



Corporate Profile

Thoresen Thai Agencies Plc.

Presentation to Phatra Securities

27 September 2011

Agenda



- TTA Evolution: ***Transport, Energy, and Infrastructure Focus***
- TTA Resiliency: ***Smooth Navigation***
- TTA Solid Balance Sheet: ***Strong Cash and Liquidity Position***
- TTA Business Portfolio: ***Three Lines of Business***
- TTA Diverse Revenue Sources
- TTA Group Businesses:
 - *Dry Bulk Shipping*
 - *Subsea Engineering*
 - *Offshore Drilling*
 - *Coal Mining*
 - *Coal Distribution*
 - *Fertiliser Production and Distribution with Warehouse and Logistics Services*
- TTA Going Forward: ***Strong Focus on Execution and Performance***

TTA Evolution

TTA has been repositioning itself into a business group focused on transport, energy, and infrastructure



TTA was originally a shipping services provider

1980-2005

- Made investments in dry bulk vessels in the 1980's
- Made investments in offshore services vessels and drilling rigs in the 2000's

2005-2008

- Moved to a "corporate-run" approach after the exit of the controlling shareholders, subsequently resulting in TTA being one of the most widely and publicly held companies in the SET, 99.6% free float

2009-NOW

- Completed Phase 1 of **Evolution** by making new investments across all three lines of business: **Transport, Energy, and Infrastructure**
- Phase 2 of **Evolution is emphasis on growth and long-term shareholder value creation** by consolidating and investing in existing businesses

TTA Evolution

TTA's plan combines expansive growth, financial acumen, and focused diversification



Core Competencies

- Disciplined investment analysis
- Long-term strategic thinking
- International business networks
- Effective financial management

What We Do Not Do

- Short-term asset trading
- Speculative derivatives

Success in 2008-09 Crisis

- Growth-oriented investments of about USD 187 million
- Recruited new senior management
- Repurchased USD 66.9 million of convertible bonds at 72% of par
- Secured USD 200 million credit facility for mergers and acquisitions

Learnings

- Level of integration and oversight are highly correlated to success of acquisitions
- Quality of people and their array of skills must be improved continuously to achieve growth objectives

TTA Resiliency

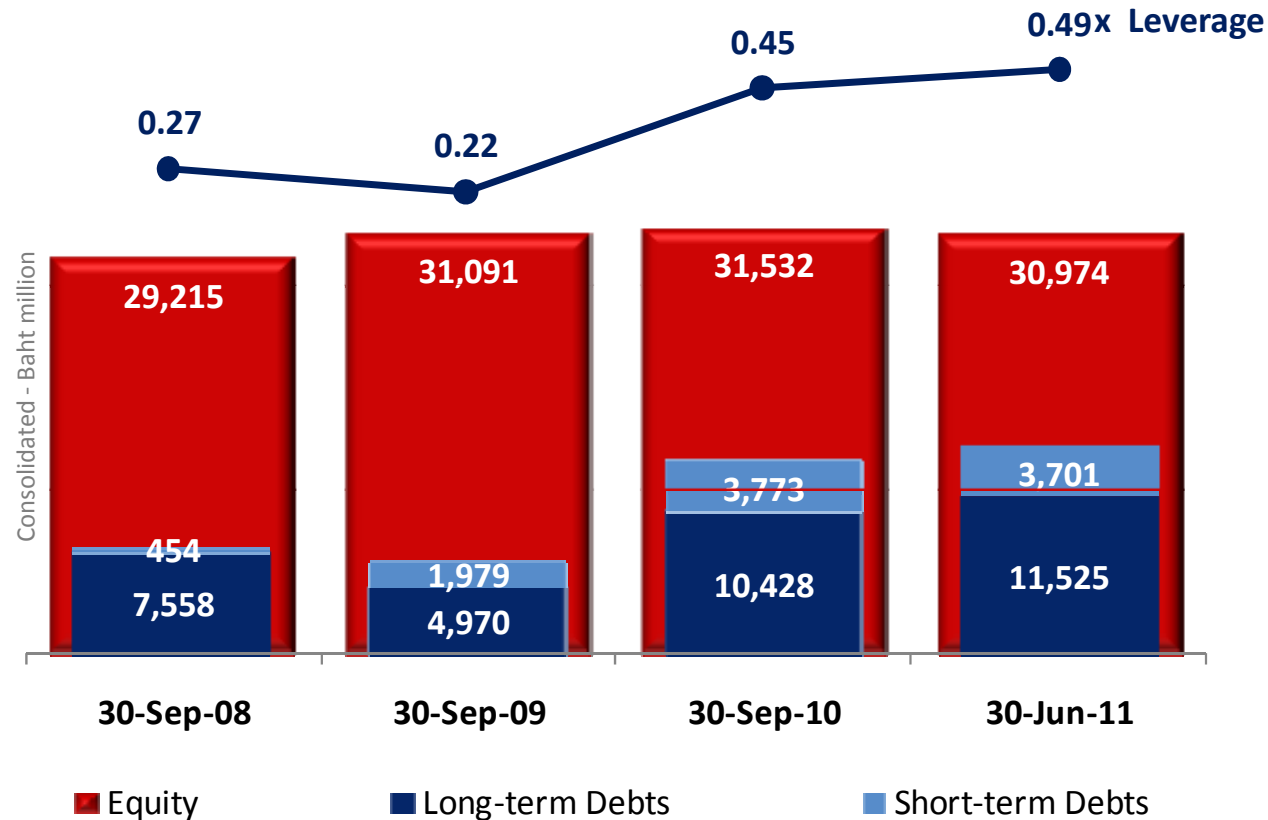
TTA's strengths enabled smooth navigation through economic crisis



