SCG

Analyst Conference Q1/11

Wednesday, April 27, 2011

Dow Jones Sustainability Indexes
Member 2010/11

Ranked Gold Class: 2010, 2009, 2008
Member since: 2004

AGENDA

I. Consolidated Results
- Q1/11 Consolidated Results
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II. Cement

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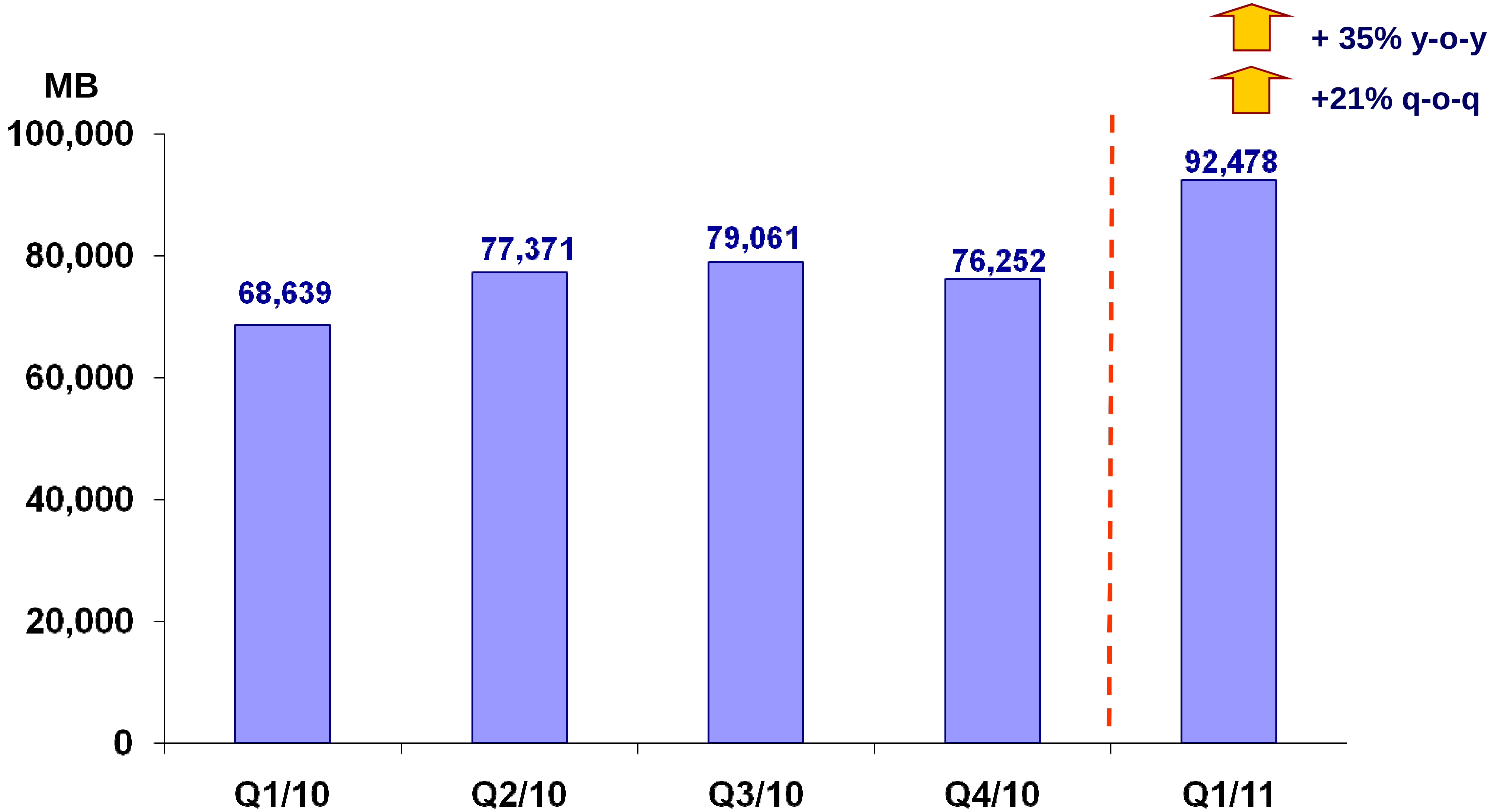
Revenue from Sales: Increased 35% y-o-y and 21% q-o-q, with sales growth from all businesses.



EBITDA: Grew 23% y-o-y, boosted by volume from the second chemicals complex, and 15% q-o-q, after completion of the first chemicals complex major turnaround.

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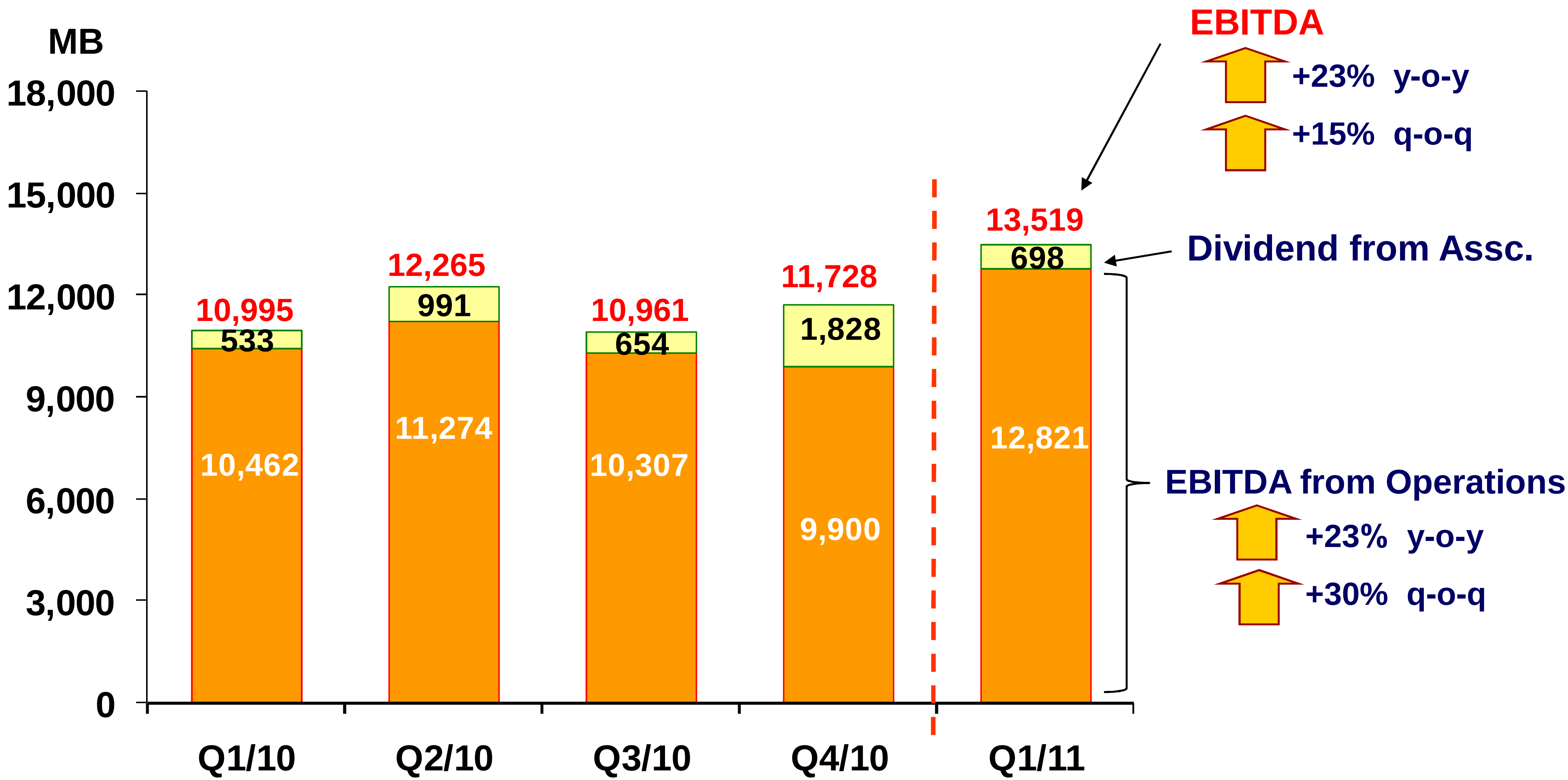
slide 4



Note: EBITDA = EBITDA from Operations + Dividend from Associates

Equity Income: Increased 37% y-o-y and 62% q-o-q, with increased contribution from chemicals associates.

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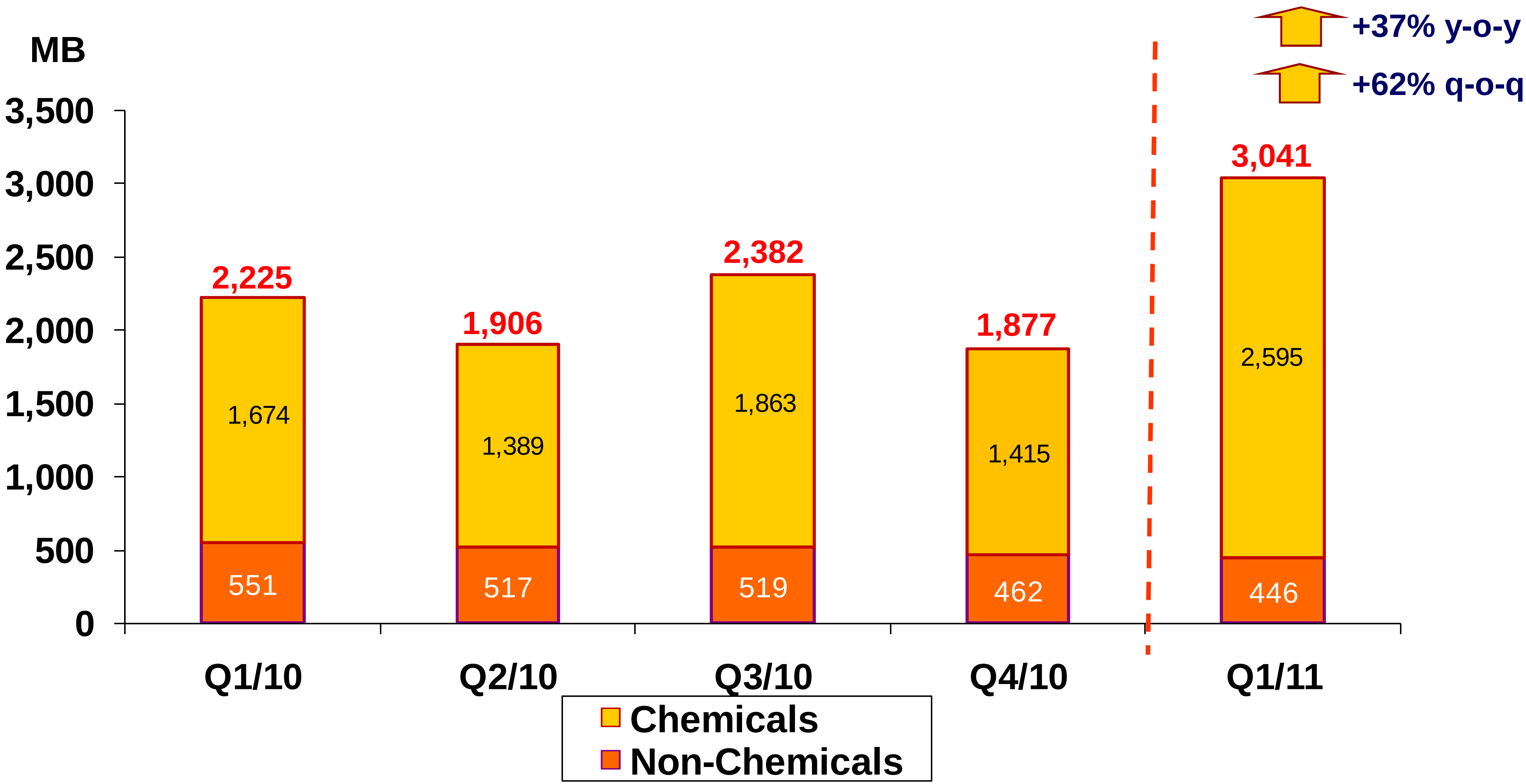

Net Profit: Net Profit grew 34% y-o-y, driven primarily by chemicals earnings.

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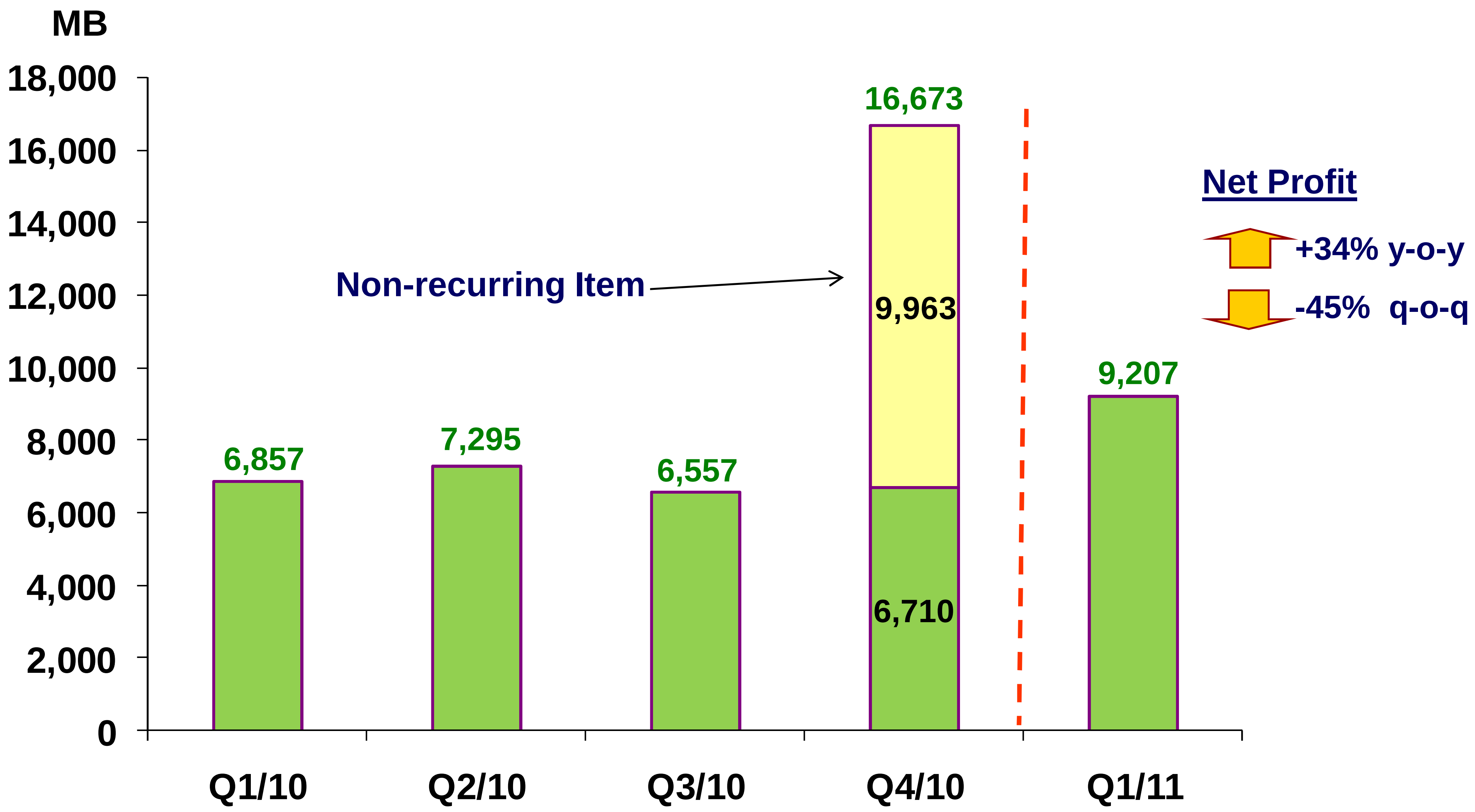
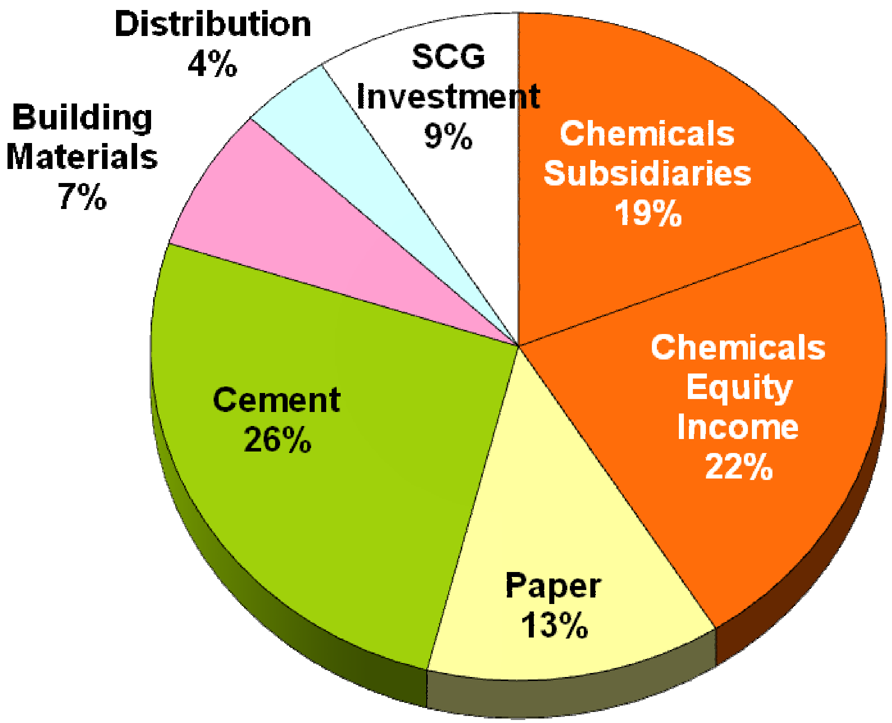
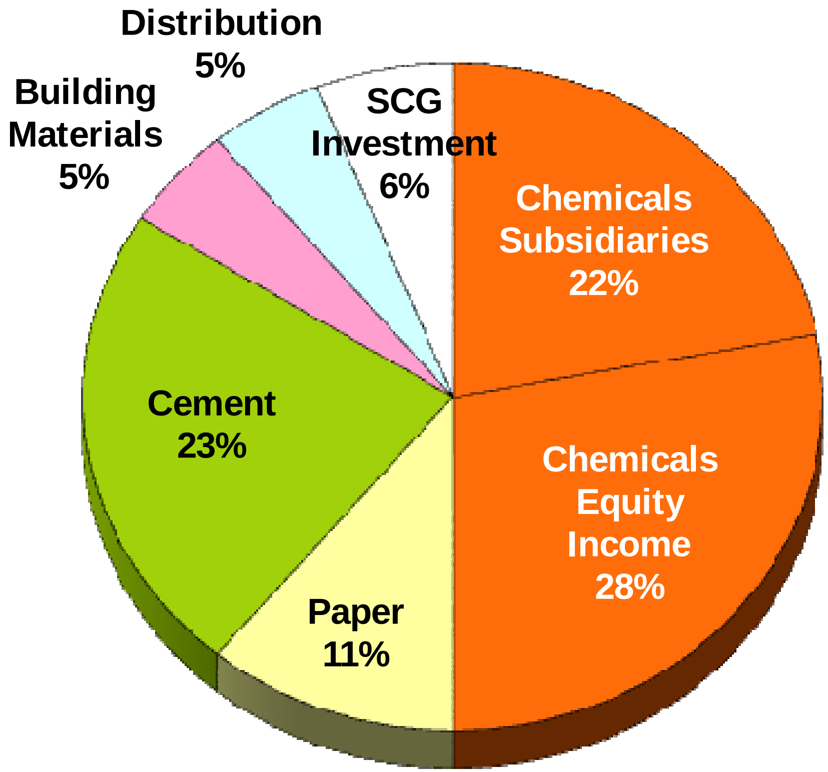


Net Profit Segmentation:
Chemicals' portion grew to 50% in Q1/11, following increased sale volume and equity income.

