Analyst Conference Q4/12

Wednesday, Jan 30, 2013

AGENDA

I. Consolidated Results
   - Q4/12 Consolidated Results
   - FY2012 Summary
   - Financial Updates

II. Cement

III. Building Materials

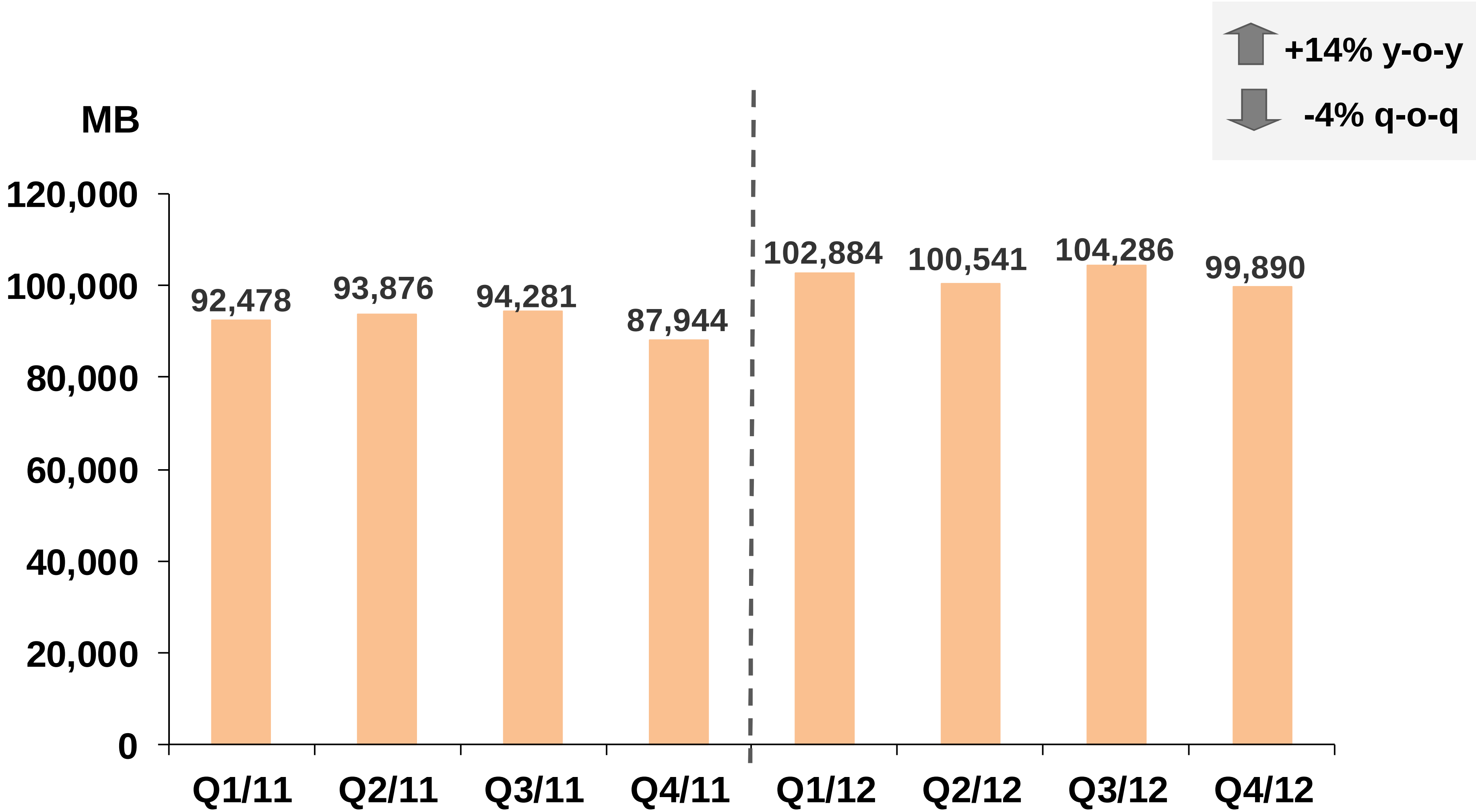
IV. Chemicals

V. Paper

VI. Summary

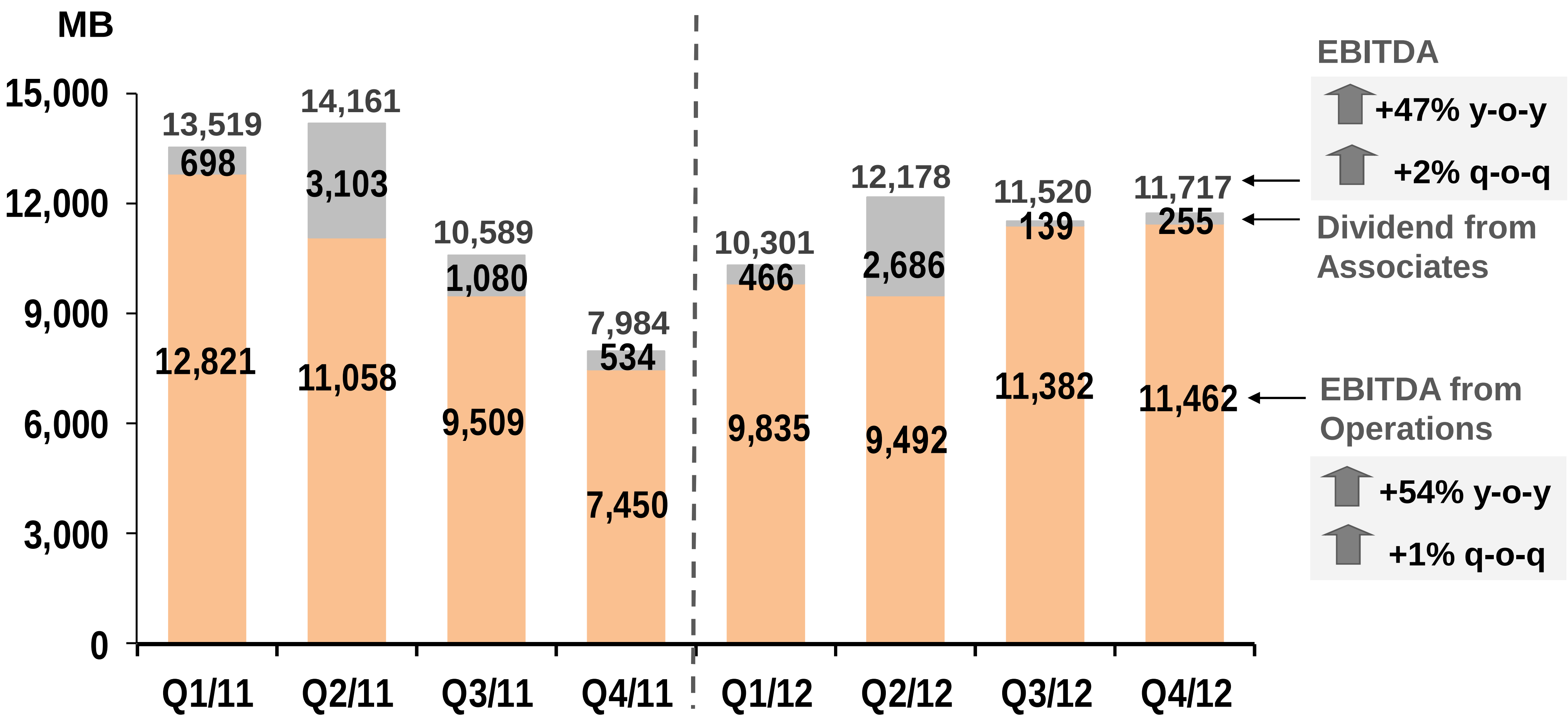
Revenue from Sales

Increased 14% y-o-y, from volume growth in all businesses, but decreased 4% q-o-q, due to seasonal effects.



EBITDA

Increased 47% y-o-y, with healthy growths in the non-chemicals businesses, and 2% q-o-q as a result of dividend contribution from SCG Investment.

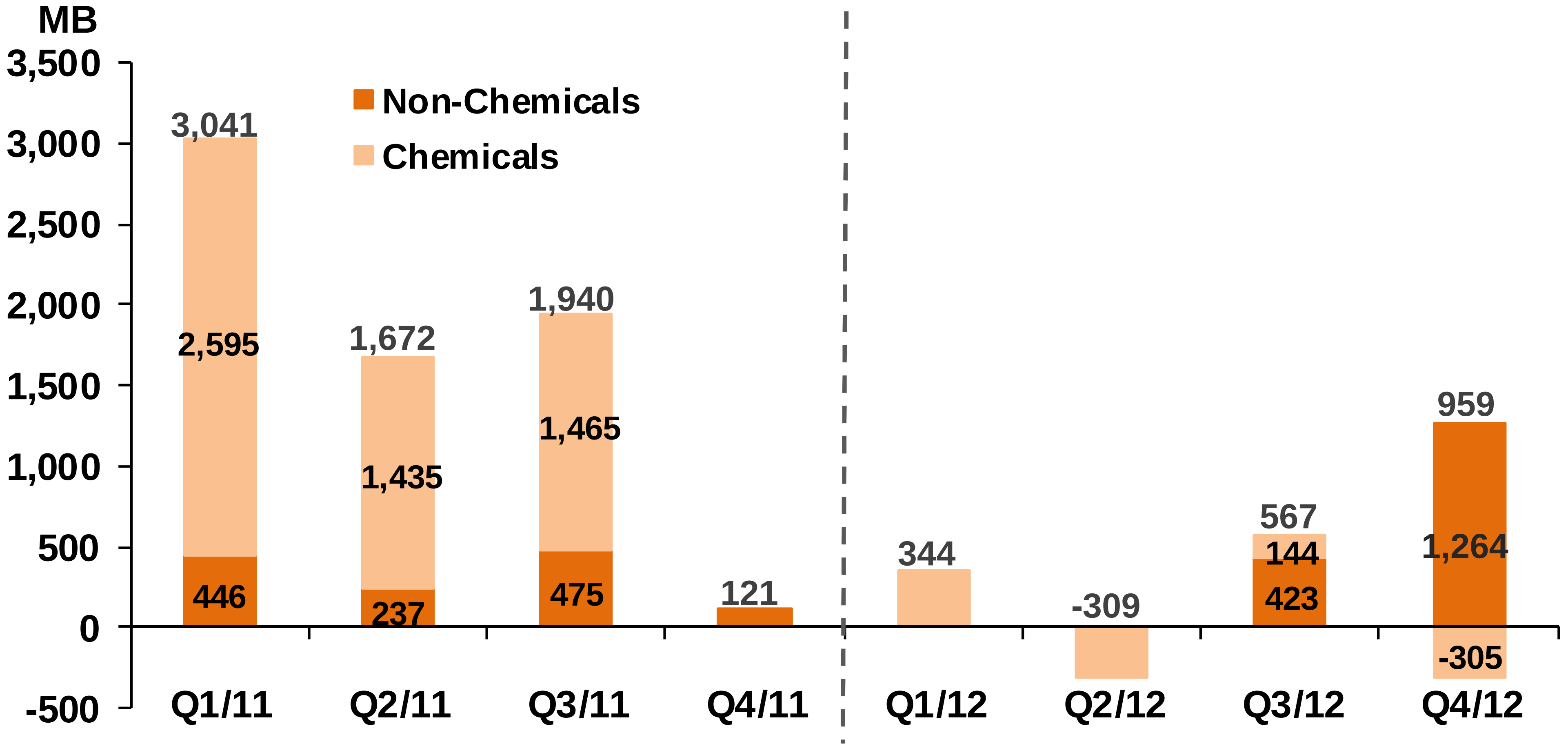


NOTE*:** ***EBITDA = EBITDA from Operations + Dividend from Associates

Equity Income

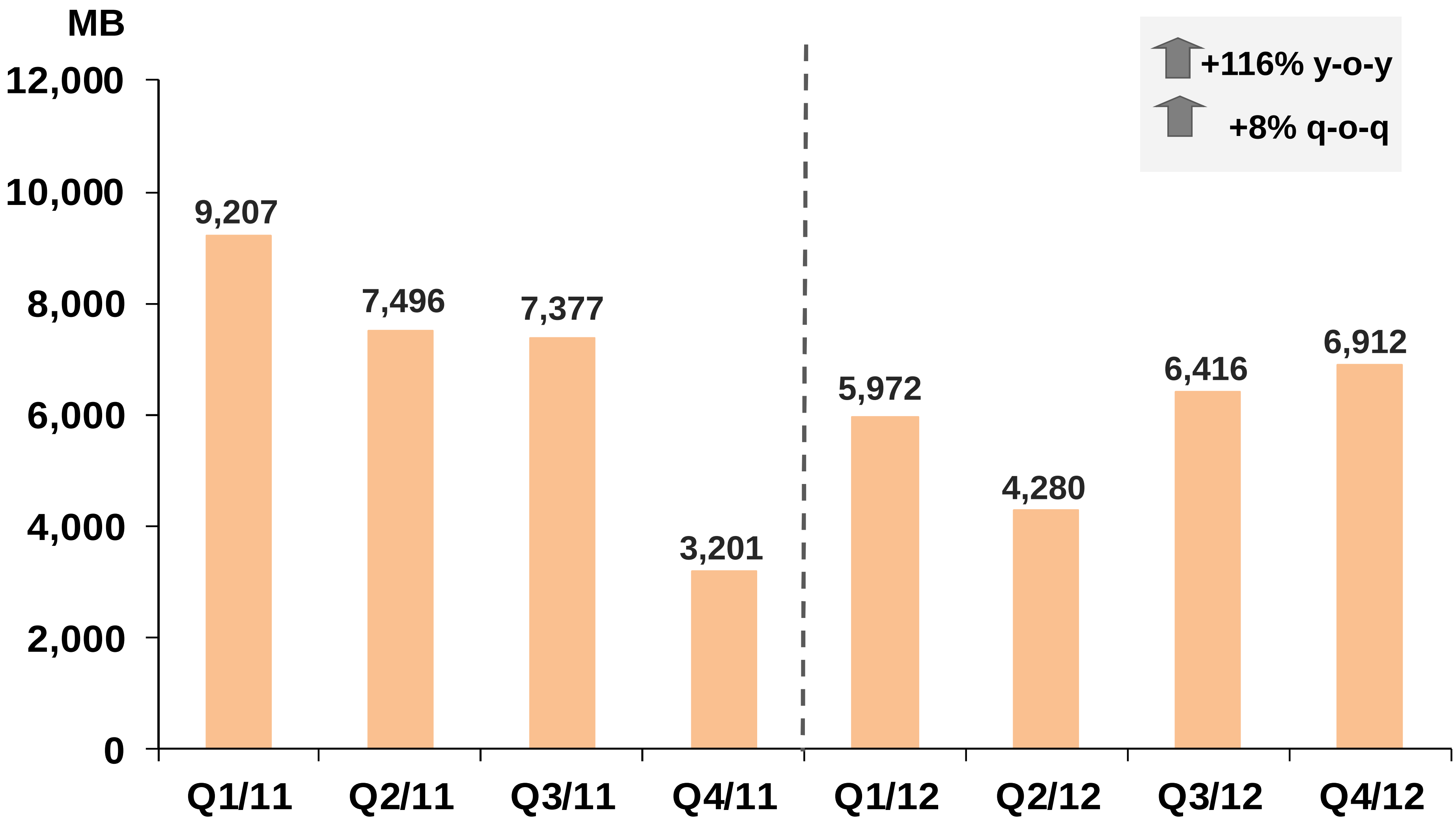
The chemicals business incurred negative equity income of 305 MB from its associates in Q4/12, compared to the positive equity income of 1,264 MB for the non-chemicals associates.

slide 5



Profit for the Period

Dividend income from SCG Investment, and the recovery from last year's flood contributed to the earnings growth of 116% y-o-y.



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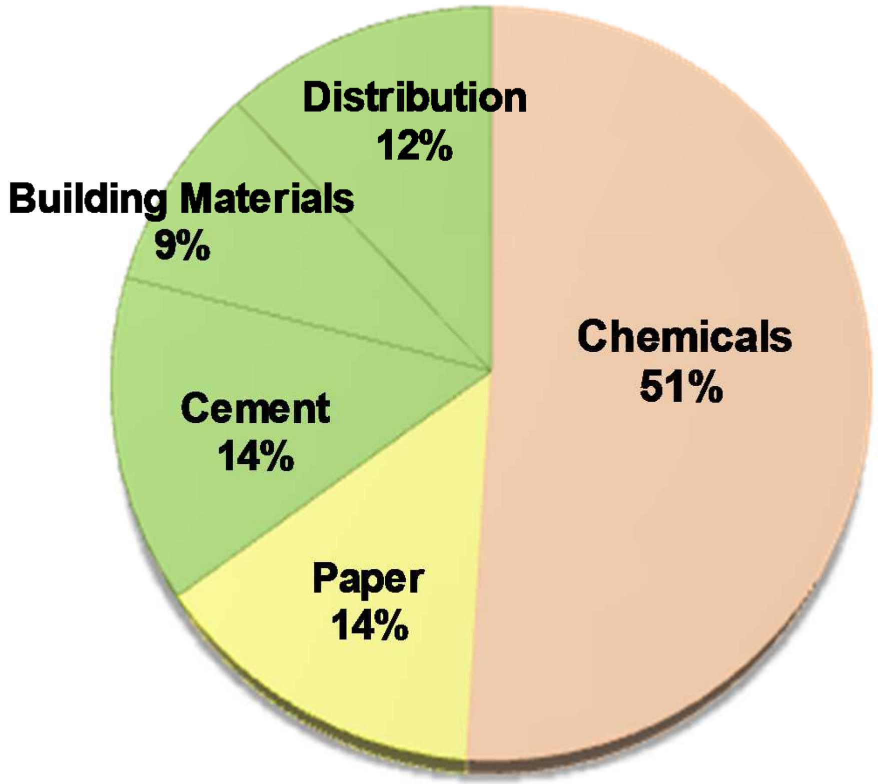
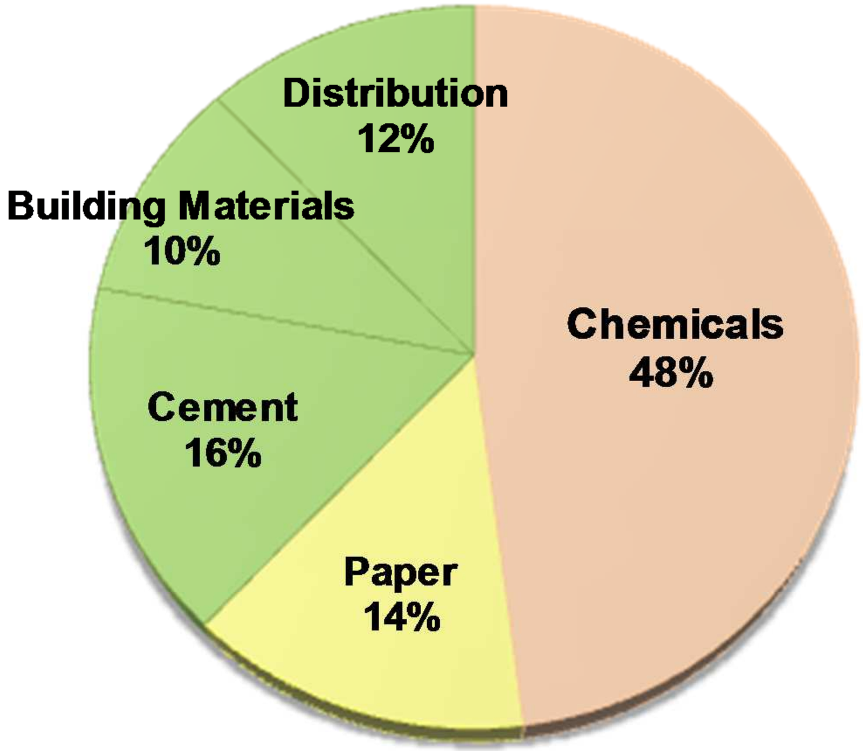
Revenue from Sales

The chemicals business accounted for 48% of FY2012 sales, while construction related businesses was another 38%.

FY2011
368,579 MB



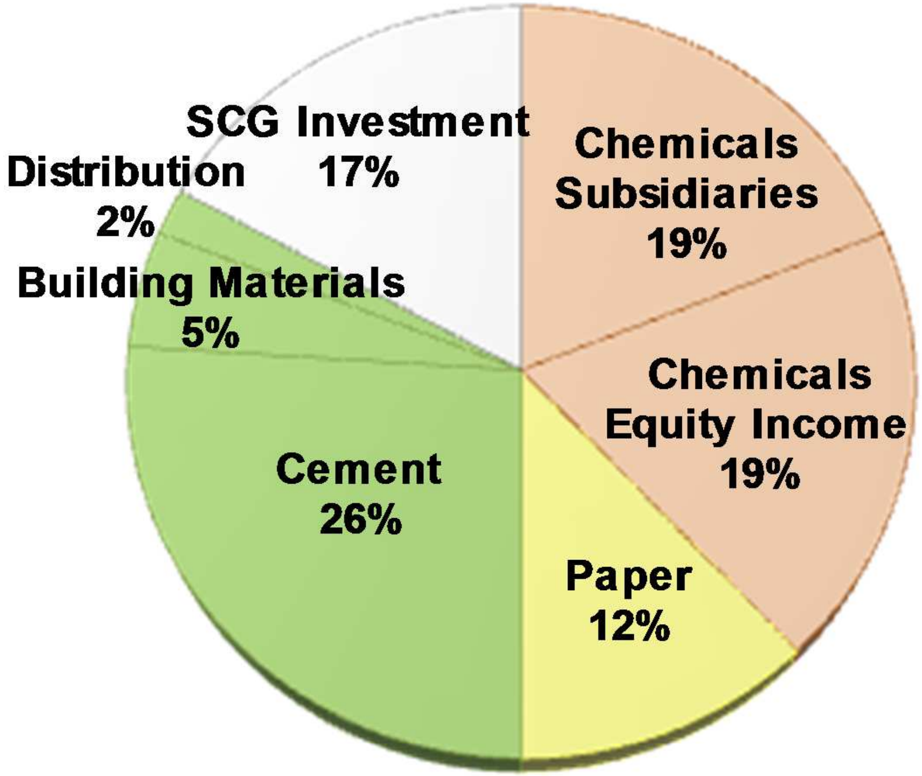
FY2012
407,601 MB (+11% y-o-y)



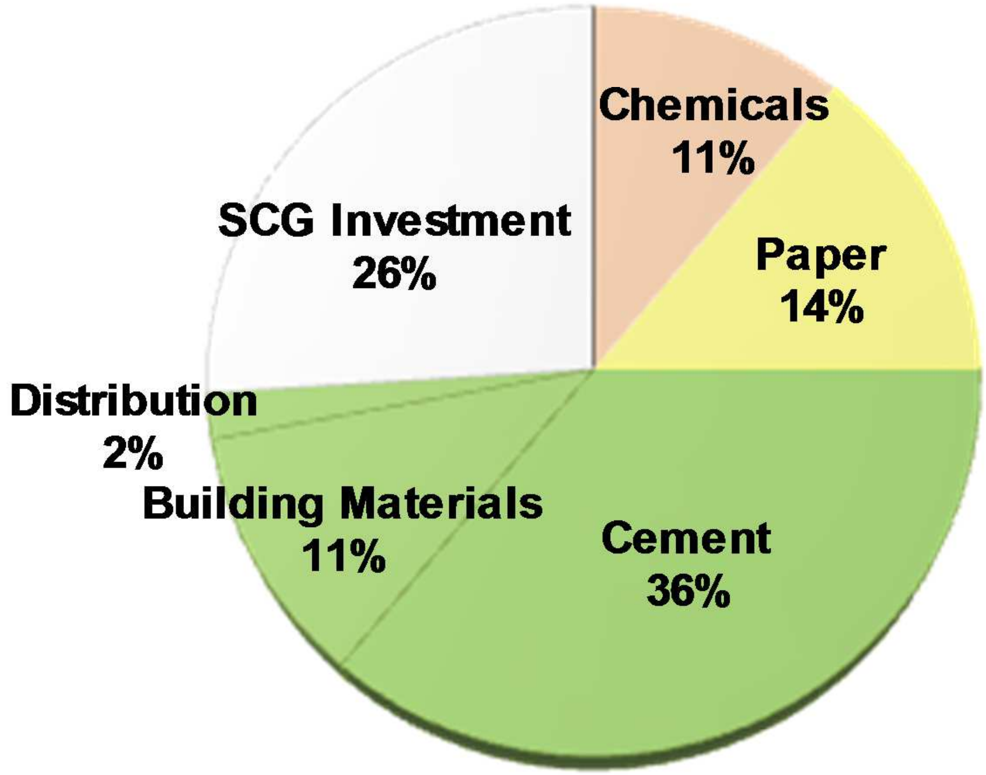
Profit for the Period

The construction related businesses accounted for 49% of the FY2012 earnings, compared to 33% in FY2011.

