



Thoresen Thai Agencies  
Public Company Limited

# Management Discussion and Analysis 2Q/2015

TRANSPORT



ENERGY



INFRASTRUCTURE



FOOD & BEVERAGE



**OUR VISION:**

**TO BE THE MOST TRUSTED ASIAN INVESTMENT GROUP BY 2020,  
CONSISTENTLY DELIVERING ENHANCED STAKEHOLDER EXPERIENCE.**



# Thoresen Thai Agencies Public Company Limited

Management Discussion and Analysis 2Q/2015

Ref No. COR:MS/EL15036e/PP

August 14, 2015

The President

The Stock Exchange of Thailand

Dear Sir/Madam,

Re: Management's Discussion and Analysis on 2Q/2015

## Thoresen Thai Agencies Public Company Limited

- TTA's consolidated revenue grows by 31% QoQ with net profit increasing 147% QoQ
- MML's net profit increased 197% QoQ as three high performing vessels resume services after 1Q/15 dry-docking program and seasonal factors
- TSS's owned fleet continued to outperform market with limited TC-in activities
- Continued strong contribution from PMTA and SGFI

## Executive Summary

### Performance Summary

in Million Baht	2Q/14	1Q/15	2Q/15	% YoY	% QoQ	6M/14	6M/15	% YoY
<b>Revenues</b>	5,328.4	4,575.8	5,998.5	13%	31%	10,230.4	10,574.3	3%
<b>Gross Profit</b>	1,308.2	223.3	1,226.3	-6%	449%	2,292.9	1,449.6	-37%
Gross Margin (%)	25%	5%	20%			22%	14%	
<b>EBITDA</b>	1,031.6	6.1	977.0	-5%	15965%	1,855.6	983.1	-47%
EBITDA Margin (%)	19%	0%	16%			18%	9%	
<b>Net Profit/(Loss)</b>	433.2	(510.2)	356.1	-18%	170%	686.6	(154.1)	-122%
Net Profit Margin (%)	8%	-11%	6%			7%	-1%	
<b>Net Profit/(Loss) to TTA</b>	254.6	(288.3)	135.4	-47%	147%	437.3	(153.0)	-135%
<b>Basic earnings per share (in Baht)</b>	<b>0.20</b>	<b>(0.21)</b>	<b>0.07</b>	-65%	133%	<b>0.37</b>	<b>(0.10)</b>	-127%

\* For comparative purpose, there was reclassification of expenses between Cost and SG&A in 1Q/15 of MML.

**“2Q/15 turns out to be a strong quarter for TTA, contributed mainly by MML, PMTA and SGFI. Shipping business faced a challenging quarter despite its better-than-market performance. Dry bulk indicators are improving but still just above cash costs level.”**

Apr. – Jun. 2015 turns out to be a strong quarter for Thoresen Thai Agencies Public Company Limited (“TTA”) with net profit of Baht 135.4 million, despite the increasing divergence in global economic performance. According to IMF (WEO Update July 2015), global growth is projected at 3.3 percent in 2015, marginally lower than in 2014, with a gradual pickup in advanced economies and a slowdown in emerging market and developing economies. In emerging market economies, the continued growth slowdown reflects several factors, including lower commodity prices and tighter external financial conditions, structural bottlenecks, rebalancing in China, and economic distress related to geopolitical factors. A rebound in activity in a number of distressed economies is expected to result in a pickup in growth in 2016.



**Dry bulk market started to pickup in June** as fewer new vessels were introduced to the market while demolitions of the older bulkers increased. Thoresen Shipping's owned fleet TCE rate continued to outperform the market index at above cash cost level, while there was limited chartered-in activities as vessels were put on positioning legs and slowdown in cargo trade which led to higher net loss from TSS at Baht 103.2 million in 2Q/15.

**MML showed an improved performance** with net profit growth of 197% QoQ from seasonal factors and resuming operation of MML's three high performing subsea vessels after dry-docking in 1Q/15. Cable laying business continues to gain traction and deliver higher profits in 2Q/15.

**PMTA, after the completion of the new 100,000 tons capacity granular line in 1Q/15, export volumes boosted while maintaining domestic sales at high level**, even though there was delay of rain in Southeast Asia region that has prolonged from 1Q/15 into 2Q/15. The increase in export volume is in line with PMTA's strategy.

**UMS contributed loss in 2Q/15** as sales volume decreased QoQ mainly due to limited financial facilities of UMS, which resulted in lower selling activities during the period.

**Sino Grandness Food Industry Group Limited ("SGFI") contributed profit of Baht 62.7 million to TTA in 2Q/15** from increasing sales volume of beverage and canned products in domestic markets, China, as a result of the expansion of distribution network.

Overall, **TTA's consolidated financial statements for the three-month period ended June 30, 2015 showed a net profit of Baht 135.4 million** (Baht 0.07 per share), an increase of 147% from net loss of Baht 288.3 million (Baht -0.21 per share) in 1Q/15, and a decrease of 47% from net profit of Baht 254.6 million (Baht 0.20 per share) in 2Q/14. EBITDA margin increased from 0.1% in 1Q/15 to 16% in 2Q/15, and decreased from 19% in 2Q/14.



## Thoresen Thai Agencies Public Company Limited

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## Consolidated Performance Summary

### Consolidated Income Statement

in million Baht (MB)	2Q/14		1Q/15		2Q/15		%YoY		%QoQ	
	MB	%	MB	%	MB	%	MB	%	MB	%
<b>Revenues</b>	5,328.4	100.0	4,575.8	100.0	5,998.5	100.0	670.1	13%	1,422.8	31%
Costs	(4,020.2)	(75.4)	(4,352.5)	(95.1)	(4,772.2)	(79.6)	752.0	19%	419.8	10%
<b>Gross Profit</b>	1,308.2	24.6	223.3	4.9	1,226.3	20.4	(81.9)	-6%	1,003.0	449%
Other Income	43.6	0.8	58.4	1.3	88.8	1.5	45.2	104%	30.4	52%
SG&A	(589.3)	(11.1)	(638.9)	(14.0)	(683.5)	(11.4)	94.1	16%	44.6	7%
<b>EBITDA from Operation</b>	762.4	14.3	(357.2)	(7.8)	631.6	10.5	(130.8)	-17%	988.9	277%
Equity Income	269.2	5.1	363.3	7.9	345.4	5.8	76.2	28%	(17.9)	-5%
<b>EBITDA</b>	1,031.6	19.4	6.1	0.1	977.0	16.3	(54.6)	-5%	970.9	15965%
Depreciation & Amortization	(387.0)	(7.3)	(376.6)	(8.2)	(438.0)	(7.3)	51.1	13%	61.4	16%
<b>EBIT</b>	644.6	12.1	(370.5)	(8.1)	539.0	9.0	(105.6)	-16%	909.5	245%
Financial Cost	(120.1)	(2.3)	(127.0)	(2.8)	(125.0)	(2.1)	4.9	4%	(1.9)	-2%
Gain/(Loss) from Foreign Exchange	(9.6)	(0.2)	(20.3)	(0.4)	58.7	1.0	68.3	709%	79.0	389%
Non-Recurring Items	2.5	0.0	21.2	0.5	2.0	0.0	(0.5)	-19%	(19.1)	-90%
<b>Profit before income tax</b>	517.4	9.7	(496.6)	(10.9)	474.7	7.9	(42.7)	-8%	971.3	196%
Income Tax Expense	(84.2)	(1.6)	(13.6)	(0.3)	(118.6)	(2.0)	34.4	41%	105.0	772%
<b>Net Profit/(Loss)</b>	433.2	8.1	(510.2)	(11.2)	356.1	5.9	(77.1)	-18%	866.3	170%
<b>Net Profit/(Loss) attributable</b>										
To Non-controlling interest	178.6	3.4	(221.9)	(4.8)	220.8	3.7	42.2	24%	442.6	199%
<b>To TTA</b>	254.6	4.8	(288.3)	(6.3)	135.4	2.3	(119.3)	-47%	423.7	147%

