



Thoresen Thai Agencies Plc.

FY13

Results Briefing



SET Opportunity Day

11 December 2013

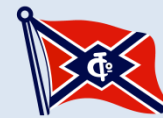
FOCUSED FORWARD
| Transport | Energy | Infrastructure

Agenda



- Recap of FY13: Key facts & developments at core business units
- Financial Review: Consolidated P&L
- Business Outlook:
 - Group Transport
 - Group Energy
 - Group Infrastructure
- Proposed rights offering to further capitalise on future opportunities
- Q&A

Recap of FY13



4QFY13's surge in the BDI was led by the Capesize segment

**Dry Bulk
Shipping**

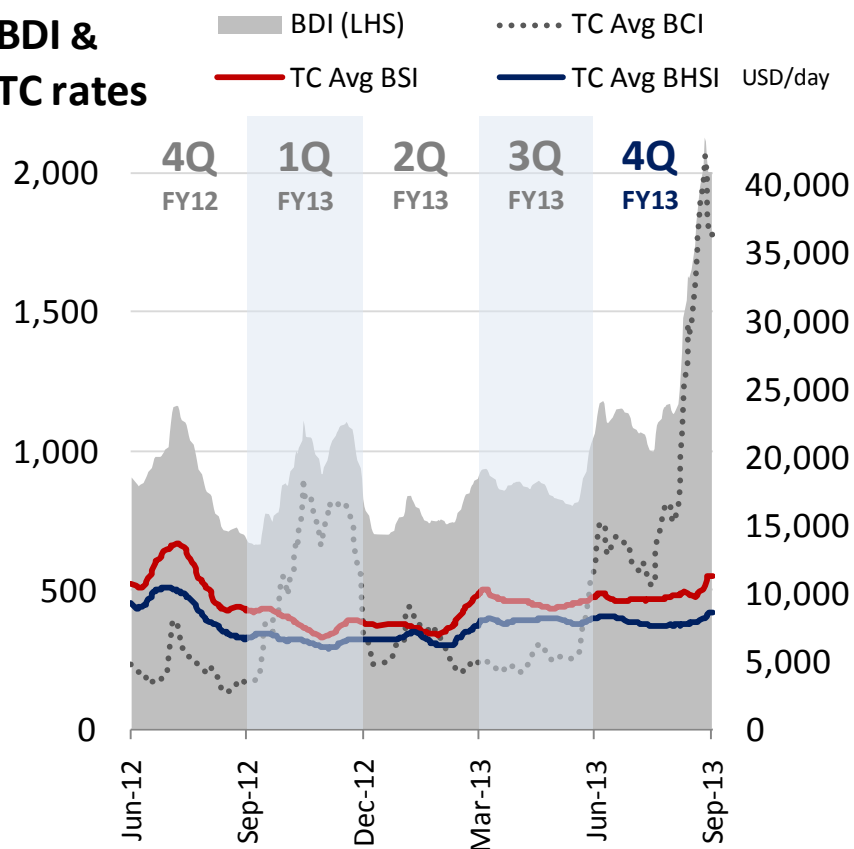
Subsea
Engineering

Offshore
Drilling

Fertiliser
Business

Coal
Distribution

BDI & TC rates



- 4QFY13 average BDI was 1,292 points, up 45% qoq and 53% yoy, driven by Capesize vessels
- Average Capesize TC rates tripled qoq, from about USD 6,200 per day in 3QFY13 to USD 19,200 per day in 4QFY13
- Key drivers were strong Chinese iron ore and met coal imports
- Average Supramax TC rates rose only 5% from USD 9,319 per day in 3QFY13 to USD 9,761 per day in 4QFY13

Recap of FY13



Even with 4QFY13's surge, FY13's average BDI was the lowest since 1999

**Dry Bulk
Shipping**

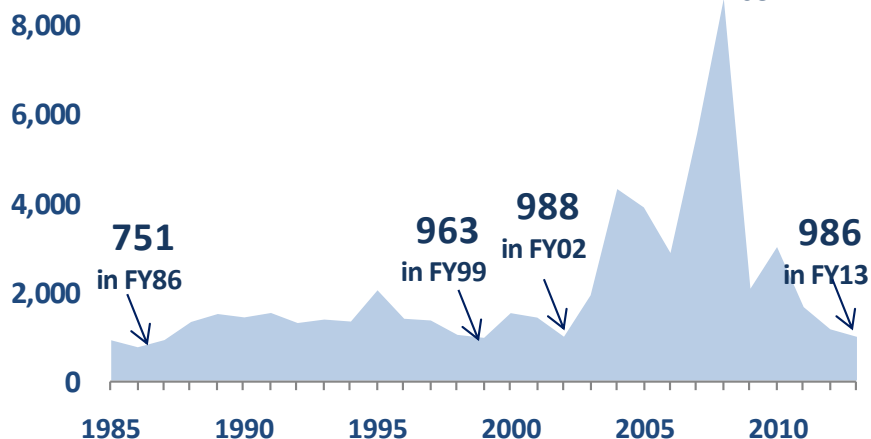
Subsea
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Fertiliser
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Coal
Distribution

BDI



- FY13's average BDI was 986 points
 - Down 15% from FY12 average
 - Lowest since 1999's 963 points
- Average TC rate for Supramax was USD 8,715 per day, down 22% yoy
- Average TC rate for Handysize was USD 7,301 per day, down 14% yoy

Recap of FY13



Freight revenue growth of 35% yoy from more chartered-in vessels

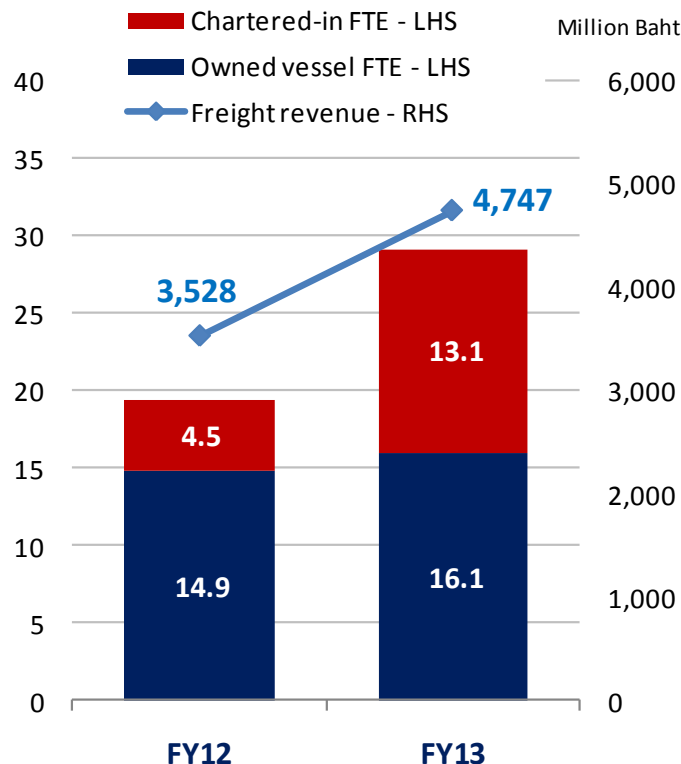
**Dry Bulk
Shipping**

Subsea
Engineering

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Drilling

Fertiliser
Business

Coal
Distribution



- Freight revenue growth of 35% yoy due mainly to more chartering-in activity to accommodate growing commercial relationships
- 29.2 FTE vessels (16.1 owned vessels + 13.1 chartered-in vessels) in FY13 vs. 19.4 FTE vessels (14.9 owned vessels + 4.5 chartered in vessels) in FY12
- Combined fleet TCE of USD 8,364 per day was down 18% yoy but still outperformed the Baltic Supramax TC rates by 7% after adjusting for fleet revenue capacity