FY2011
27,281 MB



FY2012
23,580 MB (-14% y-o-y)



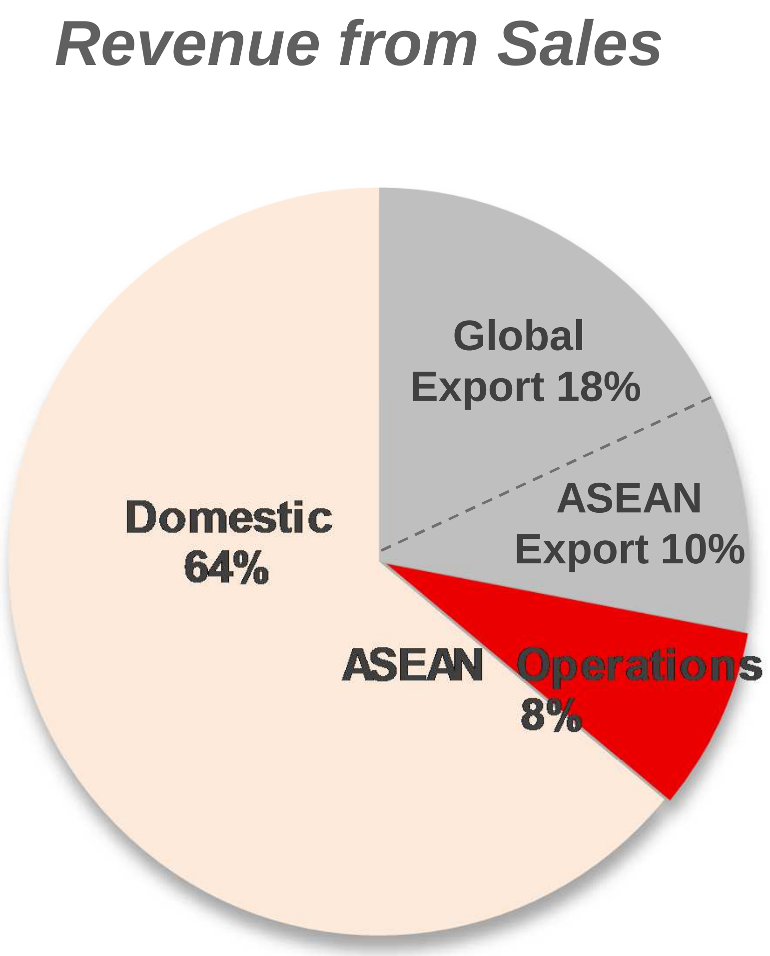
SCG Investment's *earnings are from:*

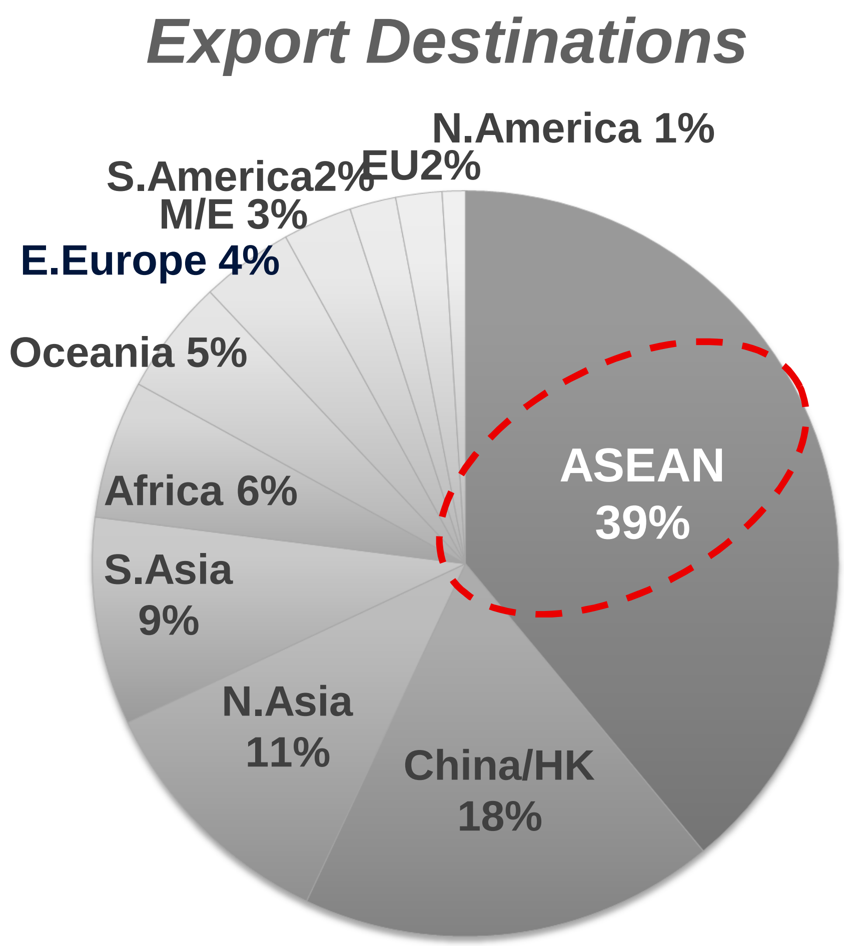
1) *dividend income (stake of <20%)*
2) *equity income (stake of 20% to 50%)*

****Chemicals Equity Income dropped by 6,091 MB to -606 MB in FY 2012. Chemical sub. was 14% of FY2012 Profit for the period.***

Segments: Export Destinations in FY2012

ASEAN accounted for 39% of the Thai exports.





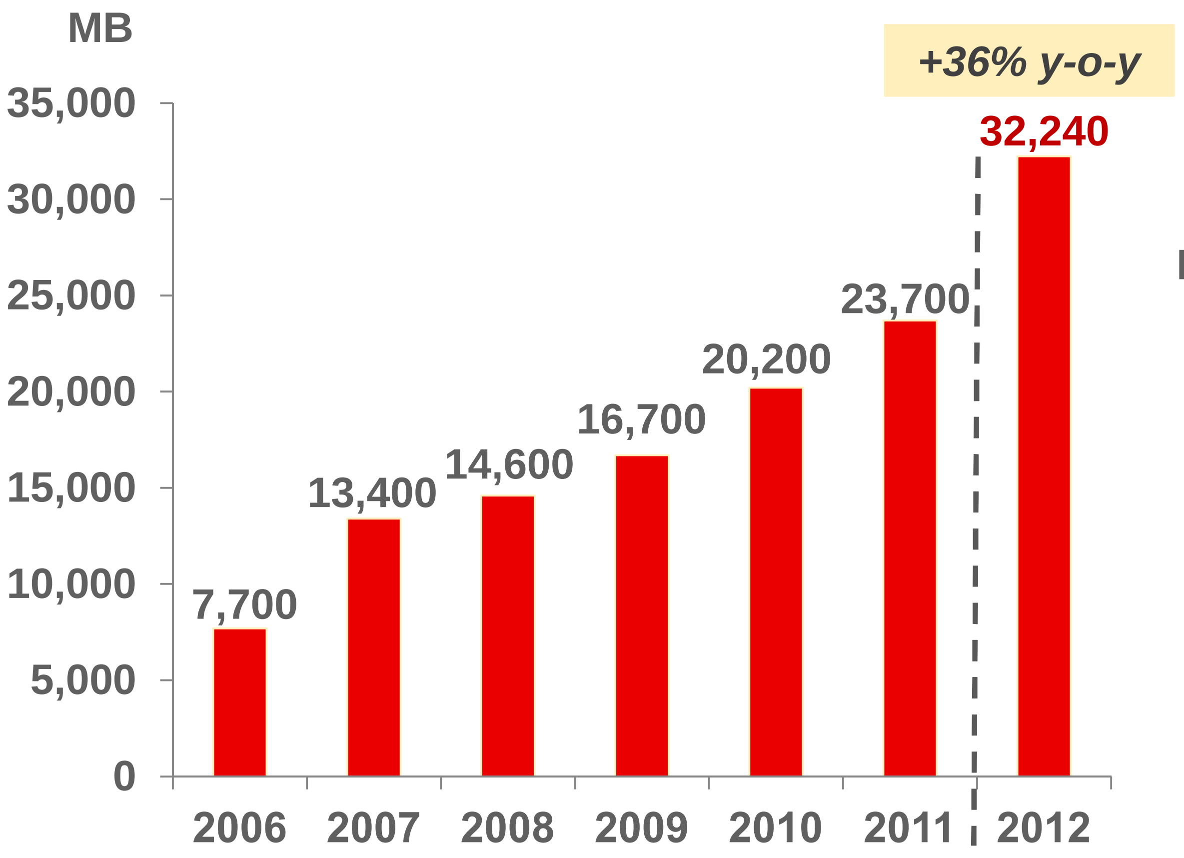
ASEAN Operations - *subsidiaries in ASEAN.*

Export Destinations - *from Thai subsidiaries*

ASEAN Drivers in FY2012

Indonesia, Vietnam, and Myanmar accounted for 61% of the exports into the ASEAN region.

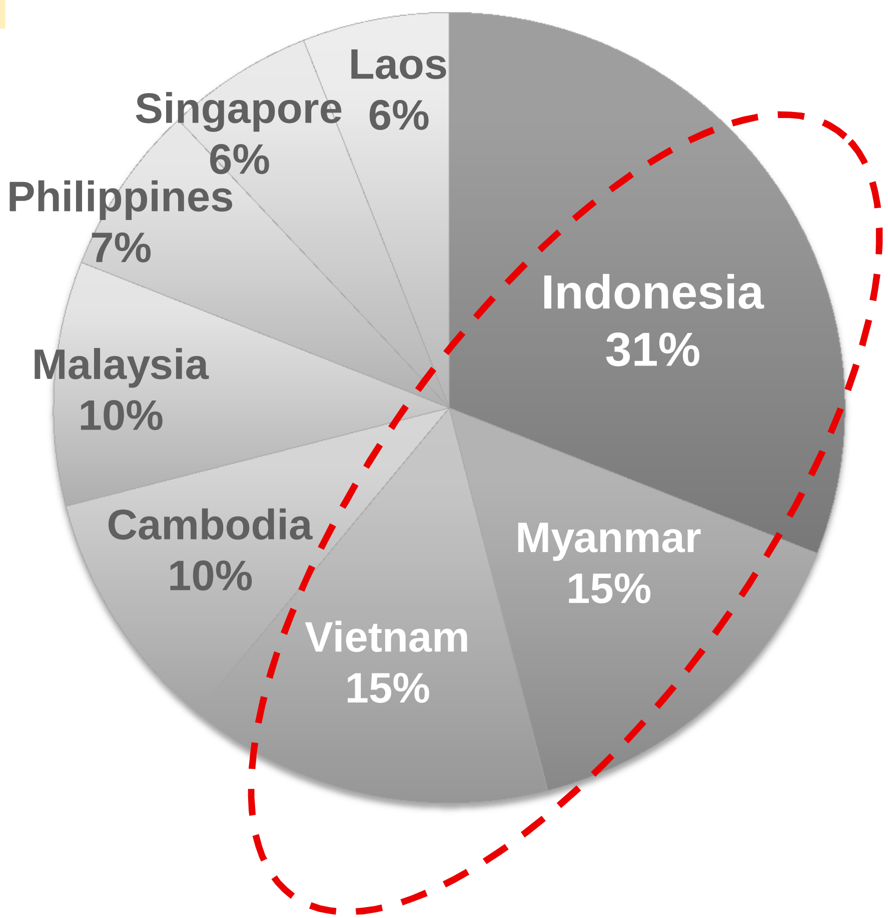
Sales from ASEAN Operations



Percentage of total sales from ASEAN Operations:

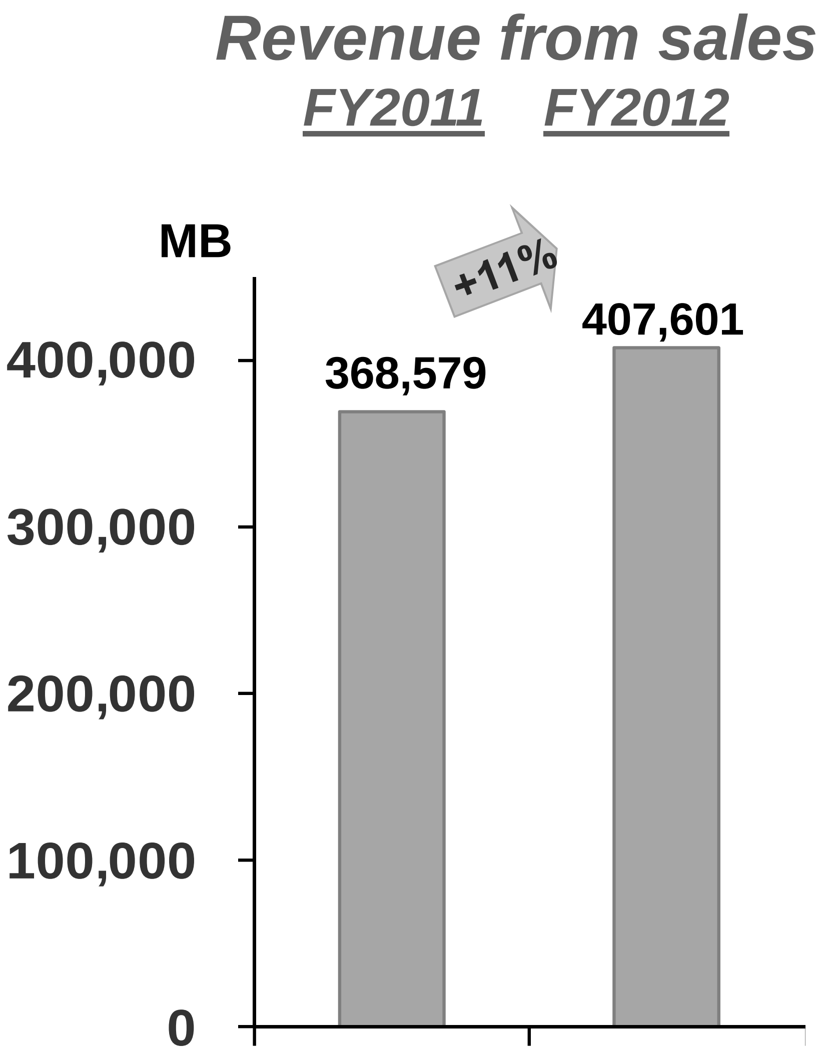
2006	2007	2008	2009	2010	2011	2012
3%	*5%*	*5%*	*5%*	*7%*	*7%*	***8%***

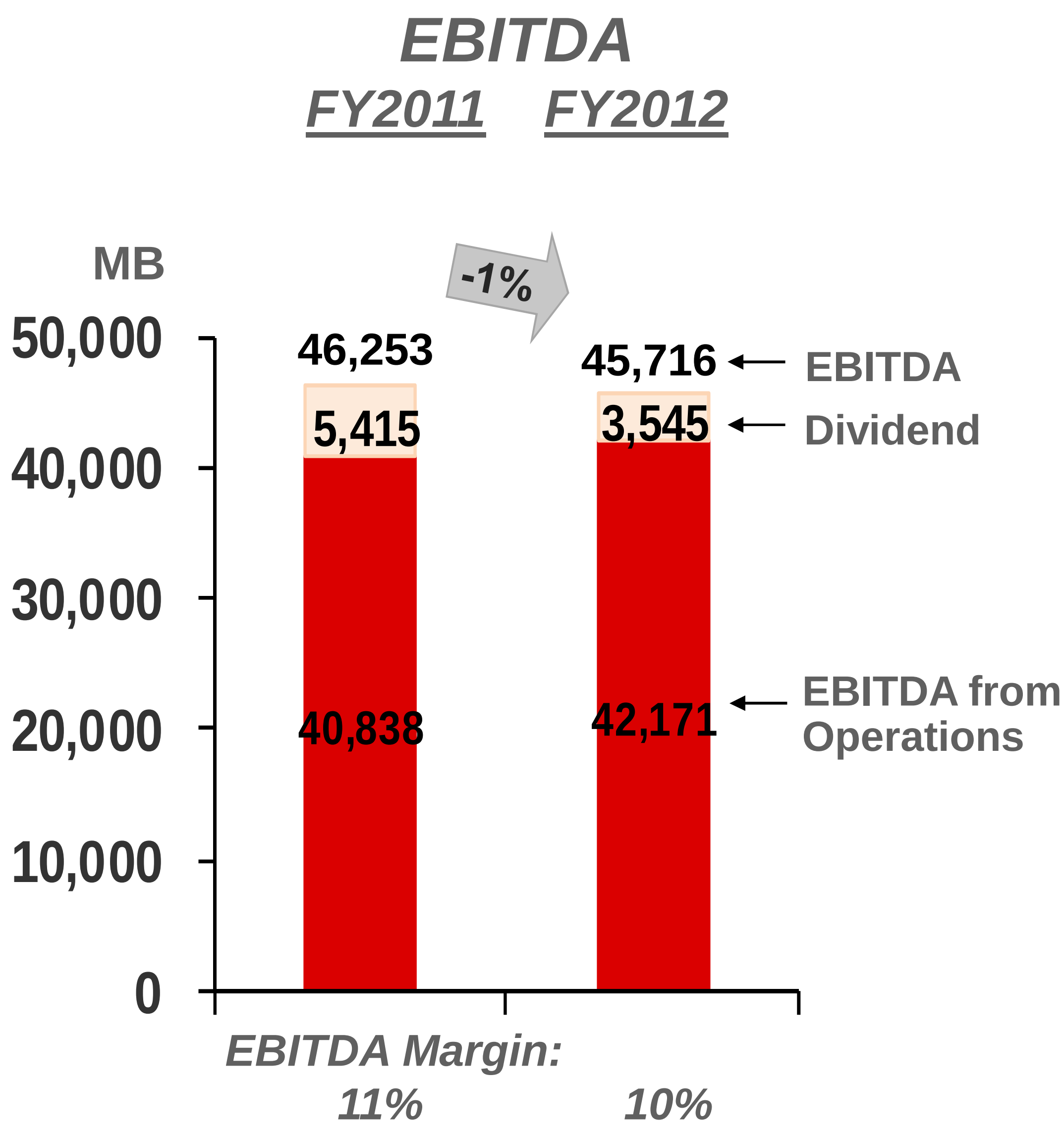
Export to ASEAN (from Thailand)



FY2012 Revenue from Sales & EBITDA

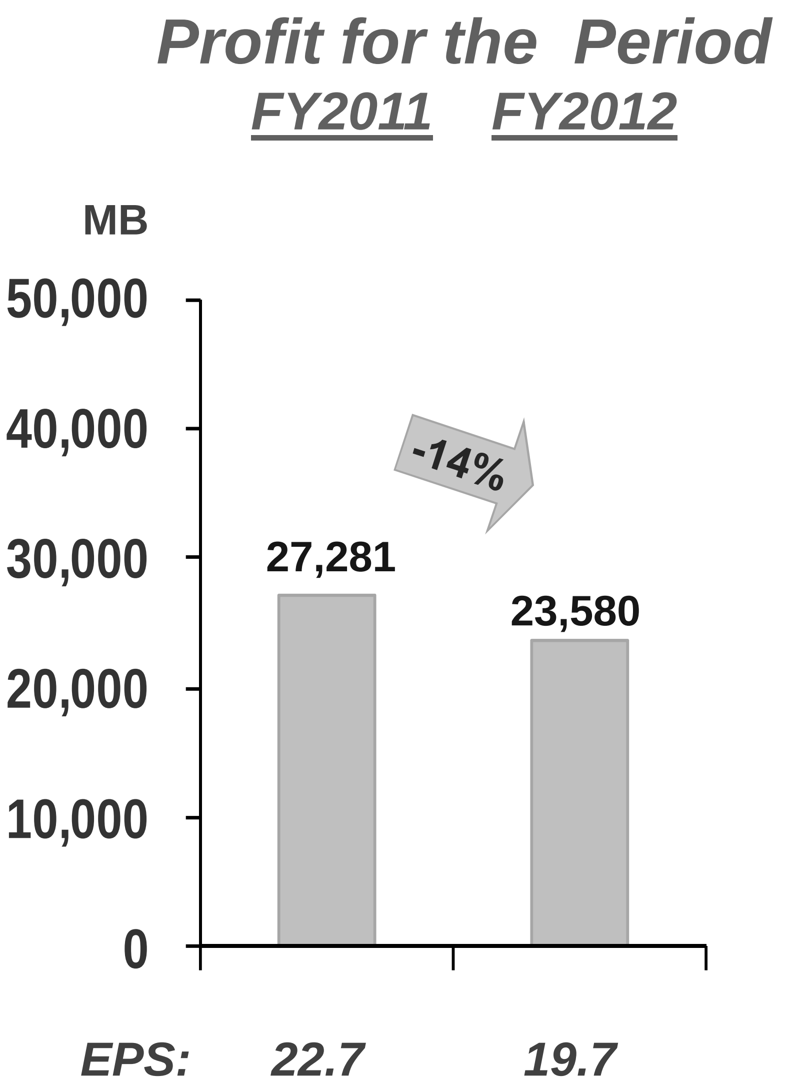
Sales grew 11% y-o-y from higher product prices and volume growth, while EBITDA dropped 1% y-o-y as a result of the chemicals trough.

