



Bor. Hor. 043/2013

14th November 2013

To: Managing Director
The Securities Exchange of Thailand

Subject: Report of 3rd Quarter 2013 Financial performances

The Company is pleased to report the 3rd quarter 2013 unaudited but reviewed consolidated financial performance of its Group.

Reference to the unaudited but reviewed financial statements ended 30th September 2013, the Company's Net Profit After Tax for the third quarter stood at Baht 284 million compared to Net Profit After Tax of Baht 99 million in the corresponding period 2012. Details are as follows:

1. Sales and services stood at Baht 8,772 million reflecting a decrease of 10.7% from the same period last year. The lower sale revenue was mainly attributable to the lower sales in export markets due to weaker market demand in this region and also the decrease in bitumen price. Domestic sales reported lower sale revenue in line with the subdued economic activities i.e. lower GDP growth. On the positive note, sales revenue of the 3rd Quarter has continued to improve over the last two reported quarters.
2. Cost of sales and services in the 3rd quarter 2013 stood at Baht 8,164 million or 93.07% of sales and services reflecting an improvement from 94.17% in the same period last year before the reversal of allowance for diminution in value of inventories and hedging cost.
3. Operating gross profit margin (excluding hedging cost and FX gain) has improved to Baht 608 million compared to Baht 572 million in 2012 despite lower sales revenue.
4. The new hedging strategy has contributed a significant positive impact to the result of this Quarter as compared to the corresponding quarter in 2012 under the similar volatile commodity market conditions. Under the crude inventory policy, the company has marked to market (MTM) and provided a NRV provision of Baht 204 million on its crude inventory. The Brent price started from \$103/bbl, increased gradually to above \$117/bbl and then retreat rapidly to \$108.37/bbl attributable to the potential US strike against Syria.
5. The Baht/USD strengthened to 31.09 from 31.39 during the 3rd Quarter and the Company recorded a FX gain of Baht 82 million in the MTM of the USD transaction and USD translation into Thai Baht reporting.



6. Selling and administrative expenses stood at Baht 32 million and Baht 163 million representing 0.36%, and 1.85% of sales and services, respectively. Comparatively, these expenses in the same period 2012 stood at Baht 23 million, and Baht 146 million or 0.23%, and 1.49% of sales and services, respectively. The Company is committed to controlling overhead expenses while improving the operating gross profit margin.
7. The Company's consolidated debt to equity ratio (D/E ratio) has significantly improved from 2.70 down to 1.74 whilst the Group continues its active crude procurement program. If we exclude the short-term crude inventory financing, the D/E ratio (Total Liability/Equity) was 0.74. Furthermore, the current ratio which includes this short-term loan was 1.30.
8. Financial expense in the 3rd quarter 2013 was Baht 49 million, a decrease from Baht 67 million from the same period 2012 due to the decrease in short-term loan financing for crude procurement.
9. The Consolidated Net Profit After Tax (excluding minority interest) of Baht 288 million represents earning per share of Baht 1.89 attributable to the equity shareholders of the Company for the 3rd quarter 2013.

Please circulate the above information to the public accordingly.

Sincerely yours,

Mr. Chaiwat Srivalwat
Managing Director