Thoresen Shipping's income statement*

	Restated		
Baht millions	FY12	FY13	%yoy
Total revenues	3,528	4,747	35%
Total costs	2,608	4,115	58%
Gross profits	920	632	-31%
Gross margins (%)	26%	13%	-13%
SG&A	252	295	17%
EBITDA	668	337	-50%
EBITDA margins (%)	19%	7%	-12%
EBIT	217	(143)	-166%

*as consolidated on TTA's P&L

Recap of FY13

Cost control efforts sustained



Dry Bulk Shipping

Subsea Engineering

Offshore Drilling

Fertiliser Business

Coal Distribution

- 1 Owner's expenses of USD 4,087 per day, up 2% due to higher crew costs but still well below the industry average of USD 4,600 per day
- 2 Dry docking expenses of USD 744 per day were down 12% yoy due to a younger fleet and diligent on-board maintenance by the crew

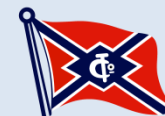
Average Daily Operating Results (USD/Day) <small>Restated</small>			
USD/Day	FY12	FY13	%yoy
USD/THB Rate (Daily Average)	31.17	30.46	-2%
Time charter equivalent (TCE Rate)*	\$10,206	\$8,364	-18%
TCE Rate of Owned Fleet	\$10,219	\$8,212	-20%
TCE Rate of Chartered-In	-\$13	\$152	1317%
Vessel operating expenses (Owner's expenses) 1	\$3,997	\$4,087	2%
Dry-docking expenses 2	\$842	\$744	-12%
General and administrative expenses	\$1,450	\$1,647	14%
Finance costs, net	\$244	-\$217	-189%
Depreciation	\$3,443	\$3,563	3%
Operating earnings*	\$229	-\$1,459	-736%

*The per day basis is calculated based on available service days.

- Cash operating expenses of around USD 6,200 per day were below the TCE of USD 8,364; Thoresen Shipping managed to generate positive EBITDA of Baht 337 million in FY13
- Total per-day costs of USD 9,823 still exceeded TCE, resulting in net losses

Recap of FY13

Improved performance at Mermaid



Dry Bulk
Shipping

**Subsea
Engineering**

**Offshore
Drilling**

Fertiliser
Business

Coal
Distribution

- Mermaid reported 389% net profit increase from USD 3.2 million in FY12 to USD 15.7million in FY13
- Net profit contribution to TTA grew almost five times to Baht 320 million in FY13
- Revenues grew 44% yoy due to higher contributions from the subsea business, as more full service contracts (e.g. diving services contract with Saudi Aramco) led to higher average day rates
- Costs climbed 60% yoy given additional expenses at the start up phase of the full subsea contracts. SG&A grew by 52% yoy from increased personnel in the Middle East

Mermaid's income statement*

Restated

Baht millions	FY12	FY13	%yoy
Total revenues	5,721	8,243	44%
Total costs	3,752	5,989	60%
Gross profits	1,969	2,254	14%
Gross margins (%)	34%	27%	-7%
SG&A	581	885	52%
EBITDA	1,389	1,369	-1%
EBITDA margins (%)	24%	17%	-8%
EBIT	698	816	17%

*as consolidated on TTA's P&L

- Equity income dramatically improved from Baht - 10 million in FY12 to Baht 124 million in FY13 due to strong contributions from Asia Offshore Drilling (AOD)
- Jack-up rigs, AOD I and AOD II, commenced their three-year contracts with Saudi Aramco in May and July, respectively

Recap of FY13

Improved performance at Mermaid (*con't*)



Dry Bulk
Shipping

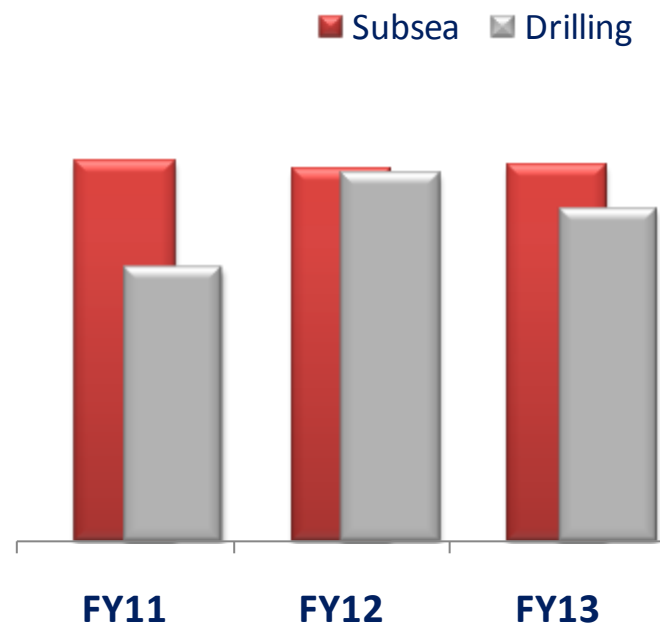
**Subsea
Engineering**

**Offshore
Drilling**

Fertiliser
Business

Coal
Distribution

Utilisation rates



**Utilisation rate per calendar days*

- Mermaid Offshore Services (MOS) reported record operating profits in FY13 due to higher paying contracts
- MOS achieved a 66% utilisation rate in FY13, little difference yoy
- Mermaid Drilling (MDL)'s operating losses narrowed yoy in FY13
- MDL achieved a 58.3% utilisation rate in FY13, down from FY12 as:
 - MTR-1's accommodation barge contract ended in July 2013
 - MTR-2 underwent a special periodic survey (SPS) from November 2012 until April 2013 and was back on hire in late May 2013

Recap of FY13

A record year at Baconco



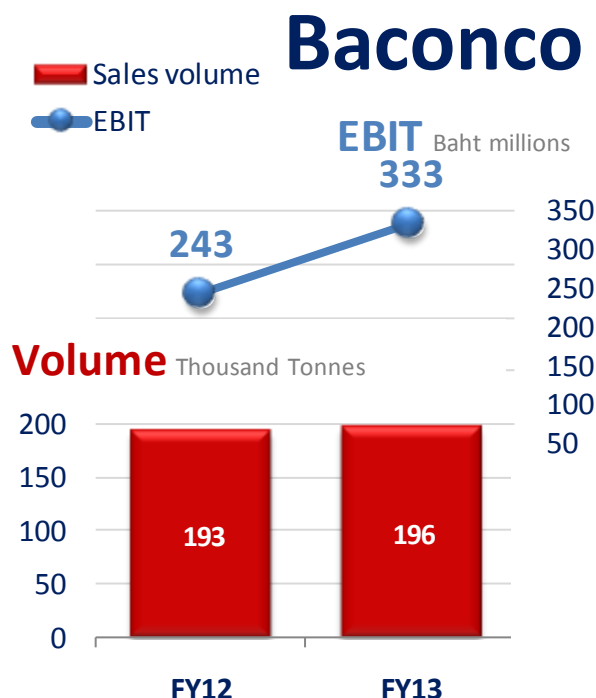
Dry Bulk
Shipping

Subsea
Engineering

Offshore
Drilling

**Fertiliser
Business**

Coal
Distribution



- Baconco sold about 196,400 tonnes of fertilisers and crop care products, up 2% yoy and a record high
- Gross margins widened to 14.6% on lower raw material prices and higher proportion of NPK fertiliser, cushioning the impact of the 4% yoy lower revenue
- SG&A climbed 25% yoy, given Baconco's additional domestic marketing efforts. EBITDA and EBIT were up 32% and 37% yoy
- Warehousing business remained strong as rental revenues more than doubled yoy and capacity utilisation of 80% on average

