
Thoresen Thai Agencies Public Company Limited

R.S. Platou (Asia) 2nd Annual Offshore & Shipping Conference
October 8, 2010



TTA is reinventing itself into a dynamic investment company focused on our long-time strengths

- Originally a provider of shipping services, TTA made investments in dry bulk vessels in the 1980's and offshore vessels and drilling rigs in the 2000's
- Since 2005, with the exit of TTA's controlling shareholders, we have moved to a "corporate-run" approach due to our widely held ownership
- We are in Year 2 of a 5-year plan to become a strategic holding company focused on three lines of business – Transport, Energy, and Infrastructure
- We target long-term returns of 15% per annum across the entire business portfolio
- We emphasise growth and long-term shareholder value creation by investing in our existing businesses and acquisitions that are related or add value to existing businesses



Our 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 Crisis

- Growth-oriented investments of about US\$ 187 million
- Recruited new senior management
- Repurchased US\$ 66.9 million of convertible bonds at 72.01% of par
- Raised US\$ 200 million financing for mergers and acquisitions

Learnings

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

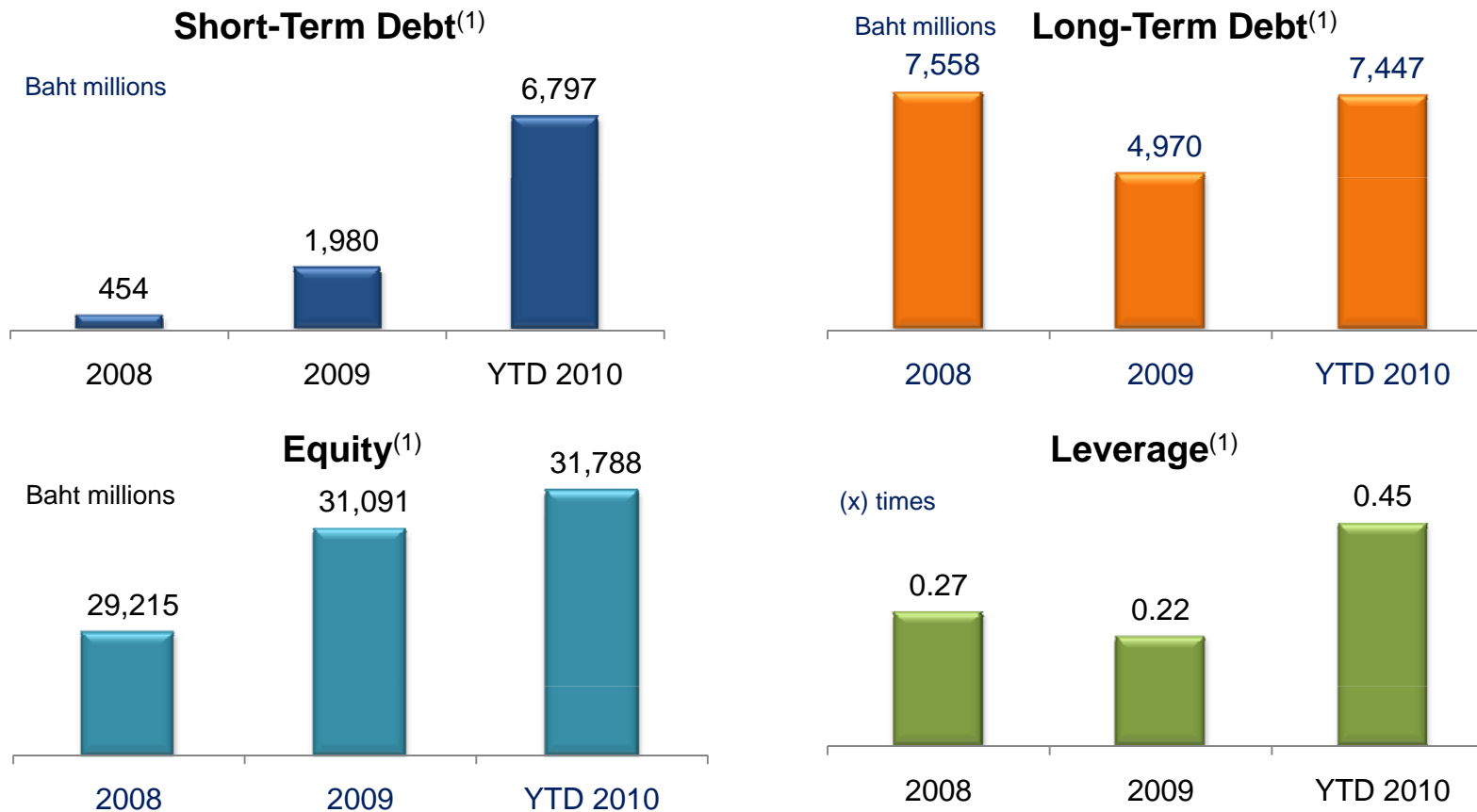


