



Thoresen Thai Agencies Plc.

3QFY12 Briefing

- 3QFY12 Earnings
- UMS Goodwill Impairment

15 August 2012



Transport | Energy | Infrastructure



Agenda

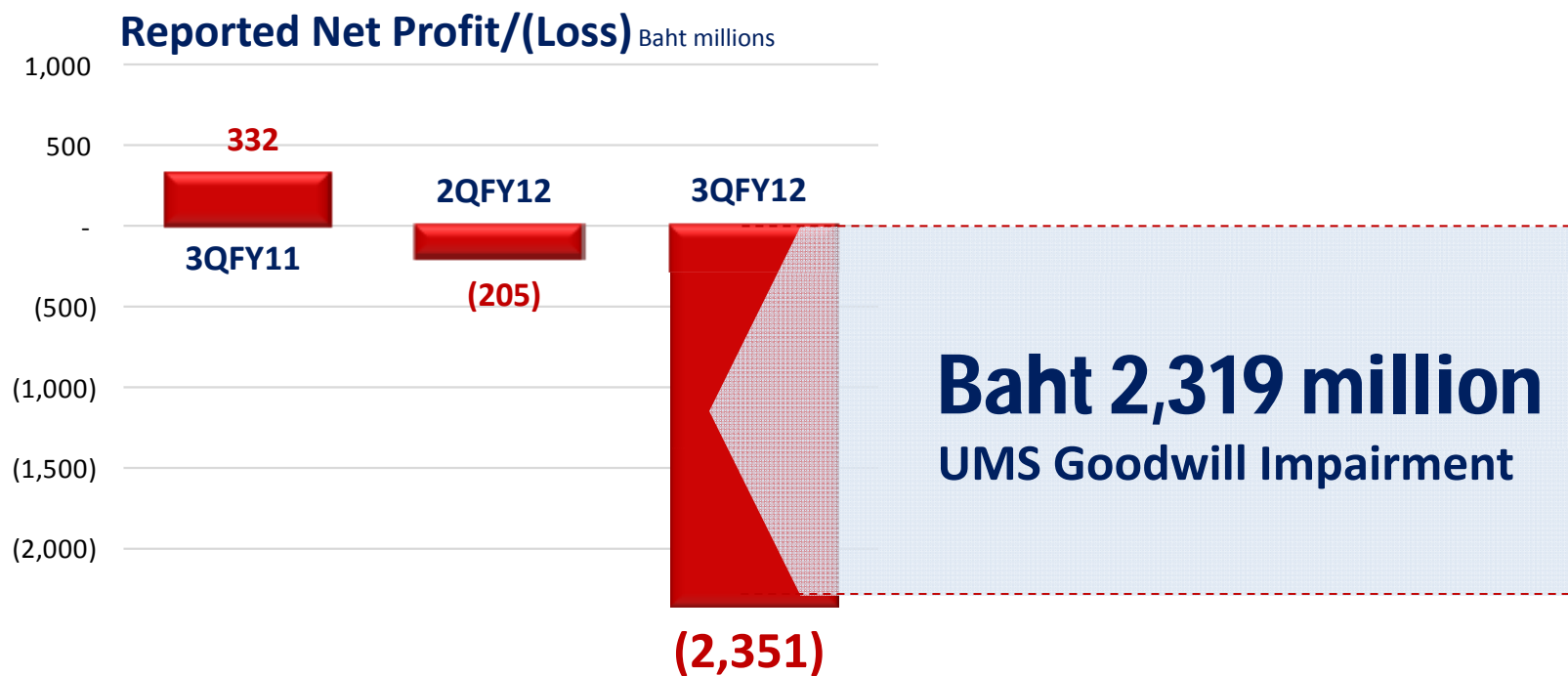
- 3QFY12 net profit
- UMS goodwill impairment
- Business-unit performance review
- Q&A



