

Thoresen Thai Agencies Public Company Limited

Management Discussion and Analysis 1Q2017



**DIRECTING
THE FUTURE**

May 15, 2017

The President

The Stock Exchange of Thailand

Dear Sir/Madam,

Re: Management's Discussion and Analysis for 1Q/17

Thoresen Thai Agencies Public Company Limited

- Consolidated EBITDA for 1Q/17 increased 69% YoY to Baht 386.7 million
- Consolidated net profit to TTA of Baht 87.2 million, boosted by strong and rising trend of higher freight rates
- Cash and short-term investments on its consolidated balance sheet were Baht 9.7 billion at the end of 31 March 2017

Executive Summary

Performance Summary

in Million Baht	1Q/16	4Q/16	1Q/17	%YoY	%QoQ
Revenues	2,956.6	3,597.5	3,102.9	5%	-14%
Gross Profit	339.1	840.0	636.8	88%	-24%
Gross Margin (%)	11%	23%	21%		
EBITDA	229.5	617.6	386.7	69%	-37%
EBITDA Margin (%)	8%	17%	12%		
Net Profit/(Loss)	(206.7)	(124.8)	97.0	147%	178%
Net Profit Margin (%)	-7%	-3%	3%		
Net Profit/(Loss) to TTA	(230.7)	(163.9)	87.2	138%	153%
Net Profit Margin (%)	-8%	-5%	3%		
Number of Shares (million Shares)	1,822.5	1,822.5	1,822.5		
Basic earnings per share (in Baht)	(0.13)	(0.09)	0.05	138%	156%
Normalized Net Profit	(200.7)	267.5	56.7	128%	-79%
Normalized Net Profit to TTA	(224.5)	167.9	65.8	129%	-61%

**Normalized Net Profit/(Loss) = Net Profit/(Loss) - Non-Recurring Items*

The overall performance of Thoresen Thai Agency Public Company Limited ("TTA") improved 138% YoY, with reported net profit to TTA of Baht 87.2 million and normalized net profit to TTA of Baht 65.8 million due to rising market freight rates in 1Q/17. This is despite the fact that January – March of each year is normally a low quarter due to the cyclical nature of the business.

Consolidated net profit to TTA in 1Q/17 was at Baht 87.2 million, which increased 153% QoQ. Average Baltic Dry Index (BDI) has picked up since the end of the year 2016. The Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) in 1Q/17 was higher at Baht 386.7 million, increased 69% YoY.

Thoresen Shipping Group (“TSG”)’s average TCE rate in 1Q/17 was at **\$7,015 per day, which was an improvement of 8% QoQ and 87% YoY.** The BDI and BSI have been on a rising trend since its lowest level in 1Q/16. TSG’s average TCE rate in 1Q/17 consisted of owned fleet TCE rate of \$6,857 per day and gain from chartered-in vessels of \$158 per day. TSG reported net profit of Baht 46 million in 1Q/17.

Mermaid Maritime Public Company Limited (“MML Group”) reported net profit of **Baht 26.2 million which increased 5% QoQ.** Total revenue in 1Q/17 was at Baht 1,283.1 million, a decrease of 18% QoQ from Baht 1,562.7 million and 9% YoY from baht 1,412 million due to low season.

Unique Mining Services Public Company Limited (“UMS”)’s sales volume in **1Q/17 was at 63 KTONs, decreased 35% QoQ from 85 KTONs in 4Q/16 but increased 9% YoY from 58 KTONs in 1Q/16.** Though there was a reduction in sale volume, average selling price has been increased from 4Q/16. Accordingly in 1Q/17, UMS reported net loss of Baht 16.6 million.

PM Thoresen Asia Holdings Public Company Limited (“PMTA”) contributed net profit of **Baht 2.2 million in 1Q/17.** Sale volume was 38,032 tons in 1Q/17 which grew 1% YoY from 37,827 tons in 1Q/16 but decreased 39% QoQ from 62,815 tons in 4Q/16 due to low season.

Overall, in 1Q/17, net profit to TTA was Baht 87.2 million with normalized net profit to TTA of Baht 65.8 million. TTA still maintained strong cash and short-term investments on its consolidated balance sheet totaling to Baht 9.7 billion at the end of 1Q/17.