Q1/10
6,857 MB



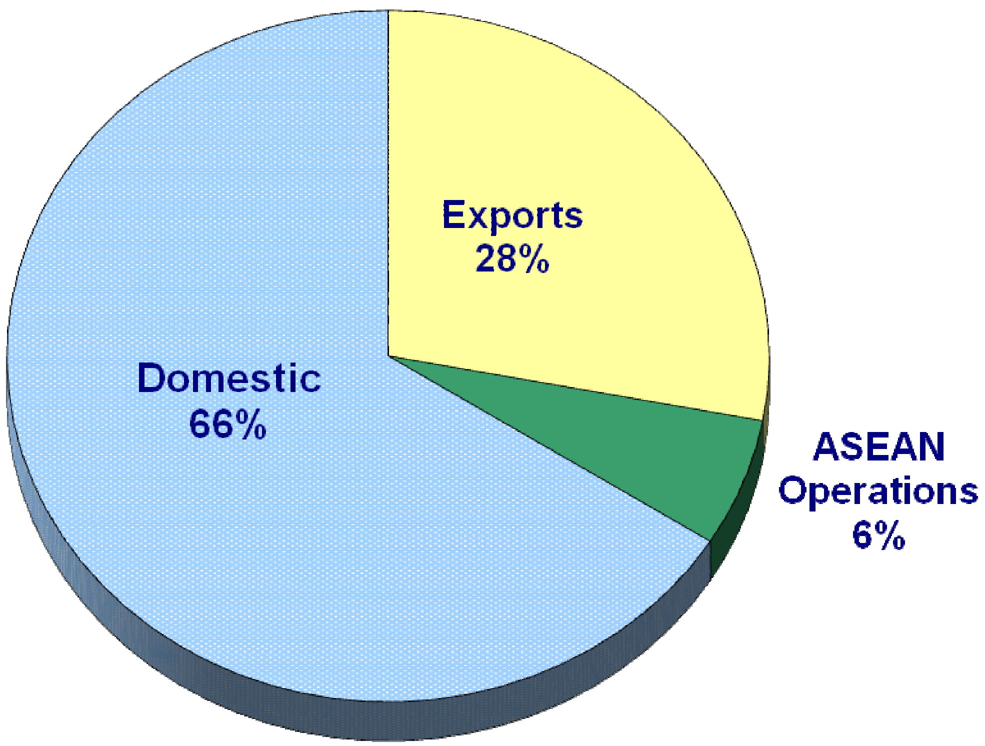
Q1/11
9,207 MB (+34% y-o-y)



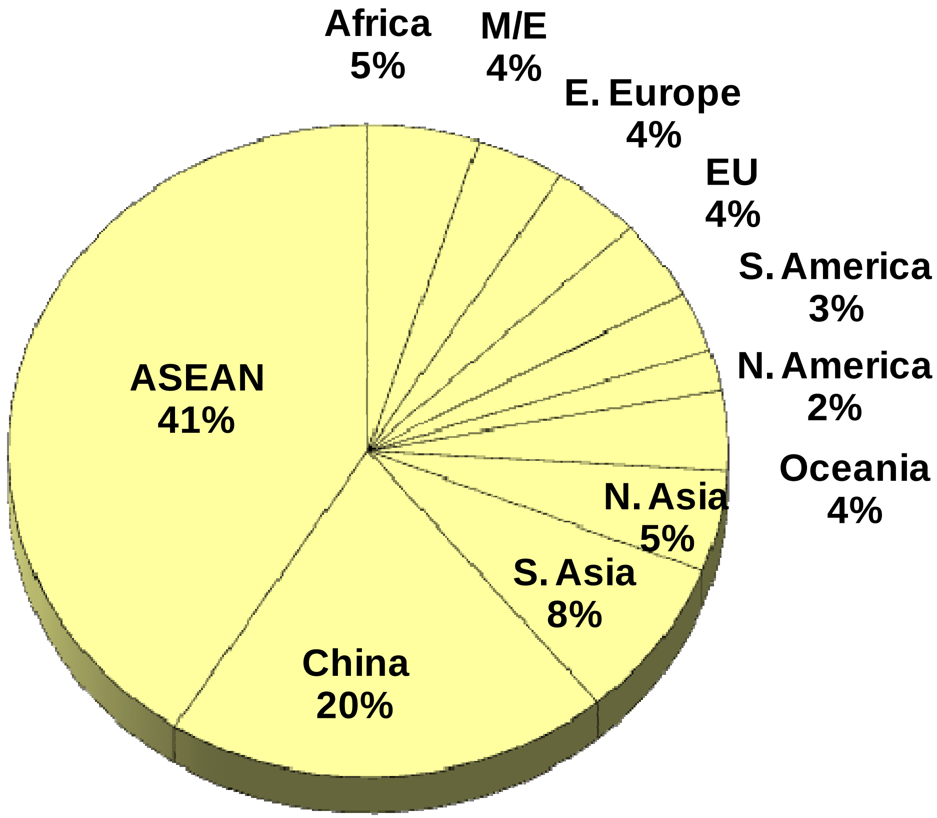
SCG Investment's net profit is from:
1) dividend income (stake of <20%)
2) equity income (stake of 20% to 50%)

Export Destinations in Q1/11: Domestic sales grew to 66% with sales volume from the second cracker, while ASEAN accounted for 41% of exports.

Revenue from Sales



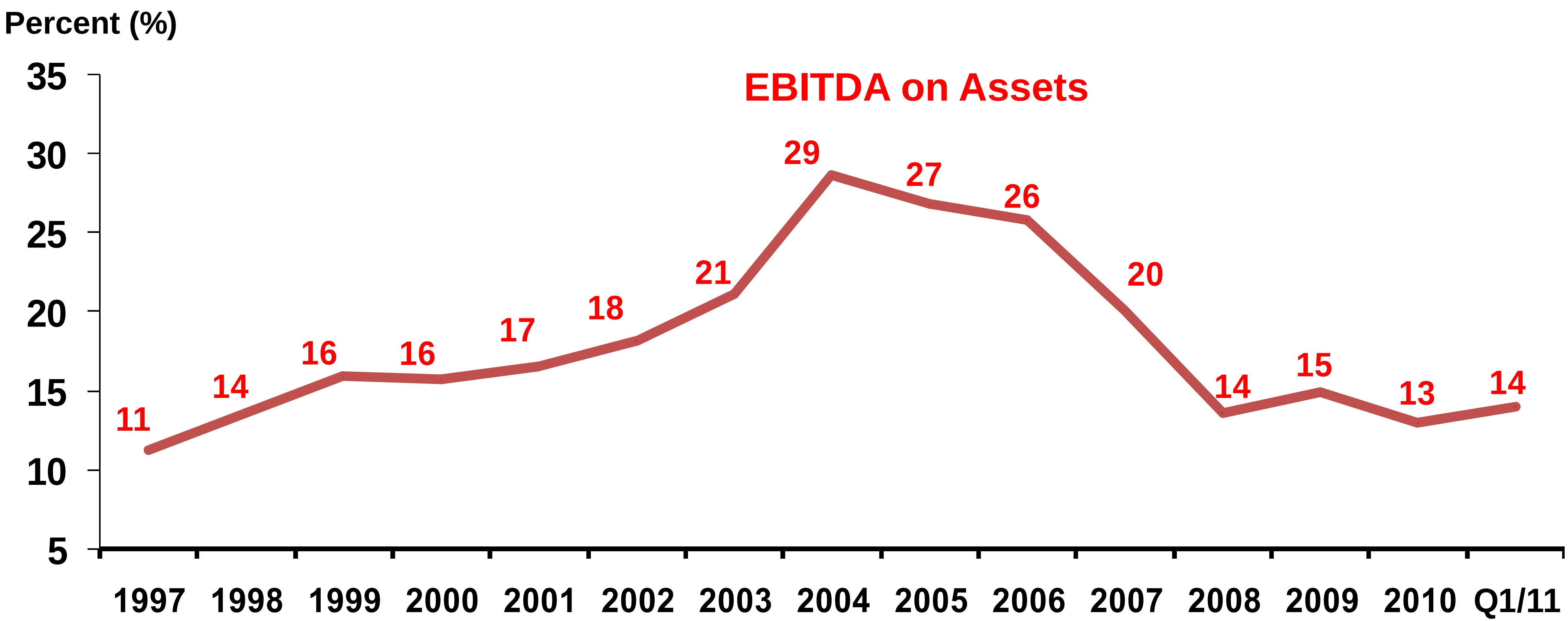
Export Destinations



ASEAN Operations - *consolidated* subsidiaries in ASEAN.

Export Destinations - from Thailand.

EBITDA on Assets, and EBITDA Margin



EBITDA Margin (%)

1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Q1/11
24	23	27	23	22	22	23	26	22	19	16	14	18	14	14

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

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Net Debt:
Dropped slightly from Q4/10.

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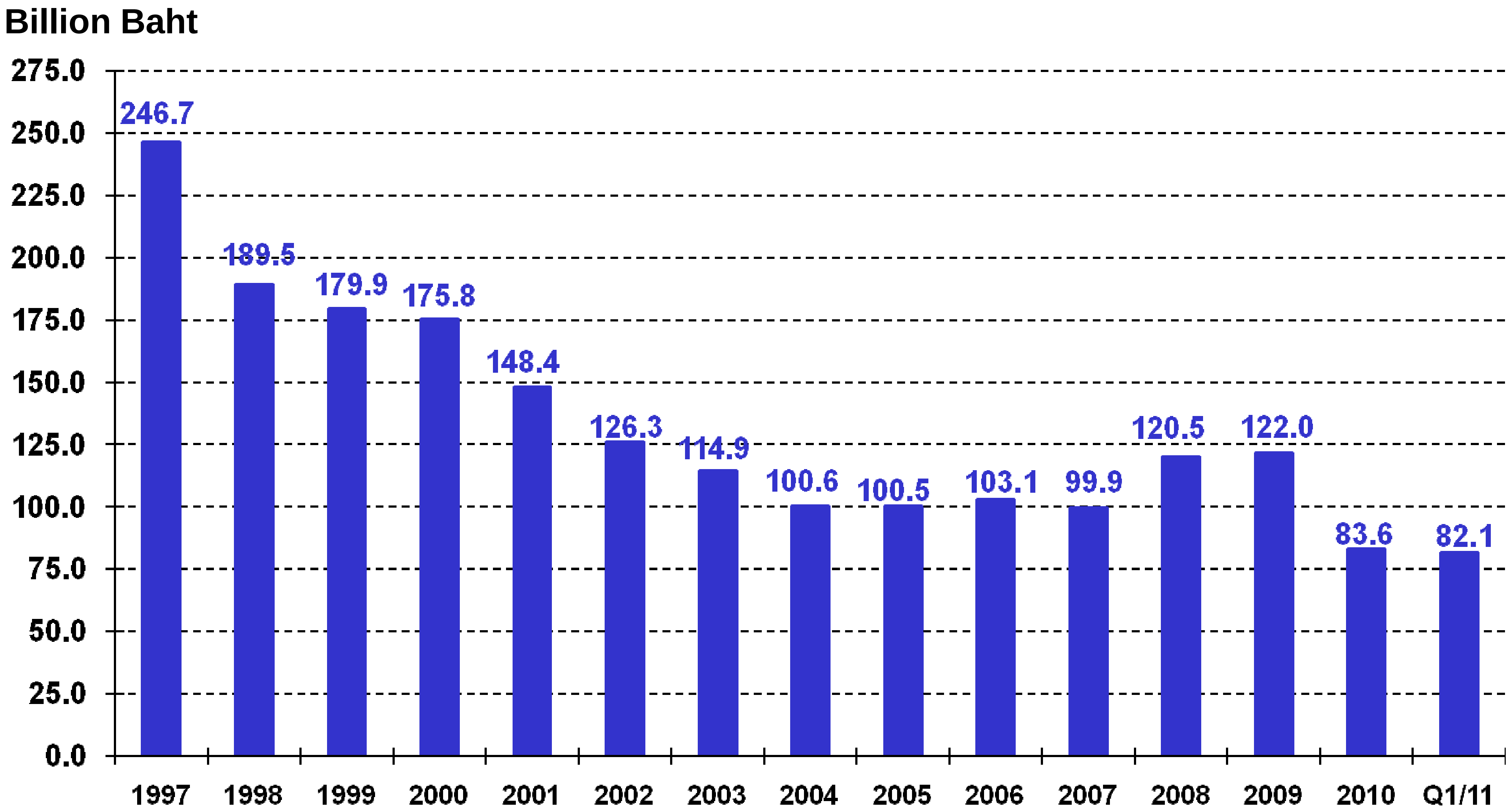
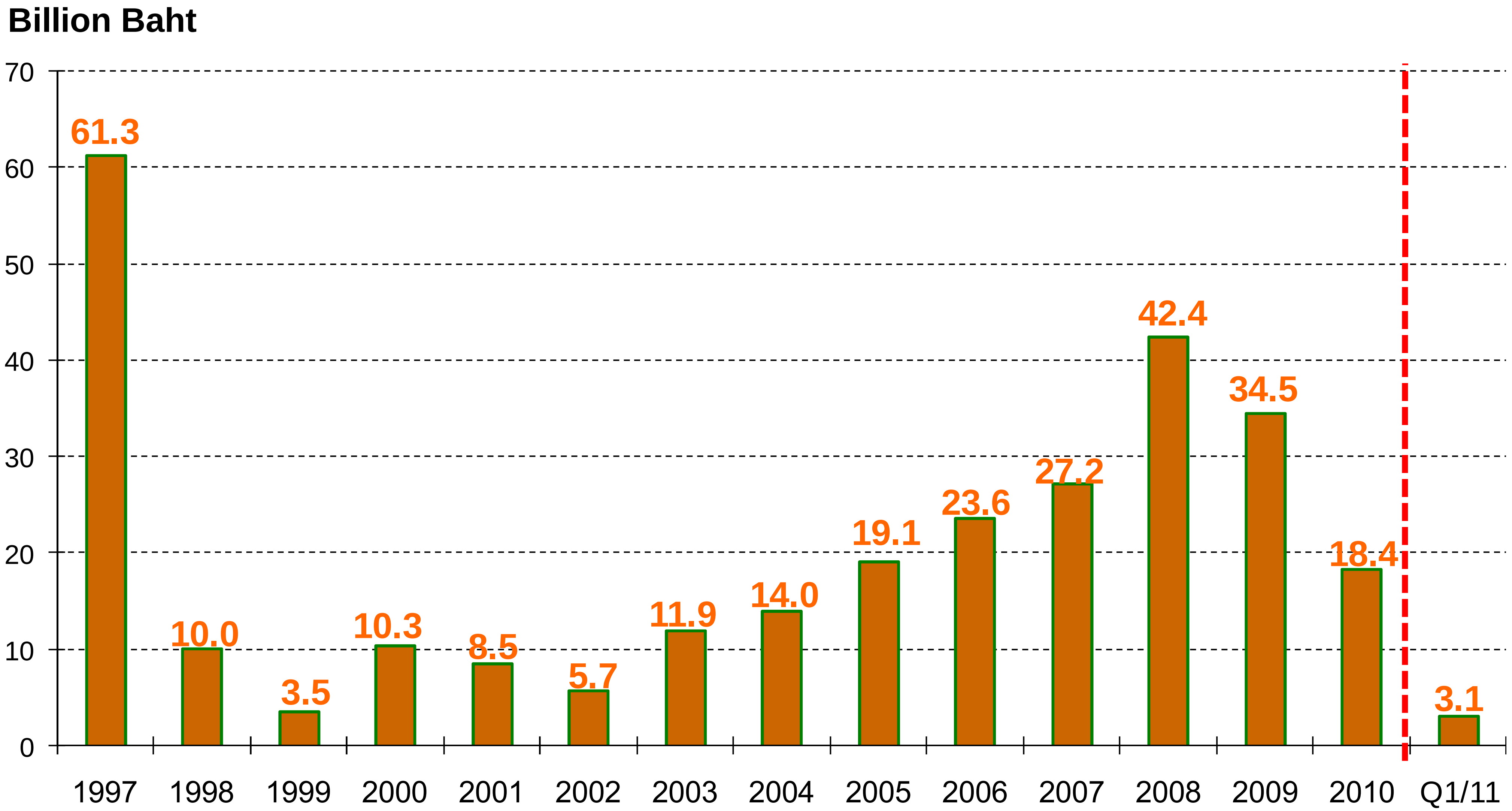


CAPEX and Investments:
Amounted to 3,119 MB in Q1/11.



