



# 1 Q 1 0

P R E S E N T A T I O N

FOR  
INVESTORS & ANALYSTS

Siamgas and Petrochemicals Public Company Limited



สยามแก๊ส



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# Agenda



1

**Thailand LPG Market & Highlights**

2

**SGP Business Outlook**

3

**SGP Financial Performance**



# Agenda



**1**

**Thailand LPG Market & Highlights**

**2**

**SGP Business Outlook**

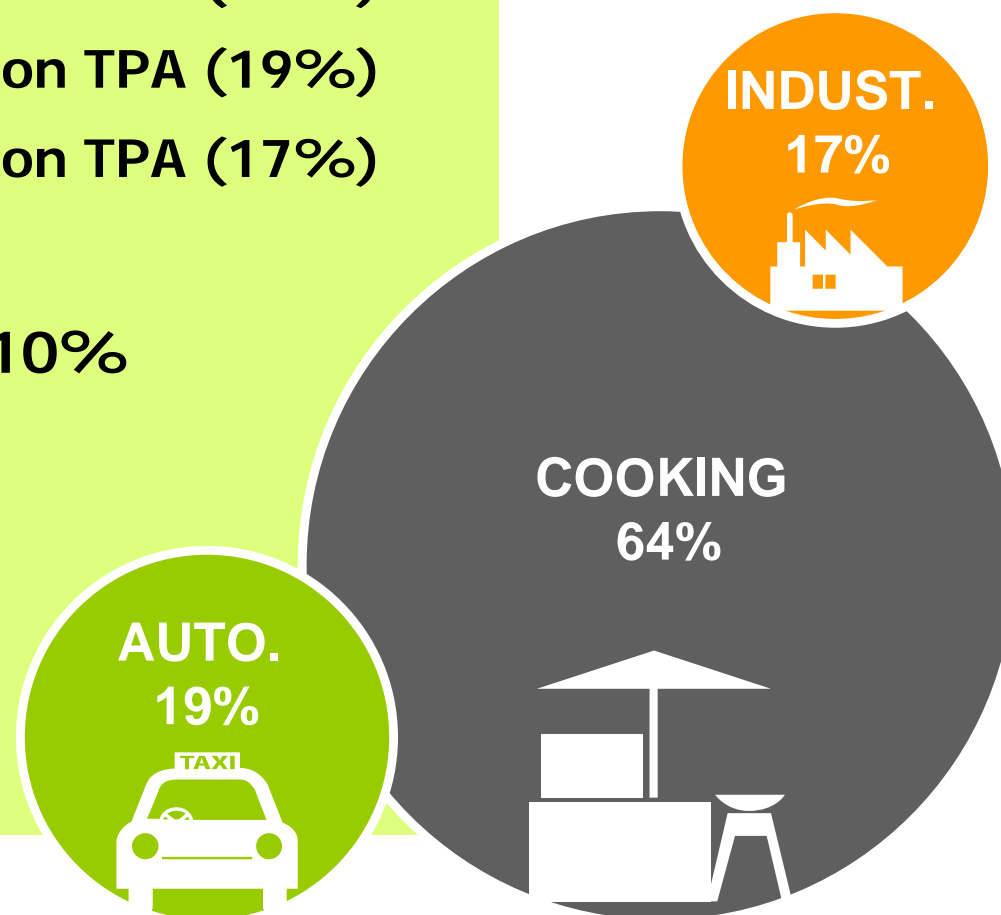
**3**

**SGP Financial Performance**



# Thailand LPG Market

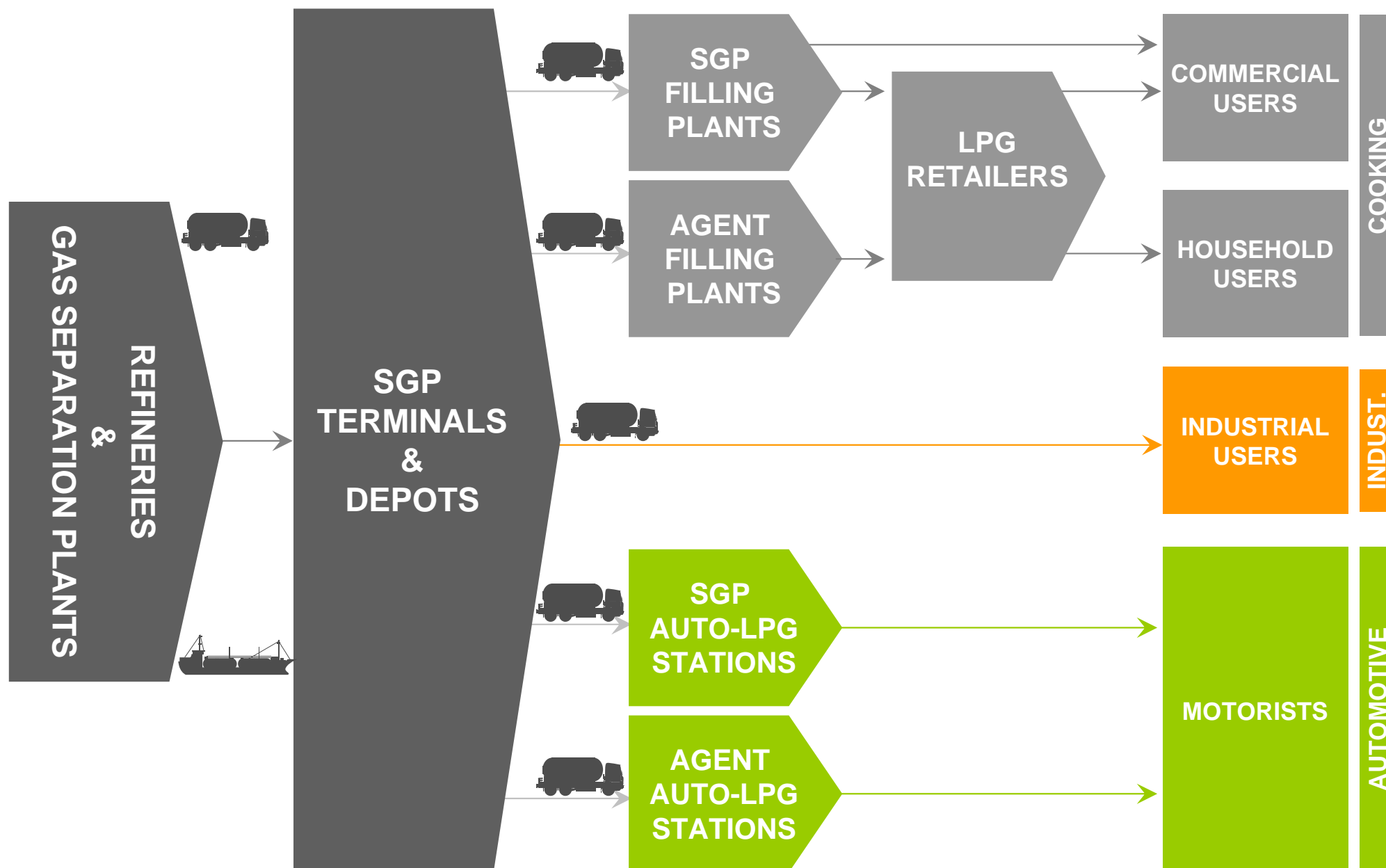
- **Total market size 3.48 million TPA (2009)**
- **Market size by segment :**
  - **Cooking**                      **2.23 million TPA (64%)**
  - **Automotive**                **0.67 million TPA (19%)**
  - **Industrial**                  **0.58 million TPA (17%)**
- **Few major players**
- **Average growth ('05-'09) 10%**



Remark: LPG volume excludes petro-chem feedstock.