Baconco's income statement*

Restated

Baht millions	FY12	FY13	%yoy
Total revenues	3,376	3,229	-4%
Total costs	3,015	2,759	-8%
Gross profits	361	470	30%
Gross margins (%)	11%	15%	4%
SG&A	104	130	25%
EBITDA	257	340	32%
EBITDA margins (%)	8%	11%	3%
EBIT	243	333	37%

*as consolidated on TTA's P&L

Recap of FY13



Losses would have narrowed without provision for coal inventories

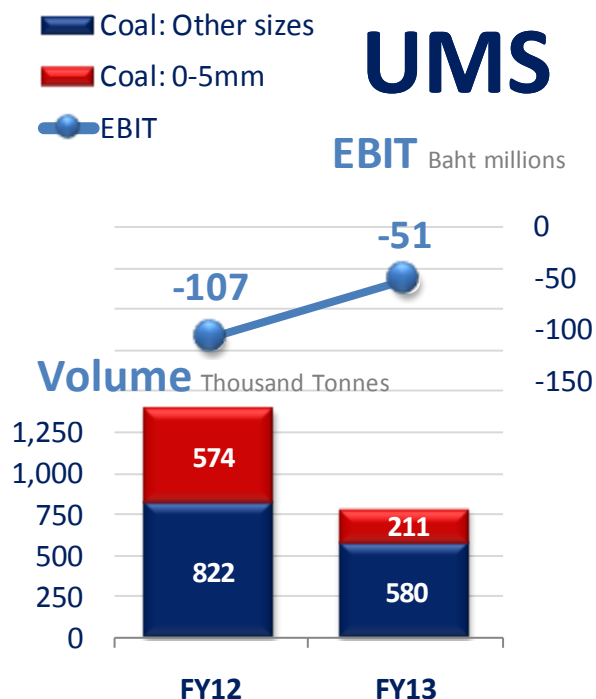
Dry Bulk
Shipping

Subsea
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Fertiliser
Business

**Coal
Distribution**



- Revenue fell 44% yoy along with volume; UMS sold about 791,000 tonnes of coal in FY13, down 43% yoy as UMS slowed 0-5 mm coal sales to limit losses
- Gross margins widened to 18.1% on lower proportion of 0-5 mm coal, and EBIT losses narrowed yoy to Baht 51 million
- Bottom-line hurt by the Baht 243 million provision for coal inventories to reflect lower coal prices
- Samut Sakorn plant resumed operations since June albeit without full logistics efficiency

UMS' income statement*

	Restated		
Baht millions	FY12	FY13	%yoy
Total revenues	3,428	1,931	-44%
Total costs	3,036	1,581	-48%
Gross profits	391	350	-10%
Gross margins (%)	11%	18%	7%
SG&A	431	337	-22%
EBITDA	(40)	14	134%
EBITDA margins (%)	-1%	1%	2%
EBIT	(107)	(51)	52%

*as consolidated on TTA's P&L

Recap of FY13

Four core business units facing different environments



**Dry Bulk
Shipping**

**Subsea
Engineering**

**Offshore
Drilling**

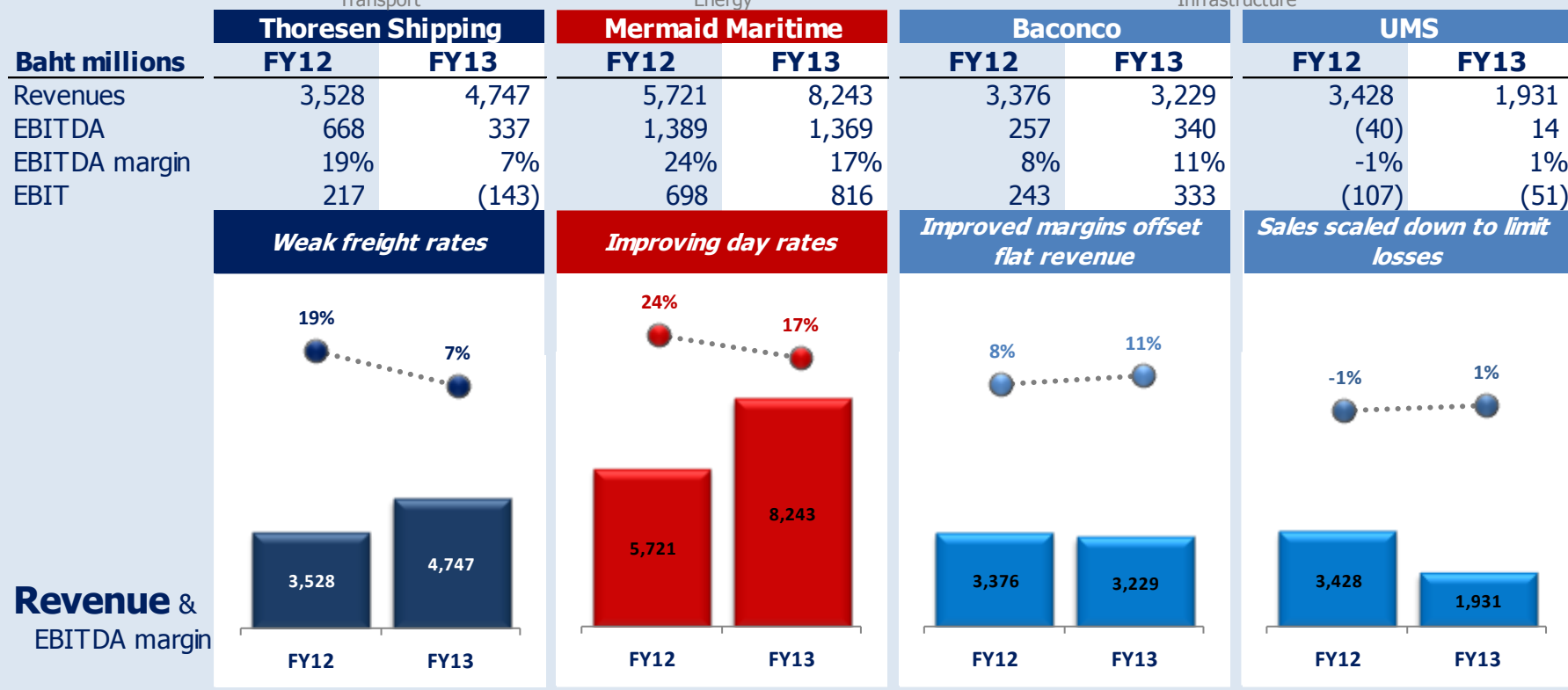
**Fertiliser
Business**

**Coal
Distribution**

Transport

Energy

Infrastructure





Thoresen Thai Agencies Plc.