**“Improved performance from MML business as three high performing subsea vessels resumed operation and higher contribution from cable laying business and IRM projects.”**

**“TTA’s EBITDA in 2Q/15 increased QoQ to Baht 977.0 million and recorded net profit of Baht 135.4 million.”**

**Consolidated revenues increased 13% YoY and 31% QoQ to record at Baht 5,998.5 million.** The increased revenues YoY and QoQ was mainly from higher revenue contribution from MML as all three high performing vessels (Mermaid Commander, Mermaid Endurer, and Mermaid Asiana) secured contracts after dry-docking program in 1Q/15, in addition with the recognition of revenue from cable laying business and IRM (Inspection Repair Maintenance) projects. However, the revenue from TSS decreased, as there were lower contributions due to limited chartered-in activities as vessels were put on positioning legs and slowdown in cargo trade. Consequently, gross profit slightly dropped 6% YoY but significantly increased 449% QoQ to Baht 1,226.3 million with gross margin at 20% in 2Q/15.

**Equity income increased 28% YoY to Baht 345.4 million** due primarily to higher profit sharing of Baht 62.7 million from SGFI in 2Q/15 and Mermaid Maritime’s drilling associate “AOD” (major contributor to the equity income) still maintained to generate profit sharing of around Baht 230 million per quarter.



## Thoresen Thai Agencies Public Company Limited

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## Performance Overview by Business Segment

Revenues contribution by Business Segment								
<i>in million Baht</i>	2Q/14	1Q/15	2Q/15	% YoY	% QoQ	6M/14	6M/15	% YoY
<b>Transport</b>	1,741.6	1,755.3	1,218.8	-30%	-31%	3,587.0	2,974.1	-17%
<b>Energy</b>	2,522.7	1,984.2	3,560.1	41%	79%	4,612.6	5,544.3	20%
<b>Infrastructure</b>	1,064.1	836.2	1,219.7	15%	46%	2,030.9	2,055.9	1%
<b>Food &amp; Beverage**</b>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Holding*</b>	0.0	0.0	0.0	-	-	(0.1)	0.0	-
<b>Revenues</b>	<b>5,328.4</b>	<b>4,575.8</b>	<b>5,998.5</b>	<b>13%</b>	<b>31%</b>	<b>10,230.4</b>	<b>10,574.3</b>	<b>3%</b>

EBITDA contribution by Business Segment								
<i>in million Baht</i>	2Q/14	1Q/15	2Q/15	% YoY	% QoQ	6M/14	6M/15	% YoY
<b>Transport</b>	291.2	265.6	129.1	-56%	-51%	653.3	394.7	-40%
<b>Energy</b>	703.1	(329.7)	711.5	1%	316%	1,124.5	381.8	-66%
<b>Infrastructure</b>	135.6	96.8	122.9	-9%	27%	270.3	219.7	-19%
<b>Food &amp; Beverage**</b>	n/a	51.0	62.7	n/a	23%	n/a	113.7	n/a
<b>Holding*</b>	(98.3)	(77.6)	(49.2)	50%	37%	(192.6)	(126.8)	34%
<b>EBITDA</b>	<b>1,031.6</b>	<b>6.1</b>	<b>977.0</b>	<b>-5%</b>	<b>15965%</b>	<b>1,855.6</b>	<b>983.1</b>	<b>-47%</b>

EBITDA includes Equity Income

Attributable Net Profit/(Loss) contribution by Business Segment								
<i>in million Baht</i>	2Q/14	1Q/15	2Q/15	% YoY	% QoQ	6M/14	6M/15	% YoY
<b>Transport</b>	103.7	33.0	(74.2)	-172%	-325%	284.3	(41.2)	-114%
<b>Energy</b>	237.0	(301.6)	290.3	22%	196%	331.9	(11.4)	-103%
<b>Infrastructure</b>	73.5	39.9	41.0	-44%	3%	118.7	80.9	-32%
<b>Food &amp; Beverage**</b>	n/a	51.0	62.7	n/a	23%	n/a	113.7	n/a
<b>Holding*</b>	(159.6)	(110.6)	(184.5)	-16%	-67%	(297.6)	(295.1)	1%
<b>Attributable Net Profit/(Loss)</b>	<b>254.6</b>	<b>(288.3)</b>	<b>135.4</b>	<b>-47%</b>	<b>147%</b>	<b>437.3</b>	<b>(153.0)</b>	<b>-135%</b>

\* Holding = TTA, the holding company, and inter-company eliminations

\*\*SGFI is accounted on equity income basis, therefore no revenue in the consolidated.



# Thoresen Thai Agencies Public Company Limited

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### Thoresen Shipping Group (TSS)

TRANSPORT

- TSS's owned-fleet TCE rate continues to outperform market
- Dry bulk rates have started to improve in June 2015 and are off their lows in 2Q/15
- Limited chartered-in activities as vessels were put on positioning legs and slowdown in cargo trade