3QFY12 Net Profit

Goodwill Impairment

Performance Review





Rationale

UMS is working through significant challenges in its business



Khom Chad Luek: 14 July 2011

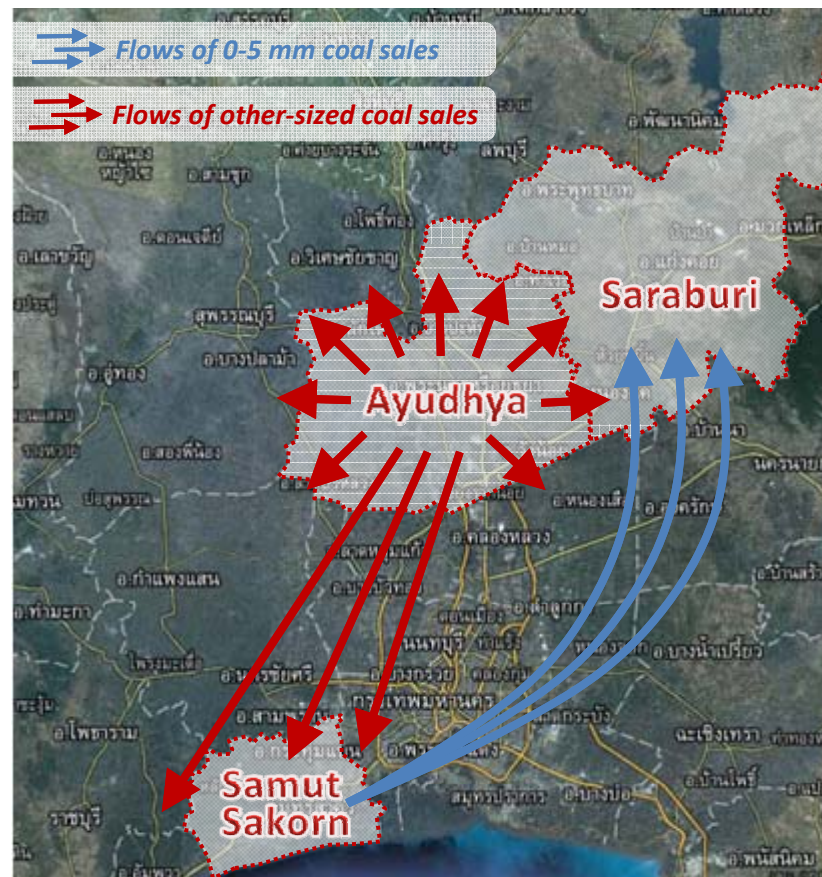
Jul 2011

- All coal operators in Samut Sakorn ordered to seize operations after protests from environmental groups
- UMS **continues to serve clients from its Ayudhya Plant at significantly higher costs**
- Samut Sakorn Plant has been **shutdown for more than 12 months with continuing risks over a permanent reopening of this plant**



Rationale

UMS is working through significant challenges in its business



Dec 2011

- Samut Sakorn has placed three conditions to reopen the Plant, including
 - 1 Removal of 0-5 mm inventory,
 - 2 Improvements to the port and warehouses, and
 - 3 Waste water treatment upgrades
- Decision made to **aggressively sell 0-5mm coal inventory** to cement plants in **Saraburi** to resume the original, high-efficiency two-plant operations as soon as possible
- High transport costs** resulted in **losses at EBITDA level**
- 54%** of the stockpile, roughly **245,000 tonnes** have been removed and sold

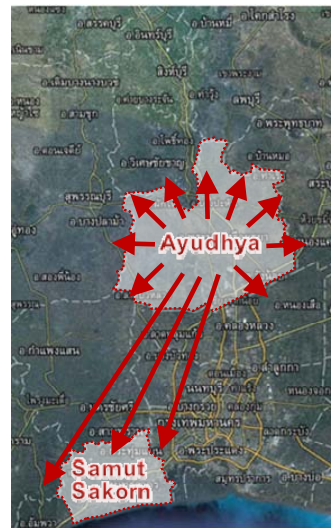


Rationale

UMS is working through significant challenges in its business



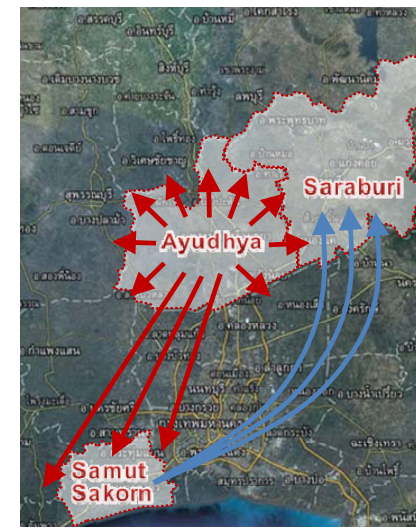
Prior to Jul-11:
Normal two-plant operations



