**
- **Business Updates**
- **Financials**
- **Appendix**

- Founded in 1913.
- Listed in 1975 on the SET.
- Market cap of \$13.6 Billion (350 Bt/sh)
- Free float of 70%.
- Approximately 38,613 staffs.
- Asset of 384.3 Billion Baht (\$12.4 Billion)
  
- Key figures (FY2011):
  - Net Sales 368.6 Billion Baht (\$11.9 Billion)
  - EBITDA 46.3 Billion Baht (\$ 1.5 Billion)
  - Net Profit 27.3 Billion Baht (\$ 0.9 Billion)







## Local 64%

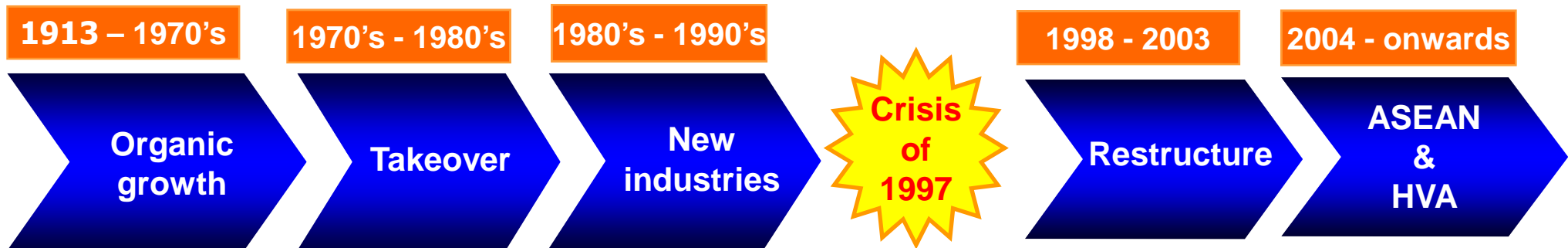
- Institution / Retail 34%
- Crown Property Bureau 30%

## Foreign 36%

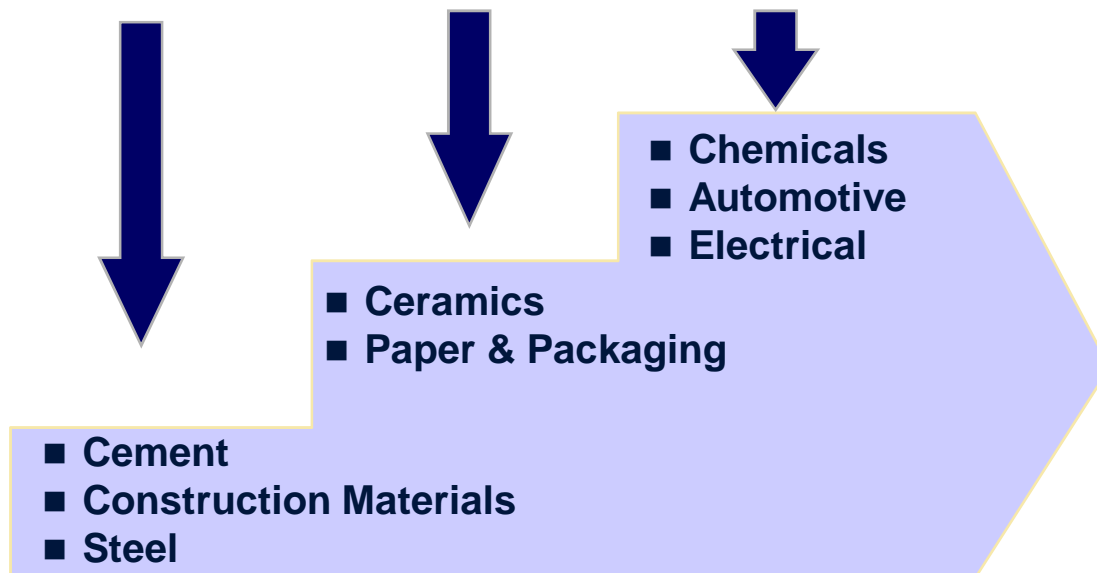
- Foreign Board 25%
- NVDR 11%

Jun 30, 2012

# Operational history



“Historic roots” “Opportunistic” “Partner of choice”



- Today**
- Chemicals
  - Cement
  - Building Materials
  - Paper
  - Distribution
  - Investment



# SCG Investment

Contribution in FY2011 was approx 1,009 MB in equity income, and another 2,346 MB from dividend income.

## SCG Investment



## ASEAN segments

ASEAN is an increasing part of SCG.

