

Dow Jones Sustainability Indexes

Member 2010/11

Ranked Gold Class: 2010, 2009, 2008

Member since: 2004

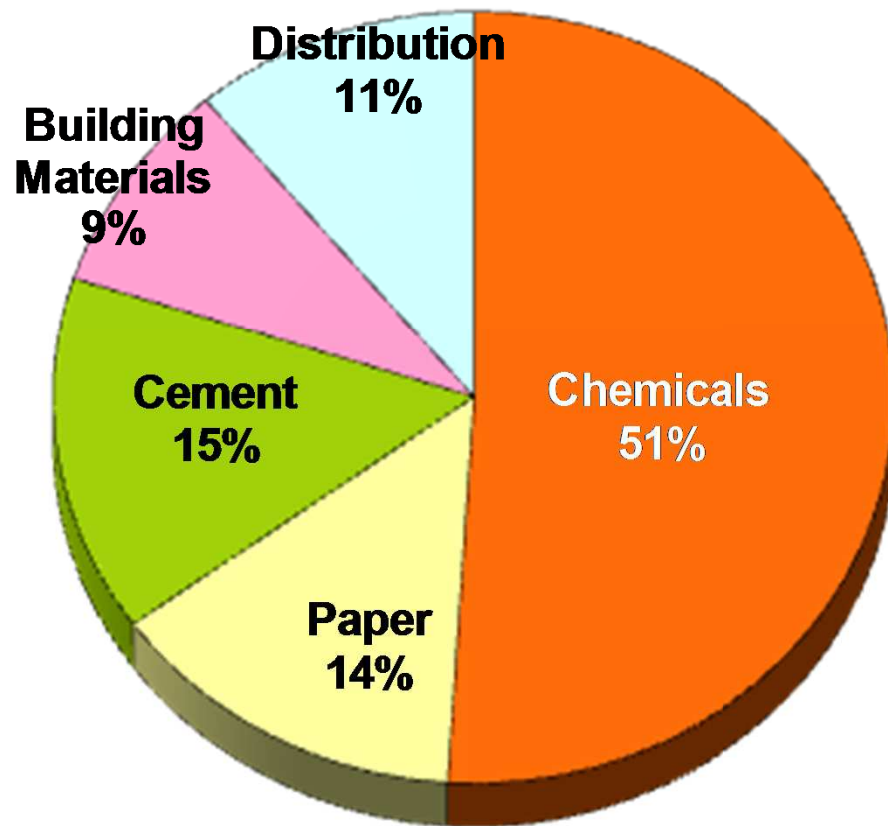
Deutsche Bank 

Emerging Markets Conference
The Waldorf Astoria, NYC
Sept 7 – 9, 2011

- **Financial Updates**
- **Medium-Term Outlook & Strategy**
- **Business Updates**
- **Sustainability**
- **Appendix**

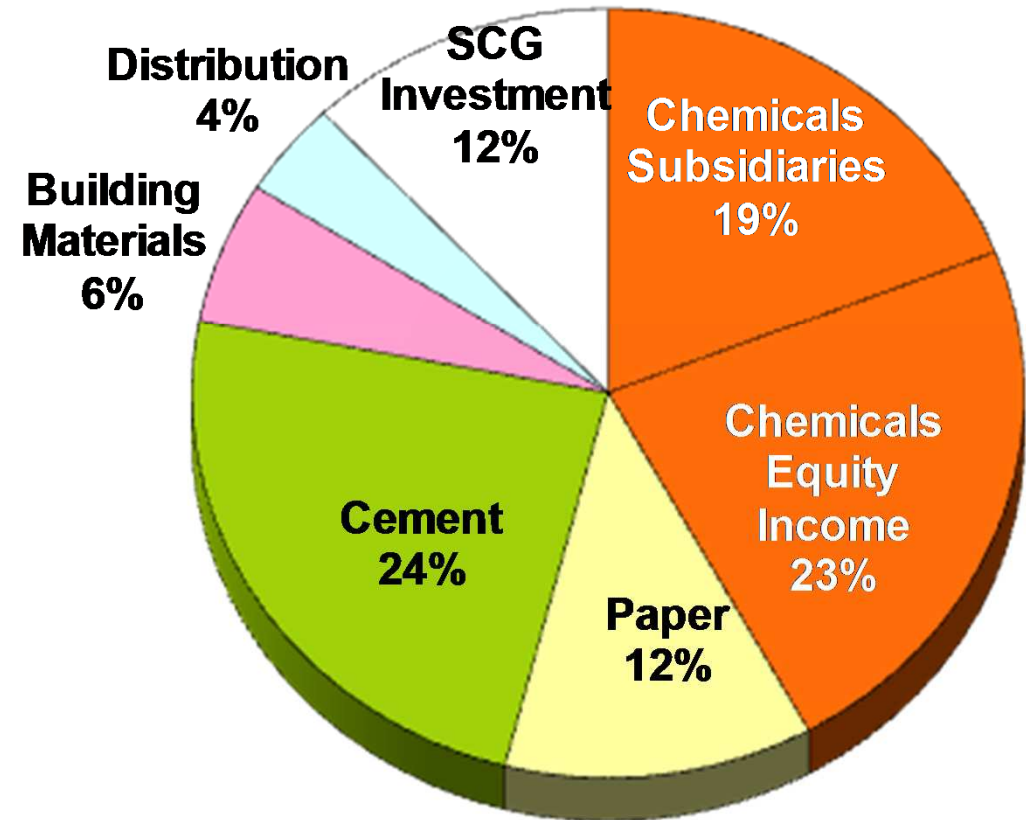
Revenue from Sales

186,354 MB (+28% y-o-y)



Net Profit

16,703 MB (+18% y-o-y)



SCG Investment's net profit is from:

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

Export Destinations H1/11

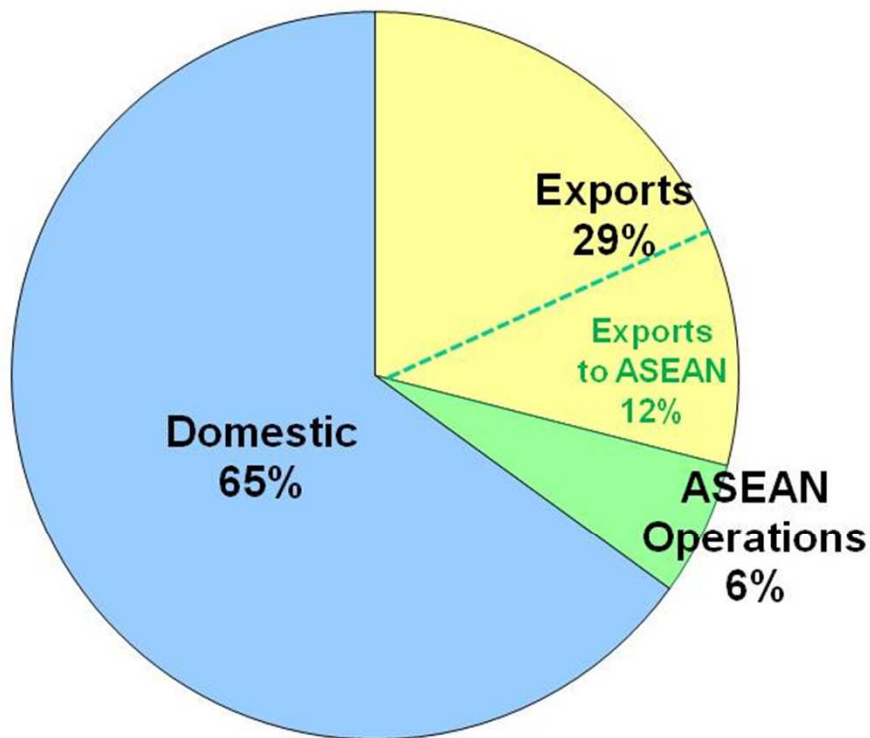
ASEAN accounts for 40% of total exports, compared to the combined total of 6% for EU and N. America.



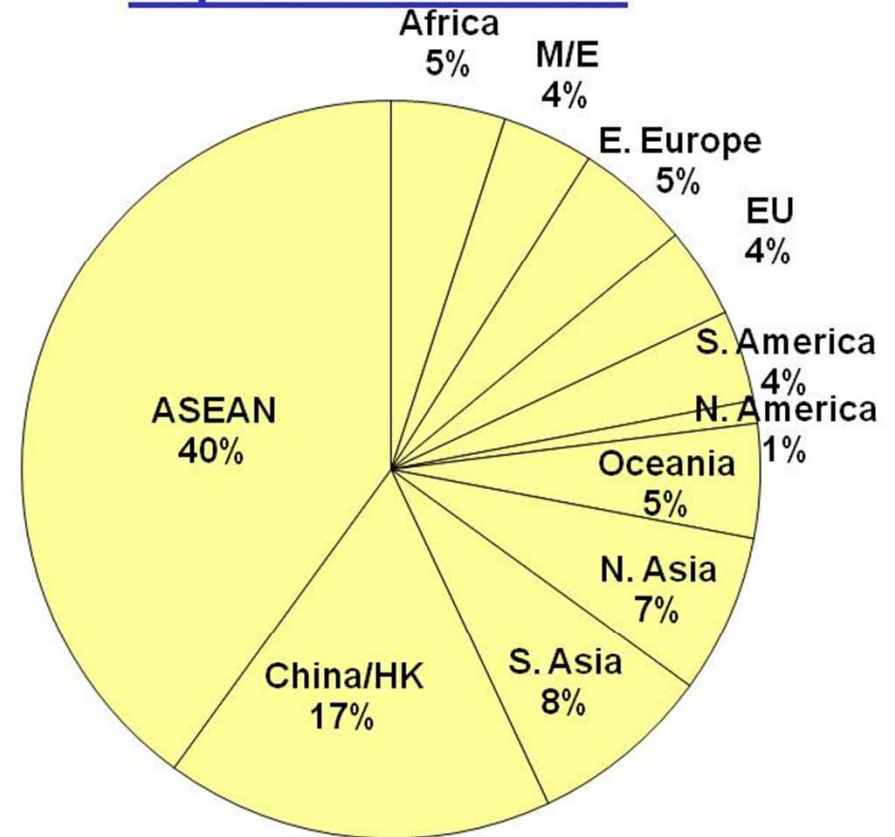
SCG

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Revenue from Sales



Export Destinations



ASEAN Operations - consolidated subsidiaries in ASEAN.

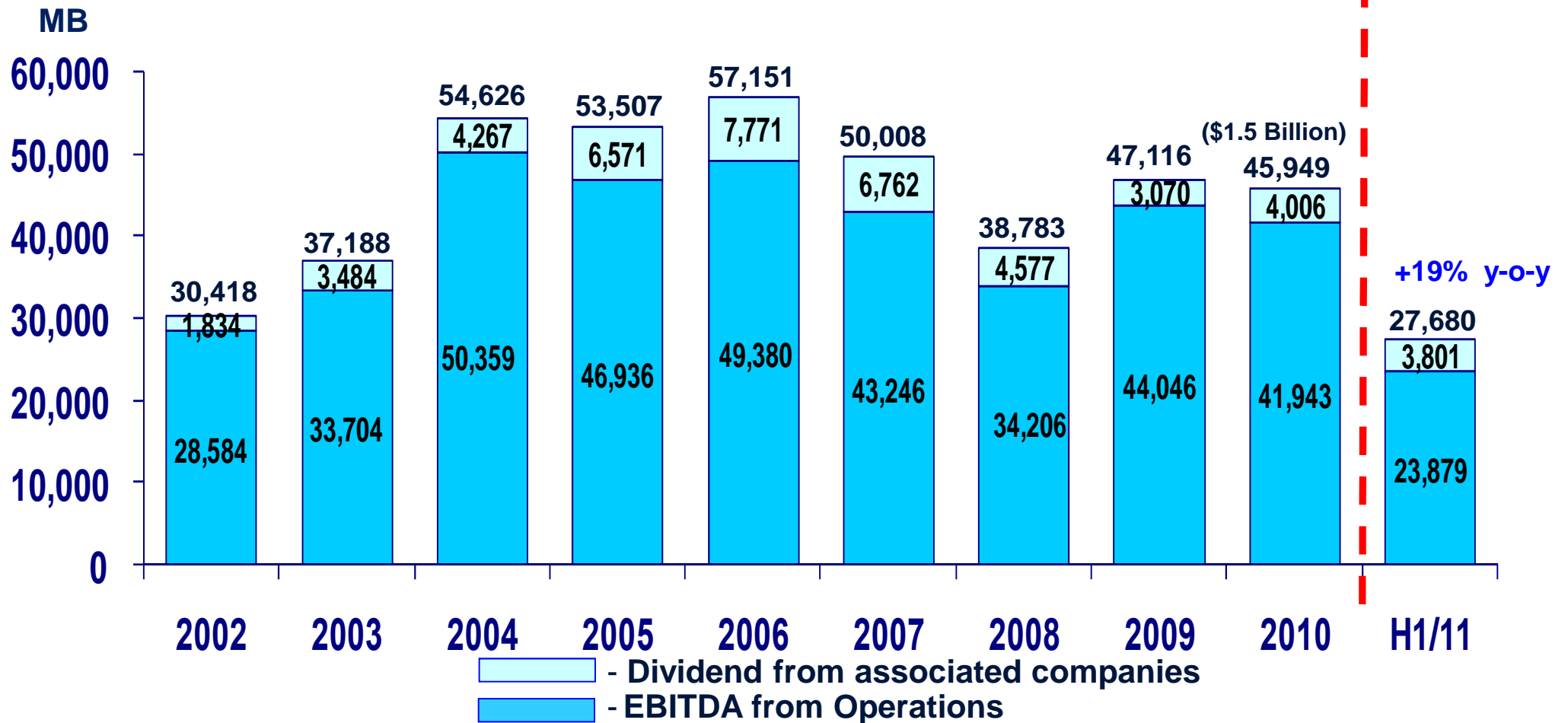
Export Destinations - from Thailand.