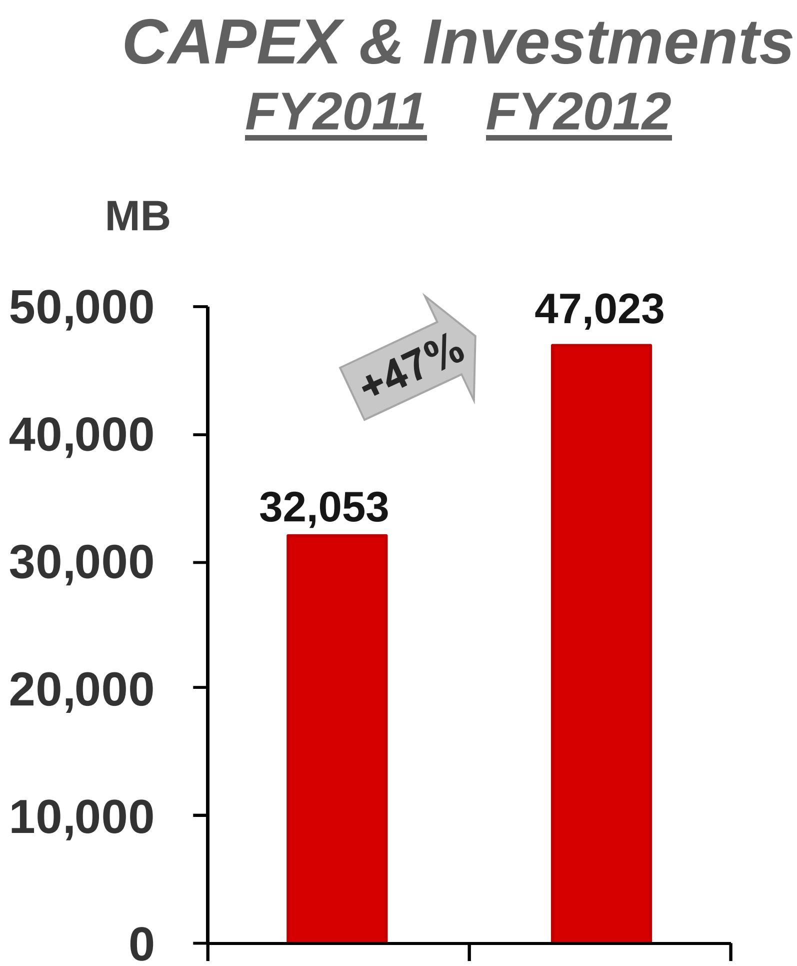




FY2012 Profitability & CAPEX

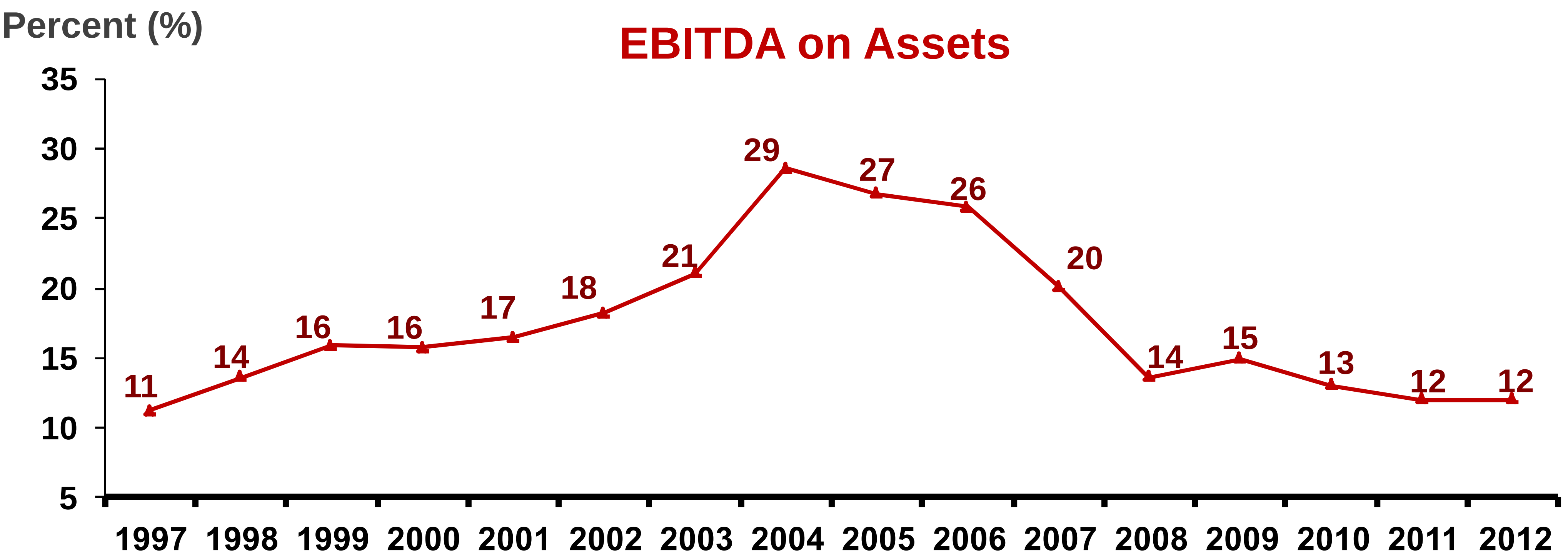
Earnings were down 14% y-o-y, due to the chemicals trough.





Note:
- *CAPEX includes debottlenecking, expansions, and major turnaround.*
- *Investments are acquisitions and purchase of shares.*

EBITDA on Assets, and EBITDA Margin



EBITDA Margin (%):

24	23	27	23	22	22	23	26	22	19	16	14	18	14	11	10

EBITDA on Assets = EBITDA / Consolidated Assets
EBITDA margin = EBITDA from Operations / Consolidated Sales

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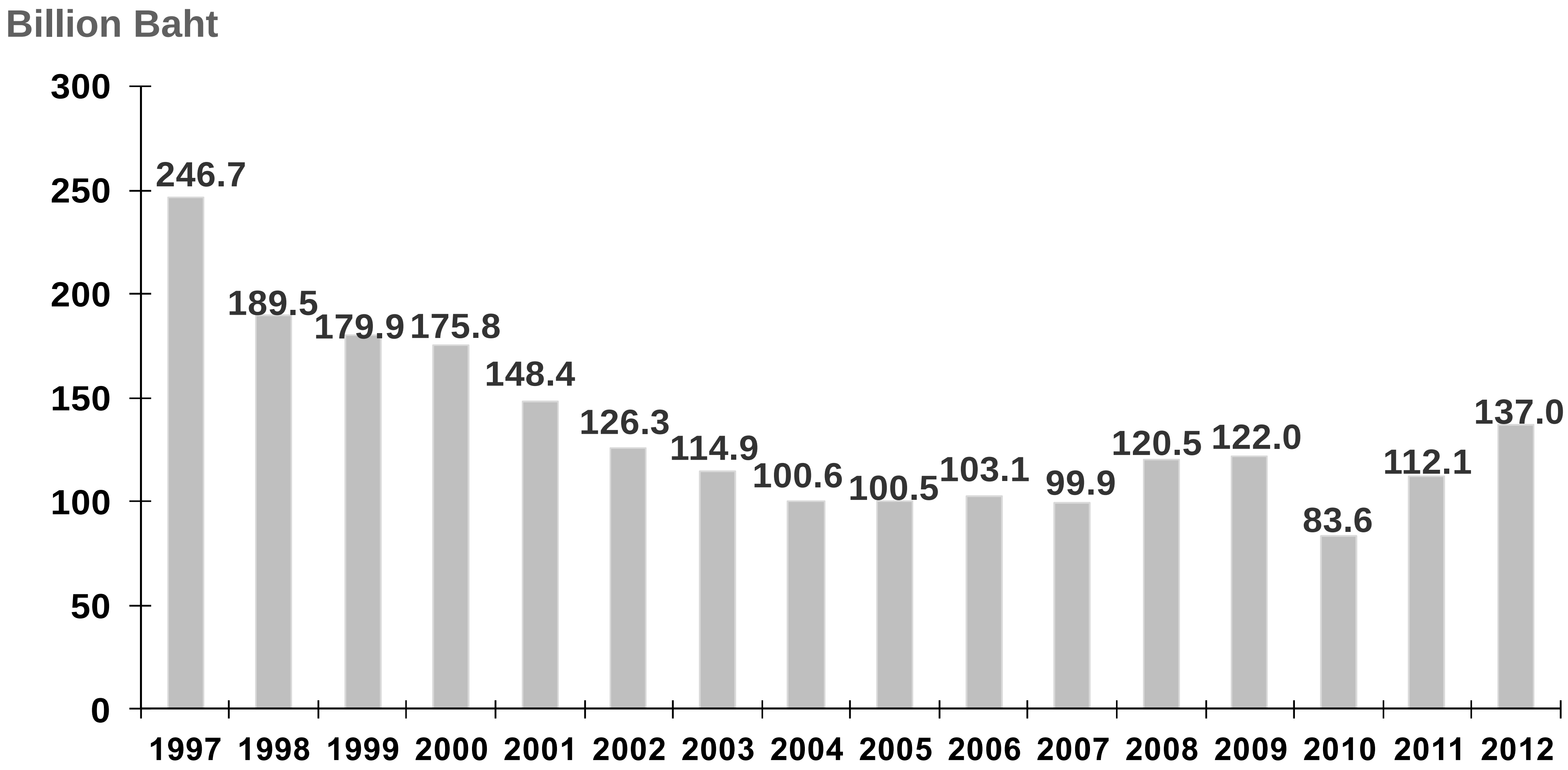
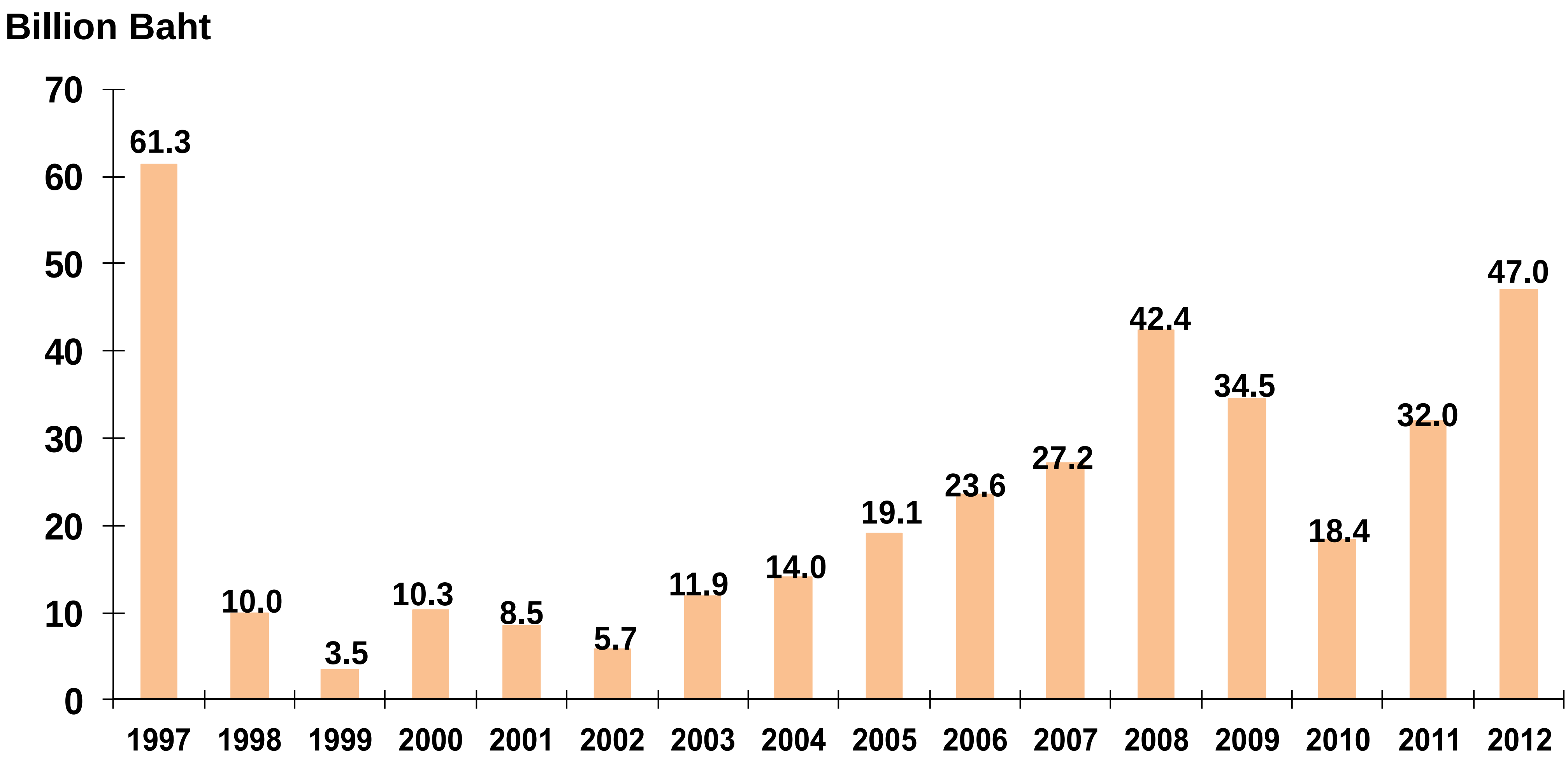
Net Debt

Increased 24.9 Billion Baht from Q4/11, compared to the cash outflow of 60.8 Billion Baht for CAPEX & Investments of 47 Billion Baht and the dividend payout of 13.8 Billion Baht (H2/11 & H1/12).



CAPEX and Investments

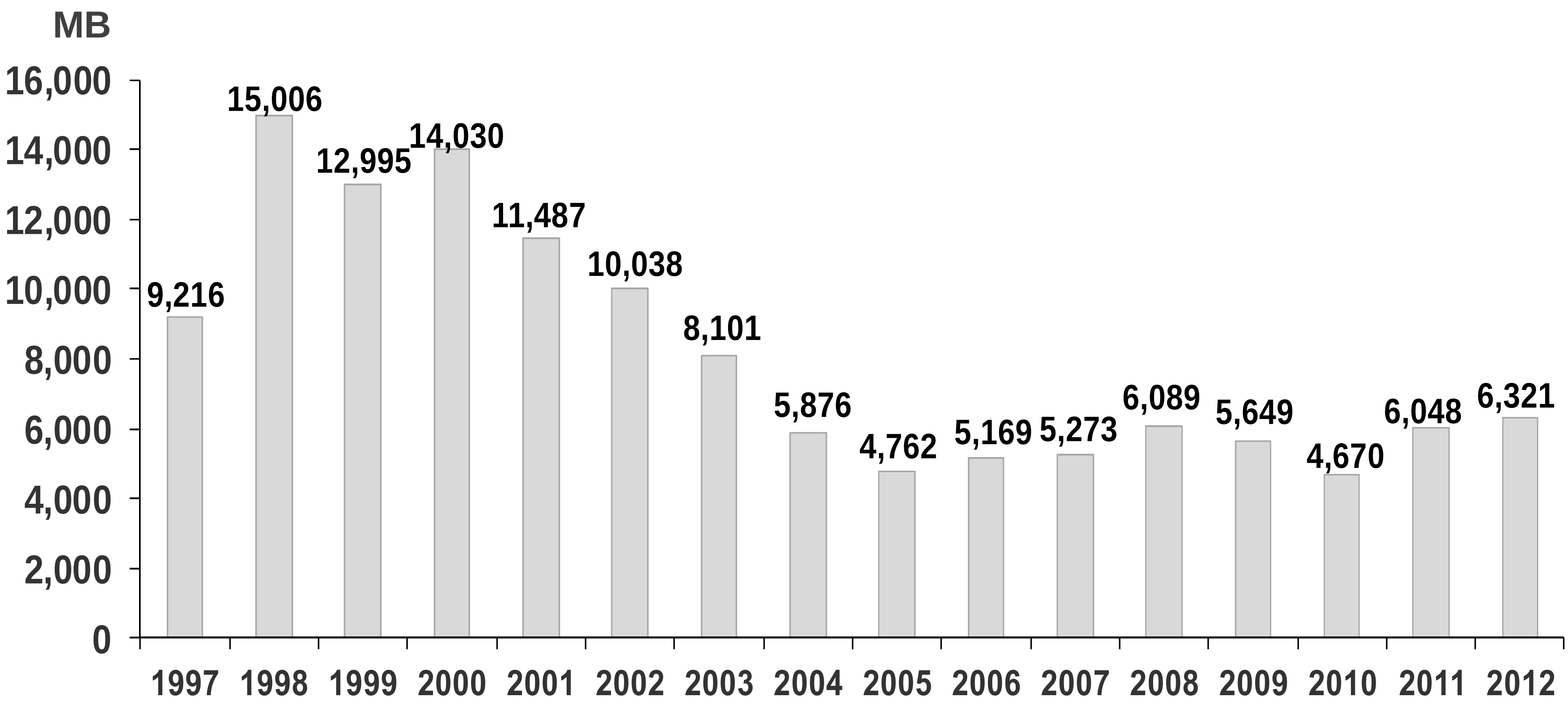
Amounted to 47,023 MB in FY2012, primarily from the increased stake in TPC, and the acquisitions of the RMC business (Indonesia), Siam Global House (Thailand).



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

Finance Costs

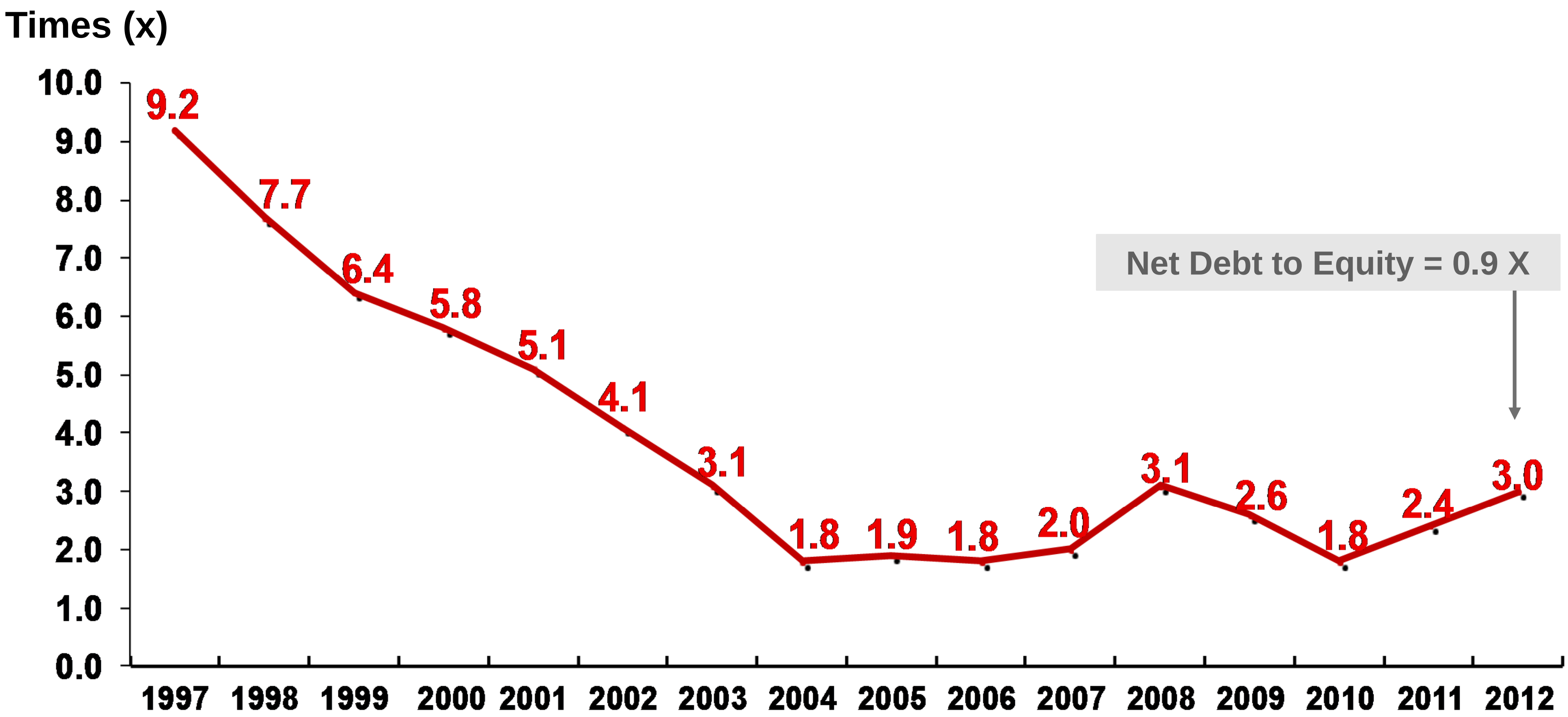
Amounted to 6,321 MB in 2012, with interest cost of 4.3% at the end of Q4/12.



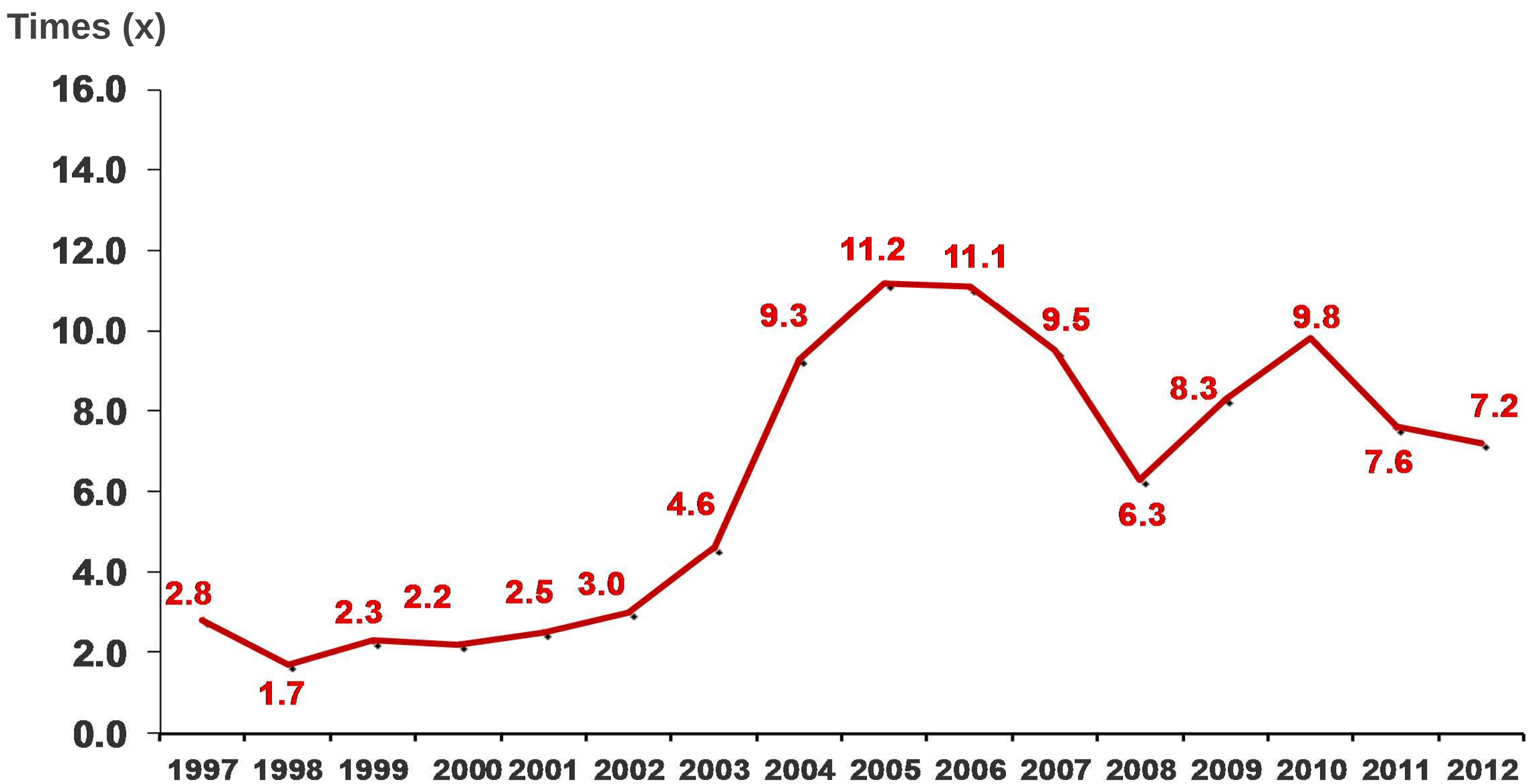
NOTE: *Interest & financial charges include FX gain/loss transactions.*

Net Debt on EBITDA

…not including the investments of approximately 35,000 MB which does not contribute to additional EBITDA, such as Global House and Chandra Asri (both associates) and TPC (already consolidated), the net debt on EBITDA would have registered 2.2 x (times).