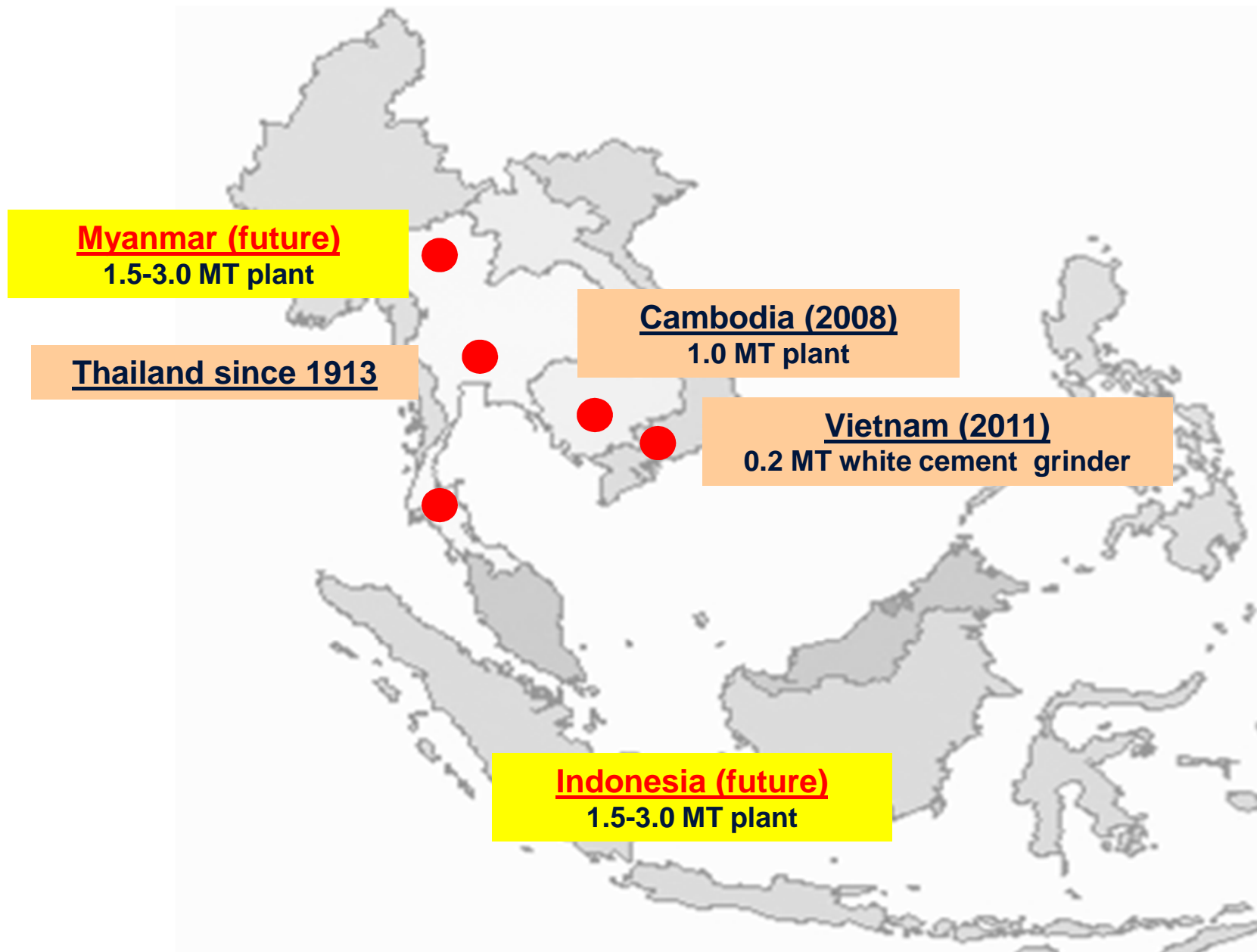
### ASEAN as a % of SCG consolidated

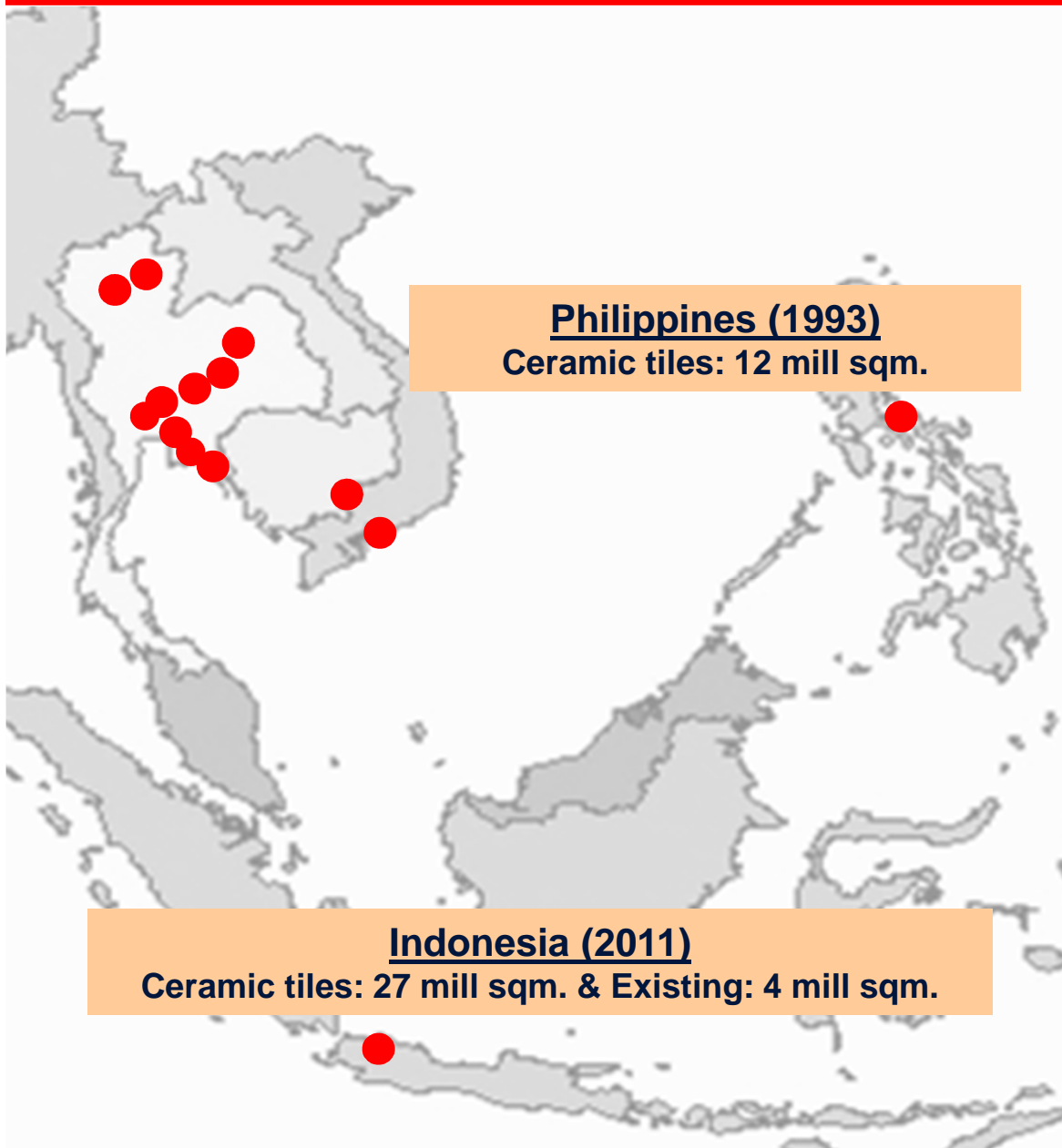
		2006	2007	2008	2009	2010	2011	H1/12
<b>Sales from ASEAN Operations</b>	%	3%	5%	5%	7%	7%	7%	<b>7%</b>
	MB	7,700	13,400	14,600	16,700	20,200	23,700	<b>15,185</b>
<b>Assets</b>	%	3%	5%	5%	7%	7%	13%	<b>14%</b>
	MB	6,800	13,000	14,500	22,500	26,700	47,000	<b>53,800</b>
<b>HR*</b>	%	5%	10%	11%	11%	12%	19%	<b>26%</b>
	Staffs	1,180	2,628	2,974	3,225	3,777	6,519	<b>10,161</b>

\* Including SCG's international staff (Thai)

# Capacity at the end of 2012

Chemicals - Naphtha Cracker (consolidated)		Chemicals - Associates (equity accounting)	
Ethylene	1,700,000 tons	<b><u>Dow Chemicals JV (50%)</u></b>	
Propylene	1,200,000 tons	- LLDPE	650,000 tons
<b>Chemicals - Downstream (consolidated)</b>		- Propylene Oxide	390,000 tons
HDPE	1,180,000 tons	- Specialty Elastomer	220,000 tons
LDPE + LLDPE	200,000 tons	- PS	120,000 tons
PP	720,000 tons	- SM	300,000 tons
PVC (Thai, Indo, Viet)	886,000 tons	- Synthetic Latex	18,000 tons
<b>Cement (consolidated)</b>		<b><u>Mitsui Chemicals JV (20% - 50%)</u></b>	
Grey Cement (Thai, Camb)	24 million tons	- PTA (50%)	1,440,000 tons
Ready-Mixed Concrete (Thai, Camb, Myan, Indo, Laos, Viet)	22 million metre <sup>3</sup>	- PET (20%)	100,000 tons
White Cement (Thai, Viet)	0.4 million tons	- PP Compound (46%)	86,000 tons
<b>Building Products (consolidated)</b>		- LLDPE Cast Film (45%)	15,000 tons
Ceramic Tiles (Thai, Indo, Phil)	149 M sqm	<b><u>Mitsubishi Rayon JV (47%)</u></b>	
Roofing Tiles (Thai, Camb, Phil, Viet)	87 M sqm	- MMA	175,000 tons
Ceiling & Wall Products	65 M sqm	- Cast Sheets	20,000 tons
Autoclaved Lightweight Concrete	15 M sqm	<b><u>Chandra Asri JV(30%)</u></b>	
<b>Paper (consolidated)</b>		- Ethylene	600,000 tons
Packaging Paper (Thai, Phil, Viet)	1.88 million tons	- Propylene	320,000 tons
Box (Thai, Malay, Sing, Viet)	795,000 tons	- HDPE / LLDPE	320,000 tons
Printing & Writing Paper	565,000 tons	- PP	480,000 tons
Short Fibre Pulp	425,000 tons	- SM	340,000 tons
		<b><u>Bangkok Synthetic (26%)</u></b>	
		- Butadiene	140,000 tons
		- BR	50,000 tons
		- SBR	70,000 tons