EBITDA



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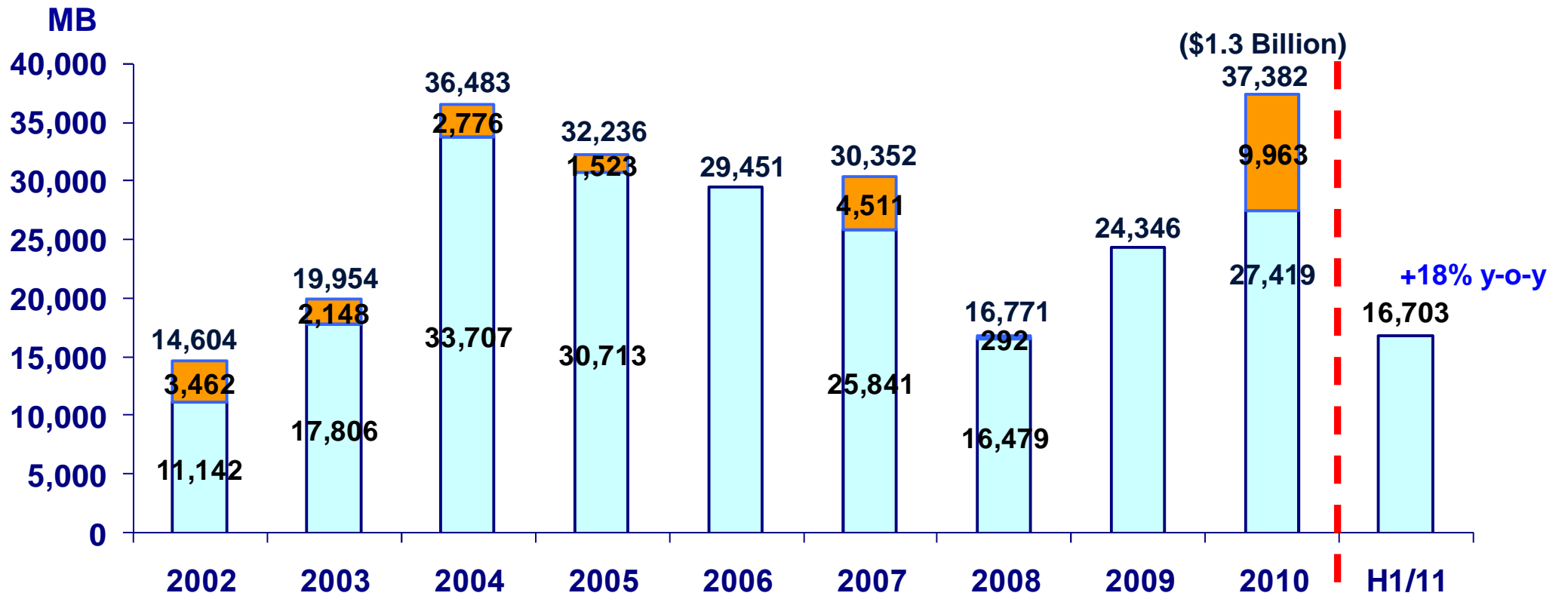


Note: EBITDA includes dividend received

Profit for the Period



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EPS (Bt/sh)	2002	2003	2004	2005	2006	2007	2008	2009	2010	H1/11
EPS (Bt/sh)	12.2	16.6	30.4	26.9	24.5	25.3	14.0	20.3	31.2	13.9

- Divestment gains

Net Debt

Includes cash & cash under mgnt of 58,229 MB (\$1.9 Bill)

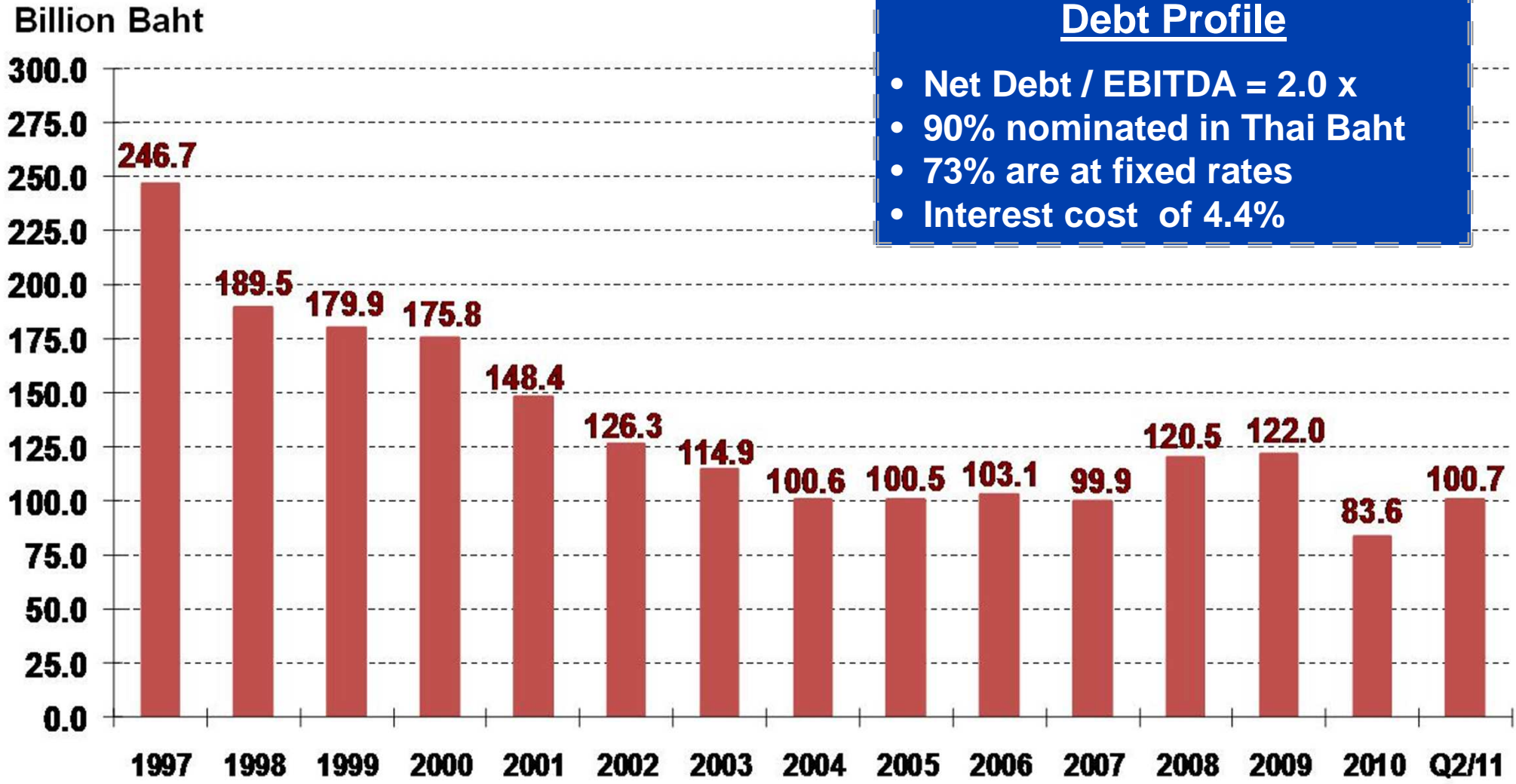


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Debt Profile

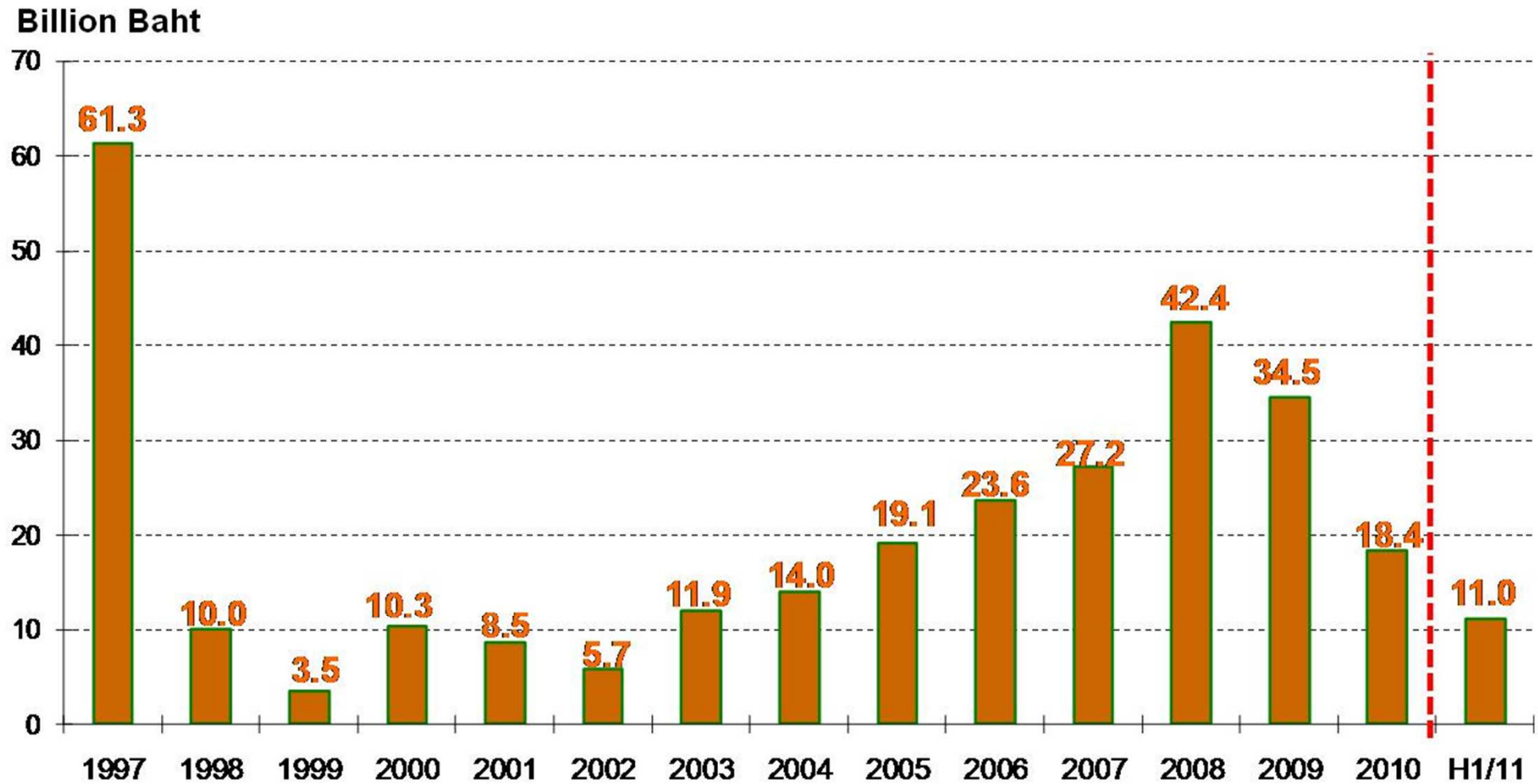
- Net Debt / EBITDA = 2.0 x
- 90% nominated in Thai Baht
- 73% are at fixed rates
- Interest cost of 4.4%



CAPEX & Investments



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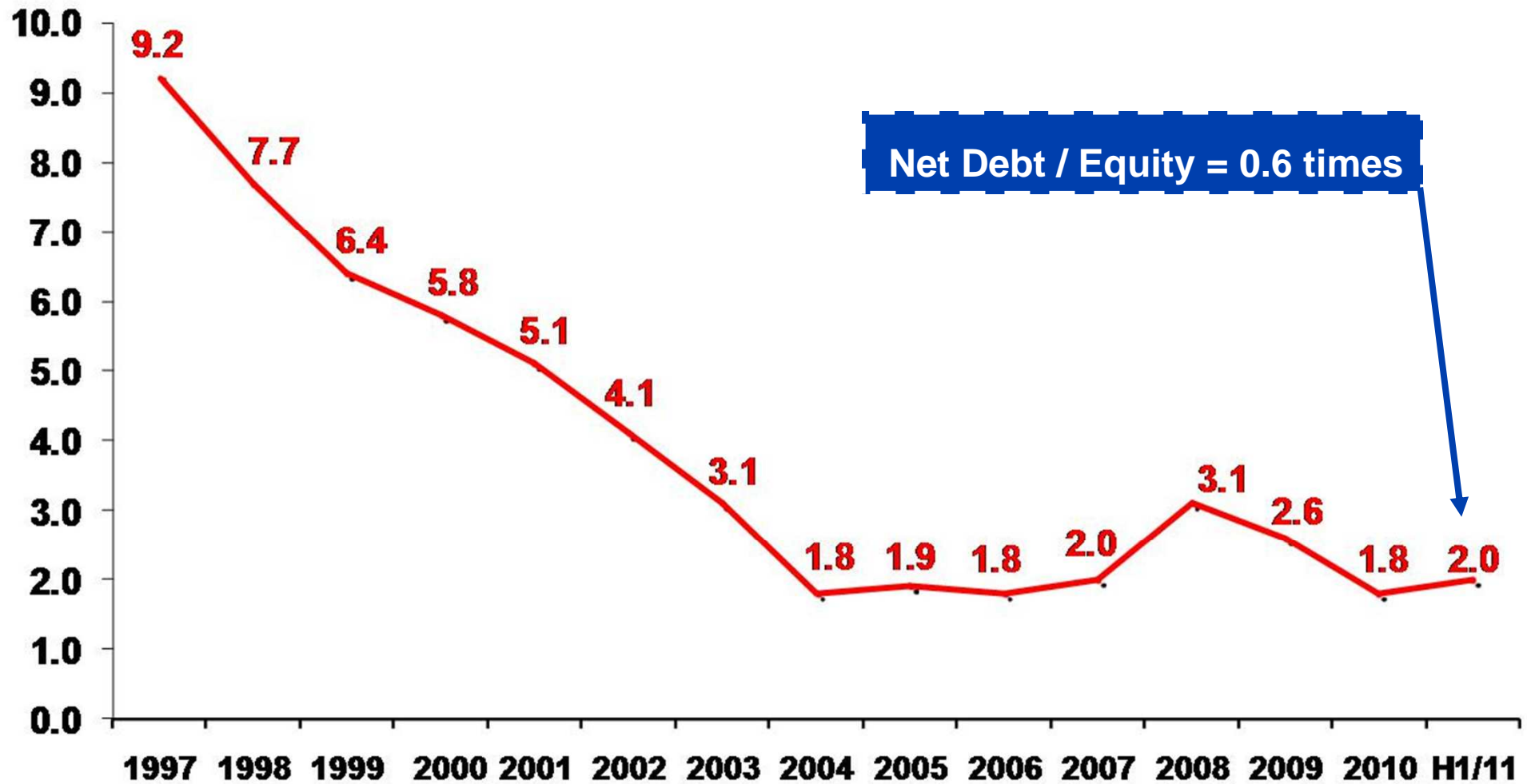
- CAPEX includes debottlenecking, expansion projects, and major turnaround.
- Investments are acquisitions and purchase of shares.

Net Debt on EBITDA



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Times (x)



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Continued GROWTH...

- ASEAN expansion, mostly M&A but some green fields.
- Higher value added products (HVA).

...while retaining financial discipline

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

2011 - 2015

2006 - 2010

- CAPEX of 146,000 MB
- Cash-flow financed
- *Mostly green field*

- CAPEX of +150,000 MB
- Cash-flow financed
- Cash on hand of 58,229 MB
- *Mostly M&A*

...continued expansion in core businesses.

SCG's Incremental Capacity



SCG

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(Capacity at year end = '000 tons)	Total Cap					Increase		Project Cost	
	2007	2008	2009	2010	2011	2007 - 2011		SCG Stake	CAPEX (MB)
<u>Chemicals Upstream (Cracker)</u>						Cap	Times		
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		
<u>Chemicals Downstream</u>									
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 (45% stake in TPC)	820	790	870	940	940	120	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	-		
<u>Paper</u>									
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
<u>Cement</u>									
Cambodia Grey Cement (MT)	23	24	24	24	24	1	1.04x	90%	3,000 MB
<u>Building Products</u>									
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.

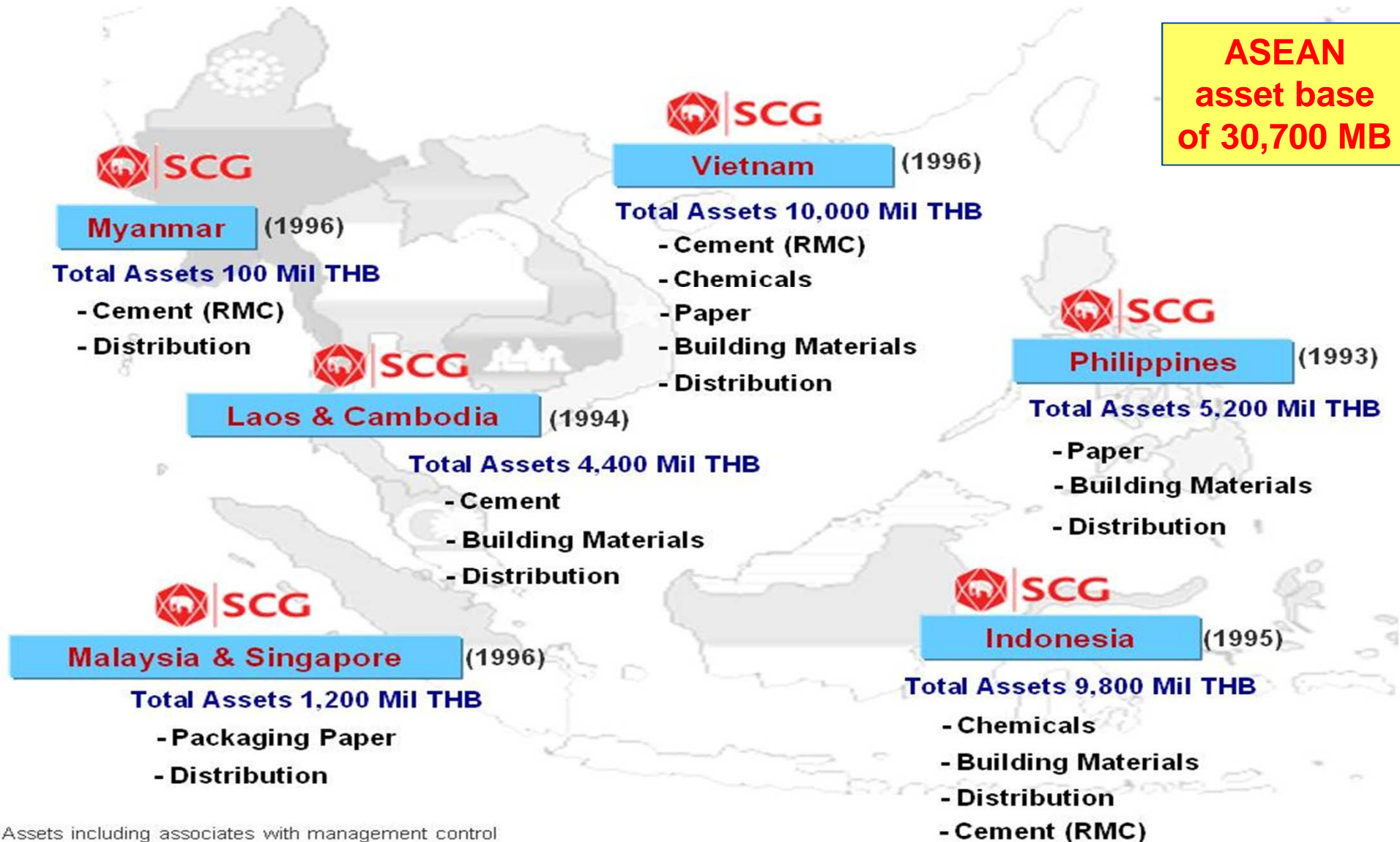
Expansion into ASEAN

ASEAN accounts for 8% of assets, and 19% of staffs.



