

Bor. Hor. 024/2011

13 May 2011

To: President  
The Stock Exchange of Thailand

**Subject: Report of 1<sup>st</sup> Quarter 2011 Financial Performances**

The Company is pleased to report the 1<sup>st</sup> quarter 2011 unaudited but reviewed consolidated financial performance of its Group.

Reference to the unaudited but reviewed financial statements ended 31 March 2011; the Company's Net Profit After Tax for the 1<sup>st</sup> quarter stood at Baht 154 million compared to Net Profit After Tax of Baht 317 million in the corresponding period 2010. Details are as follows:

1. Sales and services stood at Baht 4,685 million reflecting a decrease of 28% from the same period last year. The reduction in sales revenue was mainly attributable to the lower export sales in most markets due to high inventory stock maintained by the customers from last year and the significant increase in bitumen market price. The domestic sales also reported a slight decrease in sale revenue owing largely to the unfavorable weather conditions and also higher bitumen price.

The supply of crude to our refinery in Malaysia has been adversely affected due to continued high volatility in the prices of crude oil caused by unrests in several Middle East countries. The rapid increase in WTI from US\$91.38 to US\$106.72 has made it very difficult to forecast and ascertain whether the bitumen market prices will be able to sustain similar crude oil price increase.

2. Cost of sales and services in the 1<sup>st</sup> quarter 2011 stood at Baht 4,230 million or 90.03% of sales and services reflecting an improvement from 92.74% in the same period last year.
3. The operating gross profit margin (i.e. excluding hedging and FX gain/loss) remains strong at Baht 455 million in 2011 compared to Baht 464 million in 2010 despite the lower sales revenue.
4. Selling and administrative expenses stood at Baht 179 million representing 3.8% of sales and services. Comparatively, these expenses in the same period 2010 stood at Baht 170 million or 2.7% of sales and services. The company is committed to controlling these overheads while improving the operating gross profit margin.

5. Financial expense in the 1<sup>st</sup> quarter 2011 was Baht 53 million, a decrease from Baht 64 million from the same period 2010 due to decrease in working capital financing for crude procurement. The company and subsidiaries also provided for corporate income tax of Baht 30 million during the 1<sup>st</sup> quarter 2011.
6. The Net Profit After Tax of Baht 154 million represents earning per share of Baht 1.04 attributable to the equity shareholders of the Company for the first quarter.

Please circulate the above information to the public accordingly.

Sincerely yours,

Chaiwat Srivalwat  
Managing Director