



**asean**  
SUSTAINABLE  
BUSINESS LEADER



## Dow Jones Sustainability Indexes

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

2012 - 2008: **Ranked Gold Class**

2004: **Member since**

Ranking by RobecoSAM (Switzerland)

*NDR – U.S. West Coast  
Hosted by JPMorgan  
April 8-10, 2013*

## **Business Restructuring**

- *Cement – Building Materials – Distribution*

## **Vietnam**

- *Ceramic Tiles: 85% stake M&A, 75 Mill sqm. (7,200 MB or \$240 M)*

## **Indonesia**

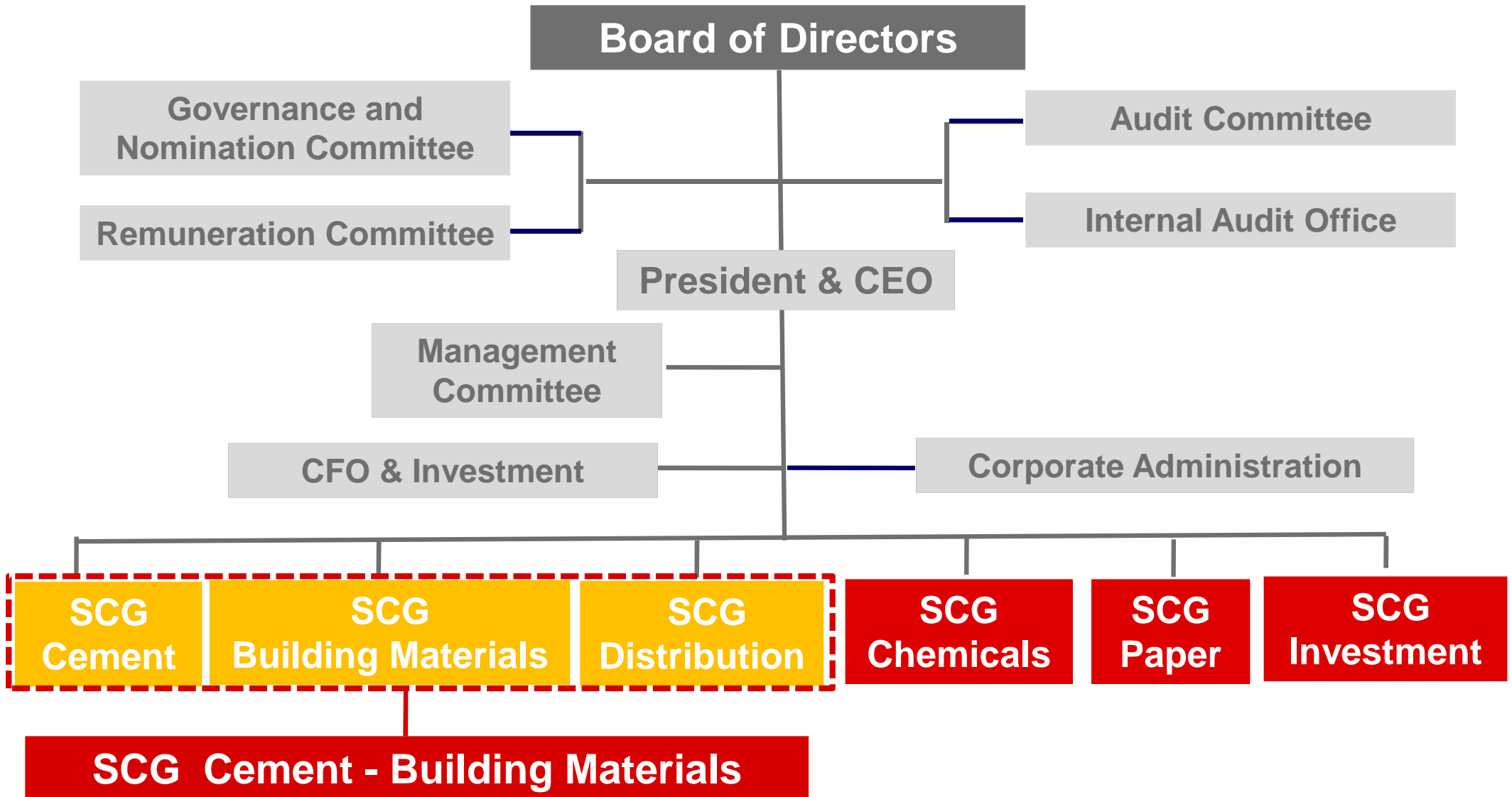
- *Cement Plant: 1.8 MT green-field (11,000 MB or \$370 M)*

## **Cambodia**

- *Cement Plant: 0.9 MT expansion (5,500 MB \$185 M)*

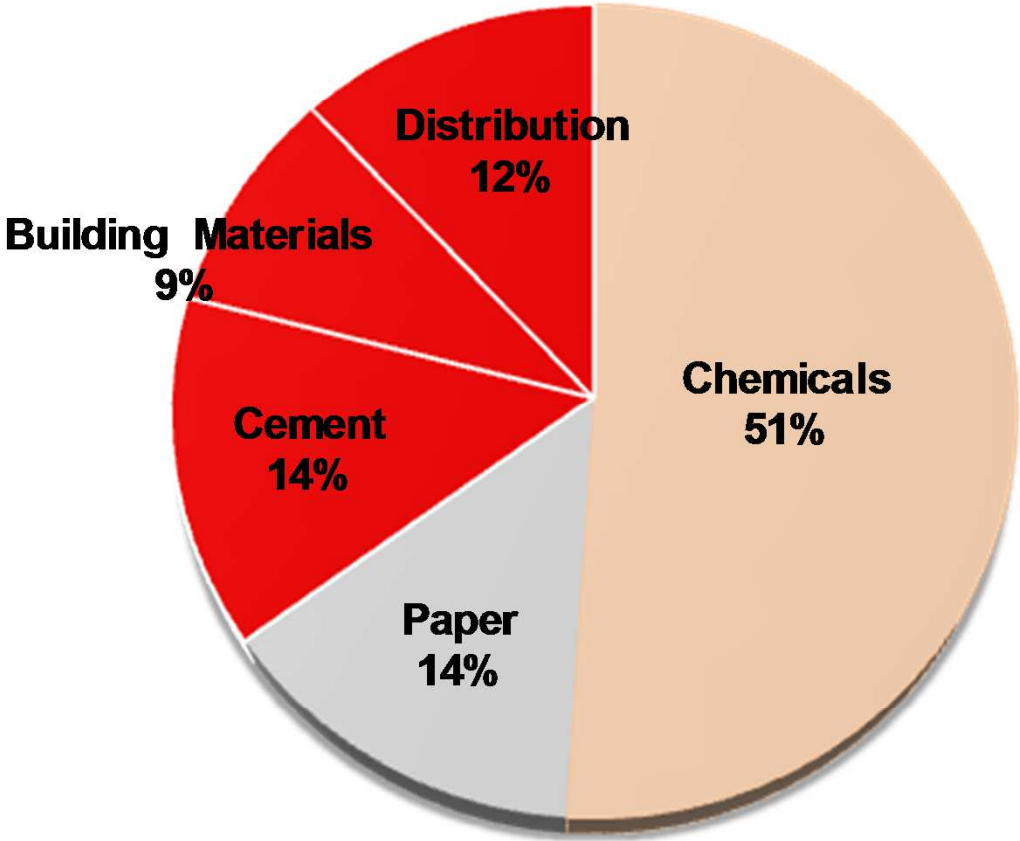
## **Thailand**

- *Packaging Paper: 0.4 MT brown-field (6,700 MB or \$220 M)*
- *JV in temperature-controlled logistics with Nichirei Logistics Group.*

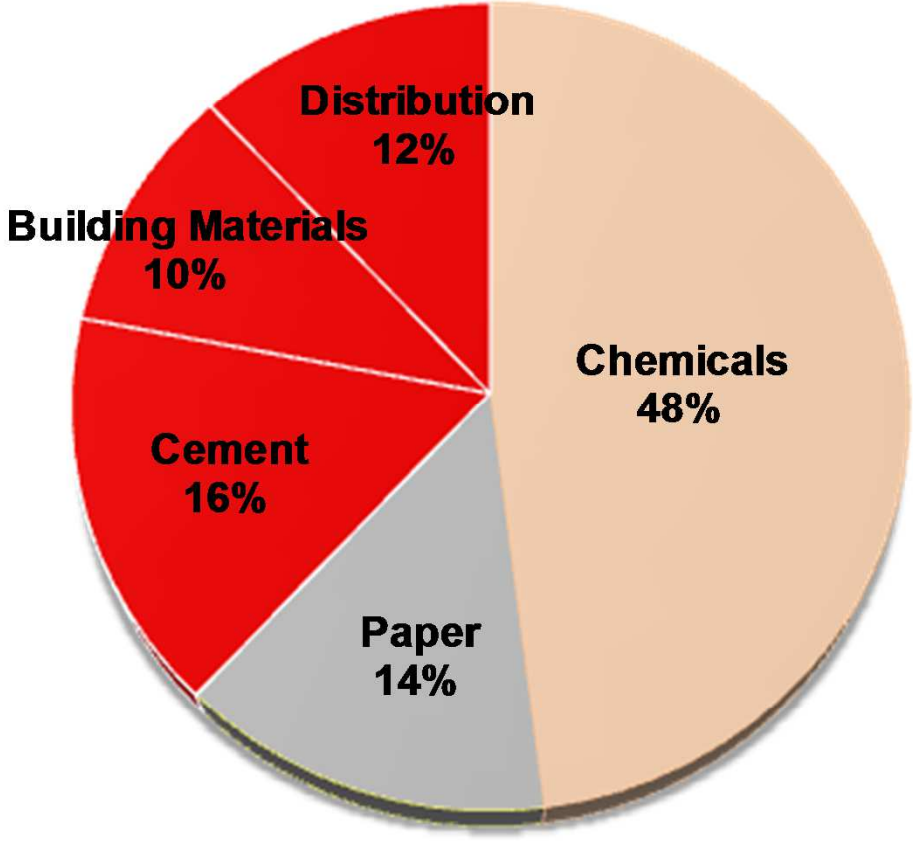


# Revenue from sales

**FY2011**  
**368,579 MB**



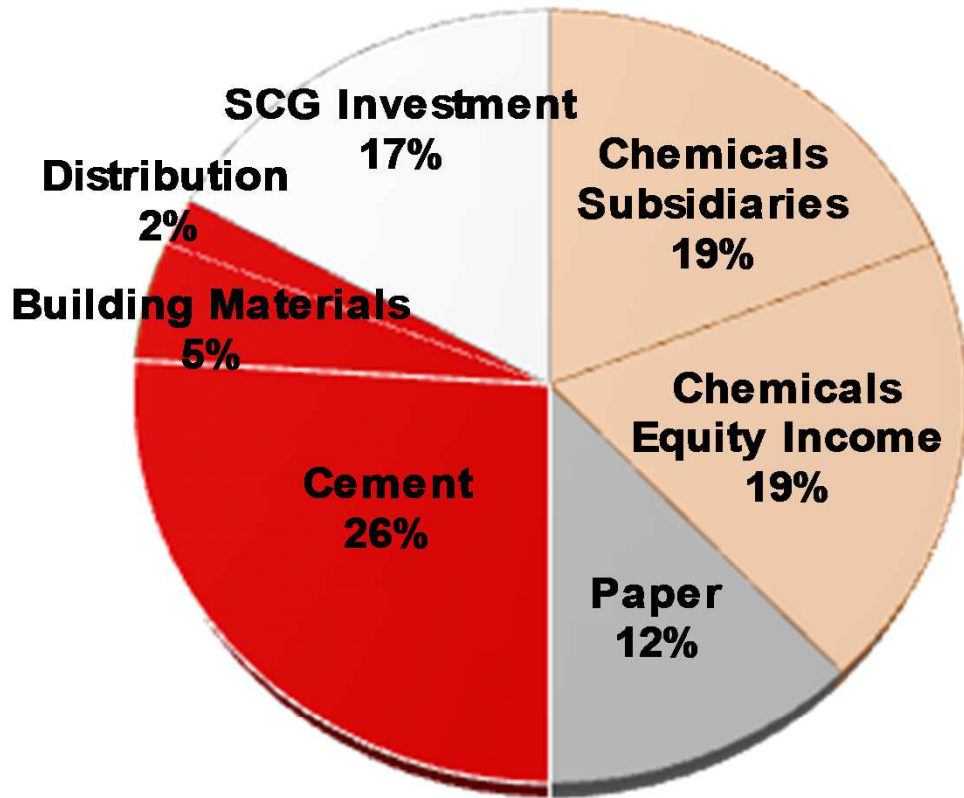
**FY2012**  
**407,601 MB (+11% y-o-y)**



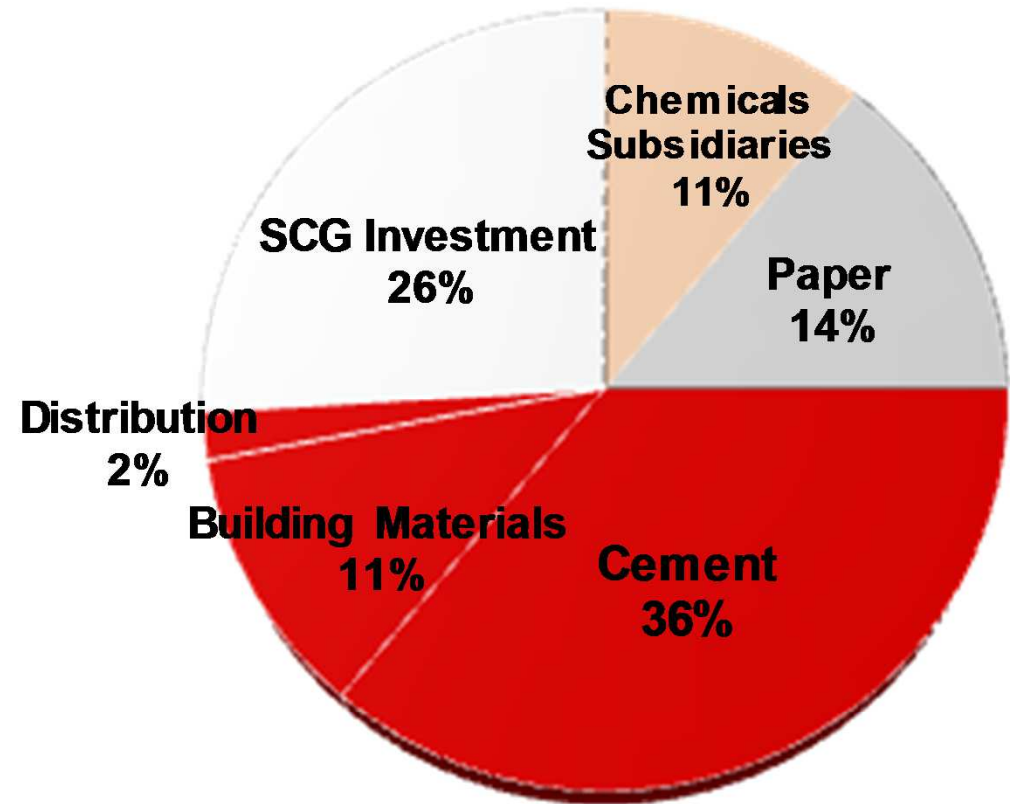
# Net profit segment

SCG Cement – Building Materials were half of FY2012 earnings.

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.

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

## 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%

## *Past*

- Mostly green field
- Mostly Thailand
- Cash-flow financed

## *Current*

- *Mostly M&A*
- *Mostly ASEAN*
- Cash-flow financed
- Cash on hand of 38,533 MB
- 40,000-50,000 MB per year

*...ASEAN expansion of core businesses*



ASEAN assets = 55,300 MB  
(\$1.8 Billion or 14% of SCG's assets)

SCG's staffs in ASEAN = 10,037 staffs  
(26% of total staffs)



## Myanmar (1996)

Total Assets \$4 Mil

- Cement (RMC)
- Distribution



## Laos & Cambodia (1994)

Total Assets \$130 Mil

- Cement
- Building Materials
- Distribution



## Malaysia & Singapore (1996)

Total Assets \$29 Mil

- Packaging Paper (Box)
- Distribution



## Vietnam (1996)

Total Assets \$400 Mil

- Cement
- Chemicals
- Paper
- Building Materials
- Distribution



## Philippines (1993)

Total Assets \$250 Mil

- Paper
- Building Materials
- Distribution



## Indonesia (1996)

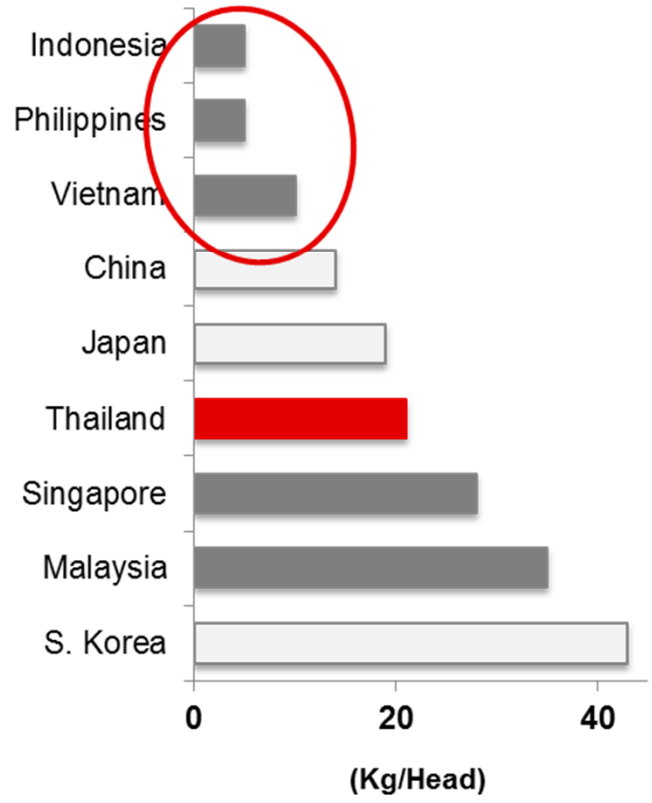
Total Assets \$980 Mil

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

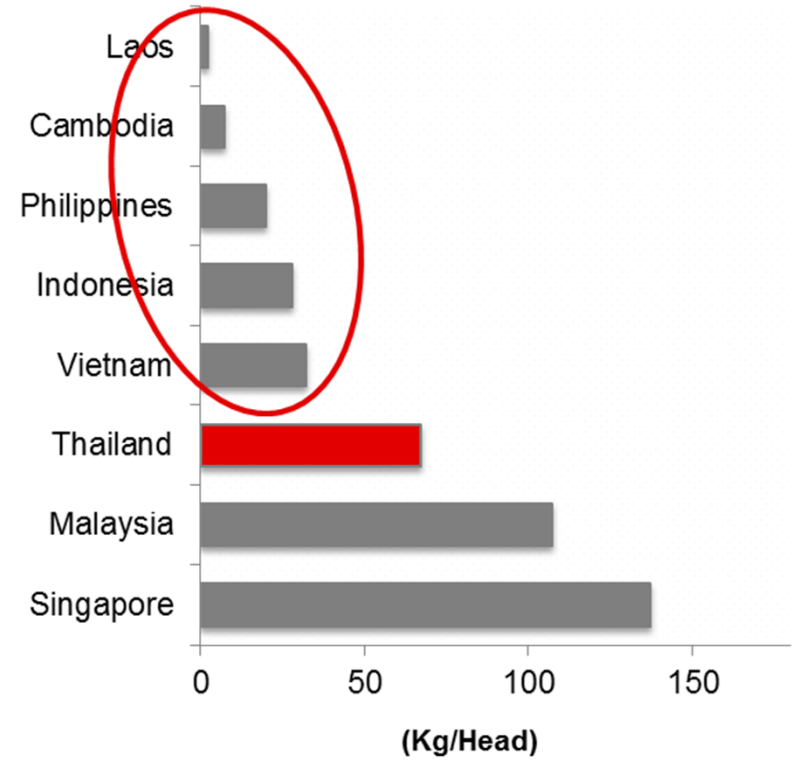
	<u>Thailand</u>	<u>ASEAN</u>
<b>Downstream Chemicals</b> <i>7.2 million tons</i>	1	1
<b>Packaging Paper</b> <i>1.9 million tons</i>	1	1
<b>Cement</b> <i>24 million tons</i>	1	2
<b>Ceramic tiles</b> <i>225 million sqm.</i>	1	1

# ASEAN's low consumption per capita

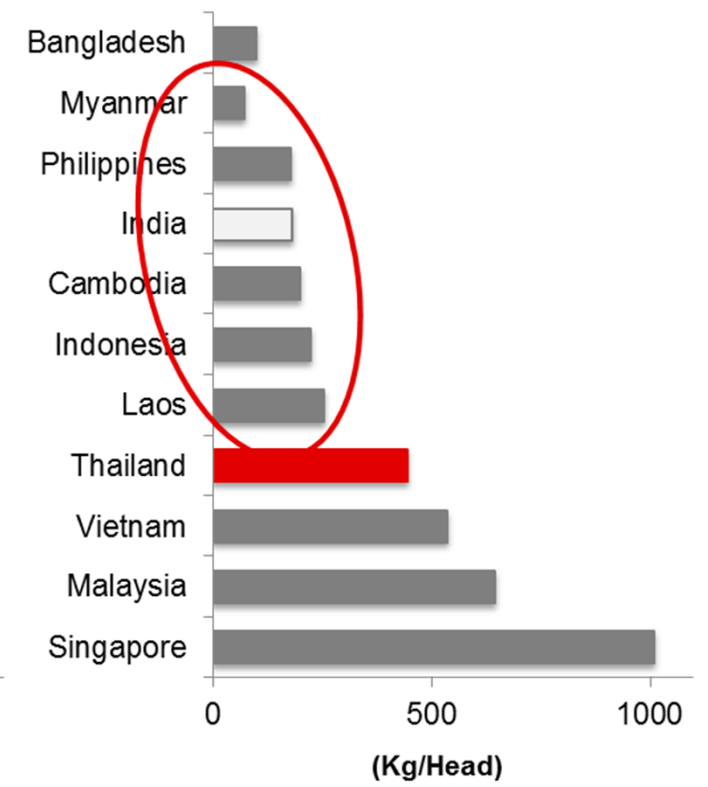
## Plastic



## Paper



## Cement

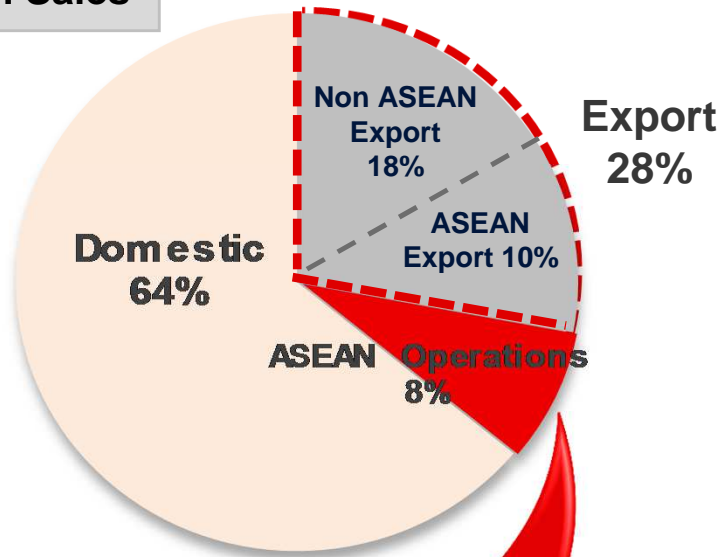


Note: as of Dec/12

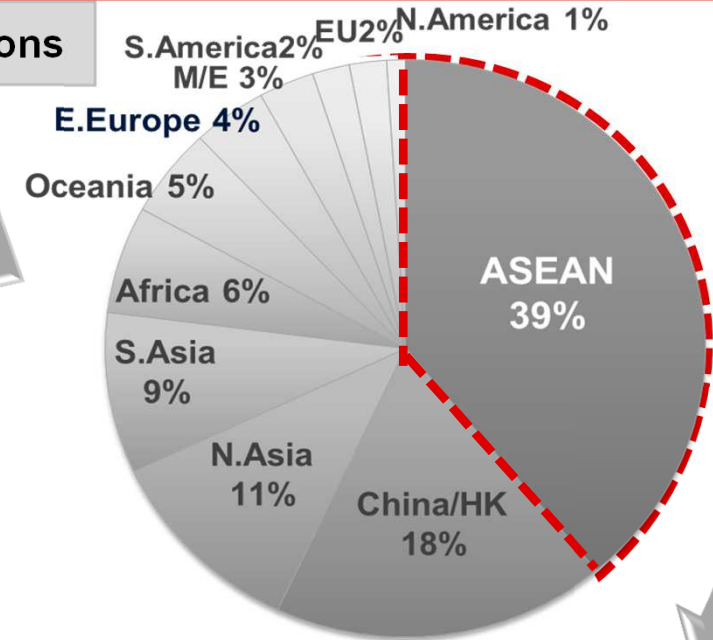
# Export destinations in FY2012

ASEAN accounted for 39% of SCG's exports.