### Overview

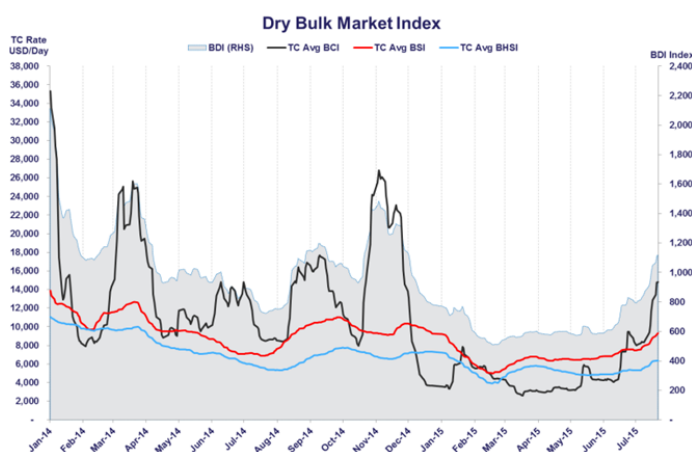
#### Performance Summary\*

in Million Baht	2Q/14	1Q/15	2Q/15	%YoY	%QoQ	6M/14	6M/15	%YoY
<b>Freight Revenue</b>	1,739.0	1,754.8	1,214.4	-30%	-31%	3,583.6	2,969.2	-17%
<b>Gross Profit</b>	317.7	246.8	139.9	-56%	-43%	651.6	386.8	-41%
Gross Margin (%)	18%	14%	12%			18%	13%	
<b>EBITDA</b>	266.7	199.5	99.9	-63%	-50%	570.8	299.3	-48%
EBITDA Margin (%)	15%	11%	8%			16%	10%	
<b>Net Profit/(Loss)</b>	79.4	(32.9)	(103.2)	-230%	-214%	201.9	(136.1)	-167%
Net Profit Margin (%)	5%	-2%	-8%			6%	-5%	

\*as consolidated on TTA's P&L

#### The BSI index has started to improve toward the end of 2Q/15.

Thoresen Shipping Group ("TSS")'s average owned-fleet TCE rate at \$6,482 per day has continued to outperform the adjusted market TC average BSI by 8%. Within the weak market condition, there was limited opportunity for chartered-in vessels activities during the quarter and generated loss of \$238 per day in 2Q/15 compared to profit of \$1,778 per day in 1Q/15. Therefore, the gross margin dropped from 18% in 2Q/14 and 14% in 1Q/15 to 12% in 2Q/15. The EBITDA was at Baht 99.9 million in 2Q/15, with EBITDA margin of 8%. TSS reported net loss of Baht 103.2 million for the three-month period ended June 30, 2015 comparing to net loss of Baht 32.9 million in 1Q/15 and net profit of Baht 79.4 million in 2Q/14.



#### Dry bulk rates have significantly risen in July

#### 2015 after the pickup in June.

The rebound of dry bulk rates toward the end of 2Q/15 and currently continuing was largely because shipping lines have introduced few new vessels into the market, in addition to the demolitions of older bulkers, which have certainly helped a lot towards alleviating the overflow of tonnage supply, compared to demand. Moreover, there was a pickup in iron-ore exports by major producers in Australia and Brazil, which has increased demand for dry bulk ships. After the dry bulk rates crash in 1Q/15, the Baltic Dry Index

continued to remain low at around 600 levels in April and May, while starting to modestly rise back to 800 in late June. Capesize average TC spot rates hovered between \$3,200 and \$5,000 per day from April through mid-June. However, in the second half of June, Capesize average TC spot rates finally broke out of this range, moving up above \$9,000 per day. Similarly, Panamax average TC spot rates were also stuck between \$4,000 and \$5,000 per day during the start of



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2Q/15 and in mid-June, Panamax average TC spot rates edged up to \$5,500 per day and they topped \$6,500 per day in the second half of the month. Meanwhile, TC rates for the smaller bulkers were not quite as depressed as Capesize and Panamax rates during 2Q/15, as they remained slightly above cash cost levels, with Supramax average TC rates averaging at \$6,767 per day and Handysize average TC rates averaging just over \$5,000 per day.

### Performance Summary

Fleet data Summary	2Q/14**	1Q/15	2Q/15	%YoY	%QoQ	6M/14	6M/15	%YoY
Average DWT (Tons)	50,401	50,636	50,636	0%	0%	50,401	50,636	0%
Calendar days for owned fleet <sup>(1)</sup>	1,904	2,160	2,184	15%	1%	3,635	4,344	20%
Available service days for owned fleet <sup>(2)</sup>	1,840	2,064	2,123	15%	3%	3,543	4,187	18%
Operating days for owned fleet <sup>(3)</sup>	1,822	2,054	2,111	16%	3%	3,518	4,165	18%
Owned fleet utilization <sup>(4)</sup>	99.0%	99.5%	99.4%	0%	0%	99.3%	99.5%	0%
Voyage days for chartered-in fleet	1,688	1,608	992	-41%	-38%	3,566	2,600	-27%
Average number of vessels <sup>(5)</sup>	38.6	40.7	34.1	-12%	-16%	39.1	37.4	-5%

Market Rate (USD/Day)	2Q/14**	1Q/15	2Q/15	%YoY	%QoQ	6M/14	6M/15	%YoY
BDI Index	982	614	632	-36%	3%	1,179	623	-47%
BSI Index	859	615	647	-25%	5%	988	631	-36%
Mkt TC Avg BSI	8,982	6,434	6,767	-25%	5%	10,328	6,598	-36%
Adjusted Mkt TC Avg BSI	7,765	5,684	5,979	-23%	5%	8,831	5,828	-34%

Average Daily Operating Results <sup>(6)</sup> (USD/Day)	2Q/14**	1Q/15	2Q/15	%YoY	%QoQ	6M/14	6M/15	%YoY
<b>Thoresen TCE Rate <sup>(7)</sup></b>	<b>9,933</b>	<b>8,091</b>	<b>6,244</b>	<b>-37%</b>	<b>-23%</b>	<b>10,219</b>	<b>7,147</b>	<b>-30%</b>
TCE Rate of Owned Fleet	9,323	6,312	6,482	-30%	3%	9,800	6,400	-35%
TCE Rate of Chartered-In	610	1,778	(238)	-139%	-113%	419	746	78%

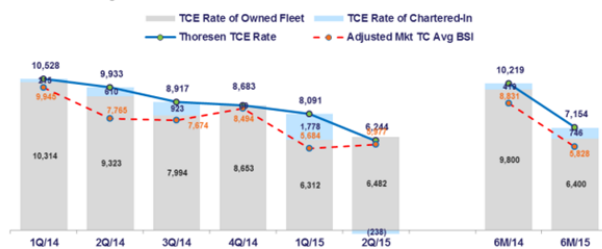
  

Expenses	2Q/14**	1Q/15	2Q/15	%YoY	%QoQ	6M/14	6M/15	%YoY
Vessel operating expenses (Owner's expenses)	3,998	4,008	3,686	-8%	-8%	3,980	3,844	-3%
Dry-docking expenses	612	656	691	13%	5%	586	674	15%
General and administrative expenses	1,493	1,309	1,083	-27%	-17%	1,438	1,193	-17%
<b>Cash costs</b>	<b>6,103</b>	<b>5,972</b>	<b>5,461</b>	<b>-11%</b>	<b>-9%</b>	<b>6,005</b>	<b>5,711</b>	<b>-5%</b>
Finance costs, net	-93	633	587	731%	-7%	-108	610	662%
Depreciation	2,362	2,490	2,448	4%	-2%	2,311	2,469	7%
<b>Total costs</b>	<b>8,372</b>	<b>9,096</b>	<b>8,495</b>	<b>1%</b>	<b>-7%</b>	<b>8,207</b>	<b>8,790</b>	<b>7%</b>
USD/THB Rate (Daily Average)	32.45	32.65	33.26	3%	2%	32.56	32.95	1%