Jul-11 to Oct-11:
One-plant operations
Ayudhya Plant also serving customers in Samut Sakorn



Oct-11 to Dec-11:
No operations
in Oct-Nov, but sales affected well into Jan-12

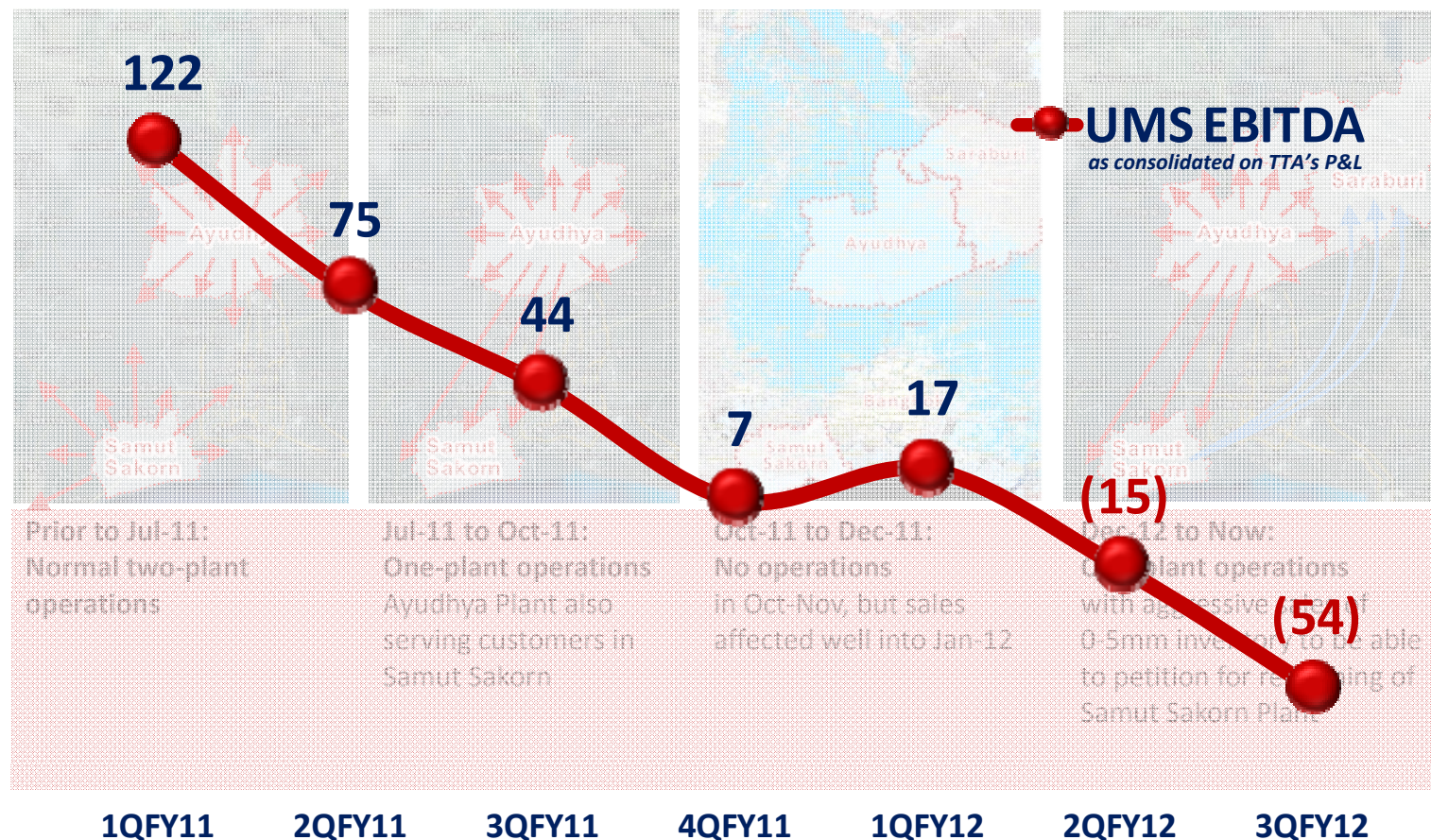


Dec-12 to Now:
One-plant operations
with aggressive sales of 0-5mm inventory to be able to petition for reopening of Samut Sakorn Plant