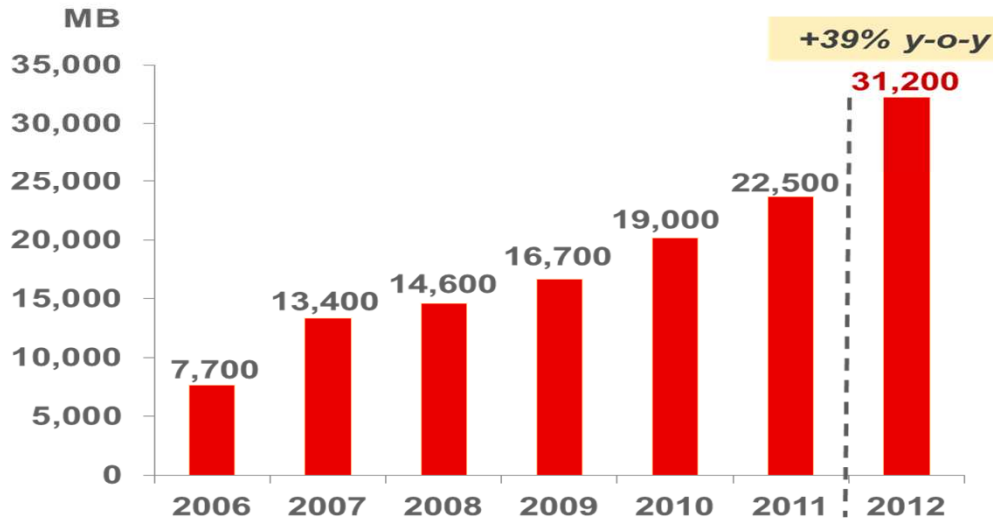
## Revenue from Sales



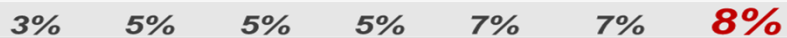
## Export Destinations



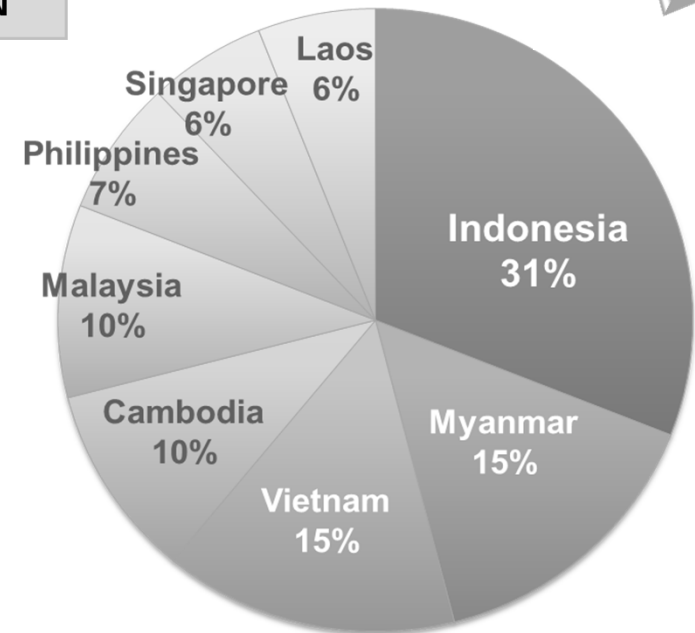
## Sales from ASEAN Operations



Percentage of total sales from ASEAN Operations:



## Export to ASEAN





## Current: (FY2012)

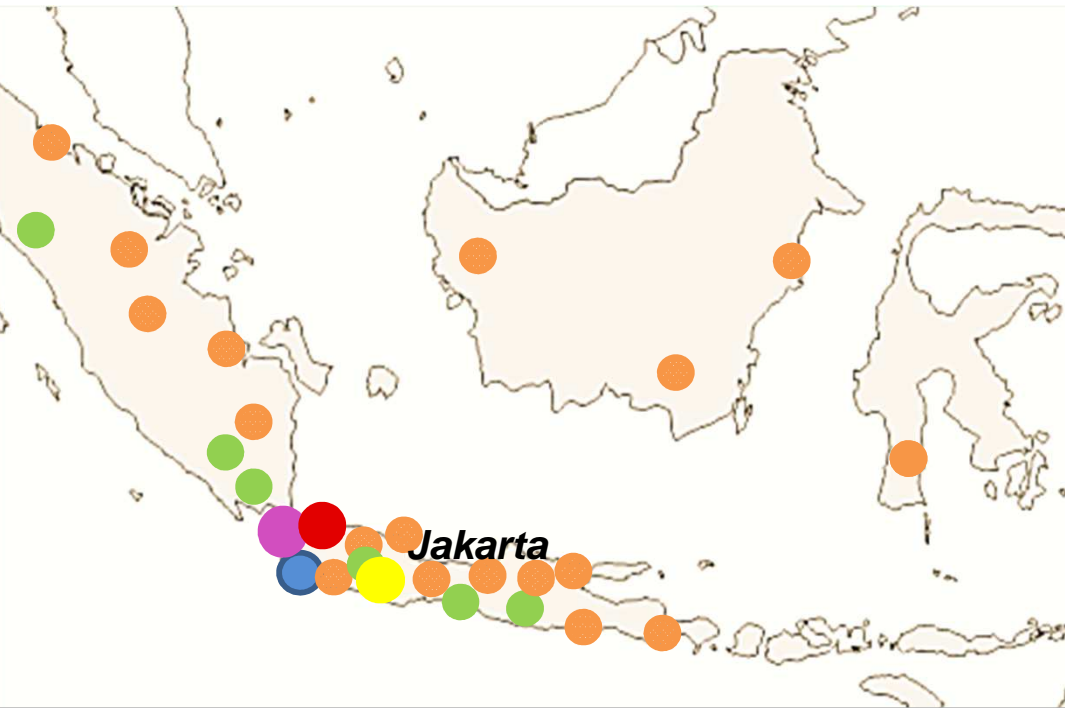
**Assets:** 30,077 MB (\$980 Mill)

**Total Sales:** 12,268 MB

**Total Export from Thailand:** 13,258 MB

## Operations: (staffs-5,715)

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



## *Investments since Q1/11:*

- **Cement plant** - Oct/12 (11,000 MB)  
Greenfield / majority stake  
1.8 MT/ mid-2015 start
- **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
- **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.
- **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:

**Debottleneck** - Chandra Asri chemicals complex  
**M&A opportunities** - all existing businesses



## Current: (FY2012)

**Assets:** 12,650 MB (\$420 Mill)

**Total Sales:** 10,100 MB

**Total Export from Thailand:** 6,448 MB

## Operations: (staffs-2,339)

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



## *Investments since Q1/11:*

- **Ceramic tiles (Prime Group)** - Dec/12 (7,200 MB)  
M&A / 85% stake / 75 mill sqm.  
clay roofing plant and raw materials reserved.
- **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





## Myanmar

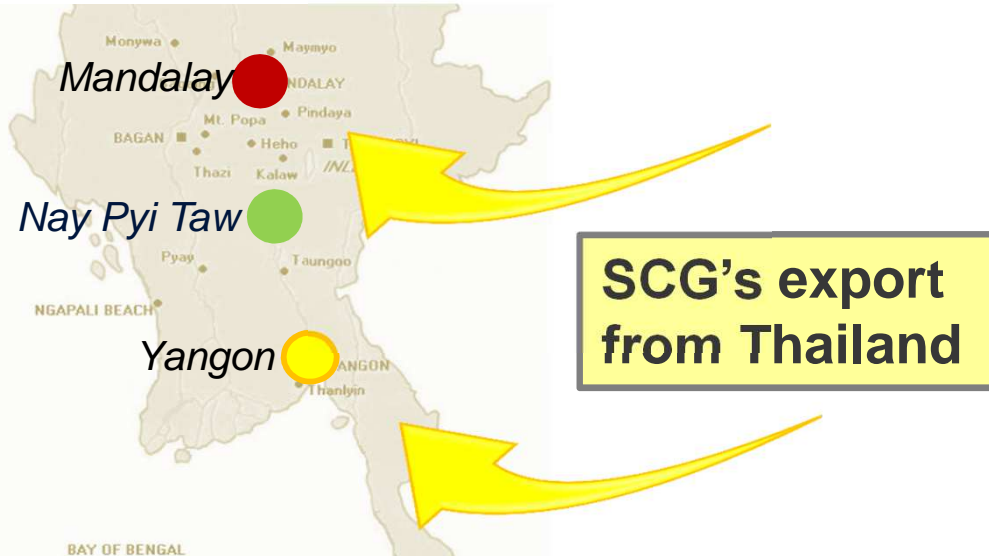
### Current: (FY2012)

**Assets:** 120 MB (\$4 Mill)

**Total Export from Thailand:** 6,599 MB

### Operations:

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



### Future plans:

**Green field** - cement plant (waiting for project approval)

**Investment opportunities** – logistics and others



## Philippines

### Ceramics: Mariwasa - Mar/12 (150 MB)

- Increased stake to 83% from 46% / 12 mill sqm.



## Cambodia

### Cement expansion - Oct/12 (5,500 MB)

- Greenfield 0.9 mill tons / mid-15 start



## Cement – Building Materials

- Retail business with a 30% stake in “Siam Global House PLC.” *Oct/12 (~10,000 MB)*
- Increased mortar capacity by 50% to 3.1 million tons. (HVA) *July/12 (1,000 MB)*
- Increased modular home capacity (JV with Sekisui Heim). (HVA) *May/11 (2,900 MB)*

## Chemicals

- Greenfield LLDPE cast sheet film (15,000 tons), 45% JV with Mitsui Chemicals Tohcello. (HVA) *Mar/12 (1,400 MB)*
- Increased stake in Thai Plastic and Chemicals to 91% (from 46%). *Mar/12 (11,500 MB)*

## Paper

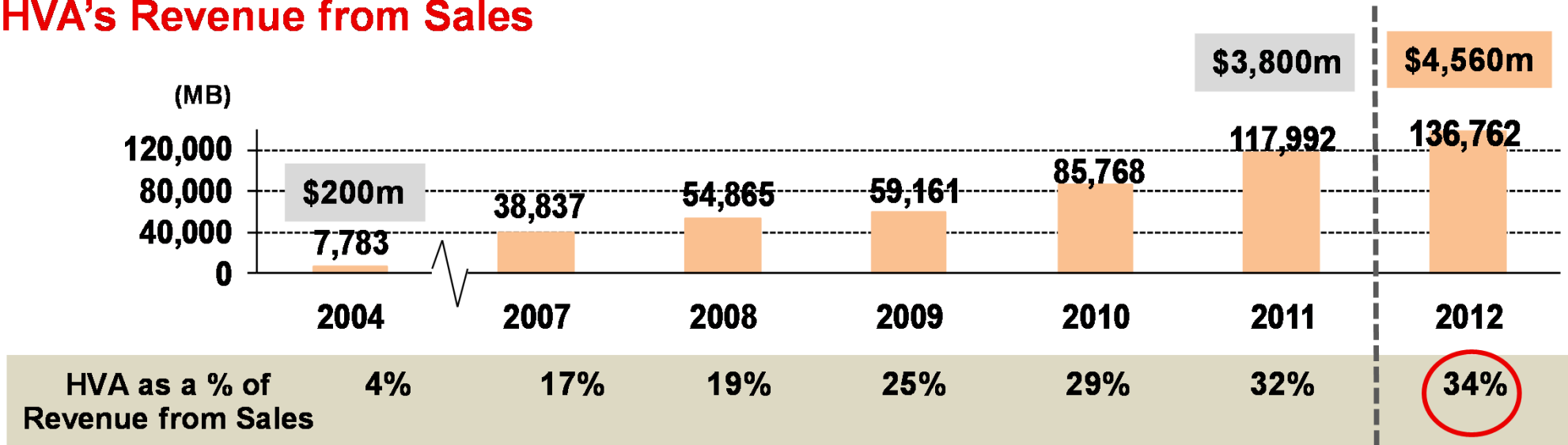
- 400,000 tons of Packaging Paper, start-up within 2014 *Oct/12 (6,700 MB)*
- Green field Machine Glazed Paper (43,000 tons), 45% JV with Nippon Paper Group. (HVA) *Jun/12 (2,200 MB)*
- Upgrade existing pulp facilities to produce dissolving grade pulp. (HVA) *July/12 (400 MB)*
- M&A of Tawana Container(box capacity of 61,000 tons). *Mar/12 (410 MB)*



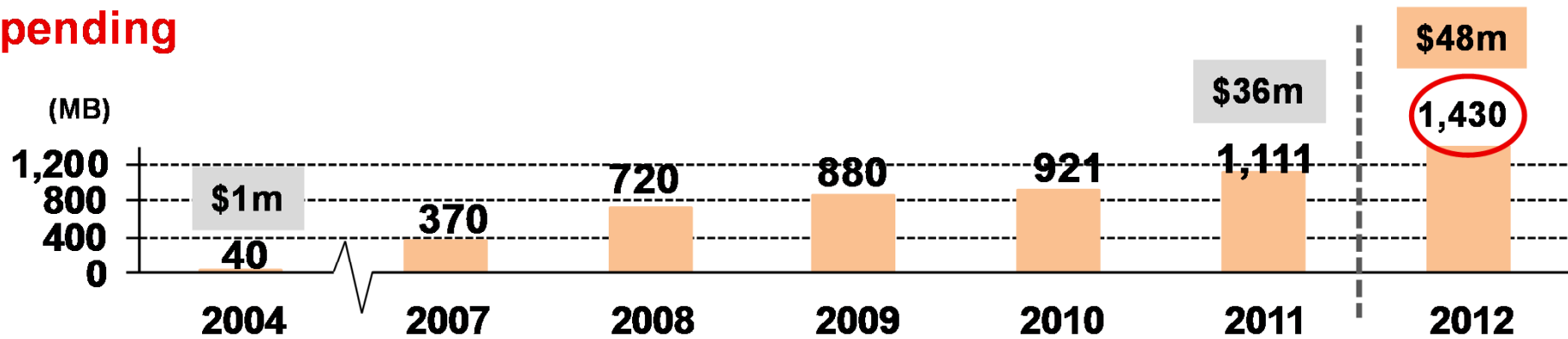
# HVA = High Value Added Products & Services

HVA on Sales target of 50% by 2015.

## 1. HVA's Revenue from Sales



## 2. R&D Spending



## 3. R&D and Product Design Team

(staffs / Dec /12)



364 (Ph.D. 9)



1,034 (Ph.D. 71)

*Acquisition of assets is just the first step...*



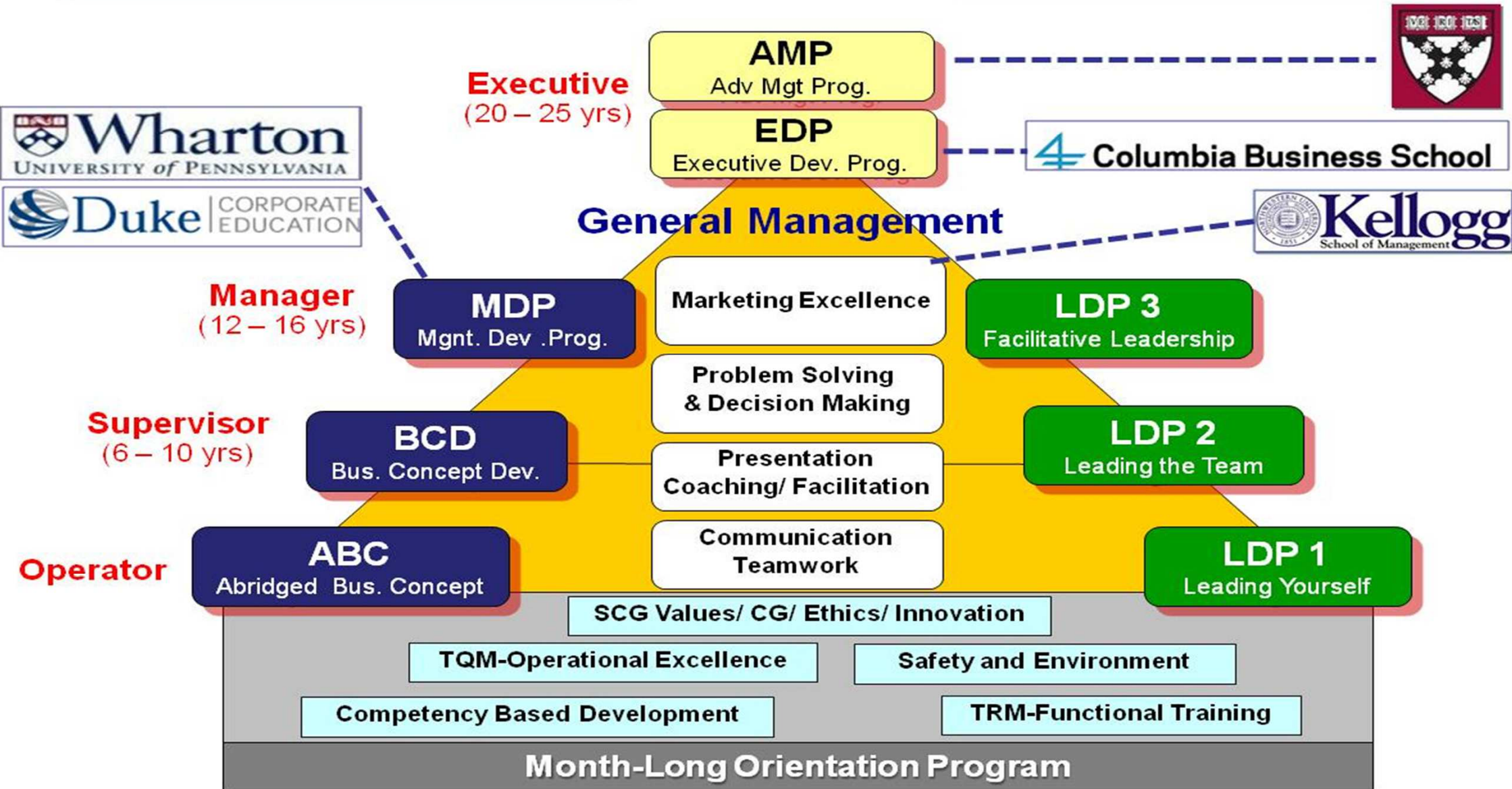
**Cross-cultural diversity**  
& to prepare and encourage  
Thai staffs to go overseas

**Local Staff Engagement**

**Local Community Concerns**

## Business Knowledge

## Leadership Skills



<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	177
<b>MDP</b> - Management Development Program	Wharton	1981	32	1,307
	Duke	2011	2	111
<b>Marketing Excellence</b> Program	Kellogg	2006	7	406



# Corporate scholarship program

Began in 1973, with 421 scholarships granted.

## MBA

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

## Engineering and Specialist

	'09	'10	'11	'12
<b>US</b>				
Alfred U.	-	-	-	1
Cal Tech	-	-	-	-
Carnegie Mellon	-	2	2	-
Clemson (SC)	-	-	1	-
Georgia Tech	3	1	-	-
Illinois	-	-	-	-
Michigan	1	-	-	-
MIT	1	-	-	-
North Carolina	-	-	-	-
Northwestern	-	-	1	-
NYU	-	-	1	-
Penn State	1	1	-	-
Portland State	-	-	-	-
Purdue	-	-	-	-
SouthernCalif	1	-	-	-
Stanford	-	-	-	-
Tennessee	-	-	1	-
Texas A&M				1
UC Berkeley	-	-	-	-
U Mass Lowell	1	-	-	-
USC	-	-	-	1
Washington	-	1	-	-
Wisconsin-Madison	1	-	-	-
W. Michigan	1	-	-	-

	'09	'10	'11	'12
<b>EU</b>				
Brunel U. (UK)	1	-	-	-
Cranfield (UK)	-	-	1	-
CU-Warwick	-	1	4	-
Imperial College	1	1	1	-
Loughborough U.	-	-	-	1
Oxford	1	-	-	-
Queen Mary (UK)	-	1	-	-
Queen's U. Belfast (UK)	-	1	-	-
RWTH Aachen	1	-	-	-
UEC, Birmingham (UK)	1	-	-	-
U. of London (UK)	-	1	-	-
U. Manchester (UK)	-	-	-	1
U. Of Southampton (UK)	-	1	-	-
U. Aberdeen (Scotland)	1	-	-	-
U. Dundee (Scotland)	1	-	-	-
IFP School (FR)	-	1	-	2
Domus Academy (GER)	1	-	-	-
Royal Institute of Tech (SWE)	-	-	1	-
<b>ASIA</b>				
AIT	-	1	-	-
Ceramics Tech. (JAP)	-	1	-	-
Japan Advanced Institute of Science and Technology	-	-	-	1
Tokyo Institute of Technology	-	-	-	1
Tokyo U.	-	-	-	-
UEC (JAP)	-	-	1	-
U. Tsukuba (JAP)	-	-	1	-
Waseda U. (JAP)	1	-	1	-
<b>Total</b>	<b>19</b>	<b>14</b>	<b>16</b>	<b>9</b>

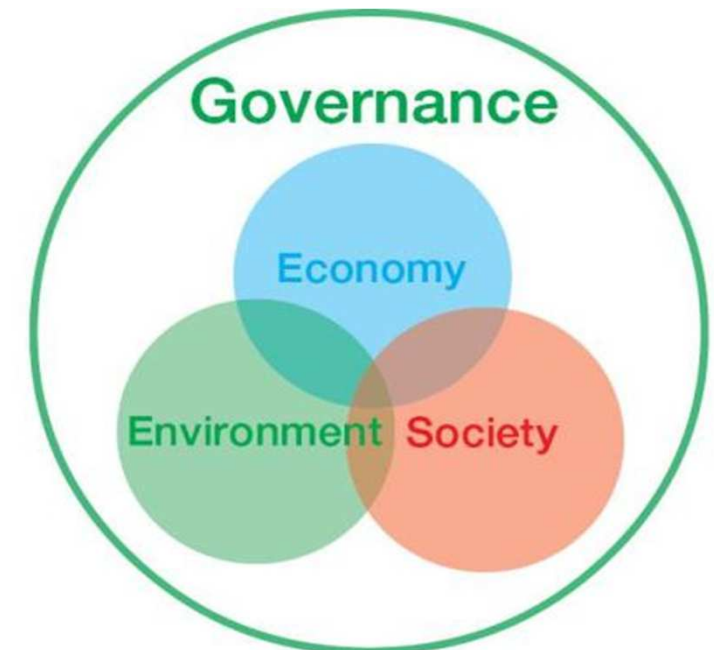
**Note:** 301 scholarships are active, others have mostly retired  
 Current 56 students (50 overseas): MBA 13, Engineering 36, Specialist 7

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

**“Global Sector Leader” for 2 consecutive years**

- 2012 & 2011** : **Global Sector Leader (Building Materials & Fixtures)**  
ranked by RobecoSAM, Switzerland
- 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 global index to monitor sustainability 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**

- The trough is behind us.
- PVC demand remains resilient.
- Challenging margins for PTA.

## **Cement - Building Materials**

- Domestic cement demand growing 5-10%.
- Demand growth from all sectors (residential, government, commercial).
- Provincial demand growth is strong.
- Growths from new homes and renovations.

## **Paper**

- Steady margins in the packaging chains.
- Volume recovery from the four month pulp plant shut down in 2012.