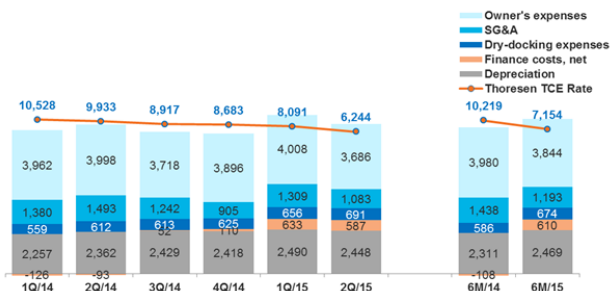
<sup>(7)</sup>The per day basis is calculated based on available service days.

\*\*Restated in compliance with IFRS

#### Adjusted Market BSI vs Thoresen's TCE Rate



#### Revenue vs Cost Structure (per vessel day)



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



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TSS still manage to achieve owned fleet TCE rate of \$6,482 per day in 2Q/15, which was 8% higher than the adjusted market TC Avg BSI of \$5,979 per day. In 2Q/15, the market TC Average BSI rate at \$6,767 per day declined 25% YoY from \$8,982 per day in 2Q/14 but rose 5% QoQ from \$6,434 per day in 1Q/15.

#### Income Statement\*

in million Baht (MB)	2Q/14	1Q/15	2Q/15	%YoY	%QoQ	6M/14	6M/15	%YoY
<b>Freight Revenue</b>	1,739.0	1,754.8	1,214.4	-30%	-31%	3,583.6	2,969.2	-17%
Vessel Operating Expenses	(1,421.3)	(1,508.0)	(1,074.5)	-24%	-29%	(2,932.0)	(2,582.5)	-12%
<b>Gross Profit</b>	317.7	246.8	139.9	-56%	-43%	651.6	386.8	-41%
Other Income	38.2	40.8	36.4	-4%	-11%	85.1	77.2	-9%
SG&A	(89.1)	(88.2)	(76.5)	-14%	-13%	(165.9)	(164.7)	-1%
<b>EBITDA</b>	266.7	199.5	99.9	-63%	-50%	570.8	299.3	-48%
Depreciation & Amortization	(141.0)	(167.8)	(172.8)	23%	3%	(266.6)	(340.6)	28%
<b>EBIT</b>	125.7	31.7	(73.0)	-158%	-331%	304.2	(41.3)	-114%
Financial Cost	(29.2)	(42.7)	(41.6)	42%	-3%	(57.4)	(84.3)	47%
Gain/(Loss) from Foreign Exchange	(6.0)	(7.2)	12.9	316%	279%	(12.1)	5.7	147%
Non-Recurring Items	2.6	(1.9)	1.9	-27%	199%	(29.0)	(0.0)	-100%
Profit before income tax	93.1	(20.2)	(99.8)	-207%	-395%	205.7	(119.9)	-158%
Income Tax Expense	(13.7)	(12.7)	(3.4)	-75%	-73%	(3.7)	(16.1)	334%
<b>Net Profit/(Loss)</b>	79.4	(32.9)	(103.2)	-230%	-214%	201.9	(136.1)	-167%

\*as consolidated on TTA's P&L

As freight rates have been weak, there has been limited opportunity to fix chartered-in vessels with cargo coverage together with positioning legs of several vessels for higher-rates routes. As a result, chartered-in vessels faced loss of \$238 per day in 2Q/15, with voyage days of only 992 days. TSS operated an average of 34.1 vessels (23.2 owned vessels and 10.9 chartered-in vessels) in 2Q/15, declined from an average of 38.6 vessels (20 owned vessels and 18.6 chartered-in vessels) in 2Q/14 and down from an average of 40.7 vessels (22.8 owned vessels and 17.9 chartered-in vessels) in 1Q/15. As a result, TSS's TCE rate in 2Q/15 at \$6,244 per day declined 37% YoY from \$9,933 per day and reduced 23% QoQ from \$8,091 per day. In addition, the available service days for owned fleet in 2Q/15 increased 15% YoY and 3% QoQ. Consequently, TSS's freight revenue decreased 30% YoY and 31% QoQ to Baht 1,214.4 million.

However, as revenue decreased, TSS also reduced the cash cost through effective cost management plan which resulted in lower owner's expenses and general and administrative expenses. As a result, the operating cash cost per day in 2Q/15 is at \$5,461 per day, decreasing 11% YoY and 9% QoQ. Therefore, in 2Q/15, TSS reported EBITDA of Baht 99.9 million (down 63% YoY) and net loss of Baht 103.2 million (down 230% YoY).





**Mermaid Maritime Public Company Limited (MML)**

**ENERGY**

- Strong earnings turnaround on seasonal factors and three highest earning vessels resuming service after 1Q dry-docking program
- New cable laying business continue to gain traction and deliver higher profits in 2Q/15
- Steady income contribution from drilling associate Asia Offshore Drilling

**Overview**

**Performance Summary**

in Million Baht	2Q/14	1Q/15	2Q/15	% YoY	% QoQ	6M/14	6M/15	% YoY
<b>Total Revenues</b>	2,522.7	1,984.2	3,560.1	41%	79%	4,612.6	5,544.3	20%
<b>Gross Profit/(Loss)</b>	731.2	(218.7)	849.3	16%	488%	1,116.8	630.6	-44%
Gross Margin (%)	29%	-11%	24%			24%	11%	
<b>EBITDA</b>	706.8	(326.1)	715.2	1%	319%	1,131.8	389.1	-66%
EBITDA Margin (%)	28%	-16%	20%			25%	7%	
<b>Net Profit/(Loss)</b>	421.3	(517.7)	503.2	19%	197%	596.0	(14.5)	-102%
Net Profit Margin (%)	17%	-26%	14%			13%	0%	
<b>Net Profit/(Loss) to TTA</b>	240.7	(298.0)	293.9	22%	199%	339.2	(4.1)	-101%

**Mermaid Maritime Public Company Limited (“MML”) reported a strong net profit of Baht 503.2 million for the three-month period ended June 30, 2015**, comparing with a net profit of Baht 421.3 million in 2Q/14 and net loss of Baht 517.7 million in 1Q/15. Weighed by the sharply lower oil price environment, operating conditions in the oil and gas industry continue to be challenging. Significant new-builds coming to market further add to market pressures and there are competitors exiting or going out of business. While MML is not entirely immune to the industry weakness, it, owing to its core strengths as given below, still managed to deliver a commendable performance in the 2Q/15 given its focus on servicing the production phase of the E&P value chain, and shallow-water oilfields.