Consolidated Performance Summary

Consolidated Income Statement

in million Baht (MB)	1Q/16		4Q/16		1Q/17		%YoY		%QoQ	
	MB	%	MB	%	MB	%	MB	%	MB	%
Revenues	2,956.6	100.0	3,597.5	100.0	3,102.9	100.0	146.2	5%	(494.6)	-14%
Costs	(2,617.5)	(88.5)	(2,757.6)	(76.7)	(2,466.1)	(79.5)	(151.4)	-6%	(291.5)	-11%
Gross Profit	339.1	11.5	840.0	23.3	636.8	20.5	297.7	88%	(203.2)	-24%
Other Income	51.6	1.7	105.2	2.9	71.5	2.3	19.9	39%	(33.6)	-32%
Gain/(Loss) on Investment	6.7	0.2	31.0	0.9	6.2	0.2	(0.5)	-7%	(24.8)	-80%
SG&A	(359.3)	(12.2)	(461.5)	(12.8)	(397.6)	(12.8)	38.3	11%	(63.9)	-14%
EBITDA from Operation	38.2	1.3	514.7	14.3	316.9	10.2	278.8	730%	(197.7)	-38%
Equity Income	191.3	6.5	102.9	2.9	69.7	2.2	(121.6)	-64%	(33.2)	-32%
EBITDA	229.5	7.8	617.6	17.2	386.7	12.5	157.2	69%	(230.9)	-37%
Depreciation & Amortization	(291.1)	(9.8)	(294.9)	(8.2)	(278.0)	(9.0)	(13.1)	-4%	(16.9)	-6%
EBIT	(61.6)	(2.1)	322.7	9.0	108.7	3.5	170.3	276%	(214.0)	-66%
Financial Cost	(130.9)	(4.4)	(119.9)	(3.3)	(117.3)	(3.8)	(13.6)	-10%	(2.6)	-2%
Gain/(Loss) from Foreign Exchange	(4.5)	(0.2)	19.3	0.5	73.4	2.4	77.8	1738%	54.1	281%
Non-Recurring Items - Impairment on Asset	-	-	(240.5)	(6.7)	-	-	-	0%	(240.5)	-100%
Non-Recurring Items - Other	(6.1)	(0.2)	(151.8)	(4.2)	40.3	1.3	46.4	764%	192.1	127%
Profit before income tax	(203.0)	(6.9)	(170.2)	(4.7)	105.1	3.4	308.1	152%	275.2	162%
Income Tax Expense	(3.7)	(0.1)	45.4	1.3	(8.1)	(0.3)	4.4	119%	53.5	118%
Net Profit/(Loss)	(206.7)	(7.0)	(124.8)	(3.5)	97.0	3.1	303.7	147%	221.8	178%
Net Profit/(Loss) attributable										
To Non-controlling interest	(23.9)	(0.8)	(39.1)	(1.1)	(9.8)	(0.3)	14.2	59%	29.4	75%
To TTA	(230.7)	(7.8)	(163.9)	(4.6)	87.2	2.8	317.9	138%	251.1	153%

Normalized Net Profit/(Loss)	(200.7)	267.5	56.7
Normalized Net Profit/(Loss) to TTA	(224.5)	167.9	65.8

*Normalized Net Profit/(Loss) = Net Profit/(Loss) - Non-Recurring Items

In 1Q/17, consolidated revenues increased 5% YoY to record at Baht 3,102.9 million driven mainly by shipping business as freight rates have been rising. Total costs decreased 6% YoY to Baht 2,466.1 million, consequently, gross profit increased 88% YoY to Baht 297.7 million with gross margin of 21%.

Equity income decreased 64% YoY to Baht 69.7 million in 1Q/17 mainly from day rate reduction of Asia Offshore Drilling "AOD" (major contributor to the equity income). As a result, the EBITDA in 1Q/17 was positive at Baht 386.7 million, an increased of 69% YoY but decreased 37% QoQ. Furthermore, the depreciation and amortization decreased 4% YoY and decreased 6% QoQ.

Thoresen Shipping Group (TSG)

- TSG's TCE Rate at \$7,015 per day, an improvement of 8% QoQ and 87% YoY
- Owned fleet utilization rate remained at high level at 99.1%
- EBITDA improved 400% YoY and 47% QoQ to Baht 176.2 million on rising trend of BDI