Rationale

UMS is working through significant challenges in its business





Rationale

Continuing risks to permanently reopening

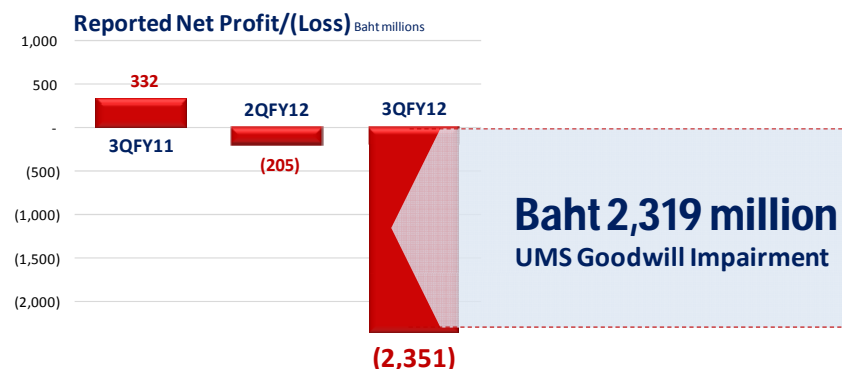
- Samut Sakorn Provincial Government mandated three pre-conditions for any reopening of the Samut Sakorn Plant:
 - Complete removal of 0-5 mm coal inventory,
 - Upgrades to the port and flooring of its warehouse, and
 - Improvements to the waste water treatment system.
- The Plant has been closed for 12 months, even as it meets or exceeds all government environmental standards. Its ability to recommence operations, even after meeting three pre-conditions, remains beyond TTA's control.
- Currently, weak coal prices could cause wider losses for the rest of 0-5 mm coal stock reduction program
- Given the continuing risks over a permanent reopening of the Plant, BOD asked for a mid-year review of this investment



Methodology

Recalculation of value-in-use

- BOD mandated a number of forward operating assumptions to calculate value-in-use that capture the adverse external conditions UMS is operating under
- UMS' value-in-use has decreased significantly based on those conservative assumptions
- The calculation of value-in-use was performed using projected free cash flows covering the next five years
- Cash flows beyond the five-year period were extrapolated using the estimated growth rates and a discount rate of 3.6% and 14%, respectively
- A non-cash impairment loss against goodwill of THB 2,319 million was recognised in our Q3FY2012 income statement





3QFY12 Results Snapshot

Strong operating results

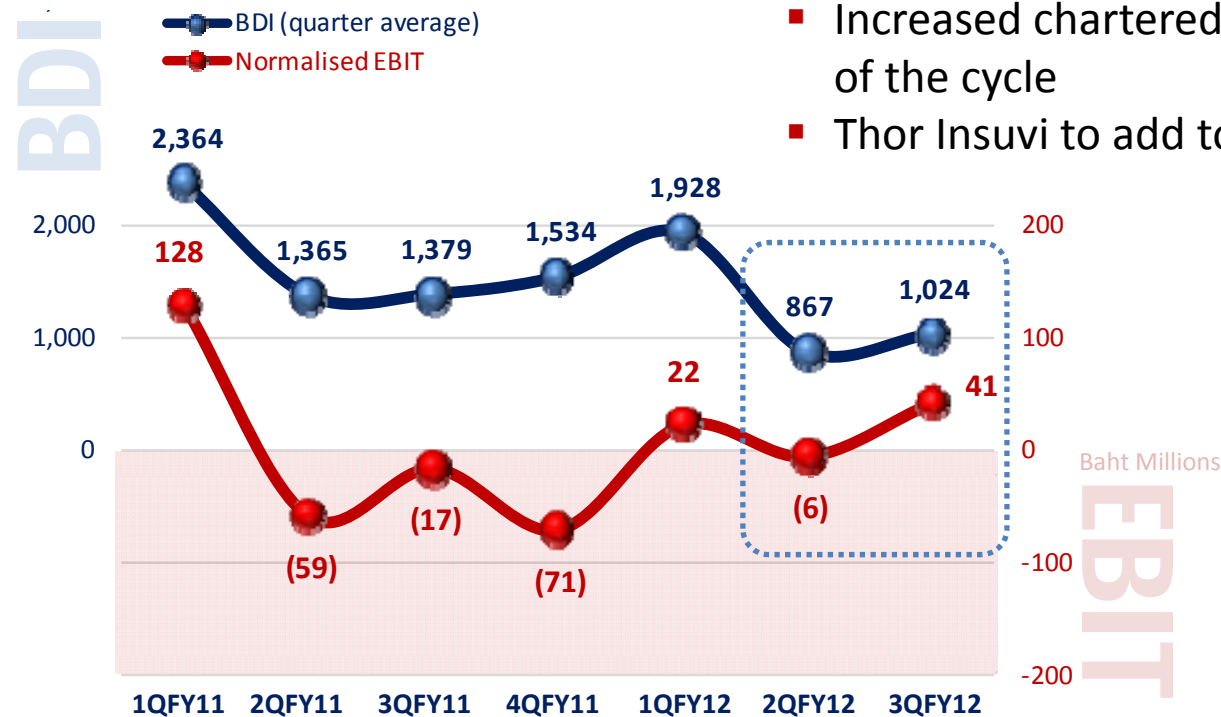
Baht millions	3QFY11	2QFY12	3QFY12	%yoy	%qoq
Revenues	4,376	3,529	4,810	10%	36%
Costs	3,307	2,819	3,608	9%	28%
Gross profits	1,069	710	1,201	12%	69%
SG&A	519	480	525	1%	9%
EBITDA	551	230	677	23%	194%
EBIT	213	(116)	350	64%	402%
Profits before EI	(16)	(281)	130	900%	146%
Extraordinary items	310	(19)	(2,333)		
Minority interests	(28)	51	(56)		
Forex impacts	65	43	(92)		
Net profit	332	(205)	(2,351)	-809%	-1045%