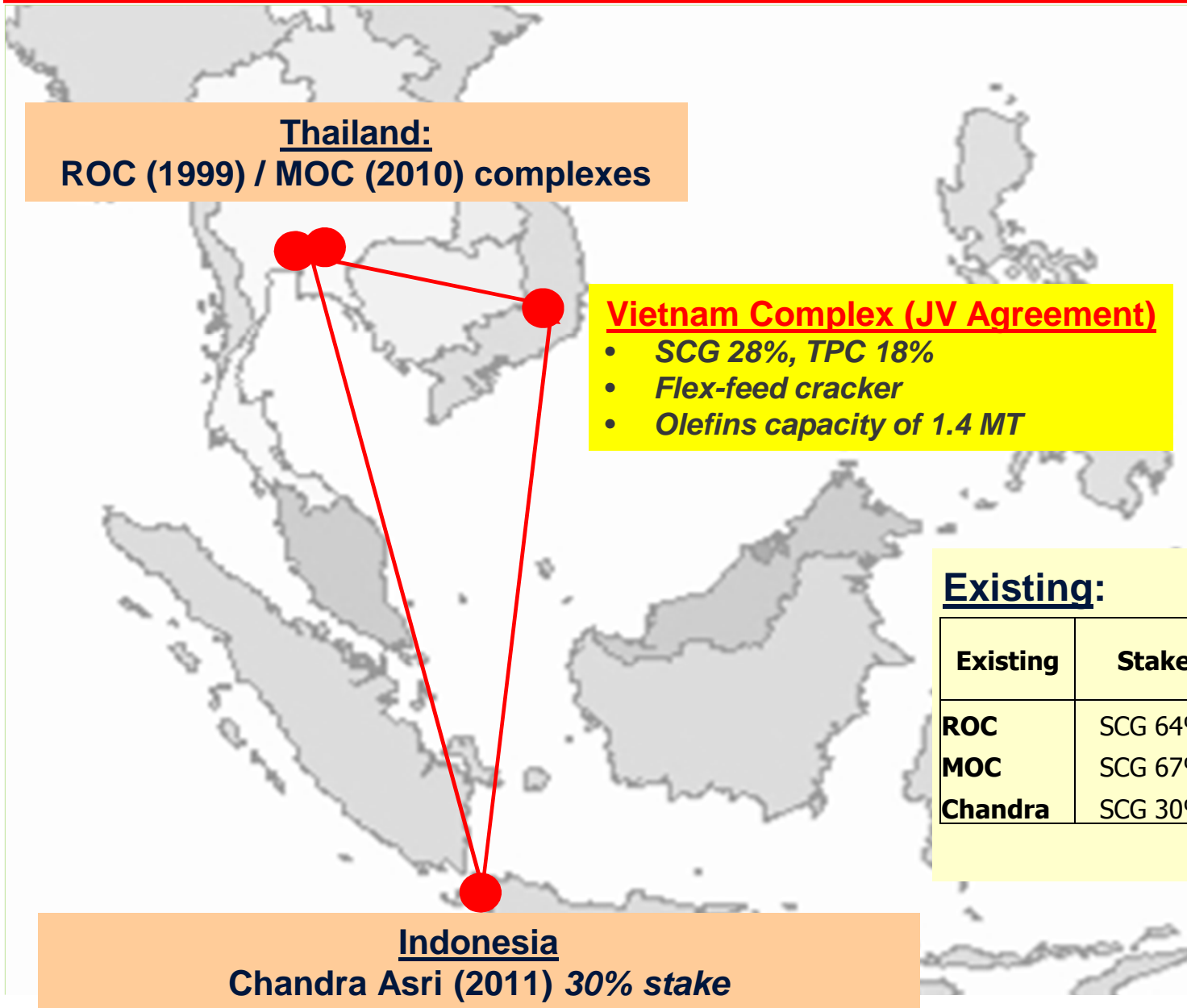


**Product types:**

<b>Thailand</b>	Roofing Ceramic tiles Others
<b>Indonesia</b>	Roofing Ceramic tiles Others
<b>Philippines</b>	Roofing Ceramic tiles
<b>Cambodia</b>	Roofing
<b>Vietnam</b>	Roofing

**Capacity:**

Ceramic Tiles	149 mill sqm.
Roofing Tiles	87 mill sqm.
Ceiling & Wall Products	65 mill sqm.
Lightweight Concrete	15 mill sqm.