Performance Summary

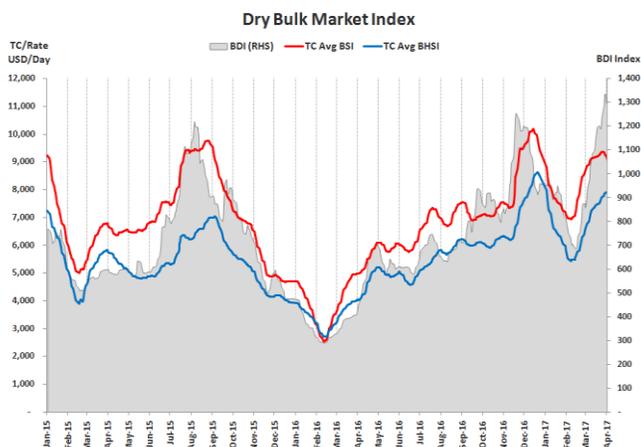
Income Statement*

in million Baht (MB)	1Q/16	4Q/16	1Q/17	%YoY	%QoQ
Freight Revenue	744.7	820.4	1,029.4	38%	25%
Vessel Operating Expenses	(764.3)	(663.3)	(836.6)	9%	26%
Gross Profit	(19.7)	157.1	192.8	1080%	23%
Other Income	15.4	6.3	19.6	27%	210%
Gains (Losses) on Investment	-	-	-	0%	0%
SG&A	(54.5)	(43.8)	(36.2)	-34%	-17%
EBITDA	(58.7)	119.6	176.2	400%	47%
Depreciation & Amortization	(103.3)	(99.0)	(87.6)	-15%	-11%
EBIT	(162.1)	20.6	88.6	155%	329%
Financial Cost	(43.8)	(42.5)	(39.3)	-10%	-7%
Gain/(Loss) from Foreign Exchange	(51.1)	81.8	(2.4)	95%	-103%
Non-Recurring Items	(4.6)	(247.9)	0.0	101%	100%
Profit before income tax	(261.5)	(188.0)	46.9	118%	125%
Income Tax Expense	(2.4)	(3.6)	(0.9)	-64%	-76%
Net Profit/(Loss)	(263.9)	(191.6)	46.0	117%	124%
Normalized Net Profit/(Loss)	(259.3)	56.3	46.0	118%	-18%
Gross Margin (%)	-3%	19%	19%		
EBITDA Margin (%)	-8%	15%	17%		
Net Profit Margin (%)	-35%	-23%	4%		

*as consolidated on TTA's P&L

Normalized Net Profit/(Loss) = Net Profit/(Loss) - Non-Recurring Items

In 1Q/17, the Baltic Dry Index (BDI) has risen from its 30-year low in February 2016 to over 1,300 level by the end of March. BDI index averaged at 945 in 1Q/17, an increase of 164% YoY from 358 in 1Q/16. Consequently, the Supramax average TC rates (key benchmark rates for TSG) increased to \$8,171 per day in 1Q/17 from \$3,801 per day in 1Q/16.



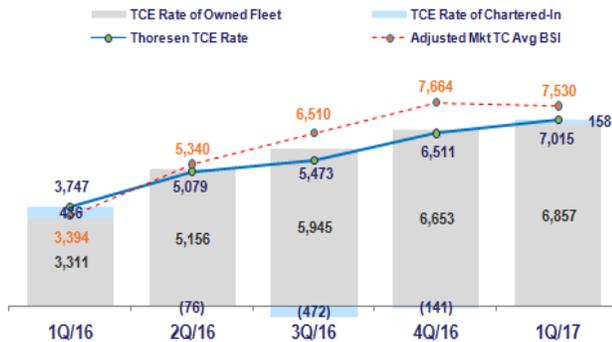
In 1Q/17, TSG's average TCE rate was at \$7,015 per day, which was an improvement of 8% QoQ and 87% YoY. The improvement was from the rebound of the BDI from its lowest level in 1Q/16. TSG's average TCE rate in 1Q/17 consisted of owned fleet TCE rate of \$6,857 per day and gain from chartered-in vessels of \$158 per day. TSG reported net profit of Baht 46 million in 1Q/17. The achieved TCE rate in this quarter was lower than the adjusted market TC Avg BSI of \$7,530 per day. The owned fleet utilization rate remained high at 99.1%. Accordingly, TSG's average TCE rate in 1Q/17 was higher than the operating cash costs level of \$4,740 per day. TSG continues to own 20 vessels with an average size of 52,555 DWT and an average age of 11.87 years. Therefore, the group operated an average of 26.04 vessels (20 owned vessels and 6.04 chartered-in vessels) in 1Q/17.

Thoresen Thai Agencies Public Company Limited

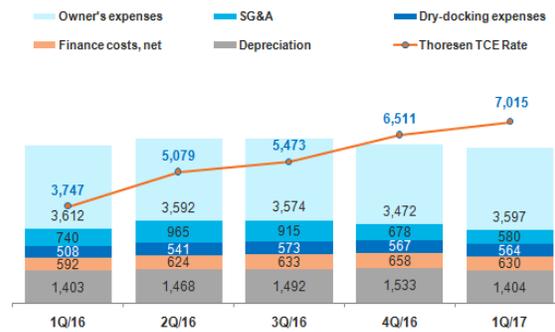
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Adjusted Market BSI vs Thoresen's TCE Rate



Revenue vs Cost Structure (per vessel day)



The freight revenue in 1Q/17 increased to Baht 1,029.4 million or increased 25% QoQ from Baht 820.4 million in 4Q/16 and 38% YoY from Baht 744.7 million in 1Q/16. Overall, in this quarter, the gross profit for TSG was at Baht 192.8 million, surging 23% QoQ and 1080% YoY as the TSG's average TCE rate increased above the operating cash costs level. Gross margin was at 19% in 1Q/17 comparing to -3% in 1Q/16 and 19% in 4Q/16.