**MML remains optimistic on overall competitive position and has a net order book of US\$ 358 million** (excluding Asia Offshore Drilling contract) for work stretching to 2018. The current environment remains challenging and may continue to weigh on overall results. MML will focus on cost management and will continue to leverage on its strong track record, relationships and expanded product capabilities.



# Thoresen Thai Agencies Public Company Limited

## Management Discussion and Analysis 2Q/2015

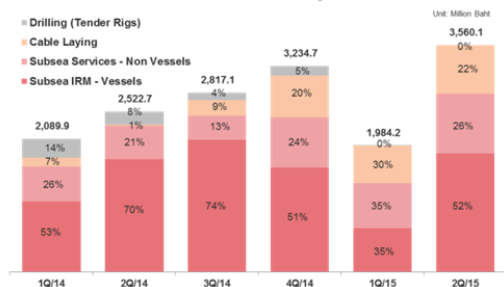
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### Performance Summary

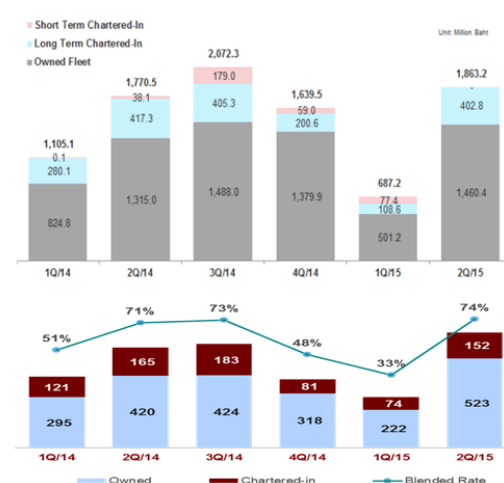
#### Income Statement

in million Baht	2Q/14	1Q/15	2Q/15	% YoY	% QoQ	6M/14	6M/15	% YoY
<b>Total Revenues</b>	2,522.7	1,984.2	3,560.1	41%	79%	4,612.6	5,544.3	20%
Total Costs	(1,791.5)	(2,202.9)	(2,710.8)	51%	23%	(3,495.7)	(4,913.8)	41%
<b>Gross Profit/(Loss)</b>	731.2	(218.7)	849.3	16%	488%	1,116.8	630.6	-44%
Other Income	5.0	4.8	3.2	-36%	-33%	11.2	8.0	-28%
SG&A	(269.6)	(349.5)	(386.4)	43%	11%	(517.1)	(735.9)	42%
<b>EBITDA from Operation</b>	466.6	(563.4)	466.1	0%	183%	610.9	(97.3)	-116%
Equity Income	240.2	237.3	249.1	4%	5%	521.0	486.4	-7%
<b>EBITDA</b>	706.8	(326.1)	715.2	1%	319%	1,131.8	389.1	-66%
Depreciation & Amortization	(193.1)	(154.4)	(209.6)	9%	36%	(386.4)	(364.1)	-6%
<b>EBIT</b>	513.7	(480.5)	505.5	-2%	205%	745.5	25.0	-97%
Financial Cost	(29.9)	(26.6)	(27.4)	-8%	3%	(62.6)	(53.9)	-14%
Gain/(Loss) from Foreign Exchange	(2.1)	(0.7)	35.5	1786%	5322%	15.9	34.8	119%
Non-Recurring Items	0.7	(0.0)	0.4	-47%	N/A	0.7	0.4	-46%
<b>Profit/(Loss) before income tax</b>	<b>482.5</b>	<b>(507.7)</b>	<b>514.0</b>	<b>7%</b>	<b>201%</b>	<b>699.5</b>	<b>6.3</b>	<b>-99%</b>
Income Tax Expense	(61.2)	(10.0)	(10.8)	-82%	8%	(103.5)	(20.8)	-80%
<b>Net Profit/(Loss)</b>	<b>421.3</b>	<b>(517.7)</b>	<b>503.2</b>	<b>19%</b>	<b>197%</b>	<b>596.0</b>	<b>(14.5)</b>	<b>-102%</b>
<b>Net Profit/(Loss) attributable</b>								
To Non-controlling interest	180.6	(219.7)	209.3	16%	195%	256.8	(10.4)	-104%
<b>To TTA</b>	<b>240.7</b>	<b>(298.0)</b>	<b>293.9</b>	<b>22%</b>	<b>199%</b>	<b>339.2</b>	<b>(4.1)</b>	<b>-101%</b>

#### Revenues Breakdown by Services



#### Subsea IRM - Vessels Revenue Breakdown



In 2Q/15, the total revenues increased significantly to Baht 3,560.1 million, an increase of 41% YoY and 79% QoQ. The strong turnaround from 1Q/15 has been even more pronounced as subsea had its three high performing vessels (Mermaid Commander, Mermaid Endurer, and Mermaid Asiana) resuming services after 1Q/15 scheduled dry-docking program. These, with the other vessels that were also deployed in 2Q/15, drove up overall subsea utilisation rate to 74% with 675 working days, compared to 1Q/15 at 33% (296 days), and 2Q/14 at 71% (585 days). It was also particularly encouraging to finally deploy the chartered in vessel Windermere in June after several months of extensive marketing.

Overall subsea business revenues still grew by a substantial 51% YoY driven by the continued strong build out of the cable laying business and other subsea services (Non-vessels) business. The subsea IRM (Vessels) fleet revenue increased 3% YoY in 2Q/15, with higher subsea fleet utilization.

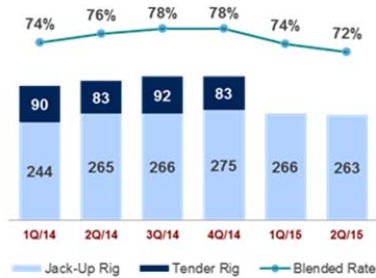


## Thoresen Thai Agencies Public Company Limited

### Management Discussion and Analysis 2Q/2015

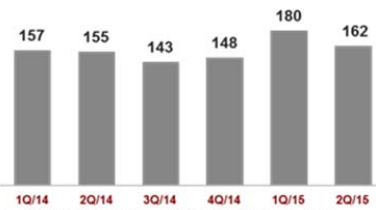
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**Rig Working Days & Utilization\***



**Rig Day Rate\*\***

(USD '000)



\* Total Working Days / Total Rig Calendar Days

\*\* Rig Earned Revenues / Total Working Days

**In drilling business**, the utilization rates were solid at 72%, though lower than 1Q/15 at 74%. For these jack-up rigs, MML had announced to the Singapore stock exchange earlier that Asia Offshore Drilling has agreed to a 10% discount to day rates for customer in Saudi Arabia starting April 1, 2015. While the day rates have been lowered to USD162,000 per day, MML had yet to feel the full impact of the reduction. Asia Offshore Drilling's 'pass through' bare boat charter will start to reflect the reduction in the coming quarters. This explains the still high equity income contribution of Baht 249.1 million for the quarter.