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

Net Debt on EBITDA Ratio

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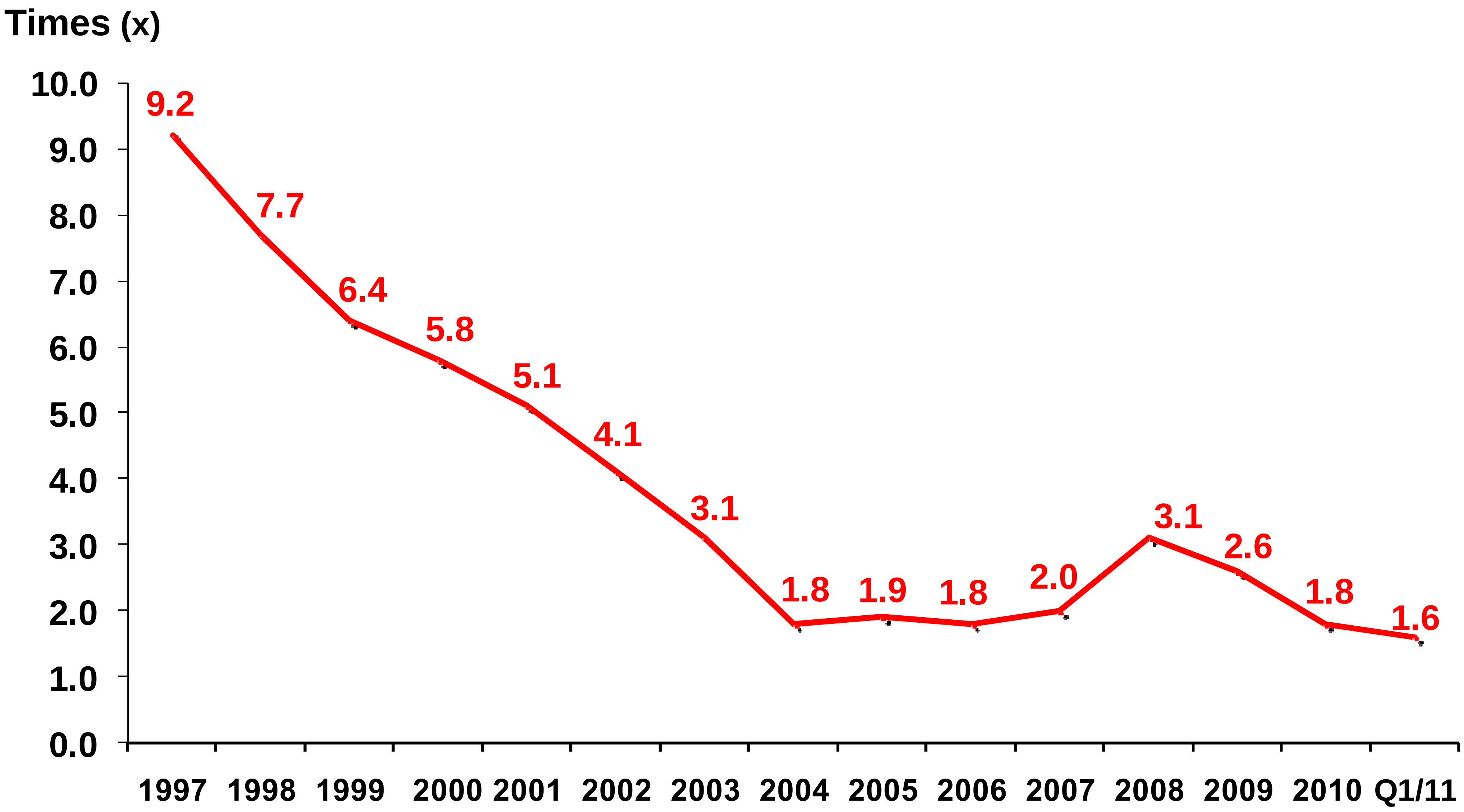

Finance Costs:

Amounted to 1,558 MB with interest cost of 4.5% at the end of Q1/11.

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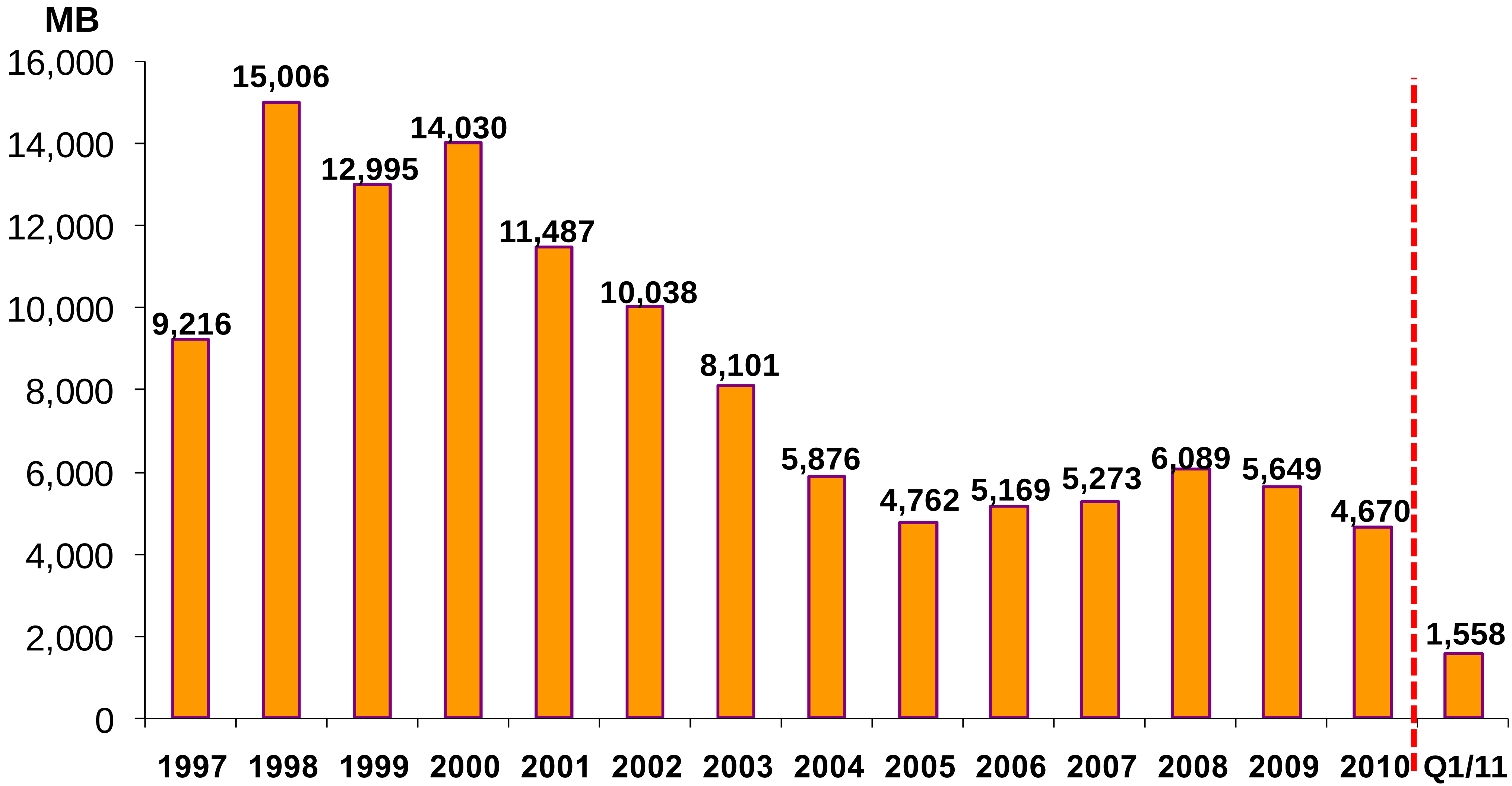
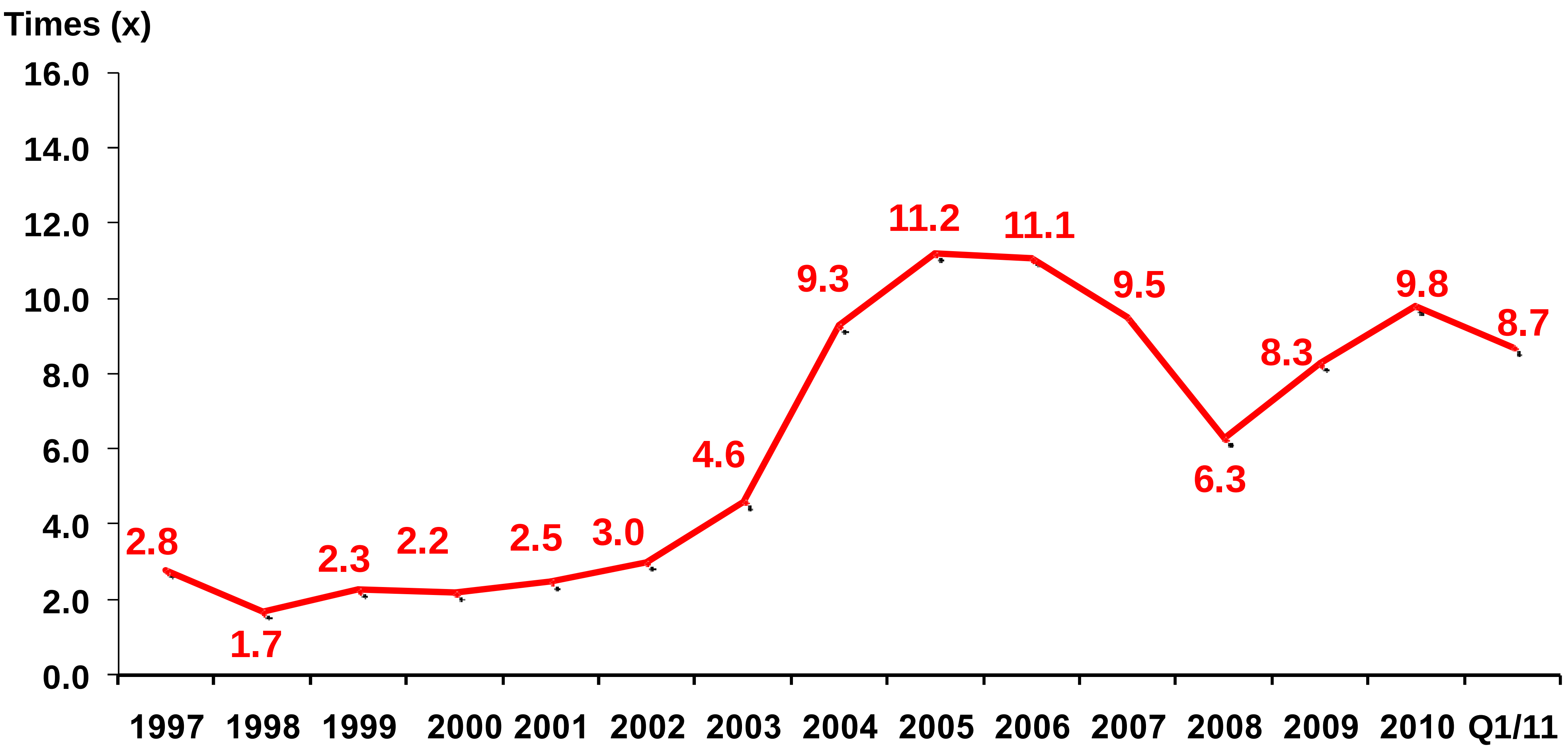


NOTE: Interest & financial charges includes FX gain/loss transactions

Interest Coverage Ratio



Note: Interest Coverage Ratio = EBITDA / Interest Expense

Financial Highlights

- H2/10 dividend of 9,600 MB or 8.0 Bt/share was paid on Apr 27/11.
- Net Working Capital increased 7,777 MB to 46,760 MB, as the first cracker complex completed its major turnaround in Q4/10.
- Cash & cash under management amounted to 73,280 MB at the end of Q1/11.
- High Value Added Products (HVA) accounted for 30% of net sales in Q1/11, compared to 29% for FY2010.
- Full subscription to the Apr 1/11 debenture issuance of 15 Billion Baht (4-year, 4.00%) which replaced the 15 Billion Baht matured debenture (4-year, 5.75%).

Financial Outlook

- Continued efforts on M&A activities, supported by solid financial position.
- Active management of cash-on-hand, with secured return guarantees.
- Continued FX hedging management which currently accounts for the majority of the net FX exposure.

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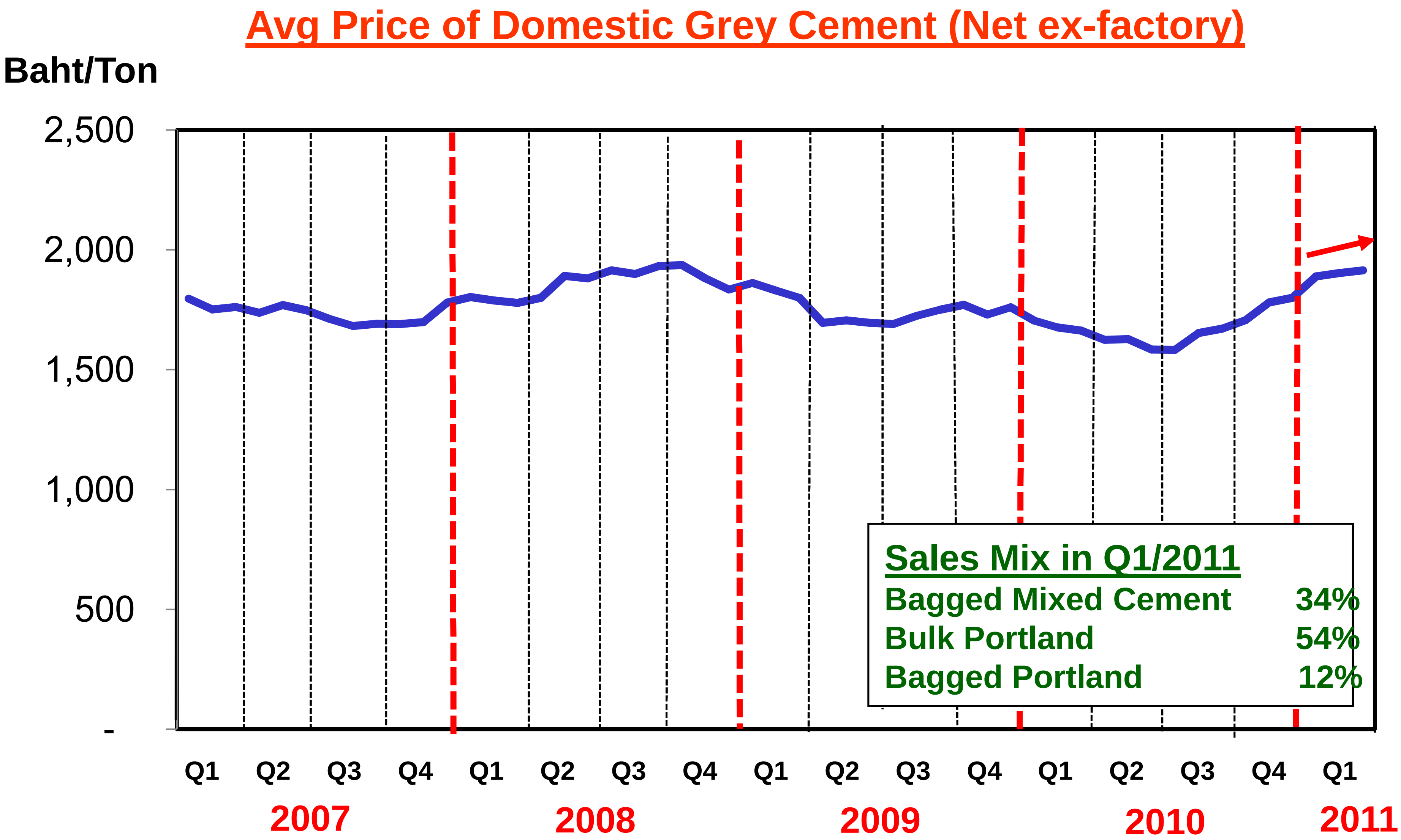
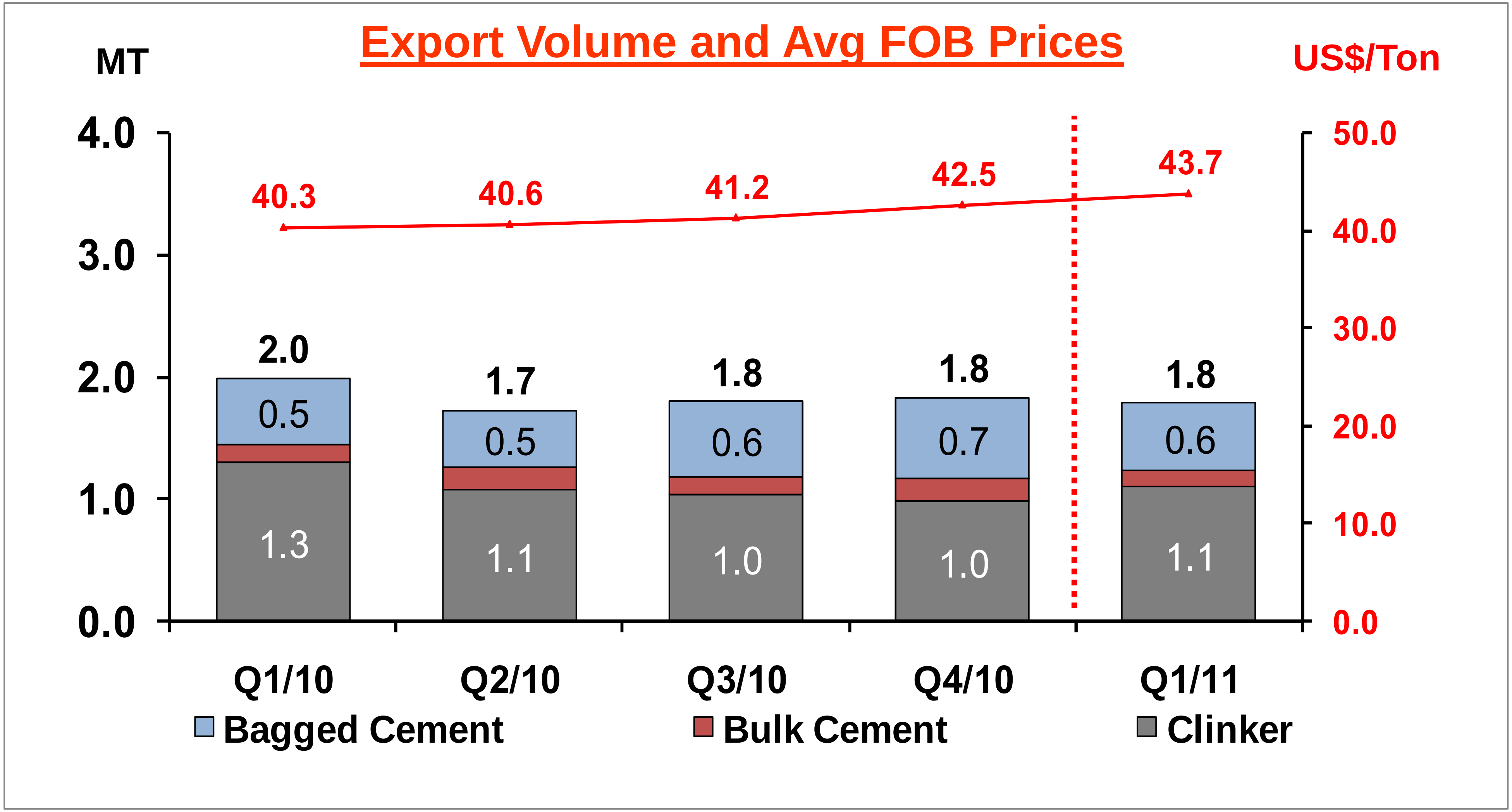
SCG's average domestic cement price increased to 1,850-1,900 Bt/ton due to cost push, while domestic demand increased 5% y-o-y and 14% q-o-q.