# SGP - LPG Distribution



# SGP LPG Cooking – Distribution



Household User



Commercial User

LPG Terminal

LPG Filling Plant

LPG Retail Outlet



BULK DELIVERY



CYLINDER DELIVERY



# SGP LPG Auto-gas – Distribution



LPG Terminal

LPG Autogas Station

Motorist



BULK DELIVERY





# SGP LPG Industrial – Distribution



LPG Terminal



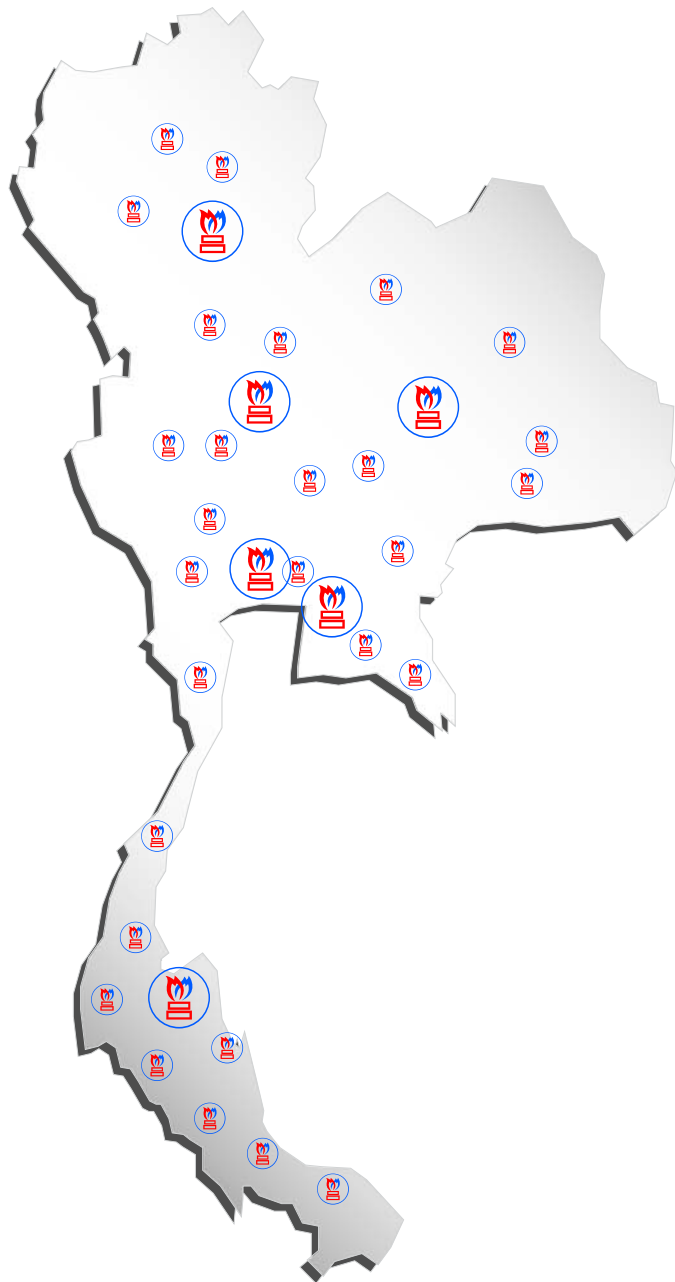
LPG Industrial User



BULK DELIVERY



# SGP Network



## Terminals & Jetties

Satupradit Terminal & Jetty – Bangkok  
Bangpakong Terminal & Jetty – Chacherngsao  
Surattani Terminal & Jetty – Surattani  
Suksawad Terminal & Jetty – Samutprakarn

## Depots

Lampang Depot  
Nakornsawan Depot  
Konkaen Depot

## Filling Plants & Autogas Stations

Company Filling Plants x 37+  
Agent Filling Plants x 126+  
Company Autogas Stations x 26++  
Agent Autogas Stations x 405+

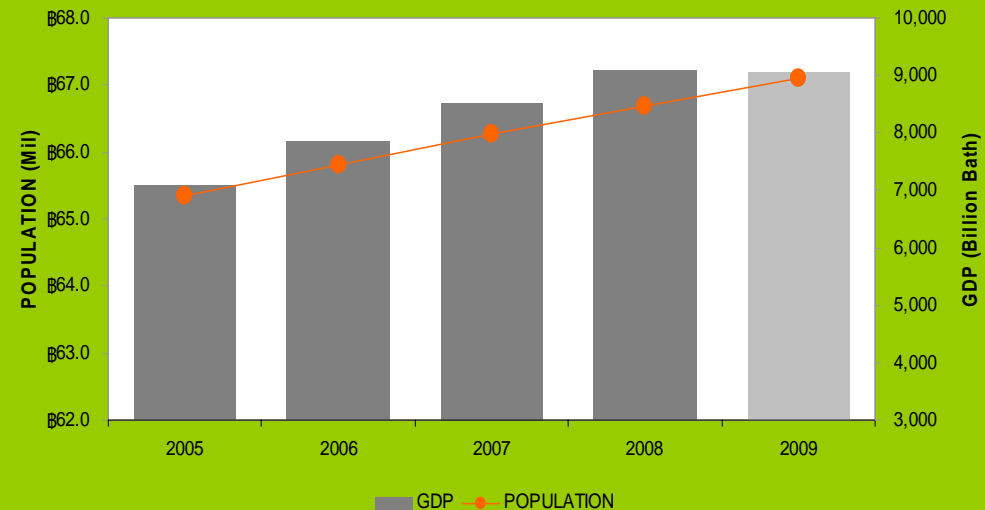
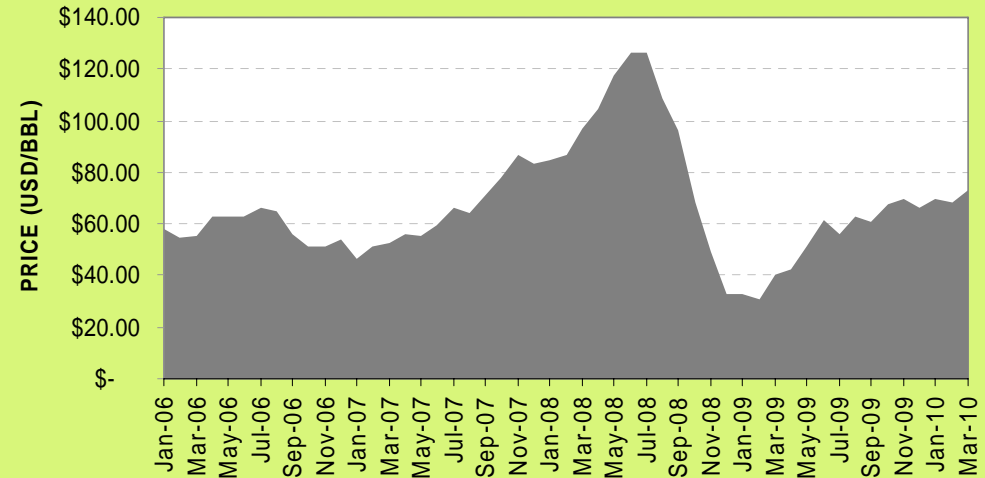


# LPG Market Highlights

## Factors affecting LPG market

- Oil price
- Global & National economic situation
- Population growth
- Government's energy policy