Interest Coverage Ratio



Note: *Interest Coverage Ratio = EBITDA / Interest Expense*

Financial Highlights

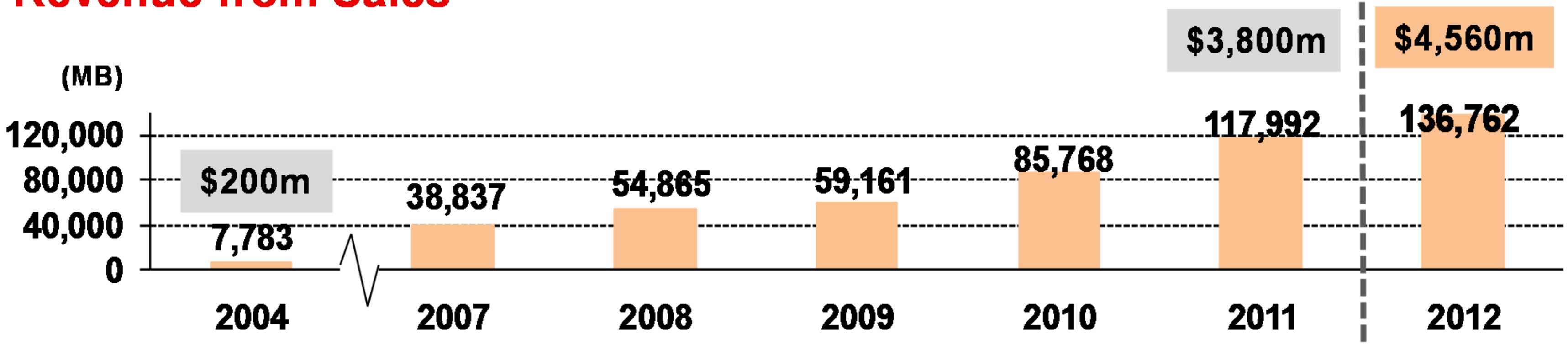
- FY2012 dividend of 11.0 Bt or 13,200 MB (56% of earnings), following the approval of the H2/12 dividend of 6.5 Bt (59% of H2/12 earnings), and is payable on Apr 25/13.
- Issuance of a 25 Billion Baht (4-year, 4.15% fixed) debenture to replace the 20 Billion Baht tranche (4-year, 5.35% fixed) that was due on Nov 1/12.
- New 7-year debenture issued on Oct 12/12, totaling 6.5 Billion Baht with 4.4% fixed coupon, was fully subscribed primarily by institutional holders.
- Cash & Cash Under Management of 38,533 MB at the end of Q4/12.
- Net Working Capital was relatively stable q-o-q at 50,394 MB, with Inventory to Sales at 44 days.

Financial Outlook

- Continued solid financial position.
- The existing cash-on-hand and expected EBITDA will continue to be utilized towards expansion efforts in the ASEAN region.
- FY2013 CAPEX and investments is estimated be at the range of 40,000 – 50,000 MB.
- The Apr 1/13 matured tranche of 20,000 MB (5.15% coupon) will be refinance by a 25,000 MB issuance (4 year tenure) whereby the coupon will be finalized at a later date.

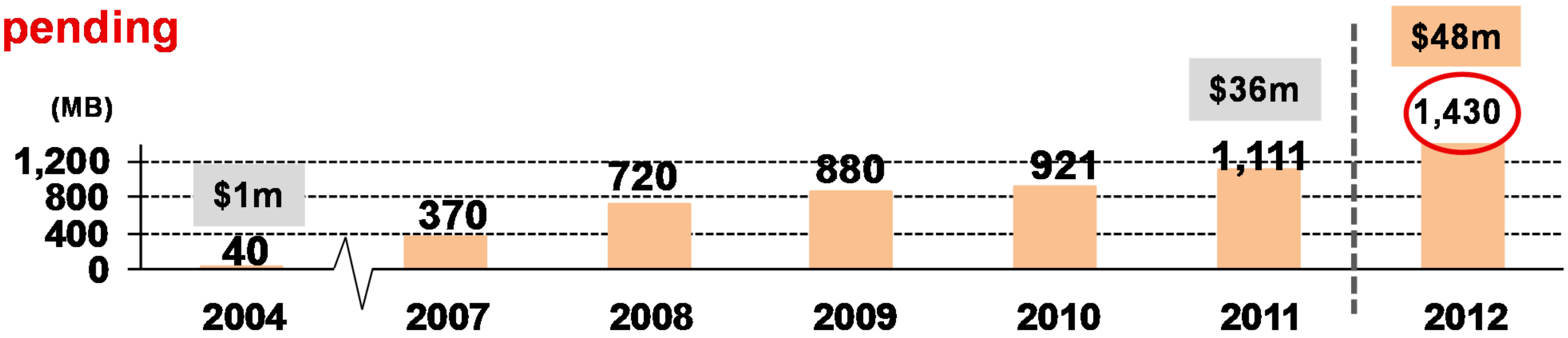
HVA Progress

1. HVA's Revenue from Sales



HVA as a % of Revenue from Sales	4%	17%	19%	25%	29%	32%	34%

2. R&D Spending



3. R&D and Product Design Team

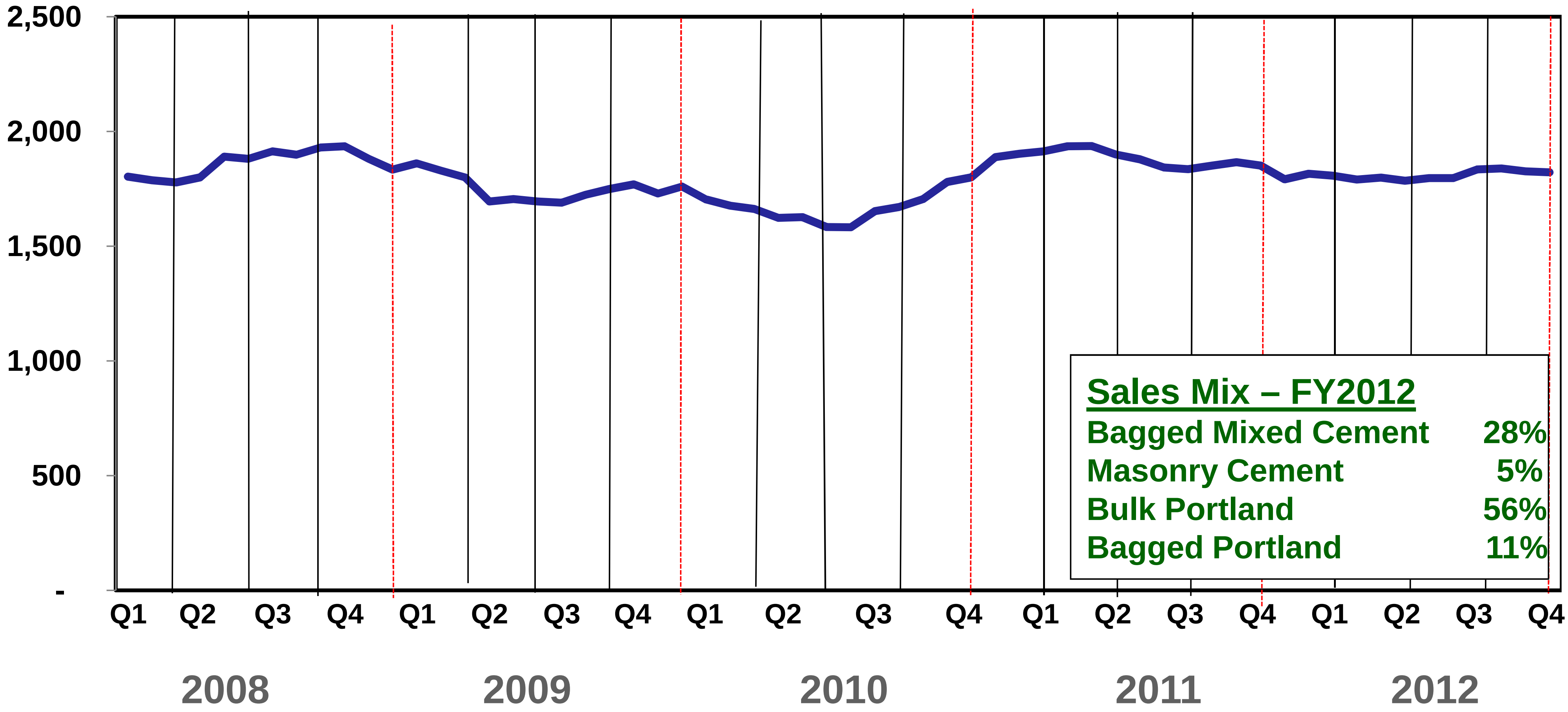
(staffs / Dec /12)

AGENDA

SCG's average domestic cement price

Prices moved upwards q-o-q to the 1,800-1,850 Bt/ton range. Total Q4/12 domestic demand grew 17% y-o-y but dropped slightly q-o-q, resulting in the 12% growth for FY2012.

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



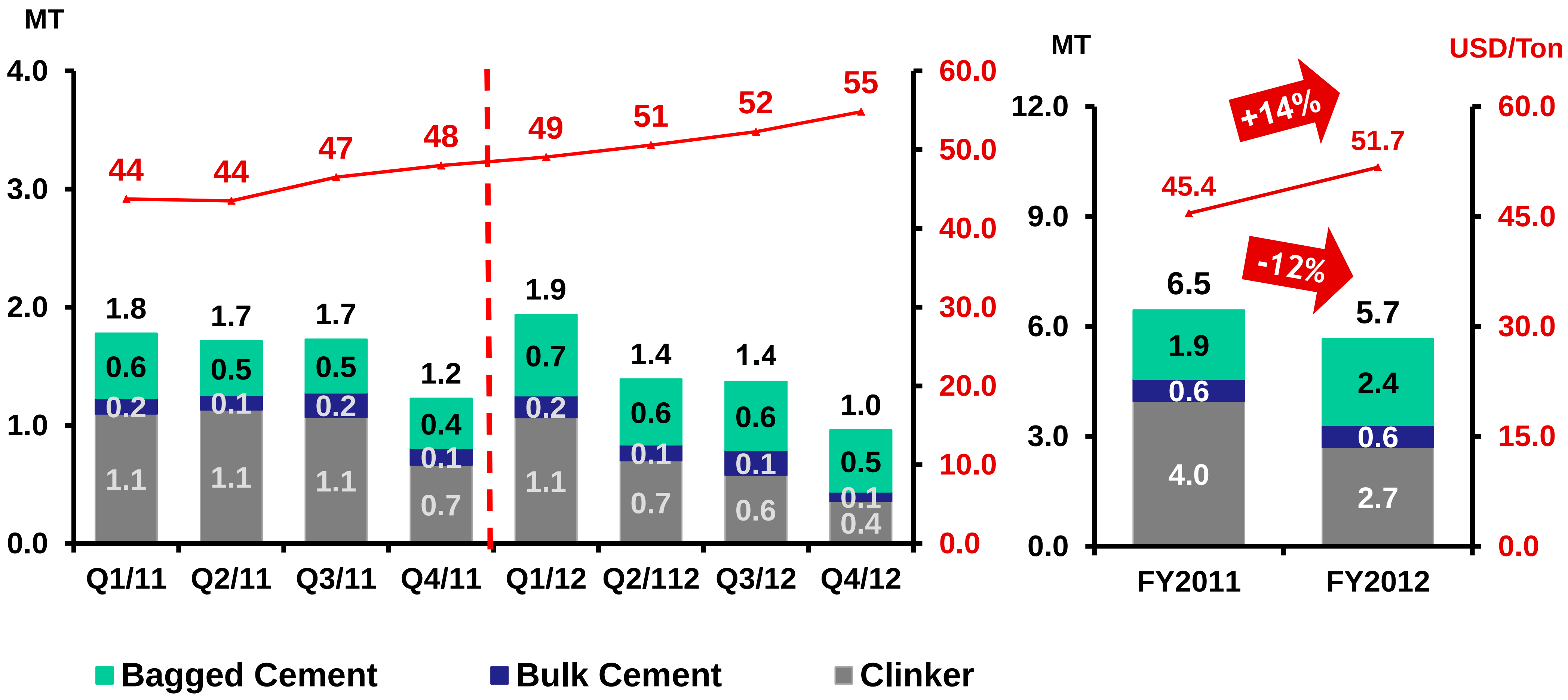
Sales Mix – FY2012

Bagged Mixed Cement	28%
Masonry Cement	5%
Bulk Portland	56%
Bagged Portland	11%

Export sales volume

Export volume of FY2012 decreased as a result of the rapid growth in domestic demand.

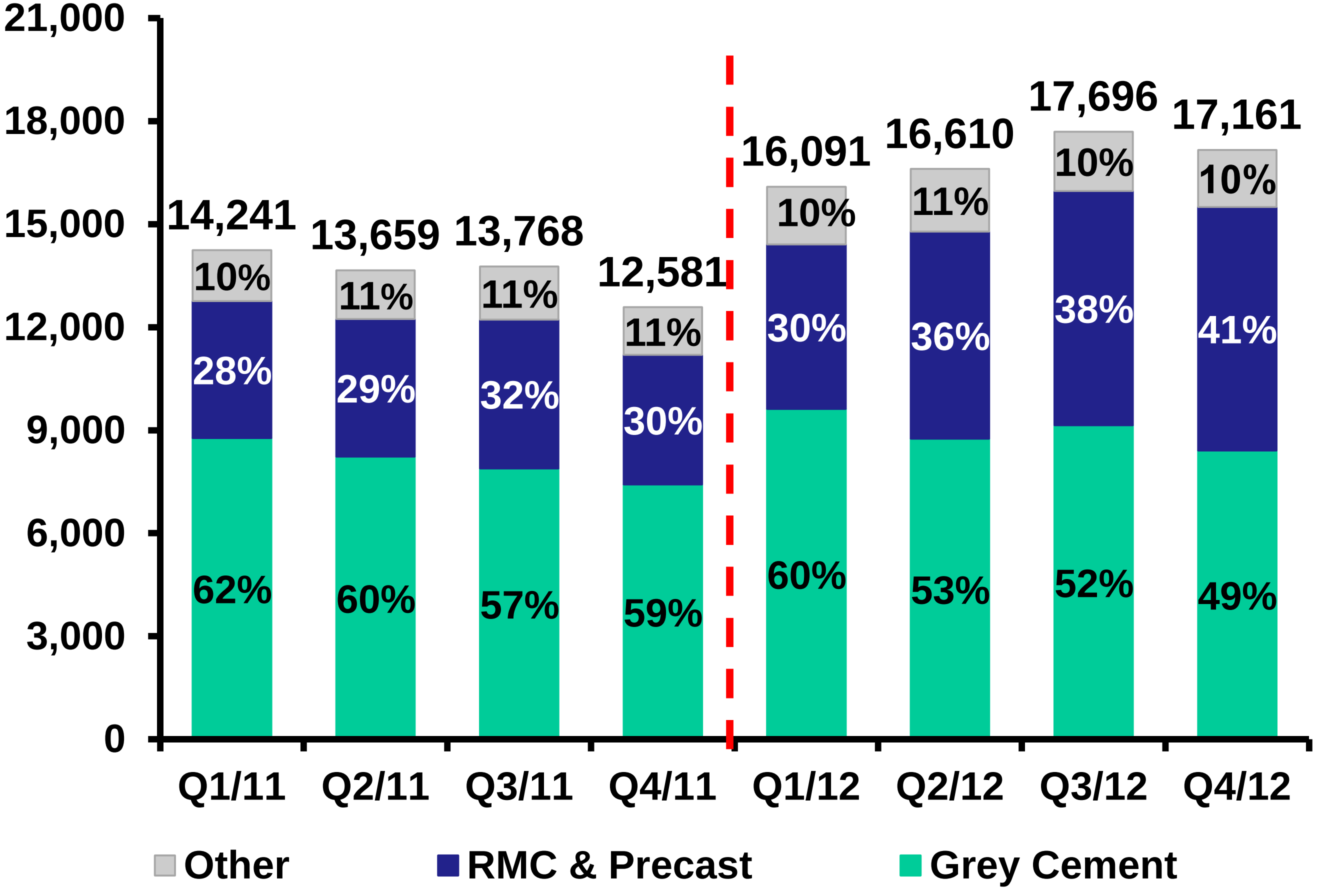
Export Volume and Avg FOB Prices



Revenue from Sales in Q4/12

increased 36% y-o-y from higher domestic sales volume and consolidation of the Indonesian RMC business.

Revenue from Sales



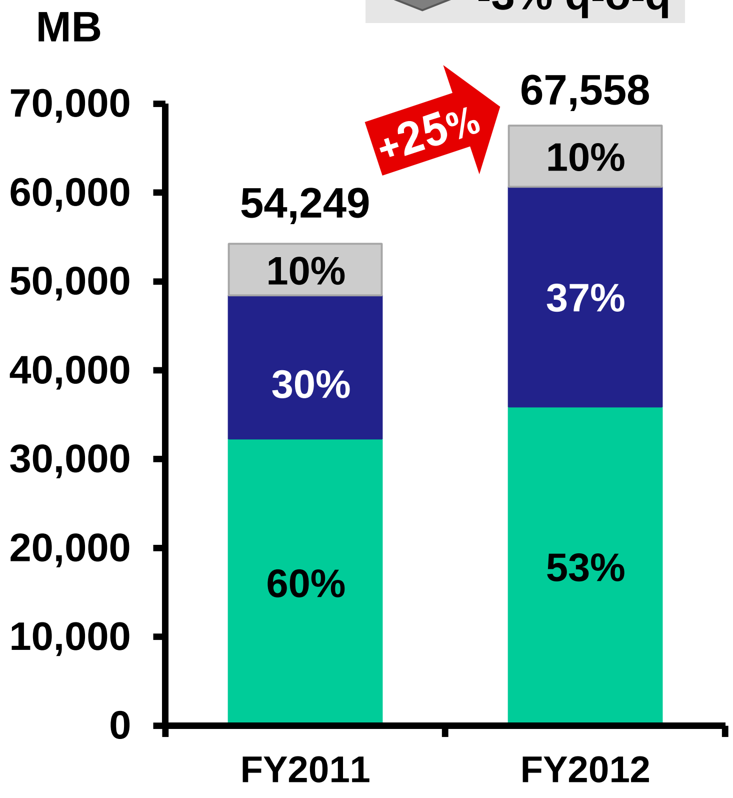
Q1/11	Q2/11	Q3/11	Q4/11	Q1/12	Q2/12	Q3/12	Q4/12
17%	17%	17%	15%	19%	14%	13%	11%

Export Sales, as a % of Revenue from Sales

Revenue from Sales

Q4/12: +36% y-o-y

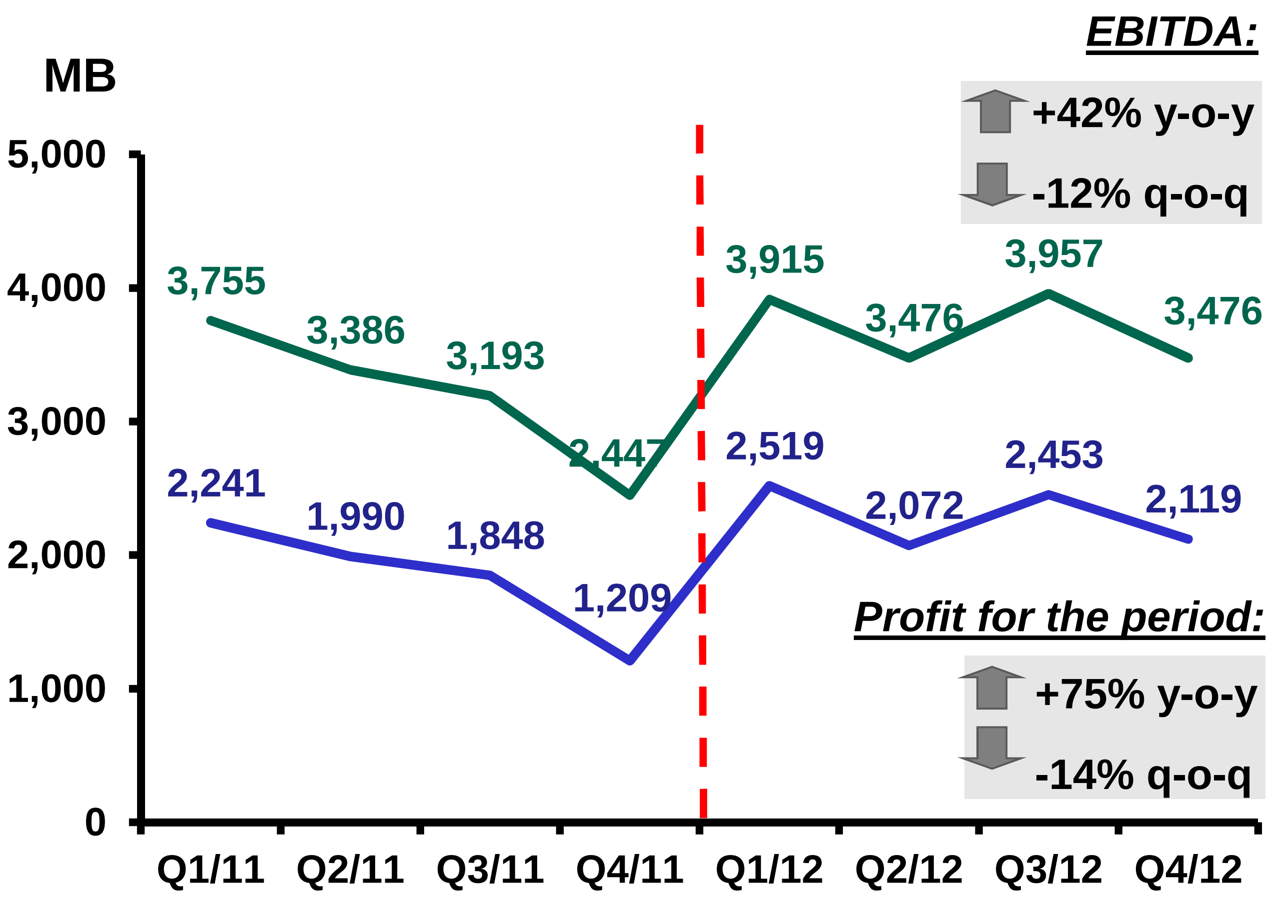
-3% q-o-q



EBITDA and Profit for the period

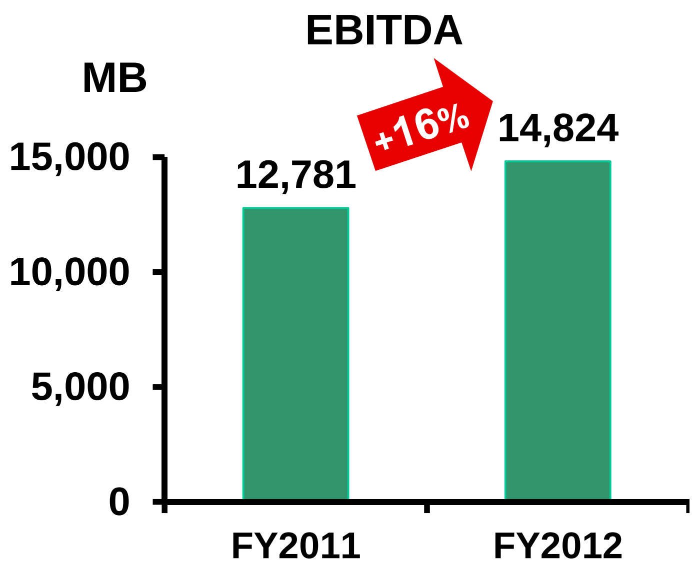
The y-o-y growths are from higher domestic cement volume and the healthy RMC businesses, but dropped q-o-q due to plant maintenance and higher electricity cost.