FY13

Results Briefing

Financial Review
Consolidated Results



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Financial Review: Consolidated Results



Higher revenues and higher costs

Income statement		restated	
Baht millions	FY12	FY13	%yoy
Revenues	16,347	18,463	13%
Freight charges	3,528	4,747	35%
Offshore services	5,721	8,243	44%
Sales	6,782	5,141	-24%
Costs	12,476	14,548	17%
Gross profits	3,871	3,915	1%
SG&A	1,856	2,118	14%
EBITDA	2,015	1,797	-11%
Depreciation & Amortisation	1,556	1,595	2%
Other income	229	174	-24%
Equity income	129	250	94%
EBIT	817	626	-23%
Finance costs	(594)	(510)	14%
Income taxes	(166)	(213)	-29%
Profits before EI	57	(97)	-270%
Extraordinary items	(4,577)	(4,843)	
Minority interests	(39)	(212)	
Forex translation	64	71	
Net profit	(4,494)	(5,080)	-13%

- Consolidated revenues were up 13% yoy mainly due to:
 - Thoresen Shipping's 35% yoy higher freight revenues from more chartering-in activity
 - Mermaid's 44% yoy higher offshore services revenues from higher contribution from the subsea business
 - Offset by weaker sales revenues at UMS and Baconco
- Consolidated direct costs were up 17% yoy driven by higher costs at Thoresen Shipping and Mermaid
- As a result, consolidated gross profits were up 1% yoy

Financial Review: Consolidated Results



Bottom-line affected by various extraordinary items

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Profits before EI	57	(97)	-270%
Extraordinary items	(4,577)	(4,843)	6
Minority interests	(39)	(212)	
Forex translation	64	71	7
Net profit	(4,494)	(5,080)	-13%

- 4 SG&A rose 14% yoy, driven by Mermaid's contract start up costs in the Middle East and Baconco's increased domestic marketing efforts, reducing EBITDA by 11% yoy
- 5 Equity income jumped 94% yoy, as AOD contributed Baht 122 million of income, up from losses of Baht 10 million last year
- 6 Extraordinary items mostly came from non-cash impairment charges against Thoresen Shipping's dry bulk shipping fleet and TTA's investment in UMS and Merton Group
- 7 Smaller forex translation impact with the adoption of functional currency reporting

Financial Review: Consolidated Results



Bottom-line affected by various extraordinary items (*con't*)

Key extraordinary items:

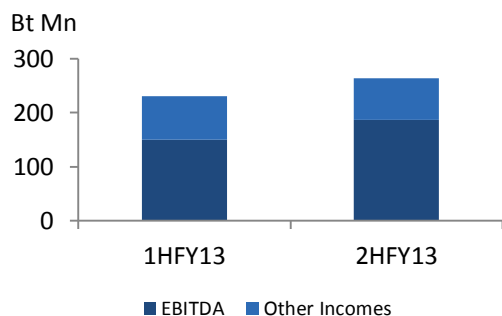
	restated	
Baht millions	FY12	FY13
Thoresen Shipping		
Impairment charge on fixed assets	(531)	(3,917)
Write-off arranging fees for a syndicated loan secured in 2007, which expired in FY12	(209)	-
Impairment charge on assets under construction at a supplier	(169)	-
UMS		
Allowance for net realisable value of coal inventories	(107)	(243)
Mermaid		
Realised losses on cross-currency swap	(153)	-
Corporate		
Impairment charge on TTA's investment in UMS	(2,327)	(596)
Provision for doubtful debt for the coal mine project in the Philippines	(908)	
Impairment charge on TTA's investment in Merton Group (Cyprus) Ltd.	-	(120)

Financial Review: Consolidated Results

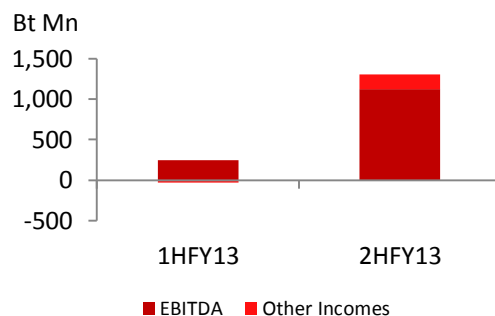
Stronger second half at all core business units except UMS



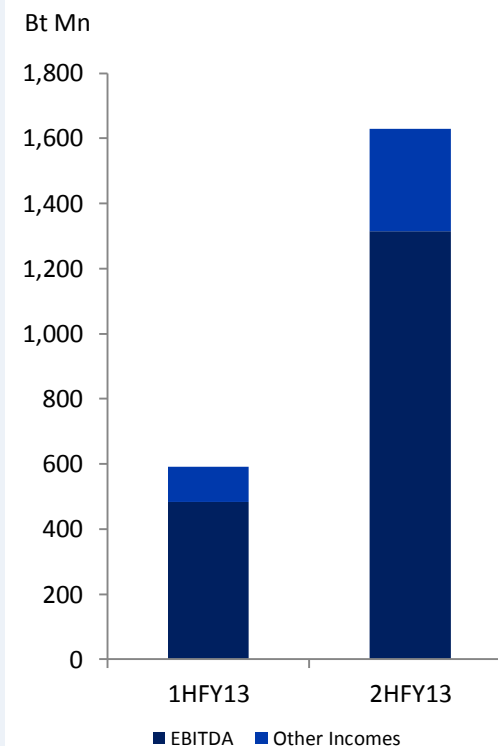
THORESEN SHIPPING



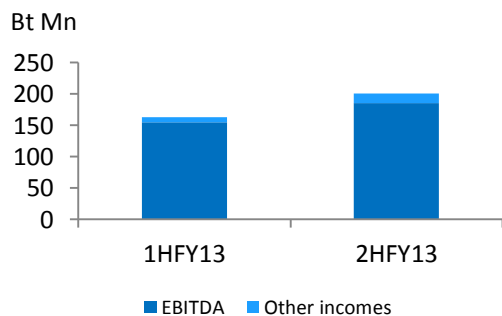
MERMAID



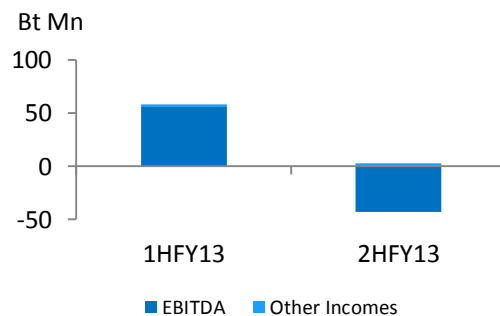
CONSOLIDATED



BACONCO



UMS



Financial Review: Consolidated Results



Financial position remains intact

Baht millions	30-Sep-12	30-Sep-13
Cash & cash equivalents	3,589	7,458
Short-term investments	803	503
Trade accounts receivables	2,665	3,966
Total current assets	10,517	15,355
PP&E	23,985	20,935
Investments	3,856	5,039
Goodwill, net	1,479	969
Total assets	40,797	43,091
Short-term debt	4,594	3,464
Long-term debt	9,395	10,634
Total liabilities (TL)	16,904	17,791
Retained earnings	16,282	11,202
Total equities (TE)	23,893	25,301
BV/share	26.38	18.09
TL/TE	0.71	0.70
D/E	0.59	0.56
Net D/E	0.40	0.24

- Cash & cash equivalents up from the capital increase proceeds
- PP&E down largely on impairment against the dry bulk shipping fleet
- Goodwill down primarily from impairment against TTA's investment in UMS
- Leverage remains at acceptable levels despite the heavy impairment charges



Thoresen Thai Agencies Plc.

FY13

Results Briefing



Business Outlook

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| Transport | Energy | Infrastructure

Overview

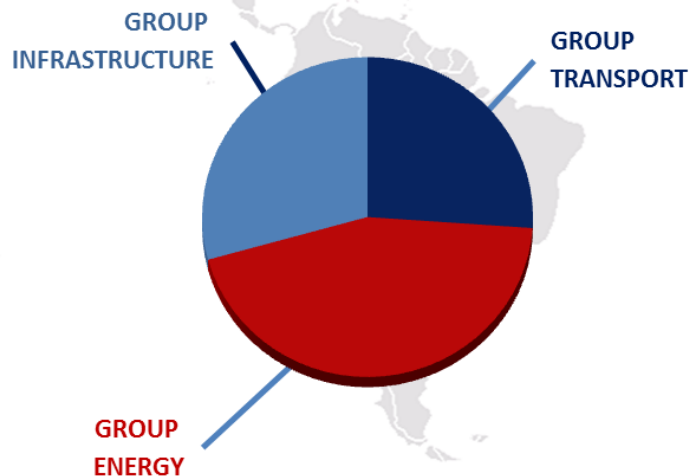
Different industry cycles with growth opportunities



TTA

.. sees investment opportunities across our core business portfolios ..