TSG ended the quarter with positive EBITDA of Baht 176.2 million, increasing 47% QoQ and 400% YoY. TSG reported net profit of Baht 46 million in 1Q/17 with normalized net profit of Baht 46 million.

Fleet data Summary	1Q/16	4Q/16	1Q/17	%YoY	%QoQ
Average DWT (Tons)	50,946	52,555	52,555	3%	0%
Calendar days for owned fleet ⁽¹⁾	2,113	1,860	1,800	-15%	-3%
Available service days for owned fleet ⁽²⁾	2,065	1,824	1,778	-14%	-3%
Operating days for owned fleet ⁽³⁾	2,016	1,824	1,761	-13%	-3%
Owned fleet utilization ⁽⁴⁾	97.6%	100.0%	99.1%	1%	-1%
Voyage days for chartered-in fleet	717	450	544	-24%	21%
Average number of vessels ⁽⁵⁾	30.0	24.7	25.6	-15%	4%

Market Rate (USD/Day)	1Q/16	4Q/16	1Q/17	%YoY	%QoQ
BDI Index	358	994	945	164%	-5%
BSI Index	363	795	781	115%	-2%
Mkt TC Avg BSI	3,801	8,317	8,171	115%	-2%
Adjusted Mkt TC Avg BSI	3,394	7,664	7,530	122%	-2%

Average Daily Operating Results ⁽⁶⁾ (USD/Day)	1Q/16	4Q/16	1Q/17	%YoY	%QoQ
Thoresen TCE Rate ⁽⁷⁾	3,747	6,511	7,015	87%	8%
TCE Rate of Owned Fleet	3,311	6,653	6,857	107%	3%
TCE Rate of Chartered-In	436	-141	158	-64%	212%

Expenses	1Q/16	4Q/16	1Q/17	%YoY	%QoQ
Vessel operating expenses (Owner's expense)	3,612	3,472	3,597	0%	4%
Dry-docking expenses	508	567	564	11%	-1%
General and administrative expenses	740	678	580	-22%	-15%
Cash costs	4,860	4,717	4,740	-2%	0%
Finance costs, net	592	658	630	6%	-4%
Depreciation	1,403	1,533	1,404	0%	-8%
Total costs	6,855	6,909	6,774	-1%	-2%
USD/THB Rate (Daily Average)	35.67	35.39	35.12	-2%	-1%

⁽⁷⁾The per day basis is calculated based on available service days.

Note:

- Calendar days are the total calendar days TTA owned the vessels in our fleet for the relevant period, including off hire days associated with major repairs, dry dockings, or special or intermediate surveys.
- Available service days are calendar days(1) less planned off hire days associated with major repairs, dry dockings, or special or intermediate surveys.
- Operating days are the available days (2) less unplanned off-hire days, which occurred during the service voyage.
- Fleet utilisation is the percentage of time that our vessels generated revenues and is determined by dividing operating days by available service days for the relevant period.
- Average number of vessels is the number of vessels that constituted our fleet for the relevant period, as measured by the total operating days for owned fleet plus voyage days for chartered in fleet during the period divided by the number of calendar days in the relevant period.
- Adjusted Mkt TC Avg BSI = Market TC Avg BSI adjusting commission fee and Thoresen Fleet Type
- The per day basis is calculated based on available service days
- Thoresen TCE Rate = Owned Vessel TCE Rate + Chartered-In Rate

TCE Rate = Time-Charter Equivalent Rate
 TC Rate = Time-Charter Rate
 BDI = The Baltic Exchange Dry Index
 BSI = The Baltic Exchange Supramax Index
 BHSI = The Baltic Exchange Handysize Index

Mermaid Maritime Public Company Limited (MML Group)

- EBITDA from Operation increased 124% YoY to Baht 107.7 million
- Net profit increased 5% QoQ to Baht 26.2 million inspite of lower utilization rate of vessels
- Stable equity income contribution from its associate. Contracts renewed but at lower rate