Thoresen Shipping

Increasingly resilient in low freight rate environment

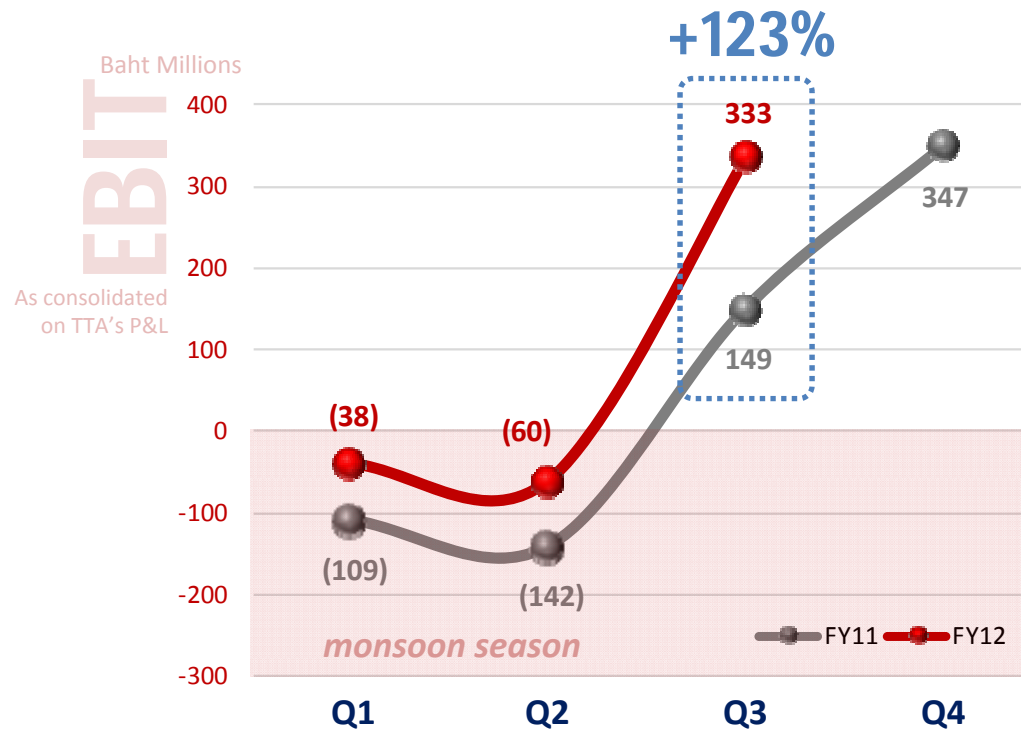
- Effective cost control, higher efficiency
- Breakeven at lower fleet TC rates
- Increased chartered-in vessels at the bottom of the cycle
- Thor Insuvi to add to operating results in 4QFY12