Three lines of business operating in different industry cycles



Top-tier business

Outlook

**GROUP
TRANSPORT**

Emerging signs of gradual recovery

**GROUP
ENERGY**

Continued cyclical upturn

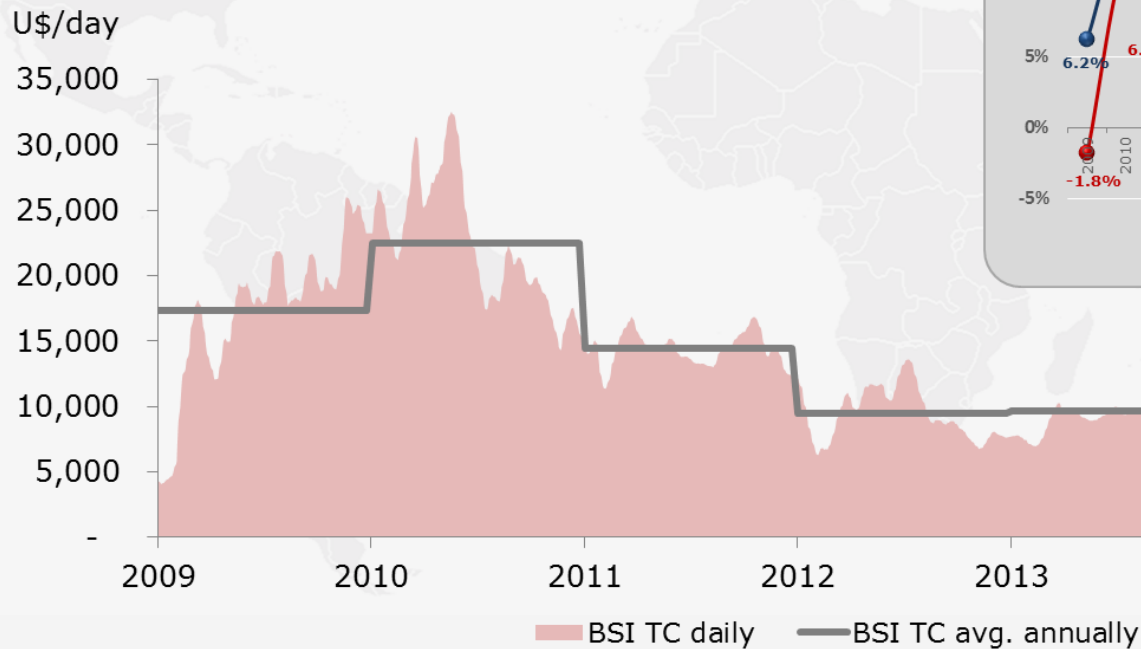
**GROUP
INFRASTRUCTURE**

Steady growth, particularly in Vietnam

Dry Bulk Shipping Industry Signs of Gradual Recovery



Market rates to steadily improve on the back of continued demand growth and reduced pressure on supply over the next two years



Source: Marsoft Oct'13

Thoresen Shipping Outperforming Market



TTA outperformed market on TCE rates and operating expense management

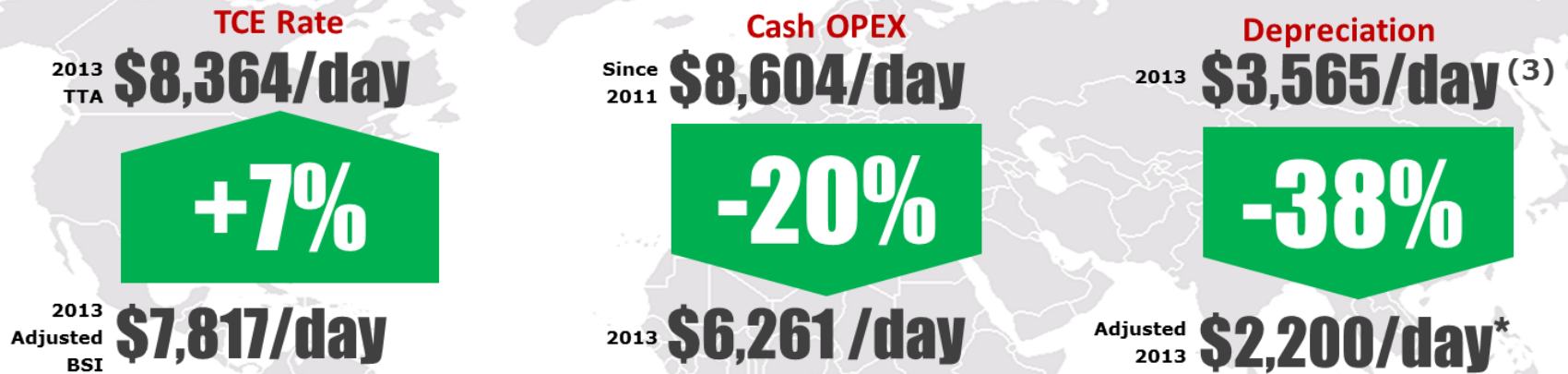


ILLUSTRATION of Average Daily Operating Results (USD/Day)

USD/Day	2011	2012	2013	Adjusted 2013 ⁽¹⁾
REVENUE				
TCE Rate ⁽²⁾	11,713	10,206	8,364	8,364
EXPENSE				
Owner's expenses	5,378	3,997	4,087	4,087
Dry-docking expenses	1,254	842	744	744
Admin expenses	1,736	1,450	1,647	1,647
Finance costs, net	236	244	(217)	(217)
Cash OPEX	8,604	6,533	6,261	6,261
Depreciation ⁽³⁾	3,648	3,443	3,565	2,200*
Total	12,252	9,976	9,826	8,461