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**ASEAN
asset base
of 30,700 MB**



Note: Assets including associates with management control

Expansion into ASEAN

SCG's capacity ranking, relative to peers.



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	<u>Thailand</u>	<u>ASEAN</u>
Downstream Chemicals 6.3 million tons	1	1
Packaging Paper 1.9 million tons	1	1
Cement 24 million tons	1	2
Building Products 149 Mill sqm of ceramics	1	1

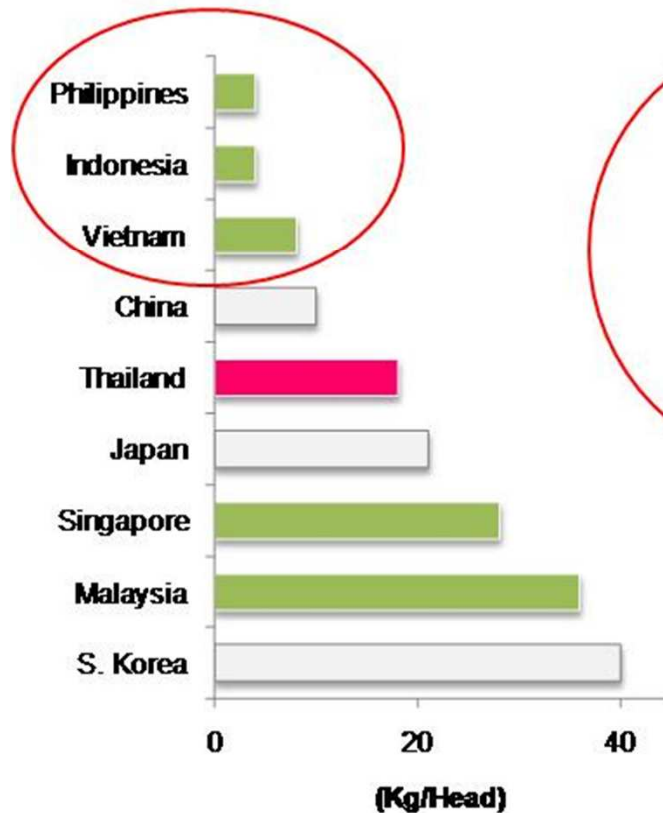
Expansion into ASEAN

Regional Growth Opportunities

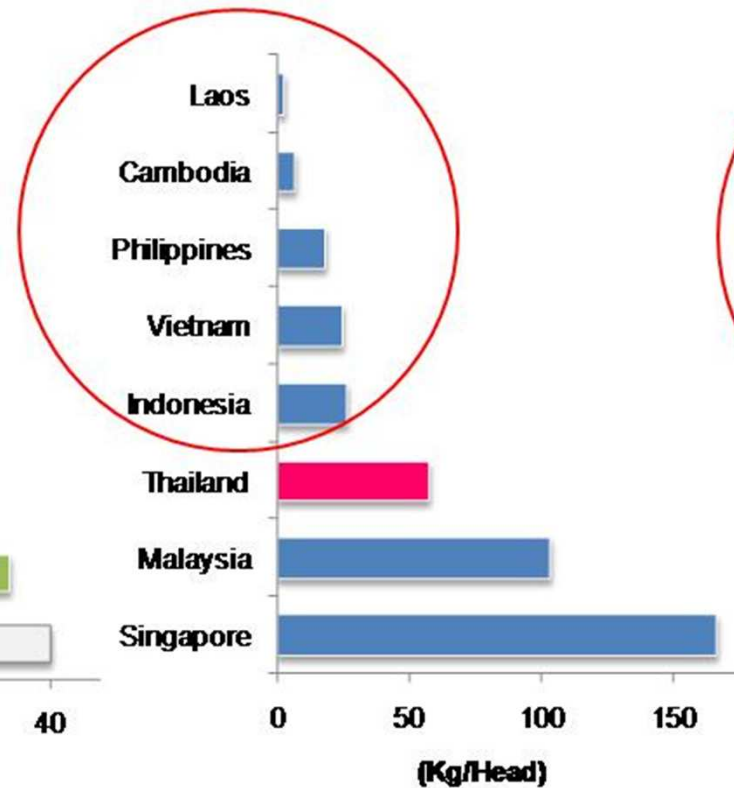


Slide 16

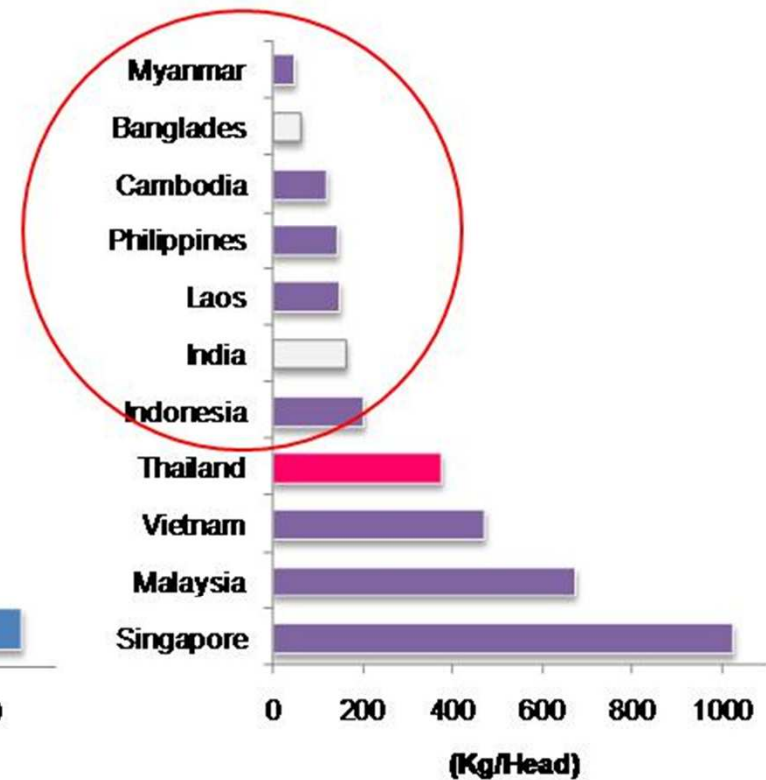
Plastic



Paper



Cement



Low Consumption per Capita in ASEAN

Higher Value Added Products (HVA)

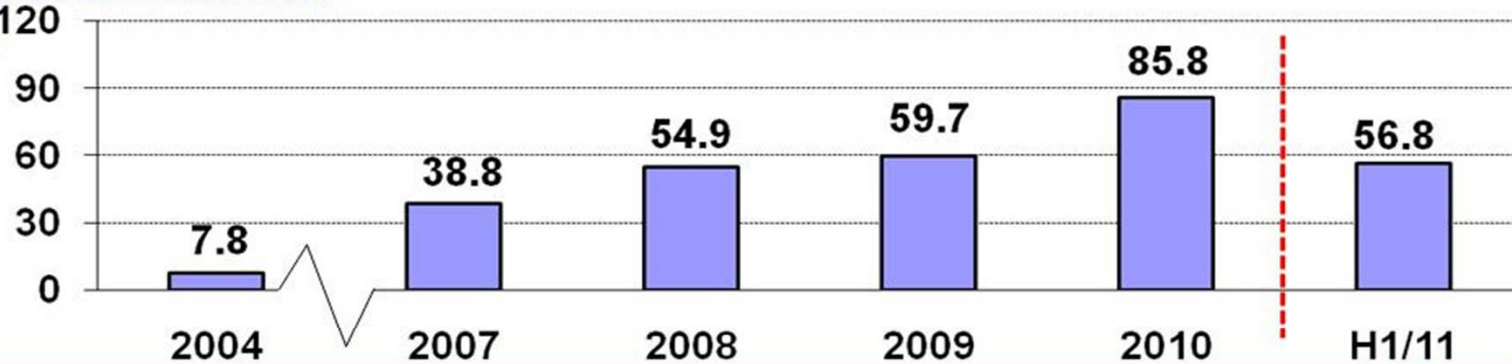
Growth of HVA to 50% of sales by 2015.



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1/ Revenue from Sales of HVA

(Billion Baht)



HVA as a % of Revenue from Sales

4%

17%

19%

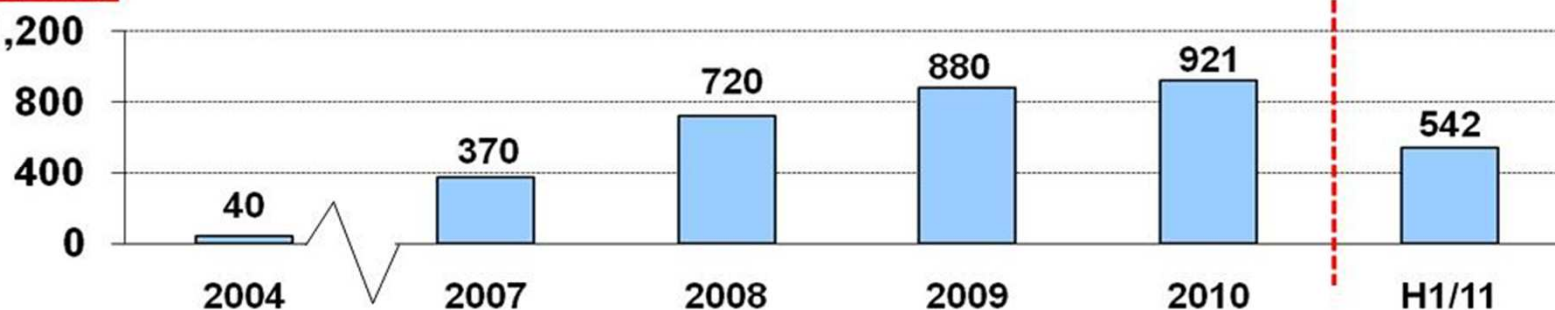
25%

29%

31%

2/ R&D Spending

(MB)

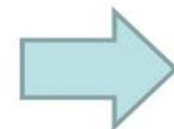


3/ R&D and Product Design Team

(People / July/11)



364 (Ph.D. 9)



988 (Ph.D. 57)

Subsidiaries' HVA

- Stake > 50%
- Consolidated accounting
- KPI = "HVA on Revenue from Sales"

50% by 2015

Associates' HVA

- Stake < 50%
- Not consolidated (equity income)
- JV with global majors, benefiting from competitive earnings

Acquisition of Indonesian Distributor (Kokoh)

- Indonesia's second largest distributor of building materials, with nationwide network of 22 distribution centre and +10,000 wholesalers and retailers.

Acquisition of Indonesian Ceramics Producer (KIA)

- Market share of 10% and capacity of 27 M sqm.
- SCG's total capacity will increase to 149 M sqm from 122 M sqm.

Expansion Capacity of Modular Homes (Sekisui Heim)

- Expand production of modular homes, valued 2,900 MB (\$97M).
- Capacity increased to 1,000 homes from 200.

Kokoh's 22 distribution centre in Indonesia



SCG

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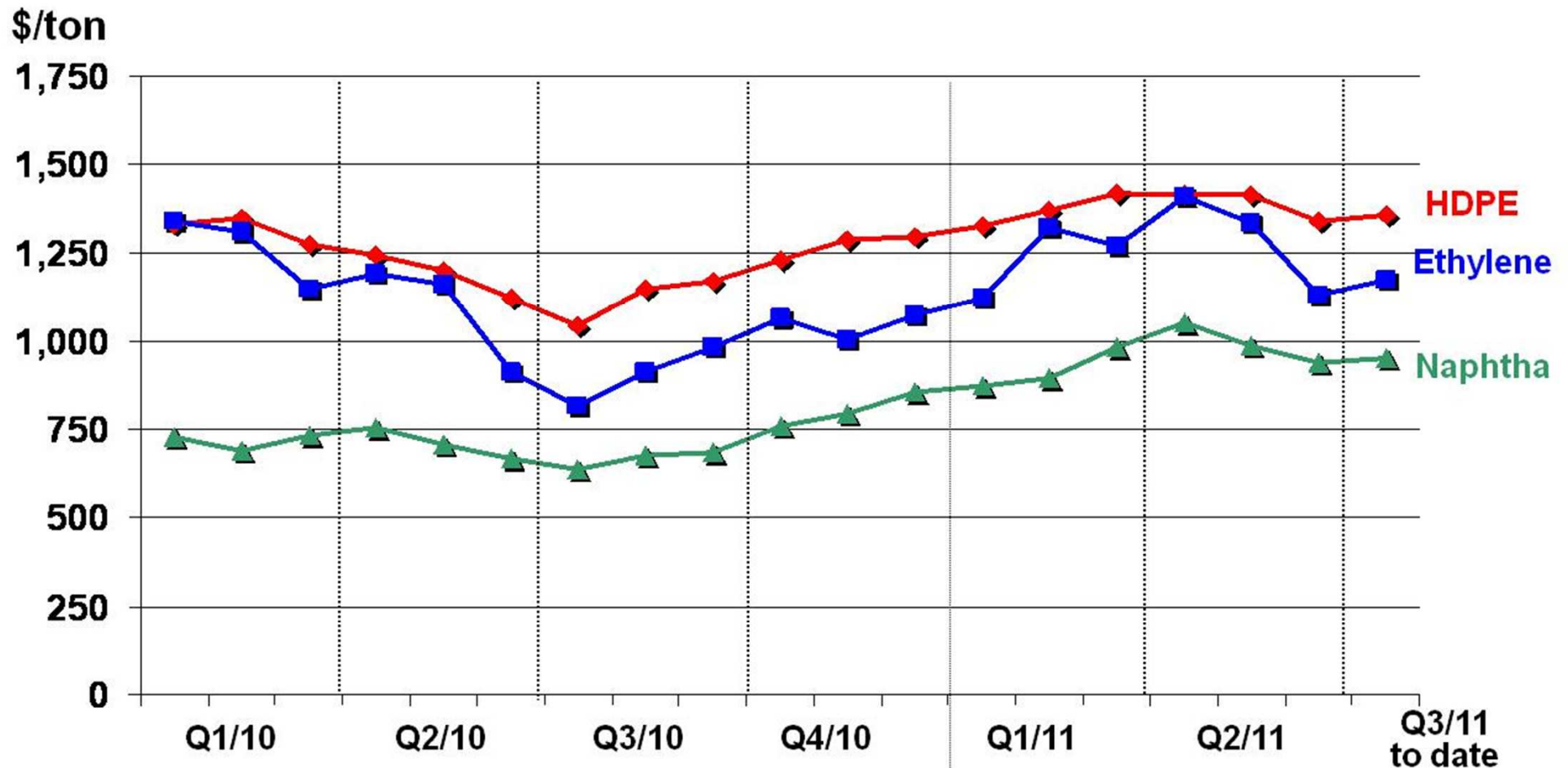
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HDPE – Naphtha Margins

Trough margins to persist to H2/12.



