



Bor. Hor. 037/2013

14<sup>th</sup> August 2013

**To:                   Managing Director**  
**The Securities Exchange of Thailand**

**Subject:            Report of 2<sup>nd</sup> Quarter 2013 Financial Performances**

The Company is pleased to report the 2<sup>nd</sup> Quarter 2013 unaudited but reviewed consolidated financial performance of its Group.

Reference to the unaudited but reviewed financial statements ended 30<sup>th</sup> June 2013, the Company's Net Profit After Tax for the 2<sup>nd</sup> Quarter stood at Baht 185 million compared to Net Profit After Tax of Baht 97 million in the corresponding period 2012. Details are as follows:

1.       Sales and services stood at Baht 8,189 million reflecting a decrease of 10.6% from the same period last year. The decrease in revenue was mainly attributable to the lower product prices in line with Brent crude price of the 2<sup>nd</sup> Quarter at average USD 102.56 (2012 : USD 107.58). In term of sales volume, the Group achieved higher asphalt products turnover in the 2<sup>nd</sup> Quarter than the 1<sup>st</sup> Quarter due to stronger order book despite weakening demand in the export market. Domestic sales reported steady sale revenue as envisaged.

2.       Cost of sales and services in the 2<sup>nd</sup> Quarter 2013 stood at Baht 7,919 million or 96.70% of sales and services reflecting an improvement from 99.42% in the same period last year before the allowance for diminution in value of inventories that had been fully hedged. The main reason is due to improved efficiency in refinery operations and favorable crude prices.

Brent crude price continued to decrease from the 1<sup>st</sup> Quarter to below USD 98 and finally settled at USD 103 on 30<sup>th</sup> June 2013. We are pleased to say that the company's hedging strategy has been more effective in managing our crude cost and as a result, reduced the hedging exposure substantially.



3. The operating gross profit margin (i.e. excluding hedging and net realizable value of inventories) was Baht 270 million as compared to Baht 53 million in 2012.
4. The Thai Baht/USD exchange rate reversed its strength from 1<sup>st</sup> Quarter and settled at Baht/USD 31.12. This resulted in a marked to market FX loss of Baht 175 million in 2<sup>nd</sup> Quarter.
5. Selling and administrative expenses stood at Baht 30 million and Baht 162 million representing 0.37%, and 1.98% of sales and services, respectively. Comparatively, these expenses in the same period 2012 stood at Baht 24 million, and Baht 144 million or 0.27%, and 1.57% of sales and services. The company is committed to controlling these overheads while improving the operating gross profit margin.
6. The Group's consolidated debt to equity ratio (D/E ratio) has improved from 2.70 down to 2.11 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 1.20. Furthermore, the current ratio which includes short-term loan was 1.26.
7. Financial expense in the 2<sup>nd</sup> Quarter 2013 was Baht 44 million, decreased from Baht 80 million from the same period 2012 due to more favorable interest rate in working capital financing for crude procurement.
8. The Consolidated Net Profit After Tax (excluding minority interest) was Baht 185 million and represented earning per share of Baht 1.21 attributable to the equity shareholders of the Company for the 2<sup>nd</sup> Quarter.

Please circulate the above information to the public accordingly.

Sincerely yours,

Mr. Chaiwat Srivalwat  
Managing Director