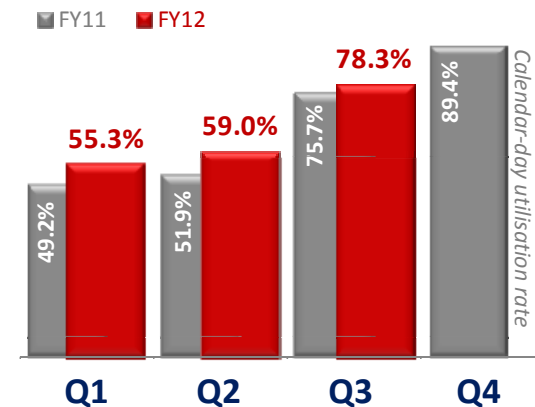
Mermaid Maritime

Operating through its high season



- Subsea vessels were 78.3% utilised
- Drilling rigs were 76.3% utilised
- MTR-1 resumed work in mid-May
- Both rigs contracted through November 2011
- Effective cost control, higher efficiency

Subsea vessel utilisation rate

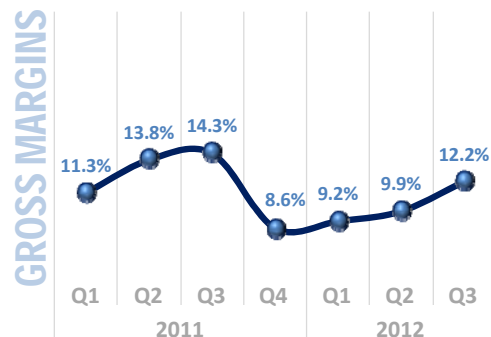




Baconco

Strong performance for Baconco

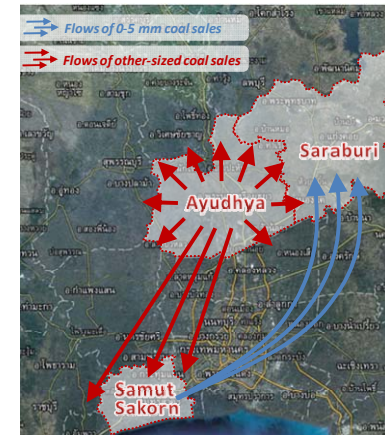
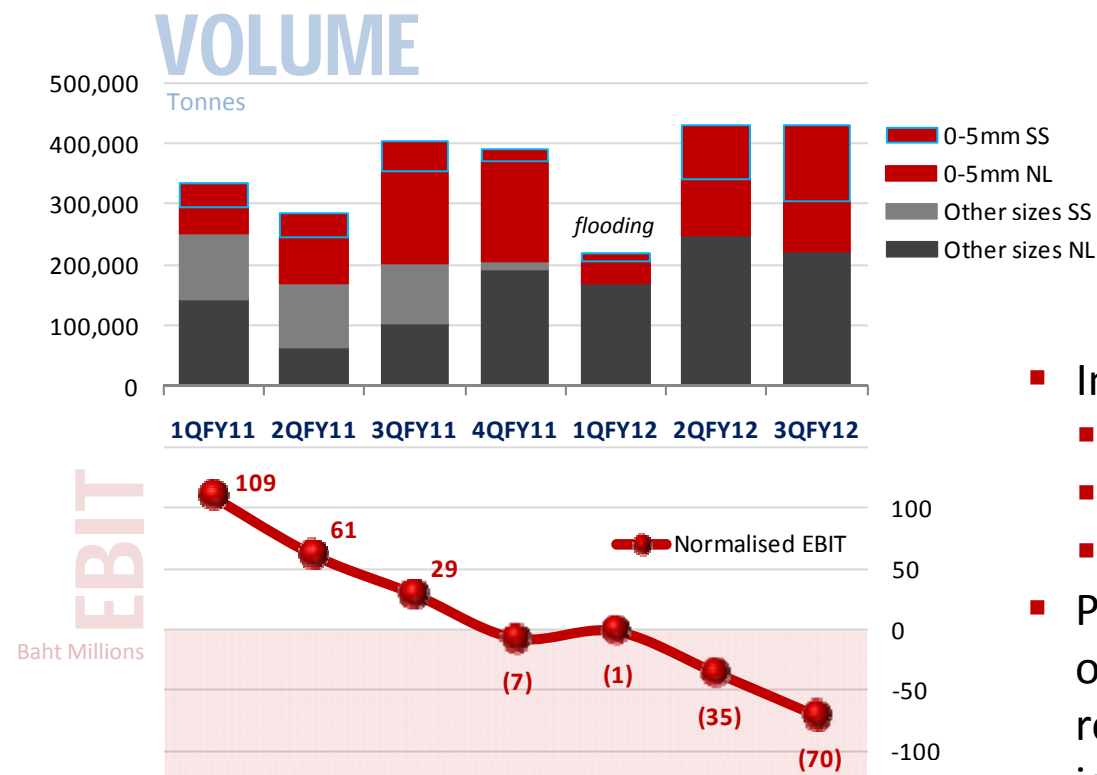
- Delayed fertiliser purchases materialised in 3QFY12
- Export markets helped drive sales and profits
- Pressures on margins continued to ease
- All warehouses 90%+ utilised,
New project to add 30,000 sq.m.
over next 2 years