Advantage	Pre-crisis (before 2008)	Post-crisis (2008 – Aug 2011)
1 Business origination capability	Review of multiple investment opportunities	Executed 11 corporate acquisitions and 12 dry bulk, dive support vessels, and drilling rig purchases
2 Deep industry expertise	In-house commercial and technical management of key businesses	Growing advantage
3 Active asset management	Dry bulk fleet of 45 vessels	18 dry bulk vessels fleet at end of 3QFY11, but total assets grew 76%
4 Experienced and disciplined financial management	Plans to delever balance sheet and increase liquidity	Repurchase US Dollar Convertible bonds, issued Thai Baht bonds, secured local bank financing
5 Match maturity of assets and liabilities	Core value	Important differentiator
6 Extensive support services	Develop group-wide human resources, finance, and IT capabilities	Increased shared services across the group, resulting in cost efficiency

TTA Solid Balance Sheet

TTA maintains a strong cash and liquidity position



- Consolidated cash of Baht 4,948 million
- Available credit lines of USD 517 million for growth opportunities

TTA Business Portfolio

Three lines of business



Group Infrastructure



- Classified coal distribution in Thailand
- Fertiliser production and distribution in Vietnam
- Deep-sea port logistics and warehousing services in Vietnam
- Third-party logistics services, stevedoring services, and ship supplies

Group Transport



- Dry bulk shipping
- Shipping agency services in Thailand, Indonesia, Vietnam, and UAE
- Ship brokerage
- Inter-island oil and gas tankering in the Philippines

Group Energy



- Subsea engineering services
- Offshore drilling services
- Coal mining in the Philippines and Indonesia

***... achieve growth through diversification
and balance across three core business groups ...***

TTA Business Portfolio

Three lines of business



Group Infrastructure

- Unique Mining Services 88.7%
- Baconco Co., Ltd. 100%
- Baria Serece 20%
- Chidlom Marine Services & Supplies Ltd. 100%
- GAC Thoresen Logistics Ltd. 51%
- Gulf Agency Company (Thailand) Ltd. 51%

Group Transport

- 16 vessel-owning subsidiaries 100%
- Fearnleys (Thailand) Ltd. 49%
- ISS Thoresen Agencies Ltd. 49%
- PT Perusahaan Pelayaran Equinox 49%
- Thoresen (Indochina) S.A. 50%
- Thoresen Shipping FZE 100%
- Petrolift Inc. 40%

Group Energy

- Mermaid Maritime Plc. 57.1%
- Merton Group (Cyprus) Ltd. 24.3%
- Qing Mei 41.4%

... achieve growth through diversification and balance across three core business groups ...