## 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

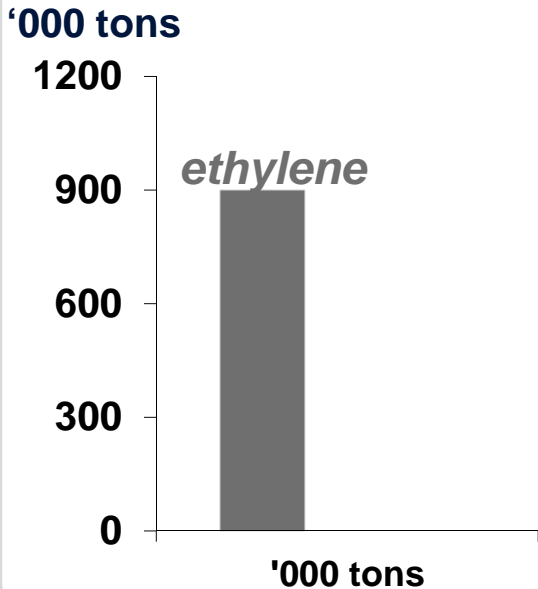
## Regional Player



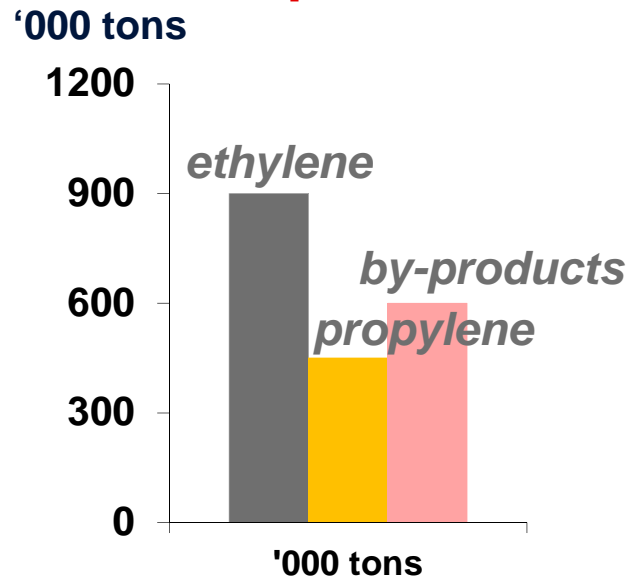
Investment in the propylene-rich cracker.

## Typical crackers

### Gas-based

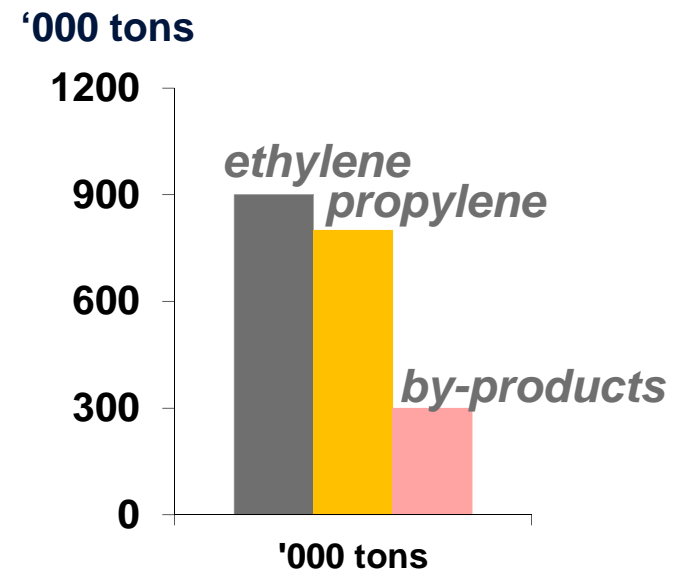


### Naphtha-based



## Propylene-rich cracker

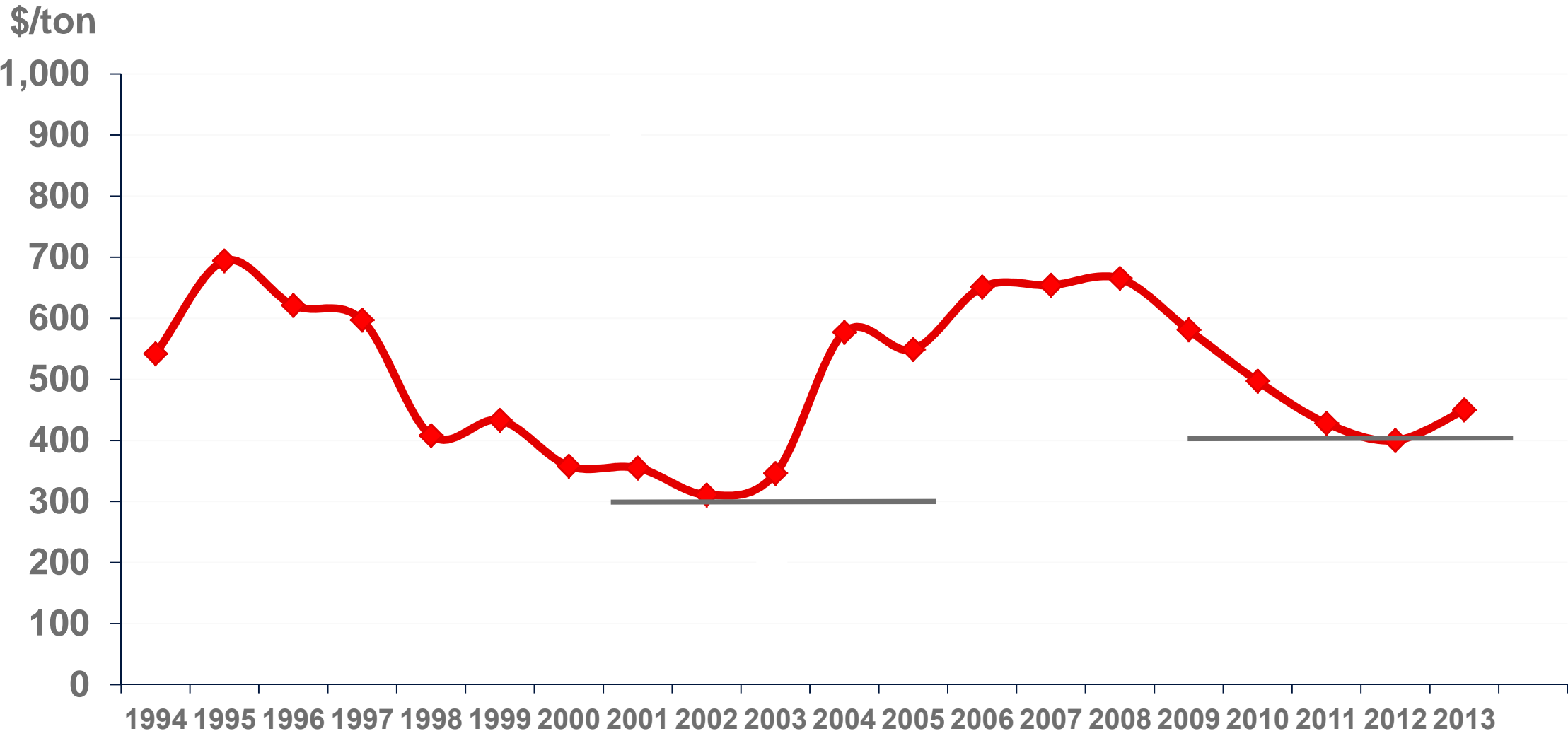
### Naphtha-based



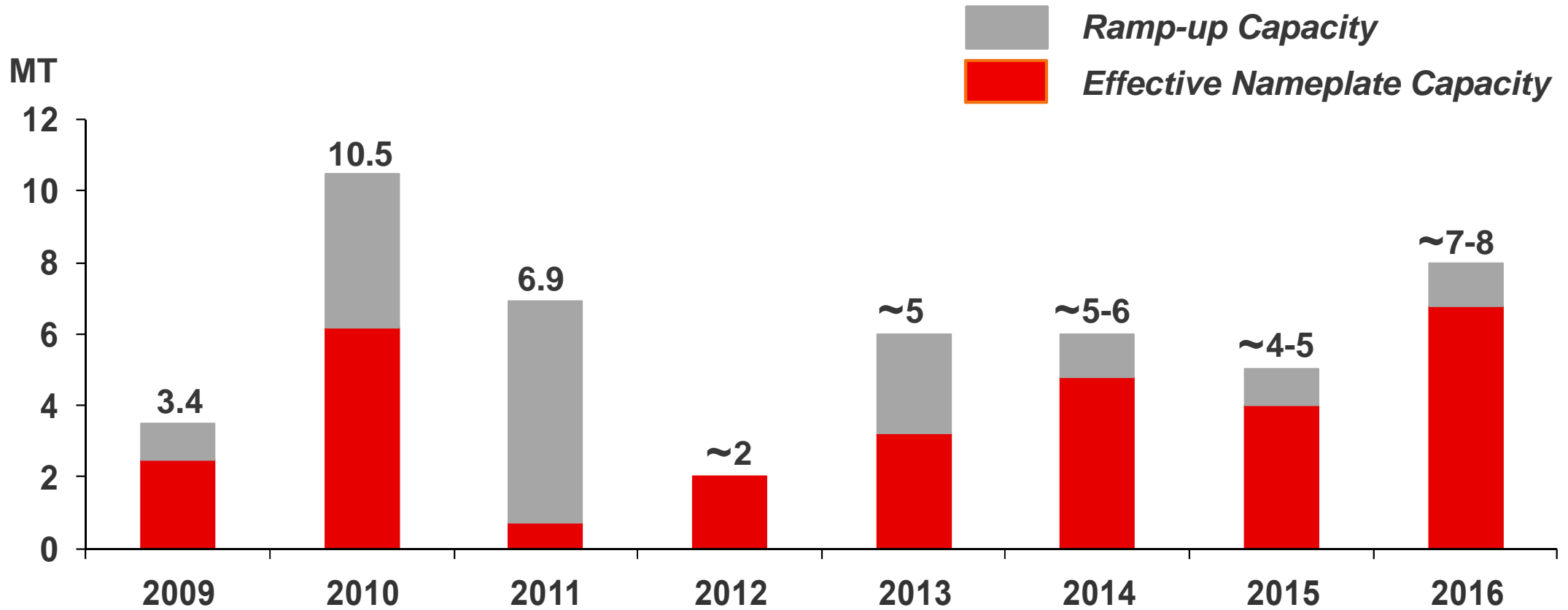
SCG's 1<sup>st</sup>  
cracker  
(1999)  
1.2 MT

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

# Historical margin: HDPE – Naphtha



# Global ethylene incremental supply growth



## Incremental supply growth:

3%

8%

5%

1%

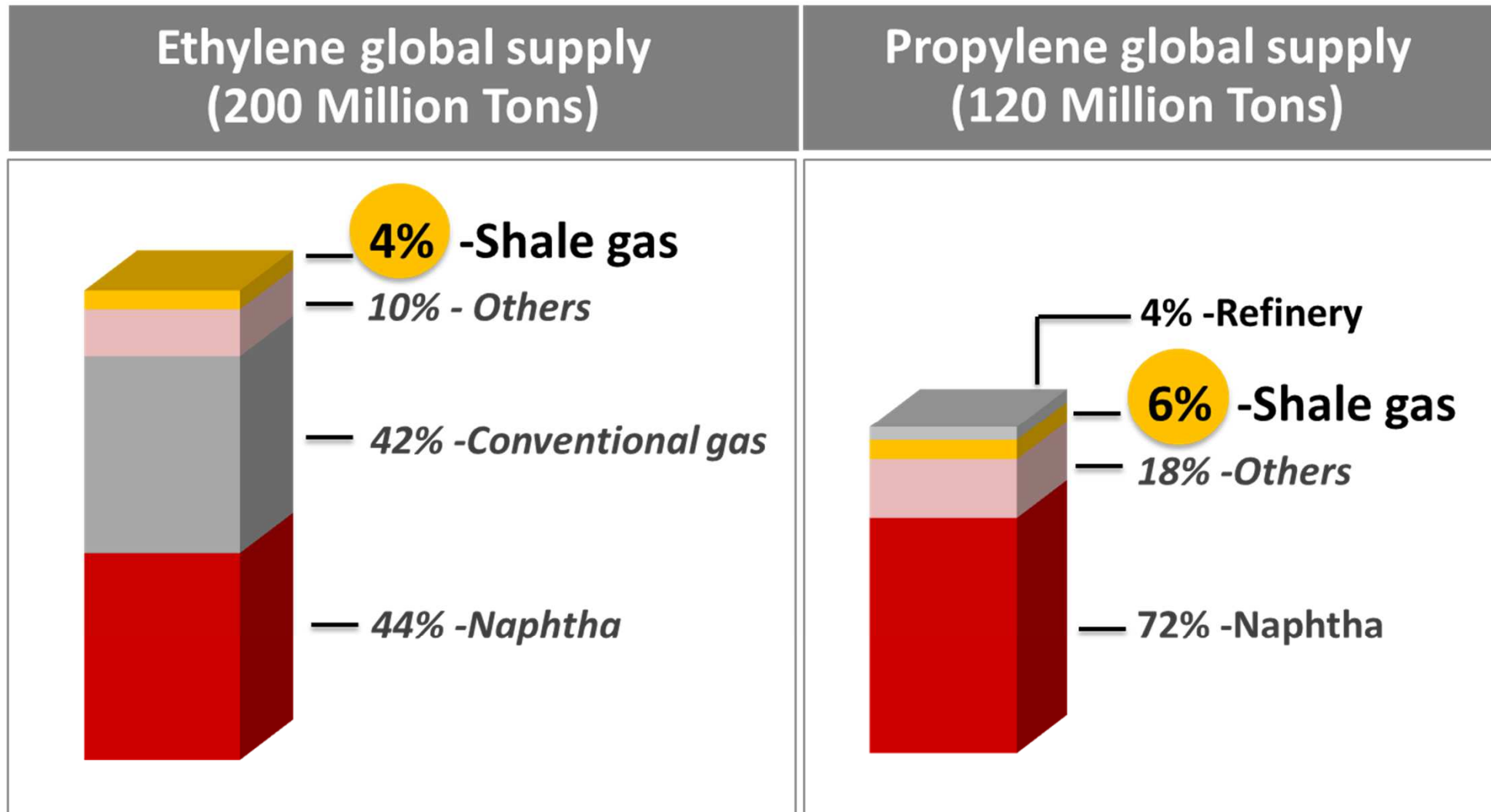
3%

3%

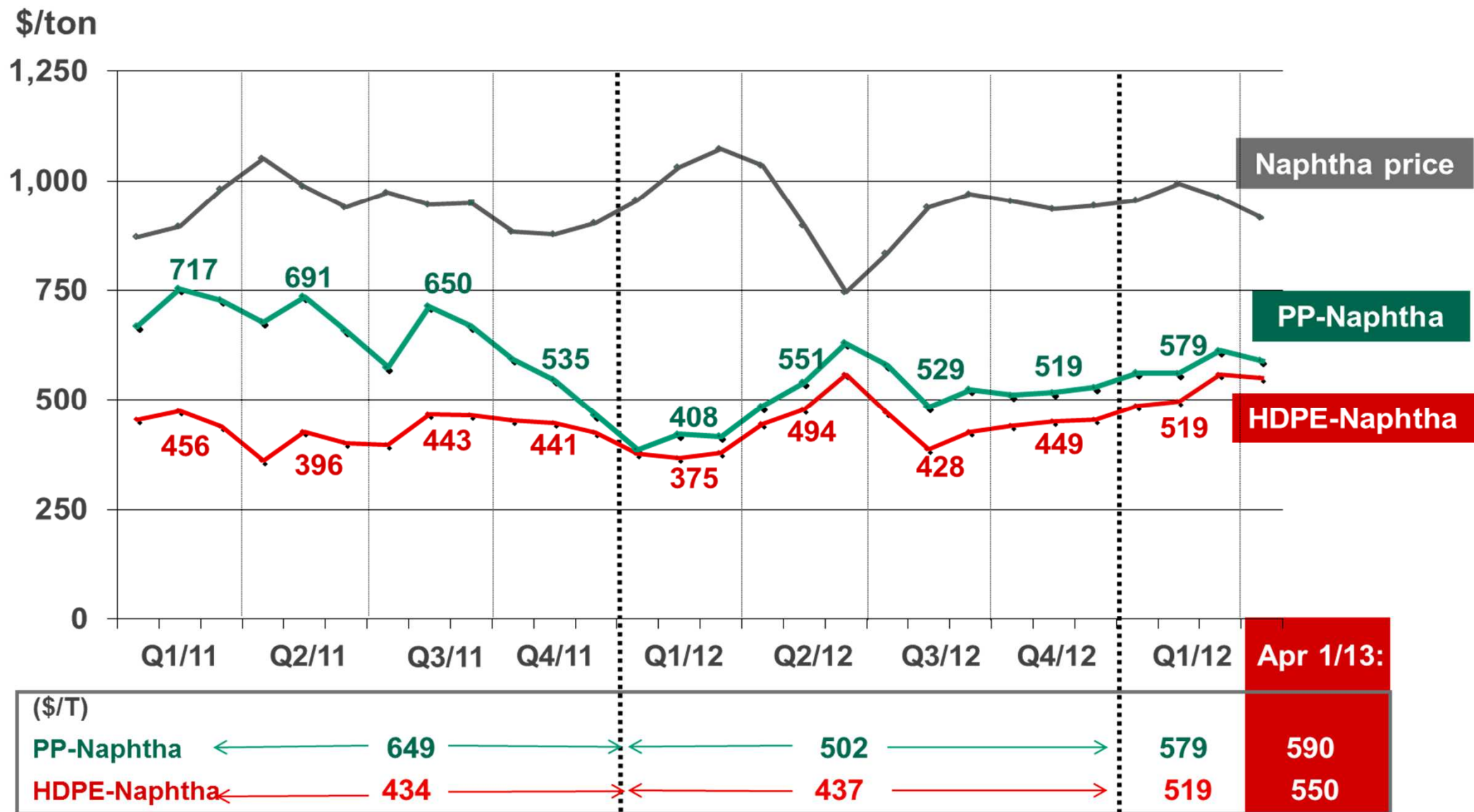
3%

4%

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



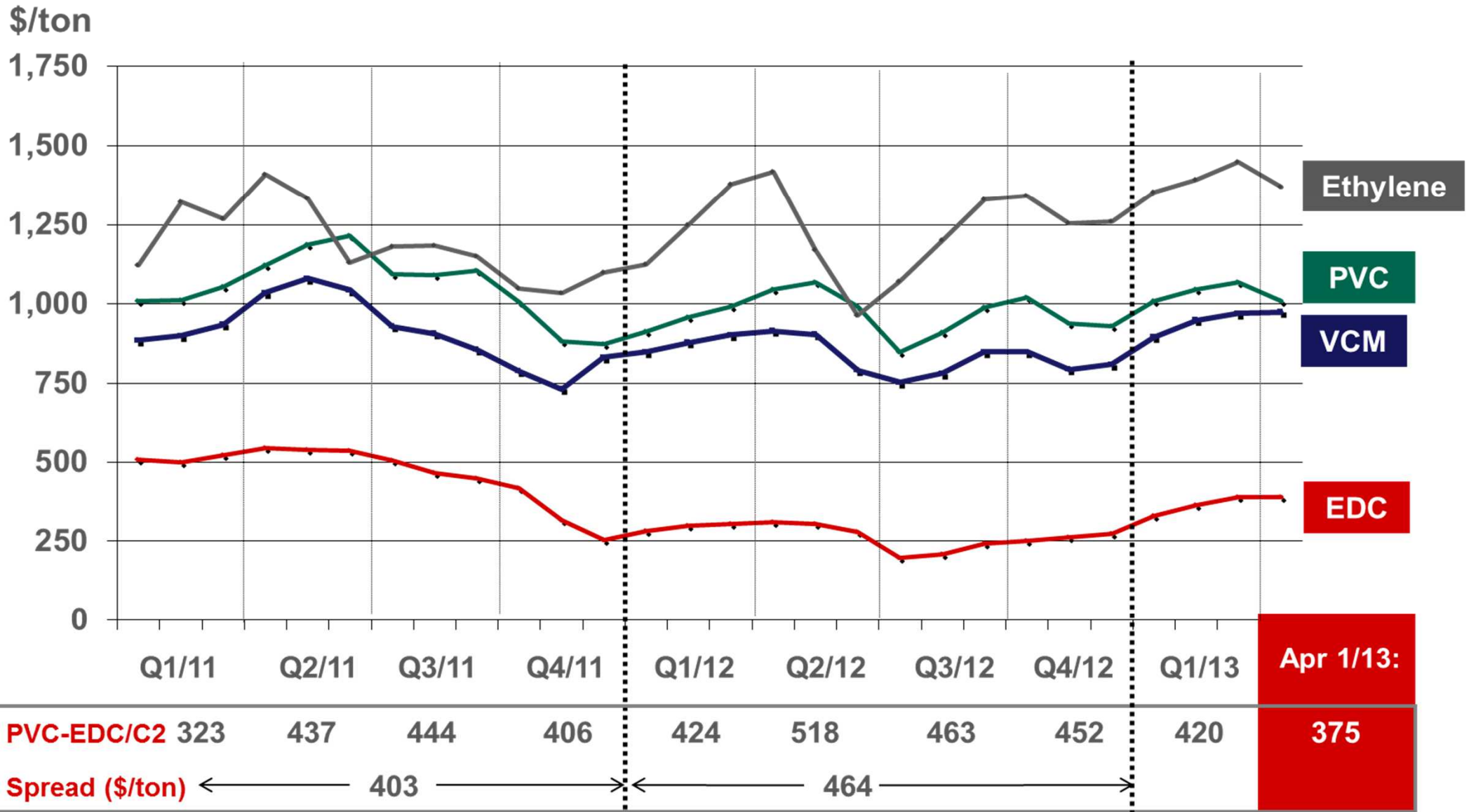
# HDPE and PP margins



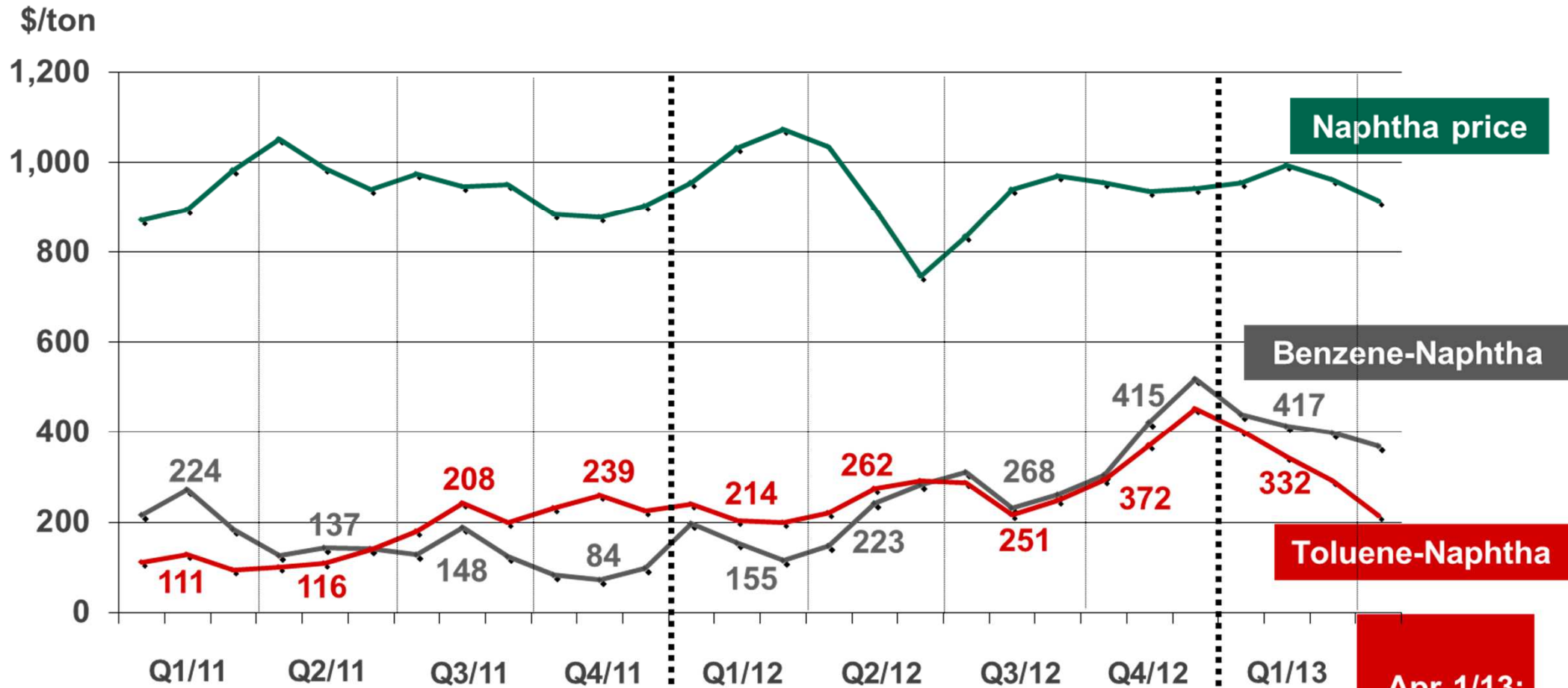
Conversion rate: 1 PE = 1 Ethylene, 1 PP = 1 Propylene