Unique Mining Services

Good progress of 0-5mm sales, resulting in losses



- Initiatives as back-up plan:
 - Alternative production site
 - Floating terminals
 - Run-of-mine coal imports
- Profitability expected to return once the Samut Sakorn plant is reopened or alternative solution is implemented

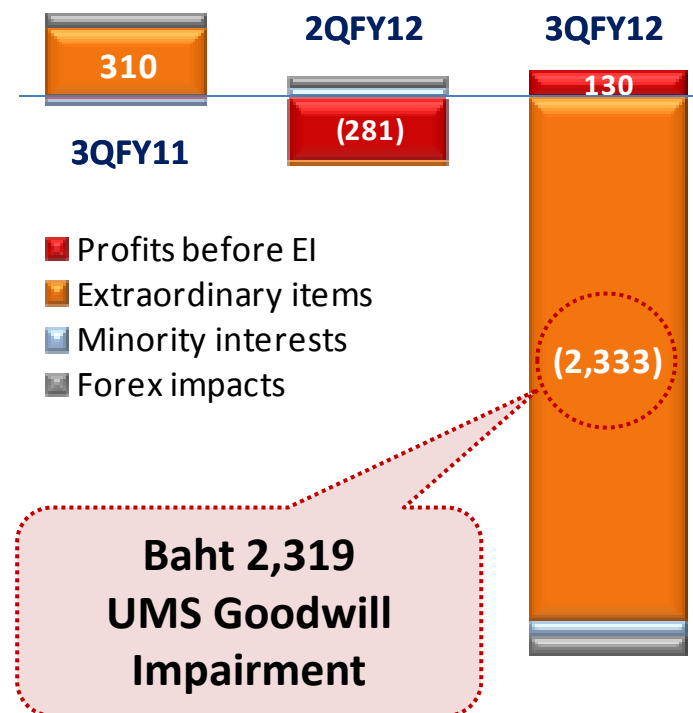


Strong operating results

... But overshadowed by the goodwill impairment charge

Income statement

Baht millions	3QFY11	2QFY12	3QFY12	%yoy	%qoq
Revenues	4,376	3,529	4,810	10%	36%
Freight charges	1,212	753	934	-23%	24%
Offshore services	1,454	996	1,753	21%	76%
Sales	1,640	1,705	2,045	25%	20%
Costs	3,307	2,819	3,608	9%	28%
Gross profits	1,069	710	1,201	12%	69%
SG&A	519	480	525	1%	9%
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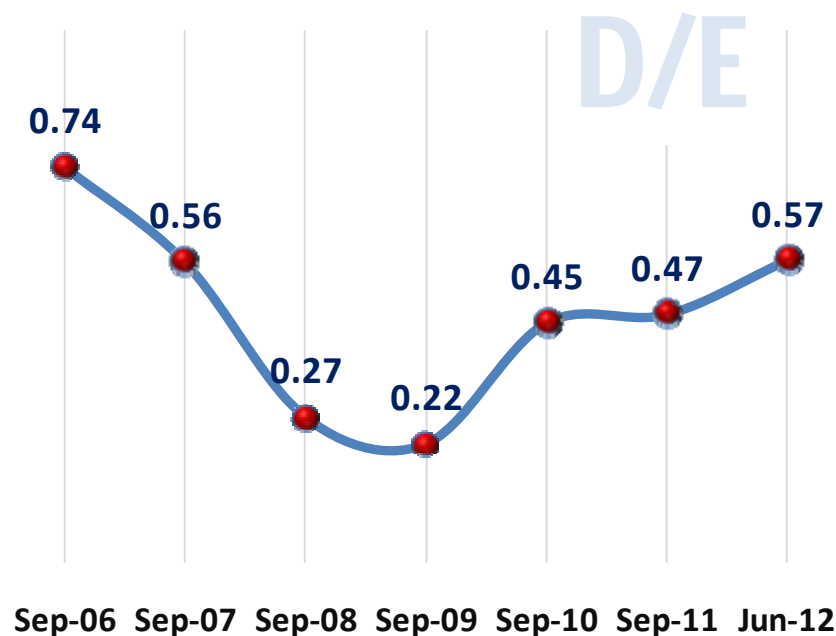