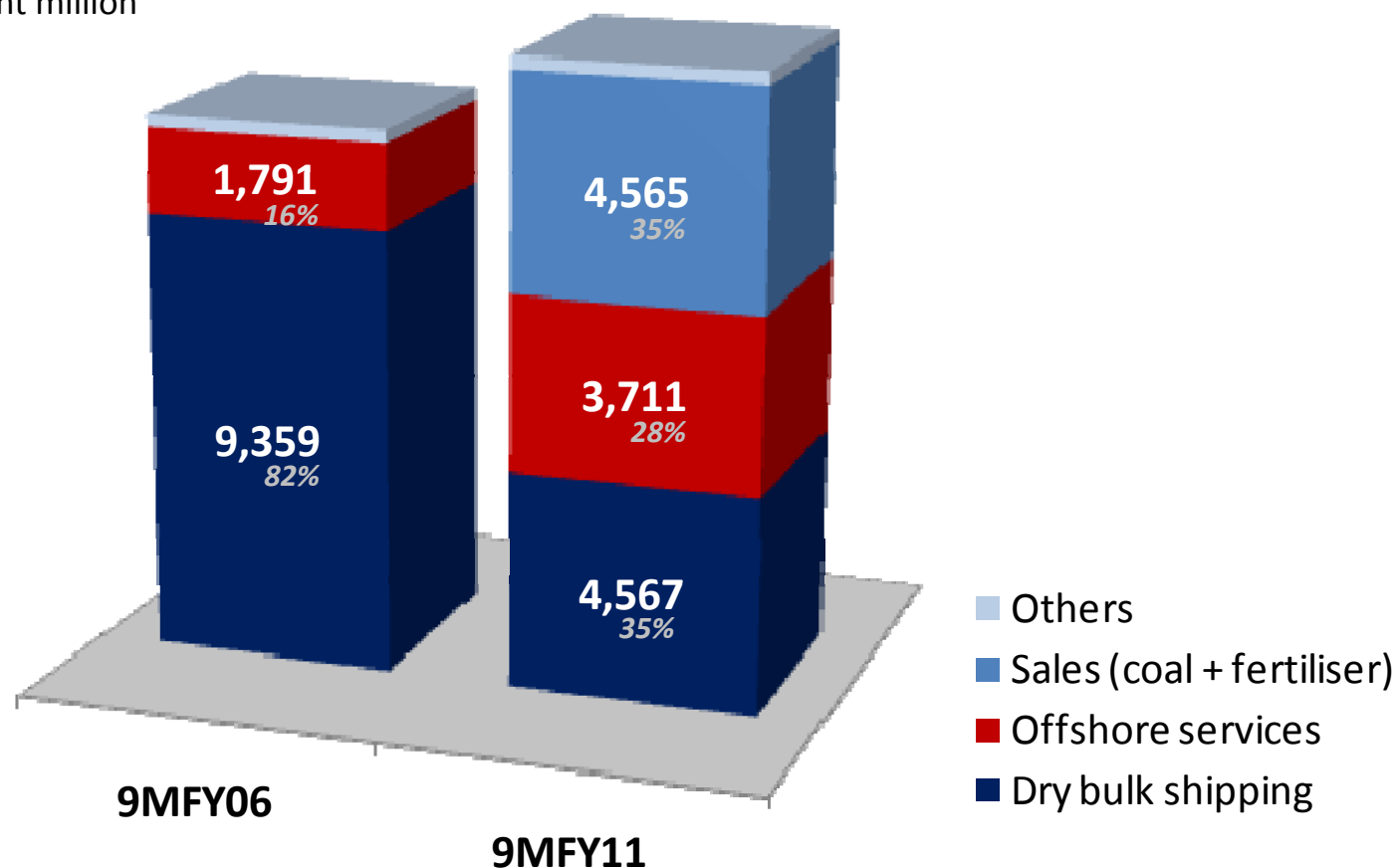
TTA Diverse Revenue Sources

TTA's diversified portfolio compensating for downturn in dry bulk shipping



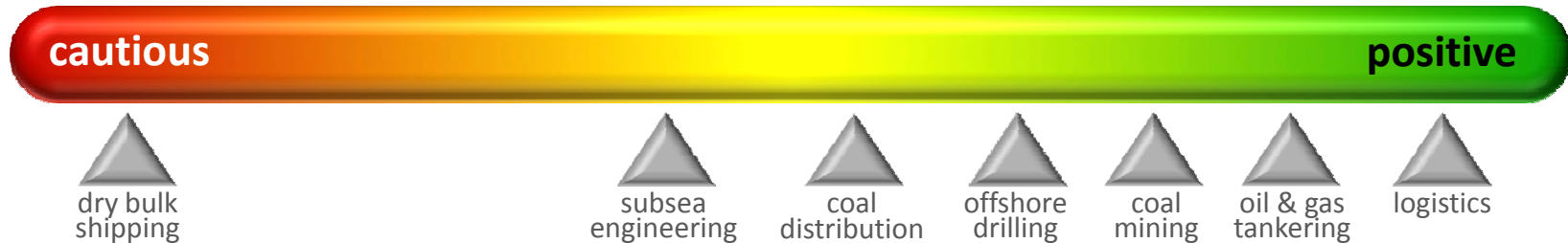
Revenues

Baht million



Group Business Recap

Dry bulk shipping remains under pressure, but others doing relatively well



- Consolidated TTA remains profitable in 9MFY11 with Baht 327 million of net profit

TRANSPORT

- Dry bulk shipping enduring a prolonged oversupply situation
- Long-term charters maintaining revenues and profits for Petrolift

ENERGY

- Improvement in subsea engineering business but challenges remain
- Bright outlook for offshore drilling with establishment of Asia Offshore Drilling ("AOD")
- Philippines coal mine (Merton) producing and selling coal at robust prices

INFRA-STRUCTURE

- Robust coal sales for UMS but lower margins as 0-5 mm coal inventory being aggressively reduced
- Logistics business progressing well in Vietnam

Group Business: Dry Bulk Shipping

Thoresen owns and operates a fleet of dry bulk vessels, transporting dry bulk cargos worldwide



Dynamics

- Fleet reconfiguration in progress to achieve higher operational efficiency
- 10 Handysize vessels sold in FY11
- One new built Supramax delivered in June 2011
- Owned fleet at fiscal year-end should consist of 15 vessels (9 Handymax and 6 Supramax), 43,798-DWT average size, and 10.8-year average age
- Average TCE improved from higher weighting of Supramax time charter rate
- In-house commercial and technical management expertise

Key Strategies

- Maintain a compact, modern, highly efficient fleet