Note: SEA regional prices





# Benzene & Toluene



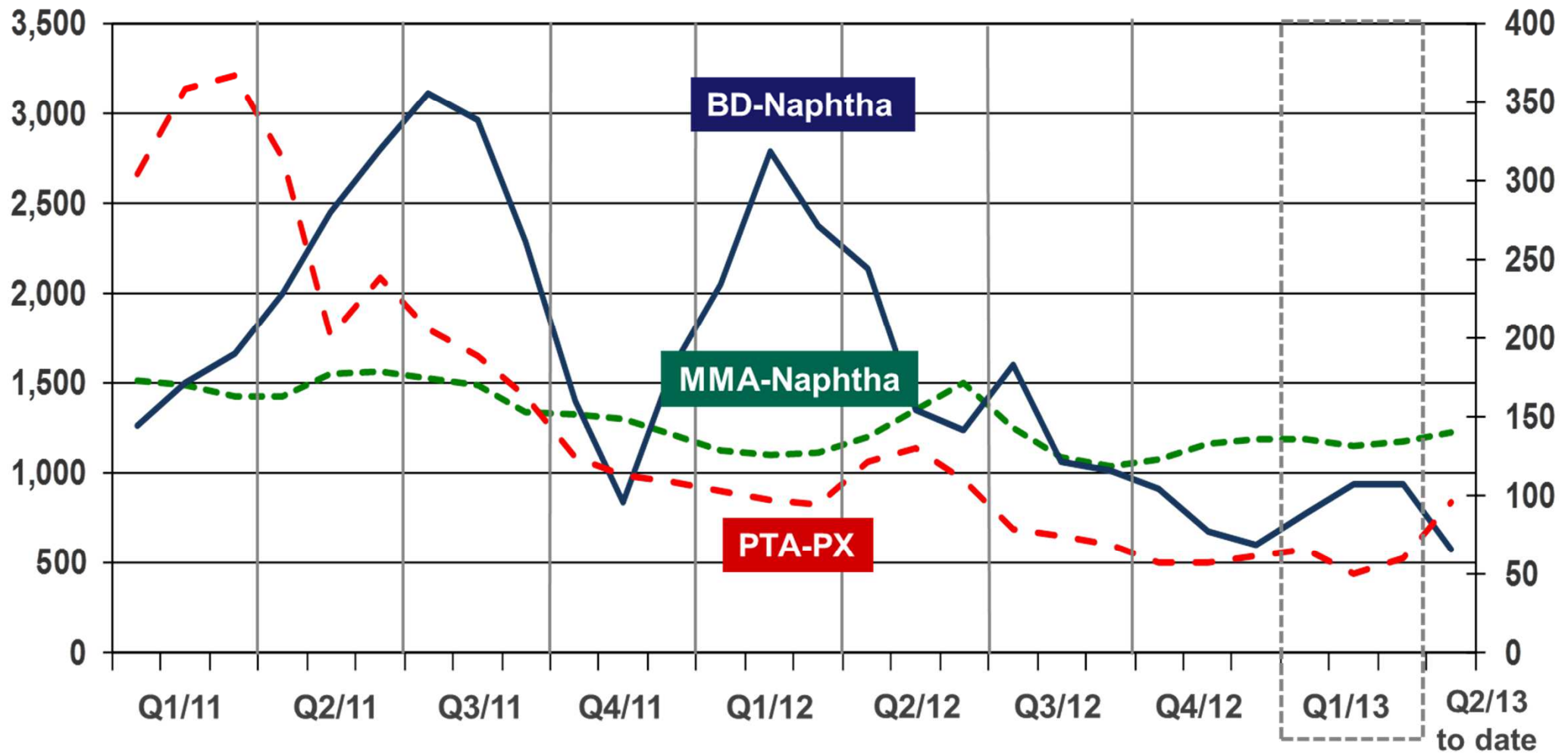
(\$/T)	Q1/11	Q2/11	Q3/11	Q4/11	Q1/12	Q2/12	Q3/12	Q4/12	Q1/13	Apr 1/13:
BZ-Spread(\$/ton)	148	137	148	84	155	223	268	415	417	368
TL Spread(\$/ton)	169	116	208	239	214	262	251	372	332	214

Note: SEA regional prices

# Price Gaps of Associates

BD-Naphtha \$/ton  
MMA-Naphtha \$/ton

PTA-PX \$/ton



# Cement plants are strategically located

Domestic market share of approx 40%.

North:

**SCG**

**2 MT**



Central:

**SCG**

**14 MT**

*Other players*

**33 MT**



South:

**SCG**

**7 MT**



**SCG's ASEAN capacity:**

23 MT Thailand

1 MT Cambodia

0.2 MT Vietnam

**In process:** *Indonesia*

*Cambodia*

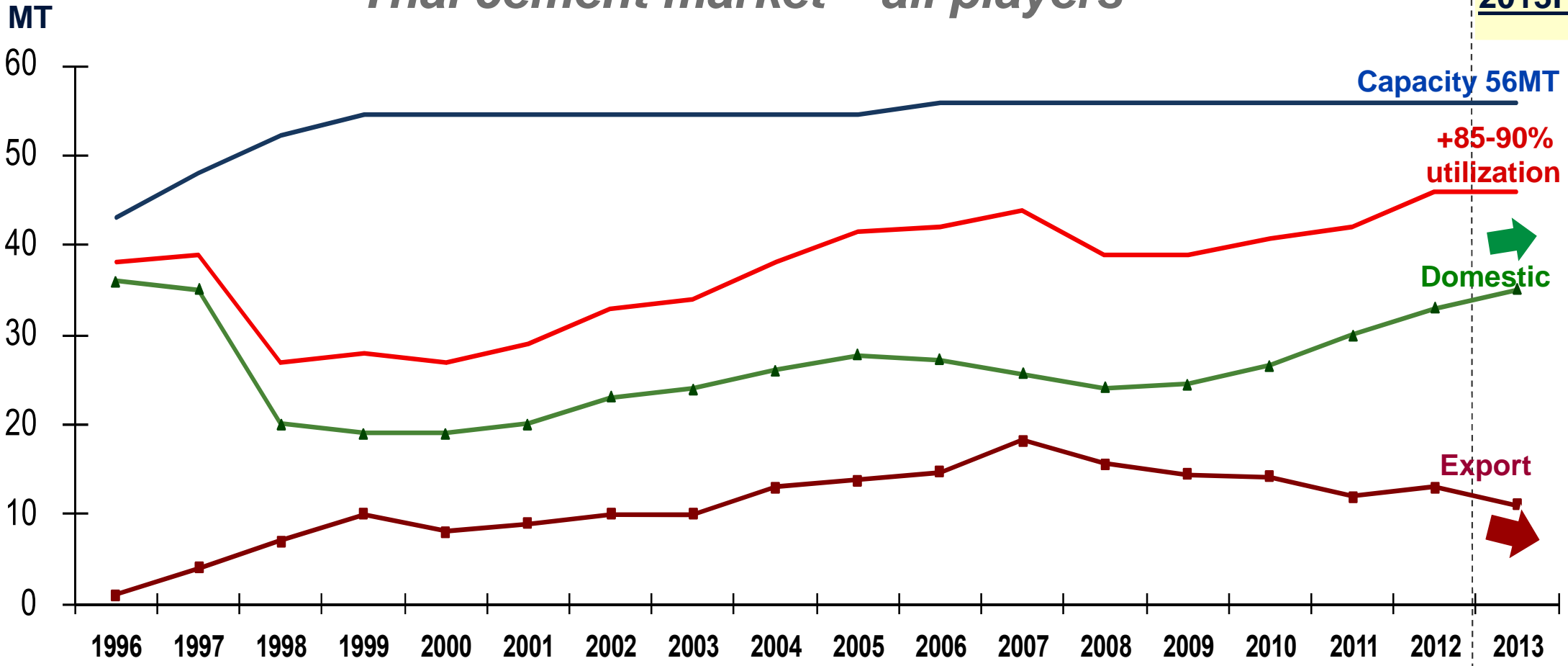
*Myanmar*

# Domestic cement industry

Forecasted 2013 domestic demand growth of 5-10%.

## Cement – Building Materials

### Thai cement market – all players



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

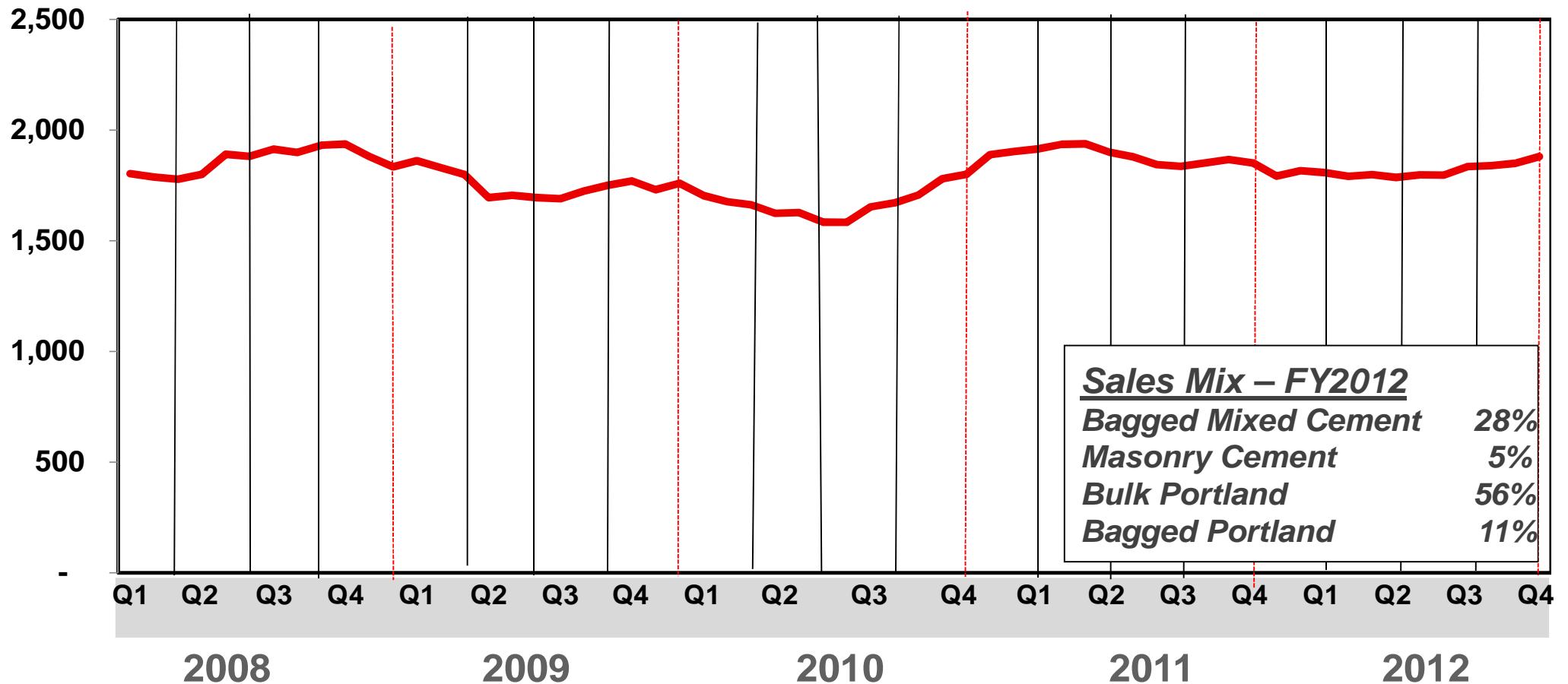
- 10% -45% 15% -8% -1% 23% 6% 11% 9% -2% -6% -6% 1% 10% 3% 12% **5-10%**

# Domestic grey cement prices

Ex-factory price of \$60/ton in Q4/12.

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

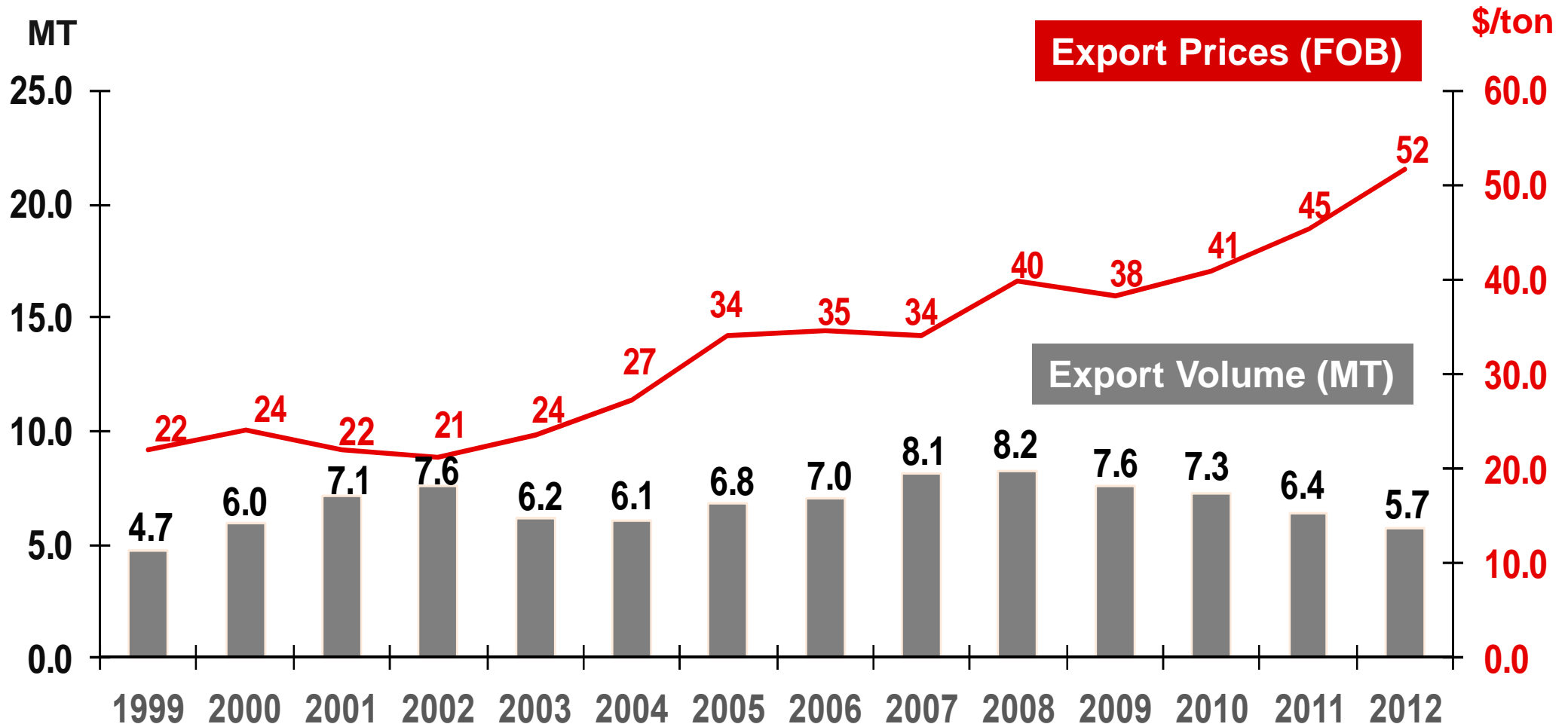
Baht/Ton



# Cement exports

Export prices are FOB.

## Cement – Building Materials

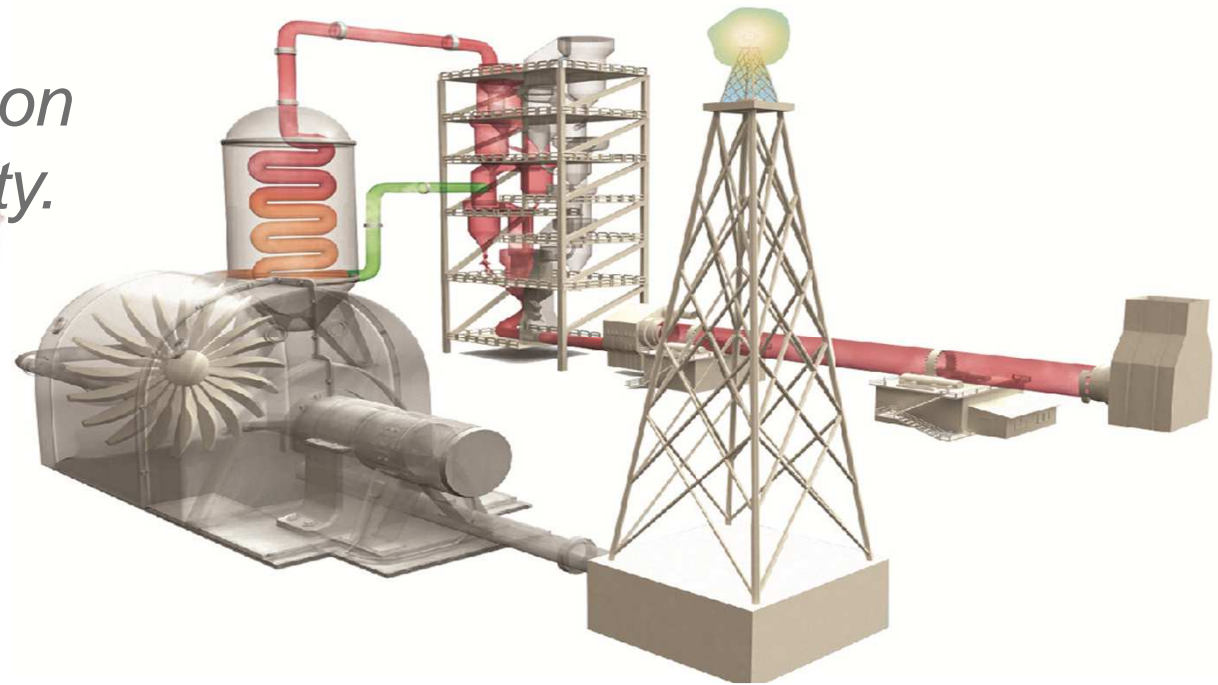




# Cement efficiency

Waste-heat power generators.

*Utilize heat from the production process to generate electricity.*



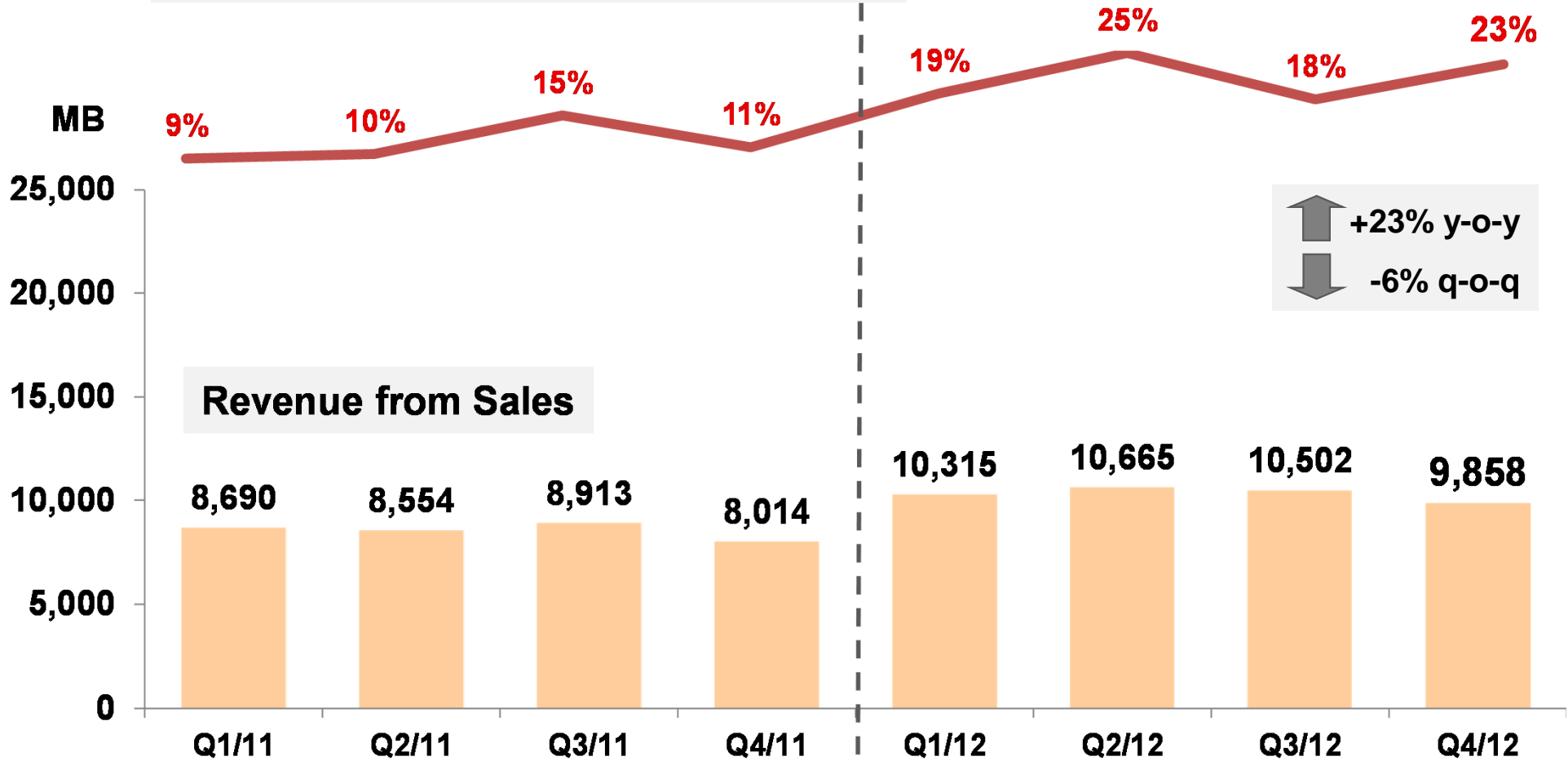
<b>Phase 1</b>	2,000 MB	Thailand	-started in Q1/08
<b>Phase 2</b>	350 MB	Cambodia	-started in Q2/09
<b>Phase 3</b>	3,400 MB	Thailand	-started in Q4/09
<b>total</b>	<u>5,750 MB</u>		

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

# Ceramic tiles' Revenue from Sales

Growths are from new residential, renovation, urbanization of Thailand and execution of M&A.