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HD-Naphtha Spread (\$/T)	602	477	455	467	456	396	
	←—————→		500	←—————→		426	←—————→

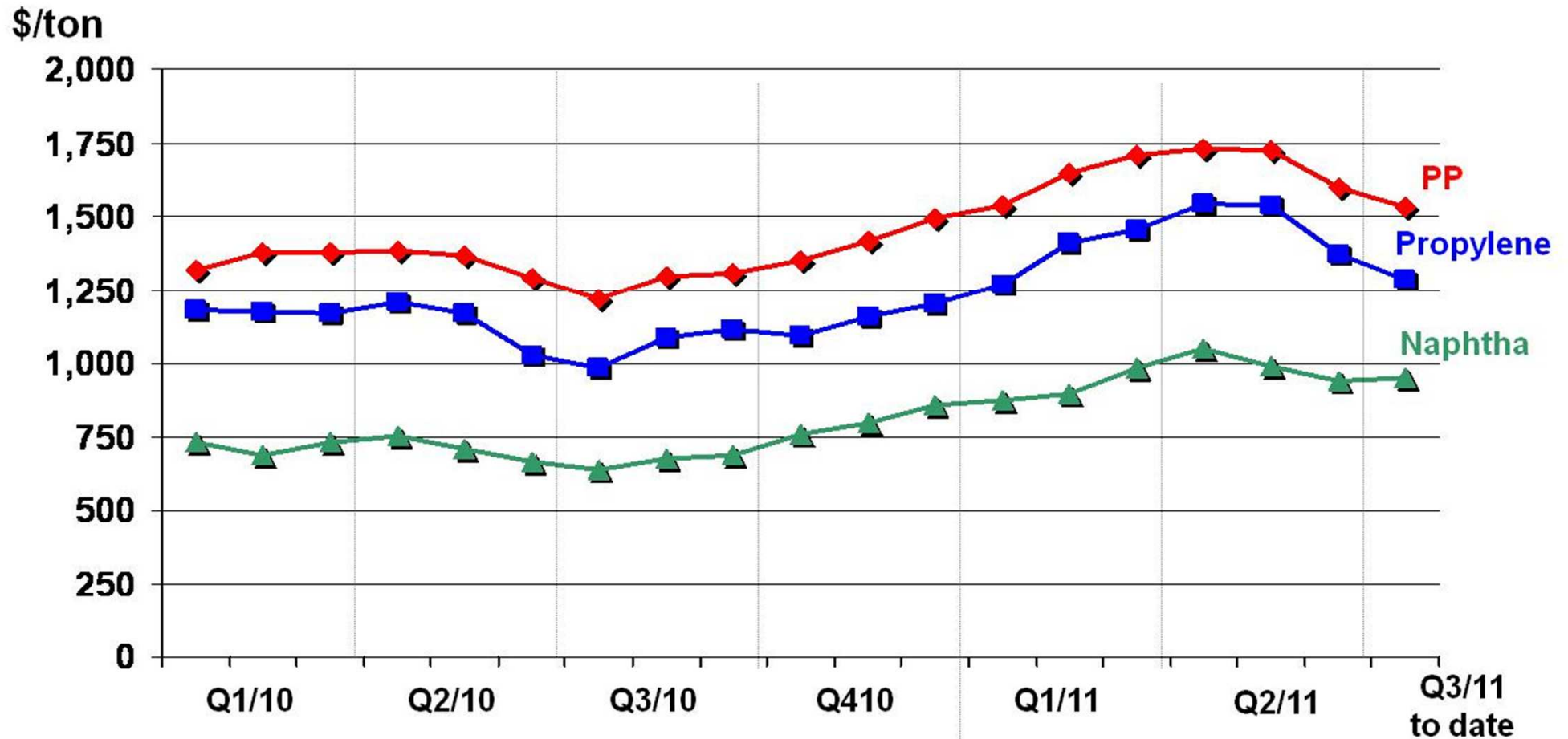
Note: Prices refer to SEA regional prices

PP – Naphtha Margins

PP continues to outperform HDPE.



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PP-Naphtha Spread (\$/ton)	643	638	611	619	717	691	➔
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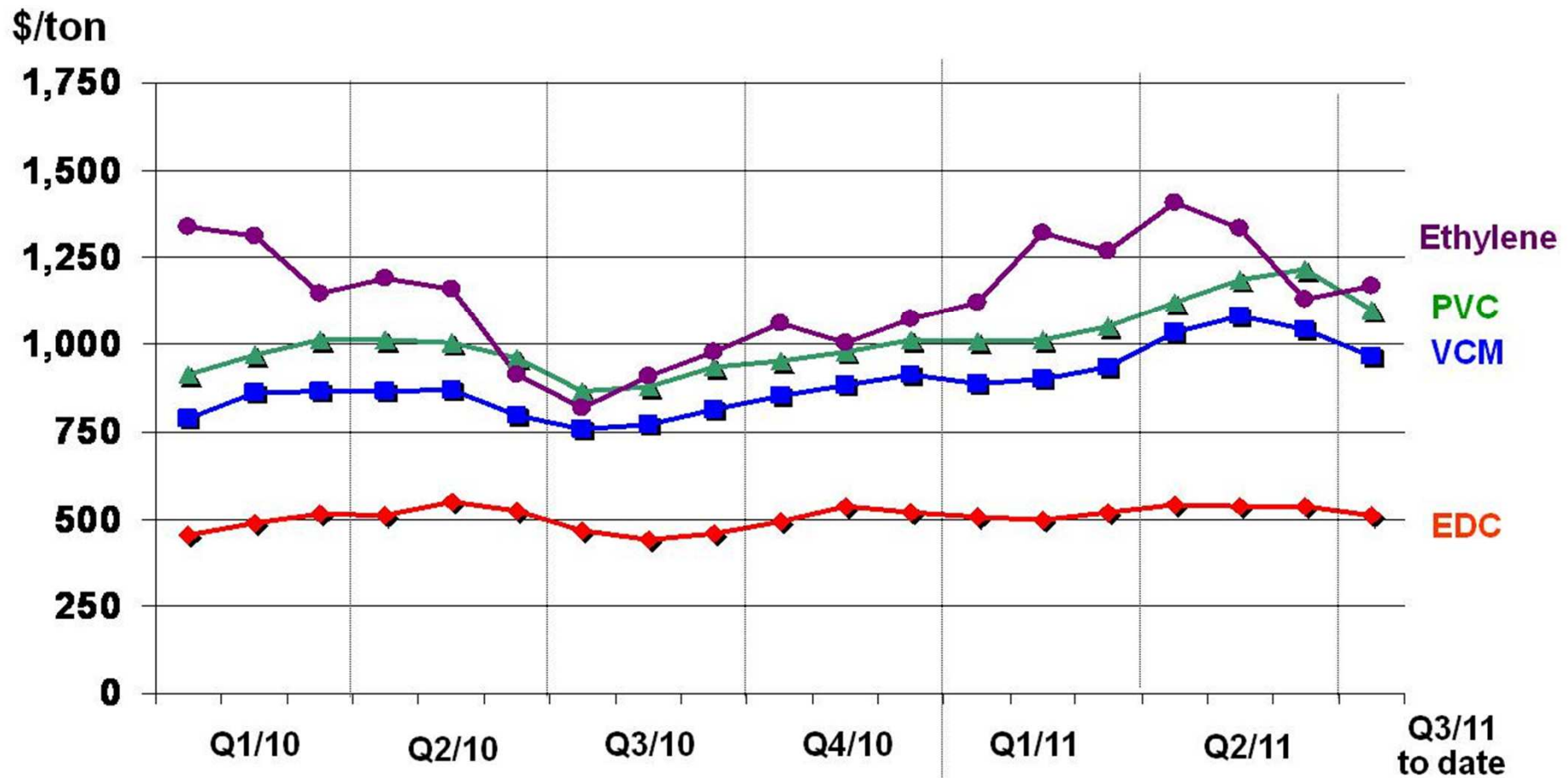
Note: Prices refer to SEA regional prices

PVC Margins

Continued healthy PVC margins.



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PVC-EDC/C2	277	310	311	319	323	437
Spread (\$/ton)	←		304	→	← 380 →	



Prices refer to FE regional prices

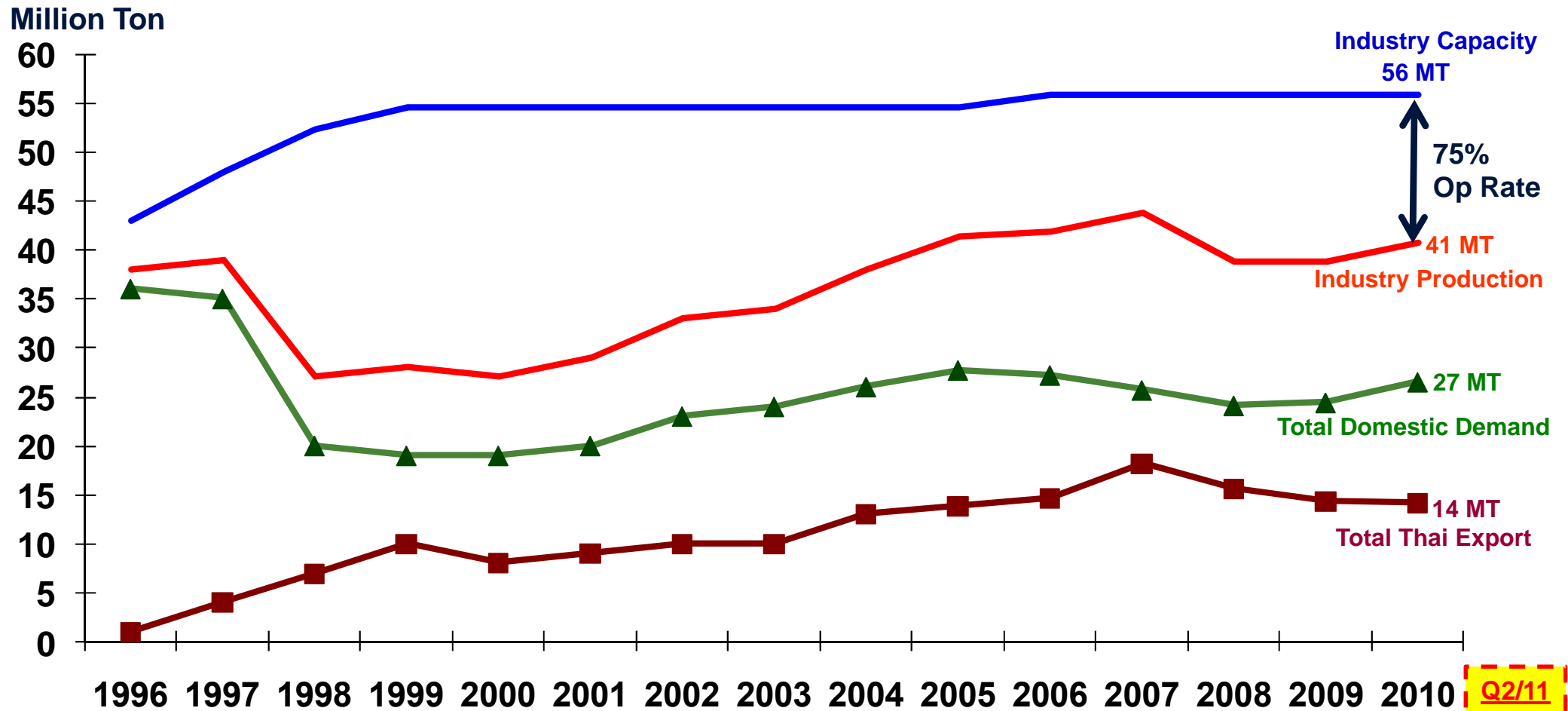
- FY2011 global ethylene capacity growth of 6 MT, compared to 12 MT in FY2010.
- Continued trough margins for HDPE.
- PP margins continues to outperform.
- Healthy PVC, and MMA margins.
- Depressed PTA margins, due to lower cotton prices.
- Full utilization of the new cracker in H2/11, following the additional start-up of downstream operations (Specialty Elastomer, and Propylene Oxide).

Domestic Cement Industry

FY2011 volume growth of at least 5%



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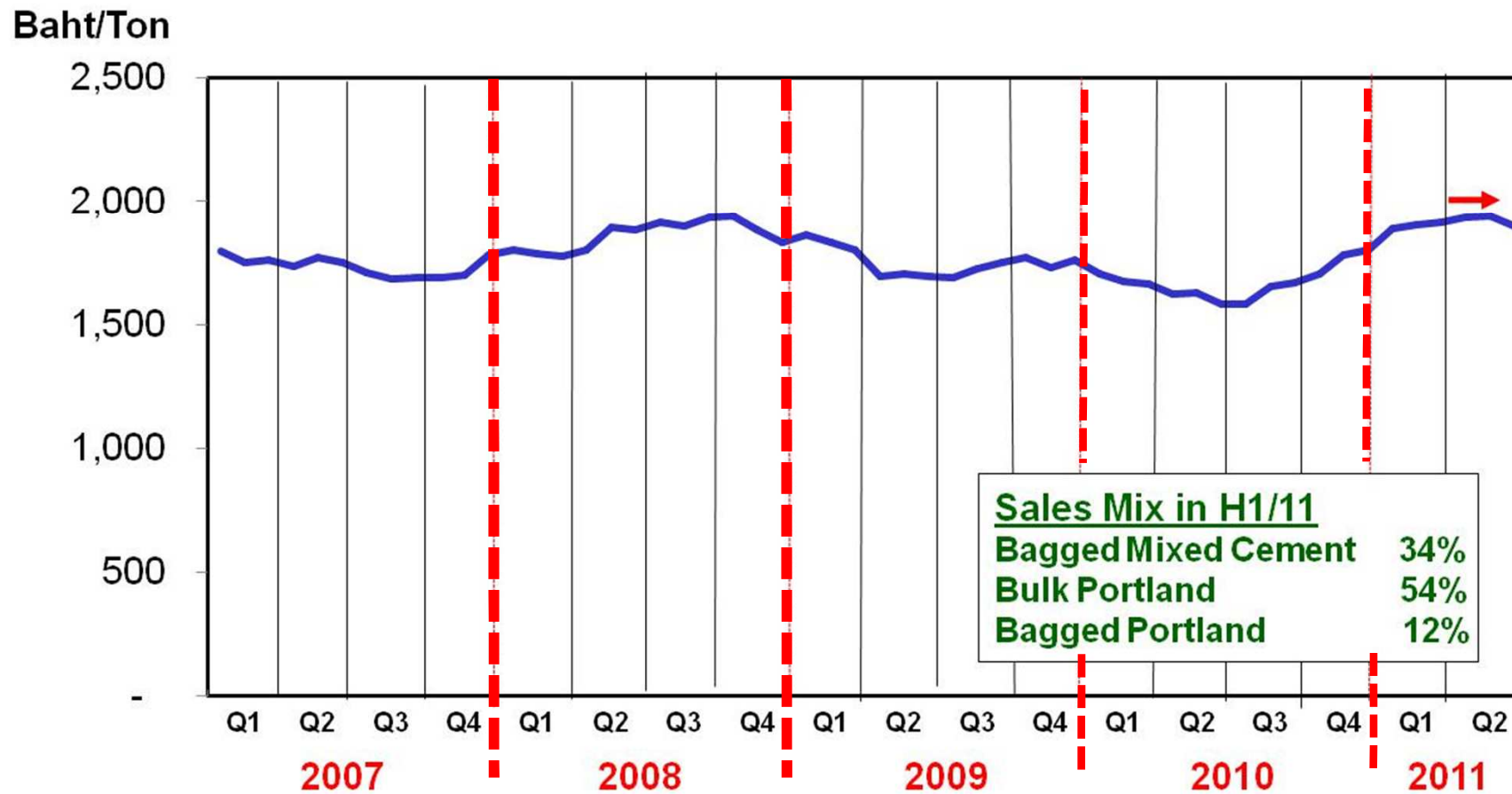


