

April 29, 2011

SCG's Indonesian Investments and Continued ASEAN Expansion

SCG (The Siam Cement Plc) continues with its ASEAN commitment, having entered into a conditional share purchase agreement to strategically acquire Indonesian based ceramics and distribution operations.

A) In the ceramics business, SCG has entered into a conditional share purchase agreement to acquire a 94% stake in PT Keramika Indonesia Assosiasi (or "KIA"). With 3 plants (2 in west Java near Jakarta and 1 in east Java near Surabaya) and the combined production capacity of 27 million sqm ceramics tiles (wall and floor), and 23 million pieces of ceramic roof tiles and accessories, KIA is positioned in the top 5 players in the Indonesian market with a current market share of 10%. Products manufactured by KIA include brand names such as KIA, Impresso, and Spectra, allows KIA to be positioned widely across the medium-high to the low end of the markets segments. With assets of 4,220 MB, KIA registered 2010 sales of 1,941 MB, EBITDA of 381 MB, and Net Profit of 61 MB.

Demand of ceramics in Indonesian in 2010 grew approximately 10% to 185 million sqm, and is expected to maintain medium term growths of 6% annually.

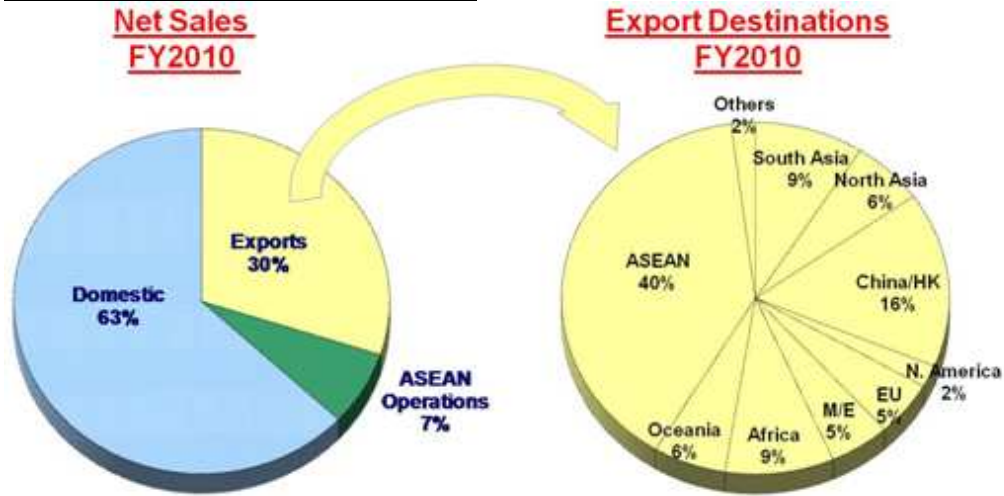
Following this acquisition, SCG will have a total ceramics production capacity of 149 million sqm (from 122 million sqm), which securely positions SCG in the top few spots globally in terms of production capacity. In addition, SCG's Indonesian based capacity will increase to 31 million sqm, from the current 4 million sqm.

B) In the distributions business, SCG has entered into a conditional share purchase agreement to acquire a 70% stake in PT Kokoh Inti Arebama (or "Kokoh"). Kokoh is an Indonesian based distributor with nationwide network of stores specializing in building materials including ceramic wall, floor, and roof tile, sanitary ware, paint, and gypsum board. With an internal logistics supply chain assets, in addition to tremendous local knowledge of customers, markets, and business practices, SCG expects to further leverage these knowledge to enhance its competitiveness in future expansion in Indonesia. In 2010, Kokoh has assets of 1,665 MB, with sales of 2,343 MB, EBITDA of 63 MB, and net profit of 22 MB.

These two acquisitions above are examples of SCG's strategic commitment to grow and enhance its capabilities and offerings within ASEAN. With cash & cash under management of 73,280 Million Baht (\$2.5 Billion) at the end of Q4/10, SCC continues to focus on strategic acquisition of ASEAN assets in its existing business portfolio.