**Growth of Revenue from Sales (y-o-y)**



**Revenue from Sales**

Export Ratio:

10%

10%

9%

9%

9%

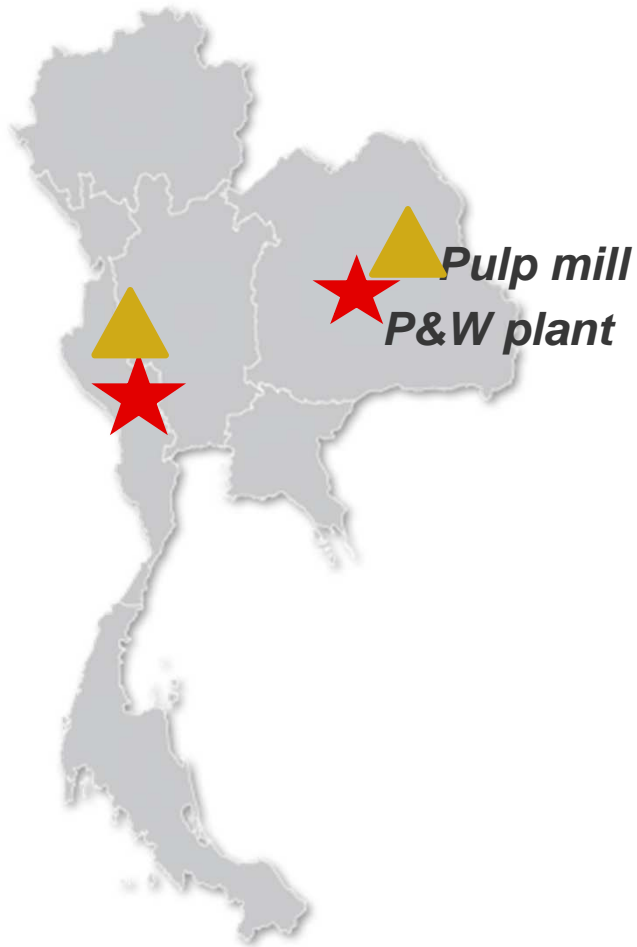
9%

9%

9%

### Fibrous chain

Short-fiber pulp: 430,000 tons  
P&W paper: 570,000 tons

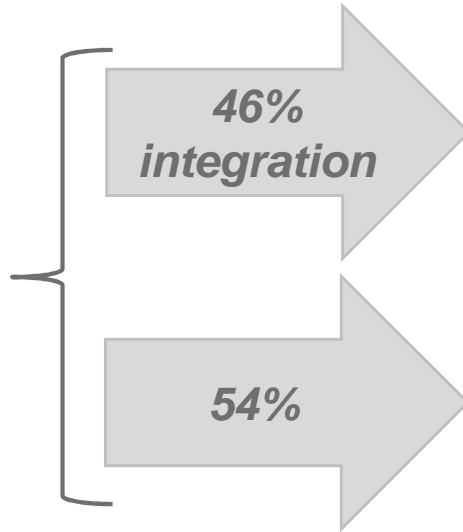


### Packaging chain

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



## Packaging chain



**Internal Sales**  
-Corrugated Box

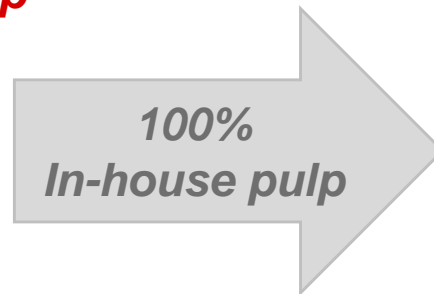


**External Sales**  
-Containerboard  
-Paperboard



## Fibrous chain

**Internal Eucalyptus Pulp**



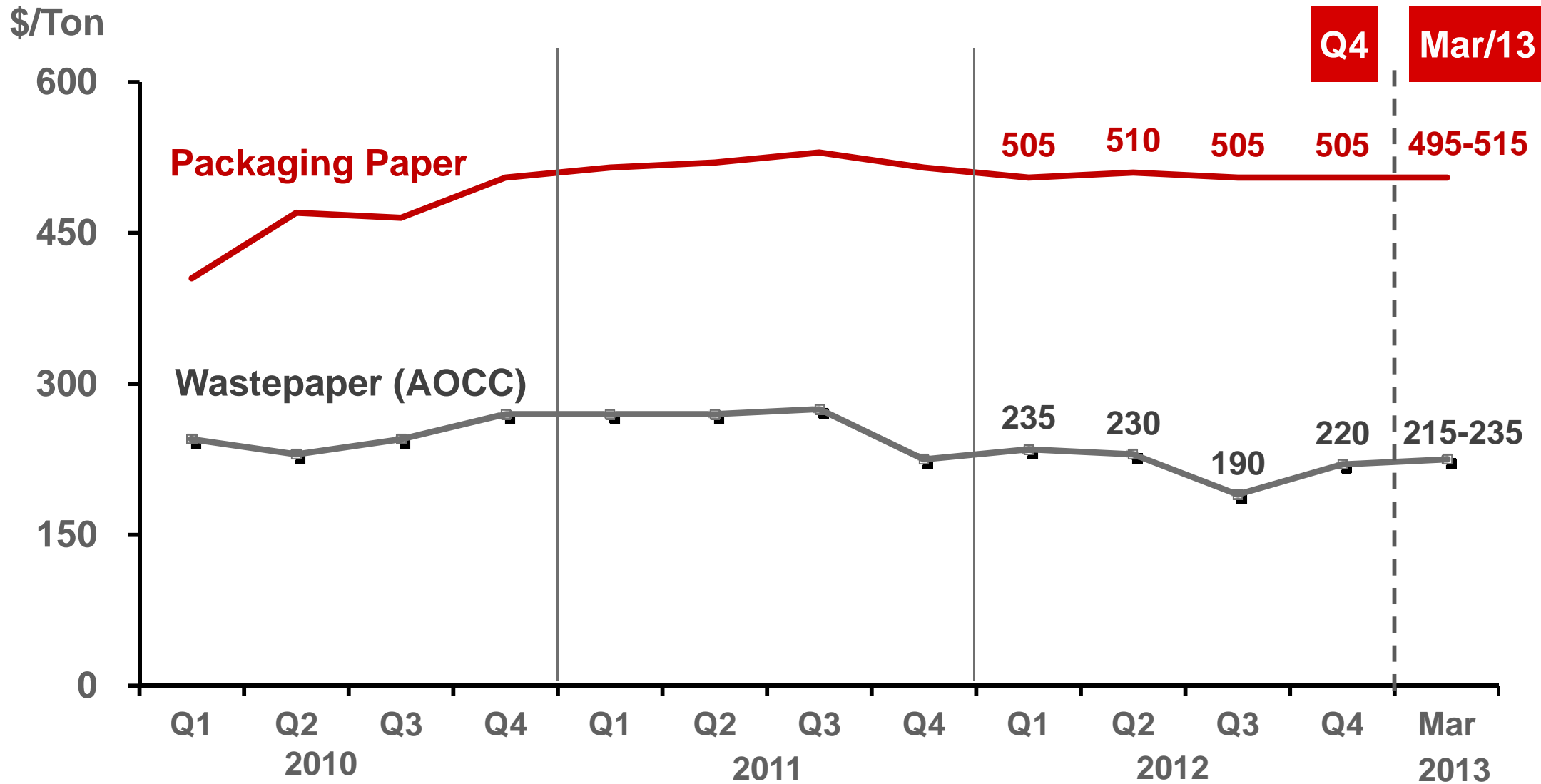
**P&W Paper**



**Dissolving Grade Pulp**

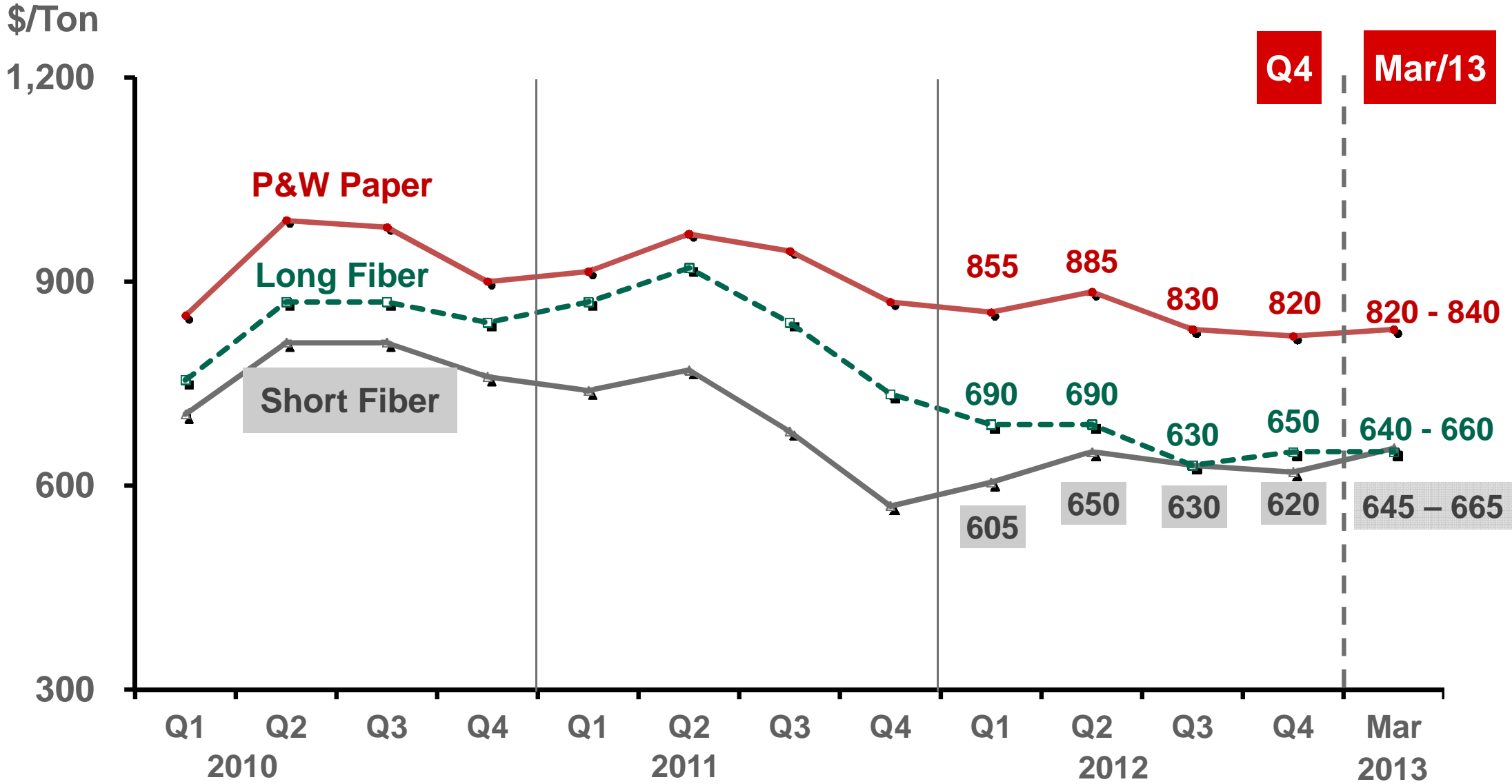


# Packaging chain



Note: regional prices

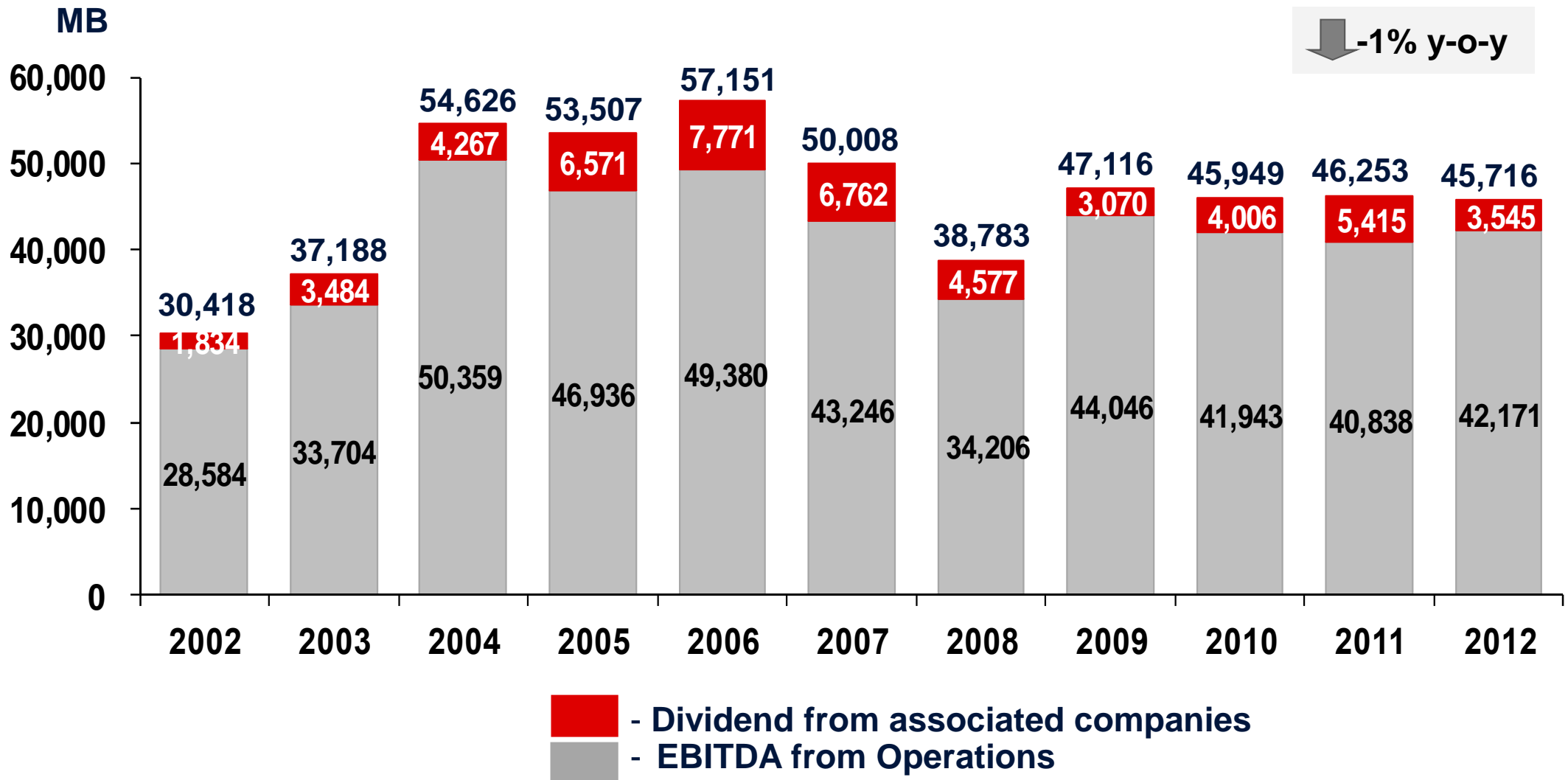
# Fibrous chain



*Note: regional prices*

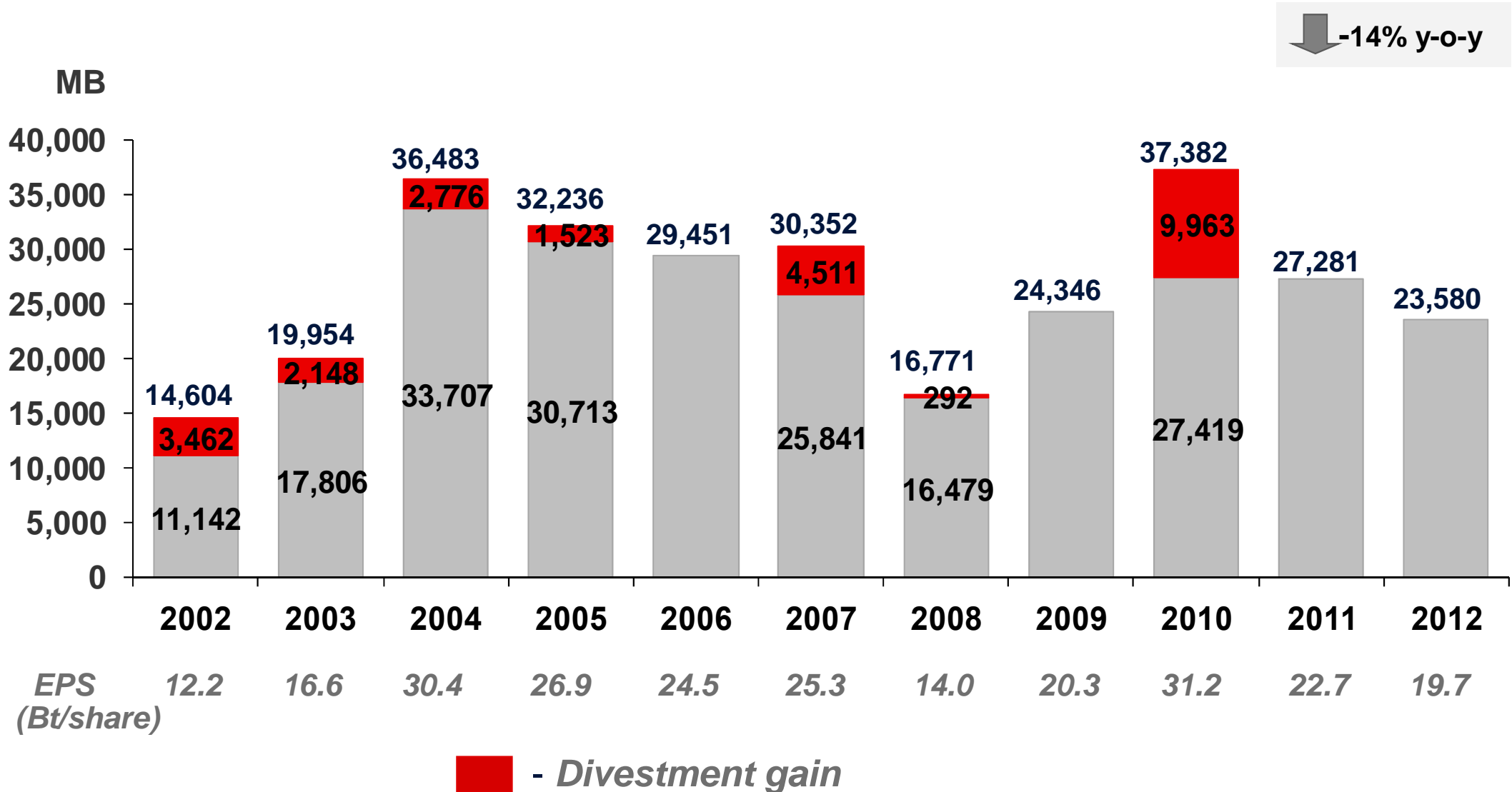
- *History*
- *Strategy*
- *Sustainability*
- *Business Updates*
- *Financials*
- *Appendix*