Performance Summary

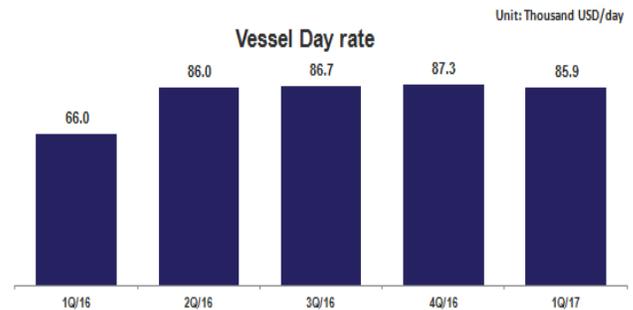
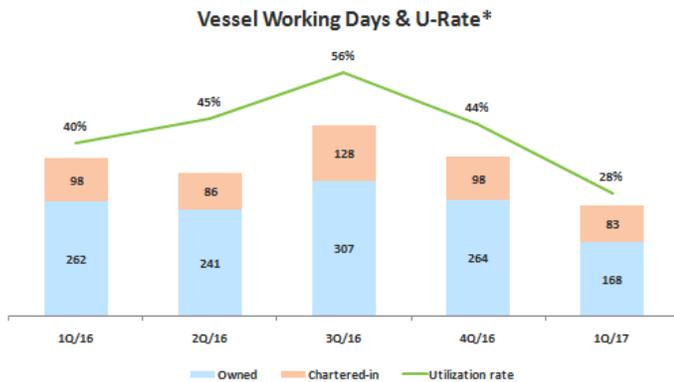
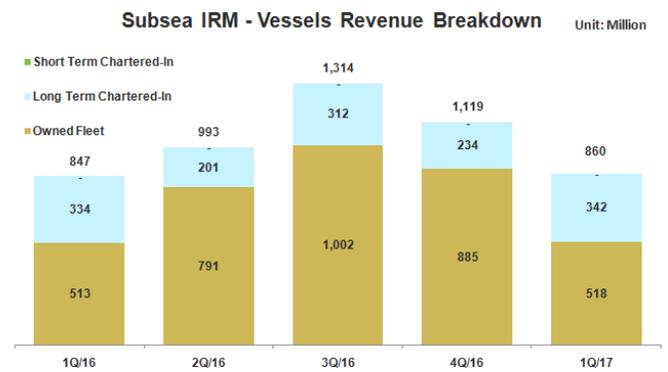
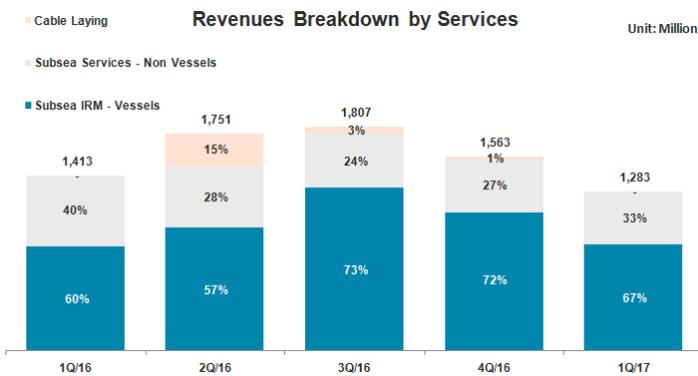
Income Statement					
in million Baht	1Q/16	4Q/16	1Q/17	% YoY	% QoQ
Total Revenues	1,412.9	1,562.7	1,283.1	-9%	-18%
Total Costs	(1,216.4)	(1,158.9)	(988.8)	-19%	-15%
Gross Profit/(Loss)	196.5	403.8	294.3	50%	-27%
Other Income	5.0	47.9	7.4	47%	-85%
SG&A	(153.4)	(232.1)	(194.0)	26%	-16%
EBITDA from Operation	48.1	219.6	107.7	124%	-51%
Equity Income	151.6	62.0	41.7	-73%	-33%
EBITDA	199.7	281.6	149.4	-25%	-47%
Depreciation & Amortization	(147.3)	(154.6)	(150.4)	2%	-3%
EBIT	52.4	127.0	(1.0)	-102%	-101%
Financial Cost	(30.3)	(31.5)	(30.6)	1%	-3%
Gain/(Loss) from Foreign Exchange	(9.1)	0.4	14.4	258%	3808%
Non-Recurring Items	0.7	(144.8)	45.5	6420%	131%
Profit/(Loss) before income tax	13.7	(48.9)	28.3	106%	158%
Income Tax Expense	30.4	73.7	(2.1)	107%	103%
Net Profit/(Loss)	44.2	24.8	26.2	-41%	5%
Net Profit/(loss) attributable					
To Non-controlling interest	17.9	12.3	11.1	-38%	-10%
To TTA	26.3	12.5	15.0	-43%	20%
Normalized Net Profit/(Loss)	43.5	169.6	(19.4)	-145%	-111%
Normalized Net Profit/(Loss) To TTA	25.9	96.8	(11.5)	-144%	-112%
Gross Margin (%)	14%	26%	23%		
EBITDA Margin (%)	14%	18%	12%		
Net Profit Margin (%)	3%	2%	2%		

*Normalized Net Profit/(Loss) = Net Profit/(Loss) - Non-Recurring Items

Oil and gas market continued to be volatile throughout 1Q/17, trading within the range of USD 50-60 per barrel. However, crude oil market slowly rose from the lowest level last year as both OPEC and Non-OPEC members discussed to reduce collective output in the first 6 months of year 2017. In addition, the first quarter of each year is normally a low season for Mermaid Maritime Public Company Limited ("MML Group")'s business.