CRUDE OIL PRICE



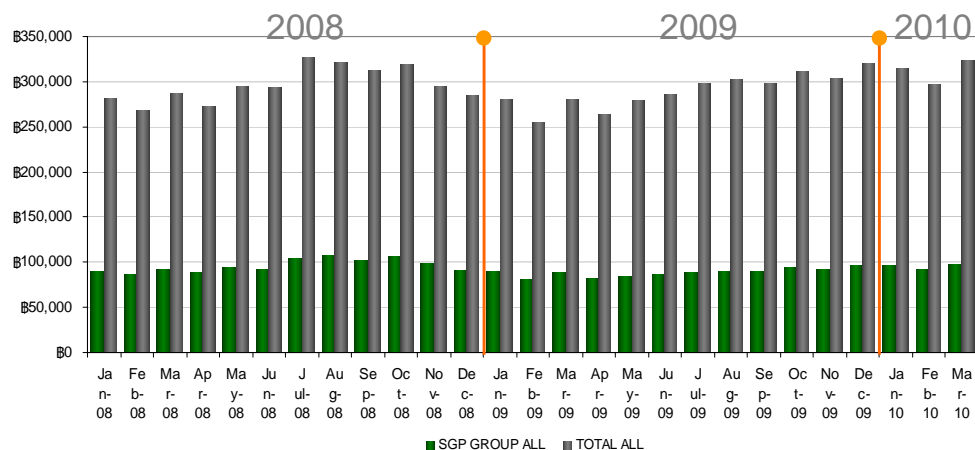


# LPG Market Trends



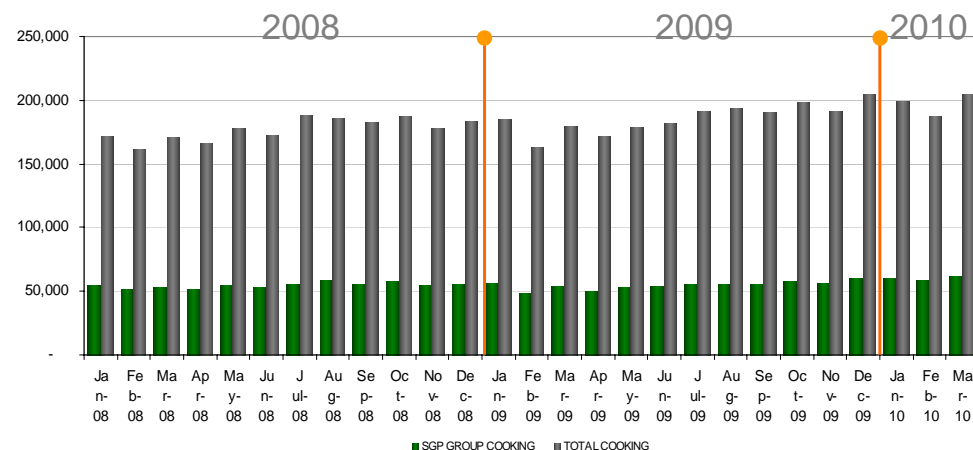
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## ALL SEGMENTS



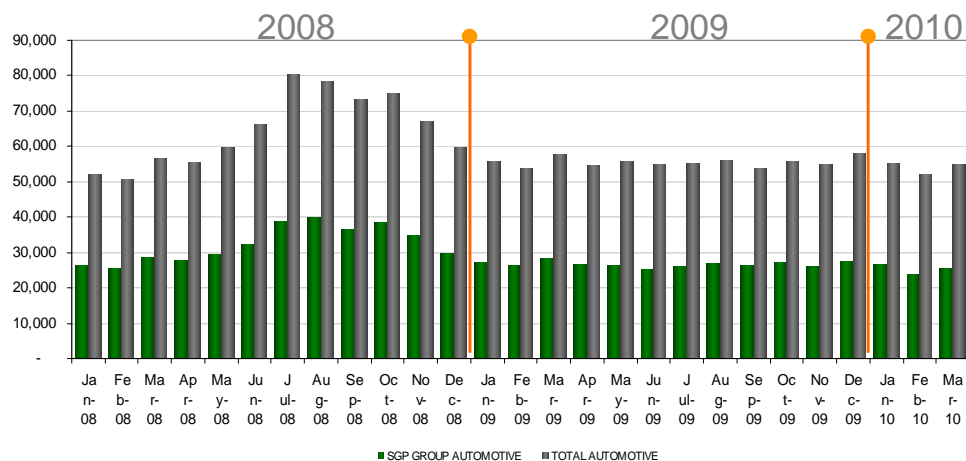
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## COOKING



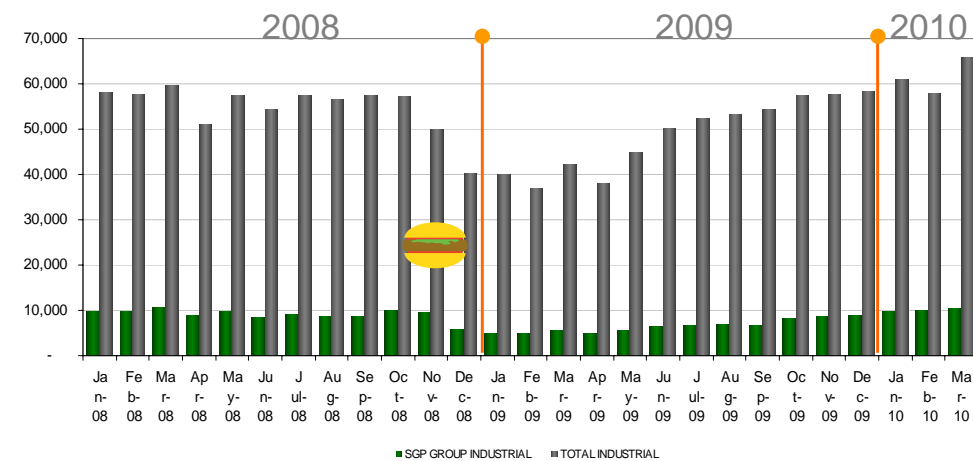
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## AUTOMOTIVE