Financial position

TTA remains financially sound

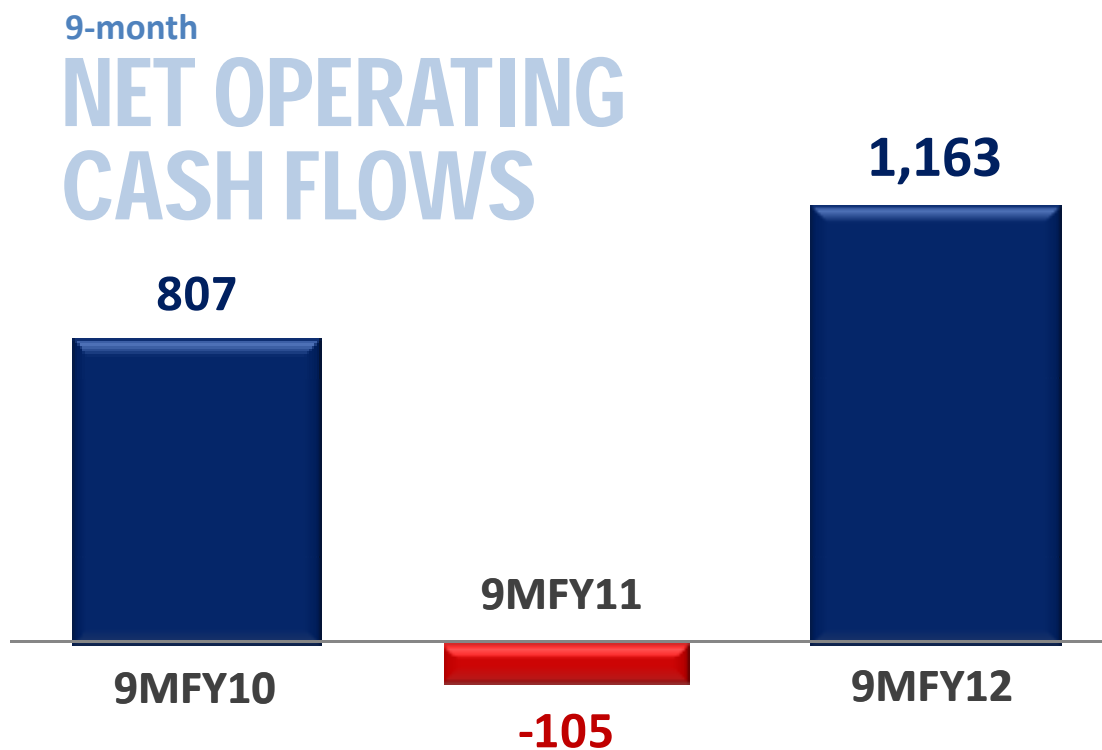
	30-Sep-11	30-Jun-12
Cash & cash equivalent	3,797	4,409
Short-term investments	984	1,059
Goodwill, net	3,817	1,499
Total assets	48,032	45,585
Short-term debts	3,685	3,522
Long-term debts	10,688	12,099
Total liabilities (TL)	17,216	18,083
Retained earnings	21,487	18,016
Total equities (TE)	30,816	27,502
TL/TE	0.56	0.66
D/E	0.47	0.57
Net D/E	0.31	0.37





Cash flows

Strong improvement in cash flow generating ability





3QFY12: operationally strong
with one large non-cash
goodwill impairment charge...

Q&A



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