Total Domestic Growth Rate (% y-o-y)

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

Q2/11

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



Cement Exports

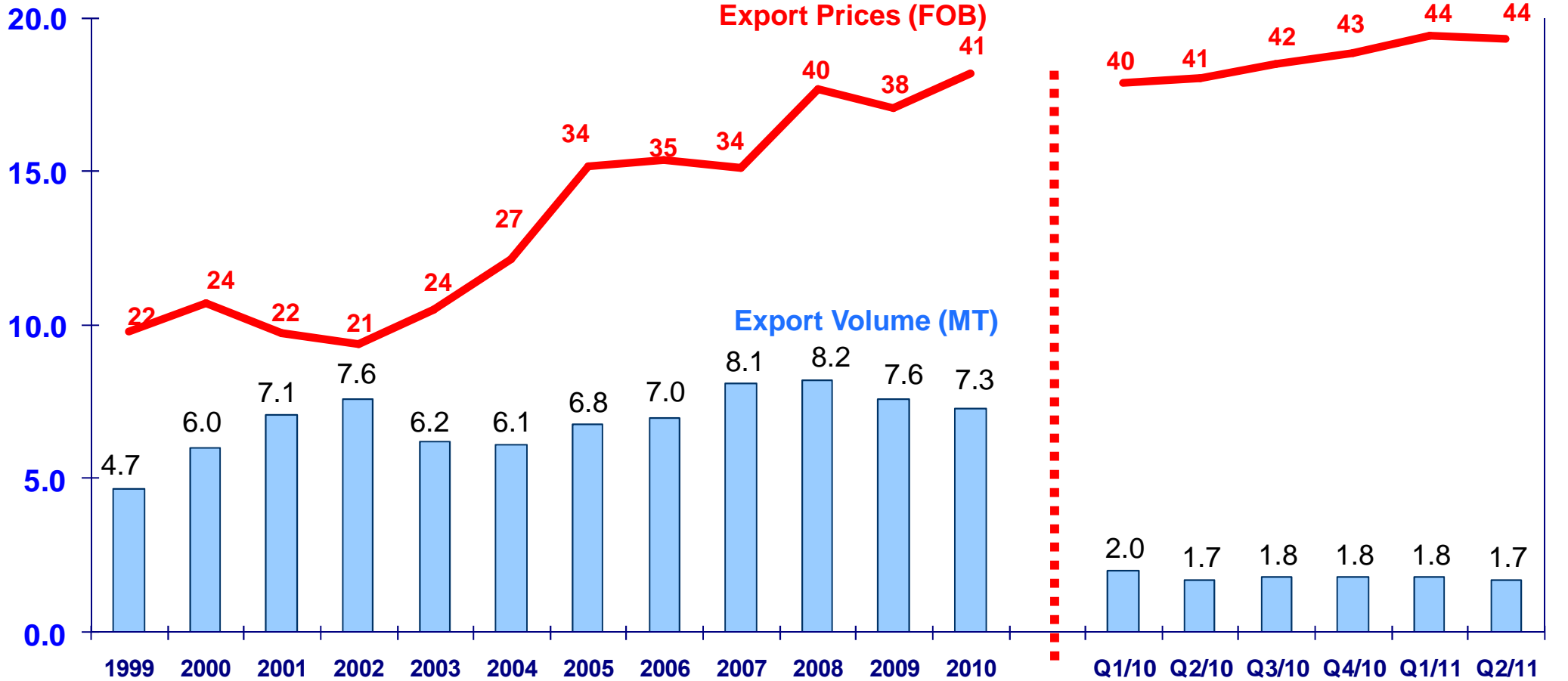


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1999-2010

Q1/10 – Q2/11

Million Ton

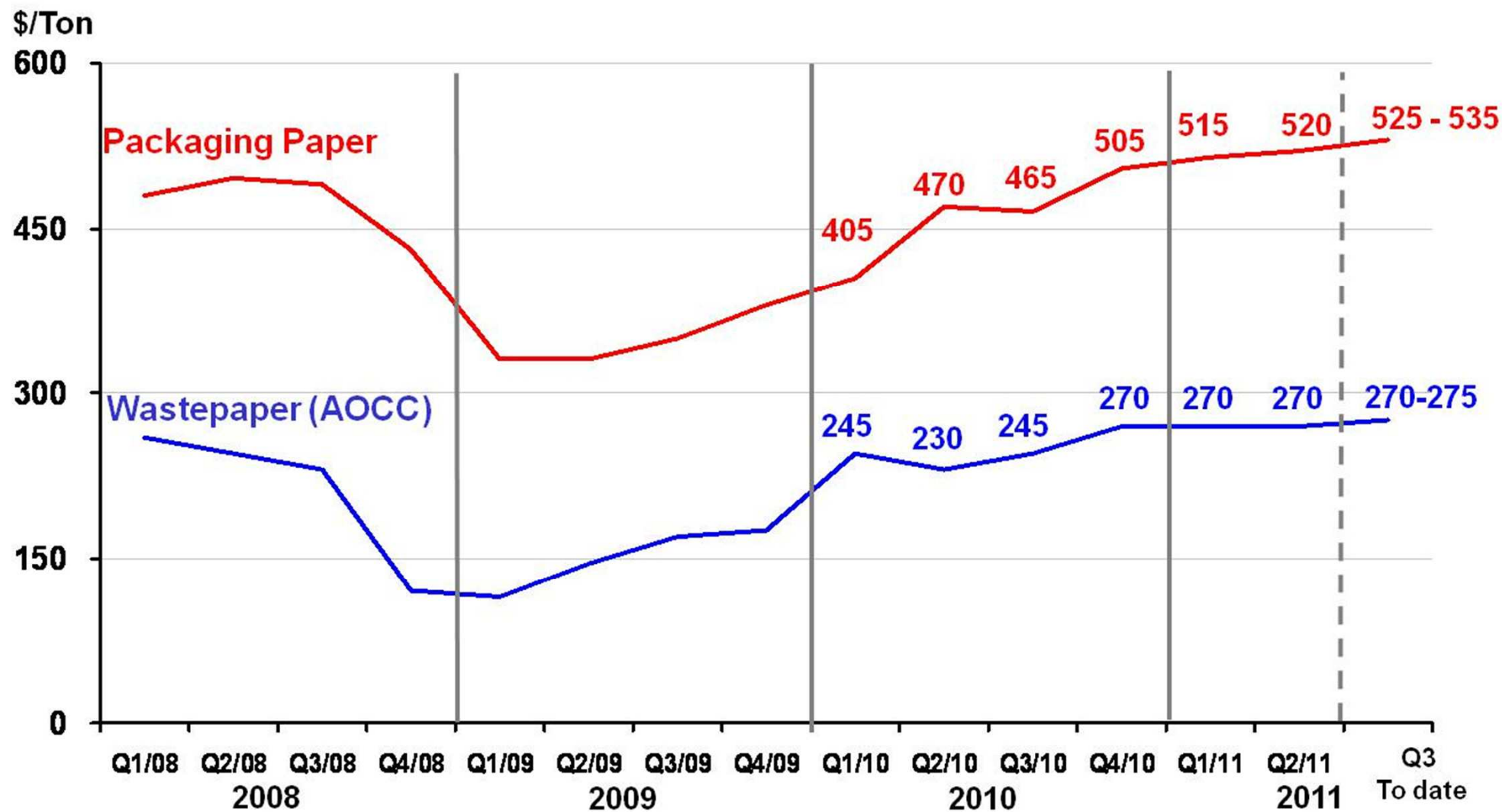


- H2/11 domestic demand growth is forecasted to be similar to H1/11.
- Strong demand from the commercial sector, with marginal demand from the residential sector.
- Flat export sales volume for FY2011.

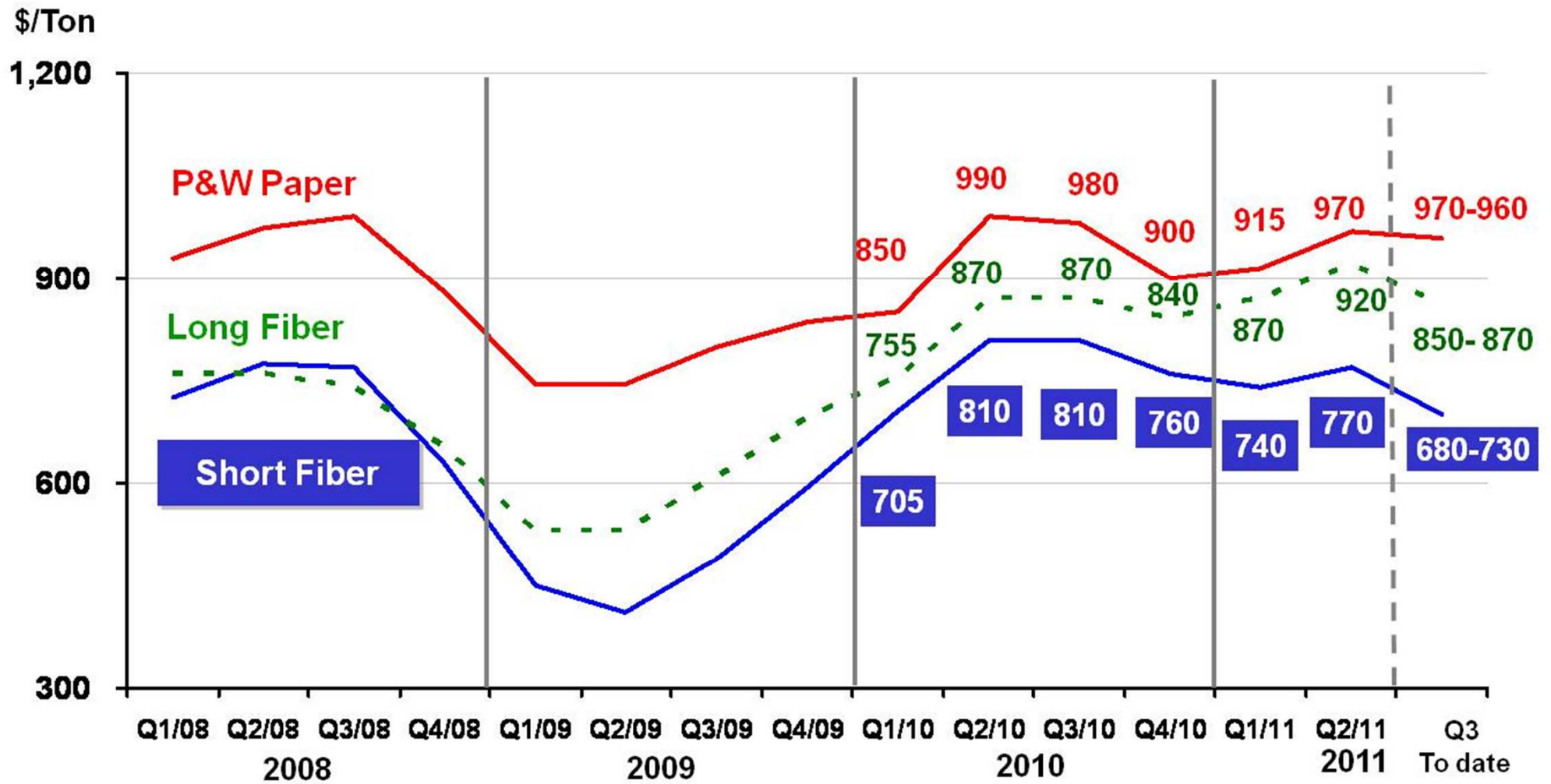
Packaging Paper



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Note: regional prices



Note: regional prices

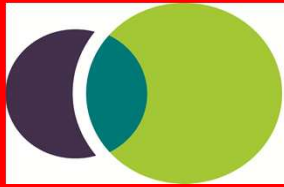
Packaging Paper & Corrugated Containers

- Continued high wastepaper prices.
- Increase in seasonal demand for packaging paper.

Pulp and Printing & Writing Paper

- Lower pulp prices (short & long), following inventory reduction.
- Paper prices are expected to closely track pulp prices.

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**Dow Jones
Sustainability Indexes**
Member 2010/11



SCG

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- **SCG has been in DJSI's "Gold Class" for the past 3 years, and has been a member of DJSI since 2004.**
- **In 2010, +2,500 companies participated and 10% were credited with Gold / Silver / Bronze Class ranks.**
- **DJSI measures standards in Economics, Social, and Environment.**
- **DJSI was established in 1999, and is the first truly global index to track sustainability initiatives of listed companies.**
- **More than 70 global funds in 19 countries allocate their asset portfolio in accordance to the DJSI.**
- **For further details: www.sustainability.index.com**

SCG eco value

Thailand's first eco-friendly label, accounting for 15% of H1/11 sales.