In 1Q/17, MML Group's total revenue was at Baht 1,283.1 million, a decline of 9% YoY from Baht 1,412.9 million due to lower utilization rate of vessel from low season. The revenue decreased from lower operational days of both own fleets and chartered-in vessels. The utilization rate decreased from 40% in 1Q/16 to 28% in 1Q/17. In addition, the tender rigs (MTR-1 and MTR-2) remain cold stack and are being marketed for sale.

MML Group reported net profit of Baht 26.2 million which increased 5% QoQ. Total cost in 1Q/17 decreased in this quarter by 19% QoQ comparing to the total revenue, which reduced 9%. Consequently, the gross profit decreased 27% QoQ from Baht 403.8 million in 4Q/16 to Baht 294.3 million in this quarter, but increased 50% YoY from Baht 196.5 million in 1Q/16. In addition, MML Group's SG&A in 1Q/17 decreased 16% QoQ from Baht 232.1 million in 4Q/16 to Baht 194 million in 1Q/17. Furthermore, the contribution to the equity income was lower at baht 41.7 million. Therefore, the overall EBITDA in 1Q/17 was at Baht 149.4 million, declined 47% QoQ and 25% YoY. Depreciation and amortization decreased 3% QoQ. Accordingly in 1Q/17, MML Group reported attributable net profit to TTA of Baht 15 million.



* Total Working Days/Total Vessel Calendar Days
 Utilization Rate is Blended Rate of Owned and Chartered-in

Unique Mining Services Public Company Limited (UMS)

- Total revenue increased 50% YoY and slightly decreased 1% QoQ
- Higher average selling price around 23% comparing to 4Q/16
- Net loss attributable to TTA was lower by 18% QoQ

Performance Summary

Income Statement					
in million Baht	1Q/16	4Q/16	1Q/17	% YoY	% QoQ
Total Revenues	120.6	183.2	180.7	50%	-1%
Total Costs	(92.7)	(165.5)	(160.6)	73%	-3%
Gross Profit	27.9	17.8	20.1	-28%	13%
Other Income	0.8	(0.8)	1.1	41%	228%
SG&A	(21.4)	(19.7)	(21.9)	2%	11%
EBITDA	7.3	(2.8)	(0.6)	-109%	77%
Depreciation & Amortization	(10.4)	(9.6)	(9.2)	-12%	-4%
EBIT	(3.1)	(12.4)	(9.8)	-222%	21%
Financial Cost	(12.7)	(8.4)	(8.5)	-33%	1%
Gain/(Loss) from Foreign Exchange	(0.0)	0.6	3.7	8739%	494%
Non-Recurring Items	(2.2)	0.0	(0.9)	60%	-2850%
Profit/(loss) before income tax	(17.9)	(20.2)	(15.5)	14%	23%
Income Tax Expense	-	0.0	(1.1)	-	47874%
Net Profit/(Loss)	(17.9)	(20.2)	(16.6)	7%	18%
Net Profits/(losses) attributable					
To Non-controlling interest	(1.9)	(2.0)	(1.6)	14%	-18%
To TTA	(16.0)	(18.2)	(15.0)	7%	18%
Normalized Net Profit/(Loss)					
	(15.8)	(20.2)	(15.7)	0%	22%
Normalized Net Profit/(Loss) To TTA	(14.1)	(18.2)	(14.2)	-1%	22%
Gross Margin (%)					
	23%	10%	11%		
EBITDA Margin (%)					
	6%	-2%	0%		
Net Profit Margin (%)					
	-15%	-11%	-9%		

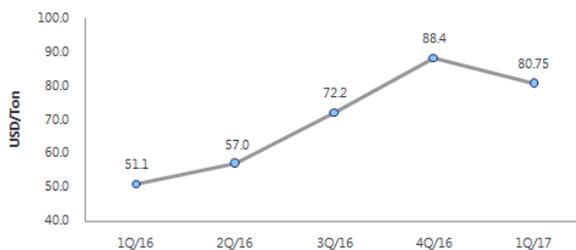
value of inventories and impairment ag

As consolidated on TTA's P&L

Normalized Net Profit/(Loss) = Net Profit/(Loss) - Non-Recurring Items

Non-Recurring Items include obsolescence and declining in value of inventories and impairment against machines and buildings.