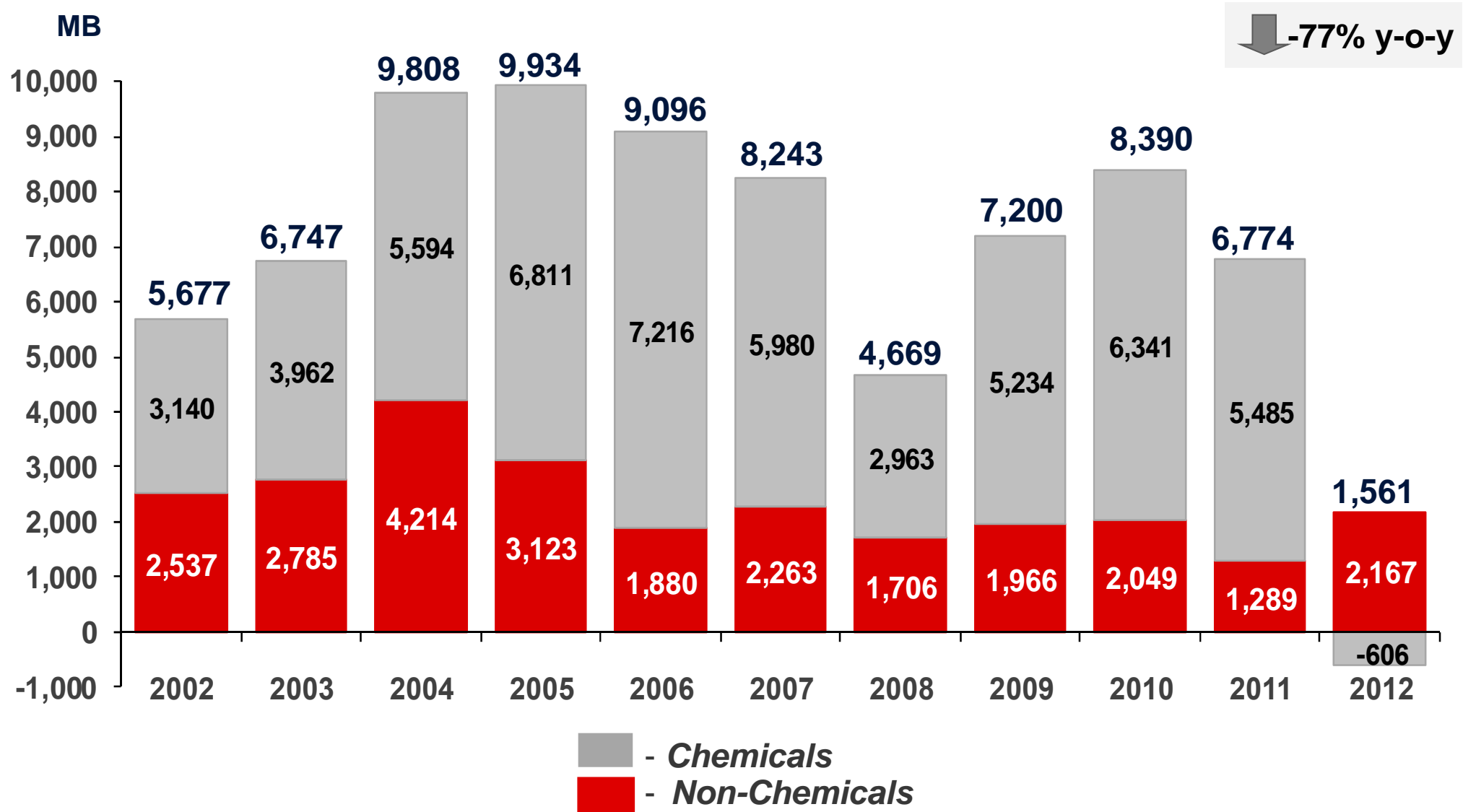


*Note: EBITDA includes dividend received*

# Profit for the period

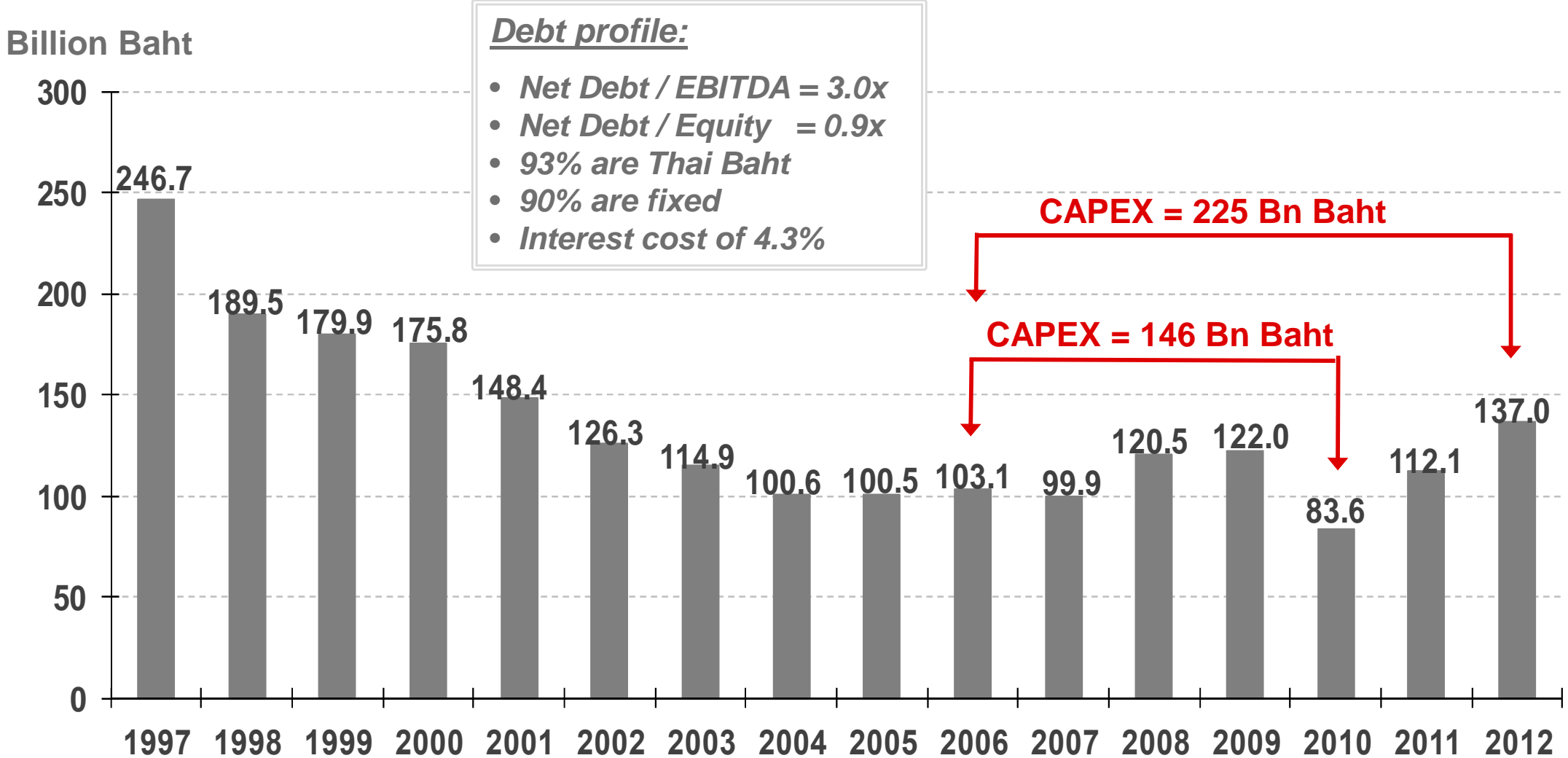


# Equity Income



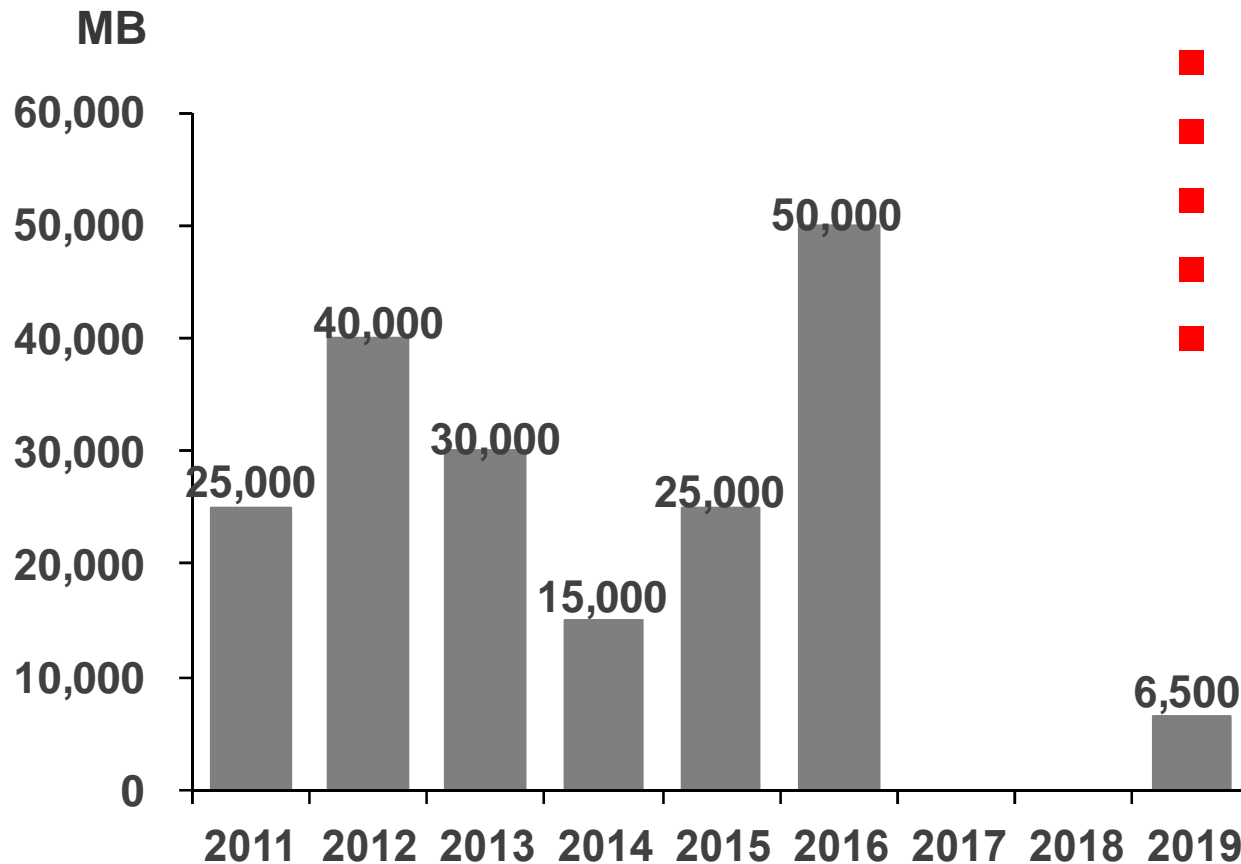
# Net debt

Includes cash-on-hand of 38,533 MB (\$1.3 Billion)



Year	Net Debt on EBITDA
1997	9.2
1998	7.7
1999	6.4
2000	5.8
2001	5.1
2002	4.1
2003	3.1
2004	1.8
2005	1.9
2006	1.8
2007	2.0
2008	3.1
2009	2.6
2010	1.8
2011	2.4
2012	3.0

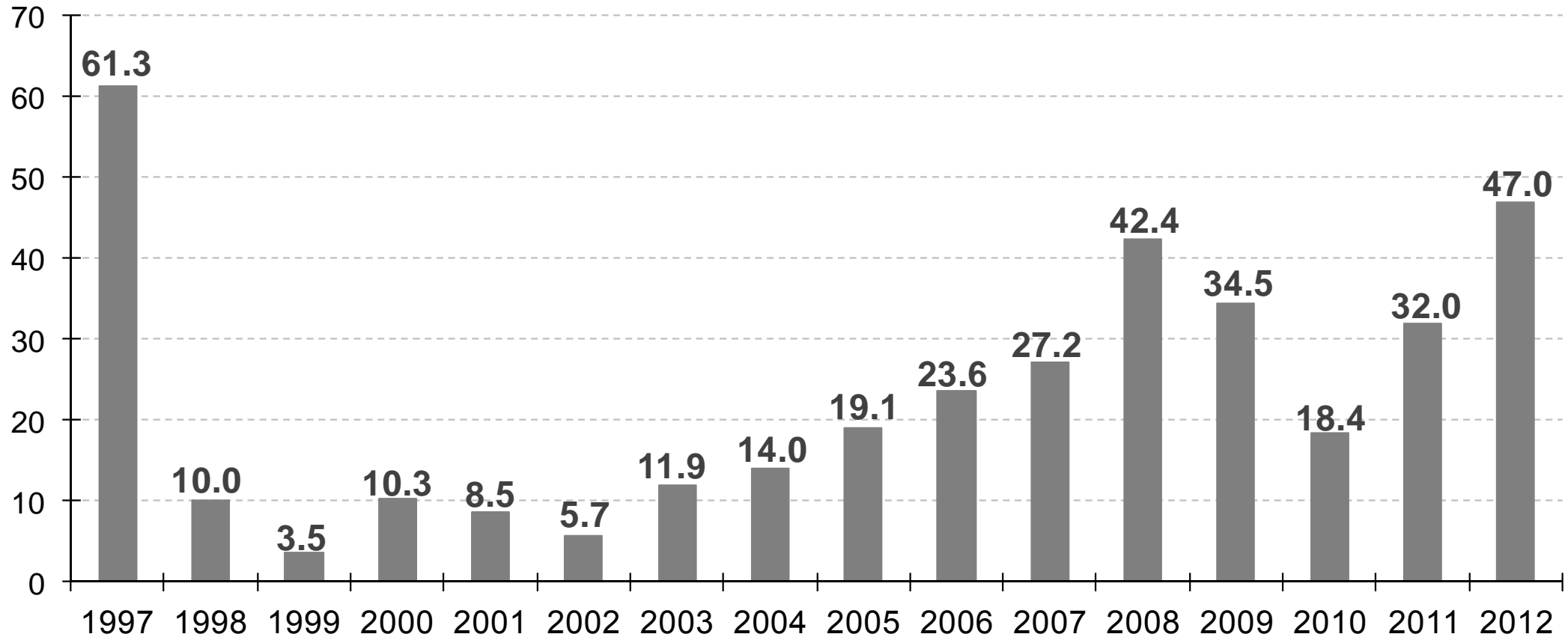
## *Debenture Maturity Table*



- *Mainly retail investors.*
- *Unsecured, unsubordinated.*
- *No debt covenant.*
- *Thai Baht, mainly 4 years fixed.*
- *“A” rating by Fitch.*

NOTE: Debentures amount to 126,500 MB, as of Dec/12.

## Billion Baht



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

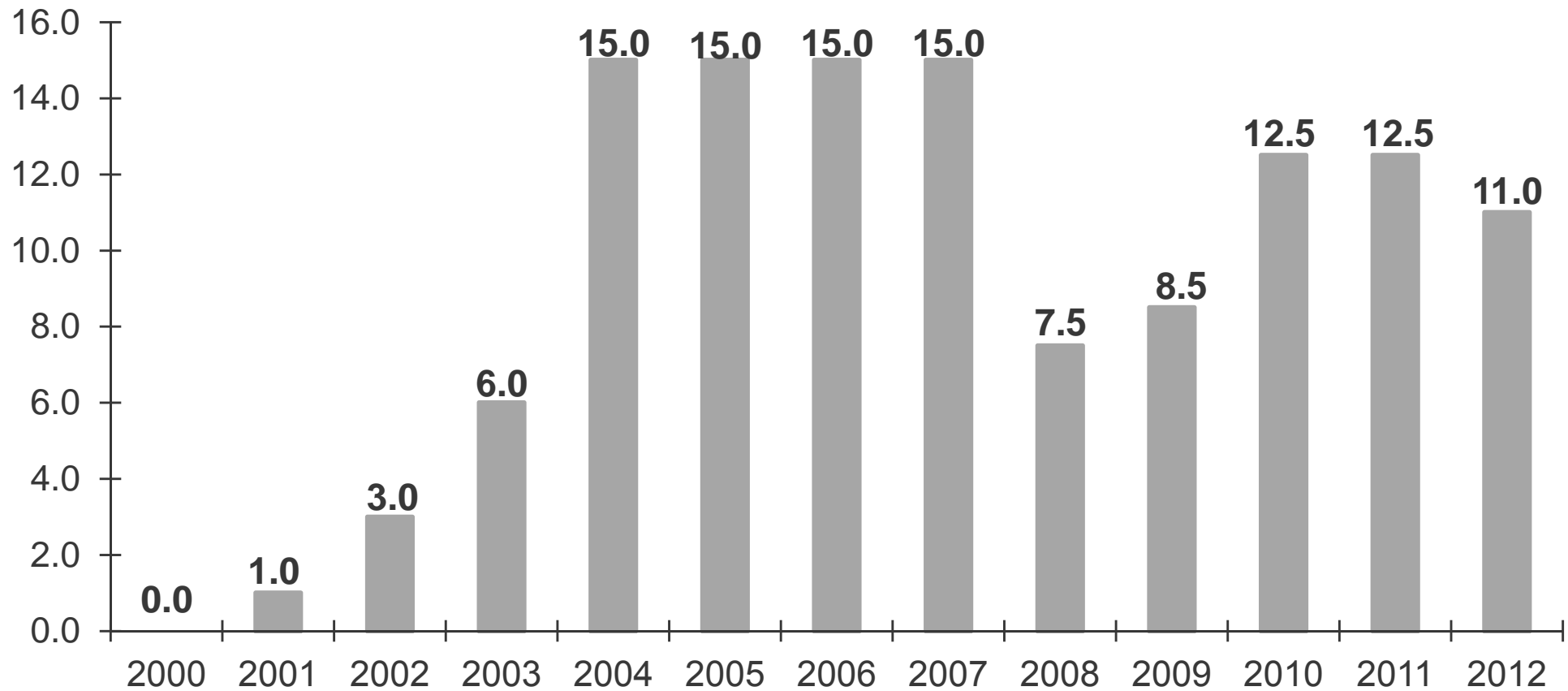
# Incremental capacity

Capacity at year end	Total Capacity									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	
<b>Chemicals Upstream (Cracker) - ('000 tons)</b>										
Ethylene (subsidiary)	800	800	800	1,700	1,700	1,700	1,700	1,700	1,700	1,700
Propylene (subsidiary)	400	400	400	1,200	1,200	1,200	1,200	1,200	1,200	1,200
<b>Chandra Asri (30% stake)</b>										
Ethylene	-	-	-	-	600	600	600	600++	600++	
Propylene	-	-	-	-	320	320	320	320++	320++	
<b>Chemicals Downstream - ('000 tons)</b>										
HDPE (subsidiary)	780	780	780	1,180	1,180	1,180	1,180	1,180	1,180	
PP (subsidiary)	320	320	320	720	720	720	720	720	720	
PVC (90% stake in TPC)	858	828	766	886	886	886	886	886	886	
<b>Chemicals Downstream (JV) - ('000 tons)</b>										
LLDPE (Dow JV)	300	300	300	650	650	650	650	650	650	
Specialty Elastomers (Dow JV)	-	-	-	-	220	220	220	220	220	
Propylene Oxide (Dow JV)	-	-	-	-	390	390	390	390	390	
LLDPE cast sheet film (Mitsui Tohcello JV)	-	-	-	-	-	-	-	15	15	
MMA (Mitsubishi Rayon JV)	85	85	85	175	175	175	175	175	175	
Cast Sheets (Mitsubishi Rayon JV)	-	-	20	20	20	20	20	20	20	
HDPE / LLDPE (CAP JV)	-	-	-	-	320	320	320	320	320	
PP (CAP JV)	-	-	-	-	480	480	480	480	480	
SM (CAP JV)	-	-	-	-	340	340	340	340	340	

Capacity at year end	Total Capacity									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	
<b>Paper - ('000 tons)</b>										
Printing & Writing Paper	365	570	565	565	565	565	565	565	565	
Packaging Paper	1,660	1,660	1,880	1,880	1,880	1,880	1,880	1,880	2,280	2,280
Box	550	637	692	741	795	856	856	856	856	
Machine Glazed Paper (Nippon Paper JV)	-	-	-	-	-	43	43	43	43	
<b>Cement - (MT)</b>										
Grey Cement (Camb, Indo)	23	24	24	24	24	24	24	24	27	
White Cement (Thai, Viet)	0.2	0.2	0.2	0.2	0.2	0.4	0.4	0.4	0.4	
Mortar	0.9	1.3	1.3	1.3	2.1	2.1	2.1	3.1	3.1	
<b>Building Products - (M sqm)</b>										
Ceramic Tiles	95	122	122	122	149	149	225	225	225	
Ceiling & Wall product	34	50	57	57	65	65	65	65	65	
Lightweight concrete	3	3	3	15	15	15	15	21	21	
Modular Home (Sekisui Heim JV)	-	-	-	200	200	200	1,000	1,000	1,000	



## Baht / Share



% of Net Profit	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
	0%	16%	25%	36%	49%	56%	61%	59%	54%	42%	40%	55%	56%

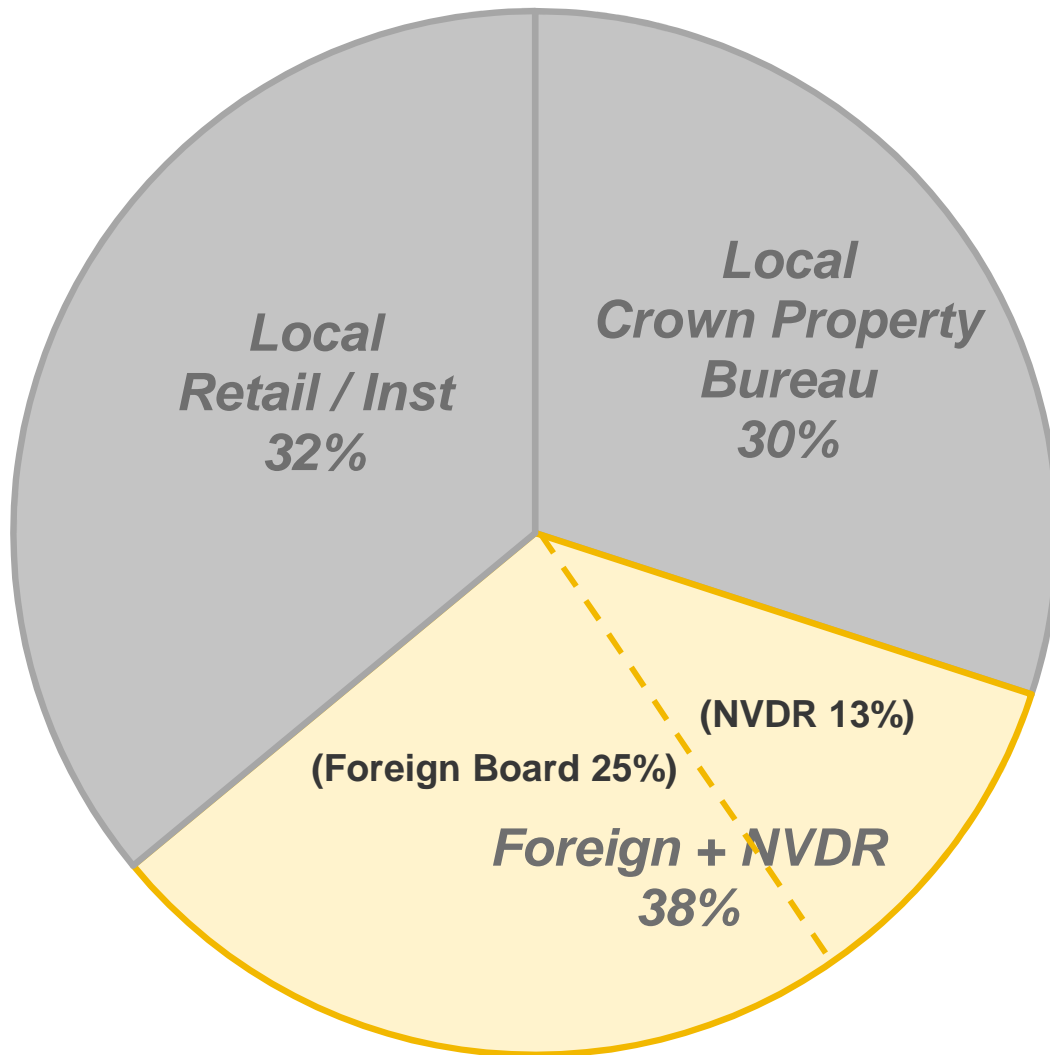
- *Strategy*
- *Sustainability*
- *Business Updates*
- *Financials*
- *Appendix*

# Company background

...ASEAN Sustainable Business Leader...



- *Founded in 1913.*
- *Listed in 1975 on the SET.*
- *Market cap of \$19.6 Billion (480 Bt/sh)*
- *Free float of 70%.*
- *38,851 staffs.*
- *Assets of 386 Billion Baht (\$12.9 Billion)*
  
- *Key figures (FY2012):*
  - *Net Sales 407.6 Billion Baht (\$13.6 Billion)*
  - *EBITDA 45.7 Billion Baht (\$ 1.5 Billion)*
  - *Net Profit 23.5 Billion Baht (\$ 0.8 Billion)*



## Local 62%

- Institution / Retail 32%
- Crown Property Bureau 30%

## Foreign 38%

- Foreign Board 25%
- NVDR 13%

Feb/13

## Live 4 Core Values

- Adherence to **Fairness**
- Dedication to **Excellence**
- Believe in the **Value of the Individual**
- Concern for **Social Responsibility**



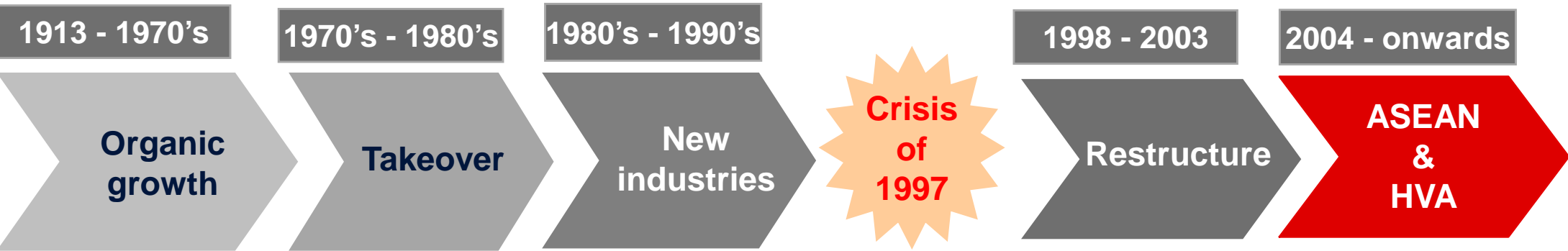
## Open & Challenge

### Open:

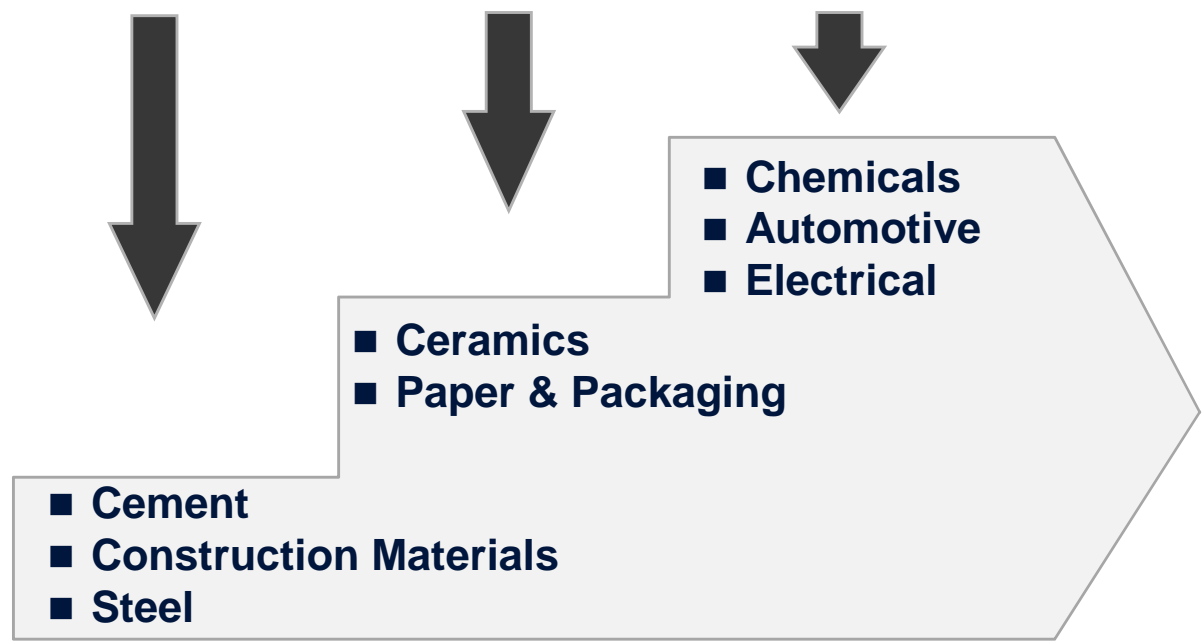
- Open-minded & Deep Listening
- Eager to learn
- Networking & Collaboration
- Learning from mistakes

### Challenge:

- Challenge status quo
- Think-out-of the box
- Assertive
- Risk taking
- Willing to take initiatives



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



## *Today.....*

- *Chemicals*
- *Cement – Building Materials*
- *Paper*
- *Investment*

# SCG Investment

Contribution in FY2012 was approx 1,670 MB in equity income, and another 4,145 MB from dividend income.

## SCG Investment

### Agricultural business

Siam Kubota Corp (40%)

Siam Kubota Leasing

Siam Kubota Metal Tech

### Automotive business

Aisin Takaoka Group (30%)

Michelin Siam Group (10%)

Musashi Auto Parts (21%)

Siam Lemmerz (30%)

Siam Toyota Manufacturing (4%)

Toyota Motor Thailand (10%)

### Others

Siam Yamato Steel (10%)



# ASEAN segments

ASEAN is an increasing part of SCG.