Ready to make net profit at USD 9,000/day TCE

* Estimated figures after the impairment against the fleets

(1) Adjusted based on the estimated depreciation after the impairment

(2) Based on available service days

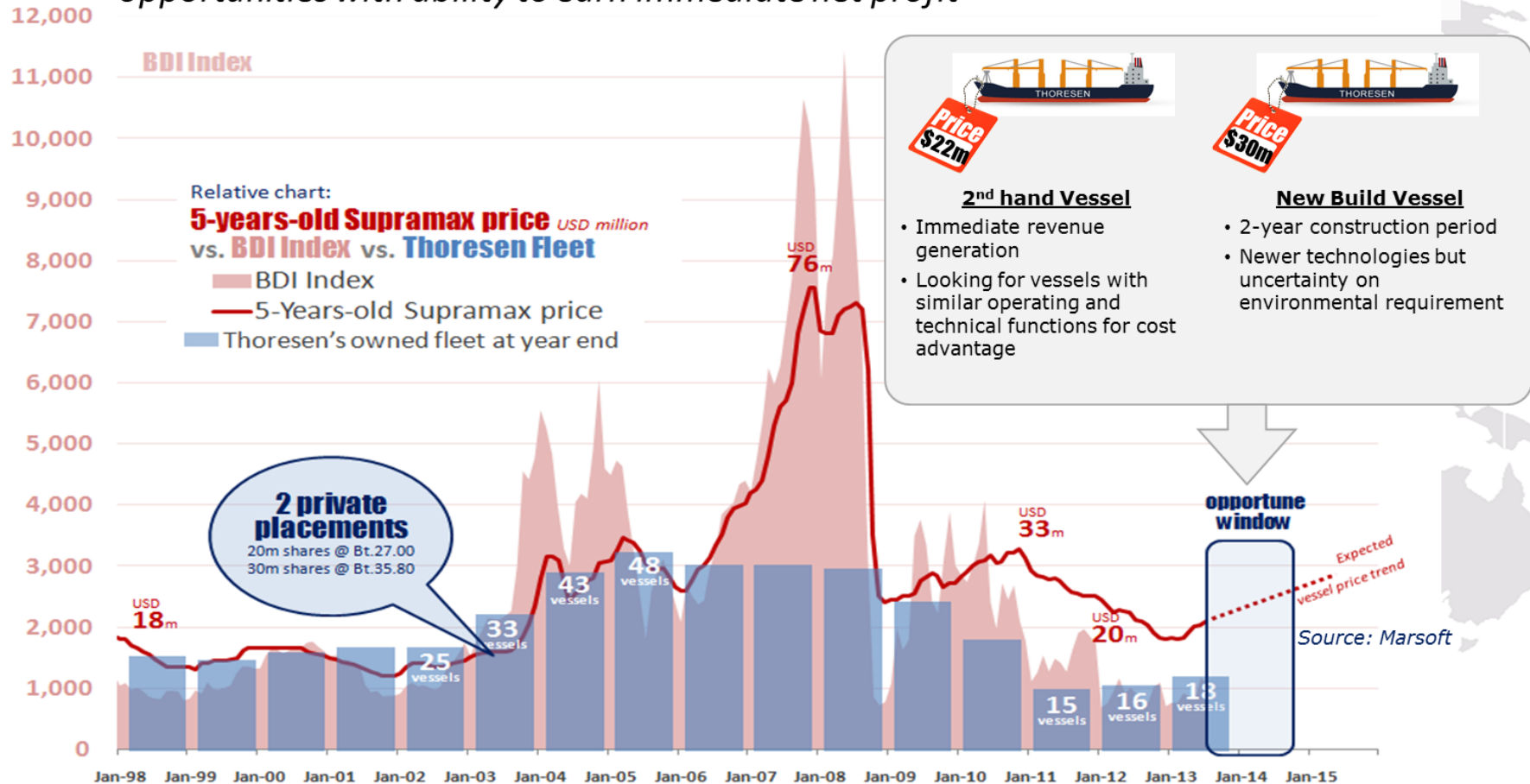
(3) Adjusted impact from functional currency

Thoresen Shipping

Opportunity to Rebuild Fleet at Attractive Prices



Rebuilding fleet with quality second-hand vessels to capture rising business opportunities with ability to earn immediate net profit

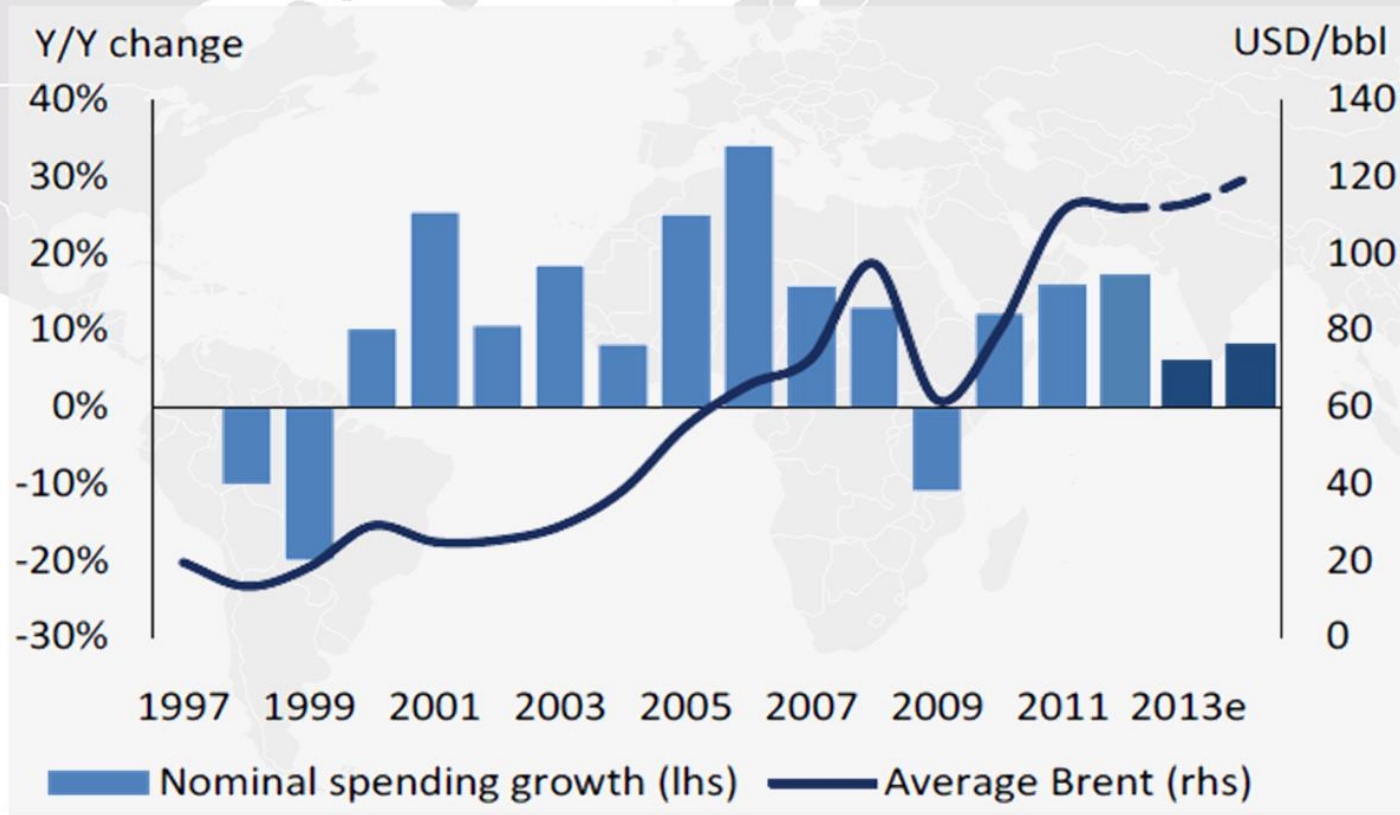


Oil & Gas Industry

Clear Cyclical Upturn



E&P Spending continues to rise on the back of 1) supportive oil prices (sustaining above U\$100/bbl over the past two years) and 2) oil companies' need to find new projects as existing capacities are depleting