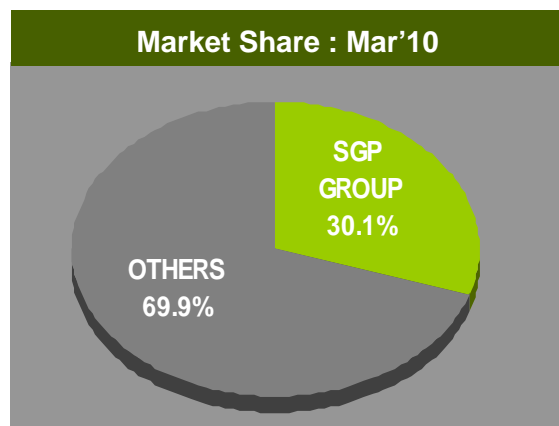
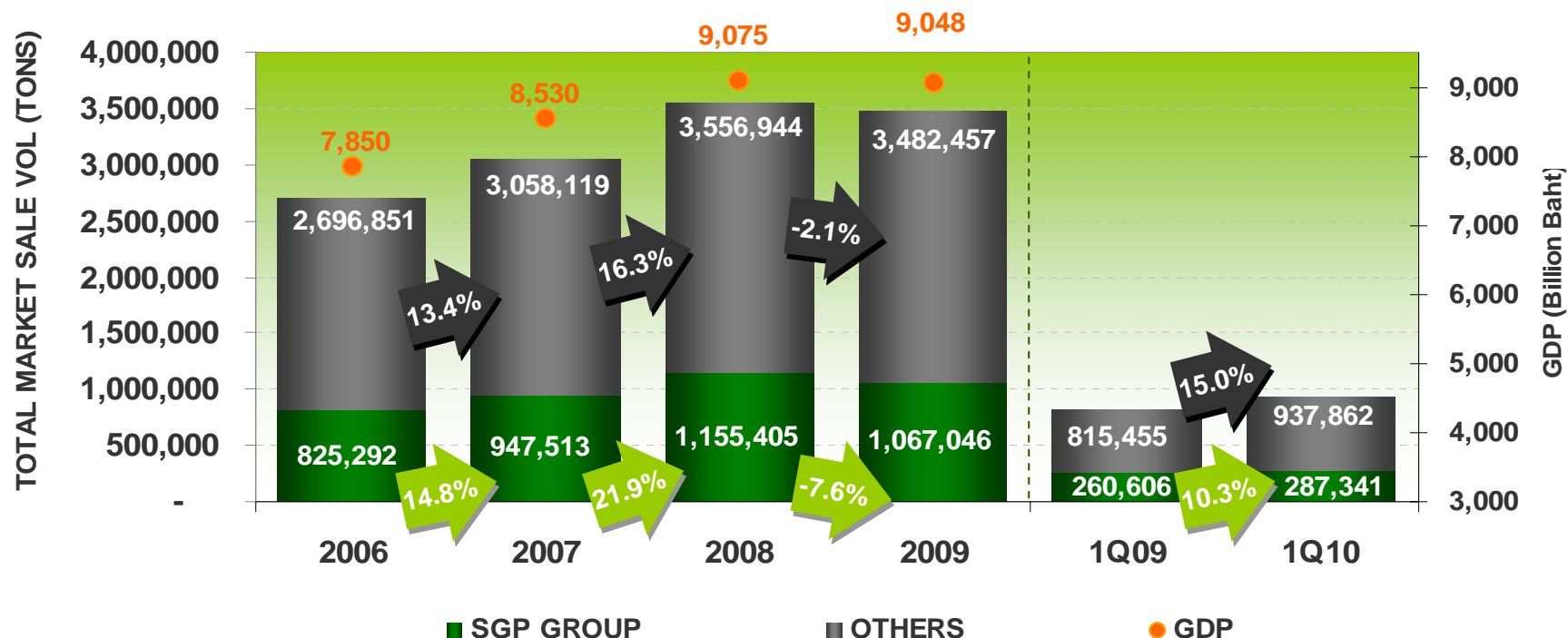
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## INDUSTRIAL



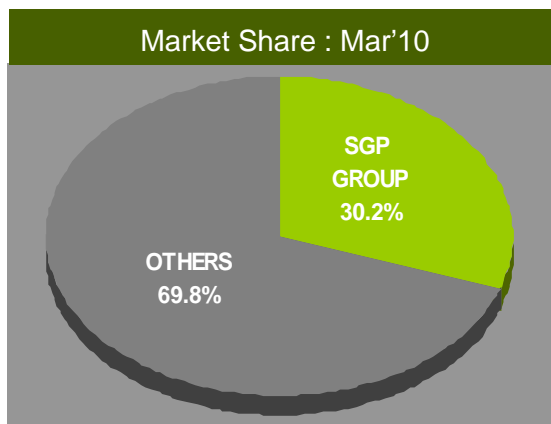
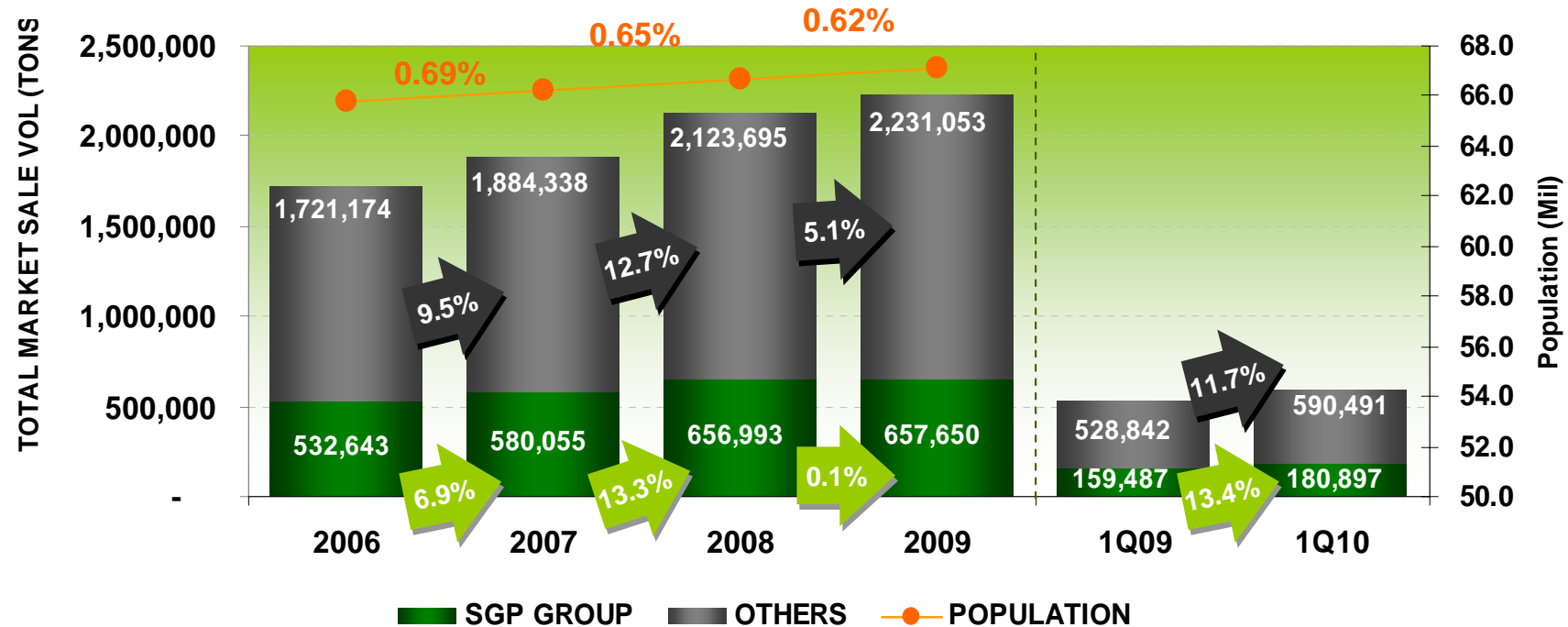


# Total Market Highlights



Highlights
<ul style="list-style-type: none"> <li>CAGR : SGP 8.94% vs. Market 8.90%</li> <li>Current SGP group market share 30.1% (Ranked #2)</li> <li>1Q10 GDP +12% yoy</li> <li>NESDB expects 2010 GDP ~ +7% YoY</li> </ul>