TTA's strengths allowed us to easily navigate the economic crisis

<u>Advantage</u>	<u>Pre-crisis (<2008)</u>	<u>Today (2008-2010)</u>
1. Business origination capability	<ul style="list-style-type: none"> Review of multiple investment opportunities 	<ul style="list-style-type: none"> Executed 7 corporate acquisitions and 7 vessel and rig purchases
2. Deep industry expertise	<ul style="list-style-type: none"> In-house commercial and technical management of key businesses 	<ul style="list-style-type: none"> Growing advantage
3. Active asset management	<ul style="list-style-type: none"> Dry bulk fleet of 45 vessels 	<ul style="list-style-type: none"> Sale of 20 dry bulk vessels, but total assets grew 73.34%
4. Experienced & disciplined financial management	<ul style="list-style-type: none"> Plans to delever balance sheet and increase liquidity 	<ul style="list-style-type: none"> Repurchased US Dollar convertible bonds, issued Thai Baht bonds, secured local bank financing
5. Match maturity of assets and liabilities	<ul style="list-style-type: none"> Core value 	<ul style="list-style-type: none"> Important differentiator
6. Extensive support services	<ul style="list-style-type: none"> Develop group-wide human resources, finance, and IT capabilities 	<ul style="list-style-type: none"> Increased shared services across the group, resulting in cost efficiency