Newcastle Coal Index (USD/Ton)



In 1Q/17, Unique Mining Services Public Company Limited (“UMS”) had a net loss of Baht 16.6 million comparing to losses of Baht 17.9 million in 1Q/16. Coal prices continued to increase from its low in the beginning of 2016 toward the end of the year 2016 and slightly drop in 1Q/17. As a result, the Newcastle index coal price grew 58% YoY from the average of 51.1 USD/ton in 1Q/16 to average 80.75 USD/ton in 1Q/17.

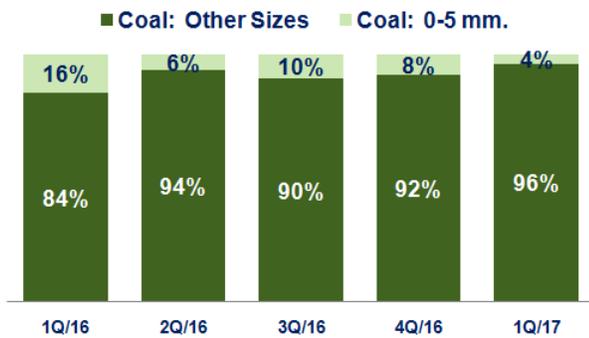
UMS’s sales volume increased 9% YoY from 58 Ktons in 1Q/16 to 63 Ktons in 1Q/17 but decreased 26% QoQ from 85 Ktons in 4Q/16. In 1Q/17, total revenue was at Baht 180.7 million, reduced only 1% QoQ from Baht 183.2 million in 4Q/16 but increased 50% YoY from Baht 120.6 million in 1Q/16. Though sale volume was lower than the previous quarter, revenue dropped only 1% QoQ because of higher average selling price around 23% comparing to 4Q/16. Total cost reduced 3% QoQ, which was in line with lower sales but increased 73% YoY

from higher coal sales and cost of services. Therefore, the gross profit decreased 28% YoY and increase 13% QoQ to Baht 20.1 million in 1Q/17.

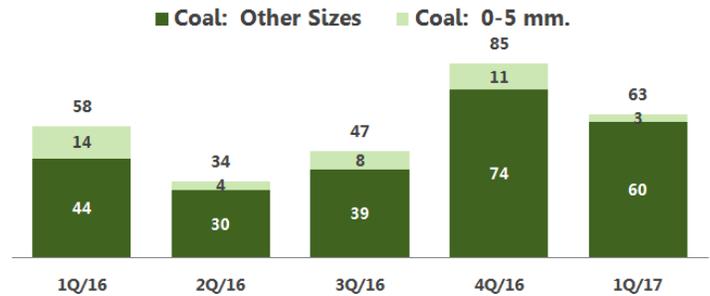
Therefore, the overall EBITDA reduced 109% YoY and increased 77% QoQ to Baht -0.6 million. Depreciation and amortization was at Baht 9.2 million, decreased 12% YoY and 4% QoQ, while financial cost fell 33% YoY to Baht 8.5 million.

Accordingly in 1Q/17, UMS reported net loss of Baht 16.6 million and attributable net losses to TTA of Baht 15 million.

Revenue Breakdown



Sales Volume ('000 Tons)



PM Thoresen Asia Holding Public Company Limited (PMTA)

- Sales volume growth 1% YoY while decrease in average selling price per ton caused sales revenue to drop to Baht 537.9 million
- Our core business in Vietnam still performed well at the same level of profit YoY, in line with our expectation. Our gross profit maintain at Baht 153.2 million
- Strengthening of Baht against Vietnam Dong and US Dollar caused net Profit in Thai baht to be lower at Baht 2.2million in 1Q/2017

Performance Summary

Income Statement					
<i>in Million Baht</i>	1Q/16	4Q/16	1Q/17	% YoY	% QoQ
Sales Revenue	608.1	954.0	537.9	-12%	-44%
Raw Material Costs	(455.0)	(654.0)	(384.8)	-15%	-41%
Gross Profit	153.1	300.0	153.2	0%	-49%
Service & Other Income	10.9	16.6	14.8	36%	-11%
Operating Cost	(49.6)	(73.6)	(57.4)	16%	-22%
Cost of providing services	(4.2)	(6.2)	(6.3)	51%	3%
SG&A	(59.1)	(86.6)	(66.1)	12%	-24%
EBITDA	51.1	150.2	38.0	-26%	-75%
Depreciation & Amortization	(16.4)	(16.5)	(15.9)	-3%	-4%
EBIT	34.7	133.7	22.1	-36%	-83%
Financial Cost	(1.8)	(0.3)	-	-100%	-100%
Gain/(Loss) from Foreign Exchange	(1.1)	7.3	(13.6)	-1100%	-286%
Profit before income tax	31.8	140.8	8.5	-73%	-94%
Income Tax Expense	(5.4)	(29.9)	(6.2)	15%	-79%
Net Profit	26.4	110.9	2.2	-92%	-98%
Gross Margin (%)	25%	31%	28%		
EBITDA Margin (%)	8%	16%	7%		
Net Profit Margin (%)	4%	12%	0%		

During the low season in Q1, PMTA achieved sales volume of 38,032 ton or slight increase of 1% YoY while the decrease in average selling price caused total revenue to decrease by 12% YoY. While our core business performed well with the same level of profit YoY, the appreciation of Thai Baht currency against US Dollar and Vietnam Dong caused the net profit to be lower at Baht 2.2 million.