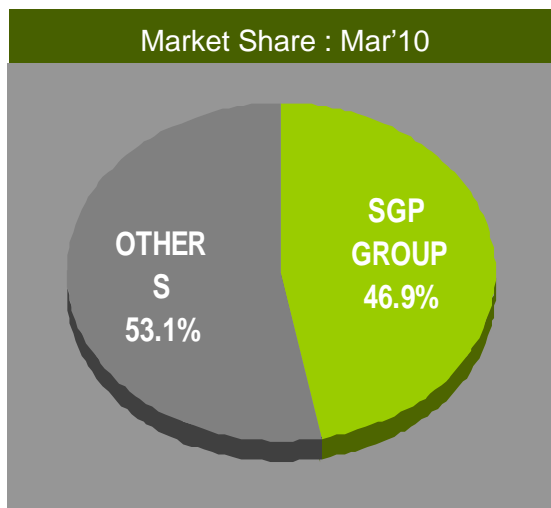
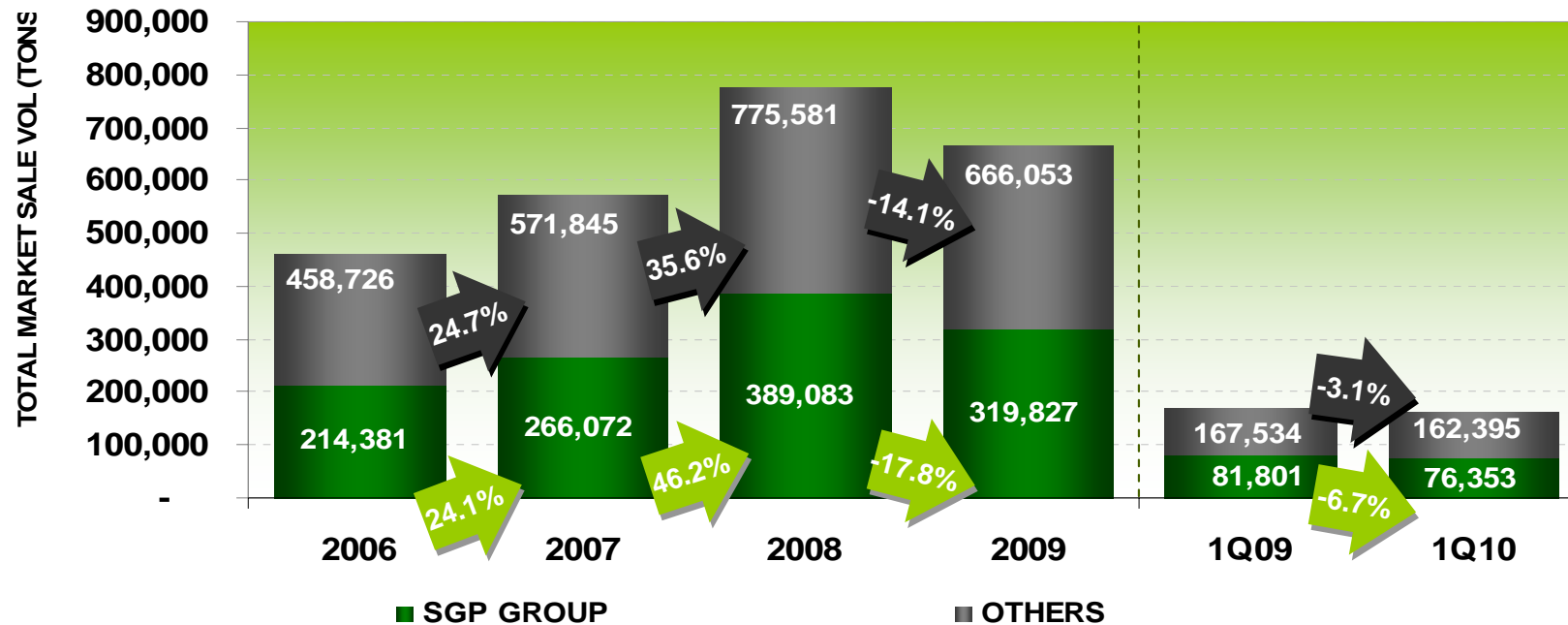
# Cooking Segment Highlights



Highlights
<ul style="list-style-type: none"> <li>Steady growth</li> <li>CAGR : SGP 7.3% vs. Market 9.0%</li> <li>LPG cooking consumption in line with population growth</li> <li>Very few substituted energy sources</li> <li>Current SGP group market share 30.2% (Ranked #2)</li> </ul>

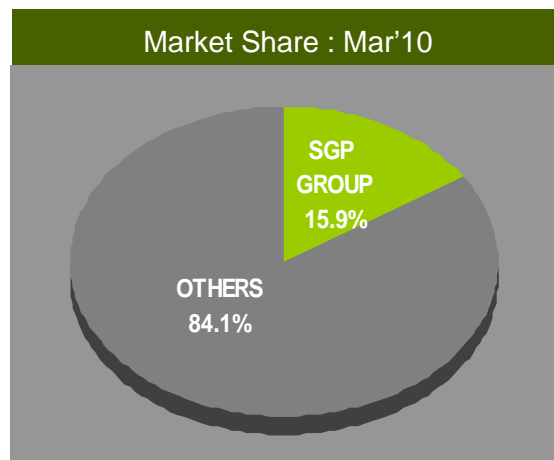
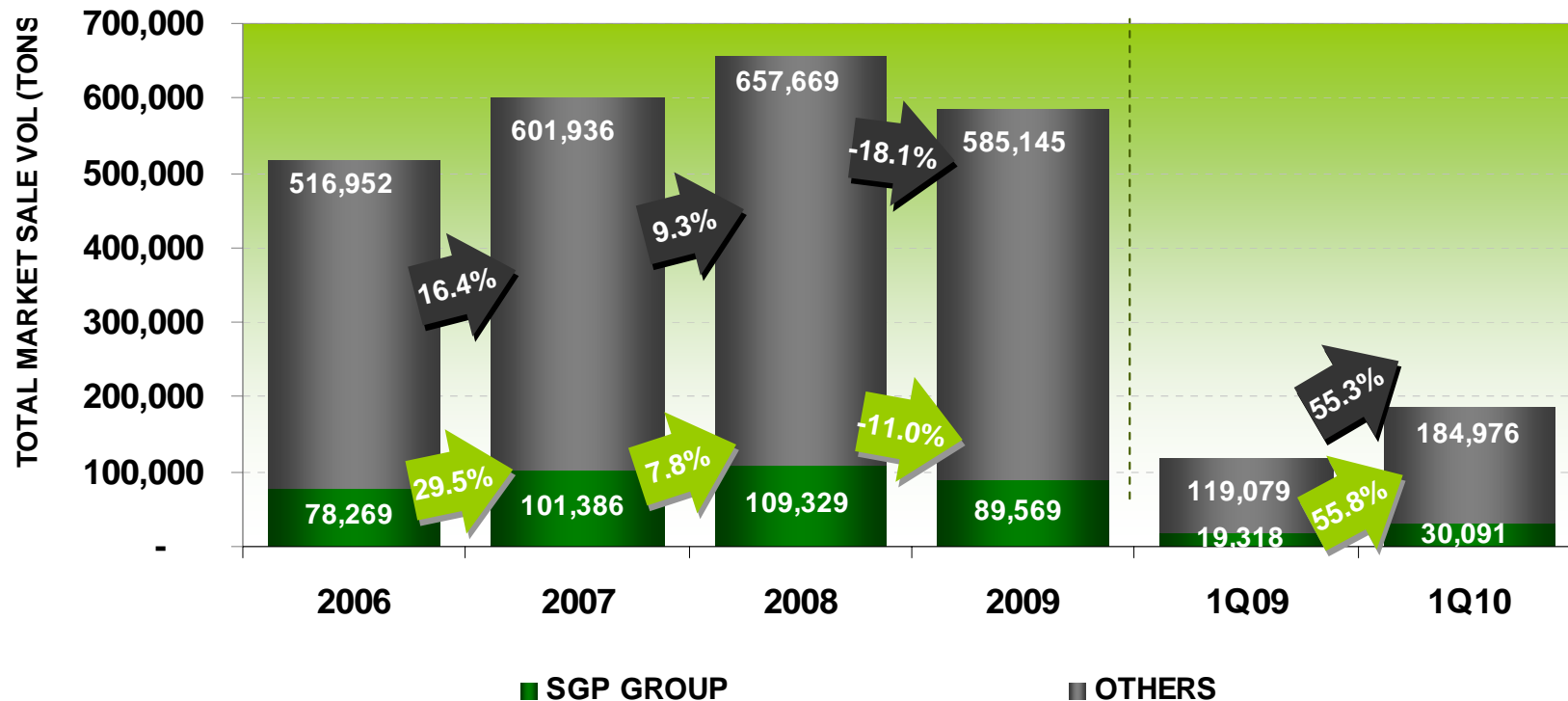