Q1/11 export sales volume remained stable q-o-q while the average FOB price has been increased to $43.7/ton.



Revenue from Sales increased 11% y-o-y and 18% q-o-q, driven by the domestic market.

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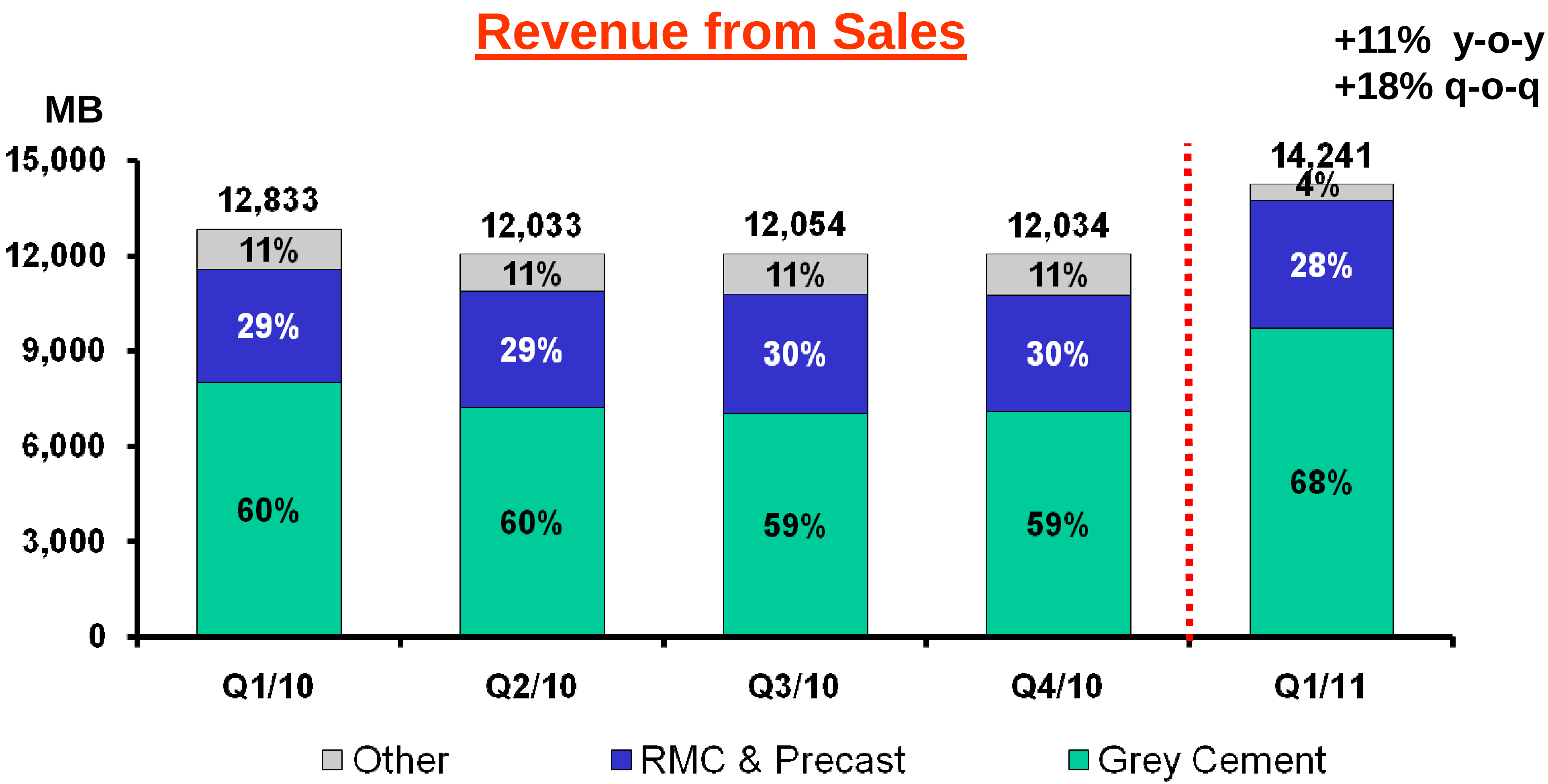
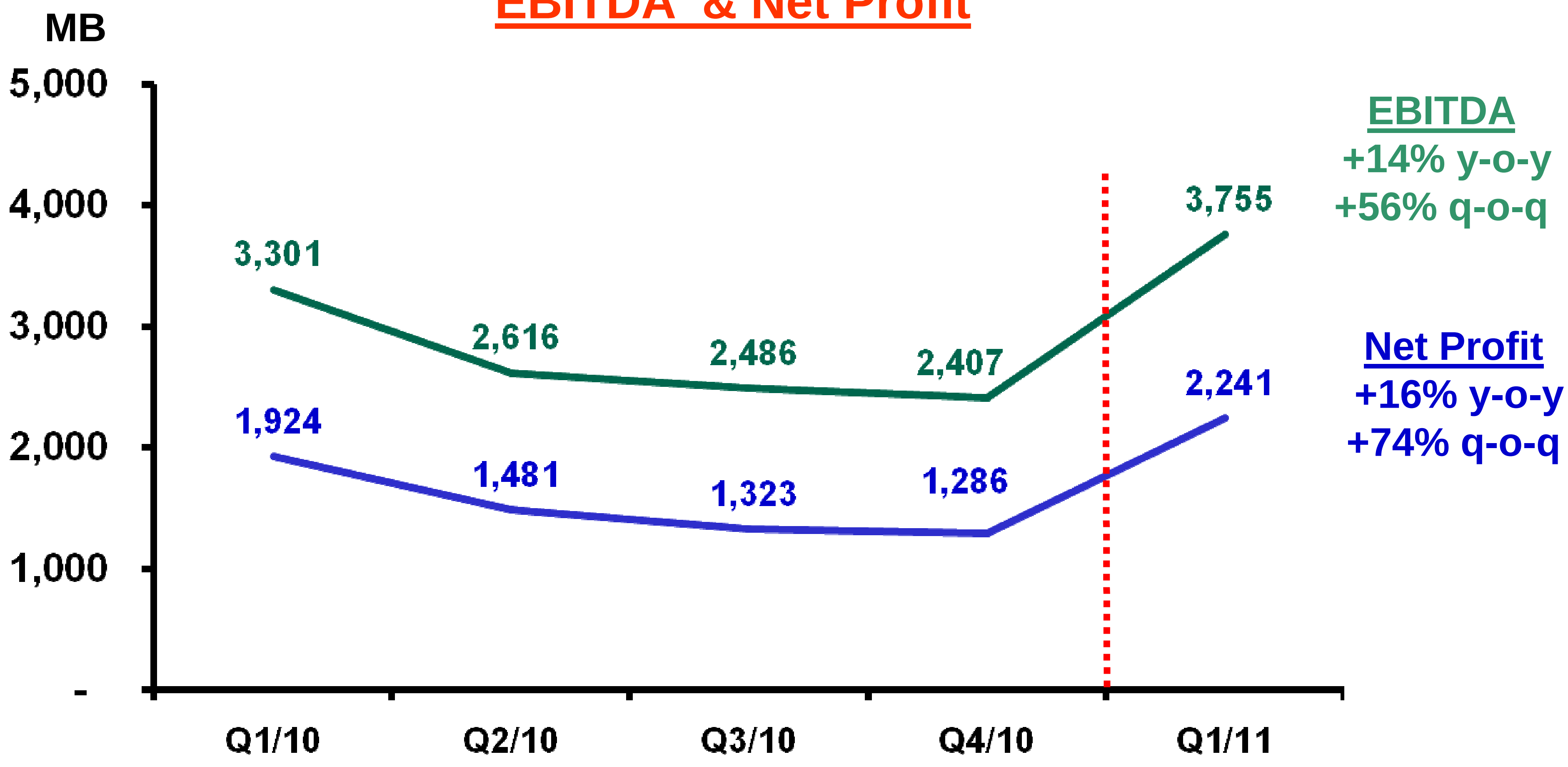


Q1/10	Q2/10	Q3/10	Q4/10	Q1/11
21%	19%	19%	19%	17%

Export Sales, as a % of Revenue from Sales

EBITDA increased 14% y-o-y, while Net Profit grew 16% y-o-y, primarily due to domestic market growths.

EBITDA & Net Profit



	Q1/10	Q2/10	Q3/10	Q4/10	Q1/11
EBITDA Margin (%)	26	22	21	20	26
	←		22	→	

Outlook for Q2/11

- Domestic demand is expected to grow 5% y-o-y, while domestic cement price remains at the same level as that of last quarter.
- Contributing factor is strong domestic demand in commercial and industrial sectors, while marginal growth in residential and infrastructure sectors are also observed.
- Export volume is anticipated to remain at the same level as that of Q1/11.

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Q1/11 Market Insight and SCG's Activities
…polyolefins price increased from higher feedstock cost

Market Insight

- Naphtha prices increased to $916/ton (up 14% q-o-q and 28% y-o-y) along with the rise of crude oil prices from growing concerns about unrest in M/E and North Africa regions
- In line with high feedstock cost, monomer and polymer prices rose on the back of turnaround of a major cracker
- Wider PTA – PX gap from hiking of polyester price due to world cotton supply shortage
- Tsunami caused shutdown of several Japanese refineries and petrochemical plants and thus reduce supply of several petrochemical products i.e. Polyolefins, PVC, BD, and PX

HDPE – Naphtha Price Gap

…decreased 2% q-o-q to $456/MT, and 24% y-o-y following an influx of new global supply in 2010

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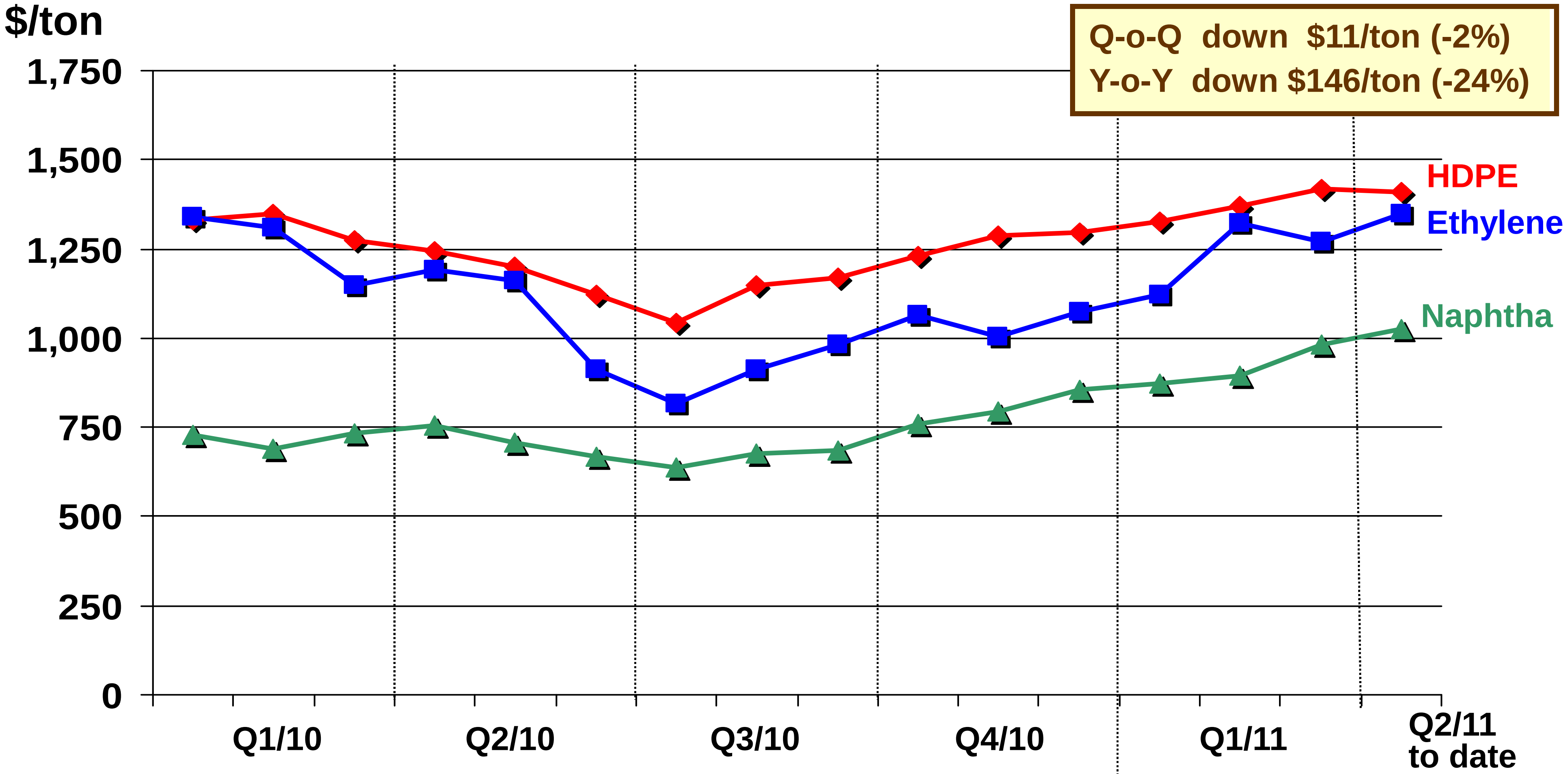
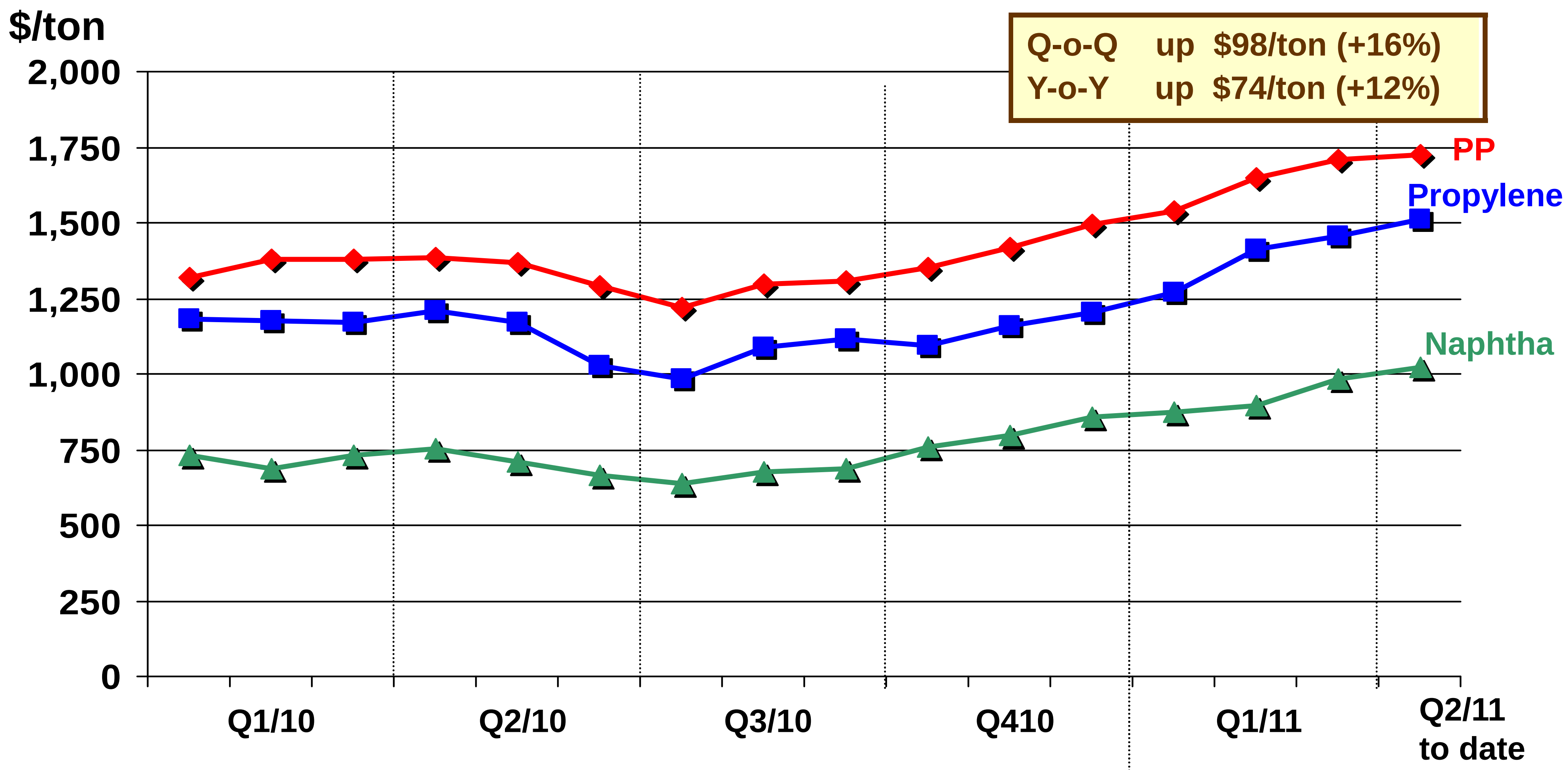