In 2Q/15, gross profit margins declined to 24% compared to 29% in 2Q/14 due to lower margin cable laying operations. This was also reflected in the lower EBITDA margins, which in 2Q/15, it fell to 20% from 28% in 2Q/14. Supported by the stronger topline, overall EBITDA still increased 1% YoY to Baht 715.2 million, from Baht 706.8 million in 2Q/14. On a QoQ basis, margins were better as 1Q/15 was weighed not only by seasonally weaker demand, but also major dry-docking programs for three of its high performing subsea vessels. Depreciation and amortization increased 9% YoY as MML has reclassified the assets held for sale in 1Q/15 back to fixed assets. Consequently, MML reported the consolidated financial statements for the three-month periods ended June 30, 2015 a net profit of Baht 503.2 million, increased 19% YoY from Baht 421.3 million in 2Q/14 and increased 197% QoQ from net loss of Baht 517.7 million in 1Q/15.



**Unique Mining Services Public Company Limited (UMS)**

**INFRASTRUCTURE**

- Lower sales volume
- Higher net losses attributable to TTA

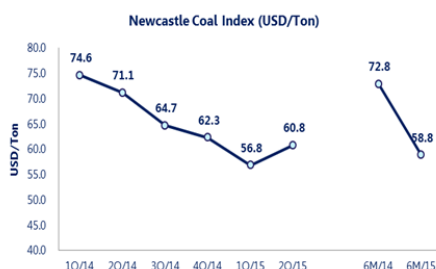
**Overview**

**Performance Summary**

in Million Baht	2Q/14	1Q/15	2Q/15	% YoY	% QoQ	6M/14	6M/15	% YoY
<b>Total Revenues</b>	236.9	188.8	169.4	-28%	-10%	485.4	358.2	-26%
<b>Gross Profit</b>	83.4	49.2	32.8	-61%	-33%	157.3	82.0	-48%
Gross Margin (%)	35%	26%	19%			32%	23%	
<b>EBITDA</b>	26.8	17.8	2.9	-89%	-84%	39.9	20.7	-48%
EBITDA Margin (%)	11%	9%	2%			8%	6%	
<b>Net Profit(Loss)</b>	(6.3)	(10.7)	(27.2)	-333%	-155%	(45.9)	(37.9)	-17%
Net Profit Margin (%)	-3%	-6%	-16%			-9%	-11%	
<b>Net Profit(Loss) to TTA</b>	(5.6)	(9.5)	(24.2)	-333%	-155%	(40.7)	(33.6)	-17%

**Unique Mining Services Public Company Limited (“UMS”) reported net loss of Baht 27.2 million** for the three-month period ended June 30, 2015 comparing to losses of Baht 6.3 million in 2Q/14 and Baht 10.7 million in 1Q/15. The disappointed performance of UMS was mainly driven by lower selling volume due to limited financial facilities of UMS during 2Q/15. Therefore, EBITDA margin in this quarter reduced to 2% from 11% and 9% in 2Q/14 and 1Q/15, respectively.

According to World Bank Quarterly Report (July 2015), imports from China—which consumes half the world’s coal—fell significantly in the first five months of the year on weak electricity demand, increased substitution of other fuels in power generation, environmental policies to curb coal-fired power generation, and restrictions on low quality imports. Global supplies continue to increase from new low-cost capacity, declining costs of existing operations, and depreciating producer currencies. China’s rapid coal demand growth slowed significantly in recent years, and was essentially flat in 2014. OECD coal demand continues to decline due to pressures to close older, less-efficient power plants. The only demand strength is in other emerging economies, notably India. Production and imports in India are expected to increase in the medium term, while China’s imports are expected to slow. China plans to reduce pollution in heavily-populated coastal areas by shifting coal generation to northwest coal mining areas, and to transmit electricity east, thereby reducing the competitiveness of seaborne imports. However, rebound of crude oil in 2Q/15 has support to push coal prices to rebound from 56.8 USD/ton in 1Q/15 to 60.8 USD/ton in 2Q/15, despite weak demand and surplus supply.



Newcastle index\* data source : Bloomberg  
 \*Newcastle Coal is thermal coal exported (delivered FOB) out of the port of Newcastle in New South Wales, Australia. It is the price benchmark for seaborne thermal coal in the Asia-Pacific region. Net Calorific Value (AR) = 6,000 Kcal/kg



## Thoresen Thai Agencies Public Company Limited

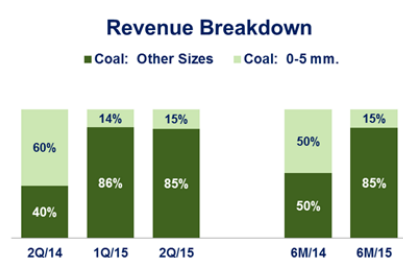
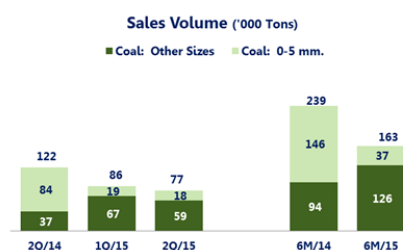
### Management Discussion and Analysis 2Q/2015

Ref No. COR:MS/EL15036e/PP

## Performance Summary

### Income Statement

in million Baht	2Q/14	1Q/15	2Q/15	% YoY	% QoQ	6M/14	6M/15	% YoY
<b>Total Revenues</b>	236.9	188.8	169.4	-28%	-10%	485.4	358.2	-26%
Total Costs	(153.5)	(139.6)	(136.7)	-11%	-2%	(328.0)	(276.2)	-16%
<b>Gross Profit</b>	83.4	49.2	32.8	-61%	-33%	157.3	82.0	-48%
Other Income	1.02	0.26	1.08	6%	314%	1.26	1.34	6%
SG&A	(57.6)	(31.6)	(30.9)	-46%	-2%	(118.7)	(62.6)	-47%
<b>EBITDA</b>	26.8	17.8	2.9	-89%	-84%	39.9	20.7	-48%
Depreciation & Amortization	(14.9)	(14.2)	(14.3)	-4%	0%	(29.8)	(28.6)	-4%
<b>EBIT</b>	11.9	3.6	(11.4)	-196%	-419%	10.1	(7.8)	-177%
Financial Cost	(18.5)	(14.9)	(14.1)	-24%	-6%	(35.8)	(29.0)	-19%
Gain/(Loss) from Foreign Exchange	0.7	0.7	(1.6)	-341%	-338%	2.0	(0.9)	-147%
Non-Recurring Items	(0.3)	-	(0.2)	-50%	-99%	(22.2)	(0.2)	-99%
<b>Profit/(loss) before income tax</b>	<b>(6.3)</b>	<b>(10.7)</b>	<b>(27.2)</b>	<b>-333%</b>	<b>-155%</b>	<b>(45.9)</b>	<b>(37.9)</b>	<b>-17%</b>
Income Tax Expense	-	-	-	-	-	0.0	-	-100%
<b>Net Profit/(Loss)</b>	<b>(6.3)</b>	<b>(10.7)</b>	<b>(27.2)</b>	<b>-333%</b>	<b>-155%</b>	<b>(45.9)</b>	<b>(37.9)</b>	<b>-17%</b>
<b>Net Profits/(losses) attributable</b>								
To Non-controlling interest	(0.7)	(1.2)	(3.1)	-333%	-155%	(5.2)	(4.3)	-17%
<b>To TTA</b>	<b>(5.6)</b>	<b>(9.5)</b>	<b>(24.2)</b>	<b>-333%</b>	<b>-155%</b>	<b>(40.7)</b>	<b>(33.6)</b>	<b>-17%</b>