SCG places great importance in ASEAN, with a population base of 600 million people, strong GDP growths of 5-6% and low consumption base of chemicals, paper, cement, and building materials. In 2010, ASEAN (ex-Thailand) accounted for 19% of SCG's sales (ASEAN operations and exports from Thailand), 11% of SCG's employee workforce, and 7% of SCG's total assets.

SCG's Sales Exposure to ASEAN

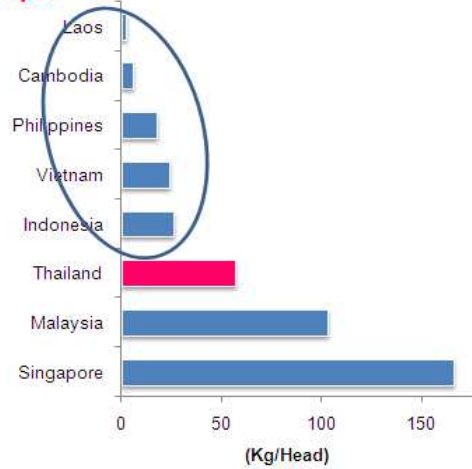


ASEAN's per Capita Consumption (FY2010)

Chemicals



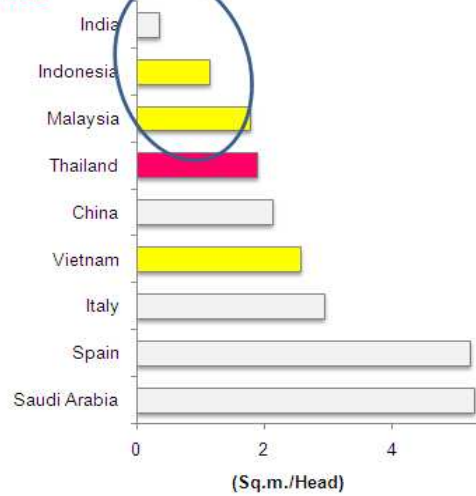
Paper



Cement



Ceramics

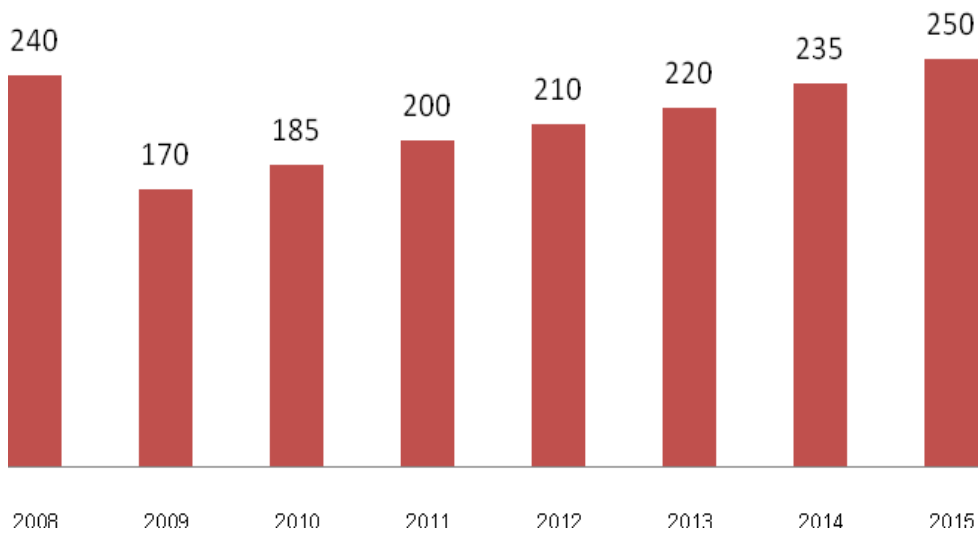


SCG's ASEAN Operations



Indonesia's Ceramics Industry

Indonesian Ceramic Market (million sq.m.)



KIA's Production Facilities in Indonesia



KOKOH's Distribution Outlets in Indonesia