	Q1/10	Q2/10	Q3/10	Q4/10	Q1/11	Q2/11 to date
HD-Naphtha Spread ($/T)	602	477	455	467	456	
	←	500		→		

Note: Prices refer to SEA regional prices

PP – Naphtha Price Gap

…up 16% q-o-q from strong non-Chinese demand within the region

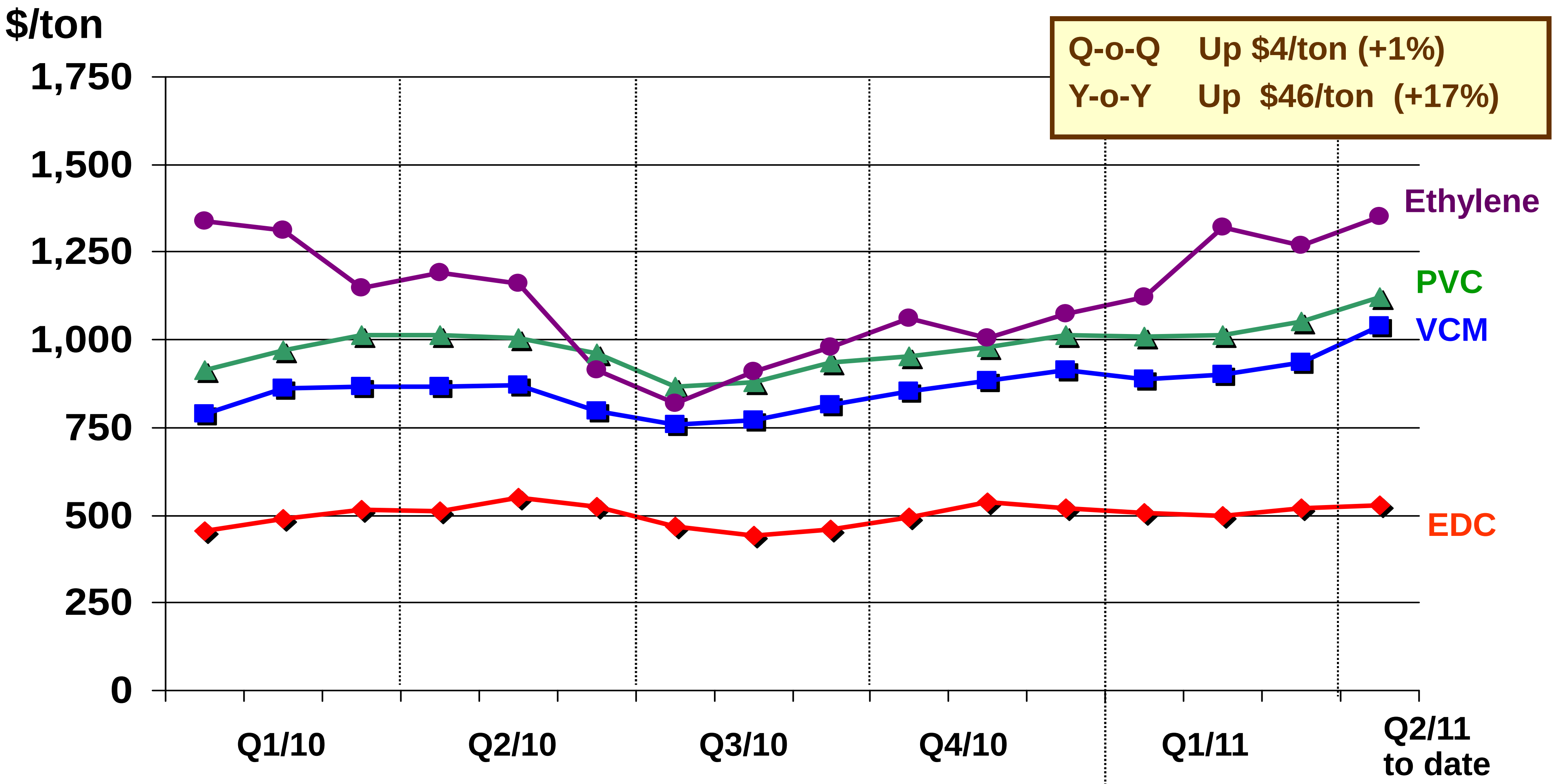


PP-Naphtha Spread ($/ton)	643	638	611	619	717
	←	627	→		

Note: Prices refer to SEA regional prices

PVC

…PVC margin remained flat q-o-q, supported by steady EDC feedstock price

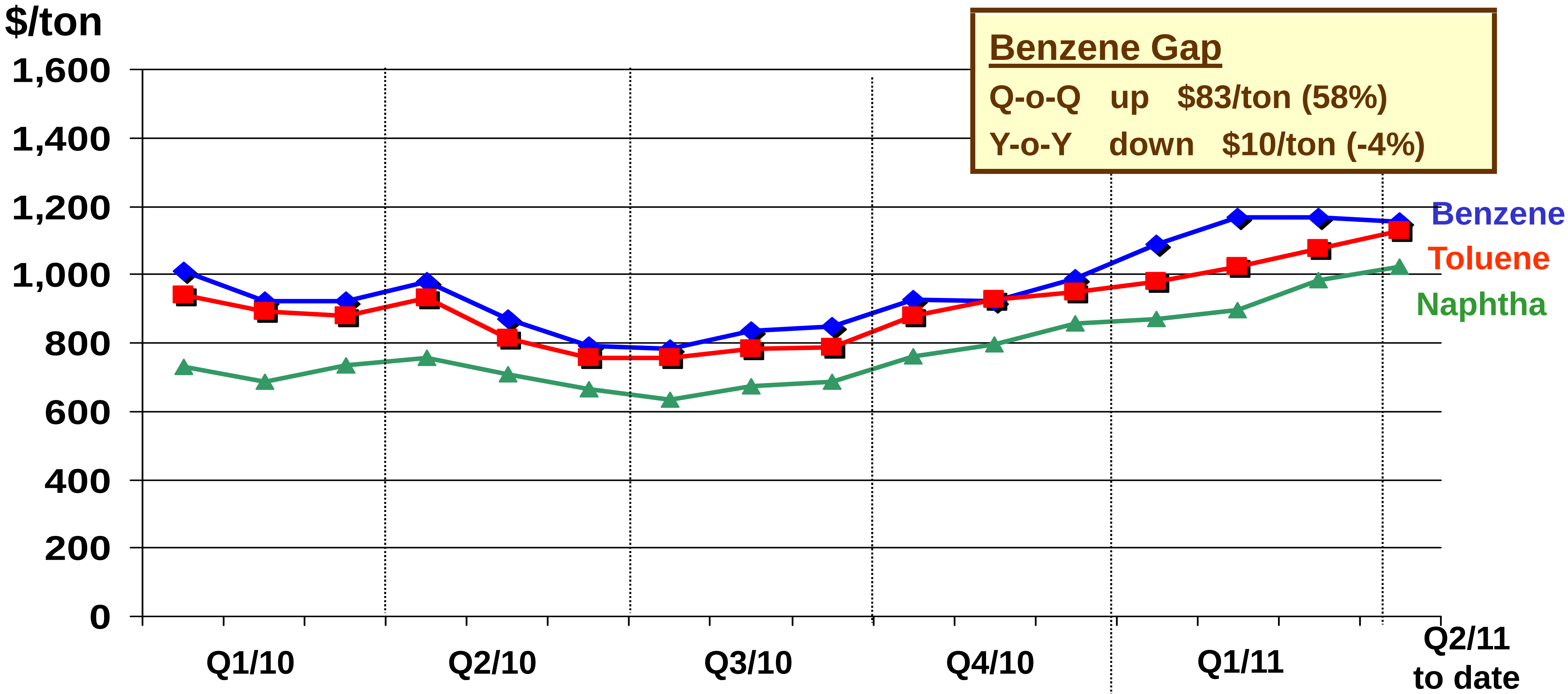


	Q1/10	Q2/10	Q3/10	Q4/10	Q1/11	Q2/11 to date
PVC-EDC/C2	277	310	311	319	323	↗
Spread ($/ton)	← 304 →					

Prices refer to FE regional prices

Benzene & Toluene

…Benzene-Naphtha gap increased 58% q-o-q to $224/ton from strong derivative demand.

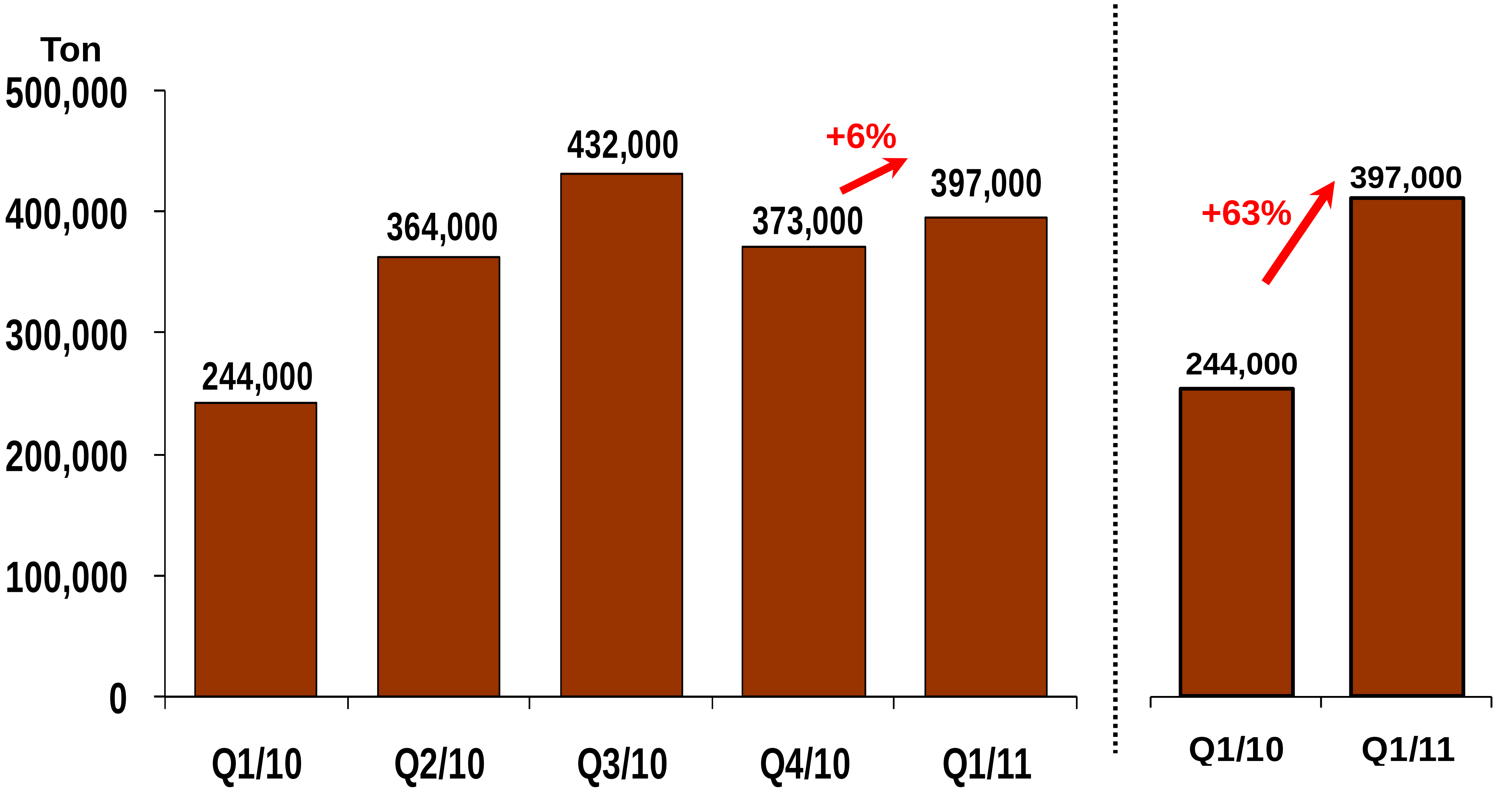


	Q1/10	Q2/10	Q3/10	Q4/10	Q1/11	Q2/11 to date
BZ-Naphtha	234	171	156	142	224	
TL-Naphtha	186	123	110	114	111	
BZ Spread ($/ton)	←	176 (Q1/10–Q4/10)	→			
TL Spread ($/ton)	←	133 (Q1/10–Q4/10)	→			

Note: Prices refer to SEA regional prices

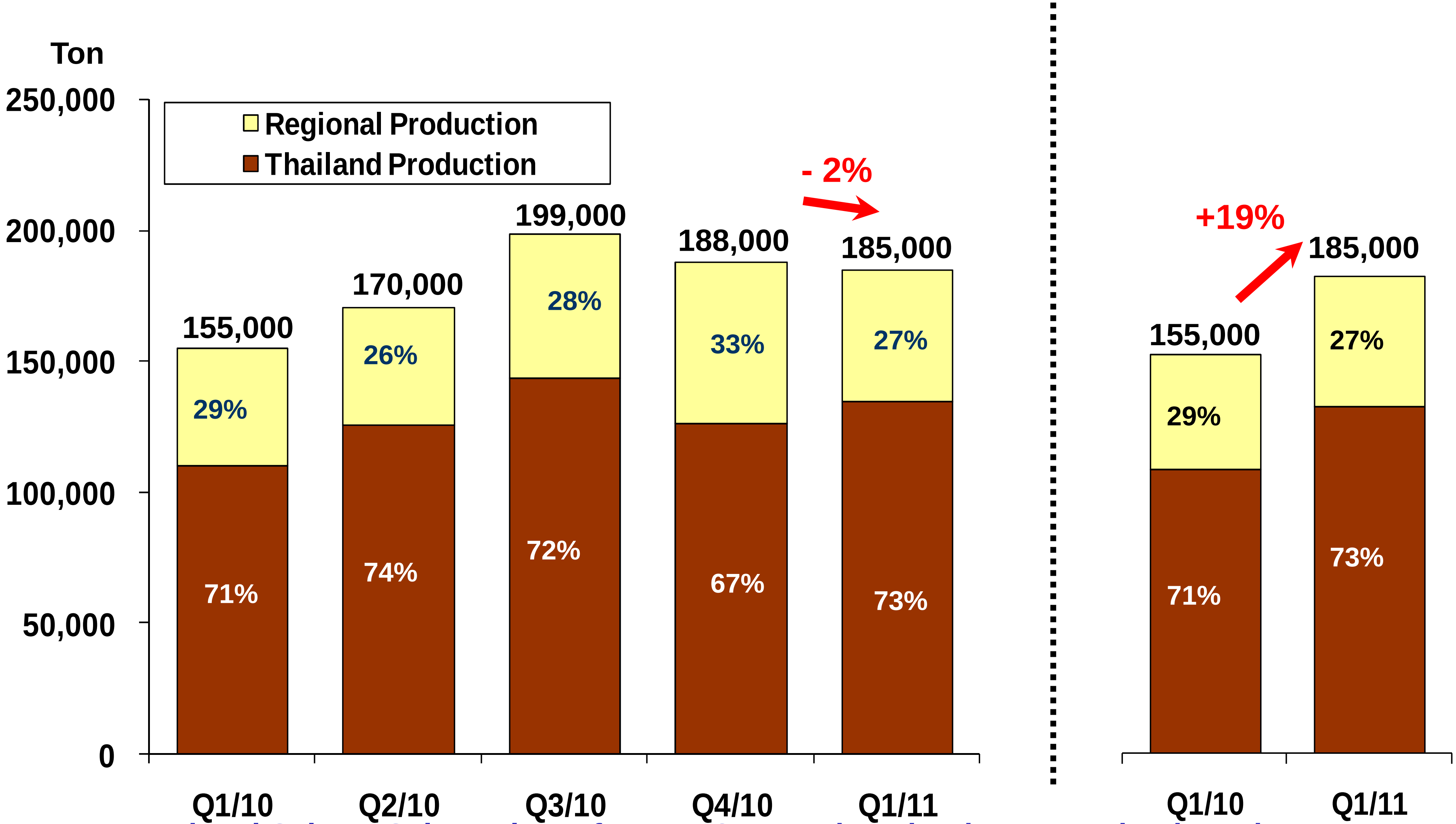
Polyolefins Sales Volume

…up 6% q-o-q after completion of the first complex's major turnaround, and grew 63% y-o-y with increased capacity from the second complex.