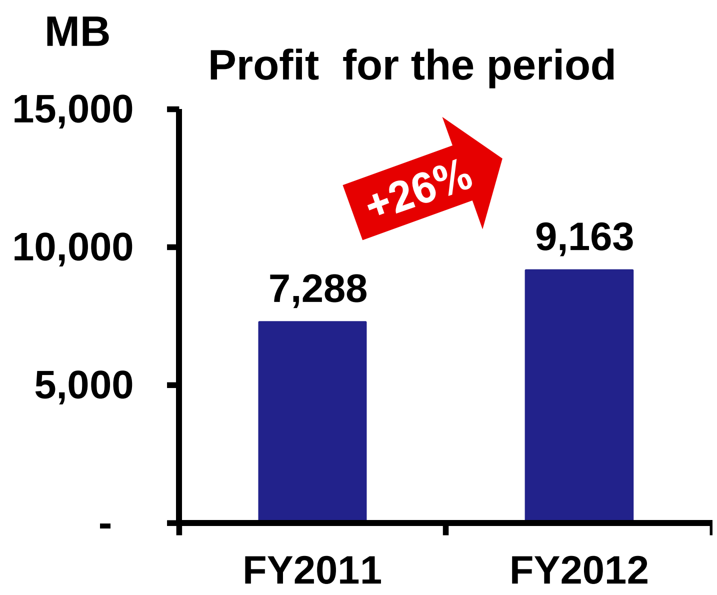
EBITDA & Profit for the period



	Q1/11	Q2/11	Q3/11	Q4/11	Q1/12	Q2/12	Q3/12	Q4/12
EBITDA Margin (%)	26	25	23	19	24	21	22	20

← 23 →





Outlook

- Continued strong domestic demand from all sectors, thanks to positive economic outlook.
- Residential sector, especially upcountry, will benefit from new construction projects and better household income.
- Infrastructure continues to grow from the government’s budget allocation towards implementation of flood protection programs.
- Commercial sector outlook is positive as a result of new investments, particularly in upcountry.
- Export volume is anticipated to decrease further as a result of continued domestic demand growth.

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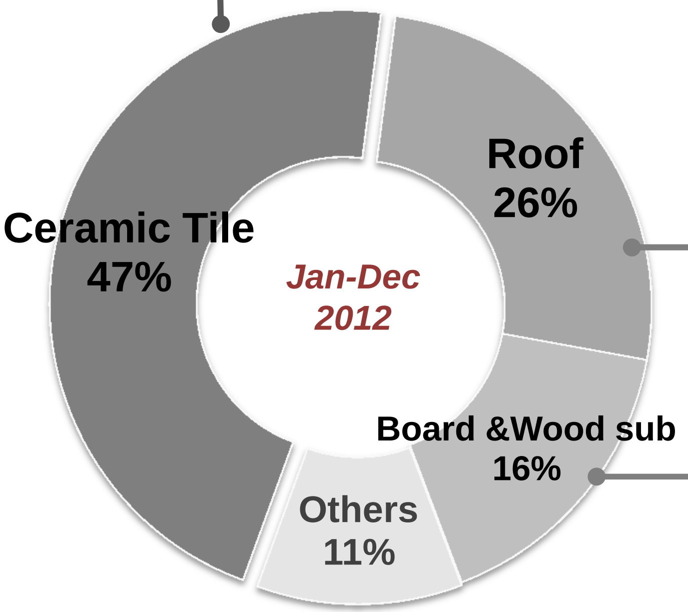
Product Segmentation



COTTO

SGI Tiles

CAMPANA

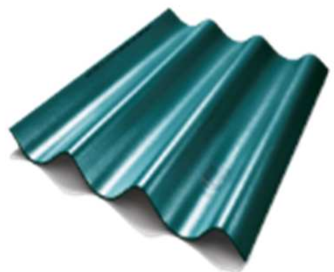
SOSUCO GROUP

Trend ceramic tiles

KIA Pioneer in Ceramics

MARIWASA Uncompromising Quality

ตราช้าง



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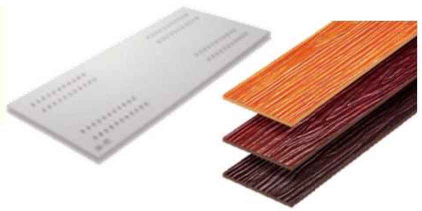
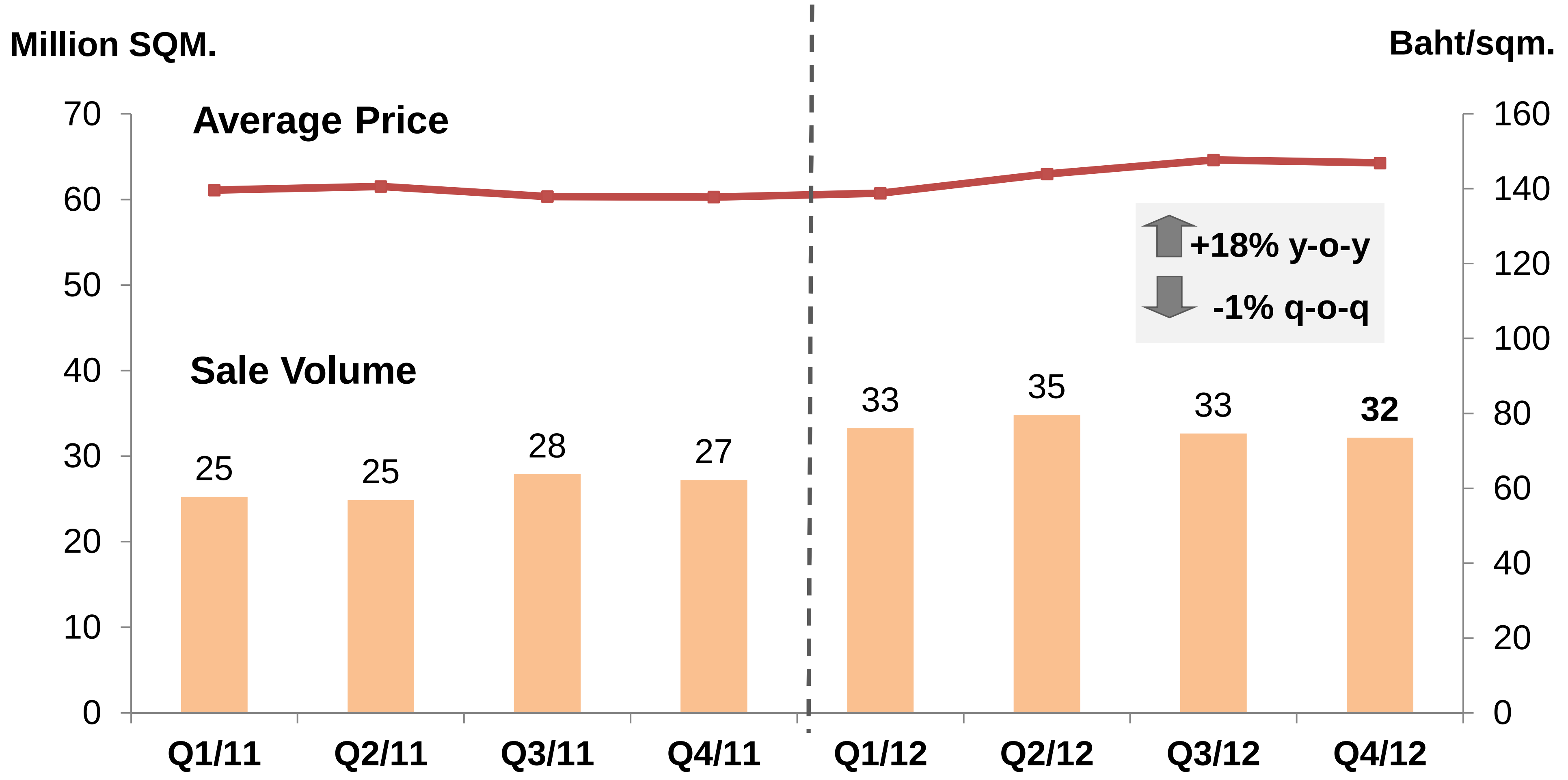


- Insulation
- Landscape
- Lightweight concrete
- Others

Ceramic Tile

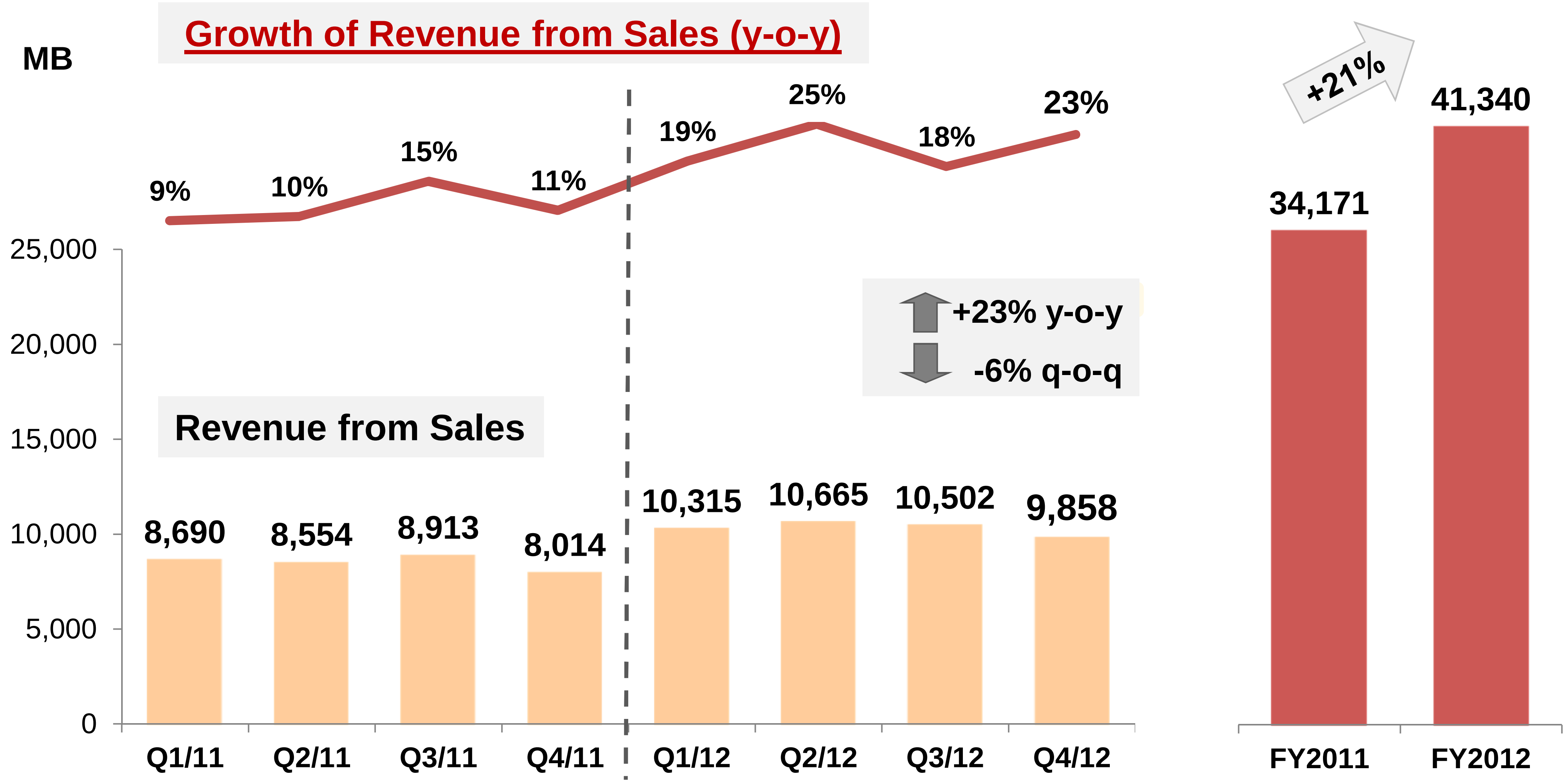
Domestic sale volume dropped on seasonal factor but supported by increased demand in regional market

Sale volume & prices for all ASEAN subsidiaries.



Revenue from Sales

Increased 21% y-o-y in FY2012, as a result of the growth in the residential markets (renovations and new homes), in addition to the consolidation of ceramics plants in the Philippines.

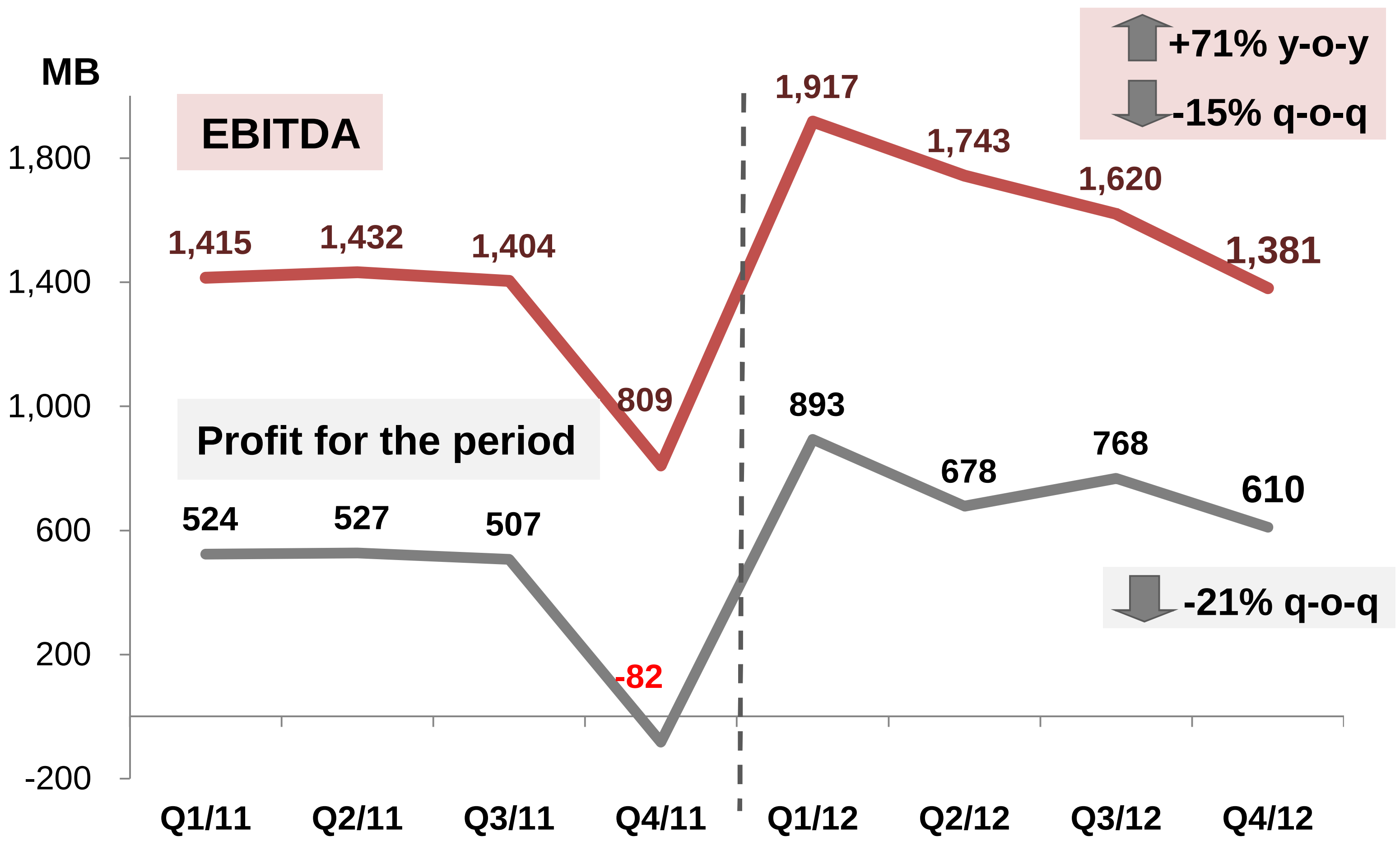


Export Ratio:

Q1/11	Q2/11	Q3/11	Q4/11	Q1/12	Q2/12	Q3/12	Q4/12	FY2011	FY2012
10%	10%	9%	9%	9%	9%	9%	9%	9%	9%

EBITDA & Profit for the period

In FY2012, EBITDA and Net Profit increased 32% y-o-y and 100% y-o-y, respectively, primarily from the Thai domestic construction activities. However, Q4/12 performance dropped q-o-q as a result of the seasonal factors.



EBITDA Margin*:

Q1/11	Q2/11	Q3/11	Q4/11	Q1/12	Q2/12	Q3/12	Q4/12	FY2011	FY2012
16%	16%	15%	10%	19%	16%	15%	13%	14%	16%

** EBITDA margin = EBITDA from Operations / Consolidated Sales*

Updates and Outlook

Investment Updates

- Q1/13 startup of the newly completed 2,900 MB fiber-cement plant in Saraburi.
- The condition precedent of Prime Group (Vietnamese ceramics manufacturer) is expected to be completed in Q1/13.

Outlook

- Q1/13 is expected to see strong seasonal demand in the Thai market.
- Continued demand growth from the residential market in up-country, benefiting from improved farming income.
- Demand recovery of the housing sector (horizontal) in Bangkok, while demand from the condominium sector (vertical) continues to be healthy.
- Expected cost pressures, especially labor and electricity.

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Q4/12 Market Insight

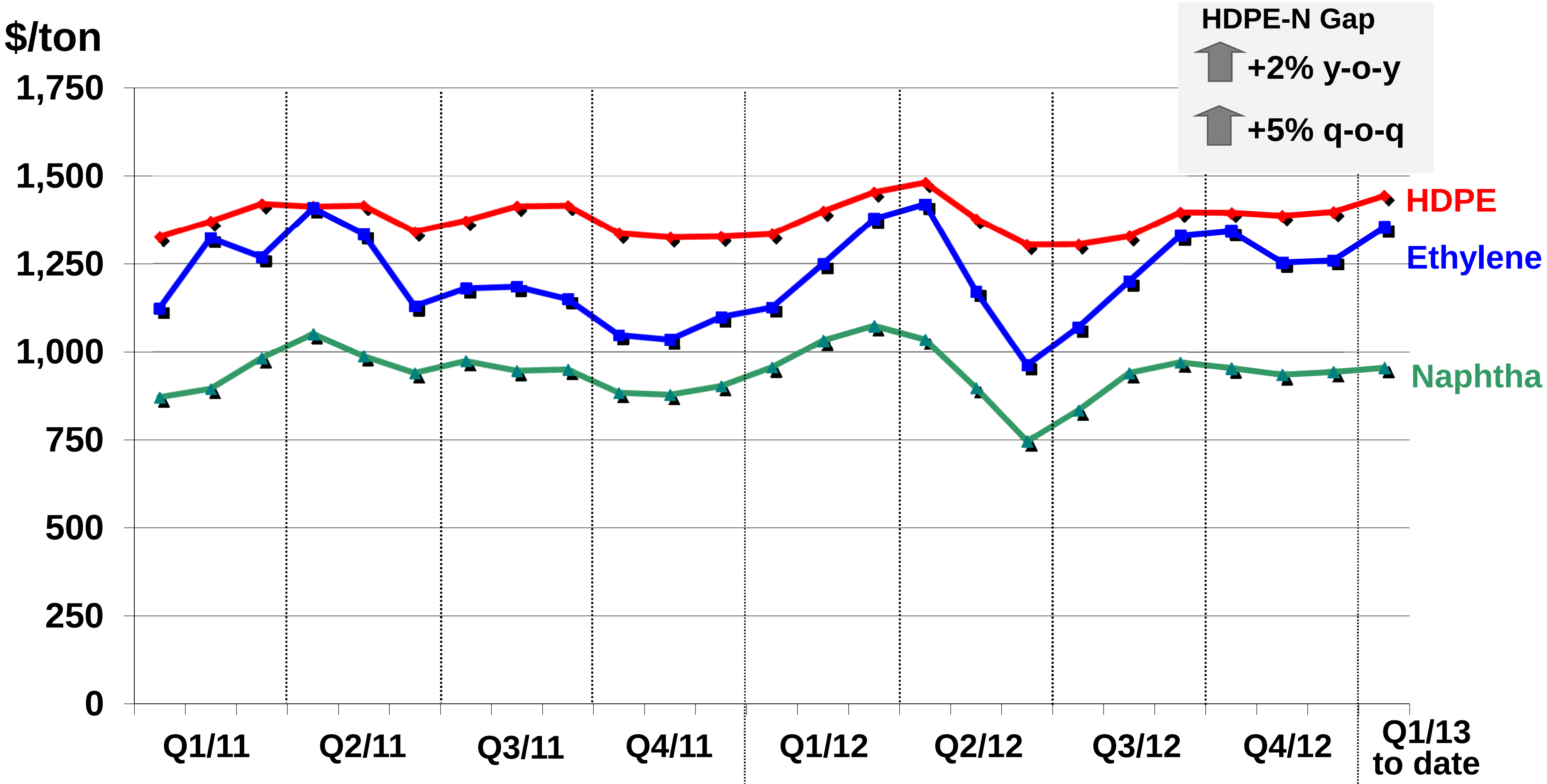
….better margins despite seasonal year-end demand softness.

Market Insight

- With anticipated demand for new year and Lunar new year, naphtha prices moved up 3% q-o-q to $944/ton, while crude oil prices remained stable at $111/bbl.
- Ethylene and HDPE prices also jumped 7% q-o-q to $1,286/ton and 4% q-o-q to $1,393/ton, respectively. PP prices also increased 1% q-o-q to $1,463/ton.
- HDPE margins bounced up 5% q-o-q to $449/ton, despite the year-end destocking season. PP margin remained quite flat q-o-q at $519/ton.
- Benzene margins surged 55% q-o-q from strong demand in China.
- MMA price recovered as producers had been cutting operating rates. However, BD prices were still in the downward trend due to slow demand.
- PVC price improved 5% q-o-q to $963/ton due to announcement of Petronas closing down vinyl business, but margin slightly decreased by 2% to $452/ton from higher EDC price.

HDPE – Naphtha Price Gap

…HDPE margins moved up to $449/ton from better HDPE prices q-o-q, despite seasonal year-end softness.



	Q1/11	Q2/11	Q3/11	Q4/11	Q1/12	Q2/12	Q3/12	Q4/12	Q1/13 to date
HD-Naphtha	456	396	443	441	375	494	428	449	487
Spread ($/T)	← 434 →				← 437 →				

__Note__: Prices refer to SEA regional prices

PP – Naphtha Price Gap

…PP margins remained stable above the $500/ton level, with a good sign of higher margins in Q1/13.