TTA maintains a strong cash and liquidity position

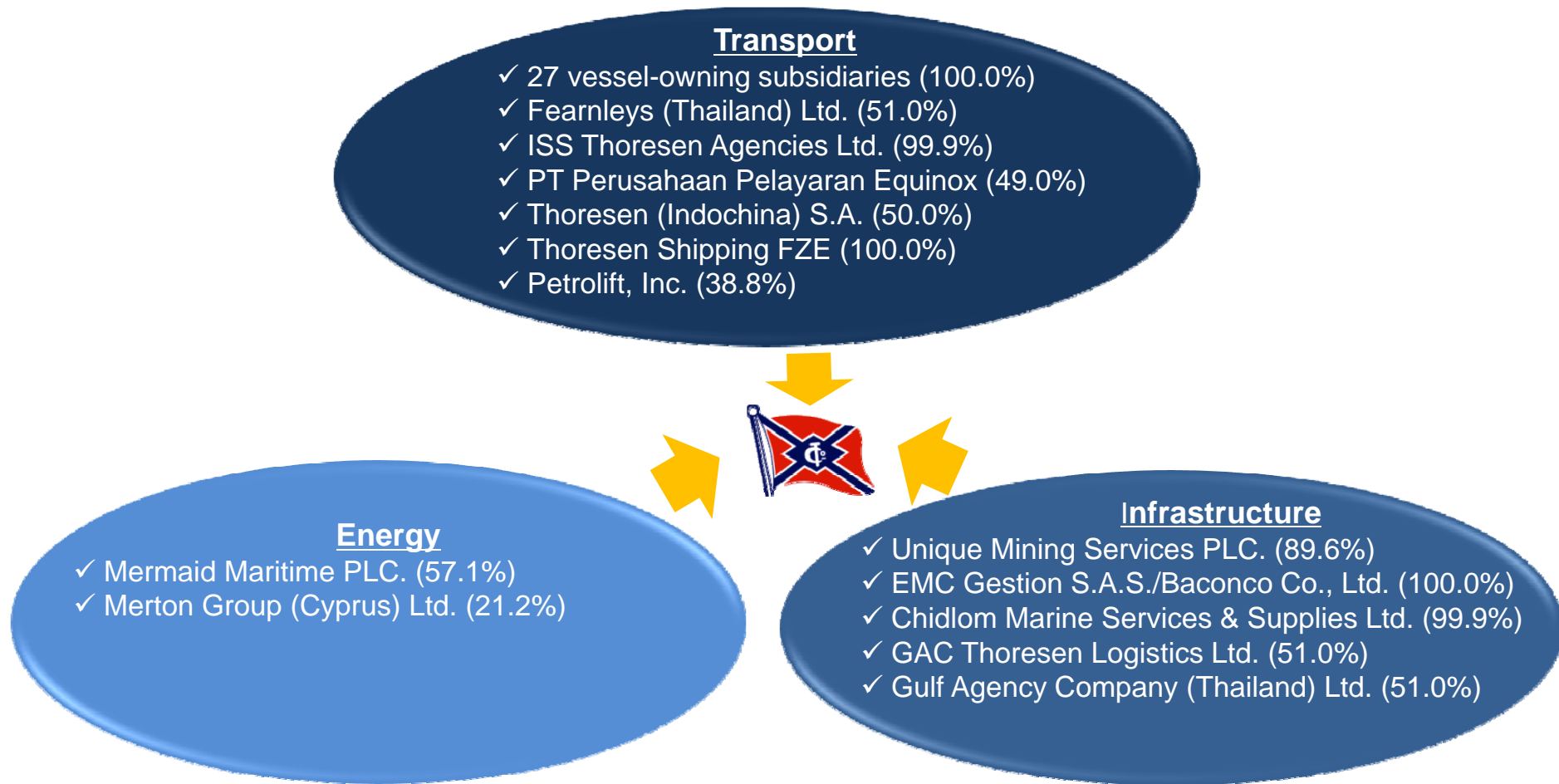


Note: (1) Consolidated
Source: TTA

Available credit lines of US\$ 694.86 million for growth opportunities



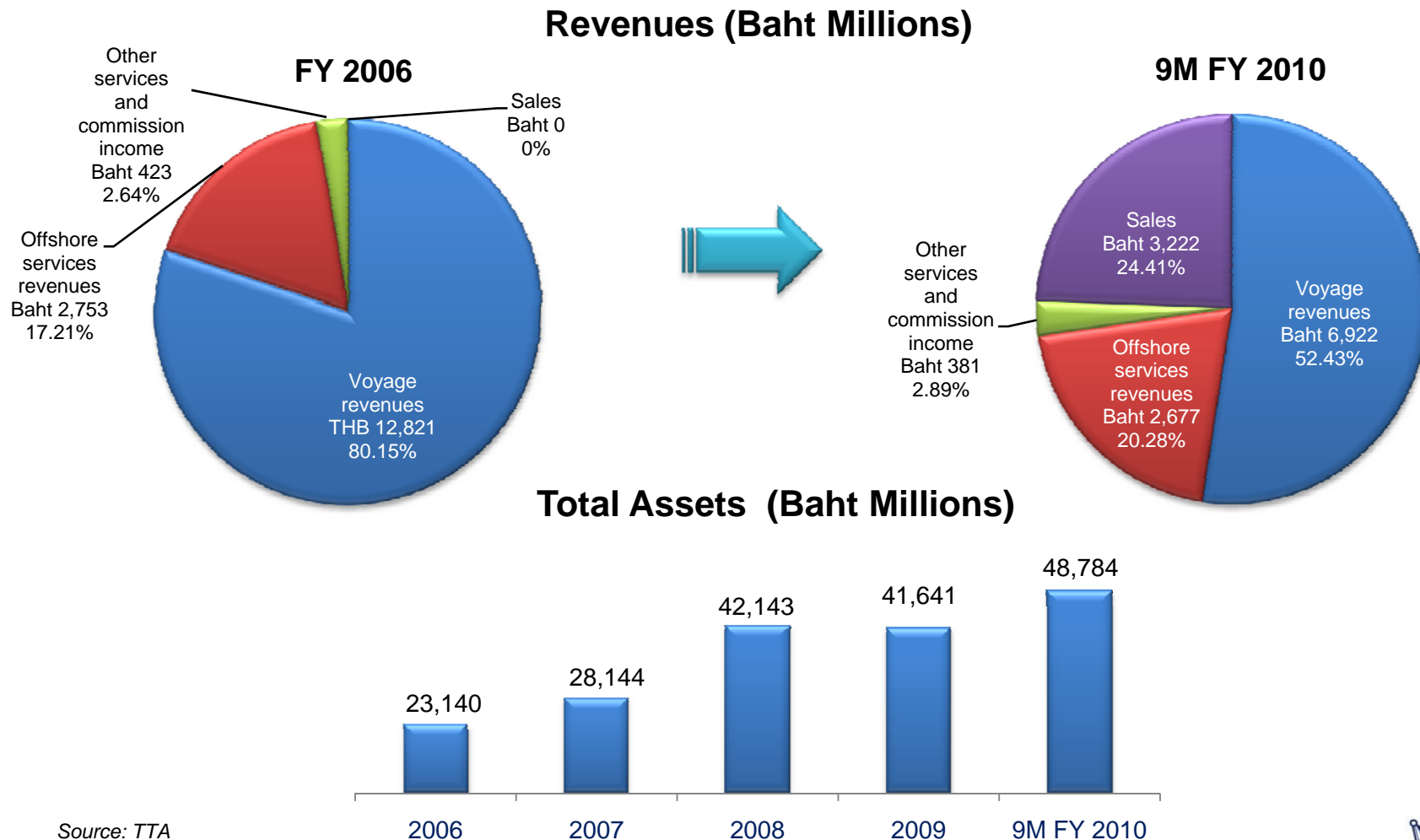
TTA has three lines of businesses



Achieve growth diversification and balance across three core business groups



Our business portfolio has changed with focused diversification moves



General business environment continues to improve across the businesses

Positive

- Coal
- Logistics

Cautious

- Dry bulk shipping
- Offshore oil and gas services

- TTA remains profitable in FY 2010, despite Mermaid's significant losses
- Mermaid's losses should have peaked, but its performance will remain poor over the next two quarters
- Improved coal sales and prices should drive the performance of Unique Mining Services and Merton
- Long-term charters will maintain Petrolift's revenues and profits
- Multiple growth options are available for TTA and its major subsidiaries



Dry Bulk Shipping Highlights

9M/2010 (Baht millions)

Operating revenues	6,922
Operating profits	1,238
Net profits	962
Assets	15,663

Business

Dry bulk vessel ownership and operations

Dynamics

- 27 owned vessels with an average age of 16.25 years and average DWT of 29,432
- FY 2010 period time charter, COA, and spot revenues: 24%, 19%, and 57%, respectively
- In-house commercial and technical management expertise
- 18% of all traffic is now Atlantic-based after termination of liner services
- Sold and scrapped 10 vessels in FY 2010
- Fleet renewal plan - order book of 4 vessels



Dry Bulk Shipping Highlights (cont')

Outlook

- Continued growth in trade of key commodities, such as iron ore, coal, steel products, etc.
- Oversupply situation will linger for the next 2-3 years
- Freight rates will generally be under pressure, while asset values might not correct to fundamental levels