PVC Sales Volume

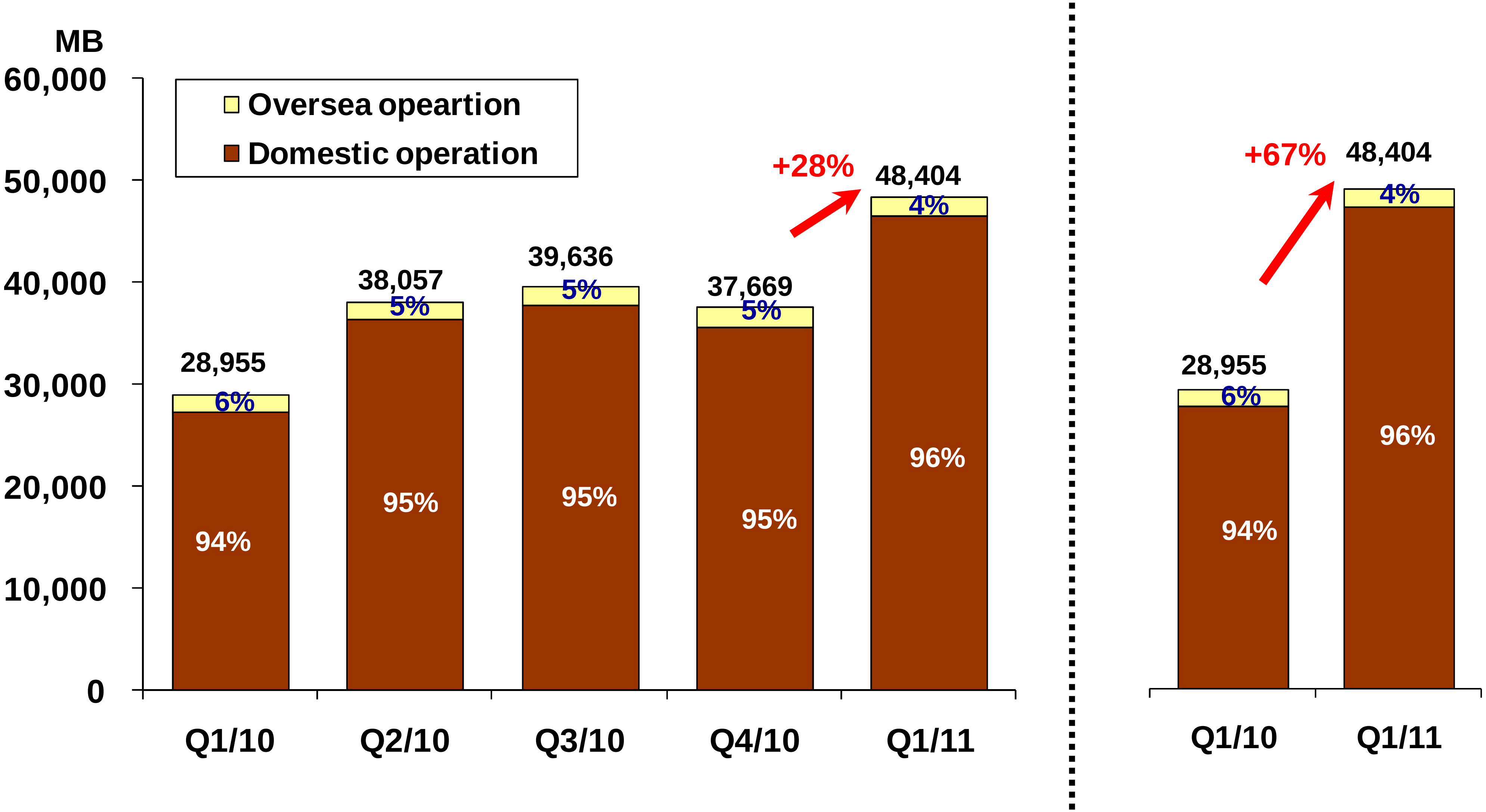
…down 2% q-o-q as regional sales dropped from tight VCM supply, but grew 19% y-o-y following the start-up of the new PVC plant in Vietnam



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

Revenue from Sales

…improved 28% q-o-q driven by higher sales volume after the major turnaround in Q4/10



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

EBITDA

…grew 15% q-o-q from increased sales volume

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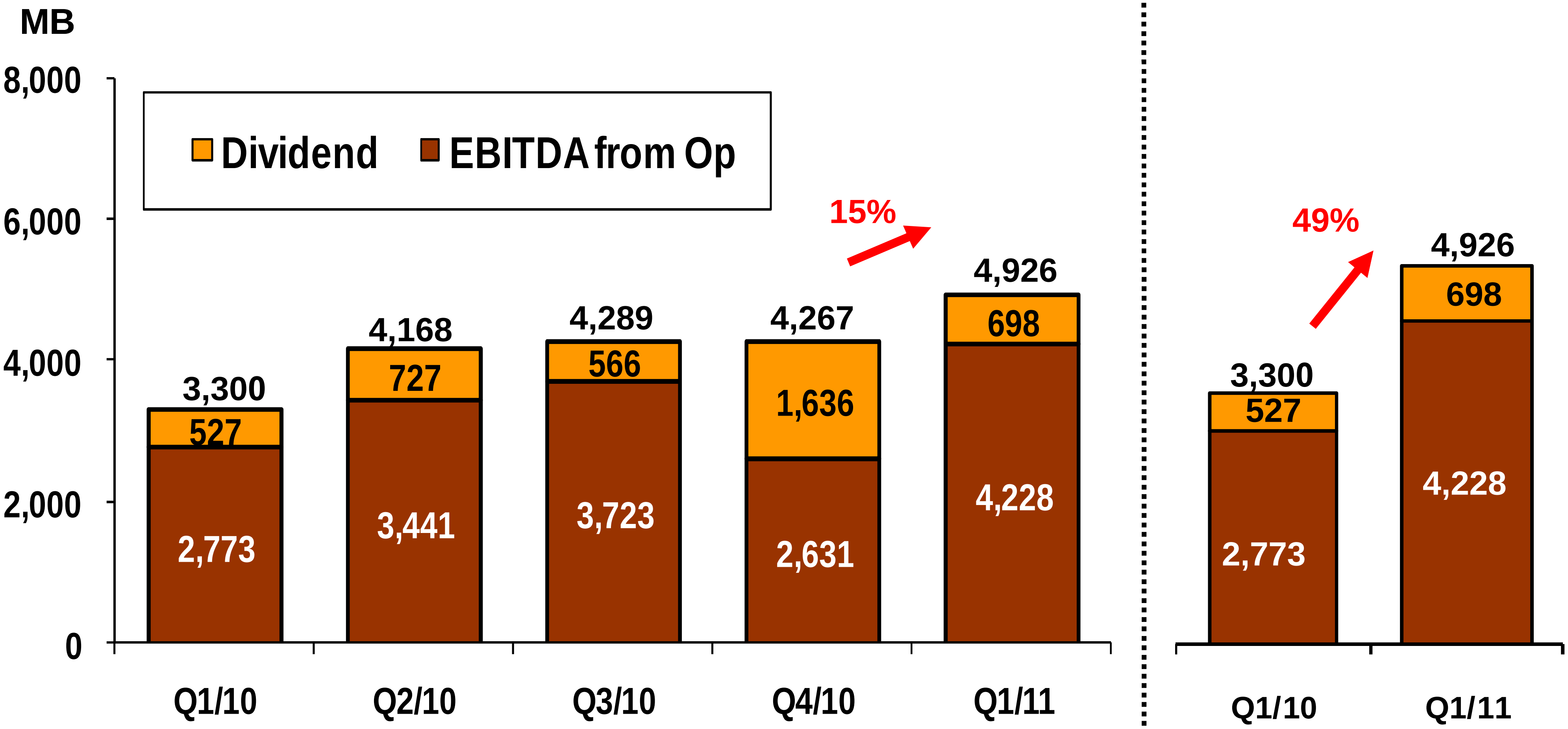
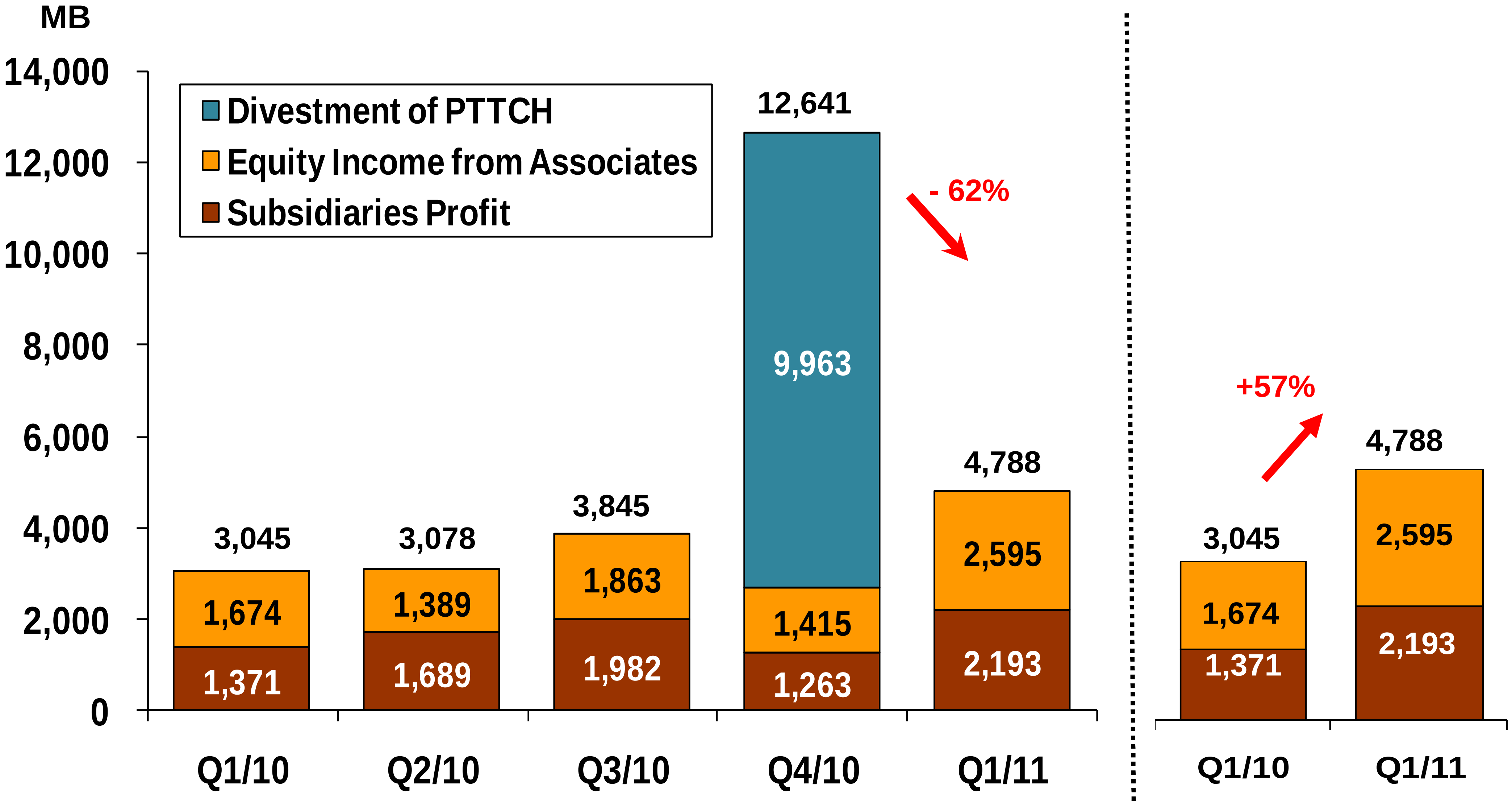


EBITDA Margin	10%	9%	9%	7%	9%	10%	9%

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

Net Profit

…dropped q-o-q from the absence of PTTCH divestment, but rose y-o-y on strong performance of associated companies and increased sales volume



Outlook for Q2/11

- Weak demand for PE/PP in China, following monetary tightening, and exacerbated by the labor holiday in early May.
- Higher cost from increasing naphtha prices, coupled with lower seasonal demand, and resulting in the drop in margins, particularly in the PE chain.
- Gradual start-up of some of the Japanese chemical plants which were affected by the earthquake.
- Lower PTA prices due to the slowdown in Chinese demand.
- Auto industry production slowdown due to Tsunami effect.
- Start up of SCG's elastomer JV business in Q2/11.

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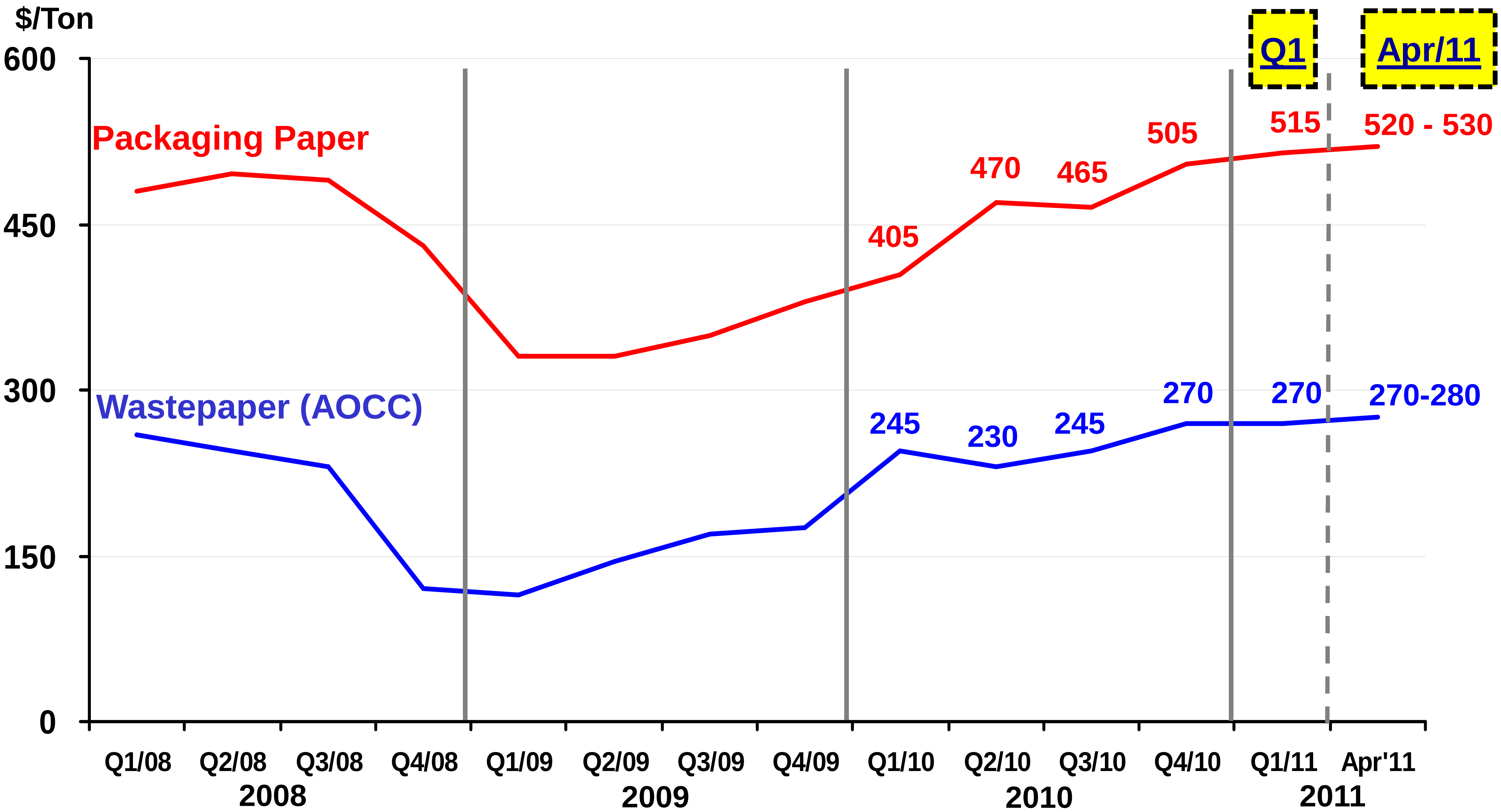
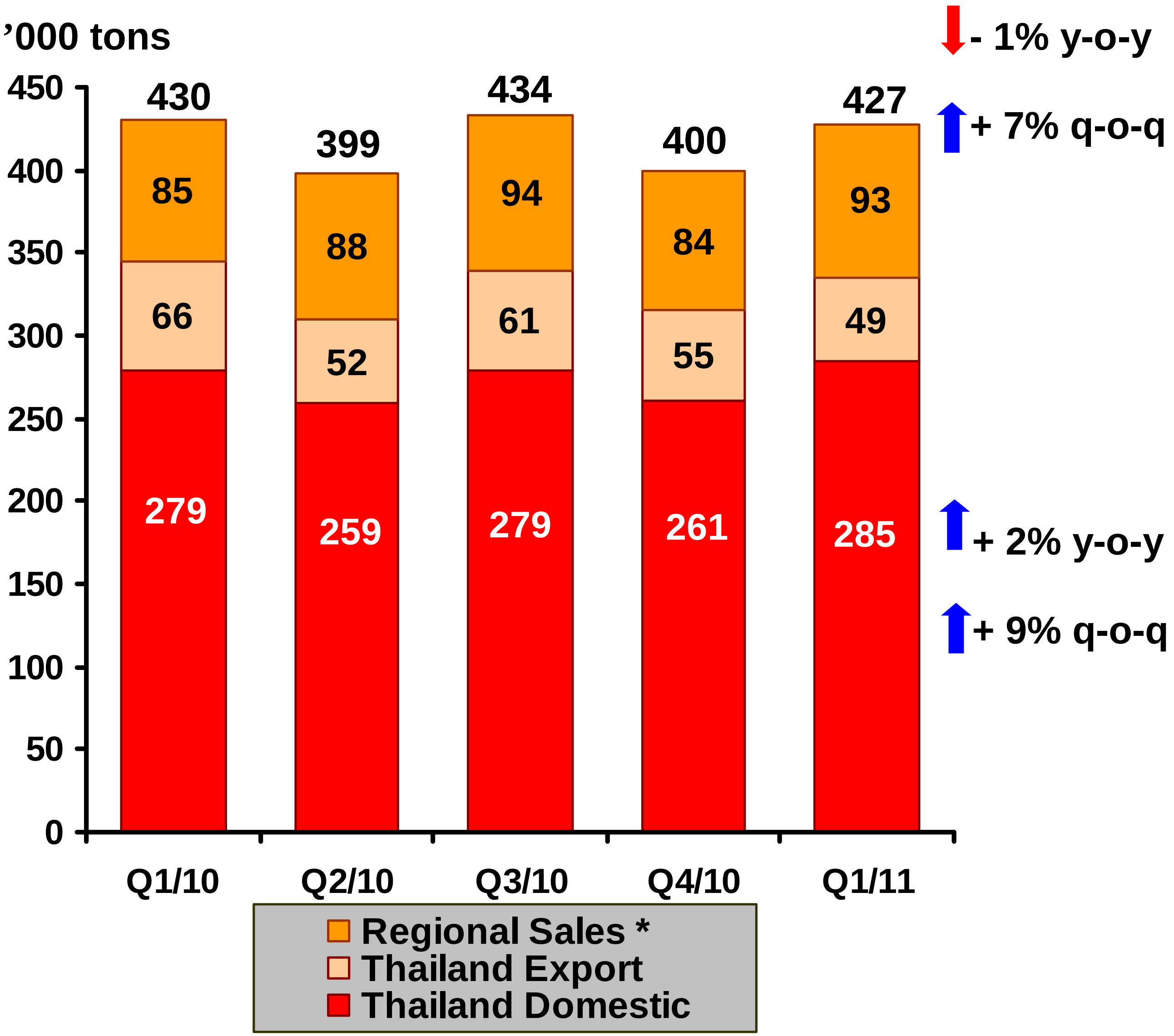
Packaging Paper:
Wastepaper prices remained flat q-o-q as Chinese inventory was well stocked, while packaging paper prices rose slightly.