Whole-sellers were concerned about fluctuating raw material prices during 1Q/17. Many whole-sellers were sitting on large stock of single fertilizer (such as DAP and Urea, which normally used at start of the season) with their capital locked up. Therefore, they preferred to wait to purchase NPK stocks until the rain starts. In addition, our new cash rebate campaign launched in 1Q/17 has added the delay in purchases, as the customers now prefer to buy on cash or short credit term. As a result, trade receivable sharply reduced from Baht 396 million in 4Q/16 to Baht 118 million in 1Q/17.

Sales volume in Q1/2017 slightly increased 1% YoY from 37,827 tons to 38,032 tons. Export sales volume grew 7% YoY from 15,100 tons in Q1/2016 to 16,181 tons in Q1/2017, while domestic sales dropped slightly by 4% YoY from 22,727 tons in Q1/2016 to 21,850 tons in Q1/2017.

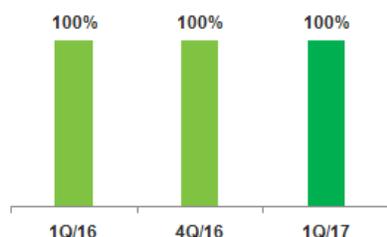
Fertilizer Sales Volume

Unit: Tons	1Q/16	4Q/16	1Q/17	% YoY	% QoQ
Fertilizer NPK	36,347	60,649	36,611	1%	-40%
Single fertilizer	1,084	1,449	992	-8%	-32%
Pesticide	396	717	429	8%	-40%
Total	37,827	62,815	38,032	1%	-39%

Sales Volume Breakdown

Unit: Tons	1Q/16	4Q/16	1Q/17	% YoY	% QoQ
Domestic	22,727	36,479	21,850	-4%	-40%
Export	15,100	26,335	16,181	7%	-39%
Total	37,827	62,815	38,032	1%	-39%

**Factory Area for Leasing
Occupancy Rate**



The higher export volumes in Q1/2017 were mainly due to export to Thailand and Indonesia. The lower domestic volumes in Q1/2017 were a result of the fluctuation in fertilizer prices and our new cash purchase rebate campaign causing the delay in purchase of NPK products.

The utilization rate of the Company's factory area for leasing in Q1/2017 remained at 100%. The service income from factory area leasing business increased from Baht 10.5 million in Q1/2016 to Baht 13.2 million or increased by 25.7% YoY mainly from the increase in leasing area from 42,300 sq.m. in Q1/2016 to 50,500 sq.m. in Q1/2017. The Company is building Baconco 5-B and 5-C (capacity of 20,000 sq.m) to support growing demand.

In Q1/2017, net profit decreased YoY to Baht 2.2 million mainly due to Baht 14 million of unrealized loss from exchange rate and the decrease in EBITDA. While total sales volume slightly increased, sales revenue decreased 12% YoY from Baht 608.1 million to Baht 537.9 million because of lower average selling price per ton. Cost of raw material declined 15% YoY from Baht 455 million to Baht 384.8 million resulting in improving gross margin from 25% in Q1/2016 to 28% in Q1/2017. Therefore, gross profit maintained at Baht 153.2 million in Q1/2017.

Service and other incomes increased 36% YoY from Baht 10.9 million to Baht 14.8 million which was contributed mainly from Baht 13.2 million of factory area for leasing. Operating cost increased 16% YoY from Baht 49.6 million to Baht 57.4 million in Q1/2017 due mainly to the increase in fuel and electricity cost and labor cost. SG&A also increased 12% from Baht 59.1 million to Baht 66.1 million due mainly to the higher transportation cost from increasing export volume to far destination. As a result, EBITDA was at Baht 38.0 million in Q1/2017 or decreased 26% YoY. Depreciation and amortization decreased 3% YoY to Baht 15.9 million in Q1/2017.

Yours faithfully,
Thoresen Thai Agencies Public Company Limited

Mr. Chalermchai Mahagitsiri
 President & Chief Executive Officer

Mr. Jitender P. Verma
 Director and Senior Executive Vice
 President & Group CFO