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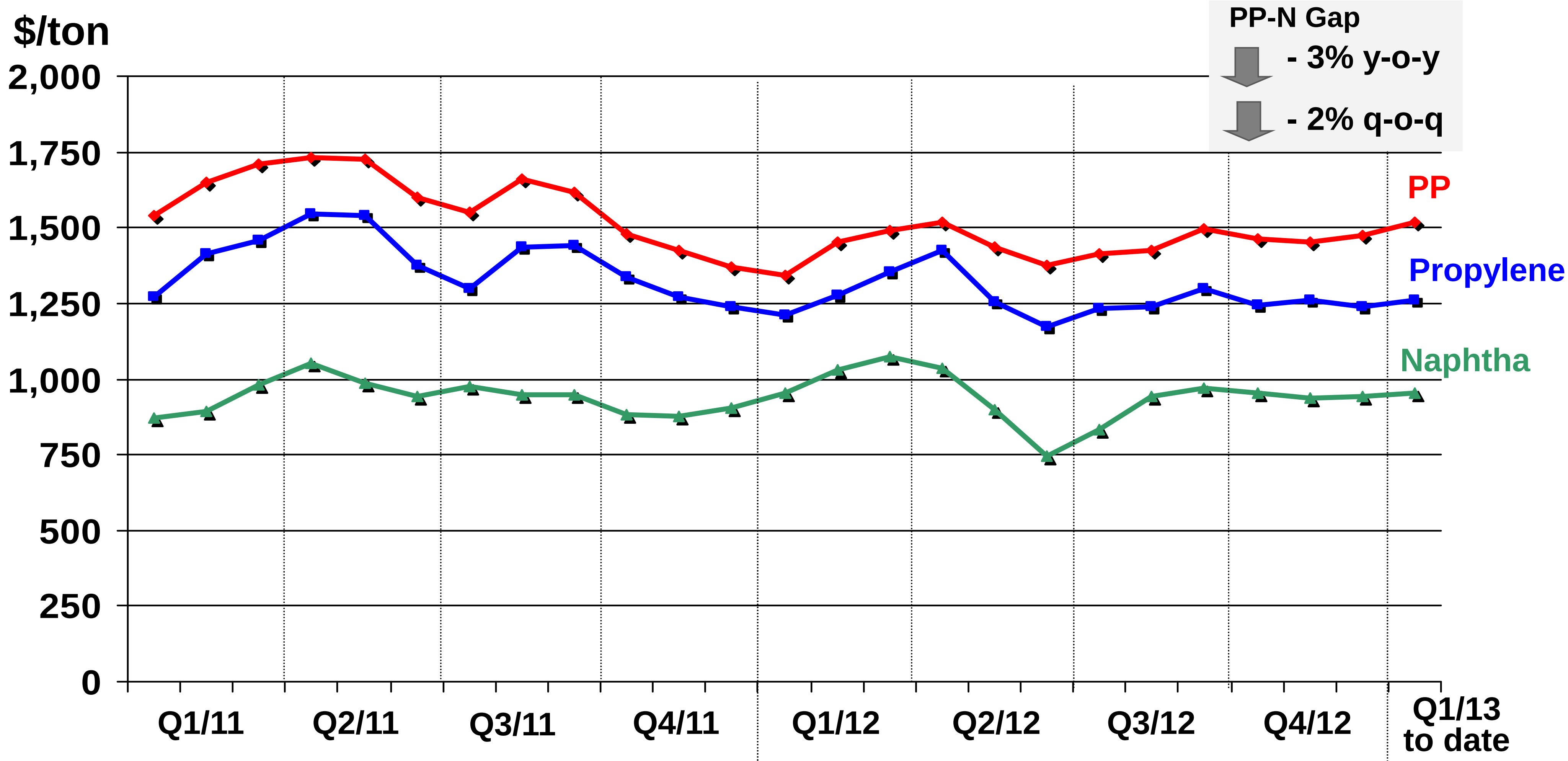
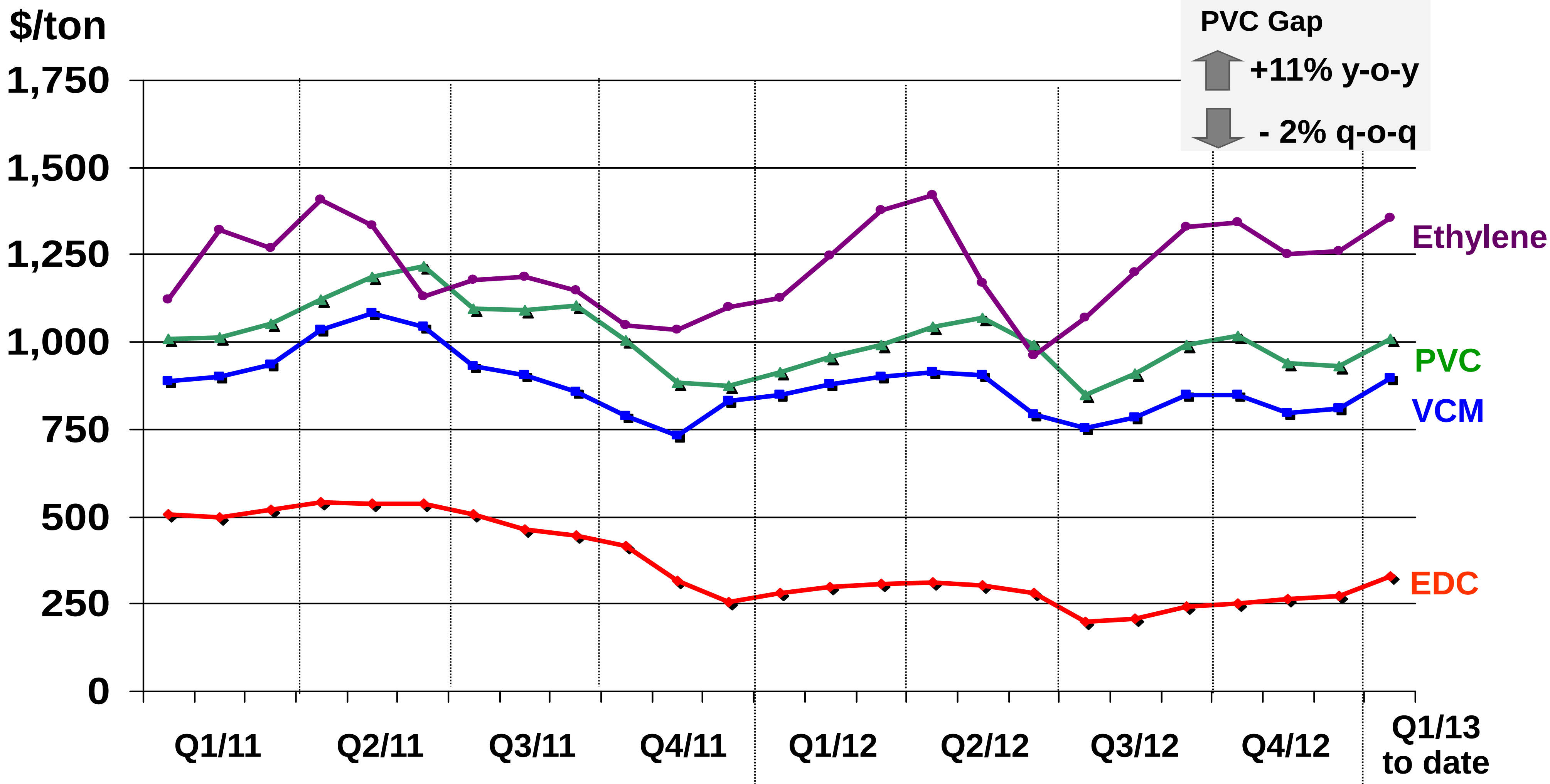


	Q1/11	Q2/11	Q3/11	Q4/11	Q1/12	Q2/12	Q3/12	Q4/12	Q1/13 to date
PP-Naphtha Spread ($/ton)	717	691	650	535	408	551	529	519	562
	←		649	→	←	502		→	

Note: Prices refer to SEA regional prices

PVC

…PVC margins remain healthy, despite the hike of EDC and ethylene prices.

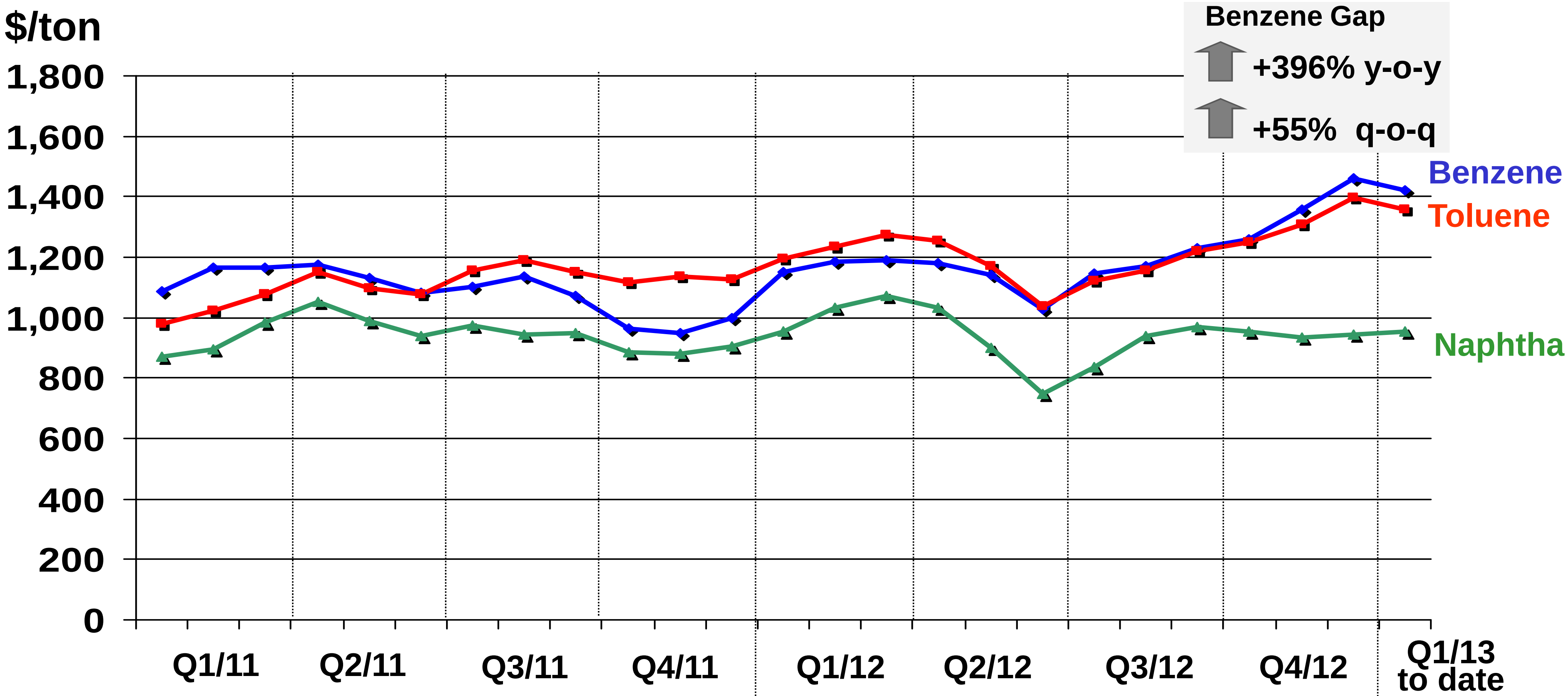


PVC-EDC/C2	323	437	444	406	424	518	463	452	426
Spread ($/ton)	← 403 →				← 464 →				

Prices refer to FE regional prices

Benzene & Toluene

…BZ-N margins surged 55% q-o-q, due to strong demand from China and tight supply in North America.

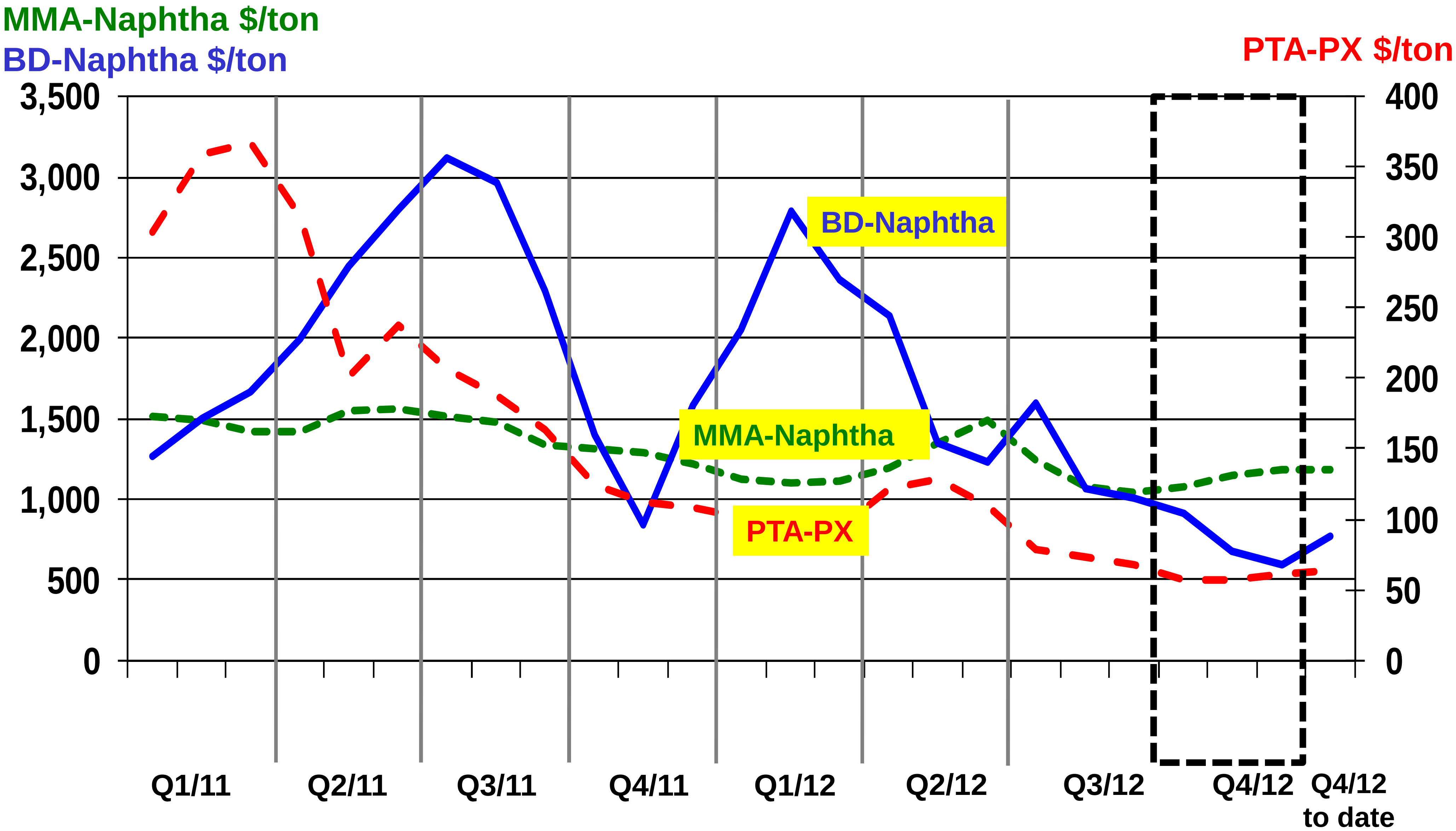


	Q1/11	Q2/11	Q3/11	Q4/11	Q1/12	Q2/12	Q3/12	Q4/12	Q1/13 to date
BZ-Naphtha	224	137	148	84	155	223	268	415	468
TL-Naphtha	111	116	208	239	214	262	251	372	404
BZ-Spread ($/ton)	← 148 →				← 265 →				
TL Spread ($/ton)	← 169 →				← 275 →				

***Note*: Prices refer to SEA regional prices**

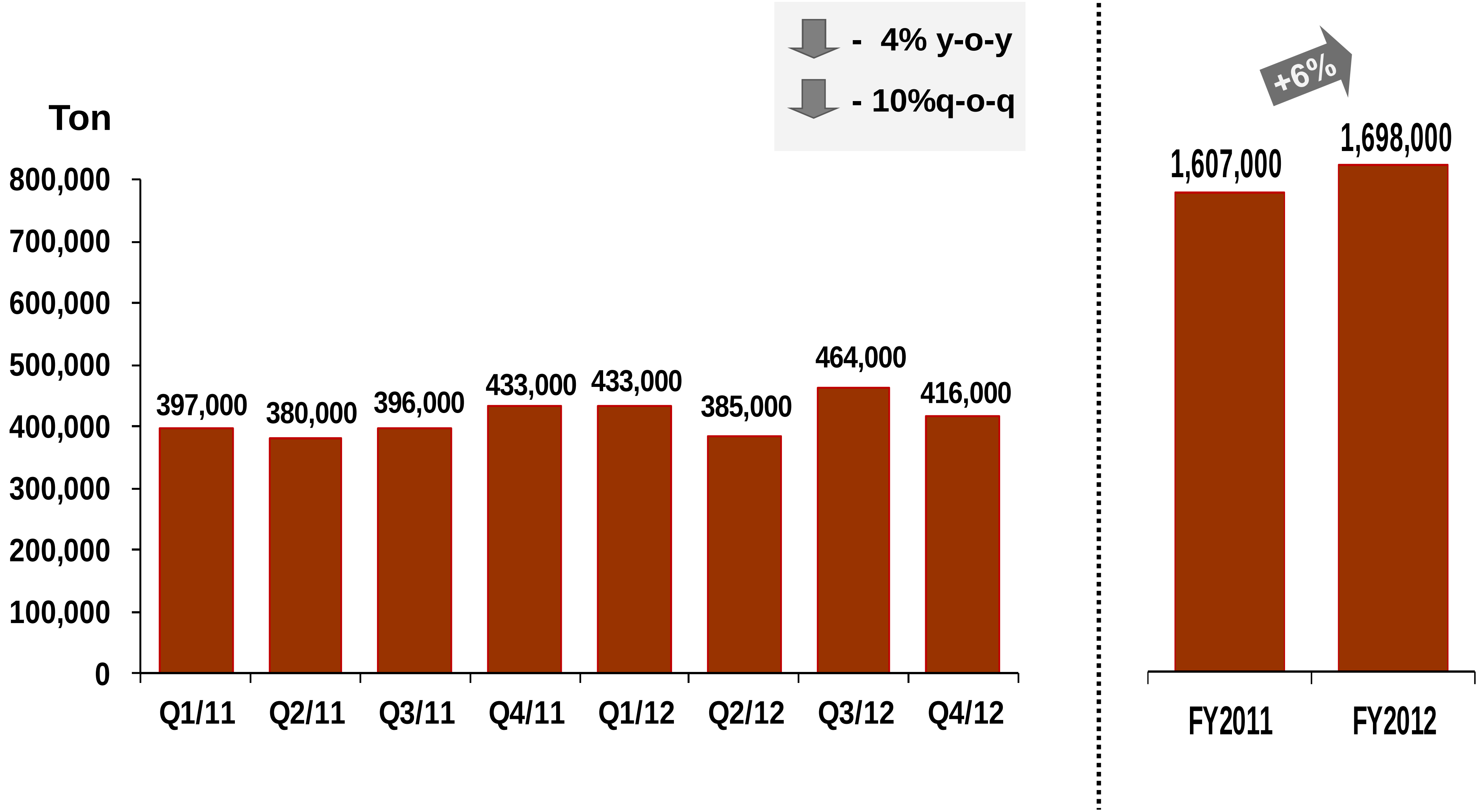
Price Gaps of Associates

MMA-Naphtha: Improved margin from cuts in operating rates.
BD-Naphtha: Squeezed, as demand has yet to pick up.
PTA-PX: Continued depressed margins.



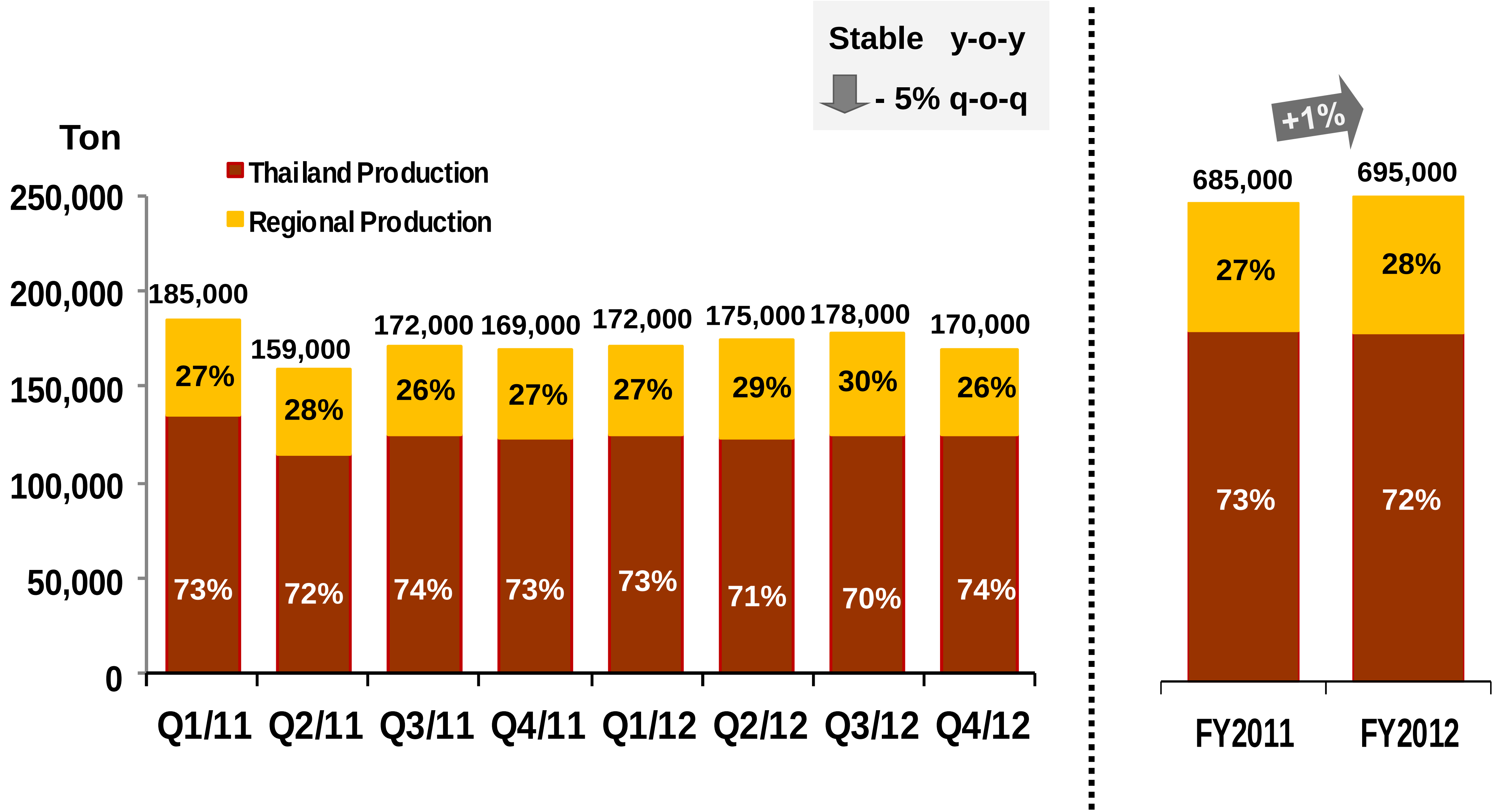
Polyolefins Sales Volume

…volume dropped 10% q-o-q from seasonally slower demand while FY2012 volume increased 6% with capacity ramp up.