Key Strategies

- Increase fixed-rate business through period time charters and COA's
- Execute disciplined vessel sales and purchases
- Source other methods to fund fleet renewal program
- Maintain strong cost focus
- Standardize fleet characteristics

Focus on General
Cargo

High Utilisation
Rates

Solid Client
Relationships

Strong Maintenance
Track Record



Mermaid Offshore Services Highlights

9M/2010 (Baht millions)

Operating revenues	1,877
Operating profits (losses)	144
Net profits (losses)	- 130
Assets	13,805

Business

Subsea vessel ownership and operations

Dynamics

- Modern fleet of 8 subsea vessels: 4 high-spec DP2 DSVs with an average age of less than 8 years
- Complementary subsidiaries in Seascope Surveys in Indonesia & Singapore and Subtech in the Middle East
- Strong track record in South East Asia
- Recent sale of Allied Marine and Equipment Sdn Bhd
- New management team in place to drive regional and global business expansion



Mermaid Offshore Services Highlights (cont')

Outlook

- Subsea market outlook remains challenging with continued pressure on rates
- Many tender awards delayed or cancelled due to continued uncertainty in the market
- Industry analysts forecast improving market conditions in mid 2011 based upon an increase in EPIC contract awards in the past few months

Key Strategies

- Develop new clients and business opportunities and penetrate new markets
- Develop our people, processes, and systems to get maximum mileage from our modern and sophisticated fleet
- Maintain and continue to enhance our existing strong technical and safety performance

Ownership of Assets
& Facilities

Established Track
Record

Focused Niche
Services

Solid Client
Relationships



Mermaid Drilling Highlights

9M/2010 (Baht millions)

Operating revenues	778
Operating profits	204
Net profits	- 181
Assets	6,230

Business

Drilling rig ownership and operations

Dynamics

- Fleet of 2 tender drilling rigs, but one currently works as an accommodation barge
- Strong track record of technical and safety expertise
- Experienced management team with extensive background in tender rigs, jack-ups, and semi-sub
- Recent sale of KM-1



Mermaid Drilling Highlights (cont')

Outlook

- Market showing some pick-up in demand for tender rigs with contract extensions and new contracts becoming available
- Preference for newer rigs and equipment observed, with some client tenders stipulating maximum age restrictions
- Rates for high specification and newer jack-ups remain particularly robust

Key Strategies

- Grow the business through investments in new drilling assets
- Continue to maintain and develop strong client relationships to secure contracts to support acquisitions
- Maintain financial flexibility to support additional rig investments

Leverage Opportunities
Outside Existing Areas

Experienced Team Across Different
Drilling Asset Classes

Strong Cash Position for
Acquisitions



Unique Mining Services Highlights

9M/2010 (Baht millions)

Operating revenues	1,803
Operating profits	344
Net profits ⁽¹⁾	42
Assets	3,301

Note ⁽¹⁾ Excluding one-time impairment due to slow-moving inventory

Business

Just-in-time provider of coal logistics

Dynamics

- Owner of 2 warehouses on 181 rais of land with capacity of about 4.1 million metric tonnes per annum, 2 jetties, 12 barges, and 26 trucks
- Client base of more than 500 small and medium-sized industrial users in Thailand – No. 1 market share
- Two coal shipments of 50,000 tons each into Thailand per month
- Concentration of clients in cement, food, and pulp and paper industries



Unique Mining Services Highlights (cont')

Outlook

- 2010 coal imports into Thailand to exceed 16 million tonnes, with increasing coal demand by industrial users
- Higher competition from smaller start-up companies
- Continued strong coal prices expected through 2011-2012
- Increasing difficulty to secure coal from top mines

Key Strategies

- Increase overall market in Thailand by converting clients to use coal-fired boilers
- Compete granular project to lower 0-5 mm coal inventory and increase product margins
- Develop stronger ties to large corporate users of coal
- Strengthen coal sourcing capabilities to ensure stable coal supply

Expand Market Base

Research &
Development

Solid Client
Relationships

Secure Coal Supply



Baconco Highlights

9M/2010 (Baht millions)