## ASEAN as a % of SCG consolidated

	2006	2007	2008	2009	2010	2011	2012
<b>Sales from ASEAN Operations</b> %	3%	5%	5%	7%	7%	7%	<b>8%</b>
MB	7,700	13,400	14,600	16,700	19,000	22,500	<b>31,200</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>55,300</b>
<b>HR*</b> %	5%	10%	11%	11%	12%	19%	<b>26%</b>
Staff	1,180	2,628	2,974	3,225	3,777	6,519	<b>10,037</b>

\* Including SCG's international staff (Thai)

Note: as of Dec/12

## Chemicals - Naphtha Cracker (consolidated)

Ethylene	1,700,000 tons
Propylene	1,200,000 tons

## Chemicals - Downstream (consolidated)

HDPE	1,180,000 tons
LDPE + LLDPE	200,000 tons
PP	720,000 tons
PVC (Thai, Indo, Viet)	886,000 tons

## Cement - Building Materials (consolidated)

Grey Cement (Thai, Camb)	24 million tons
Ready-Mixed Concrete (Thai, Camb, Myan, Indo, Laos, Viet)	550 batching plants
White Cement (Thai, Viet)	0.4 million tons
Ceramic Tiles (Thai, Indo, Phil, Viet)	225 M sqm
Roofing Tiles (Thai, Camb, Phil, Viet)	87 M sqm
Ceiling & Wall Products	65 M sqm
Autoclaved Lightweight Concrete	15 M sqm

## Paper (consolidated)

Packaging Paper (Thai, Phil, Viet)	1.88 million tons
Box (Thai, Malay, Sing, Viet)	795,000 tons
Printing & Writing Paper	570,000 tons
Short Fibre Pulp	430,000 tons

## Chemicals - Associates (equity accounting)

### Dow Chemicals JV (50%)

- LLDPE	650,000 tons
- Propylene Oxide	390,000 tons
- Specialty Elastomer	220,000 tons
- PS	120,000 tons
- SM	300,000 tons
- Synthetic Latex	18,000 tons

### Mitsui Chemicals JV (20% - 50%)

- PTA (50%)	1,440,000 tons
- PET (20%)	100,000 tons
- PP Compound (46%)	86,000 tons
- LLDPE Cast Film (45%)	15,000 tons

### Mitsubishi Rayon JV (47%)

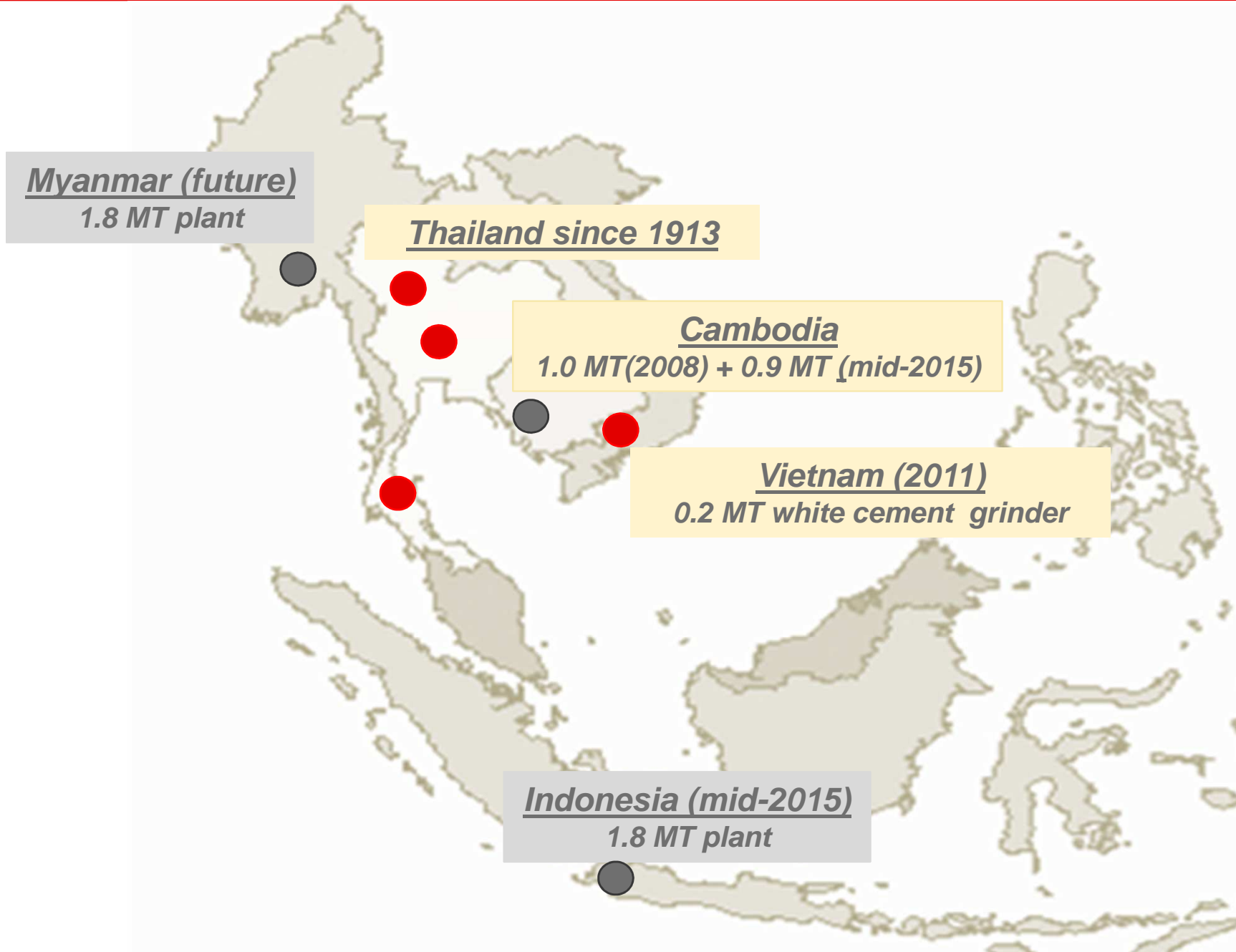
- MMA	175,000 tons
- Cast Sheets	20,000 tons

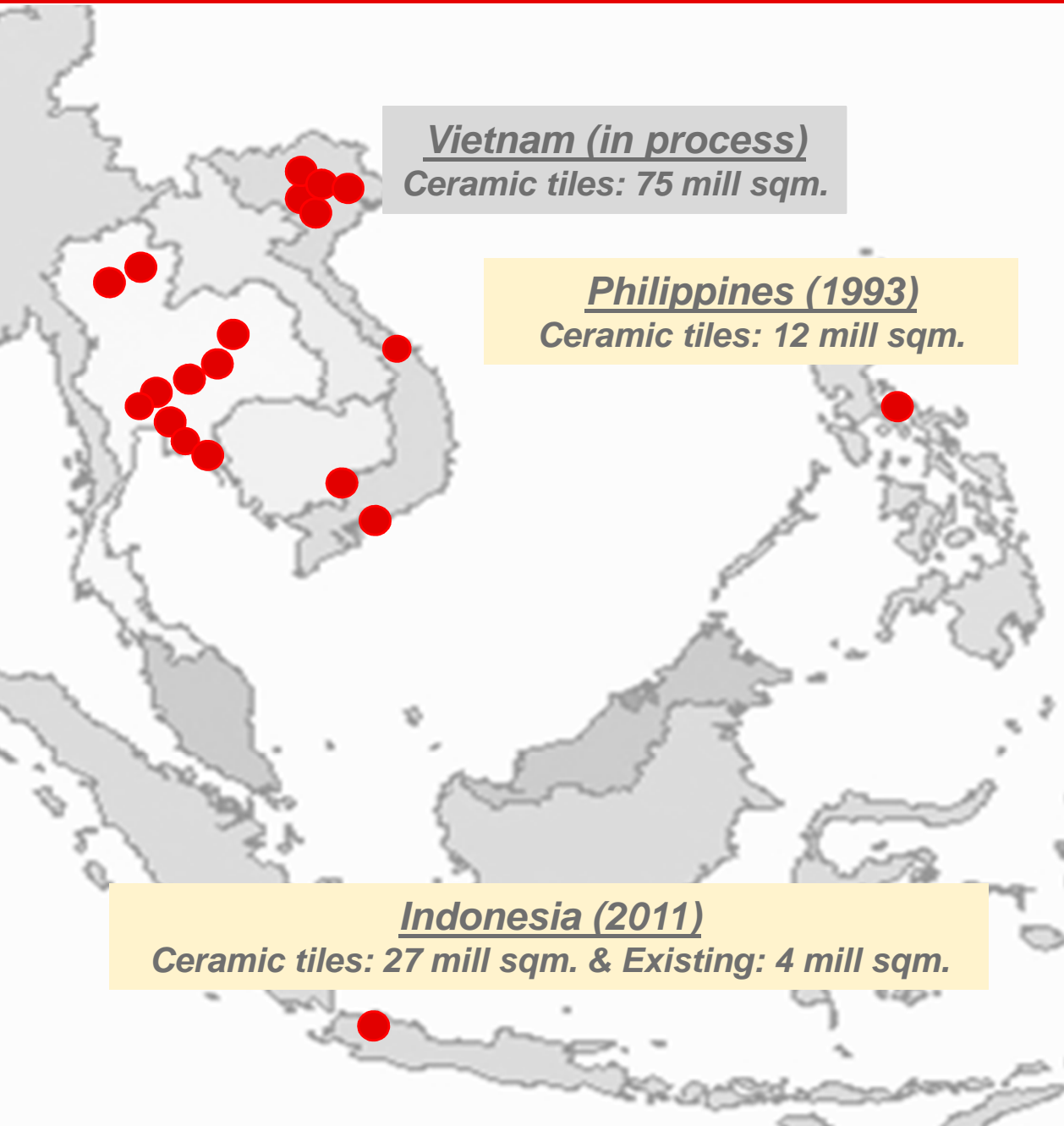
### Chandra Asri JV(30%)

- Ethylene	600,000 tons
- Propylene	320,000 tons
- HDPE / LLDPE	320,000 tons
- PP	480,000 tons
- SM	340,000 tons

### Bangkok Synthetic (26%)

- Butadiene	140,000 tons
- BR	50,000 tons
- SBR	70,000 tons





## Product types:

**Thailand**      Roofing  
Ceramic tiles  
Others

**Indonesia**      Roofing  
Ceramic tiles  
Others

**Philippines**      Roofing  
Ceramic tiles

**Cambodia**      Roofing

**Vietnam**      Roofing  
Ceramic tiles

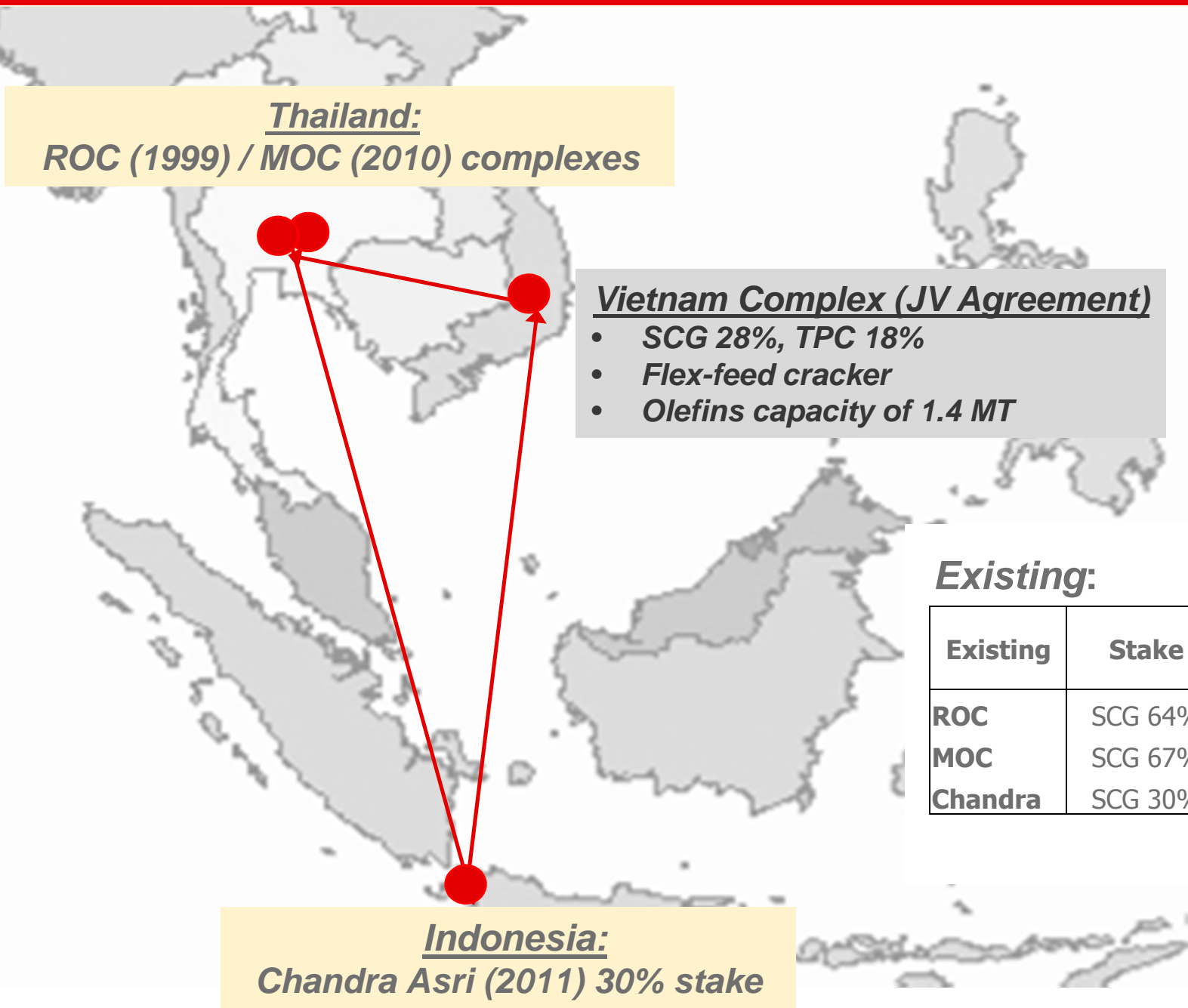
## Capacity:

Ceramic Tiles      225 mill sqm.

Roofing Tiles      87 mill sqm.

Ceiling & Wall Products      65 mill sqm.

Lightweight Concrete      15 mill sqm.



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

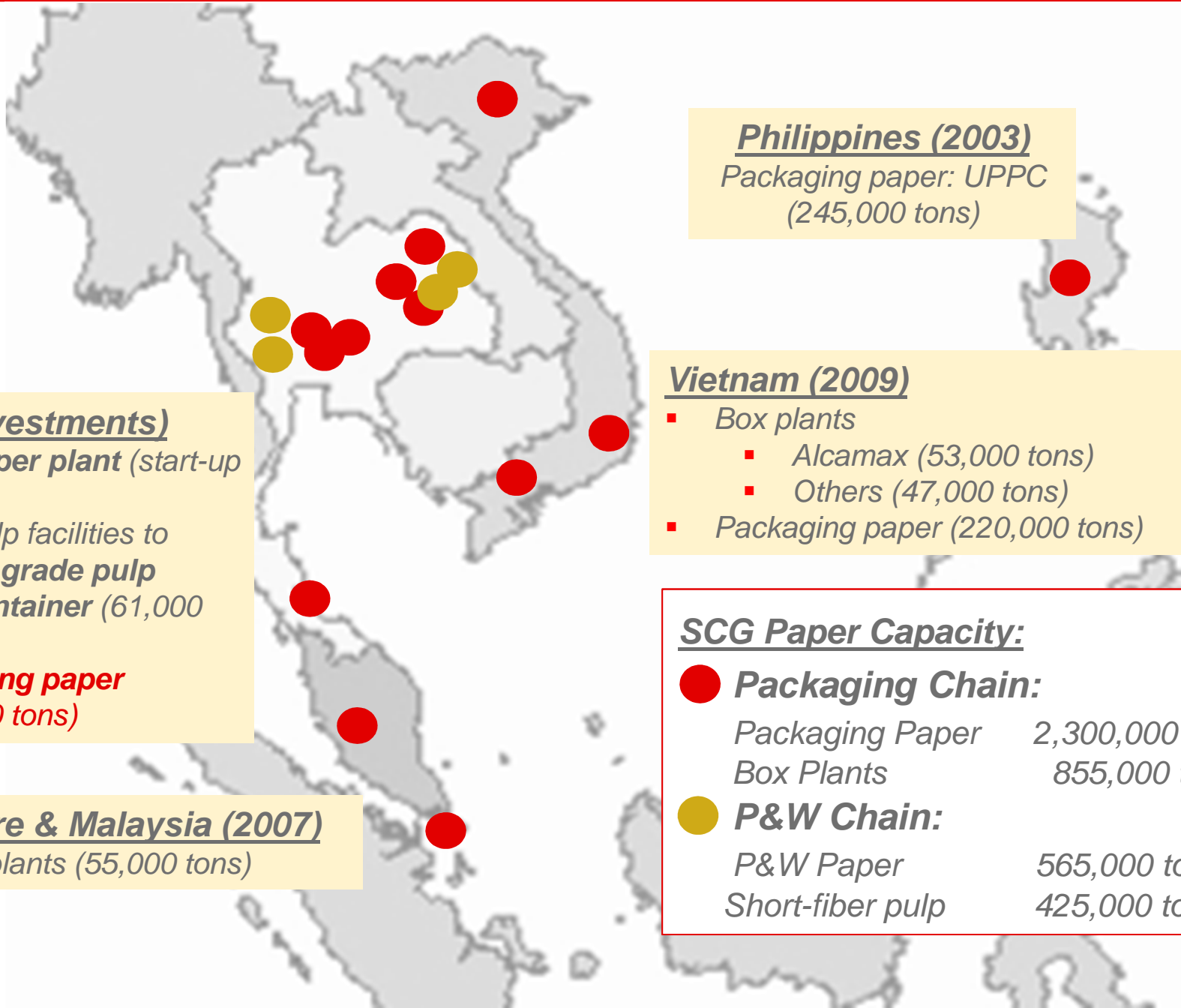
**Vietnam Complex (JV Agreement)**

- 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>



**Philippines (2003)**  
Packaging paper: UPPC  
(245,000 tons)

**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).
- **Greenfield packaging paper expansion** (400,000 tons)

**Vietnam (2009)**

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

**Singapore & Malaysia (2007)**  
Box plants (55,000 tons)

**SCG Paper Capacity:**

<b>● Packaging Chain:</b>	
Packaging Paper	2,300,000 tons
Box Plants	855,000 tons
<b>● P&amp;W Chain:</b>	
P&W Paper	565,000 tons
Short-fiber pulp	425,000 tons



# Distribution's network coverage

Overseas network coverage with 34 offices in 21 countries, in addition to ASEAN base in distribution, logistics and retail sales.

## North America:

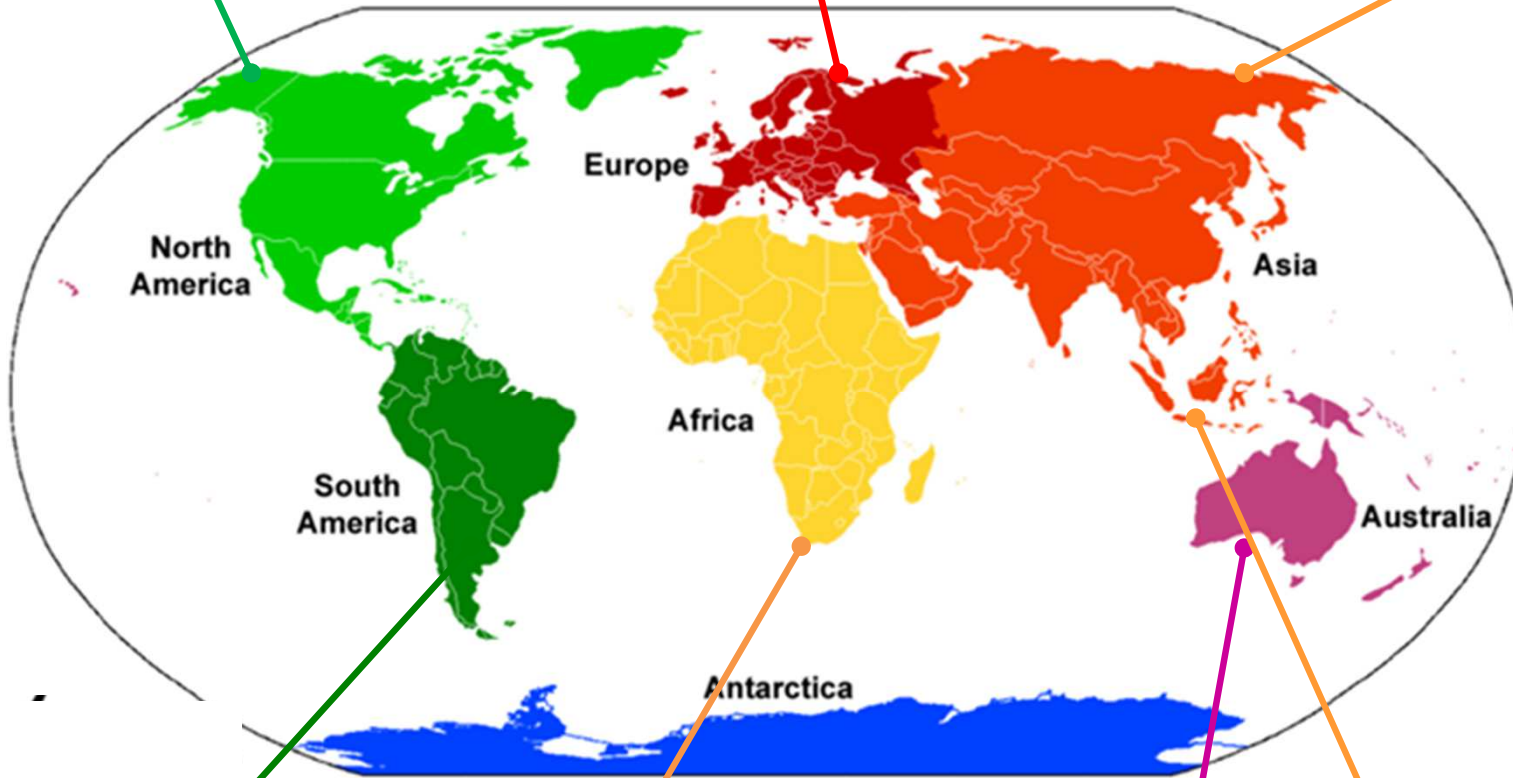
- U.S.A. L.A. , Philadelphia  
Dallas
- Canada Vancouver

## 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



## Africa:

- South Africa Johannesburg
- Tanzania Dares Salaam

## Australia:

- Australia Sydney

## South America:

- Brazil Rio de Janeiro

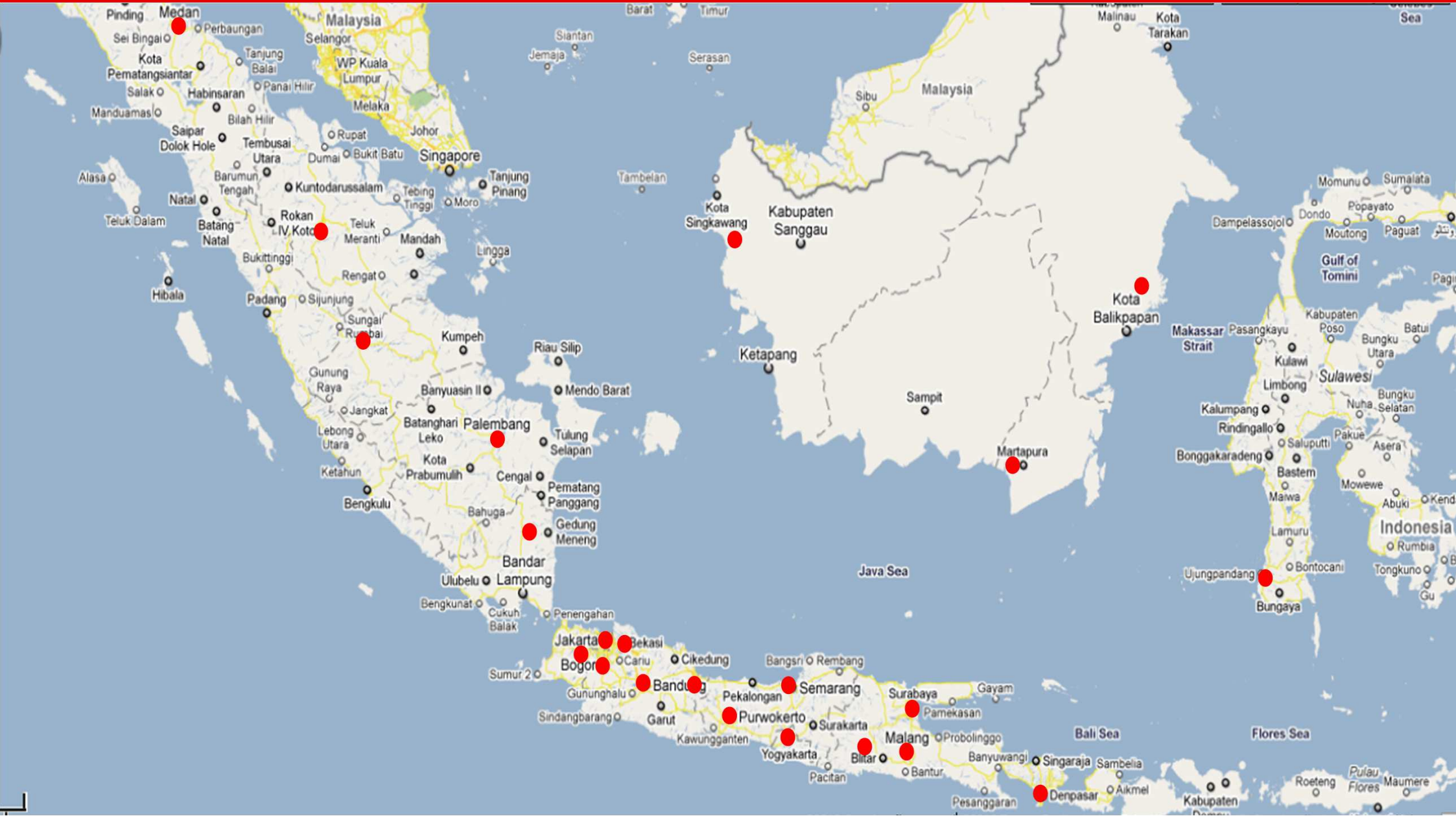
**KOKOH: 22 distribution centre in Indonesia**

\*Excluded Thailand



# Indonesian distribution channels

Kokoh's 22 distribution centre.