PVC Sales Volume

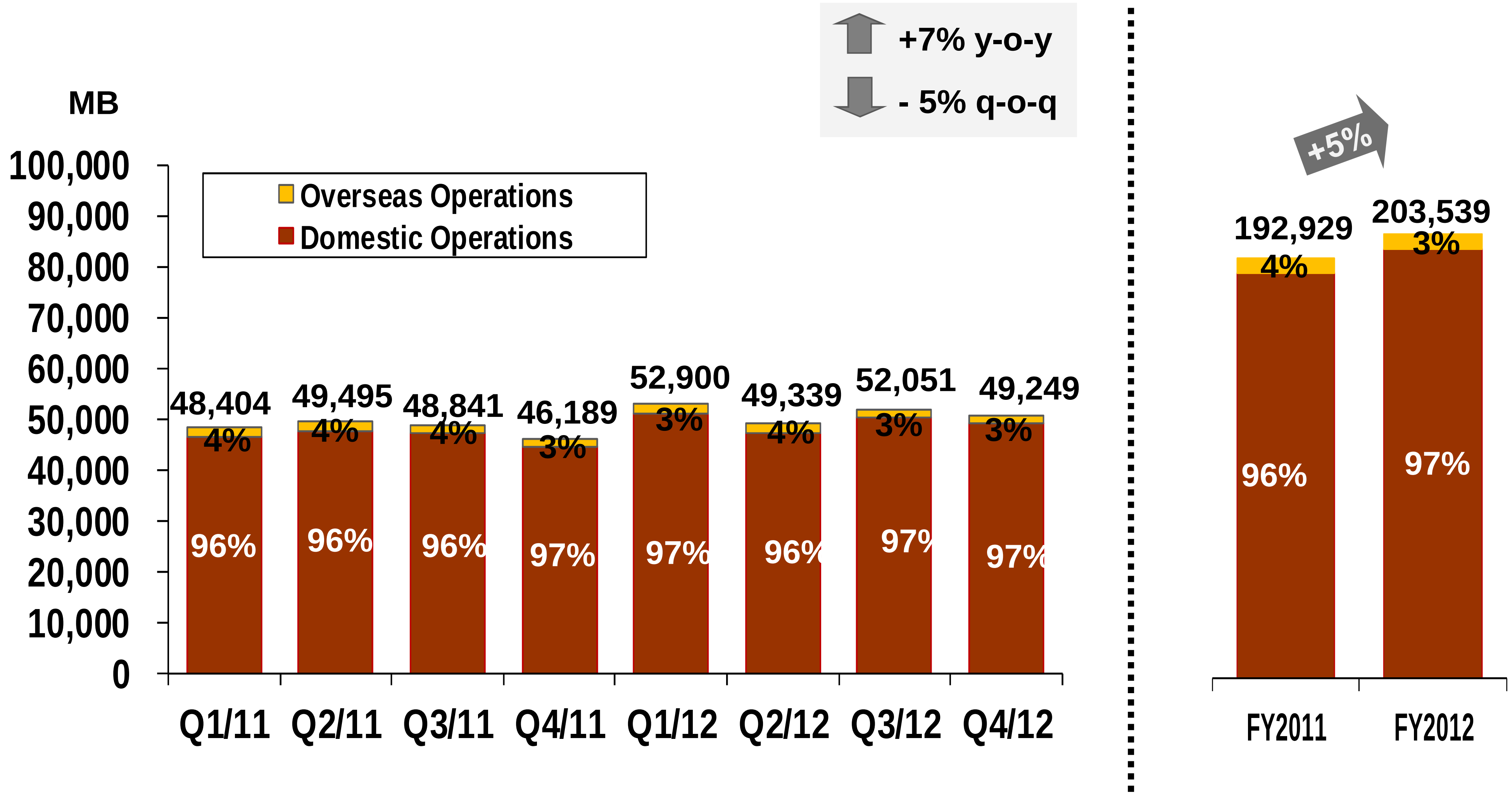
…PVC sales volume decreased 5% q-o-q, following the VCM plant turnaround and seasonal year-end softness in demand.



*__Note__: *Regional Sales = Sales volume from PVC operations in Vietnam and Indonesia*

Revenue from Sales

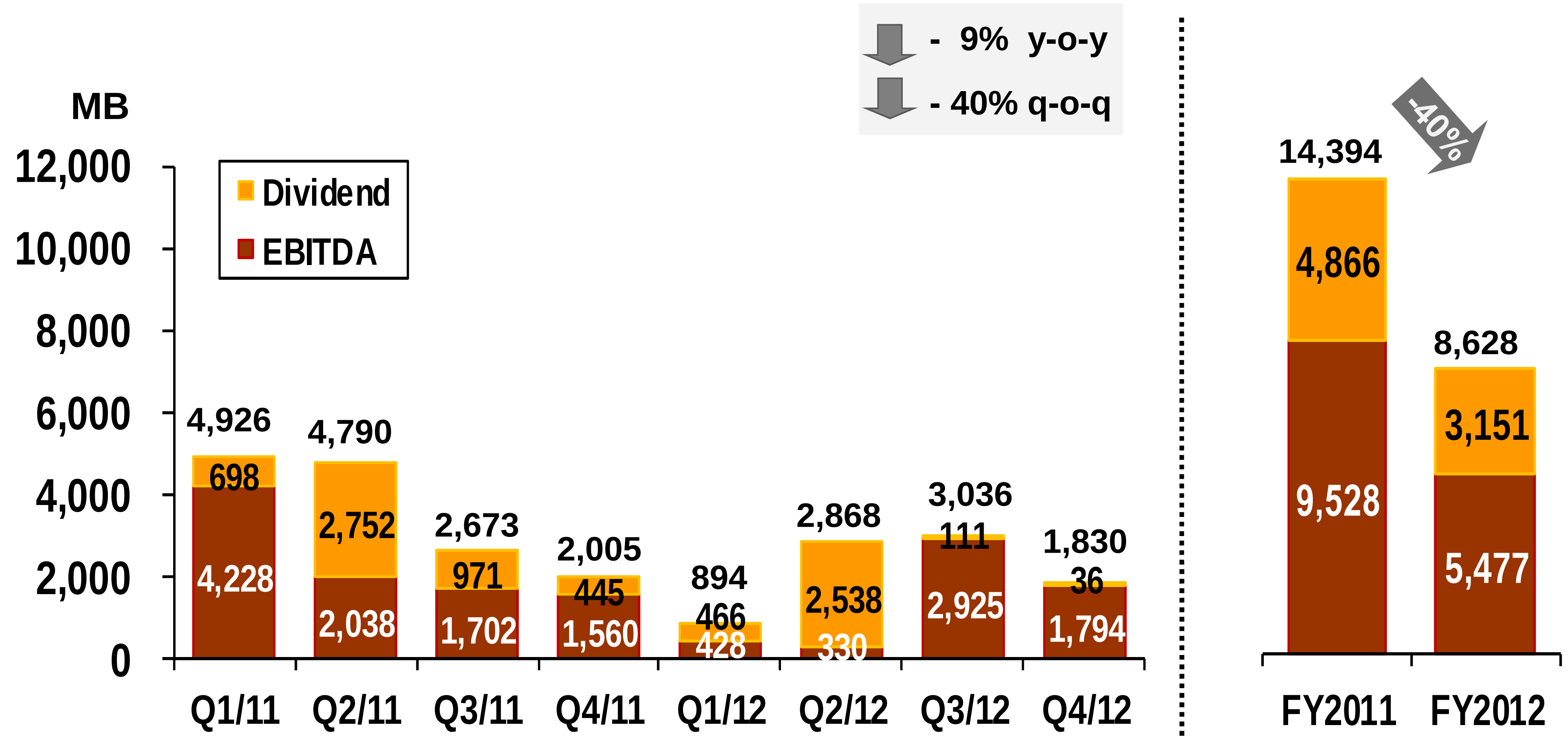
…the 5% increase of FY2012 revenue was attributed to the increase in sales volume.



*Note: * Overseas operations = Sales revenue from PVC operations in Vietnam and Indonesia*

EBITDA

…reduced 40% q-o-q as a result of lower seasonal sales volume, and turnaround of the VCM plant (PVC operations).

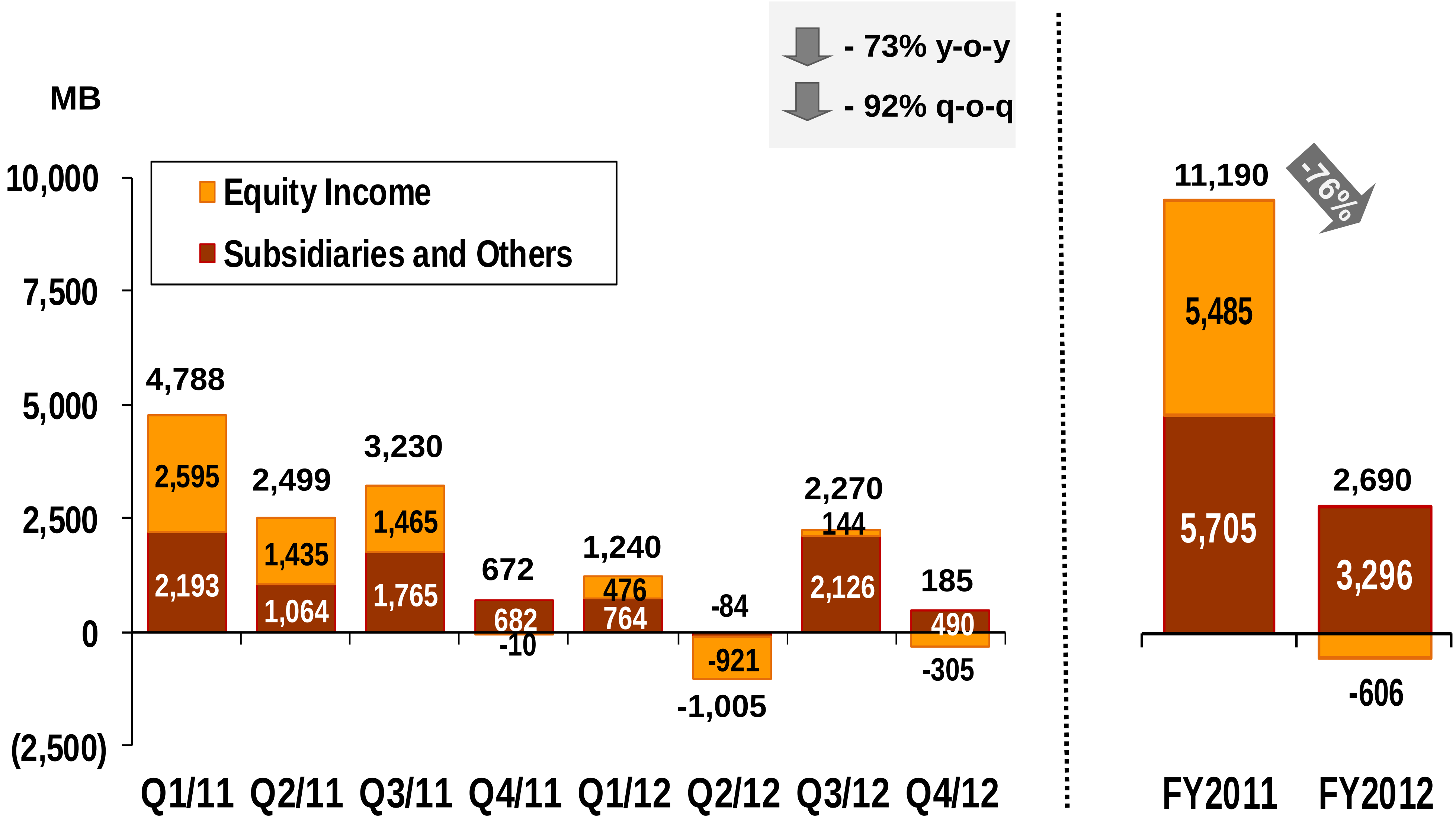


EBITDA Margin	9%	4%	3%	3%	1%	1%	6%	4%	5%	3%

Note: EBITDA = EBITDA from Operations + Dividend from Associated Companies

Profit for the Period

…the 76% decrease of FY2012 profit was as a result of the chemicals trough and drop in equity income from associates.



Outlook

- Increase in oil prices, following positive economic news in the US and China, and naphtha should follow suit.
- For polyolefins, prices tend to move up as turnaround plans in Middle East will lead to tight supply in Q1/13, coupled with improved buying activities after the Lunar New Year.
- PP Compound demand continues to be robust from backlog order of car production in Thailand.
- MMA demand remains quite stable with flat margins q-o-q.
- Healthy PVC demand from the construction industry. However, EDC prices are expected to move up due to tight supply.
- Continued challenges in the BD and PTA businesses.
- Estimated 5 MTA of new ethylene capacity addition in FY2013, which includes the late Q1/13 start up of the 1 MTA cracker in Singapore.

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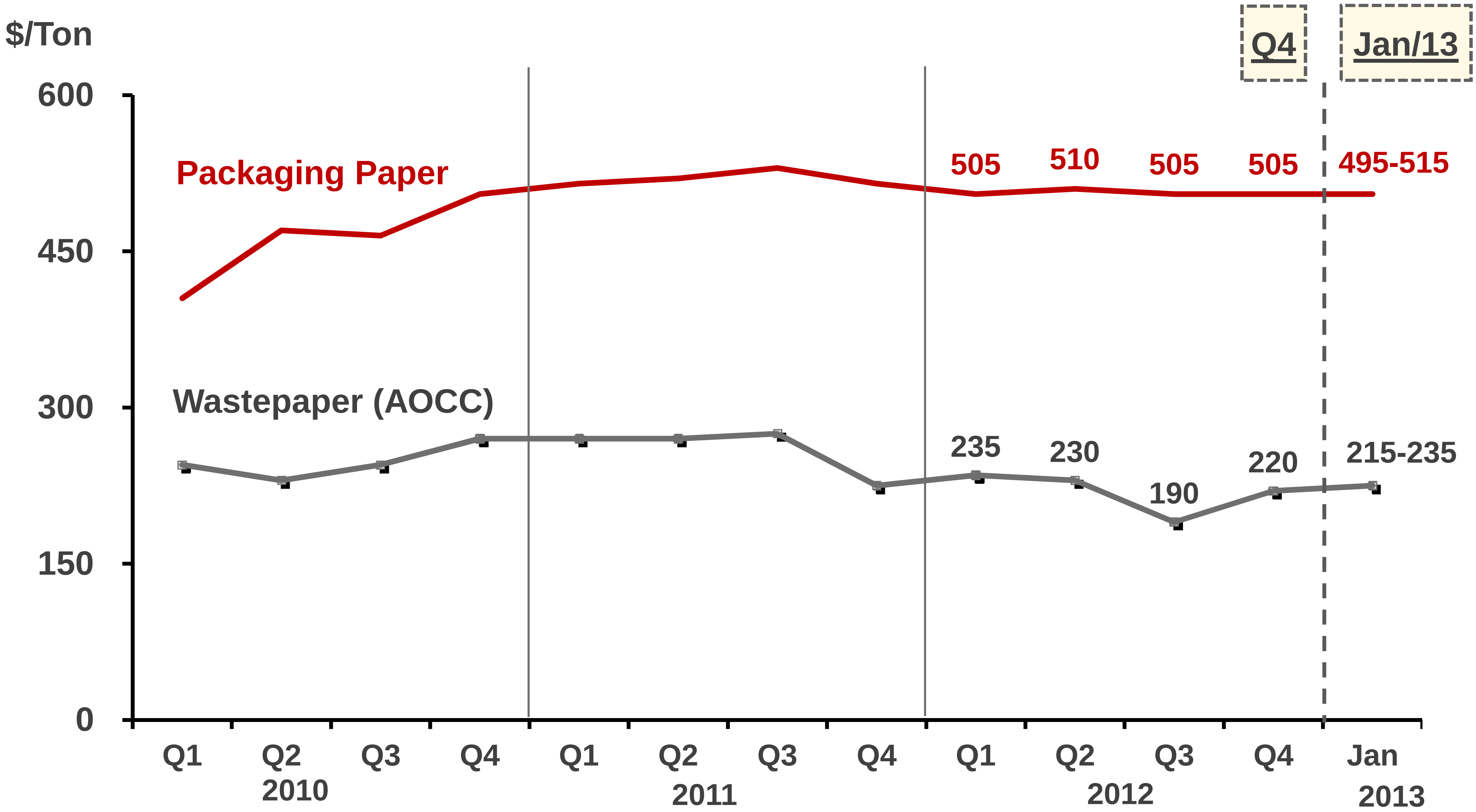
VI. Summary

Packaging Paper

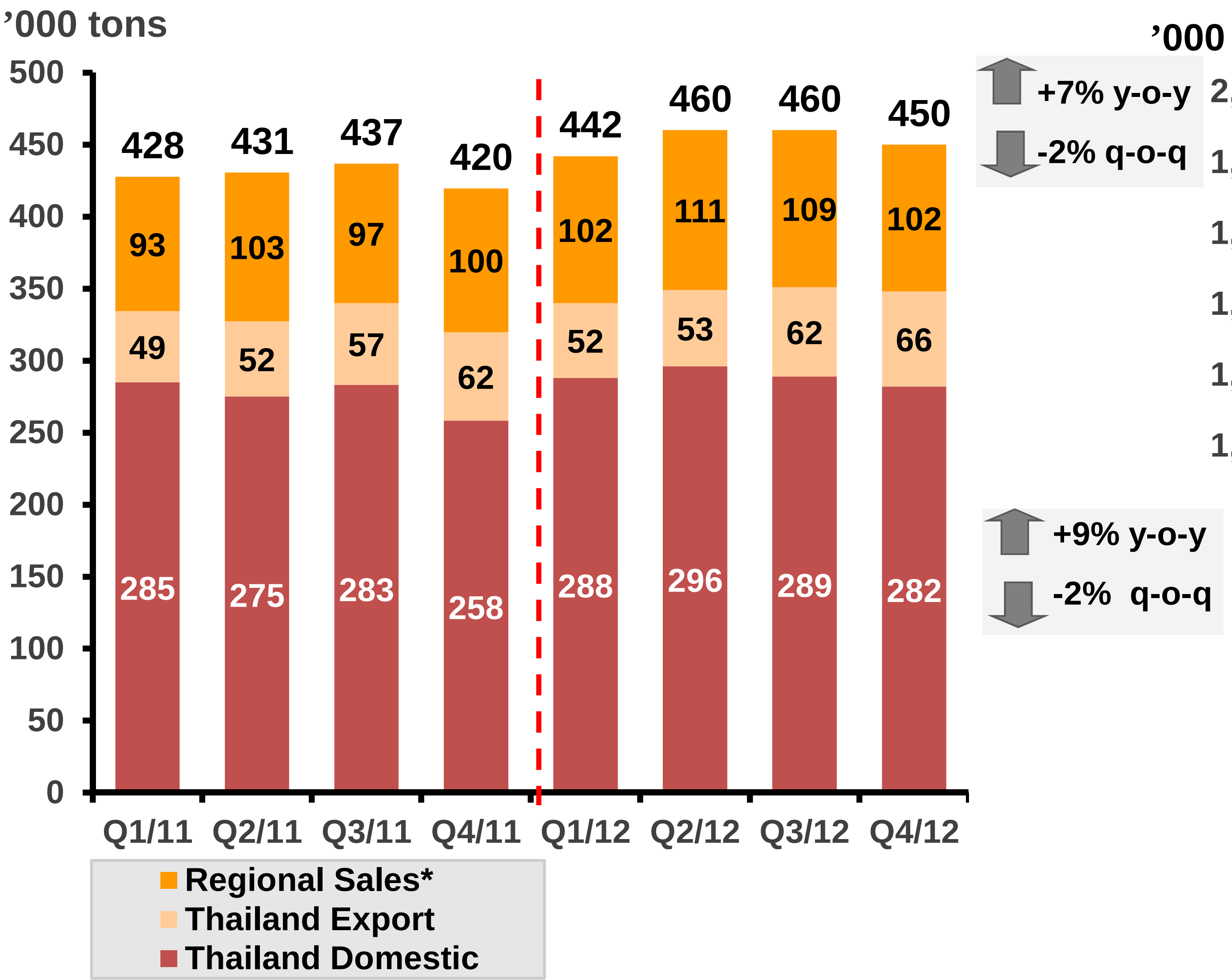
AOCC prices rise due to tighter supply from the US and higher Chinese orders to meet year-end quotas, while Packaging Paper prices maintained.

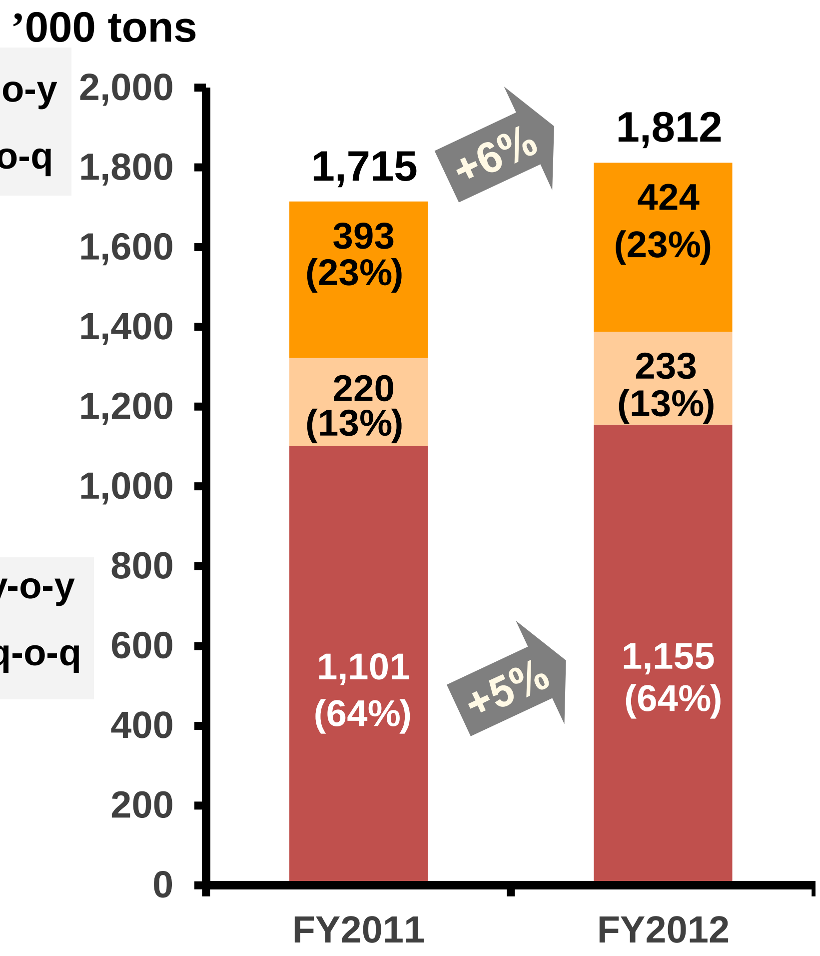


Note: regional prices

Packaging Paper:

Domestic sales volume rose 9% y-o-y, mainly due to market recovery from flood in Q4/11. Total FY2012 increased 6% y-o-y in both Thailand and regional operations.