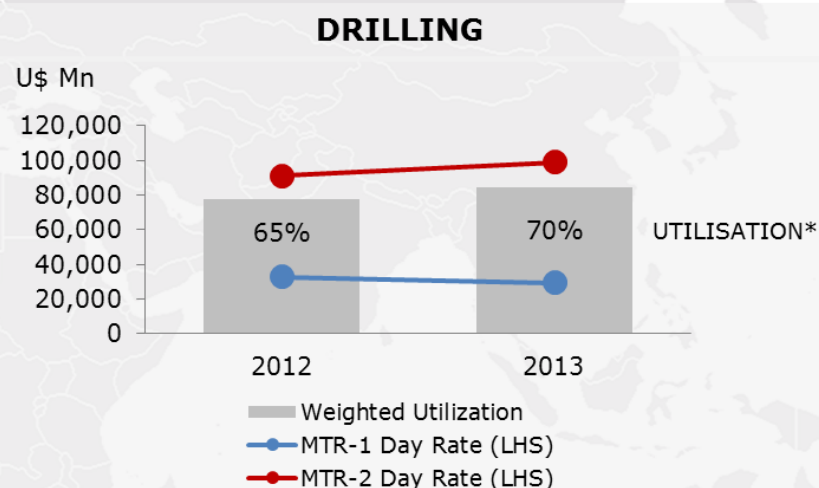
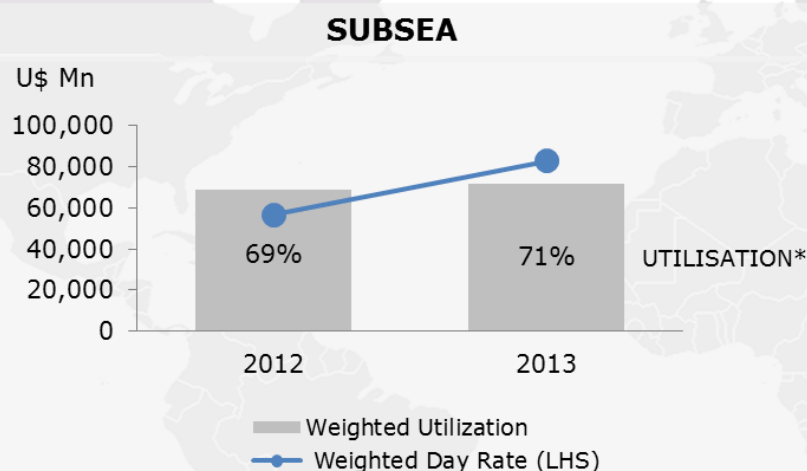
Source: RS Platou

Mermaid Maritime

Performance Uplift



Mermaid's subsea and drilling units are expected to rise with higher utilisations and day rates. The contract commencement of three high-spec jack-up rigs under AOD to significantly add to net profit over the next 3 years



- Variety of specialised subsea vessels to fulfill customer work scope requirements
- Two additional chartered-in vessels scheduled to join the fleet by December 2013 to support increased contract awards
- Subsea fleet complimented by specialised equipments, ROVs, divers and project teams for 'turnkey' services

AOD I
AOD II
AOD III

	2013FY	2014FY	2015FY	2016FY	2017FY
AOD I		Contract			option
AOD II		Contract			option
AOD III		Contract			option

Full contribution from 3 rigs

* Based on available service days (i.e. deducting planned maintenance days)

Mermaid Maritime

Recent Contract Wins



- Five-year offshore inspection, repair, and maintenance services contract with Saudi Aramco with a two-year option
- Approx **USD 530 million contract value** for the **five-year period**, where **Mermaid's potential revenue is between 60 to 70%**
- Mermaid to provide diving services using Mermaid Asiana, remotely operated vehicles, specialized diving equipment, and divers

USD
530m
Five-year contract
+ two-year option



- Five-year contract of field maintenance, remedial, and call-off work, to be performed within a window of three months in each contract year in Qatar
- Potential value of **USD 25 million over five years**, an average of **USD 5 million per contract year**
- Contract to be performed utilizing specialized DP Barge, Mermaid Siam, and its associated saturation diving system and personnel

USD
25m
Five-year contract



- Three-year inspection, repair, and maintenance contract with the duration of approximately 100 days in each contract year through 2015
- Potential value of **USD 23 million over three years**
- Contract to be performed utilizing DP2 vessel M.V. Endeavour, which is on long-term charter to Mermaid's subsidiary Seascope Surveys

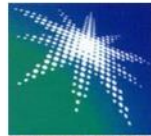
USD
23m
Three-year contract

Mermaid Maritime

Recent Contract Wins (con't)



AOD I



أرامكو السعودية
Saudi Aramco

USD

197m

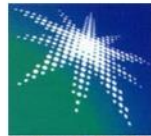
+39.5m

Mobilisation fee

Three-year contract + 1-year option

Commenced on 1 May 2013

AOD II



أرامكو السعودية
Saudi Aramco

USD

197m

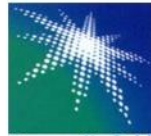
+34m

Mobilisation fee

Three-year contract + 1-year option

Commenced on 13 July 2013

AOD III



أرامكو السعودية
Saudi Aramco

USD

197m

+34m

Mobilisation fee

Three-year contract + 1-year option

Commenced on 10 October 2013





Positive trends in tender and jack-up rig markets on the back of strong demand, supply shortage, and aging fleets

TENDER RIGS

OUTLOOK:

- Established niche market and customer acceptance in South East Asia and West Africa
- Day rates strengthening since 2010 and now at USD 115,000/day on average. More rigs required to satisfy future potential demand and phasing out of old rigs
- Tender rigs provide production drilling capabilities and can work in any seabed condition vs. jack-ups hence longer term contracts and stable earnings

STATISTICS:

- Tender rig fleet is aging with ~50% of the global fleet at 30+ years old (dying fleet)
- 25 tender rigs globally with 17 on contract and 8 recently finishing contract/stacked (mostly older rigs) plus additional 7 new builds under construction
- Industry utilisation traditionally above ~90% with newer rigs all at 100% utilisation indicating customer preference of new rigs over older rigs

JACK-UP RIGS

OUTLOOK:

- Supply/demand remains tight and utilisation is above 90%
- Demand expected to outstrip supply in next 1.5 years
- Big amount of orders but the “backlog” of demand continues to grow.
- During the next decade more than 50% of the current fleet that are 30+ years old are expected to be phased out
- Customers prefer newer rigs and this should drive their day rates up

STATISTICS:

- 54% of global jack-up rigs are over 30 years old and 64% are over 25 years old
- The Middle East and SE Asia are the most important regions for Jack-up

Baconco and Baria Serece

Integrated Professional Logistics Services in South Vietnam



Deep-sea port
Baria Serece



Warehouses

Baconco



Shipping agencies

Thoresen Vinama Agencies



Land transport

Thoresen Vinama Logistics



Marine transport

Thoresen Shipping

Baconco and Baria Serece

Opportunistic Expansions

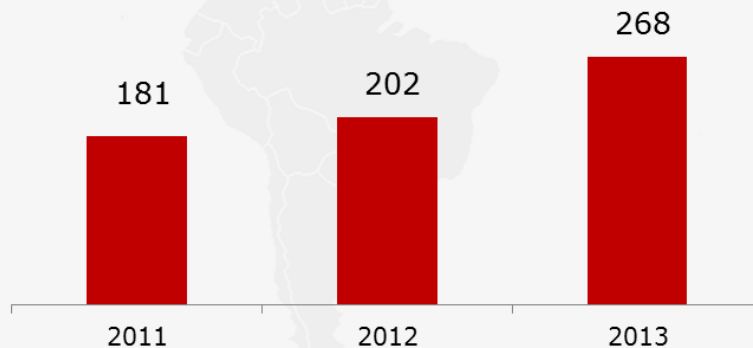


Steady contributions with solid growth track record and outlook

BACONCO

NET PROFIT PERFORMANCE

Unit in Bt Mn



BARIA SERECE

EQUITY INCOME CONTRIBUTION

Unit in Bt Mn





Thoresen Thai Agencies Plc.