**Thailand:**  
ROC (1999) / MOC (2010) complexes

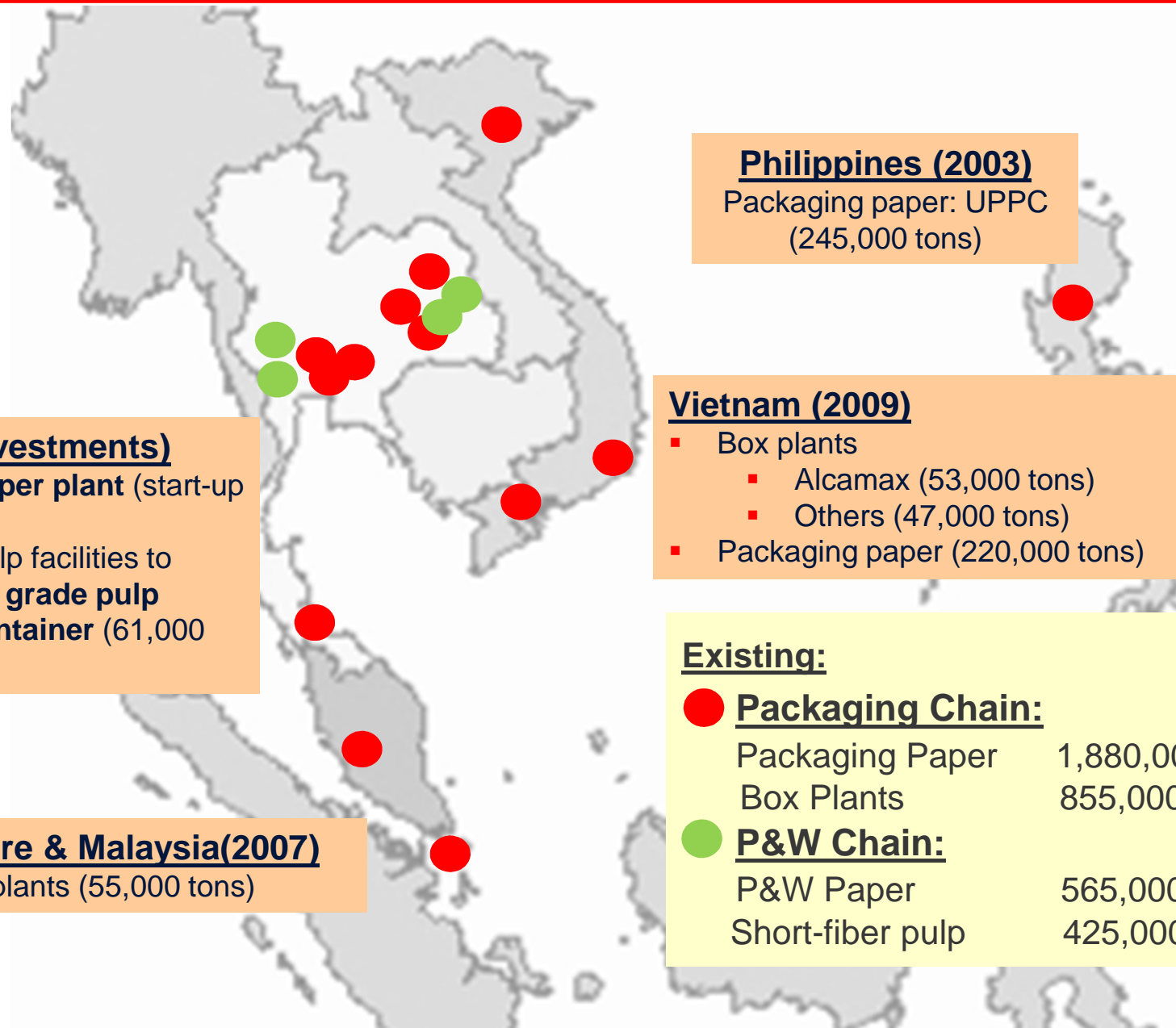
**Vietnam Complex (JV Agreement)**

- SCG 28%, TPC 18%
- Flex-feed cracker
- Olefins capacity of 1.4 MT

**Indonesia**  
Chandra Asri (2011) 30% stake

**Existing:**

Existing	Stake	Olefins Capacity ('000 tons)		
		Ethylene	Propylene	Total
ROC	SCG 64%	800	400	1,200
MOC	SCG 67%	900	800	1,700
Chandra	SCG 30%	600	320	920
<b>Existing total</b>				<b>3,820</b>



### Thailand (recent investments)

- **Machine glazed paper plant** (start-up in mid-2014)
- Upgrade existing pulp facilities to produce **dissolving grade pulp**
- M&A of **Tawana Container** (61,000 tons).

### Singapore & Malaysia(2007)

Box plants (55,000 tons)

### Philippines (2003)

Packaging paper: UPPC  
(245,000 tons)

### Vietnam (2009)

- Box plants
  - Alcamax (53,000 tons)
  - Others (47,000 tons)
- Packaging paper (220,000 tons)

### Existing:

#### ● Packaging Chain:

Packaging Paper	1,880,000 tons
Box Plants	855,000 tons

#### ● P&W Chain:

P&W Paper	565,000 tons
Short-fiber pulp	425,000 tons

# SCG's distribution network coverage:

Overseas network coverage with 34 offices in 22 countries, in addition to ASEAN base in distribution, logistics and retail sales.

## North America:

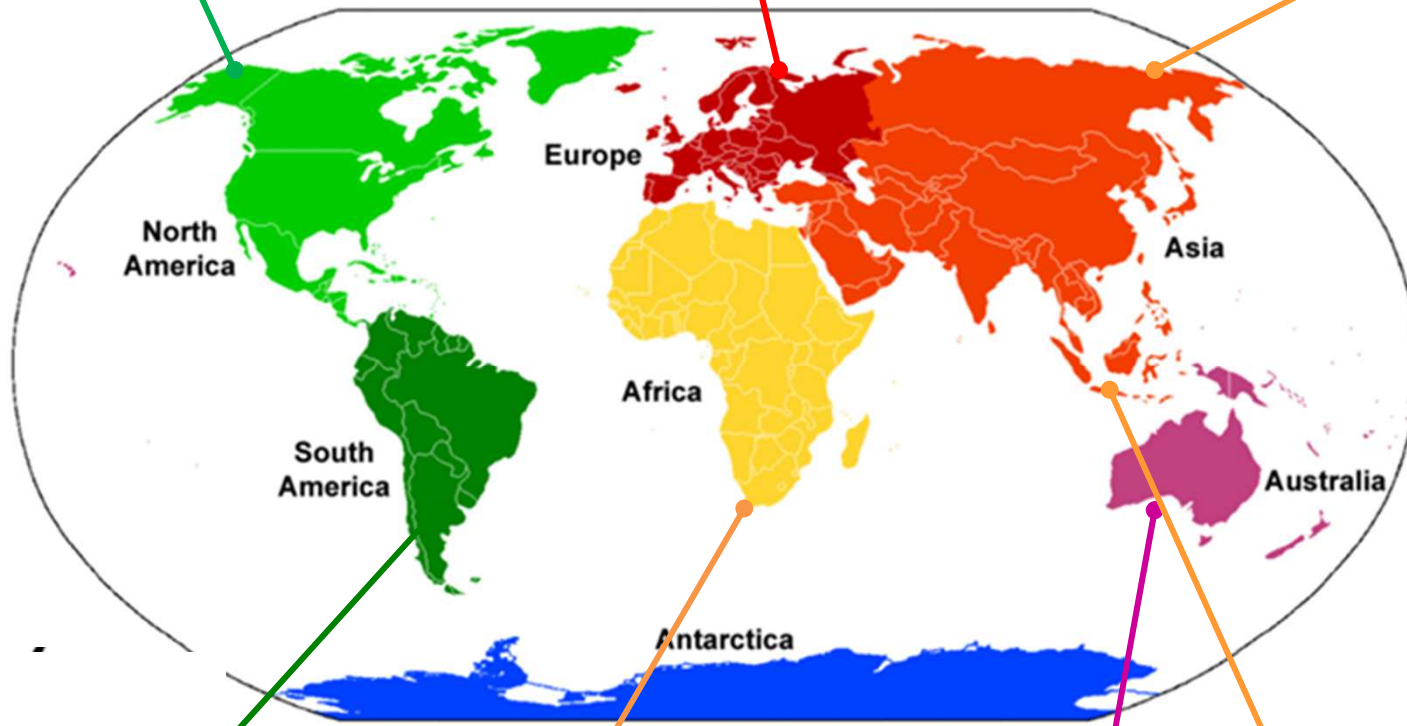
- U.S.A. L.A. , Philadelphia  
Dallas
- Canada Vancouver

## Europe:

- Hungary Budapest
- France Paris

## Asia:

- Philippines Manila
- Malaysia Kuala Lumpur
- Singapore Singapore
- Indonesia Jakarta
- Vietnam Ho Chi Minh City,  
Hanoi,  
Danang
- Cambodia Phnom Penh
- Myanmar Yangon
- Laos Vientiane
- China Shanghai,  
Foshan,  
Kunming,  
Guangzhou,  
Nanning
- Hong Kong Hong Kong
- Taiwan Taipei
- India Chennai,  
Mumbai,
- Bangladesh Dhaka  
Chittagong
- U.A.E. Dubai
- Jordan Amman
- Russia Moscow



## South America:

- Brazil Rio de Janeiro

## Africa:

- South Africa Johannesburg
- Tanzania Dares Salaam

## Australia:

- Australia Sydney

**KOKOH: 22 distribution centre in Indonesia**

*\*Excluded Thailand*



# SCG Distribution

## Kokoh's 22 distribution centre in Indonesia



## SCG eco value

Thailand's first eco label, accounting for 13% of SCG's 2011 sales, or approx 47,000 MB.