UMS's sales volume decreased 37% YoY from 122 Ktons in 2Q/14 and declined 10% QoQ from 86 Ktons in 1Q/15 to 77 Ktons in 2Q/15. The decline of sales volume YoY was mainly from lower sales of low-margin 0-5 mm coal. Whereas, the lower sales volume QoQ was mainly due to lower other-sizes coal sales volume in respect to limited financial facilities of UMS, which led to the delay of coal import for sales during the quarter. Moreover, in reference to the Stock Exchange of Thailand notification from UMS (UMS./EXS./034-15) on July 23, 2015, UMS's board of directors has approved to request for financial assistance from TTA. With the lower revenue generated in 2Q/15 while the cost remains at the last quarter's level contributed partly by higher coal prices during the quarter, gross profit consequently decreased 61% YoY and 33% QoQ to Baht 32.8 million in 2Q/15 compared to Baht 83.4 million in 2Q/14 and Baht 49.2 million in 1Q/15. Therefore, EBITDA has weakened to Baht 2.9 million, fallen of 89% YoY from Baht 26.8 million in 2Q/14 and dropped 84% QoQ from Baht 17.8 million in 1Q/15, whereas, EBITDA margin in 2Q/15 reduced to 2% from 11% and 9% in 2Q/14 and 1Q/15, respectively. In addition, depreciation and amortization remain flat from last quarter, while financial cost slightly reduces. Accordingly, UMS reported the financial statements for the three-month period ended June 30, 2015 with net loss of Baht 27.2 million.



## Thoresen Thai Agencies Public Company Limited

Management Discussion and Analysis 2Q/2015

Ref No. COR:MS/EL15036e/PP

### PM Thoresen Asia Holding Public Company Limited (PMTA)

INFRASTRUCTURE

- Domestic sales remain strong despite exceptional dry period within the region
- Export sales volumes increased, especially to Philippines and Africa, after the completion of new granulation production line opened in March increasing production capacity by 100,000 tons.
- New warehouse space of 11,000 sqm. opened in March has been 100% utilized with increasing demand from current customers

### Overview

#### Performance Summary

<i>in Million Baht</i>	2Q/14	1Q/15	2Q/15	% YoY	% QoQ	6M/14	6M/15	% YoY
<b>Sales Revenue</b>	774.7	576.6	974.8	26%	69%	1,441.8	1,551.4	8%
<b>Gross Profit</b>	195.8	150.5	217.4	11%	44%	390.4	367.9	-6%
Gross Margin (%)	25%	26%	22%			27%	24%	
<b>EBITDA</b>	93.6	60.6	101.5	8%	68%	202.2	162.1	-20%
EBITDA Margin (%)	12%	11%	10%			14%	10%	
<b>Net Profit</b>	69.7	37.9	70.4	1%	86%	153.8	108.3	-30%
Net Profit Margin (%)	9%	7%	7%			11%	7%	
<b>Net Profit/(Loss) to TTA</b>	<b>69.7</b>	<b>37.9</b>	<b>54.5</b>	<b>-22%</b>	<b>44%</b>	<b>153.8</b>	<b>92.3</b>	<b>-40%</b>

**PMTA delivered solid performance in Q2/15 with a net profit of Baht 70.4 million**, increased 86% from previous quarter, driven by expansion of export sales, maintaining strong domestic sales, and consistent and high demand for its warehouse business despite the challenging weather condition within the region. Unusually dry weather in parts of Southeast Asia during the 2Q/15 has raised the prospect for the return of El Nino weather phenomenon, which pressured the demand for fertilizer within the region, while countries in this region are among the top global producers of agricultural commodities such as rice, coffee, and rubber. In Vietnam, April and May 2015 was very dry and some provinces in the country's central area had to declare state of emergency due to water shortage. However, it started to rain in June, especially in the southern parts of Vietnam and resulted with increasing demand for fertilizer towards the end of 2Q/15. Meanwhile, Thailand also declared drought in 34 provinces and launched water-saving campaign to promote awareness among citizens as a result of insufficient rainfall affecting people's life in Thailand's northern, northeastern and central regions, whereas the main rivers witness the lowest levels in decades.

However, with **proficient marketing strategy**, **PMTA could manage to boost its sales volume by 27% YoY and 85% QoQ**, which was largely from higher export volumes, especially to Philippines and Africa region, while maintaining domestic sales volume close to last year's level.



## Thoresen Thai Agencies Public Company Limited

### Management Discussion and Analysis 2Q/2015

Ref No. COR:MS/EL15036e/PP

As a result, PMTA's consolidated financial statements for the three-month periods ended June 30, 2015 showed a net profit of Baht 70.4 million, increased 1% YoY from Baht 69.7 million in 2Q/14, and enhanced 86% QoQ from Baht 37.9 million in 1Q/15.