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SCG eco value: eco products



Cool Roof System



Active-Flow: Reduce energy in formation process



Elephant Cement: Corrosion Resistance



Reduce Green House Gas and fuel consumption by 3%/Transportation ton



Green Read: Eye-care Paper



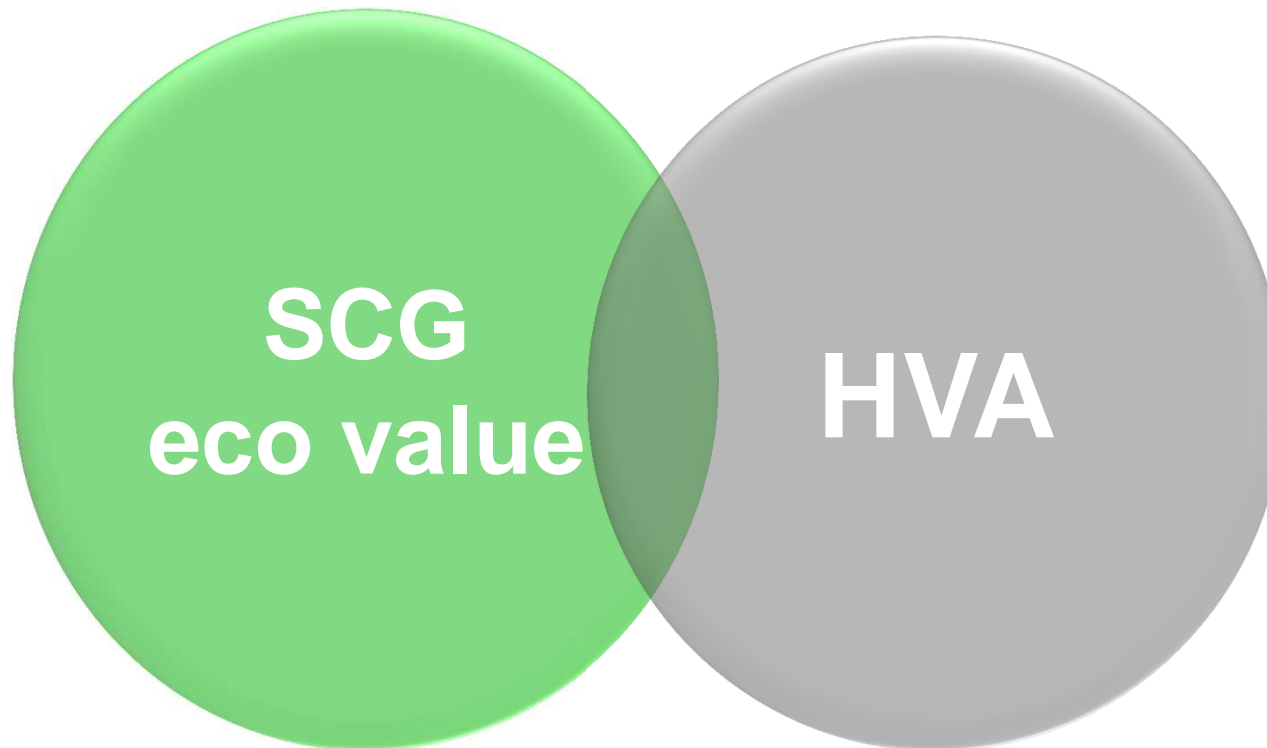
Smart Wood



Water Saving Sanitary ware & fittings



Stay Cool



Most of the new SCG eco value = HVA

Comprehensive Training Roadmap

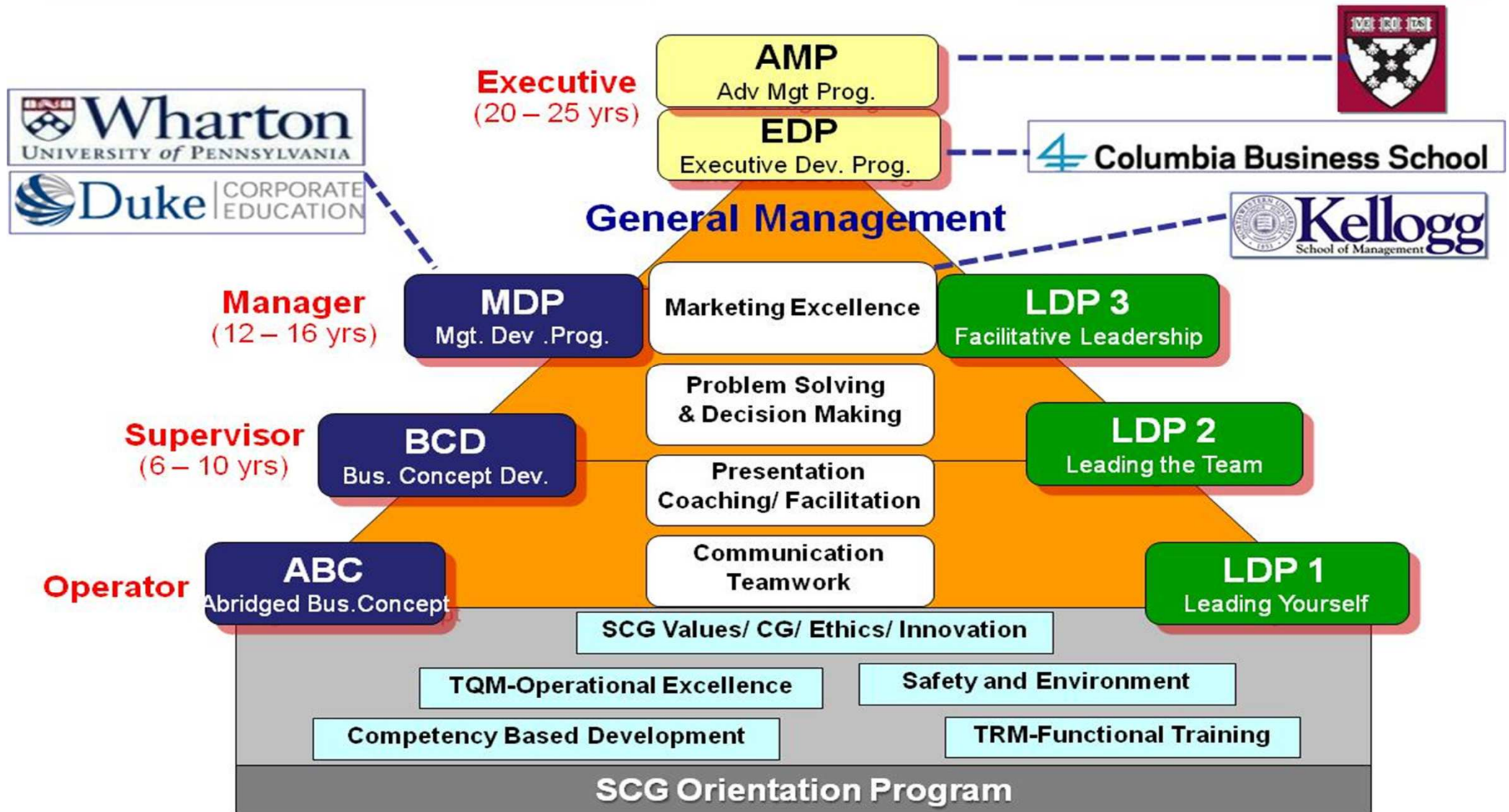


SCG

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Business Knowledge

Leadership Skills



Corporate Scholarship

Began in 1973, with +400 scholarships granted.



MBA Scholarships

	'08	'09	'10	'11		
US	Harvard	-	-	-	-	
	Chicago	-	-	-	-	
	Stanford	-	-	-	-	
	Wharton	2	1	1	-	
	MIT	2	2	2	1	
	Columbia	1	-	-	-	
	UC Berkeley	-	-	-	-	
	NYU Stern	-	-	-	1	
	Kellogg	2	2	3	-	
	Dartmouth	-	-	-	-	
	Michigan	-	1	1	-	
	Duke	-	-	1	1	
	EU	IMD	-	-	-	-
		LBS	-	1	-	-
INSEAD		-	-	1	-	
ISB (India)	-	-	-	-		
Tsinghua	-	-	-	-		
ASIA	CEIBS	-	-	-	-	
	HK UST	-	-	-	1	
	Sasin	-	1	1	-	
Total	7	8	10	4		

Engineering Scholarships

	'08	'09	'10	'11	
US	MIT	-	1	-	-
	Stanford	-	-	-	-
	UC Berkeley	-	-	-	-
	Illinois	1	-	-	-
	California Tech	-	-	-	-
	Georgia Tech	-	3	1	-
	Carnegie Mellon	-	-	2	2
	Michigan	-	1	-	-
	Cornell	-	-	-	-
	UT Austin	-	-	-	-
	North Western	-	-	-	-
	U. Southern California	-	1	-	-
	Penn State U.	-	1	1	-
	John Hopkins U.	-	-	-	-
	Virginia Polytech	-	-	-	-
	U. Washington	-	-	1	-
	Western Michigan U.	-	1	-	-
	U. Massachusetts, Lowell	-	1	-	-
	U. Wisconsin-Madison	-	1	-	-
	U. North Carolina	1	-	-	-
U. Portland State	1	-	-	-	
Purdue U.	1	-	-	-	

	'08	'09	'10	'11	
EU	Cambridge	-	-	-	-
	Imperial College	2	1	1	-
	Oxford	-	1	-	-
	RWTH Aachen	-	1	-	-
	U. of London	-	-	1	-
	CU-Warwick	-	-	1	-
	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	-	-	-
	U. Aberdeen (Scotland)	1	1	-	-
	U. Dundee (Scotland)	2	1	-	-
	IFP School (FR)	-	-	1	-
	Domus Academy (GER)	1	1	-	-
ASIA	U. Tokyo	-	-	-	-
	Kyoto U.	-	-	-	-
	Tokyo Tech	-	-	-	-
	Waseda U. (JAP)	-	1	-	1
	Ceramics Tech. (JAP)	-	-	1	-
AIT	-	-	1	-	
Total	11	19	14	3	

Thank You

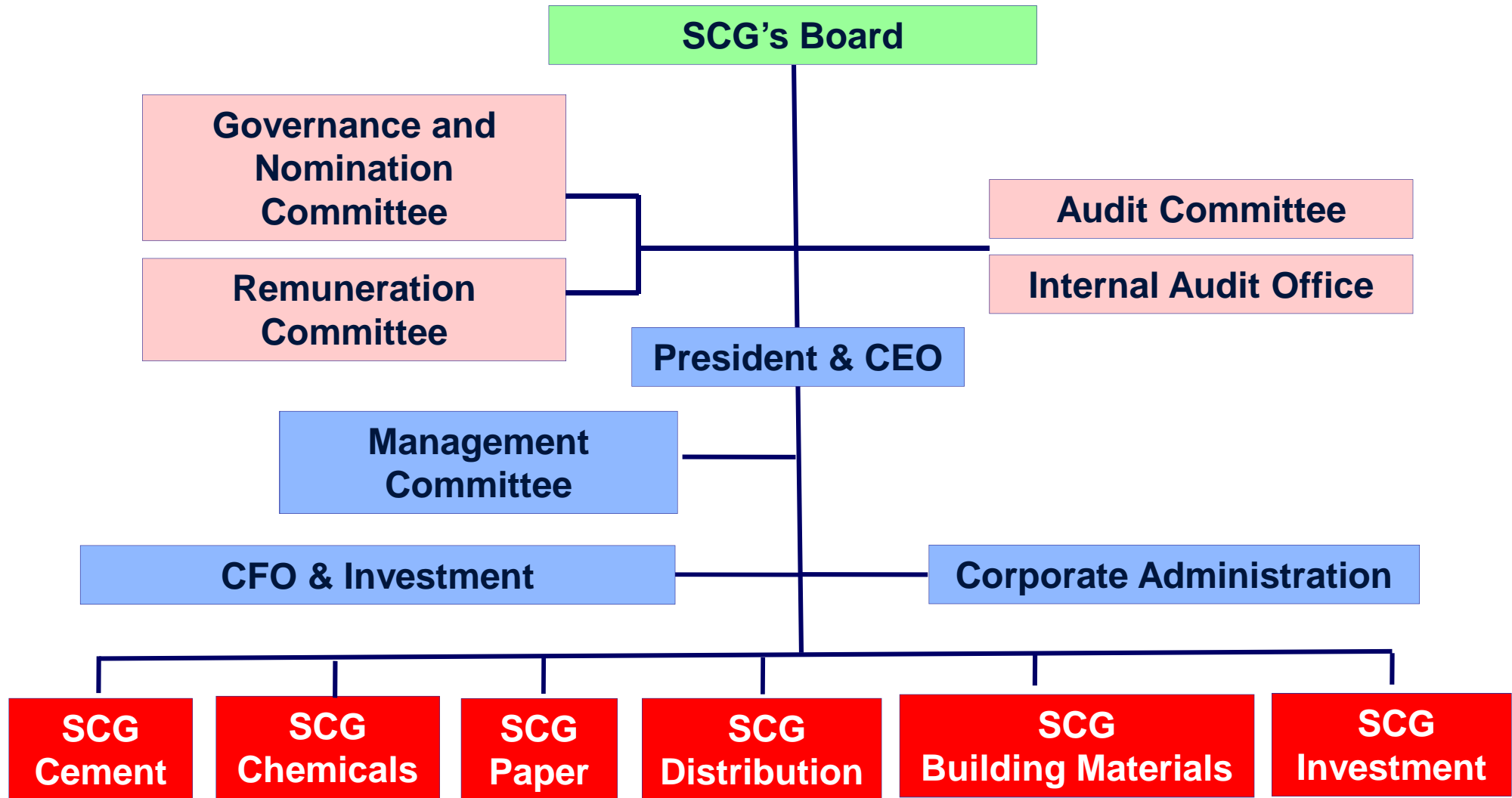
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- Founded in 1913.
- Listed on the SET since 1975.
- Market cap of \$13.6 Billion (local share price of 340 Bt/sh), and free float of approx 70%.
- Roots in cement, with expansions into building materials, distribution, paper, and chemicals.
- Currently employ approx 34,000 staffs.
- Asset of 373.2 Billion Baht (\$12.5 Billion)
- Key figures (2010):
 - Net Sales 301.3 Billion Baht (\$10.0 Billion)
 - EBITDA 45.9 Billion Baht (\$ 1.5 Billion)
 - Net Profit 37.3 Billion Baht (\$ 1.2 Billion)

SCG's Organization Chart



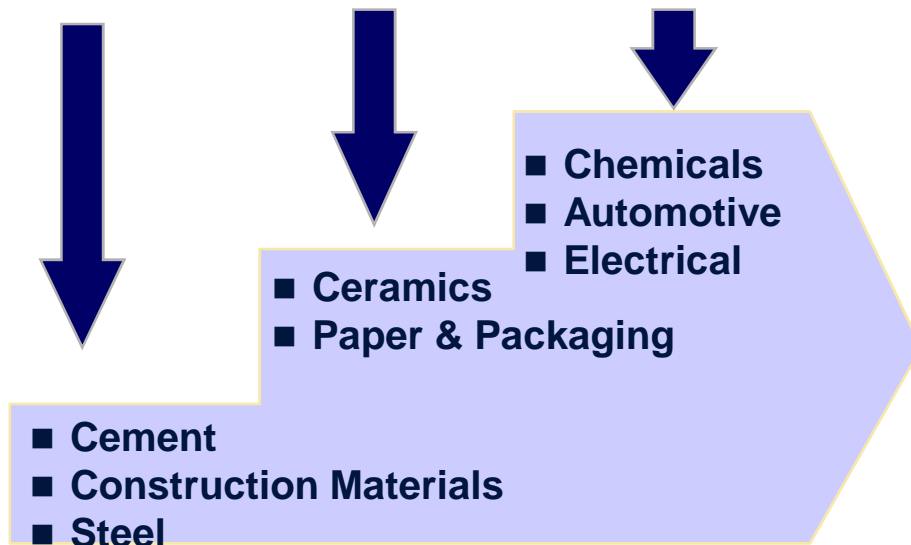
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SCG's Operational History



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Core businesses today

- SCG Chemicals
- SCG Cement
- SCG Building Materials
- SCG Paper
- SCG Distribution
- SCG Investment

Capacity at the End of 2011



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Chemicals - Naphtha Cracker (consolidated)		Chemicals - Associates (equity accounting)	
Ethylene	1,700,000 tons	Mitsui Chemicals JV	
Propylene	1,200,000 tons	- PTA (1.44 million tons)	50%
Chemicals - Downstream (consolidated)		- PET (100,000 tons)	20%
HDPE	1,180,000 tons	- PP Compound 86,000 tons	46%
LDPE + LLDPE	200,000 tons	Dow Chemicals JV	
PP	720,000 tons	- LLDPE (650,000 tons)	50%
PVC (Thailand, Indo, Vietnam)	940,000 tons	- Propylene Oxide (390,000 tons)	50%
Paper (consolidated)		- Specialty Elastomer (220,000 tons)	50%
Packaging Paper (Thai, Phil, Viet)	1.88 million tons	- PS (120,000 tons)	50%
Box (Thai, Malay, Sing, Viet)	795,000 tons	- SM (300,000 tons)	50%
Printing & Writing Paper	565,000 tons	- Synthetic Latex (18,000 tons)	50%
Short Fibre Pulp	425,000 tons	Mitsubishi Rayon JV	
Cement (consolidated)		- MMA (175,000 tons)	47%
Grey Cement (Thai + Cambodia)	24 million tons	- Cast Sheets (20,000 tons)	47%
Ready-Mixed Concrete	19 million metre ³	Building Products (consolidated)	
		Ceramic Tiles (Thai, Indo, Phil)	149 M sqm
		Roofing Products (Thai, Cambodia, Phil, Viet)	87 M sqm
		Ceiling & Wall Products	65 M sqm
		Autoclaved Lightweight Concrete	15 M sqm

SCG's ASEAN Branding



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SCG eco value: eco process

eco = Ecology + Economy

Balance and Sustainable relationship
of economy,
society and ecology

value

Value for stakeholders, society
and environment received
from innovative products and
services



ระบบหมุนเวียนน้ำ
ในการผลิตเคมีภัณฑ์
ลดการใช้น้ำใหม่



นำความร้อนเหลือทิ้ง
จากการผลิตปูนซีเมนต์
กลับมาผลิตเป็นพลังงานไฟฟ้า
ช่วย**ลดการปล่อย CO₂**



- One of the founding member of “World Business Council for Sustainable Development” (WBCSD) since 2000.