FY13

Results Briefing

Proposed Fund Raising



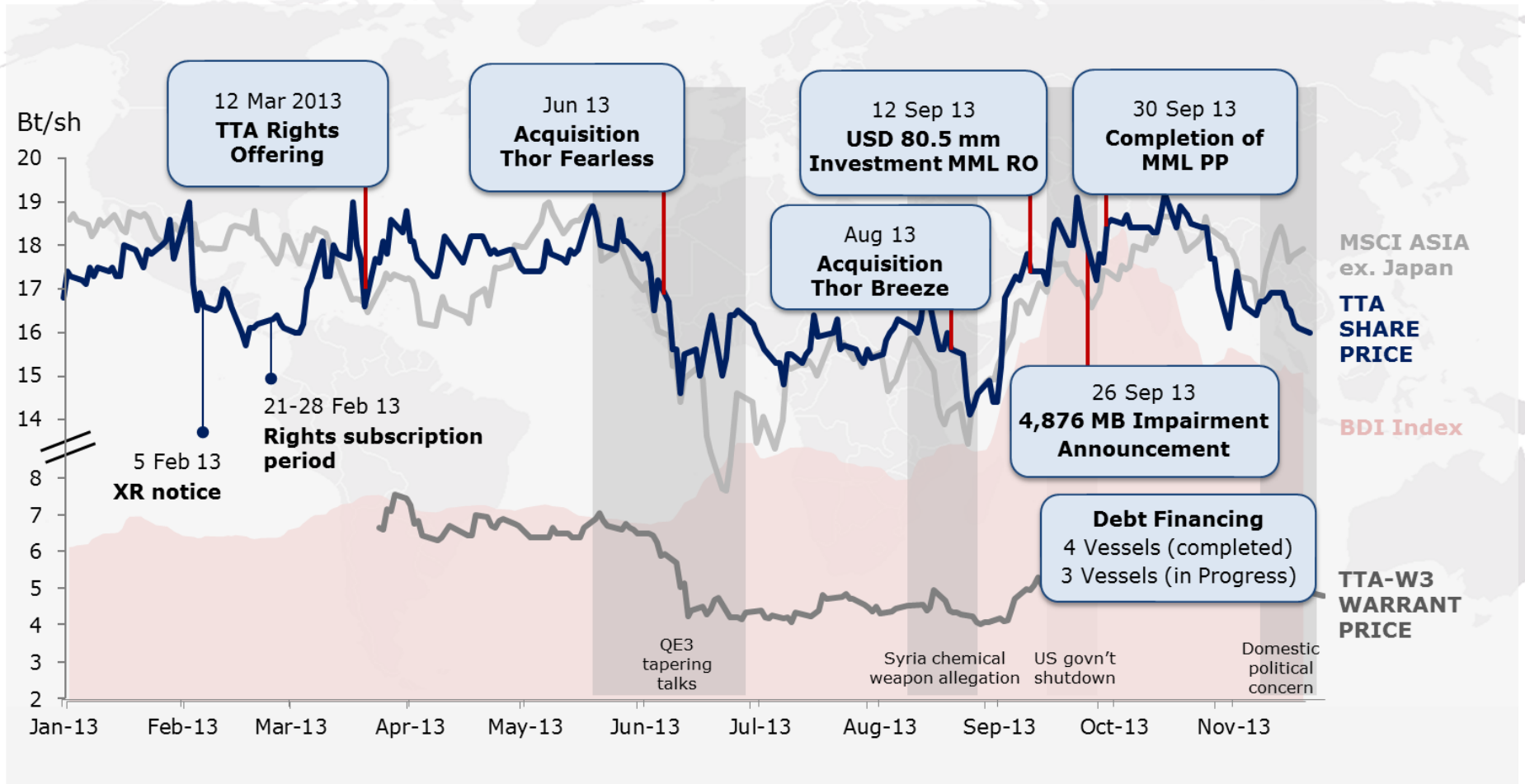
FOCUSED FORWARD
| Transport | Energy | Infrastructure

Proposed Fund Raising

Development in 2013



Following our capital increase in March, TTA continues to invest in key business lines to strengthen our business platform for future profitability and growth



Proposed Fund Raising

Offering Structure



Discounted-Price Share

10 : 3

old shares

new shares

Exercise Price
@ **Baht 14**

with excess rights up to 50% of existing shareholding percentage

Baht 4,173 million



Free Warrants

3 : 1

new shares

TTA-W4

Given to RO subscribers,
Maturity on 27 Feb 2017

Exercise Price
@ **Baht 18.5**

PP remaining shares after RO and excess rights within 12 months

Proposed Fund Raising

Excess Rights: Conditions & Terms



Conditions precedent to excess rights:

- There must be remaining unsubscribed rights shares
- Shareholders must first fully subscribe their basic rights
- Shareholders must specify their interest and exact percentage for oversubscribing their basic rights

Allocation

- **Unsubscribed shares > oversubscribed shares**
 - Shares will be allocated to all shareholders who have expressed their intention to subscribe for shares in excess of their right and who have paid subscription price for such shares
- **Unsubscribed shares < oversubscribed shares**
 - Oversubscription shares will be allotted in proportion to shareholding percentage of each shareholder
 - The remainder of shares after the allocation from process above will be allocated proportionately to each of oversubscribing shareholders who have not been fully allocated with shares

Proposed Fund Raising

Excess Rights: Conditions & Terms (con't)



Note to excess rights:

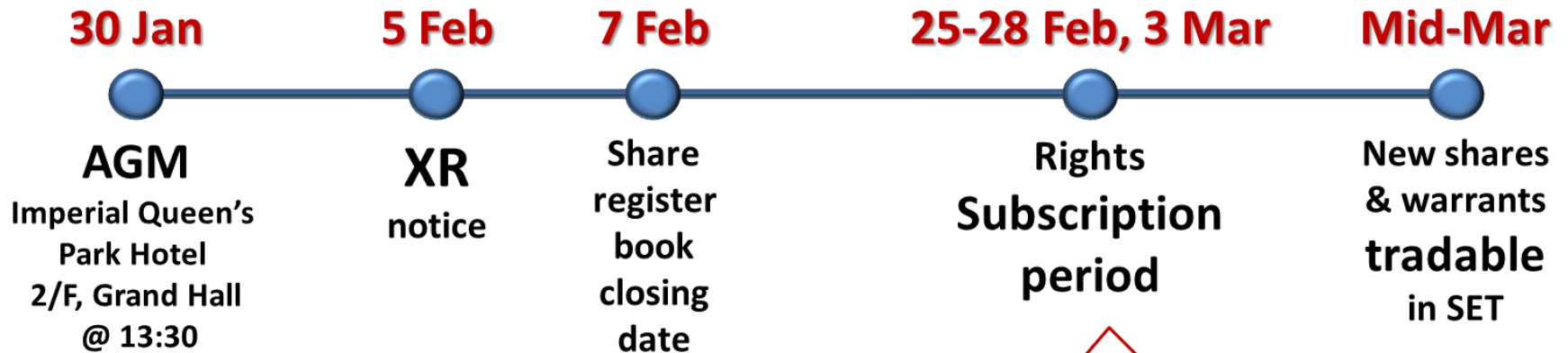
- Shareholders may oversubscribe for shares in excess of their existing shareholding percentage subject to a limit of no more than 50 percent of their existing shares held by such shareholders
- No allocations of shares to any oversubscribing shareholders which will result in such oversubscribing shareholders holding shares in the Company in an amount that reaches or crosses the tender offer requirement
- Additional shares will also be eligible to the warrants at 3:1 ratio

Remaining shares after RO and excess rights will be allocated in one or more private placements with an offering price:

- Not lower than 90% of market price and
- Not lower than Baht 14/share RO price

Proposed Fund Raising

Important Dates



RHB OSK Securities (Thailand)

Appointed Subscription Agent

98 Sathorn Square Office Tower, 10th Fl., North Sathorn, Silom,
Bangrak, Bangkok 10500



Q&A



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