Operating revenues	1,668
Operating profits	240
Net profits	182
Assets	877

Business

Fertiliser blending and
distribution plus logistics

Dynamics

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



Baconco Highlights (cont')

Outlook

- Strong fertiliser demand in Vietnam of more than 6 million tonnes per year, of which Vietnam imports 5 million tonnes per year
- Increased demand for professional international standard warehousing and logistics services
- Vietnam has a stable political environment and growing economy

Key Issues

- Fertilisers – continue the development of specialty products
- Use market position and reputation to penetrate the agrochemical business, by introducing and developing own products and becoming distributors for other companies
- Seek partners for “total package” solutions – seeds, fertiliser, pesticides, and herbicides
- Increase logistics activities within Phu My industrial zone - high potential to become the fertiliser hub for Indochina

Maintain Fertiliser
Business

Develop Specialty
Products

Expand Existing Infrastructure
for Logistics



Other Highlights

Petrolift

- Owner of 7 petroleum double-hulled tankers and 1 LPG tanker, with a total capacity of about 180,000 barrels, or 26,000 DWT
- Accredited contractor with three largest oil majors operating in the Philippines
- All tonnage under long-term charters with major oil and gas companies
- Currently pursuing fleet expansion opportunities
- Contributed Baht 24.16 million of net profits to TTA in FY 2010

Merton Group

- JV with SKI Construction to develop 12,000 hectares of coal reserves
- Reserve of over 2 million tonnes has been estimated on initial 107 hectare block
- First coal sales commenced in September 2010
- Production ramp up to 35,000 tons per month by January 2011



TTA will continue its current strategy 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 lines of business, Transport, Energy, and Infrastructure, partner with five business management groups, Strategy, Finance and Accounting, Human Resources, Operations, and Risk
- Subsidiaries and associates are responsible for management of day to day operations, but TTA remains heavily involved in key strategic, financial, and people decisions
- The next phase of development will be to emphasise value creation from subsidiaries' and associates' assets and liabilities
- The key lesson from the past 2 years is that continued focus remains on people decisions, talent assessment, and recruitment to manage a larger and increasingly global business



TTA has been repositioned into an industrial conglomerate focused on commodities

2011 - 2012

	Headwinds	Tailwinds
Dry bulk shipping	<ul style="list-style-type: none"> ✓ Oversupply of vessels ✓ Rising investment, repair, and maintenance costs 	<ul style="list-style-type: none"> ✓ New markets through COA's ✓ Competitive position
Offshore oil and gas	<ul style="list-style-type: none"> ✓ Tender awards delayed or cancelled due to ongoing uncertainty ✓ Size and strength of drilling competitors 	<ul style="list-style-type: none"> ✓ Oil and gas price stability ✓ Subsea fleet investment
Coal	<ul style="list-style-type: none"> ✓ Ability to secure good quality coal 	<ul style="list-style-type: none"> ✓ Global growth ✓ Upgrading technology
Corporate	<ul style="list-style-type: none"> ✓ Earnings stability and quality 	<ul style="list-style-type: none"> ✓ Capital allocation

Positioning for consistent earnings growth



Appendix

- I. Group Segments Earnings Results
- II. Capital Structure
- III. TTA Committed Capital Investments
- IV. Funding Facilities & Debt Maturity
- V. Key Financial Data



9M FY 2010 Group Segments Earnings Results

Baht million	Transport	Energy	Infrastructure	Corporate ⁽¹⁾	TTA
Revenues	7,752	2,721	3,403	26	13,901
Operating Profits	448	-82	304	-338	332
Net profits/ -Losses	980	-181	221	-448	571
Gross Margin	33.0%	28.1%	23.9%	-	30.0%
Total Assets	17,865	18,398	4,605	7,916	48,784

Note:⁽¹⁾ Corporate is the holding company, and includes inter-company eliminations.