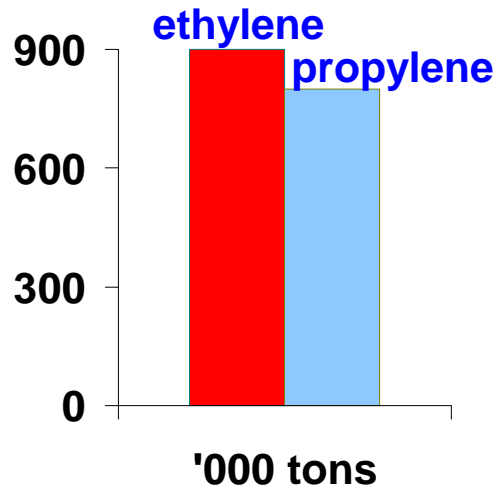
- Active participate in 2 member projects:
 - Cement Sustainable Initiative - CSI
 - Sustainable Forestry Products Industry - SFPI

- World-scale integrated producers of upstream (2 crackers totaling 2.9 MT of olefins) and downstream chemicals (1.9 MT of PE/PP), both at the consolidated subsidiary level.
- Successful partnership with world-class leaders such as Dow Chemical, Mitsui Chemicals, and Mitsubishi Rayon, at the associated company level.
- Strategic partnerships in Vietnam, and Indonesia.
- ASEAN market leader with a diverse portfolio of commodities and HVA products.
- High production efficiency and reliability by using leading, commercially proven technologies for all processes.
- Exports to over 110 countries worldwide.

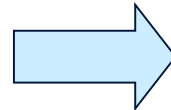
The second naphtha cracker is propylene-rich.

SCG's Naphtha Cracker

Propylene-rich



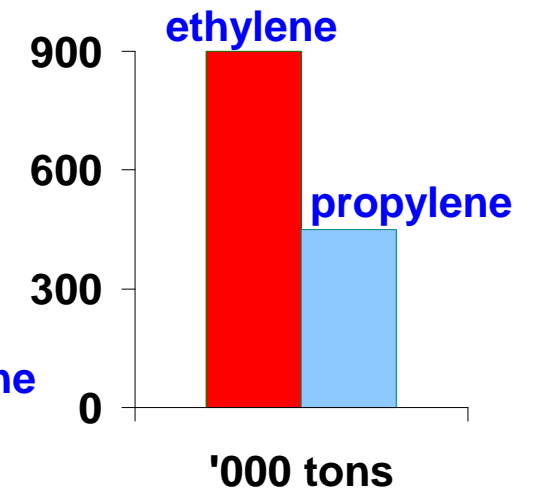
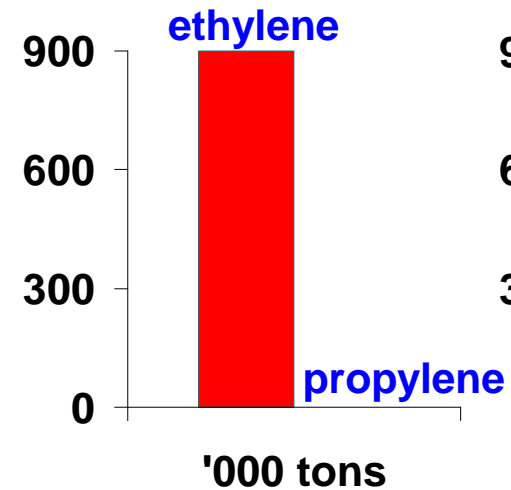
versus



Typical crackers

Gas-based

Naphtha-based

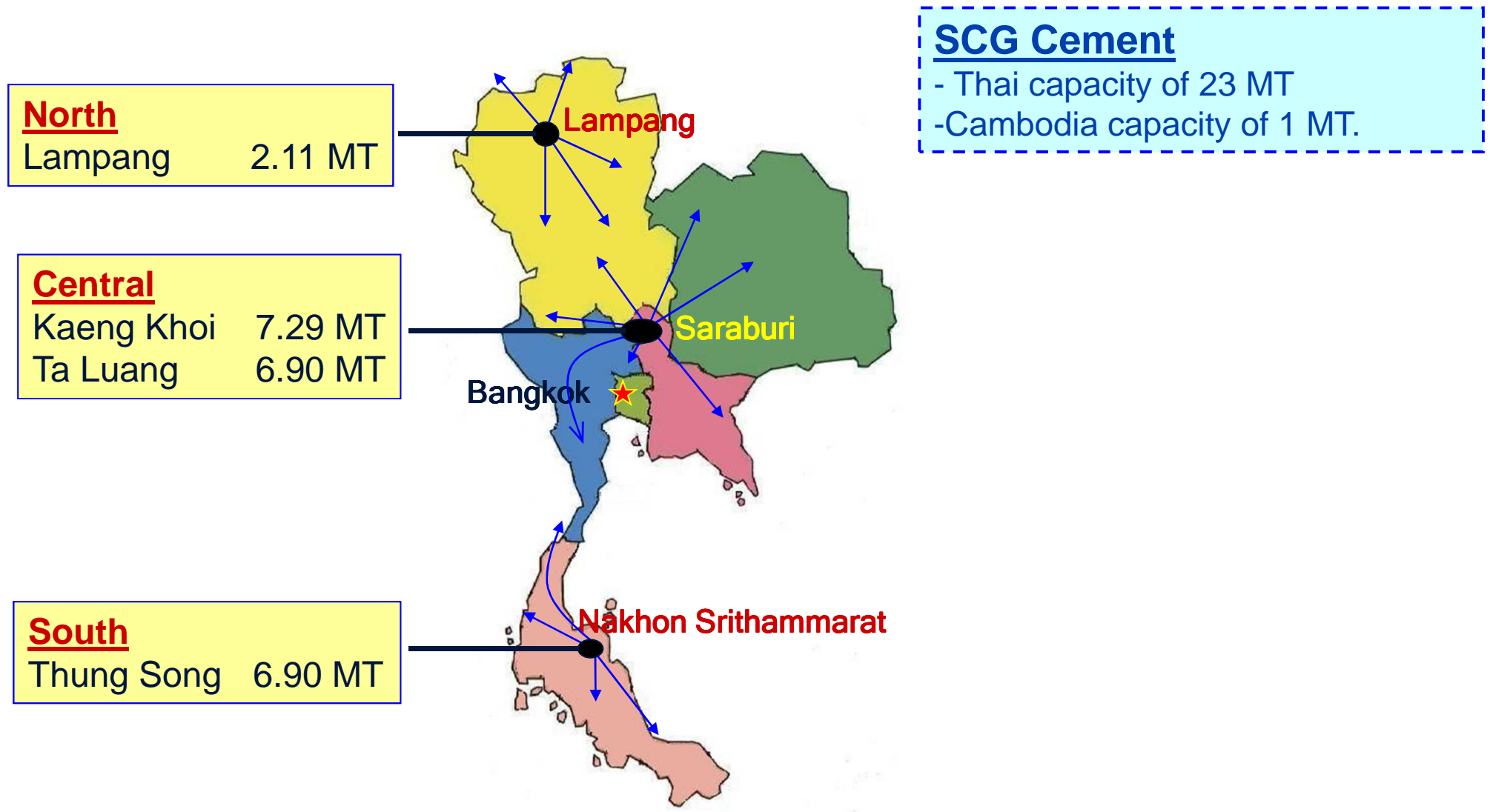


SCG Cement

Nationwide network, and domestic market share of approximately 40%.



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- Utilize heat from the production process to turn steam turbines for generation of electricity, thereby lowering electrical consumption from the grid.
- Total investment of 5,750 MB, with return on investment of approx 25% or 1,600 MB per annum.

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

SCG Paper

Integrated and competitive operator of Packaging Paper and P&W Paper.



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- Plants in Thailand, Vietnam, Philippines, Malaysia, and Singapore.
- Packaging paper capacity (1.9 million tons) is ASEAN's largest, and is integrated into box plants for customized products with Rengo of Japan as a successful partner.
- Printing & Writing operations (0.57 million tons) are supported by internal pulp production from tree farms.
- Quality printing and writing products includes:
 - “Idea Green” - 30% less virgin pulp via recycled pulp.
 - “Idea Work” - high grade photocopy paper.
 - “Idea Max” - lightweight (70 gram), high performance with dual-side usage.
 - “Green Read” - non-reflective paper for ease of reading.

Printing & Writing Paper

Internal Eucalyptus Pulp



100%
integration

Printing & Writing Paper



Packaging Paper



42%
integration

Internal Sales

-Corrugated Box



58%

External Sales

-Containerboard

-Paperboard



SCG Building Materials

World's largest ceramics tiles producer, with diversified building product offerings.



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Broad range of product offering

- Manufacturer of roofing, fiber cement, and autoclaved lightweight concrete products, in addition to sanitary ware and fitting (jv with TOTO), and landscaping services.
- Global sales to +50 countries.

Integrated solutions provider

- Roofing Center
- Cotto tile studio
- Cotto speed bathroom
- Modular house (jv with Sekisui Heim)

Environmentally-friendly products and services

- Non-asbestos fiber cement products
- SCG Eco Value label
- Revenue from high-value added products accounts for more than 40% of existing sales.

SCG Distribution

Primarily logistics, global trading, and domestic distribution.



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- Leading supply chain solution provider, whereby non-SCG clients accounts for approx 40% of total sales.
- Global international trading coverage is provided by the 36 global offices in 25 countries.
- Domestic logistics service provider to +200 clients, with +30 MT hauled in FY2010.
- Network of more than 450 exclusive domestic distributors nationwide.

SCG Investment

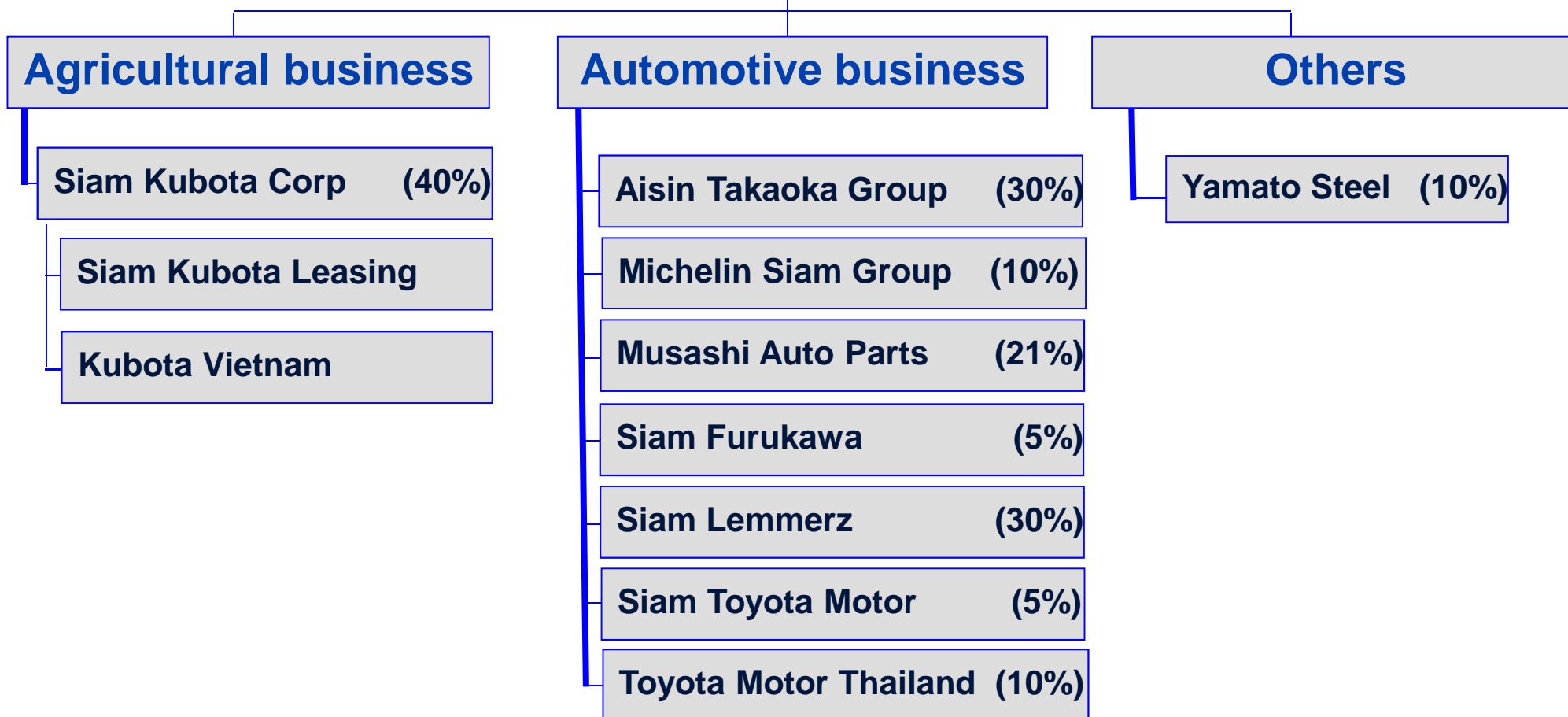
Contribution in FY2010 was approx 1,700 MB in equity income, and another 2,700 MB from dividend income.



SCG

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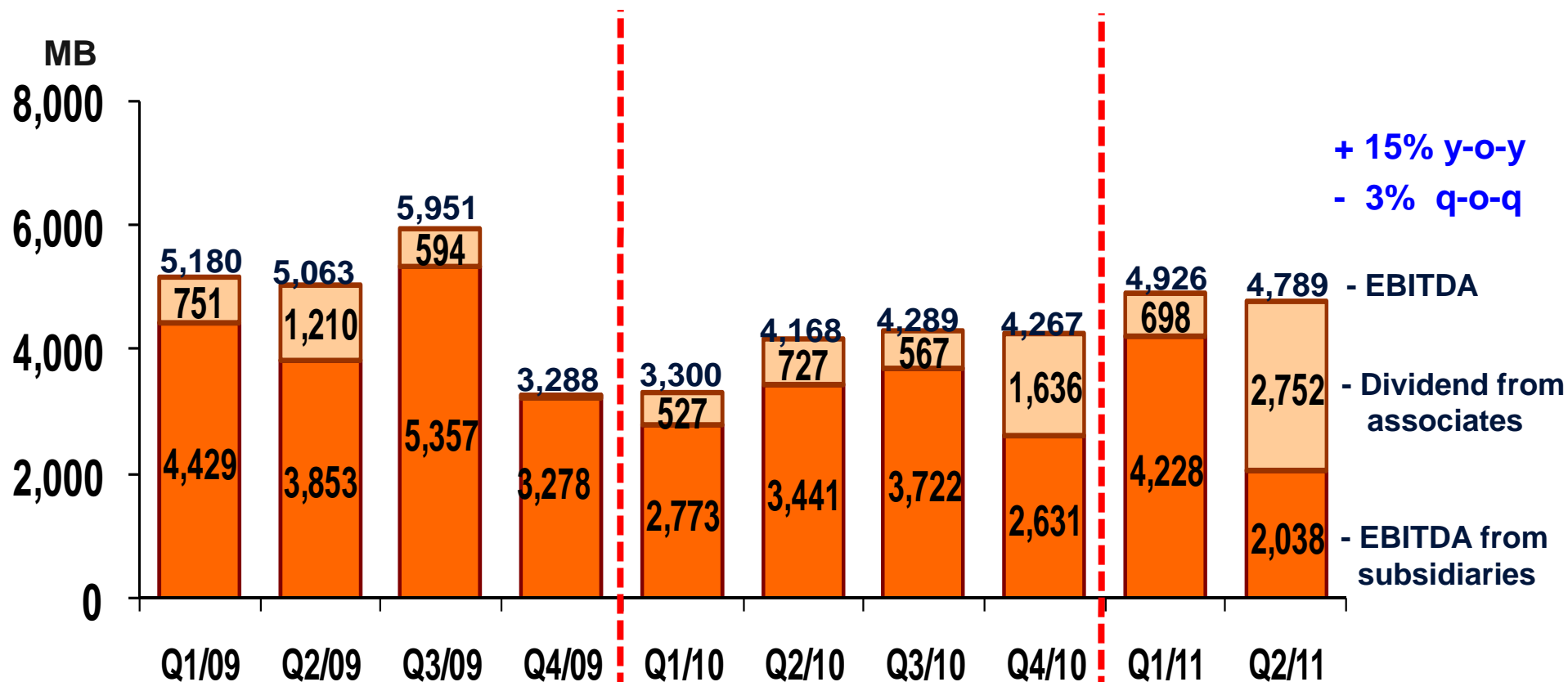
SCG INVESTMENT