Slide 66



**Cool Roofing System**  
**40% Energy Reduction**



**Cerafino Solar Roof Tiles**  
**Solar Power**



**Heat Insulation STAYCOOL**  
**Recycled Contents > 80%**

**COTTO**  
THE RIGHT SOLUTION



**COTTO Sanitary Ware and Fittings**  
**Reduces Water Usage by 25%**

### Thailand - Fully Integrated

#### Crackers

Cracker #1 (1999)  
1.2 MT C2 & C3

Cracker #2 (2010)  
1.7 MT C2 & C3

#### Downstream

##### Subsidiaries

PE  
PP  
PVC  
Others

##### Associates

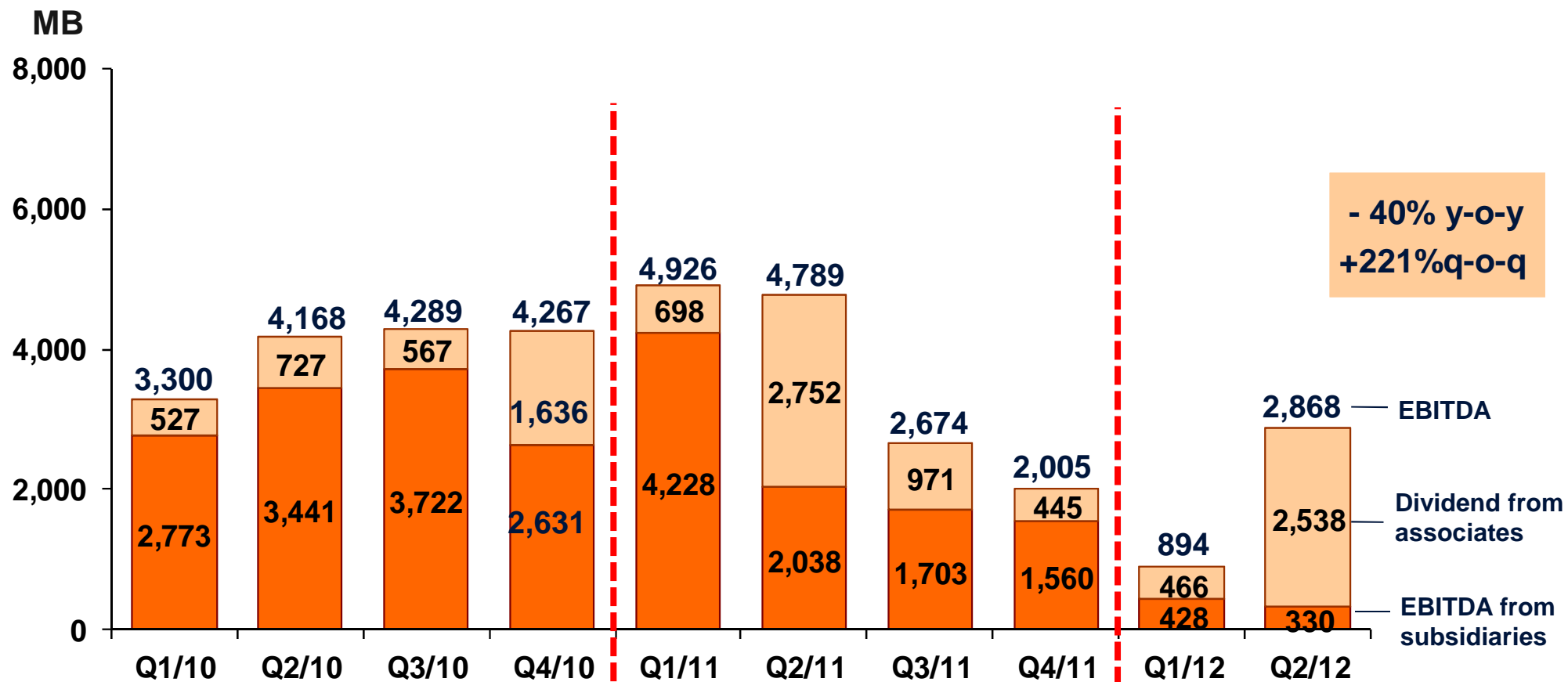
Dow  
Mitsui  
Mitsubishi Rayon  
Others