Source: TTA



Capital Structure

Leverage Remains Low

Baht million	9M FY 2010	9M FY 2009
Net operating CF	807.20	3,829.58
Cash and short term investment	8,347.78	11,684.37
Gross debt	14,243.66	6,382.55
Net cash/- debt	- 5,895.88	5,301.82
Shareholders' equity	31,788.01	30,770.51
Annualised ROE (%)	2.90%	7.05%
Average debt/ Average equity (x)	0.34	0.21
Debt / Total capitalisation ¹ (x)	0.31	0.17

Note: ¹ Total capitalisation includes gross debts and shareholders' equity

Source: TTA



TTA Committed Capital Investments

Initiatives from Committed New Assets are Met

Strategy	Project	Project Cost	Spending up to 30 Jun 10	Capex Committed FY 2010	Capex Committed FY 2011	Capex Committed FY 2012
Dry bulk shipping fleet renewal	New build vessels from Oshima and Vinashin shipyards	USD 142.85 million	USD 31.61 million	USD 6.93 million	USD 97.38 million	USD 6.93 million
Increase short-term fleet capacity	Chartered-in • 5 dry bulk vessels	USD 60.35 million	USD 35.64 million	USD 9.93 million	USD 14.78 million	-

Source: TTA



Funding Facilities & Debt Maturity

Cash for Funding Capex, Assets Acquisition and Expansions

- Cash levels exceed Baht 6,547.62 million equivalent to 13.42% of total assets.
- USD 29.06 million available under committed USD 29.10 million revolving term loan facilities.
- USD 571.58 million available under committed USD 686.61 million term loan facilities.
- USD 94.22 million available under committed USD 136.43 million short-term credit facilities.

58.47% of Total Long Term Debt with Maturities over 12 months; 68.33% of Group Debt from Commercial Banks and 31.31% Raised in Debt Capital Markets

Baht million	Within 12 Months	12-24 Months	>24 Months
<u>As of 30 Jun 2010</u>			
• Convertible Bonds	1,579.20	1,209.08	1,209.08
• Bank Debt	3,693.82	1,107.51	3,920.87
• Other Debts	27.65	13.42	4.93
Total	5,300.67	2,330.01	5,134.88
% Breakdown	41.53%	18.25%	40.22%

Source: TTA



Key Financial Data

USD million	2005	2006	2007	2008	2009	9M 2009	9M 2010
<u>Income Statement</u>							
Operating Revenue	456.8	490.9	624.7	1,055.5	612.5	480.1	405.1
EBITDA	235.5	190.7	236.7	369.0	139.5	105.7	78.9*
Interest Expense	13.7	21.5	20.4	16.4	11.6	8.9	10.7
Net Income	182.6	107.5	152.3	269.3	55.7	41.4	17.5
EPS (US cents)	28.4	16.7	21.5	38.1	7.9	5.9	2.5
<u>Balance Sheet</u>							
Cash and Cash at Bank	52.1	42.1	114.9	353.8	328.9	331.3	200.9
Total Assets	597.5	710.1	863.7	1,293.3	1,277.9	1,242.0	1,497.1
Total Debt	266.4	275.0	277.6	245.9	213.2	195.9	437.1
Net Cash/ - Debt	- 197.0	- 225.4	- 153.4	122.1	149.6	162.7	- 180.9
Total Liabilities	316.9	341.2	371.0	396.7	323.7	297.7	521.6
Total Shareholder's Equity	279.2	343.2	465.0	767.9	809.0	797.6	802.1
<u>Cash Flow Statement</u>							
CFO	215.5	129.1	210.2	348.0	153.5	117.5	24.8
CapEx	165.4	76.2	145.1	166.2	183.8	129.9	380.7
Dividends	108.6	42.5	28.3	47.4	14.8	14.8	11.6

Note: Using the exchange rate of Bt 32.5864 = USD 1.00 quoted by the bank of Thailand as of 30 June 2010 for all figures including previous periods.

* Exclude net losses from disposal of investments in subsidiaries and an associate