# Automotive Segment Highlights



- Highlights**
- CAGR : SGP 14.6% vs. Market 13.2%
  - Company excellent network enhances market expansion (No of LPG stations > 405 nationwide)
  - Current SGP group market share 46.9%, highest number of auto-gas stations (Ranked #1)
  - Shift in target customer group from taxis to passenger cars
  - Market decline due to fall in oil price as well as shift from LPG to NGV of taxis (gov't's policy supporting NGV)

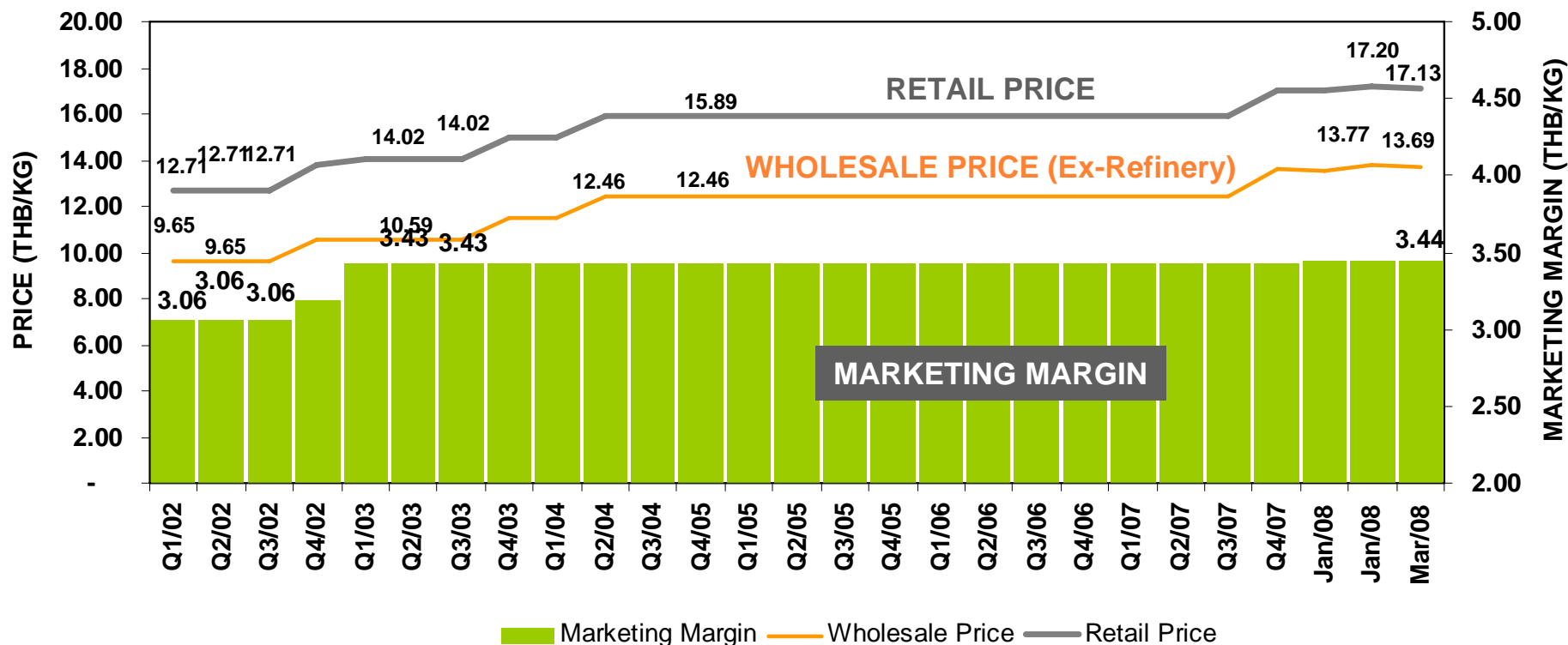
# Industrial Segment Highlights



- Highlights**
- Slow down due to impact of world economic crisis – decrease in production especially that of export products
  - CAGR : 4.6% vs. Market 4.22%
  - Current SGP group market share 15.9% (Ranked #3)



# LPG Price Structure



- Retail price (Cooking) is controlled by Ministry of Commerce
- Wholesale price is fixed, and hence fluctuates vs. market CP are subsidized by the government via Oil Fund
- Currently, the government fixes CP price @ \$333/ton

# Energy Cost Comparison : AUTOGAS



## Current Price

Remarks:

NGV Consumption : Km/Kg

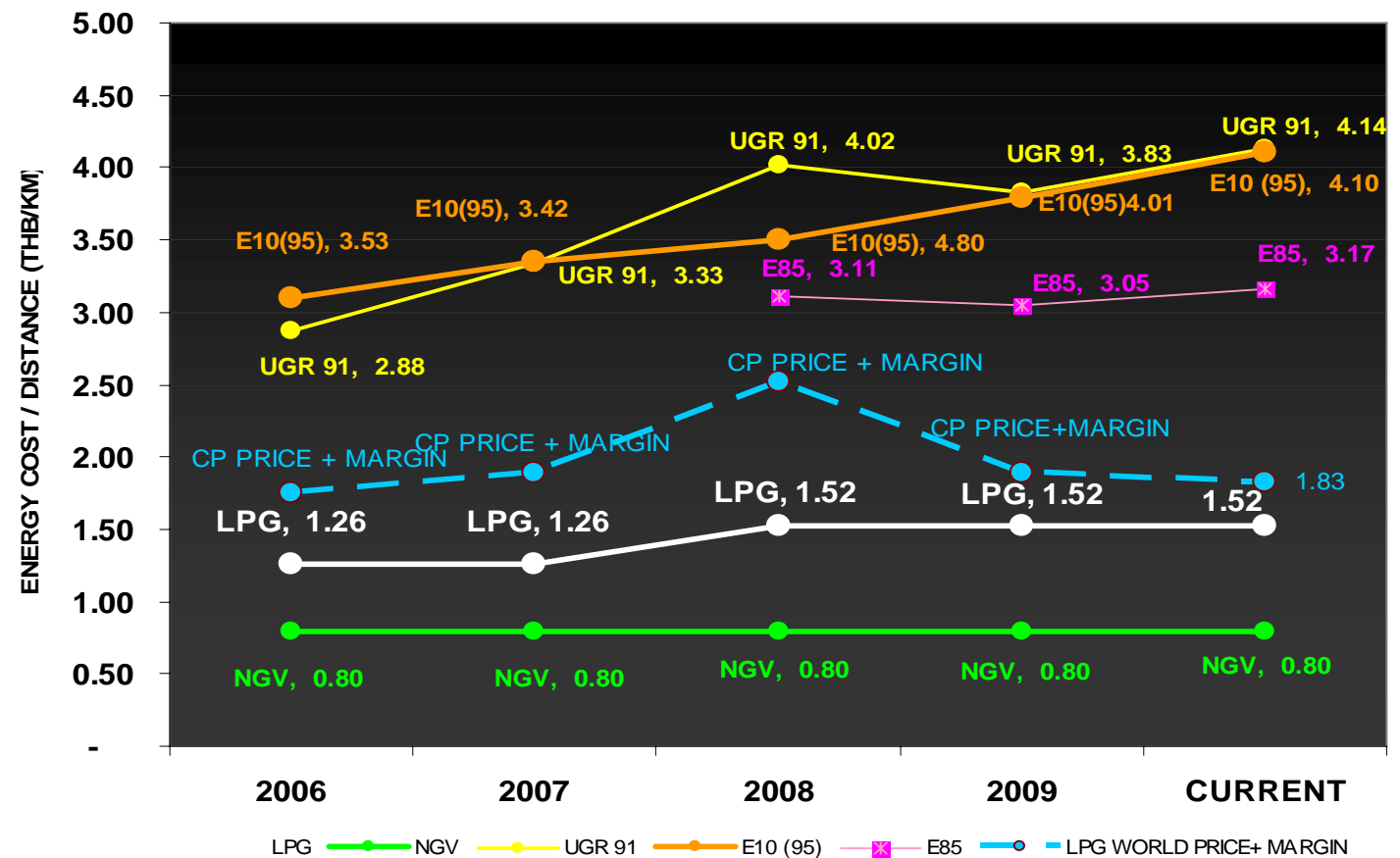
LPG World Price (CP) 585 USD/Tn

AS OF Aug 6, 10

ENERGY	UNIT	RETAIL PRICE	CONS. KM/LT	COST THB/KM
NGV	THB/KG	8.50	10.69	0.80
LPG	THB/LT	11.30	7.41	1.52
LPG WORLD PRICE	THB/LT	13.56	7.41	1.83
E85	THB/LT	19.42	6.13	3.17
GASOHOL 91 (E10)	THB/LT	30.94	7.91	3.91
GASOHOL 95 (E10)	THB/LT	32.44	7.91	4.10
UGR 91	THB/LT	36.24	8.76	4.14

## Historical Fuel Price

Consumption Per Distance (THB/km)



# Energy Cost Comparison : INDUSTRIAL



## Current Price

Remarks:

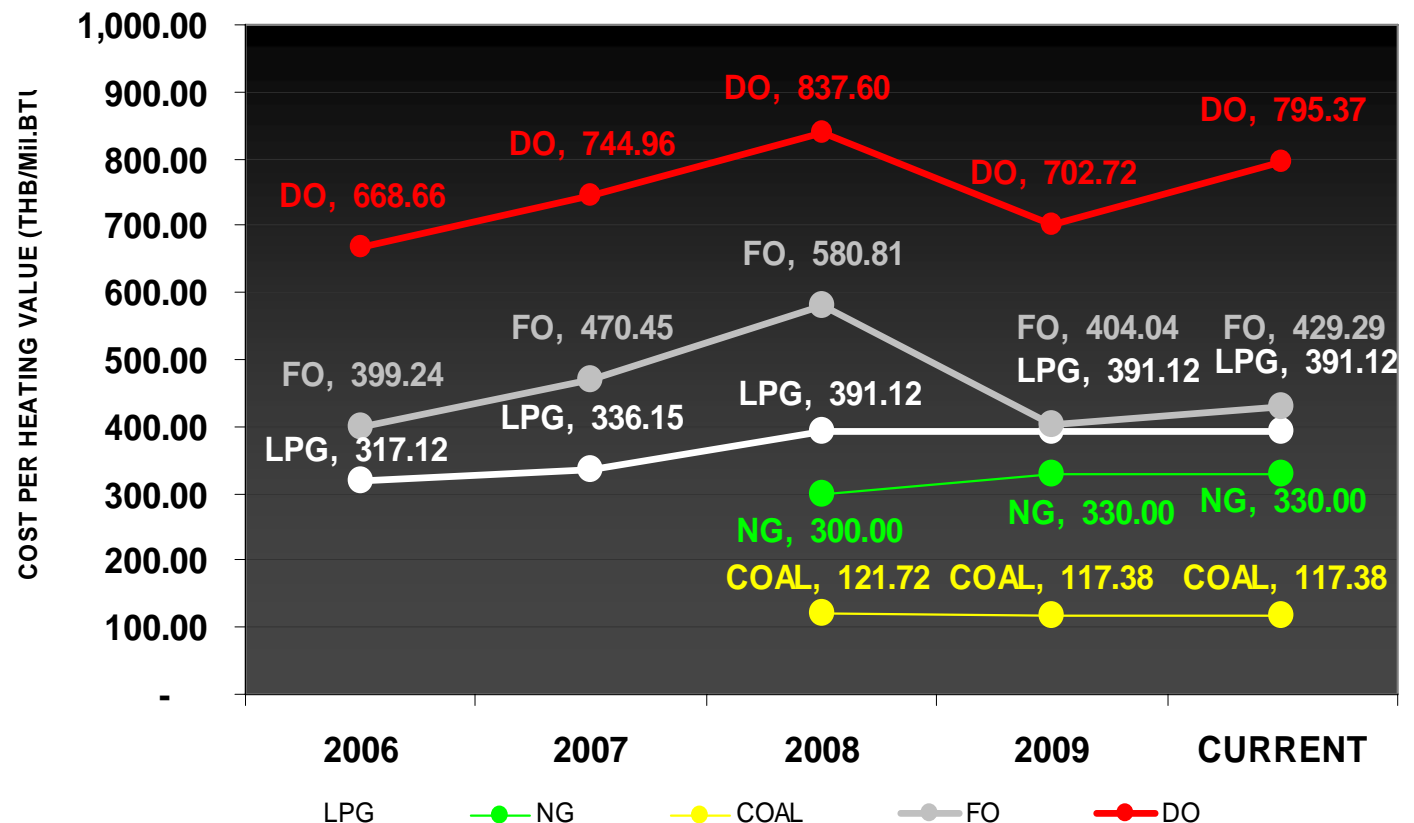
LPG World Price (CP) : 585 USD/Tn

AS OF Aug 6, 10

ENERGY	PRICE (Exc.VAT)	HEATING VALUE (BTU)	PRICE/ Mil BTU
COAL	2.70	23,003	117.38
NG	330.00	1,000,000	330.00
LPG	18.50	47,300	391.12
FUELOIL	17.00	39,600	429.29
LPG WORLD PRICE +	22.55	47,300	476.80
DIESEL OIL	29.19	36,700	795.37

## Historical Fuel Price

Cost Per Heating Value  
(THB/Mil.BTU)