+50% of PE/PP are exported  
to +110 countries

### Regional Player



# Chemicals EBITDA

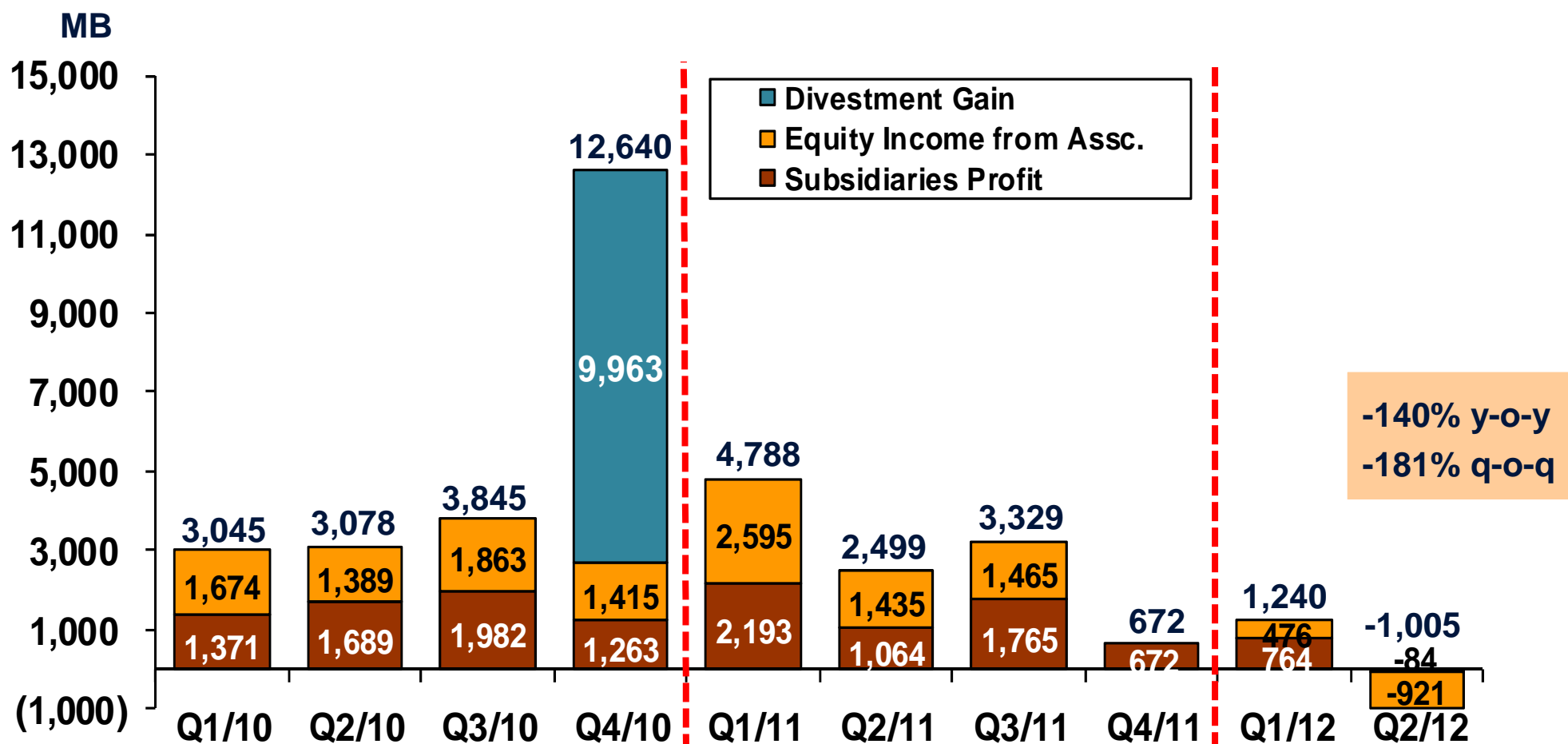


- 40% y-o-y  
+221% q-o-q

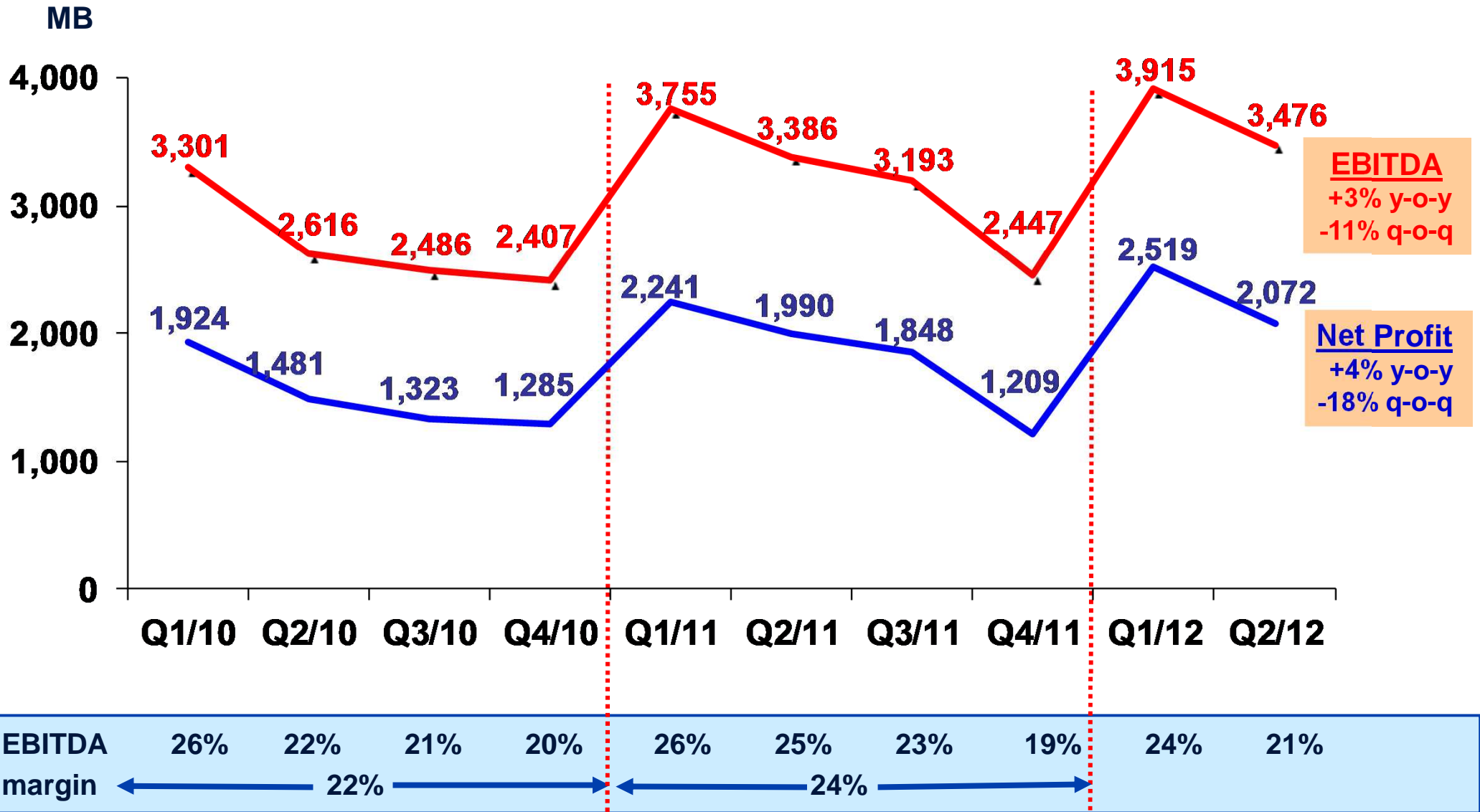
EBITDA Margin
10%
9%
9%
7%
9%
4%
3%
3%
1%
1%