#### Fertilizer Sales Volume

Unit: Tons	2Q/14	1Q/15	2Q/15	% YoY	% QoQ
<b>Fertilizer NPK</b>	<b>50,007</b>	<b>34,520</b>	<b>63,809</b>	<b>28%</b>	<b>85%</b>
Single fertilizer	52	5	117	125%	2443%
Pesticide	755	417	692	-8%	66%
<b>Total</b>	<b>50,814</b>	<b>34,942</b>	<b>64,618</b>	<b>27%</b>	<b>85%</b>

6M/14	6M/15	% YoY
<b>90,095</b>	<b>98,329</b>	<b>9%</b>
197	122	-38%
1,212	1,109	-8%
<b>91,504</b>	<b>99,560</b>	<b>9%</b>

#### Sales Volume Breakdown

Unit: Tons	2Q/14	1Q/15	2Q/15	% YoY	% QoQ
Domestic	32,582	27,182	32,376	-1%	19%
Export	18,232	7,760	32,242	77%	316%
<b>Total</b>	<b>50,814</b>	<b>34,942</b>	<b>64,618</b>	<b>27%</b>	<b>85%</b>

6M/14	6M/15	% YoY
59,907	59,559	-1%
31,597	40,002	27%
<b>91,504</b>	<b>99,560</b>	<b>9%</b>

**PMTA was able to increase export volumes while maintaining domestic sales at high level** despite the delay of rain in 2015 in Southeast Asia region which has prolonged from 1Q/15 into 2Q/15 and pressured the demand for fertilizer products during beginning of 2Q/15. The total sales volume of fertilizer products increased to 64,618 tons in 2Q/15 rising 27% YoY from 50,814 tons in 2Q/14 and significantly increased 85% QoQ from 34,942 in 1Q/15. The export growth of 77% YoY and 316% QoQ was partly from the delay of demand from Philippines which was shifted from 1Q/15 to 2Q/15 due to the delay of rain, in addition to the boost of export sales to Africa. The increased in export volume is in line with PMTA's strategy to boost export volume after the completion of the new 100,000 tons capacity granular line in 1Q/15. In 2Q/15, the domestic sales volume of 32,376 tons slightly decreased by 1% YoY from 2Q/14 but increased 19% QoQ from 1Q/15. Despite the increase of export volumes, the gross profit margin reduced to 22% in 2Q/15 from 25% and 26% in 2Q/14 and 1Q/15, respectively as export sales contributed lower-margin compared to domestic sales.

**The demand for warehouse remains very high, with increasing demand from current customers.** The utilization rate of the warehouse remain high at 100%. Service income from warehouse business increased 30% YoY from Baht 8 million in 2Q/14 and increased 3% QoQ from Baht 11.2 million to Baht 11.5 million in 2Q/15.



Note: Correction of warehouse occupancy rate in 1Q/14 from 94% to 83%, therefore, 6M/14 is average at 91%.



## Thoresen Thai Agencies Public Company Limited

### Management Discussion and Analysis 2Q/2015

Ref No. COR:MS/EL15036e/PP

## Performance Summary

Income Statement								
<i>in Million Baht</i>	2Q/14	1Q/15	2Q/15	% YoY	% QoQ	6M/14	6M/15	% YoY
<b>Sales Revenue</b>	774.7	576.6	974.8	26%	69%	1,441.8	1,551.4	8%
Raw Material Costs	(578.9)	(426.1)	(757.5)	31%	78%	(1,051.4)	(1,183.5)	13%
<b>Gross Profit</b>	195.8	150.5	217.4	11%	44%	390.4	367.9	-6%
Service & Other Income	8.9	11.5	13.1	47%	14%	15.3	24.6	61%
Operating Cost	(49.0)	(46.0)	(58.7)	20%	28%	(88.9)	(104.7)	18%
Cost of providing services	(1.6)	(1.7)	(2.4)	54%	37%	(3.0)	(4.1)	36%
SG&A	(60.6)	(53.7)	(67.9)	12%	27%	(111.6)	(121.6)	9%
<b>EBITDA</b>	93.6	60.6	101.5	8%	68%	202.2	162.1	-20%
Depreciation & Amortization	(9.9)	(12.1)	(13.7)	39%	14%	(19.9)	(25.8)	30%
<b>EBIT</b>	83.7	48.5	87.8	5%	81%	182.3	136.3	-25%
Financial Cost	(0.2)	(1.6)	(2.5)	1121%	57%	(0.2)	(4.0)	1900%
Gain/(Loss) from Foreign Exchange	0.1	0.0	(2.3)	-2918%	-11978%	2.8	(2.3)	-181%
Profit before income tax	83.6	47.0	83.0	-1%	77%	184.9	130.0	-30%
Income Tax Expense	(13.9)	(9.1)	(12.6)	-10%	38%	(31.1)	(21.7)	-30%
<b>Net Profit</b>	69.7	37.9	70.4	1%	86%	153.8	108.3	-30%
<b>Net Profit/(loss) attributable</b>								
To Non-controlling interest	-	-	(16.0)	N/A	N/A	-	(16.0)	N/A
<b>To TTA</b>	<b>69.7</b>	<b>37.9</b>	<b>54.5</b>	<b>-22%</b>	<b>44%</b>	<b>153.8</b>	<b>92.3</b>	<b>-40%</b>

Fertilizer sales revenue significantly increased 26% YoY to Baht 974.8 million in 2Q/15, compared to Baht 774.7 million in 2Q/14 and Baht 576.6 million in 1Q/15, primarily due to higher sales volume for the quarter. However, the revenue per ton sales in 2Q/15 decreased 1% YoY and 8.6% QoQ, due to the higher export volumes, which contributed lower margin than domestic sales, while the raw material costs per ton sales increased 3% YoY but declined 4% QoQ. Consequently, the lower revenue per ton sales and higher raw material costs had pressured the gross margin to 22% in 2Q/15 reduced from 25% and 26% in 2Q/14 and 1Q/15, respectively.

Service & Other Income, mainly from warehouse rental fee, significantly increased to Baht 13.1 million in 2Q/15 or 47% increased from Baht 8.9 million in 2Q/14 and 14% increased from Baht 11.5 million in 1Q/15. This was contributed by the high warehouse occupancy rate at 100% and growing demand for space rental.

Operating Cost increased 20% YoY and 28% QoQ was mainly from higher production volume in the quarter. In addition, SG&A expenses were Baht 67.9 million in 2Q/15, compared to Baht 60.6 million in 2Q/14 and Baht 53.7 million in 1Q/15. The increase in SG&A expenses was mainly from higher transportation cost related to higher sales, increasing marketing campaign during the quarter, as well as marketing activities prepared for the launch of new products during the second half of 2015.





## Thoresen Thai Agencies Public Company Limited

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Consequently, EBITDA, in 2Q/15, enhanced to Baht 101.5 million or increased 8%YoY from Baht 93.6 million in 2Q/14 and increased 68% QoQ from Baht 60.6 million in 1Q/15. EBITDA margin remains high at 10% for the quarter. However, depreciation and amortization increased from approximately Baht 10 million in 2Q/14 to Baht 13.7 million in this quarter following the installation of the new granulation unit and Baconco 5-B warehouse.

Financial Cost increased mainly from the loan drawdown for working capital utilization. As a result, PMTA reported the consolidated financial statements for the three-month periods ended June 30, 2015 a net profit of Baht 70.4 million, increased 1% YoY from Baht 69.7 million in 2Q/14, and increased 86% QoQ from Baht 37.9 million in 1Q/15.

Yours faithfully,

**Thoresen Thai Agencies Public Company Limited**

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Mr. Chalermchai Mahagitsiri  
President & Chief Executive Officer

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