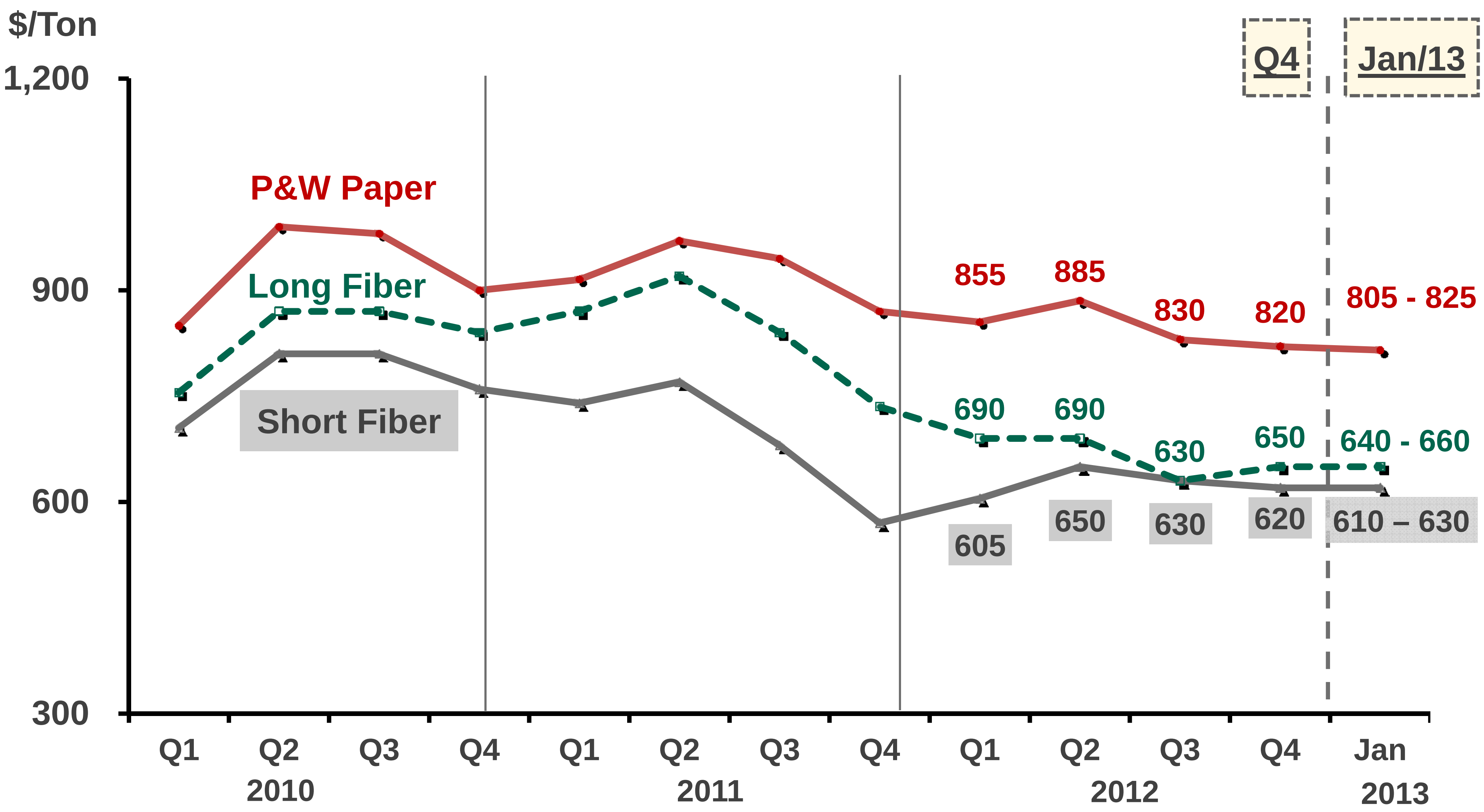




Note: ***Sales Volume from Philippines and Vietnam**

Printing & Writing Paper (Fibrous)

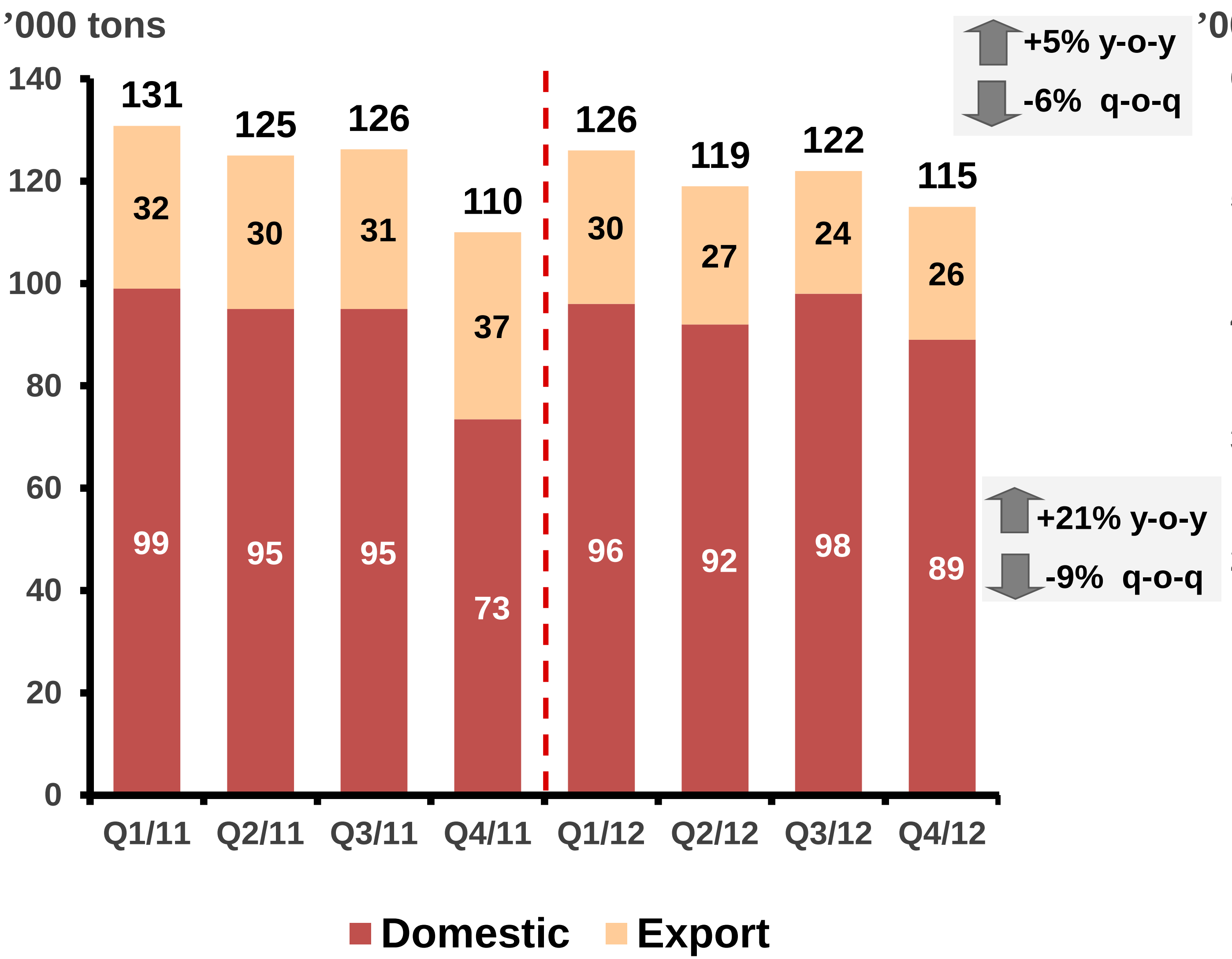
Long-fiber pulp prices increased owing to pulp producers' supply management and paper producers' stock replenishment. Short-fiber prices weakened slightly in anticipation of new pulp capacity in Brazil.

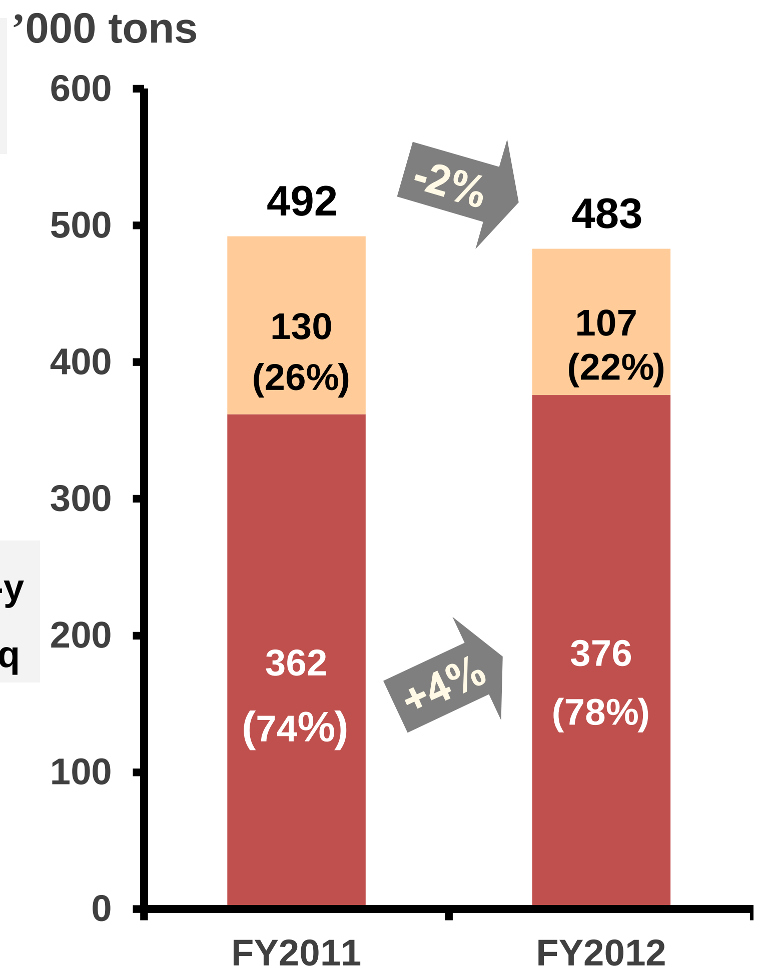


Note: regional prices

Printing & Writing Paper (Fibrous)

Domestic demand recovered from last year's flood, resulting in a 21% y-o-y increase in sales, but dropped 9% q-o-q from seasonal demand at year-end. Total FY2012 dropped 2% y-o-y from decreased export sales due to regional demand softness.

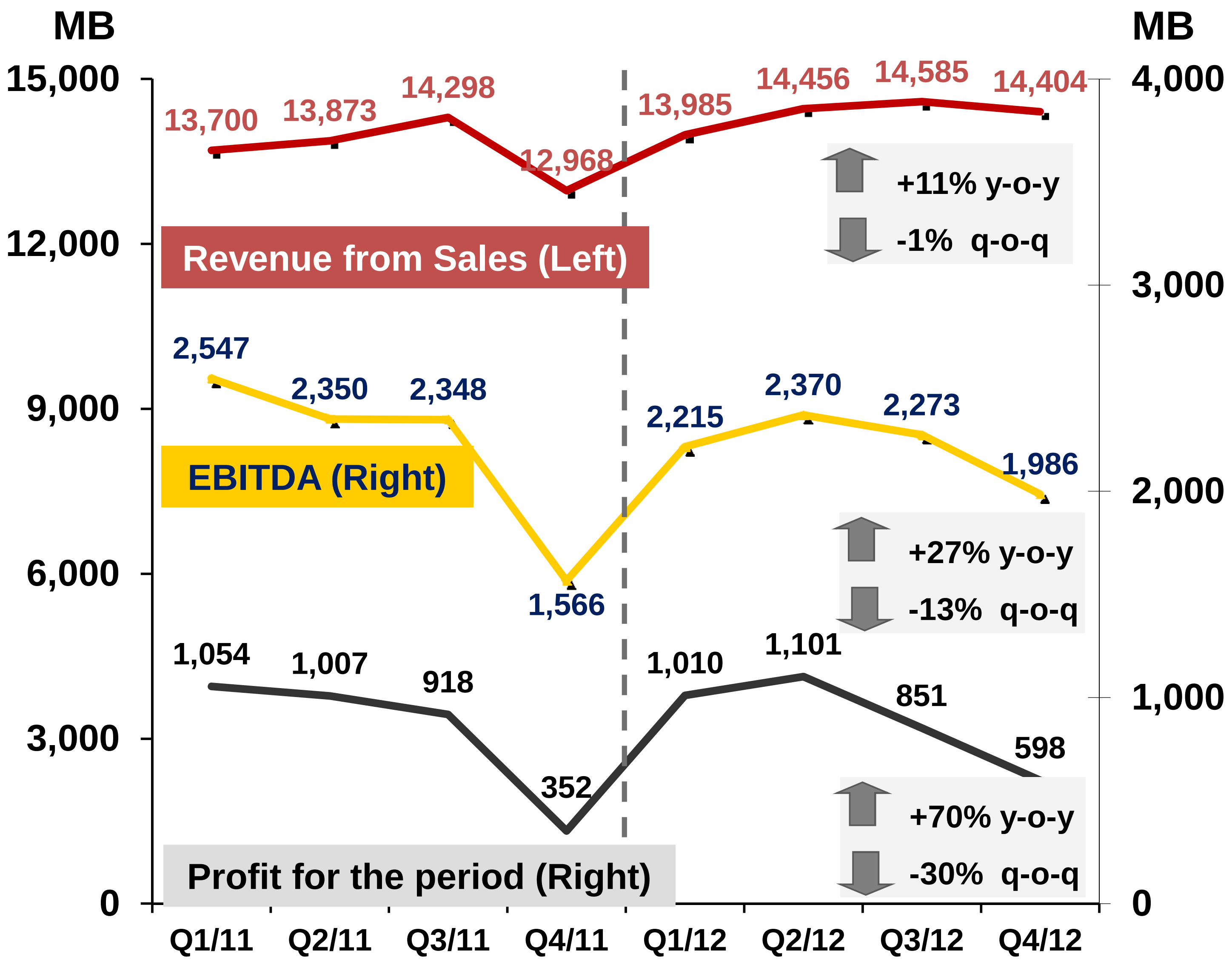


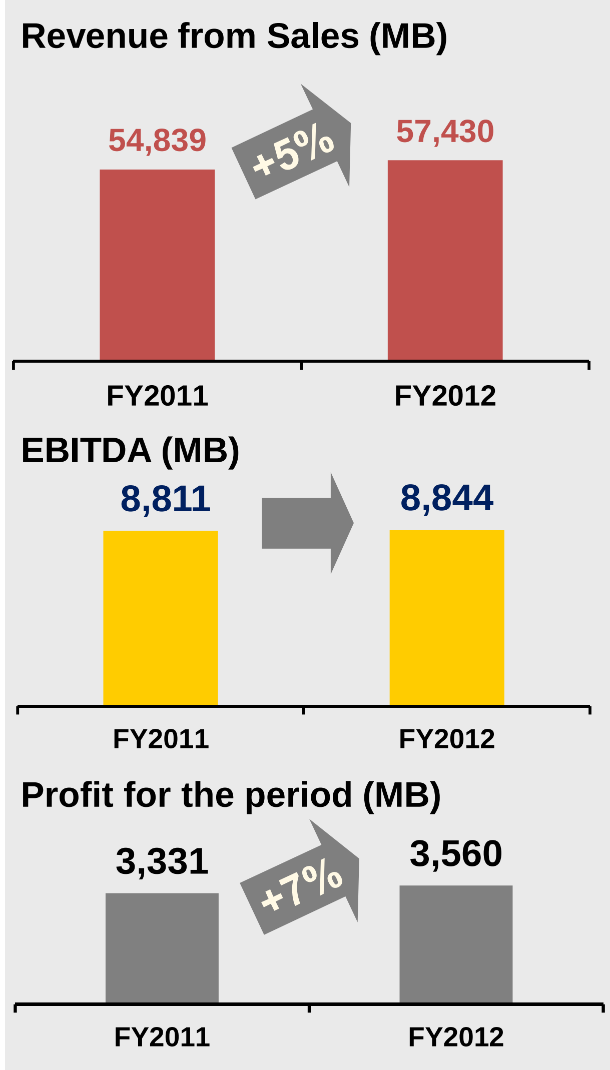


Financials

Lower results q-o-q, due to weaker volume and prices in the P&W (Fibrous) business, coupled with higher production and maintenance expenses, in addition to the fire at PPPC. FY2012 results improved from higher sales volume and efficiency in Packaging Chain.

slide 54





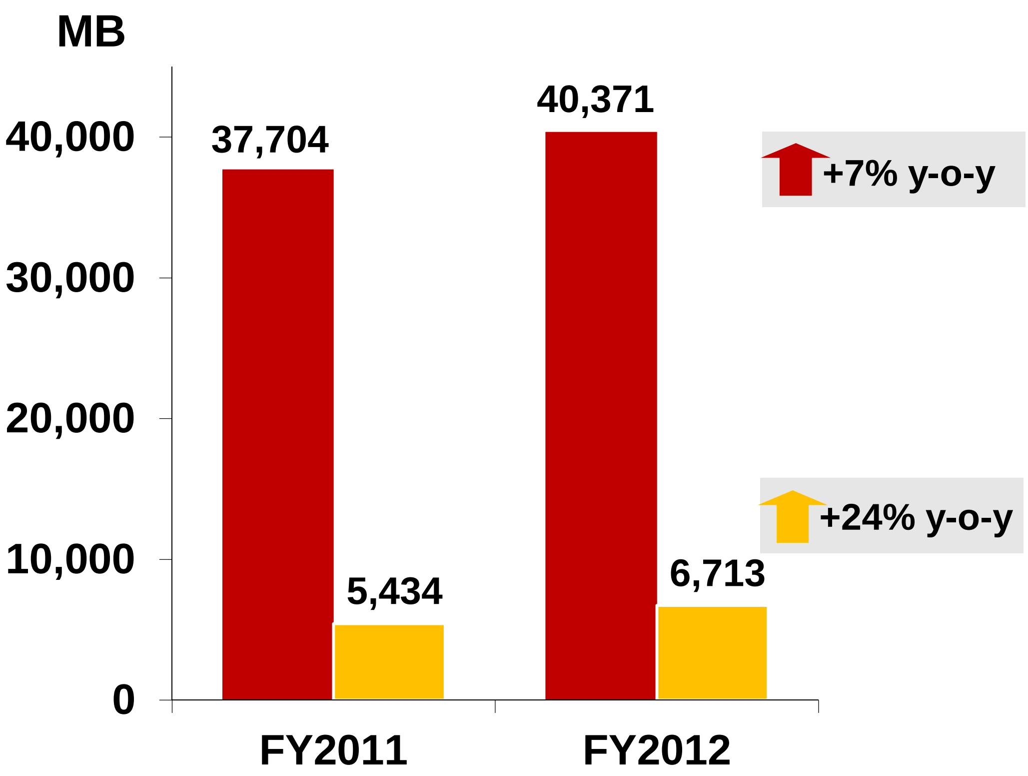
16% 15%

EBITDA Margin

Business Segments

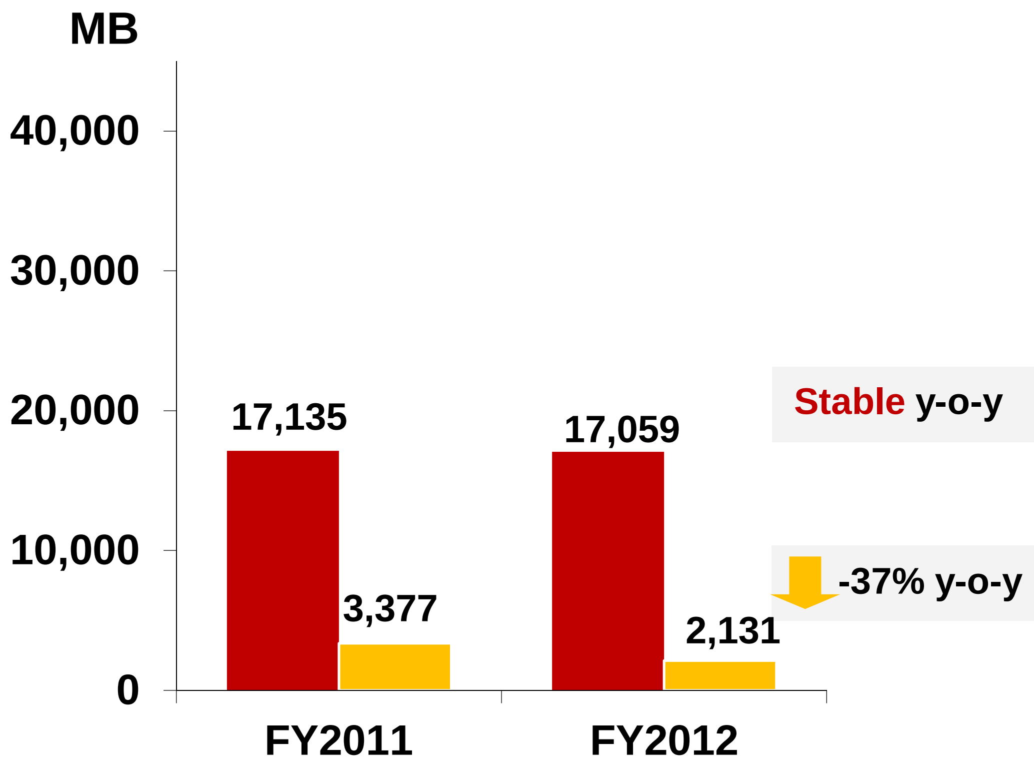
Continued performance improvement in the Packaging Chain, while the Printing & Writing (Fibrous) Chain saw a decrease in performance due to lower volume and prices, and higher production costs following the mid-year fire at PPPC.

Packaging Chain



EBITDA Margin	14%	17%

Printing & Writing (Fibrous) Chain



EBITDA Margin	20%	12%

Revenue from Sales　EBITDA

Updates and Outlook

PPPC's Plant Fire Update

- PPPC resumed pulp line and utilities in late-Nov/12 and in the process of fine-tuning operations, with full operations expected in the early 2013.

Outlook

- Expected improved domestic and regional demand, following the economic recovery of the major economies, especially in China.

Packaging Chain

- Wastepaper prices are expected to increase, due to Chinese paper producers' stock replenishment ahead of the Chinese New Year in Feb/13. Forecasted paper prices are to remain flat due to ample supply in China and within the region.

Printing & Writing (Fibrous) Chain

- Continued rise of digital reading will place further pressure on paper demand.
- Expected pulp prices to maintain or decrease from sluggish paper demand and sufficient paper producers' stocks.

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Thank You

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Appendix

Sales (MB)	2008	2009	2010	2011	2012
Consolidated	**293,230**	**238,664**	**301,323**	**368,579**	**407,601**
Chemicals	136,527	101,115	144,317	192,929	203,539
Paper	47,110	42,729	51,714	54,839	57,430
Cement	49,999	46,661	48,954	54,249	67,558
Building Materials	23,351	26,873	30,719	34,171	41,340

Assets (MB)	2008	2009	2010	2011	2012
Consolidated	**285,776**	**315,992**	**359,219**	**373,789**	**395,573**
Chemicals	138,504	165,964	165,087	176,036	176,837
Paper	51,089	47,942	50,127	52,463	58,439
Cement	60,770	60,681	61,018	60,115	66,808
Building Materials	22,654	22,991	24,796	35,845	43,512

EBITDA (MB)	2008	2009	2010	2011	2012
Consolidated	**38,783**	**47,116**	**45,949**	**46,253**	**45,716**
Chemicals	12,598	19,482	16,024	14,394	8,628
Paper	6,660	7,901	9,129	8,811	8,844
Cement	11,272	11,616	10,810	12,781	14,824
Building Materials	4,085	4,907	5,489	5,060	6,661

Profit for the Period (MB)	2008	2009	2010	2011	2012
Consolidated	**16,771**	**24,346**	**37,382**	**27,281**	**23,580**
Chemicals	6,136	12,556	22,609	11,190	2,690
Paper	1,658	2,286	3,490	3,331	3,560
Cement	6,006	6,214	6,014	7,288	9,163
Building Materials	778	1,617	1,872	1,476	2,949

EBITDA Margin (%)	2008	2009	2010	2011	2012
Consolidated	**12%**	**18%**	**14%**	**11%**	**10%**
Chemicals	7%	17%	9%	5%	3%
Paper	14%	18%	18%	16%	15%
Cement	23%	25%	22%	24%	22%
Building Materials	16%	18%	17%	14%	16%

EBITDA / Assets (%)	2008	2009	2010	2011	2012
Consolidated	**14%**	**15%**	**13%**	**12%**	**12%**
Chemicals	9%	12%	10%	8%	4%
Paper	13%	16%	16%	17%	15%
Cement	19%	19%	19%	21%	22%
Building Materials	18%	21%	20%	14%	16%

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