- Charter in vessels to fulfil customers' needs
- Reflag owned fleet to Singapore flag to enjoy higher operational incentives
- Base commercial team in Singapore
- Maintain strong cost focus

Outlook

- Demand growth should continue in trade of key commodities, i.e. iron ore, coal, steel products, etc.
- Vessel supply however grows at a faster pace
- Supply glut thus expected to continued for another 2-3 years

higher efficiency
fleet reconfiguration



Group Business: Subsea Engineering

Mermaid provides subsea engineering services to the offshore oil and gas industry



Dynamics

- Modern fleet of 8 subsea vessels: 4 high-spec DPs DSVs with an average age of about 8 years, one of the most advanced portfolio of assets in Southeast Asia
- Respected operational capability and excellent safety record
- Complementing subsidiaries in Seascope Surveys in Indonesia and Singapore and Subtech in the Middle East
- New commercial management team in place to drive higher proportion of value-added services

Outlook

- Subsea market prospects gradually improve, five quarters after the Macondo Accident
- Day rates improving from the 2010 trough
- Challenges remain with possible increased pressure on day rates as a result of increased vessel availability
- Favourable trend of global oil prices to support continued E&P spending

value added services
assets deployment

Key Strategies

- Deploy assets to maintain high utilisation rate
- Increase value added services while reducing charters
- Leverage key clients and expand services
- Penetrate new markets and develop new clients and business opportunities