Note: EBITDA = EBITDA from operations + dividend from associated companies

# Chemicals profitability

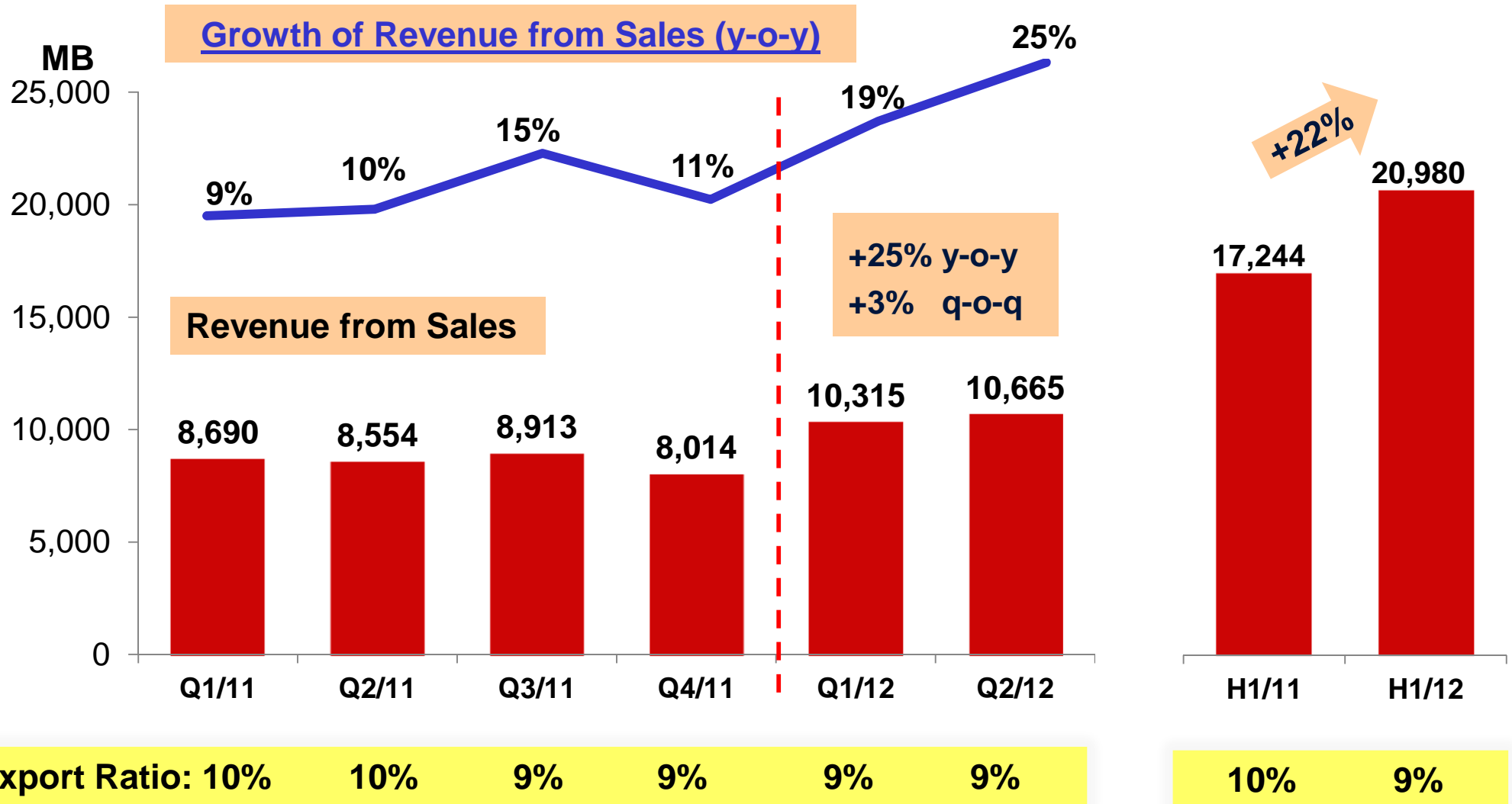


# Cement financials



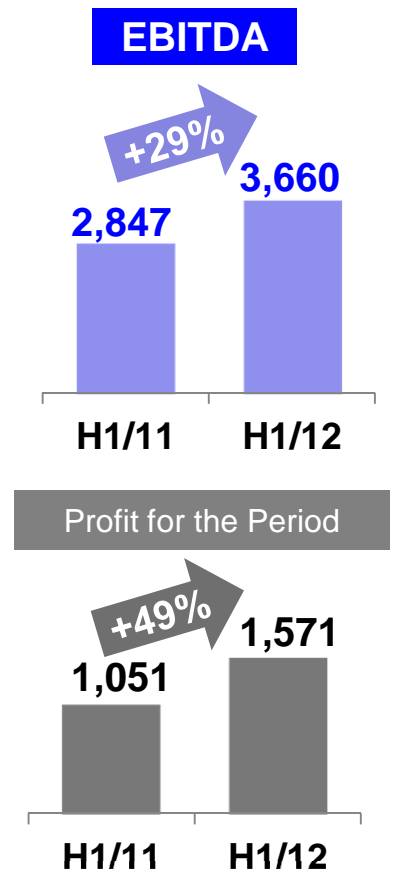
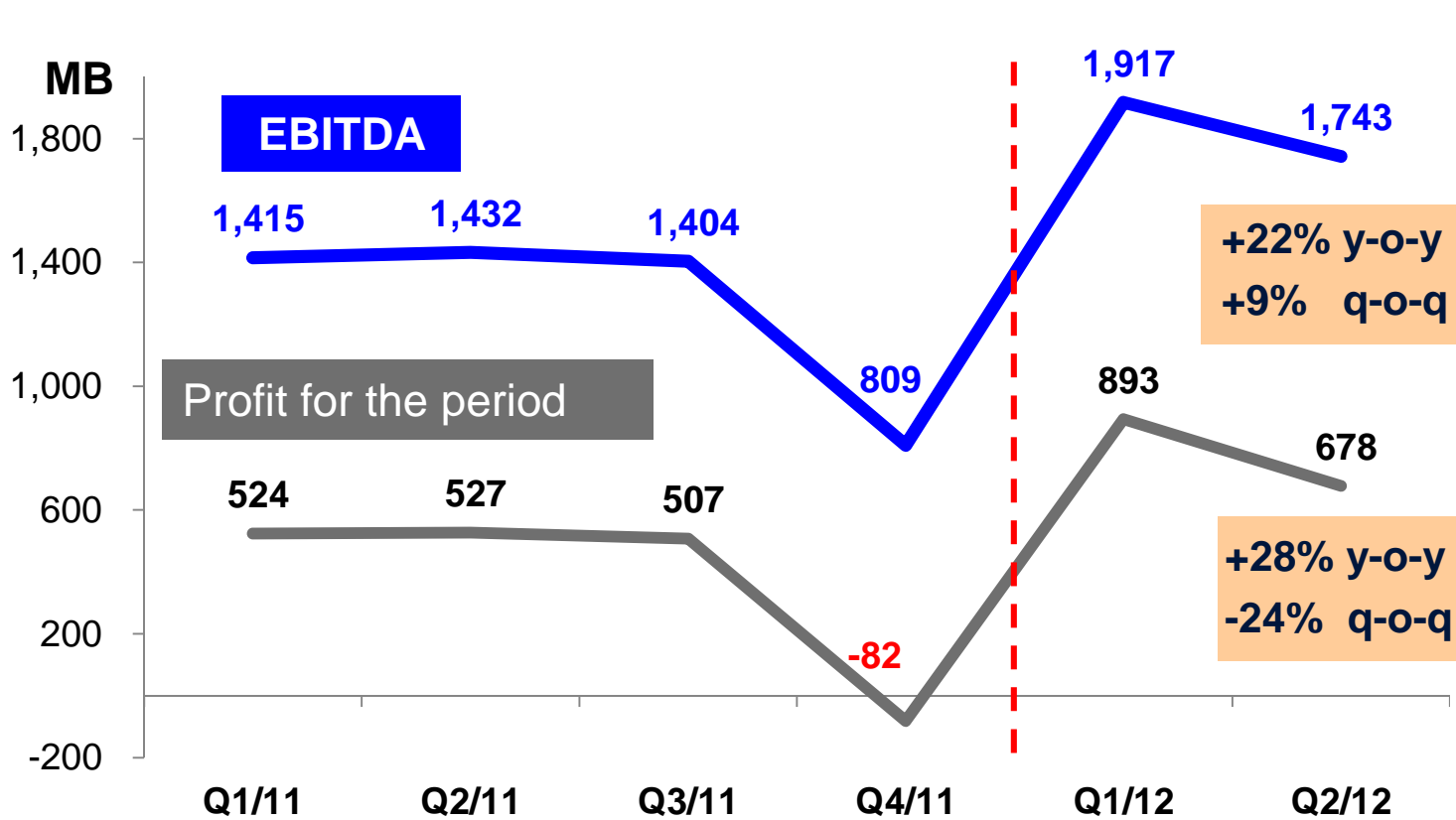
# Building Materials revenue from Sales

Improved 25% y-o-y, mainly from consolidation.