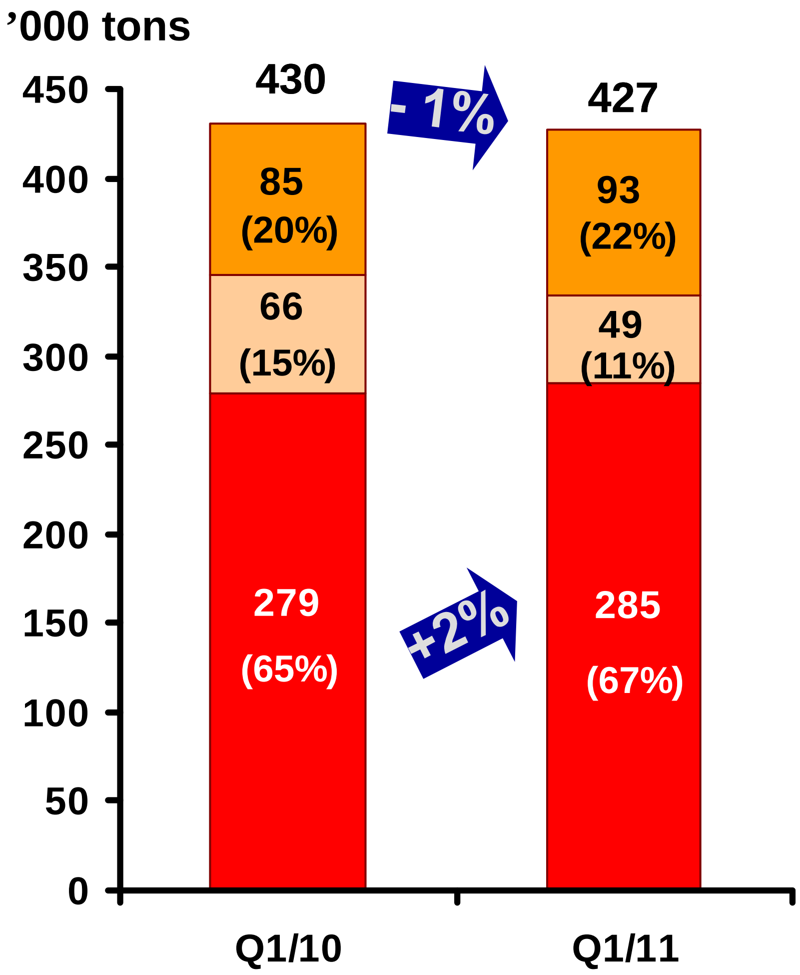


Note: regional prices

Packaging Paper:

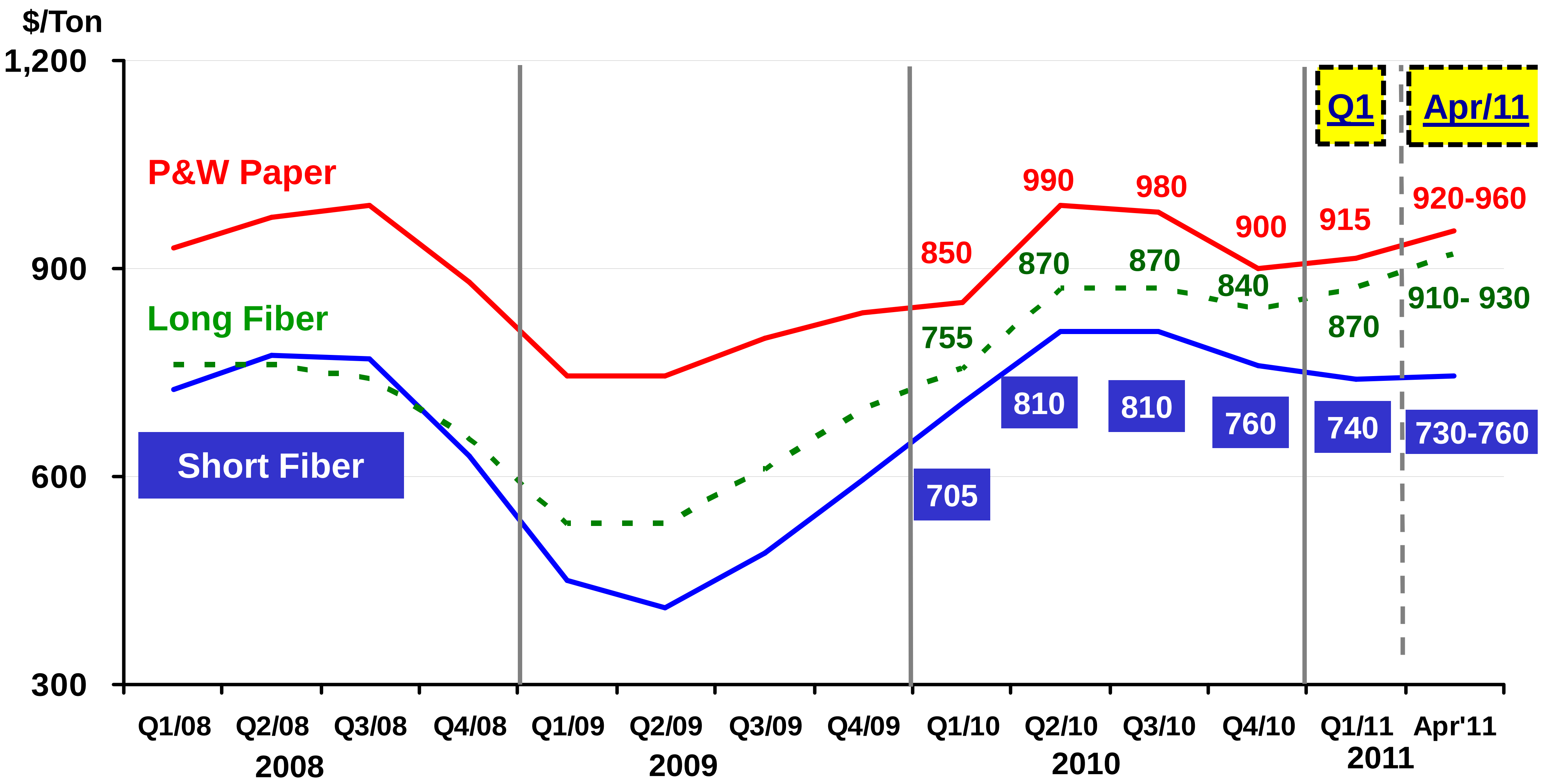
Total sales volume increased 7% q-o-q on higher seasonal demand in all key industries.





Note: * Sales Volume from Philippines and Vietnam

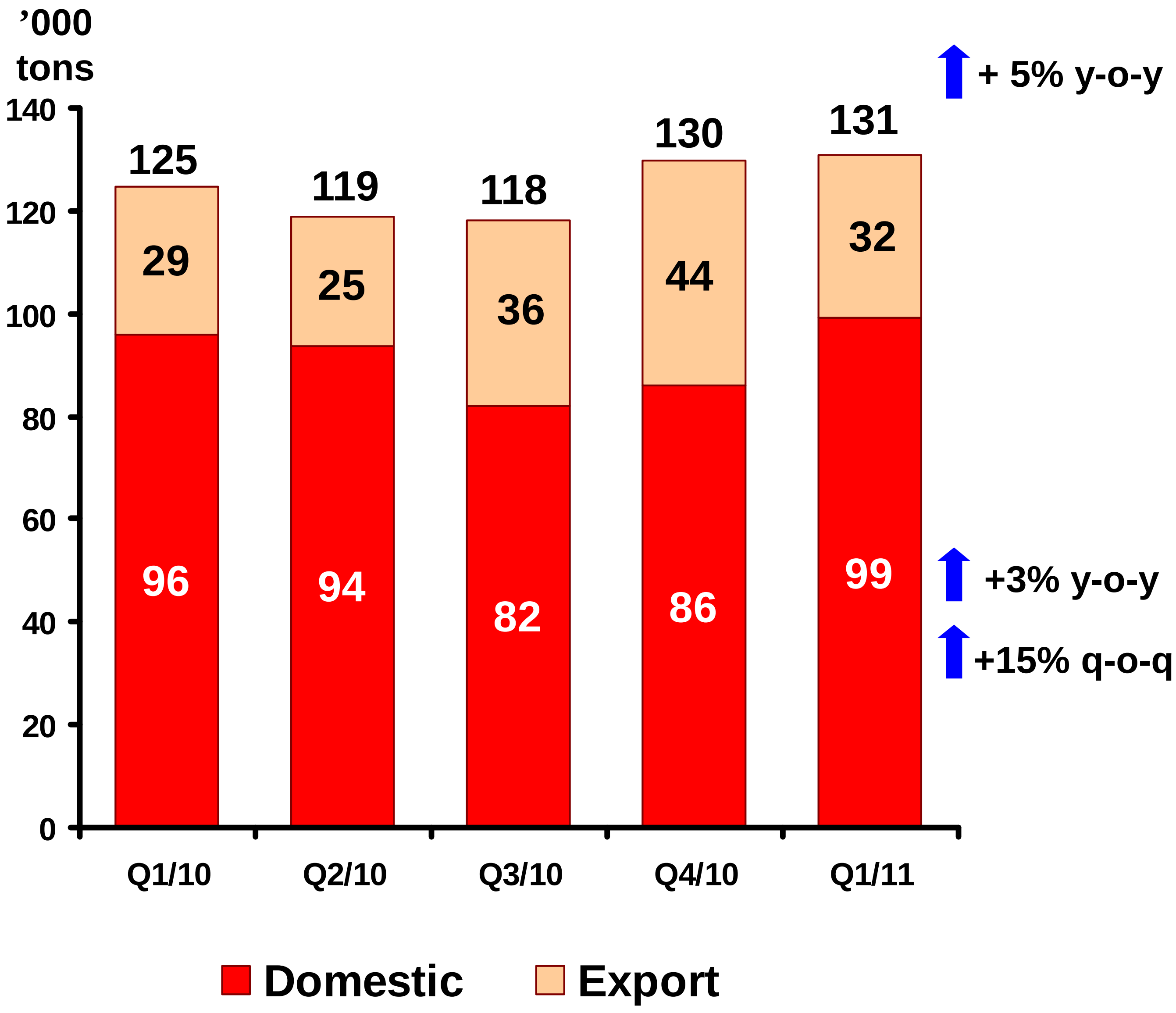
Printing & Writing Paper:
Short Fiber pulp prices dropped q-o-q from increased supply in China and Indonesia, while Long Fiber pulp prices continued to climb due to shortages.

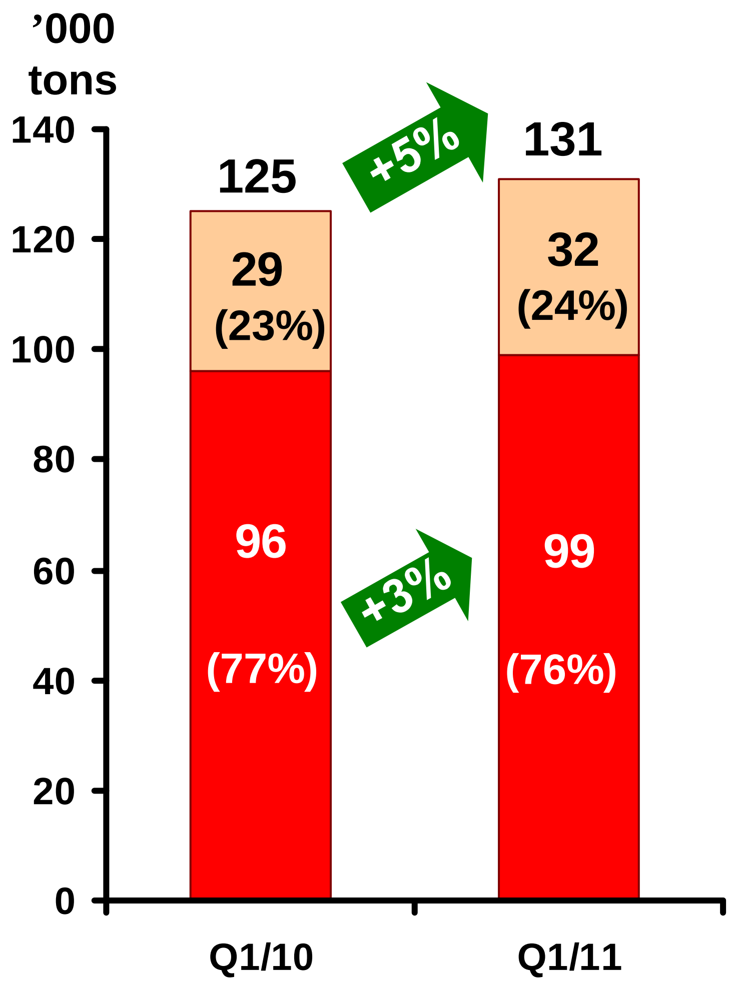


Note: regional prices

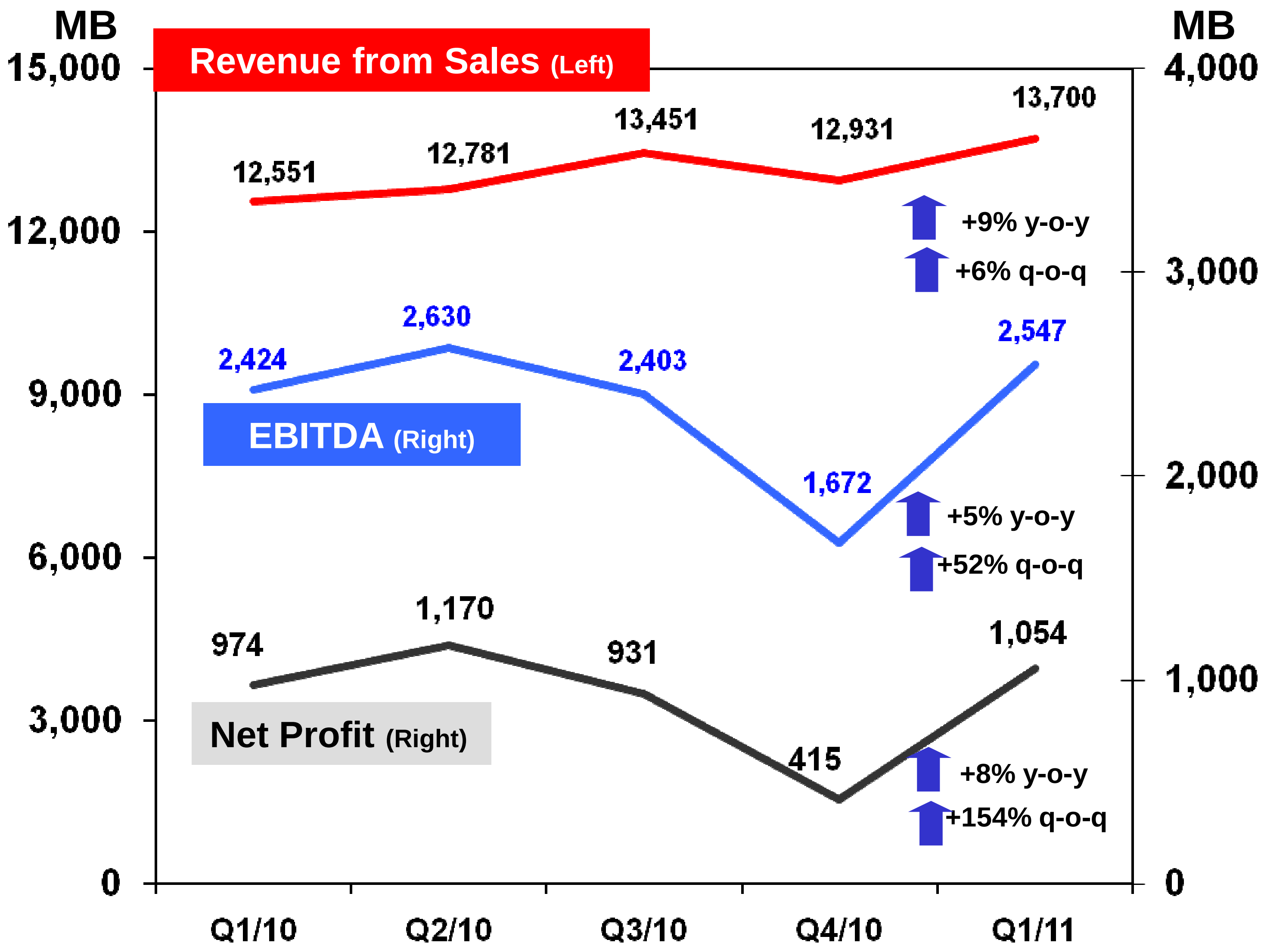
Printing & Writing Paper:

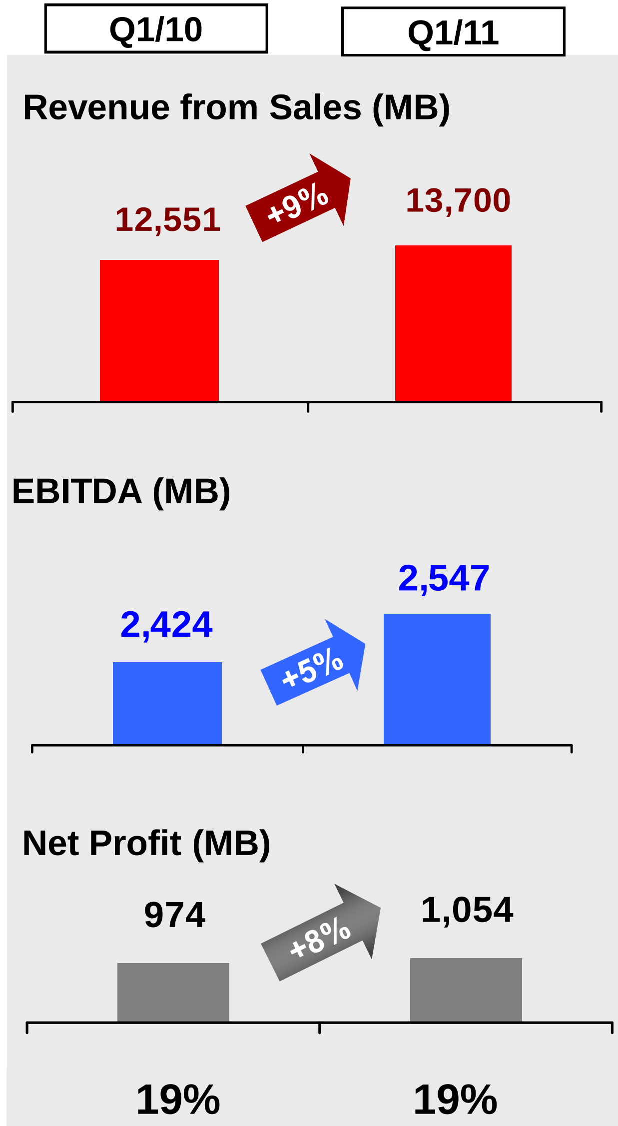
Domestic sales volume increased 15% q-o-q as a result of the seasonal National Book Fair and school materials.





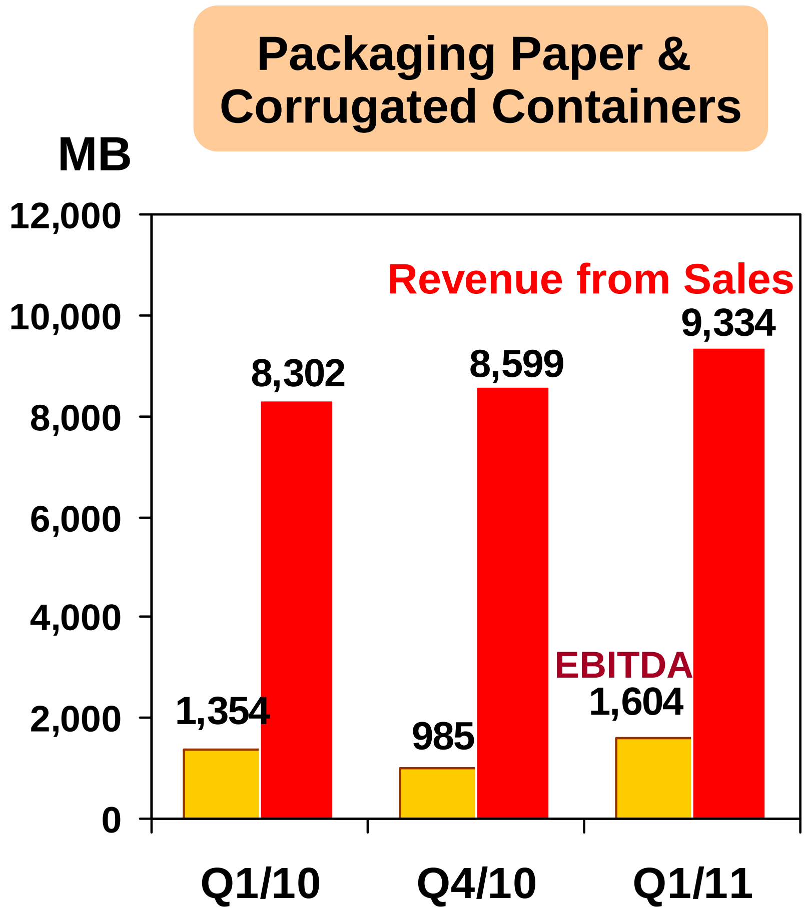
EBITDA increased 52% q-o-q, mainly from the normalization of maintenance costs, higher sales volume, and improved selling prices.



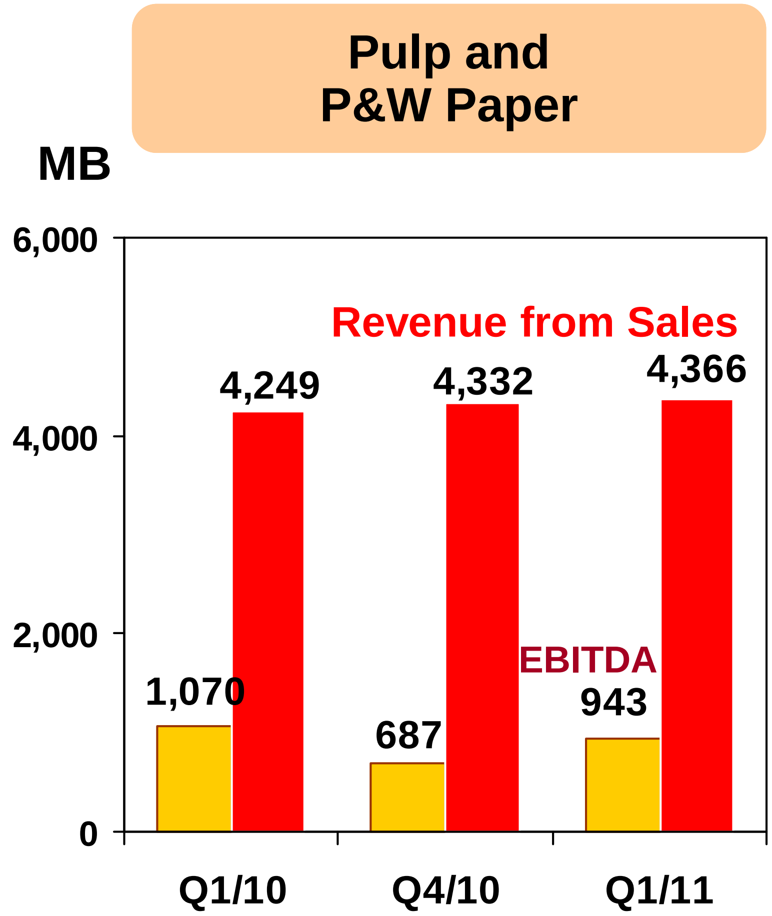


EBITDA Margin

Business Segments



EBITDA Margin	Q1/10	Q4/10	Q1/11
EBITDA Margin	16%	11%	17%



EBITDA Margin	Q1/10	Q4/10	Q1/11
EBITDA Margin	25%	16%	22%

Outlook for Q2/11

Pressure on margin from rising raw material and energy cost.

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Packaging Paper & Corrugated Containers

- Upward trend for wastepaper prices, due to strong regional demand and rising freight cost.

Pulp and Printing & Writing Paper

- Short Fiber prices are expected to increase, following the start-up of regional paper machines and rising freight costs.
- Higher Long Fiber prices as a result of continued shortage in dissolving pulp which is used in the textile industry.
- Decreased margin as competition from imports are expected to curb any increase in domestic paper prices.

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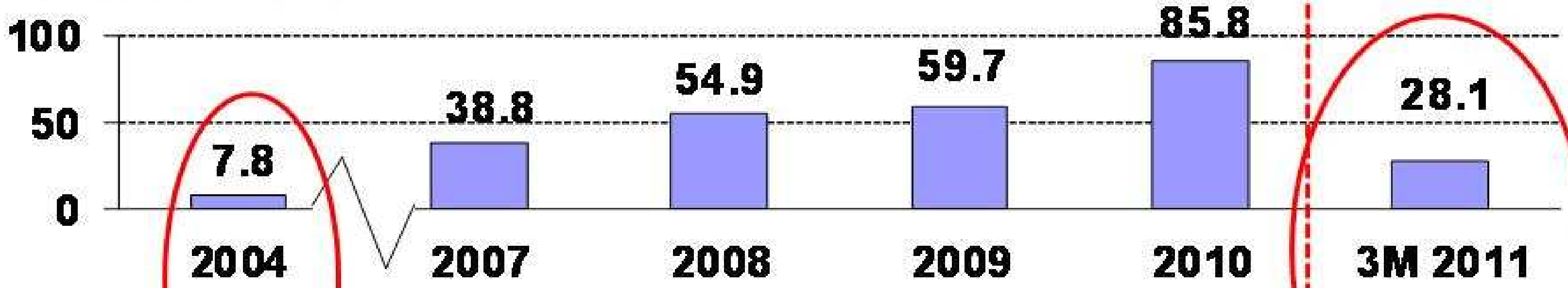
Medium Term Strategy

- Regional / domestic business expansion in core businesses.
- Raise HVA's portion of Revenue from Sales to 50% by 2015.
- Heightened efforts towards R&D.

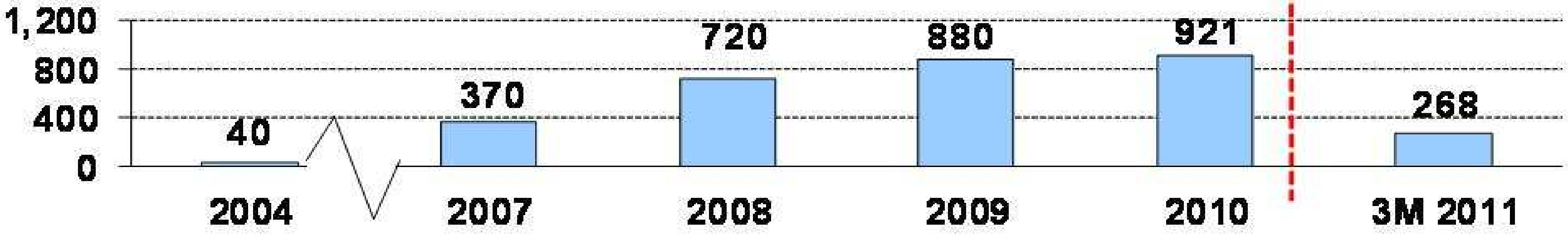
HVA Progress

Revenue from Sales of HVA
(Bill Baht)

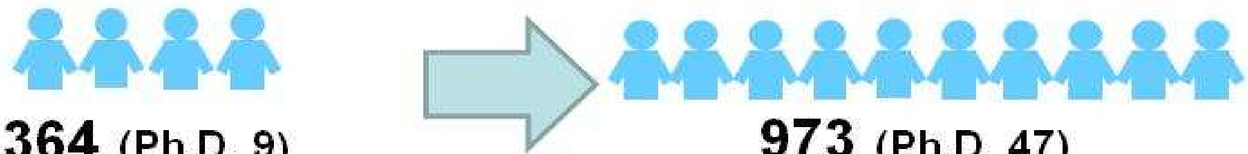


HVA as a % of Revenue from Sales	2004	2007	2008	2009	2010	3M 2011
	4%	17%	19%	25%	29%	30%

R&D Spending
(Mill Baht)



R&D / Product Design Team
(People)
As of Mar/11



364 (Ph.D. 9) → **973** (Ph.D. 47)

Thank You

For further details, please contact *invest@scg.co.th*

SCG's Incremental Capacity

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(Capacity at year end = '000 tons)	Total Cap					Incremental Cap		Project Cost	
	2007	2008	2009	2010	2011	2007 - 2011		SCG Stake	CAPEX (MB)
Chemicals Upstream (Cracker)						Nominal	Times (x)		
Ethylene (subsidiary)	800	800	800	**1,700**	1,700	900	2.1 x	67%	45,600 MB
Propylene (subsidary)	400	400	400	**1,200**	1,200	800	3.0 x		($1.2 Bill)
Chemicals Downstream									
PE (subsidiary)	780	780	780	**1,180**	1,180	400	1.5 x	100%	17,100 MB
PP (subsidiary)	320	320	320	**720**	720	400	2.3 x		($450 mill)
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)	-	-	-	-	**220**	220	-	50%	3,000 MB
Propylene Oxide (Dow JV)	-	-	-	-	**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	-		
Paper									
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**	**794**	244	1.4 x	70%	3,200 MB
Cement									
Cambodia Grey Cement (MT)	23	**24**	24	24	24	1	1.04x	90%	3,000 MB
Building Products									
Ceramic Tiles (M sqm)	95	**122**	122	122	122	27	1.3 x	54% to 100%	2,000 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.

Note: HVA investment is present in all SBU

SEGMENTED FINANCIALS

SCG

Sales (MB)	2008	2009	2010	Q1/11
Consolidated	**293,230**	**238,664**	**301,323**	**92,478**
Chemicals	136,527	101,115	144,317	48,404
Paper	47,110	42,729	51,714	13,700
Cement	49,999	46,661	48,954	14,241
Building Materials	23,351	26,873	30,719	8,690

Assets (MB)	2008	2009	2010	Q1/11
Consolidated	**285,776**	**315,986**	**359,219**	**376,544**
Chemicals	138,504	165,947	165,087	172,683
Paper	51,089	48,271	50,127	50,129
Cement	60,770	60,680	61,018	61,164
Building Materials	22,654	22,992	24,796	26,612

EBITDA (MB)	2008	2009	2010	Q1/11
Consolidated	**38,783**	**47,116**	**45,949**	**13,519**
Chemicals	12,598	19,482	16,024	4,926
Paper	6,660	7,901	9,129	2,547
Cement	11,272	11,616	10,810	3,755
Building Materials	4,085	4,907	5,489	1,415

Net Profit (MB)	2008	2009	2010	Q1/11
Consolidated	**16,771**	**24,346**	**37,382**	**9,207**
Chemicals	6,136	12,556	22,609	4,788
Paper	1,658	2,286	3,490	1,054
Cement	6,006	6,214	6,014	2,241
Building Materials	778	1,617	1,872	524

EBITDA Margin (%)	2008	2009	2010	Q1/11
Consolidated	**12%**	**18%**	**14%**	**14%**
Chemicals	7%	17%	9%	9%
Paper	14%	18%	18%	19%
Cement	23%	25%	22%	26%
Building Materials	16%	18%	17%	16%

EBITDA / Assets (%)	2008	2009	2010	Q1/11
Consolidated	**14%**	**15%**	**13%**	**14%**
Chemicals	9%	12%	12%	10%
Paper	13%	16%	16%	20%
Cement	19%	19%	19%	25%
Building Materials	18%	21%	20%	21%

CAPACITY AT THE END OF 2011

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 (Thailand, Indo, Vietnam)	940,000 tons

Paper (consolidated)	
Packaging Paper (Thai, Phil, Viet)	1.88 million tons
Box (Thai, Malay, Sing, Viet)	795,000 tons
Printing & Writing Paper	565,000 tons
Short Fibre Pulp	425,000 tons

Cement (consolidated)	
Grey Cement (Thai + Cambodia)	24 million tons
Ready-Mixed Concrete	19 million metre^3

Chemicals - Associates (equity accounting)	
Mitsui Chemicals JV	
- PTA (1.44 million tons)	50%
- PET (100,000 tons)	20%
- PP Compound 86,000 tons	46%
Dow Chemicals JV	
- LLDPE (650,000 tons)	50%
- SM (300,000 tons)	50%
- PS (100,000 tons)	50%
- Specialty Elastomer (220,000 tons)	50%
- Propylene Oxide (390,000 tons)	50%
Mitsubishi Rayon JV	
- MMA (175,000 tons)	47%
- Cast Sheets (20,000 tons)	47%

Building Products (consolidated)	
Ceramic Tiles (Thai, Indo, Phil)	122 M sqm
Roofing Products (Thai, Cambodia, Phil, Viet)	87 M sqm
Ceiling & Wall Products	65 M sqm
Autoclaved Lightweight Concrete	15 M sqm