# SCG eco value

Thailand's first eco label, accounting for 14% of SCG's FY2012 sales, or approx. 56,500 MB.



Cool Roofing System  
*40% Energy Reduction*



Cerafino Solar Roof Tiles  
*Solar Power*

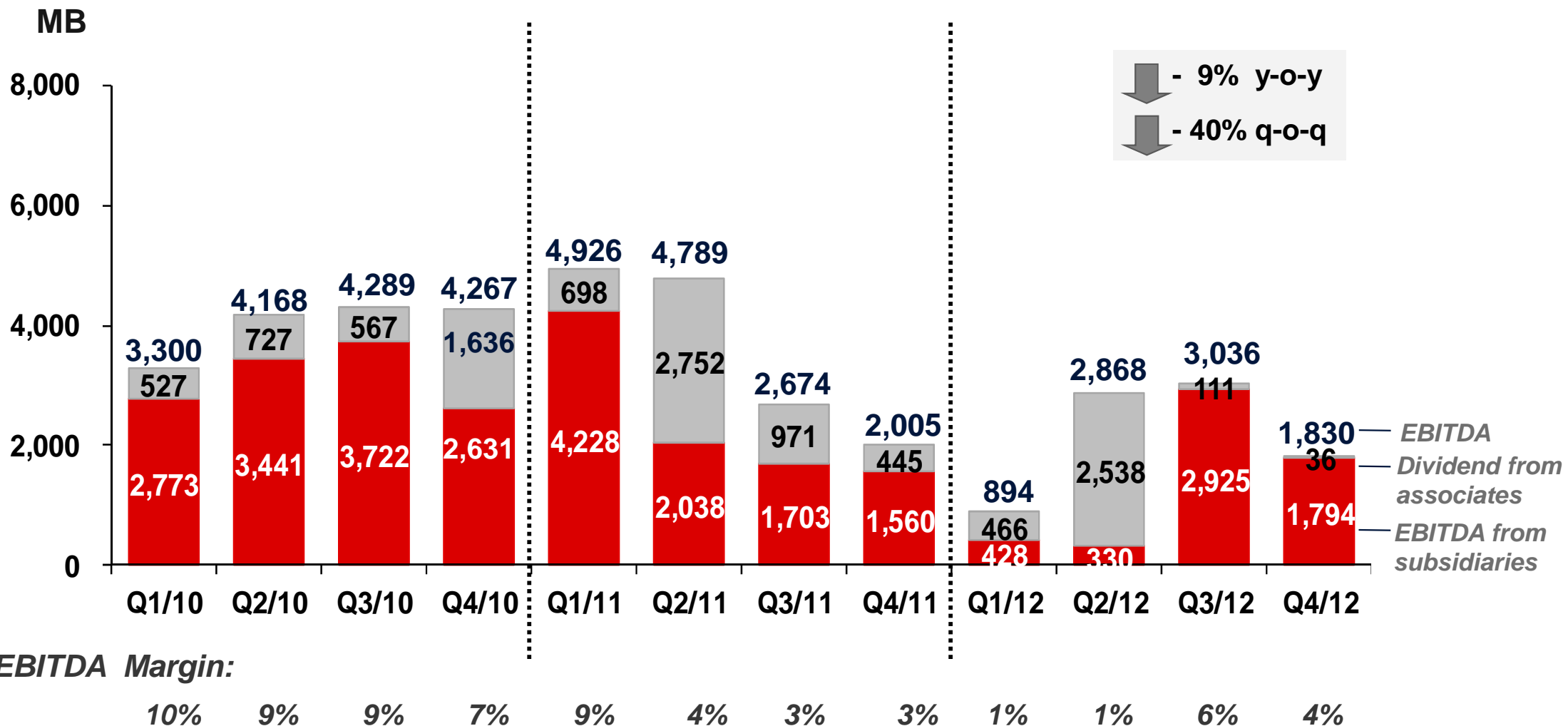


Heat Insulation STAYCOOL  
*Recycled Contents > 80%*



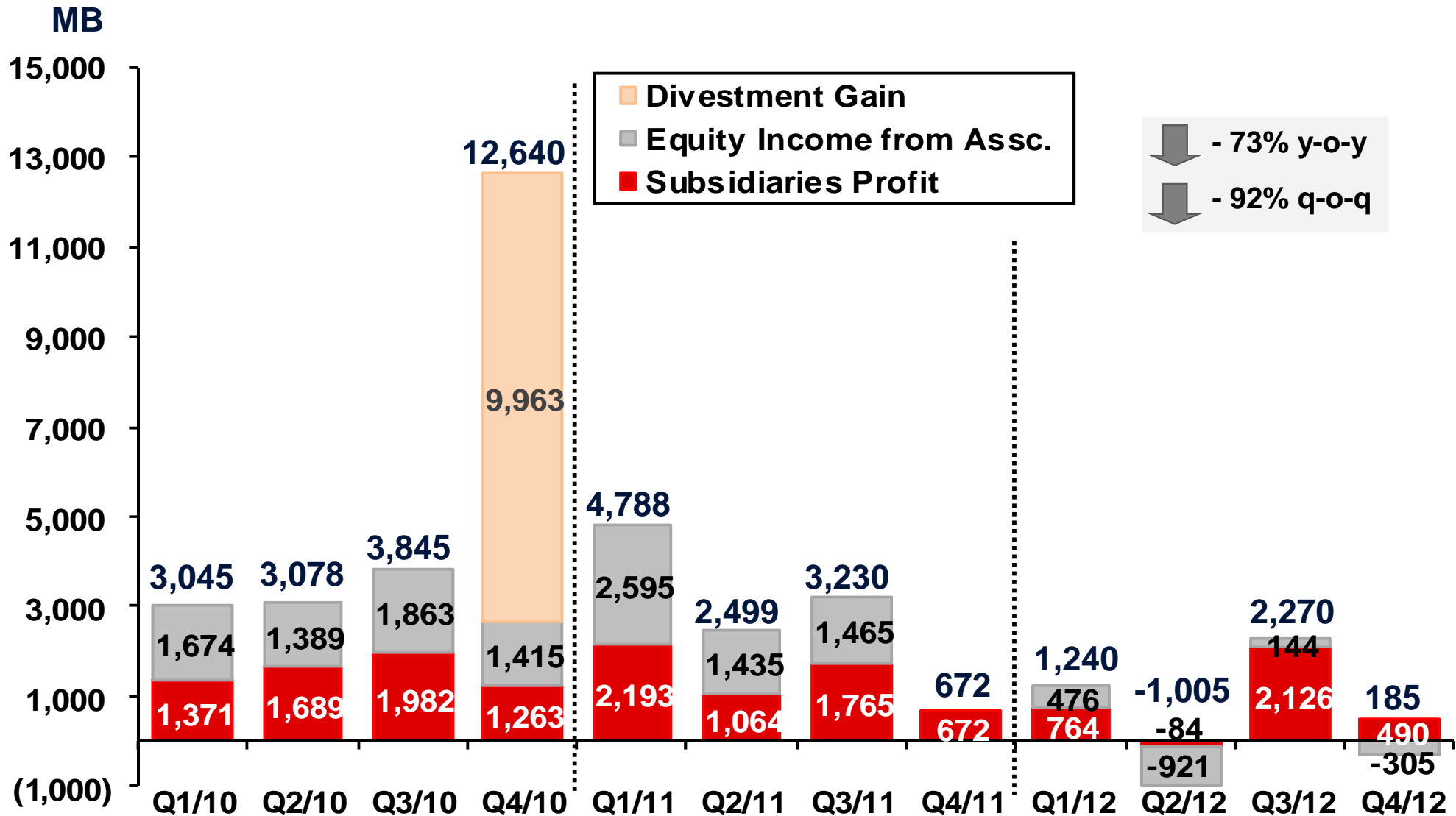
COTTO Sanitary Ware and Fittings  
*Reduces Water Usage by 25%*

# Chemicals EBITDA



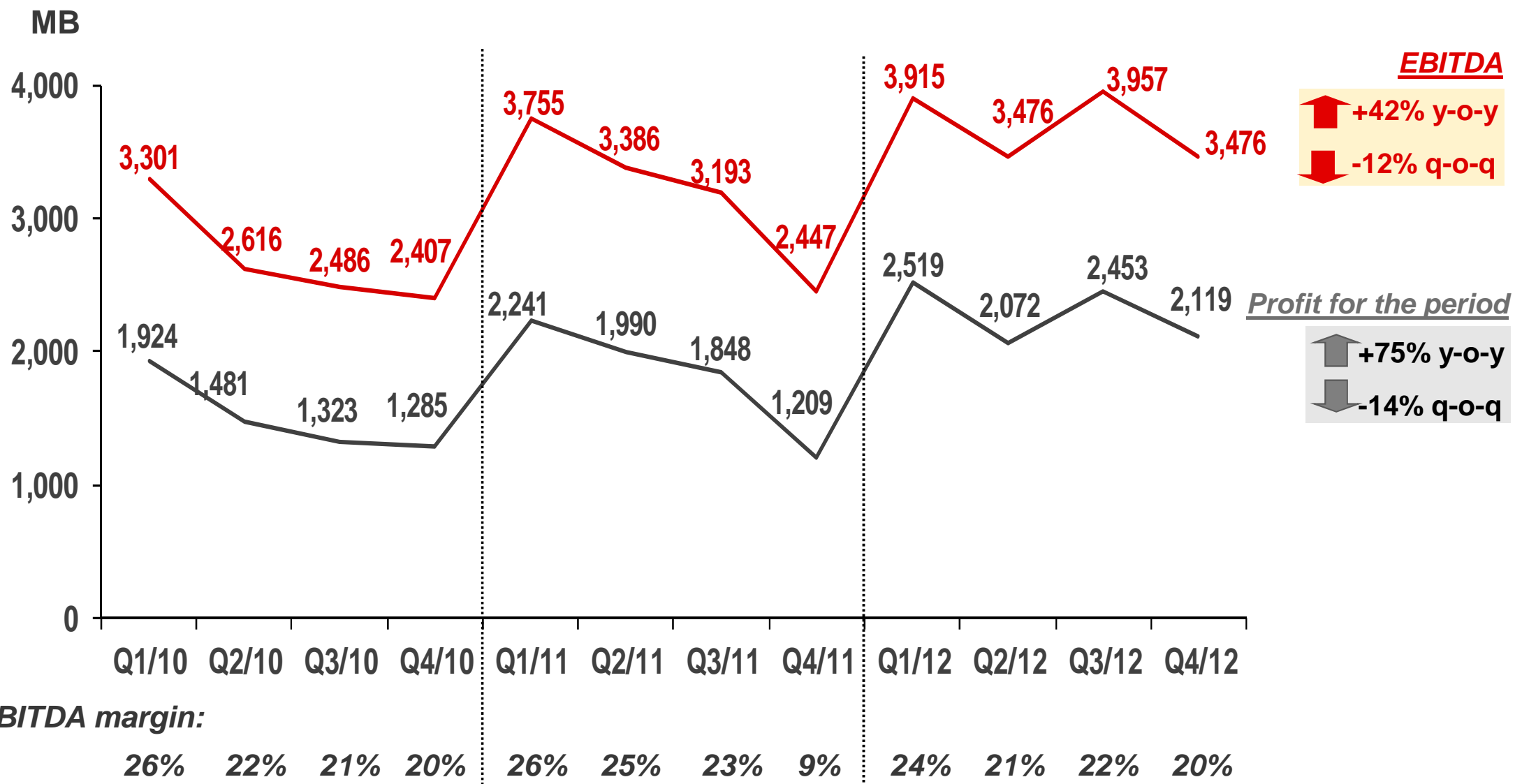
Note: EBITDA = EBITDA from operations + dividend from associated companies

# Chemicals profitability



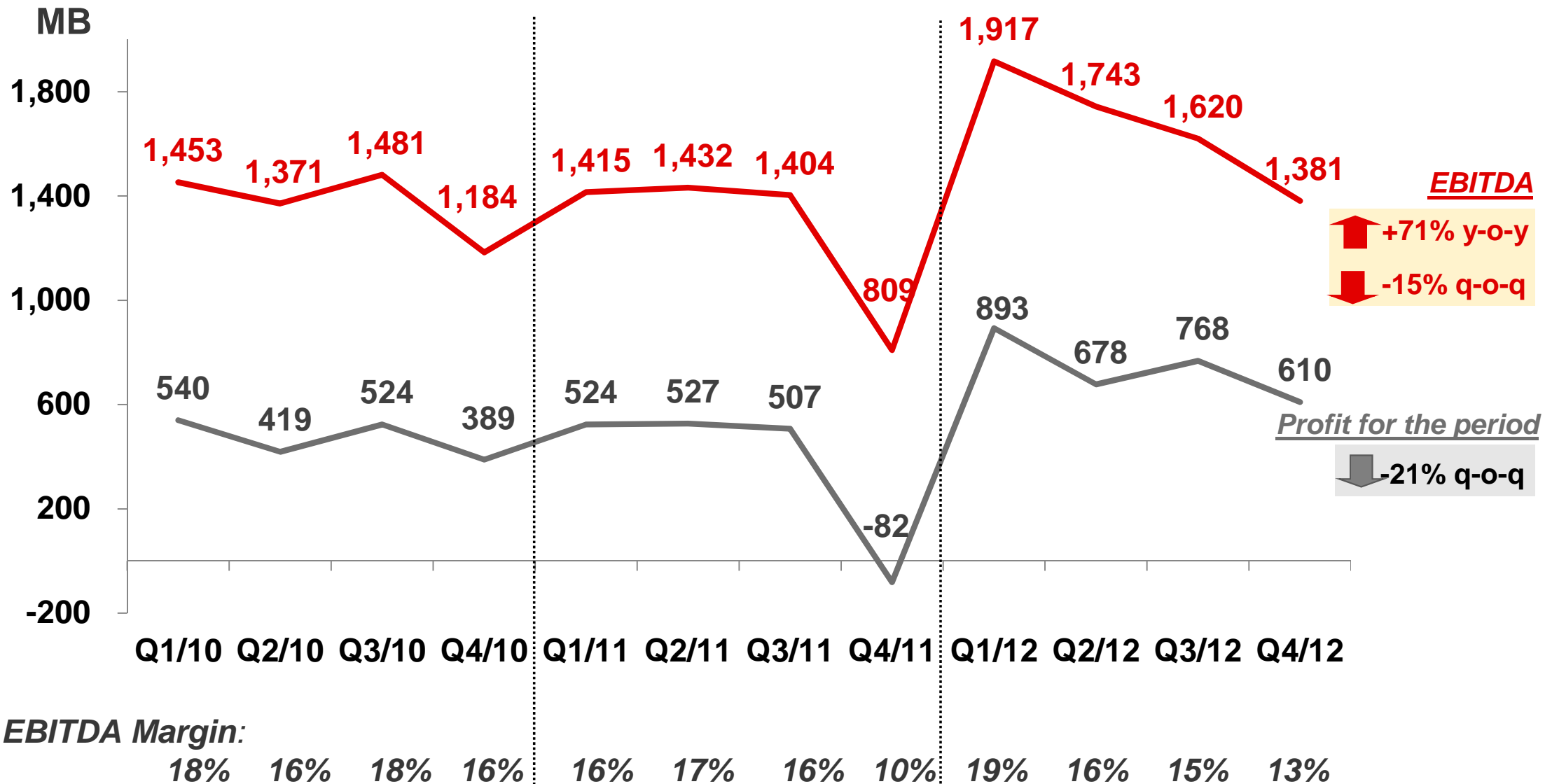
# Cement financials

...pre-consolidation with Building Materials and Distribution

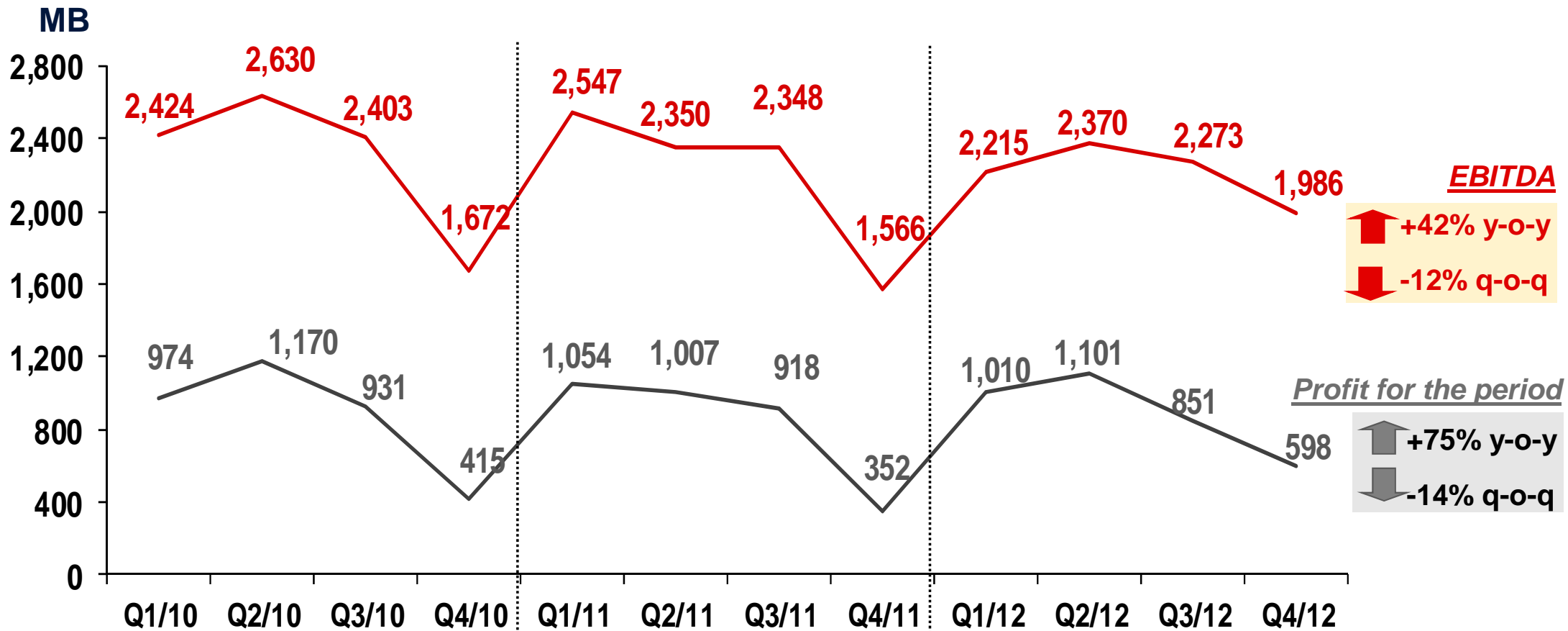


# Building Materials financials

...pre-consolidation with Cement and Distribution







## EBITDA Margin

<b>All</b>	19%	21%	18%	13%	19%	18%	16%	12%	16%	16%	16%	14%
<b>Packaging</b>	16%	17%	14%	11%	17%	15%	14%	11%	15%	16%	18%	17%
<b>Fibrous</b>	25%	28%	26%	16%	22%	22%	21%	14%	17%	16%	10%	7%

## Sales & Assets:

<b>Sales (MB)</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Consolidated</b>	<b>120,353</b>	<b>128,201</b>	<b>148,865</b>	<b>192,395</b>	<b>218,265</b>	<b>258,175</b>	<b>267,737</b>	<b>293,230</b>	<b>238,664</b>	<b>301,323</b>	<b>368,579</b>	<b>407,601</b>
Chemicals	38,152	42,394	50,767	75,185	86,084	122,645	130,223	136,527	101,115	144,317	192,929	203,539
Paper	26,995	29,305	33,564	38,265	40,306	42,645	43,890	47,110	42,729	51,714	54,839	57,430
Cement	24,183	27,269	30,552	36,658	41,630	44,123	44,087	49,999	46,661	48,954	54,249	67,558
Building Materials	13,046	16,129	18,147	20,542	22,227	22,745	21,281	23,351	26,873	30,719	34,171	41,340

<b>Assets (MB)</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Consolidated</b>	<b>174,804</b>	<b>167,388</b>	<b>176,566</b>	<b>191,081</b>	<b>199,370</b>	<b>226,264</b>	<b>248,256</b>	<b>285,776</b>	<b>315,992</b>	<b>359,219</b>	<b>373,789</b>	<b>395,573</b>
Chemicals	54,284	57,762	67,254	75,186	78,656	109,391	123,205	138,504	165,964	165,087	176,036	176,837
Paper	25,844	28,720	32,813	39,128	38,575	40,734	46,454	51,089	47,942	50,127	52,463	58,439
Cement	59,618	60,624	56,315	54,801	55,953	57,791	60,132	60,770	60,681	61,018	60,115	66,808
Building Materials	16,023	15,338	15,771	18,068	20,259	20,595	19,863	22,654	22,991	24,796	35,845	43,512



## *EBITDA & Profit for the Period (MB):*

<b>EBITDA (MB)</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Consolidated</b>	<b>28,884</b>	<b>30,418</b>	<b>37,188</b>	<b>54,626</b>	<b>53,507</b>	<b>57,151</b>	<b>50,008</b>	<b>38,783</b>	<b>47,116</b>	<b>45,949</b>	<b>46,253</b>	<b>45,716</b>
Chemicals	6,443	6,452	9,851	23,642	19,653	26,199	22,611	12,598	19,482	16,024	14,394	8,628
Paper	8,205	9,536	9,819	9,840	9,496	9,634	7,943	6,660	7,901	9,129	8,811	8,844
Cement	7,615	7,917	11,581	13,175	13,235	12,200	10,198	11,272	11,616	10,810	12,781	14,824
Building Materials	3,140	3,605	4,382	5,307	5,387	4,856	3,928	4,085	4,907	5,489	5,060	6,661

<b>Profit for the Period (MB)</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Consolidated</b>	<b>7,634</b>	<b>14,604</b>	<b>19,954</b>	<b>36,483</b>	<b>32,236</b>	<b>29,451</b>	<b>30,352</b>	<b>16,771</b>	<b>24,346</b>	<b>37,382</b>	<b>27,281</b>	<b>23,580</b>
Chemicals	2,611	5,285	7,777	20,523	16,656	17,574	16,982	6,136	12,556	22,609	11,190	2,690
Paper	3,272	4,079	4,424	4,122	3,689	3,574	2,353	1,658	2,286	3,490	3,331	3,560
Cement	859	2,006	5,313	6,582	7,916	6,652	5,463	6,006	6,214	6,014	7,288	9,163
Building Materials	410	1,521	2,253	2,700	3,071	1,939	950	778	1,617	1,872	1,476	2,949