# Building Materials EBITDA & Profit for the period

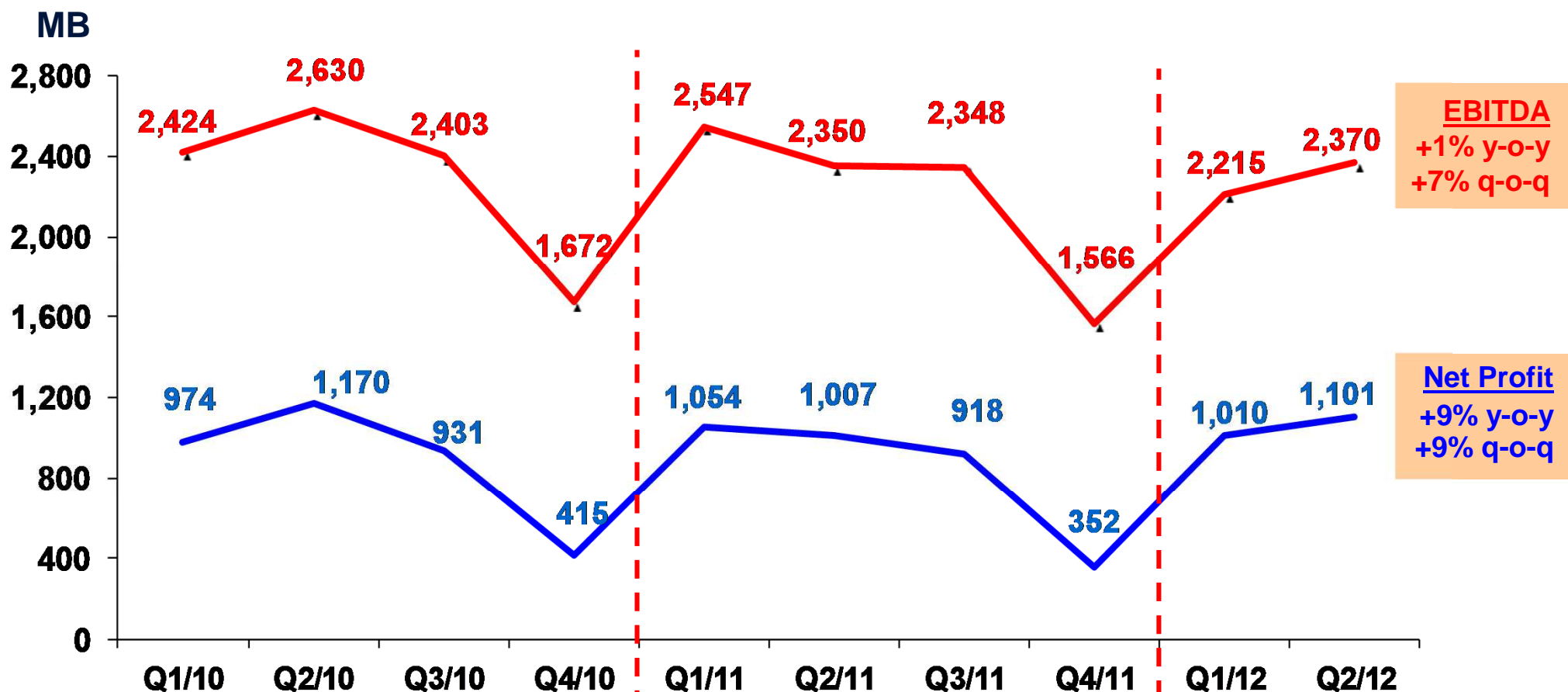
Dropped q-o-q, due to seasonal factors and the effects from the new labor cost.



Quarter	EBITDA Margin
Q1/11	16%
Q2/11	17%
Q3/11	16%
Q4/11	10%
Q1/12	19%
Q2/12	16%

Period	EBITDA Margin
H1/11	17%
H1/12	17%





**EBITDA**  
+1% y-o-y  
+7% q-o-q

**Net Profit**  
+9% y-o-y  
+9% q-o-q

<u>EBITDA Margin</u>		Q1/10	Q2/10	Q3/10	Q4/10	Q1/11	Q2/11	Q3/11	Q4/11	Q1/12	Q2/12
All	19%	21%	18%	13%	19%	18%	16%	12%	16%	16%	
Packaging	16%	17%	14%	11%	17%	15%	14%	11%	15%	16%	
P&W	25%	28%	26%	16%	22%	22%	21%	14%	17%	16%	

# Segmented financials



Slide 74

Sales (MB)	2008	2009	2010	2011	H1/12
<b>Consolidated</b>	<b>293,230</b>	<b>238,664</b>	<b>301,323</b>	<b>368,579</b>	<b>203,425</b>
Chemicals	136,527	101,115	144,317	192,929	102,239
Paper	47,110	42,729	51,714	54,839	28,441
Cement	49,999	46,661	48,954	54,249	32,701
Building Materials	23,351	26,873	30,719	34,171	20,980

Assets (MB)	2008	2009	2010	2011	H1/12
<b>Consolidated</b>	<b>285,776</b>	<b>315,986</b>	<b>359,219</b>	<b>374,653</b>	<b>384,118</b>
Chemicals	138,504	165,947	165,087	176,614	178,998
Paper	51,089	48,271	50,127	52,542	56,881
Cement	60,770	60,680	61,018	60,180	66,088
Building Materials	22,654	22,992	24,796	35,804	40,580

EBITDA (MB)	2008	2009	2010	2011	H1/12
<b>Consolidated</b>	<b>38,783</b>	<b>47,116</b>	<b>45,949</b>	<b>46,253</b>	<b>22,479</b>
Chemicals	12,598	19,482	16,024	14,394	3,762
Paper	6,660	7,901	9,129	8,811	4,585
Cement	11,272	11,616	10,810	12,781	7,391
Building Materials	4,085	4,907	5,489	5,060	3,660

Profit for the Period (MB)	2008	2009	2010	2011	H1/12
<b>Consolidated</b>	<b>16,771</b>	<b>24,346</b>	<b>37,382</b>	<b>27,281</b>	<b>10,252</b>
Chemicals	6,136	12,556	22,609	11,190	235
Paper	1,658	2,286	3,490	3,331	2,111
Cement	6,006	6,214	6,014	7,288	4,591
Building Materials	778	1,617	1,872	1,476	1,571

EBITDA Margin (%)	2008	2009	2010	2011	H1/12
<b>Consolidated</b>	<b>12%</b>	<b>18%</b>	<b>14%</b>	<b>11%</b>	<b>10%</b>
Chemicals	7%	17%	9%	5%	1%
Paper	14%	18%	18%	16%	16%
Cement	23%	25%	22%	24%	23%
Building Materials	16%	18%	17%	14%	17%

EBITDA / Assets (%)	2008	2009	2010	2011	H1/12
<b>Consolidated</b>	<b>14%</b>	<b>15%</b>	<b>13%</b>	<b>12%</b>	<b>11%</b>
Chemicals	9%	12%	12%	8%	9%
Paper	13%	16%	16%	17%	17%
Cement	19%	19%	19%	21%	22%
Building Materials	18%	21%	20%	14%	14%