Chemicals EBITDA



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+ 15% y-o-y
- 3% q-o-q

- EBITDA
- Dividend from associates
- EBITDA from subsidiaries

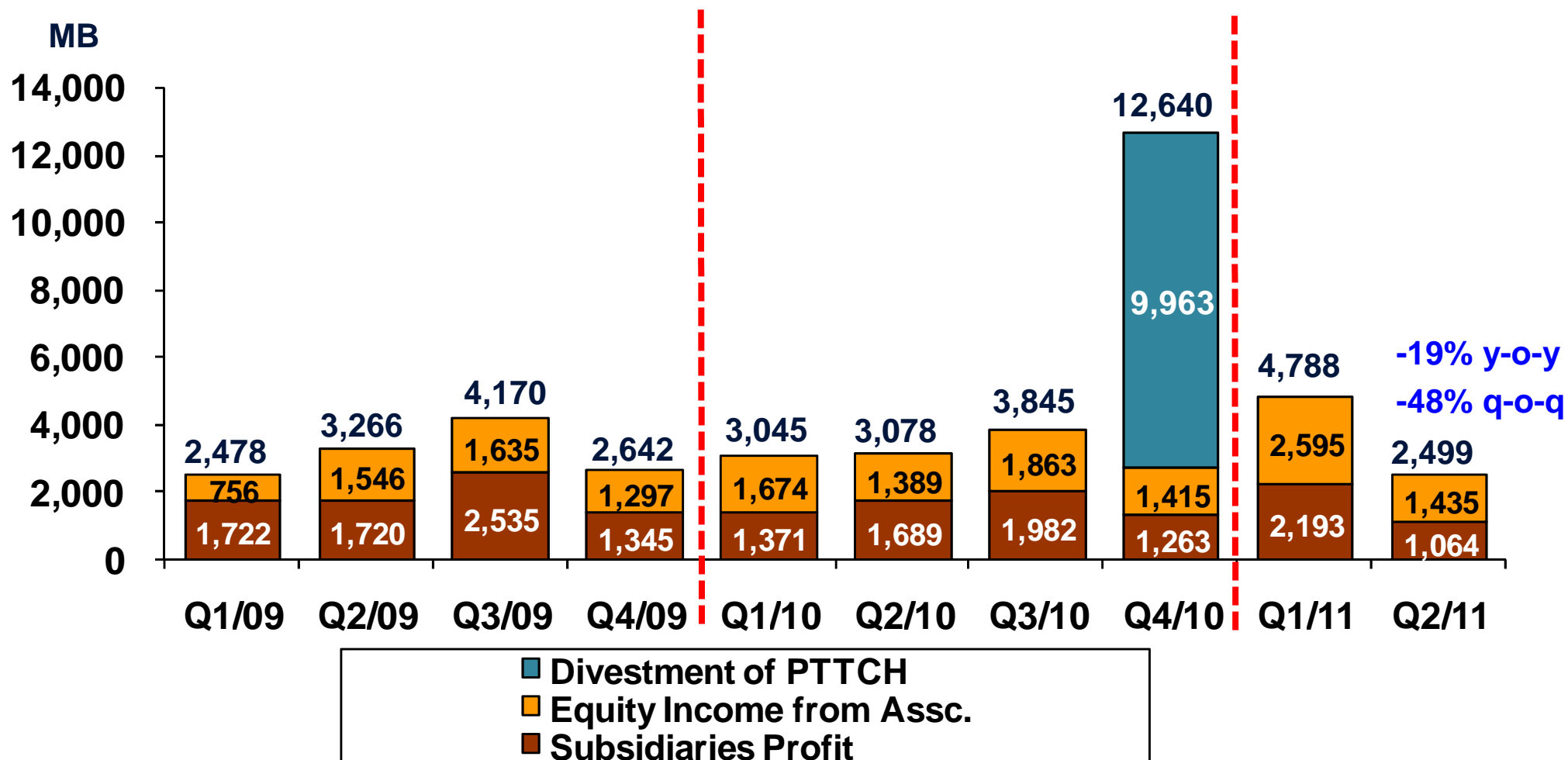
EBITDA Margin	Q1/09	Q2/09	Q3/09	Q4/09	Q1/10	Q2/10	Q3/10	Q4/10	Q1/11	Q2/11
EBITDA Margin	21%	16%	18%	12%	10%	9%	9%	7%	9%	4%

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

Chemicals Profitability



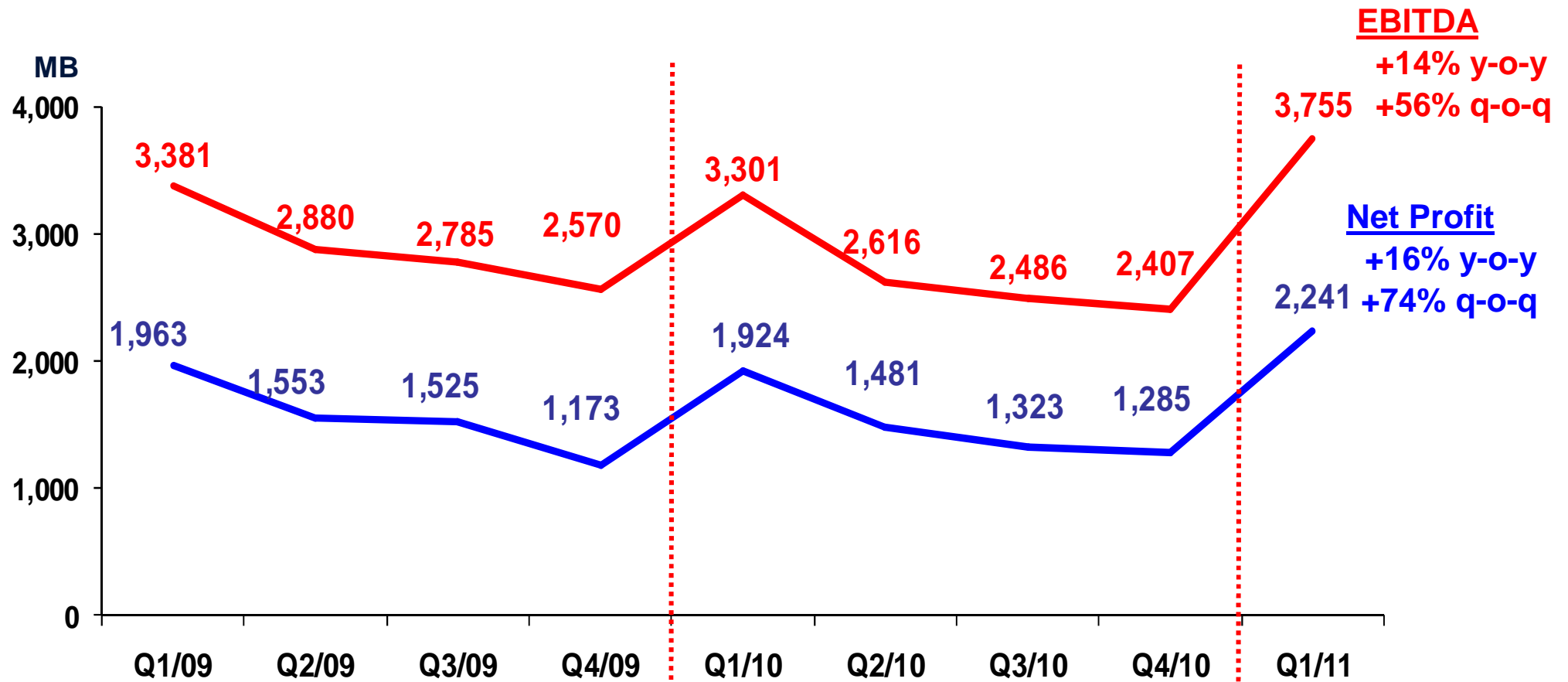
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Cement Financials



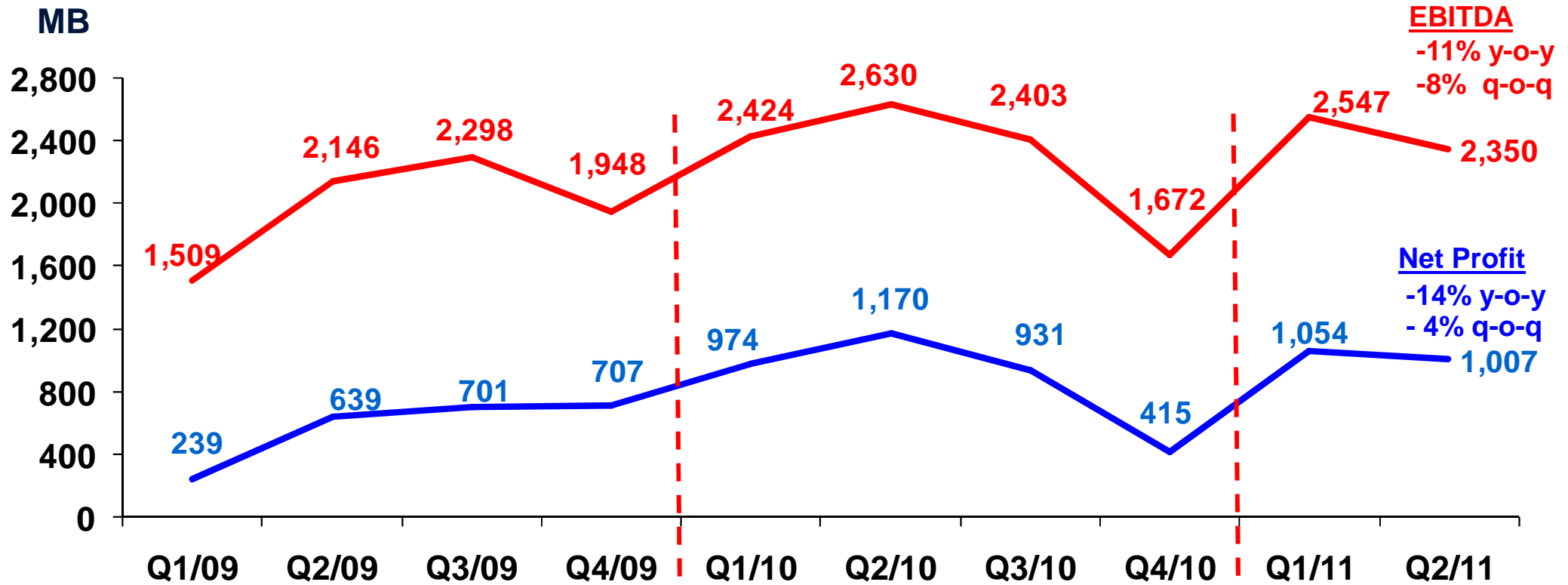
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EBITDA
+14% y-o-y
+56% q-o-q

Net Profit
+16% y-o-y
+74% q-o-q

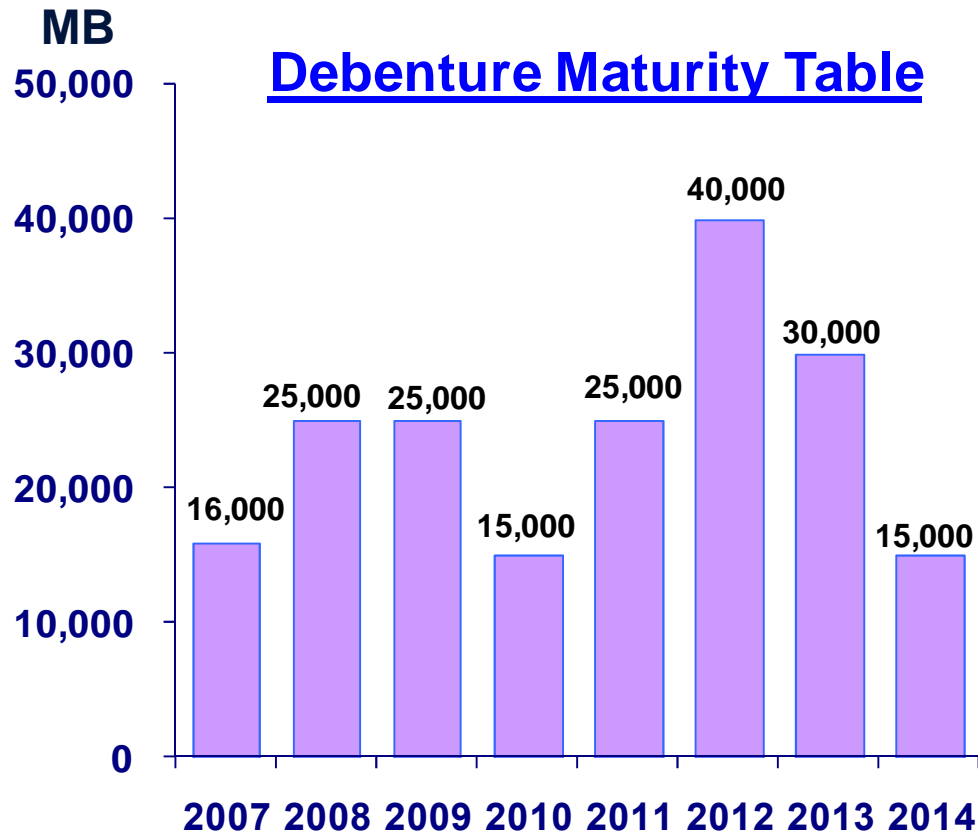
EBITDA margin	27%	26%	24%	22%	26%	22%	21%	20%	26%
	← 25%		→ 22%		← 22%		→ 22%		



EBITDA
-11% y-o-y
-8% q-o-q

Net Profit
-14% y-o-y
-4% q-o-q

<u>EBITDA Margin</u>										
All products	16%	20%	20%	17%	19%	21%	18%	13%	19%	18%
Packaging	18%	18%	17%	14%	16%	17%	14%	11%	17%	15%
P&W	12%	25%	27%	23%	25%	28%	26%	16%	22%	22%



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

NOTE: Debtentures amount to 110,000 MB, as of Q2/11.

Segmented Financials



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Sales (MB)	2008	2009	2010	H1/11	Assets (MB)	2008	2009	2010	H1/11
Consolidated	293,230	238,664	301,323	186,354	Consolidated	285,776	315,986	359,219	373,213
Chemicals	136,527	101,115	144,317	97,899	Chemicals	138,504	165,947	165,087	170,881
Paper	47,110	42,729	51,714	27,573	Paper	51,089	48,271	50,127	52,489
Cement	49,999	46,661	48,954	27,900	Cement	60,770	60,680	61,018	60,709
Building Materials	23,351	26,873	30,719	17,244	Building Materials	22,654	22,992	24,796	34,520

EBITDA (MB)	2008	2009	2010	H1/11	Profit for the Period (MB)	2008	2009	2010	H1/11
Consolidated	38,783	47,116	45,949	27,680	Consolidated	16,771	24,346	37,382	16,703
Chemicals	12,598	19,482	16,024	9,715	Chemicals	6,136	12,556	22,609	7,287
Paper	6,660	7,901	9,129	4,896	Paper	1,658	2,286	3,490	2,061
Cement	11,272	11,616	10,810	7,141	Cement	6,006	6,214	6,014	4,231
Building Materials	4,085	4,907	5,489	2,847	Building Materials	778	1,617	1,872	1,051

EBITDA Margin (%)	2008	2009	2010	H1/11	EBITDA / Assets (%)	2008	2009	2010	H1/11
Consolidated	12%	18%	14%	13%	Consolidated	14%	15%	13%	14%
Chemicals	7%	17%	9%	6%	Chemicals	9%	12%	12%	9%
Paper	14%	18%	18%	18%	Paper	13%	16%	16%	19%
Cement	23%	25%	22%	26%	Cement	19%	19%	19%	24%
Building Materials	16%	18%	17%	16%	Building Materials	18%	21%	20%	16%