Group Business: Offshore Drilling

Mermaid provides drilling services to the offshore oil and gas industry



Dynamics

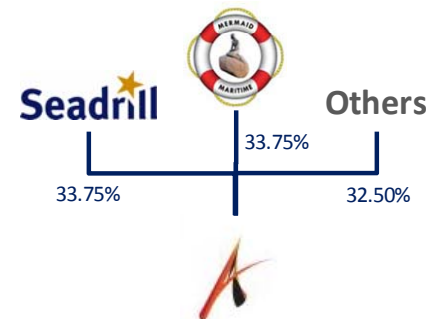
- Fleet of 2 tender drilling rigs:
 - **MTR-2** contract with Chevron Indonesia recently extended until March 2012
 - **MTR-1** seeking accommodation barge contract in Indonesia
- Successful establishment and fund raisings of AOD
- Well-capitalised AOD now listed on Oslo Axess
- Entry of Seadrill as a strategic partner with equal shareholding in AOD as Mermaid's
- Three high-spec KFELS MOD V jack-up rigs being built with target delivery in Dec-12 and FY13
- One more "in-the-money" option for another jack-up rig at Keppel FELS

Key Strategies

- Secure additional contracts for MTR-2 in 1QFY12
- Secure accommodation barge contract for MTR-1, while conservatively taking some more impairment charges
- Leverage on Seadrill's strong global presence and network in areas of technical and commercial management

Outlook

- Global drilling industry in transition:
 - Aging assets being cold stacked or impaired
 - New assets entering with premium prices
- Increased tendering activity as favourable trend of global oil prices supporting continued E&P spending
- Drilling market expected to tighten as inflow of relevant new-build rigs seemingly not too significant in the coming year



*strategic
partnership*



Group Business: Coal Mining

Merton Group in the Philippines, Qing Mei in Indonesia



future
energy
source

Indonesian Mine

- **Qing Mei** owns a 70% stake in 33,000 hectares of coal concessions in Central Kalimantan
- Concessions fall on the Warukin coal formation and initial exploratory work has indicated approx. 110 million tonnes of reserves in less than 20% area explored
- Detailed analysis is in progress with results and outcomes from the combined processes covering technical, logistics, marketing, and coal beneficiation targeted to be completed in October 2011

Philippines Mine

- **Merton** invests in coal mine through a joint venture with SKI Construction to develop 12,000 hectares of coal reserves
 - Reserve of over 2 million tonnes has been estimated on the initial 107-hectare block
 - A “life of mine” off-take agreement was signed with Glencore AG
 - This Philippines mine produced and sold coal at robust prices, with an average sales price of USD 98.50 per tonne over the past four months
 - Production target at YE11 is expected at 15,000 tonnes per month and ramp towards an annual production target of 240,000 tonnes in 2012

Group Business: Coal Distribution

UMS imports quality coal, classifies into different sizes, and provides just-in-time delivery services to customers in Thailand



Dynamics

- Owners of 2 warehouses on 70 acres of land with capacity of about 4.1 million tonnes per annum
- Two imported coal shipments of roughly 50,000 tonnes each month
- Client base of more than 500 small and medium-sized industrial customers throughout Thailand
- Concentration of customers in cement producers, electric generating companies, food processors and pulp and paper industry

Key Strategies

- Increase overall market in Thailand by converting customers to use coal-fired boilers
- Secure stronger ties with large corporate users of coal
- Expedite granular project to help lower 0-5 mm coal inventory and increase overall margins

Outlook

- 2011 coal imports into Thailand shall exceed 16 million tonnes, with increasing coal demand by industrial users
- Higher competition from smaller start-up companies
- Continued strong coal prices expected through 2012-2013



Group Business: Fertiliser Production and Distribution with Warehousing Services



Baconco produces and distributes blended fertilisers in Vietnam while increasing its warehouse and logistics services to support Baria Serece

Dynamics

- Owners of 5.5 hectare fertiliser production and logistics facility at Phu My Industrial Zone, adjacent to Baria Serece Port
- Five fertiliser production processes with combined capacity of 300,000 tonnes per annum
- Bagging capacity of 400,000 tonnes per annum
- Network of 200 wholesalers, 4,000 retailers and 2 million end-users
- Warehousing capacity of 40,000 tonnes: bulk & bags

Key Strategies

- Continue the development of specialty products
- Leverage market position and reputation to penetrate the agrochemical business
- Increase logistics activities within Phu My industrial zone – high potential to become Indochina's fertiliser hub
- Add more warehousing space to enable increase Baria Serece throughput

Outlook

- Strong fertiliser demand in Vietnam of more than 6 million tonnes per year, of which 5 million tonnes are imported
- Increasing demand for professional, global-standard warehousing and logistics services



TTA Going Forward

TTA will consolidate and grow its existing businesses in Phase 2, with stronger focus on execution and performance



- A revised management and control structure was introduced in 2009 to manage our growing business portfolio
- The three line of business, Transport, Energy, and Infrastructure, partner with five corporate management groups – Strategy, Finance and Accounting, Human Resources, Business Services, and Risk Management
- Subsidiaries and associates are responsible for management of day-to-day operations, but TTA remains heavily involved in key strategic, financial, and people decisions
- A long-term strategic intent of TTA is to grow its subsidiaries and associates in a manner that allows us to share the associated risks and returns with like-minded co-investors to benefit from the positive developments within the respective sector
- The key lesson from the past 3 years is that continued focus remains on people decisions, talent assessment, and recruitment to manage a larger and increasingly global business



THANK YOU

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Appendix



- Group Segments Earning Results
- Capital Structure
- TTA Committed Capital Investments
- Funding Facilities & Debt Maturity

Group Segments Earnings Results

Diversification compensates for weaker shipping business



3QFY11	Transport	Infrastructure	Energy	Corporate	TTA
Operating revenues	1,223	1,699	1,454	0	4,376
EBITDA	255	160	387	-40	761
Net profit	98	88	22	89	297
% Contribution by segment:					
Operating revenues	28%	39%	33%	0%	100%
EBITDA	33%	21%	51%	-5%	100%
Net profit	33%	30%	7%	30%	100%

3QFY10	Transport	Infrastructure	Energy	Corporate	TTA
Operating revenues	2,513	1,168	881	-20	4,542
EBITDA	577	182	130	-58	831
Net profit	421	94	-150	-180	185
% Contribution by segment:					
Operating revenues	55%	26%	19%	0%	100%
EBITDA	70%	22%	16%	-7%	100%
Net profit	228%	51%	-81%	-97%	100%

Capital Structure



Baht millions	3Q FY 11	3Q FY 10	YoY %	2Q FY 11	QoQ %
Net operating CF	43.73	527.73	-91.71%	244.65	-82.13%
Cash and short term investment	6,031.93	8,347.78	-27.74%	6,109.27	-1.27%
Gross debt	15,232.80	14,282.18	6.66%	14,592.24	4.39%
Net debt	9,200.87	5,934.40	55.04%	8,482.97	8.46%
Shareholders' equity	30,974.06	31,788.01	-2.56%	30,861.24	0.37%
ROE (%)	1.15%	0.71%	62.57%	-0.45%	-358.19%
Debt/Equity (x)	0.49	0.45	8.89%	0.47	4.26%
Debt / Total capitalisation ¹ (x)	0.33	0.31	6.45%	0.32	3.13%

TTA Committed Capital Investments



Strategy	Project	Project Cost	Spending up to 30 Jun 11	Capex Committed FY 2011	Capex Committed FY 2012
Dry bulk shipping fleet renewal	New build vessels from Vinashin shipyards	USD 103.95 million	USD 48.51 million	USD 6.93 million	USD 48.51 million
Increase short- term fleet capacity	Chartered-in • 1 dry bulk vessel	USD 10.65 million	USD 7.31 million	USD 3.34 million	USD - Million

Funding Facilities & Debt Maturity



Cash for Funding CAPEX, Assets Acquisition and Expansions

- Baht 4,948.39 million of cash, equivalent to 10.01% of total assets, at end of 3QFY11
- USD 23.57 million available under committed USD 23.87 million revolving term loan facilities.
- USD 366.11 million available under committed USD 458.75 million term loan facilities.
- USD 127.63 million available under committed USD 169.97 million short-term credit facilities.

**82.86% of Total Long-term Debt with Maturities over 12 months;
54.34% of Group Debt from Commercial Banks and
45.57% Raised in Debt Capital Markets**

Baht millions	Within 12 Months	12-24 Months	>24 Months
<u>As of 30 Jun 2011</u>			
▪ Bonds	1,174	1,174	3,994
▪ Bank Debt	1,205	1,084	5,273
▪ Other Debts	7	3	2
Total	2,386	2,261	9,269
% Breakdown	17.14%	16.25%	66.61%