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# Key Growth Strategies



**NETWORK  
EXPANSION**



**PRODUCT &  
MARKET  
DEVELOPMENT**

**KEY GROWTH STRATEGIES**



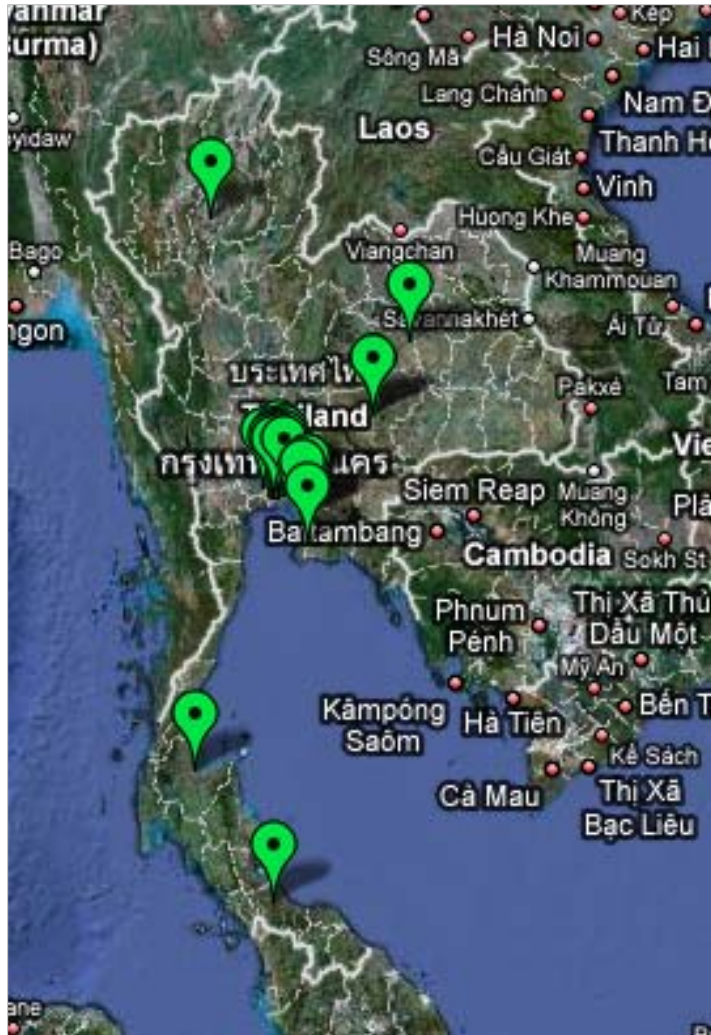
**GEOGRAPHICAL  
MARKET  
EXPANSION**



**ENERGY  
BUSINESS  
DIVERSIFICATION**



# Network Expansion



## Network Development projects:

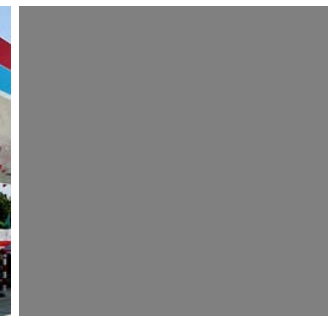
- LPG auto-gas stations
- LPG filling plants



# Network Expansion : Recent Update



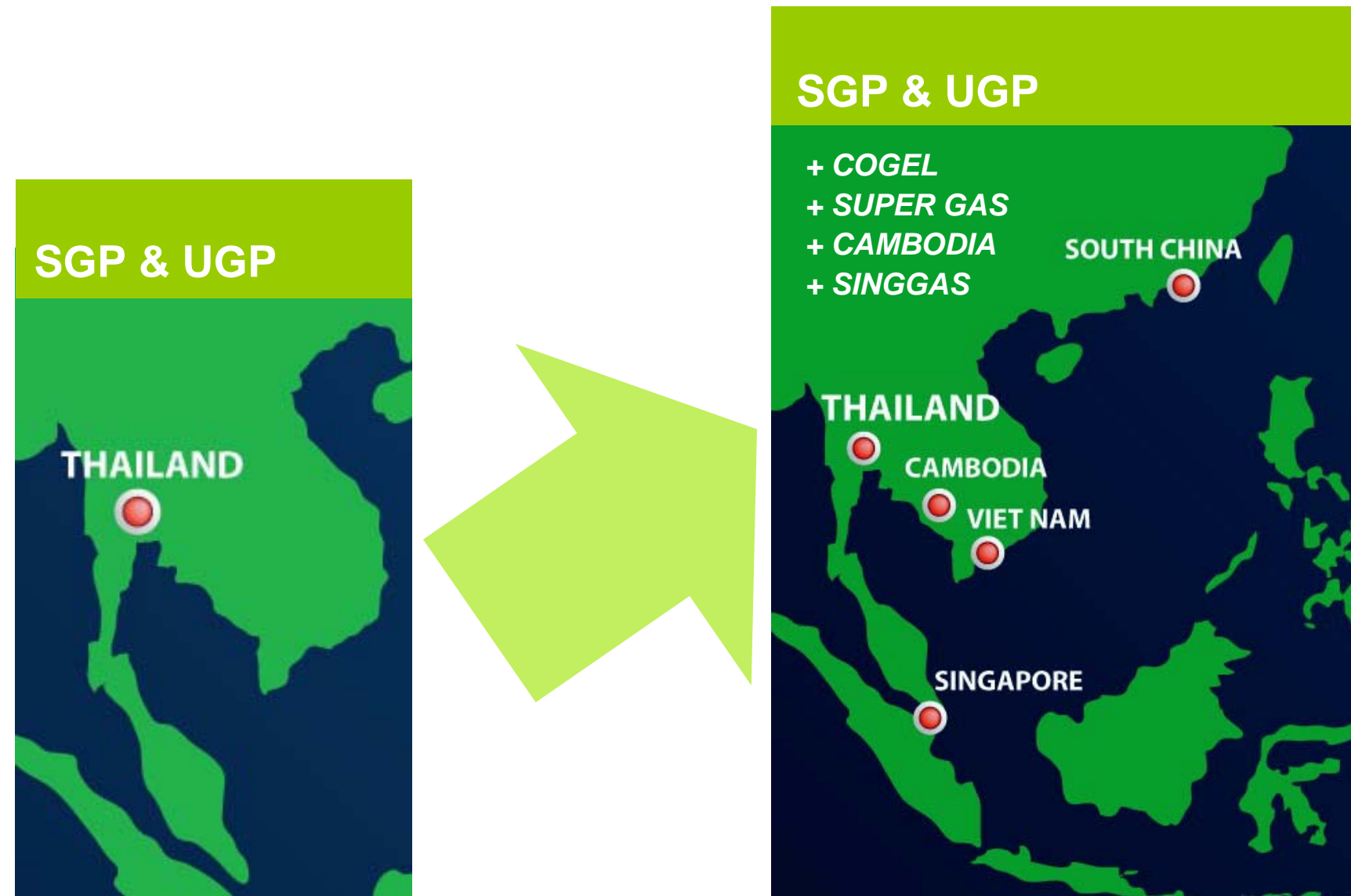
- Completed installation of additional storage tanks to increase capacity
  - Konkaen Terminal + 1,096 tons completed in Aug'09
  - Nakornsawan Terminal + 1,096 tons completed in Feb'10
  - Justifications :
    - In preparation to meet future regulation requiring LPG reserve 1% of annual sales
    - To enhancing efficiency in product distribution and as well as to improve customer's convenience especially during weekends and holidays.
- New filling plants
  - Nakornpathom Branch opened in Mar'10
  - Total number of filling plants has become 37 sites.
- Newly auto-gas stations
  - Huamark Branch (Bangkok Metro.) opened in Feb'10.
  - Ladprao 77 Branch (Bangkok Metro.) opened in Mar'10
  - Kaset-Nawamin Branch (Bangkok Metro.) opened in Jul'10
  - Ladprao 124 Branch (Bangkok Metro) opened in Aug'10
  - Total number of auto-gas stations has become 26 sites.
- Acquiring an LPG vessel
  - Purchased thru' Lucky Marine (SGP's subsidiary) in Jun'10
  - Investment THB 230 mil – business expansion purpose
  - Capacity : 1,800 tons





# Geographical market expansion

**Vision : To be the leading energy provider in South East Asia**



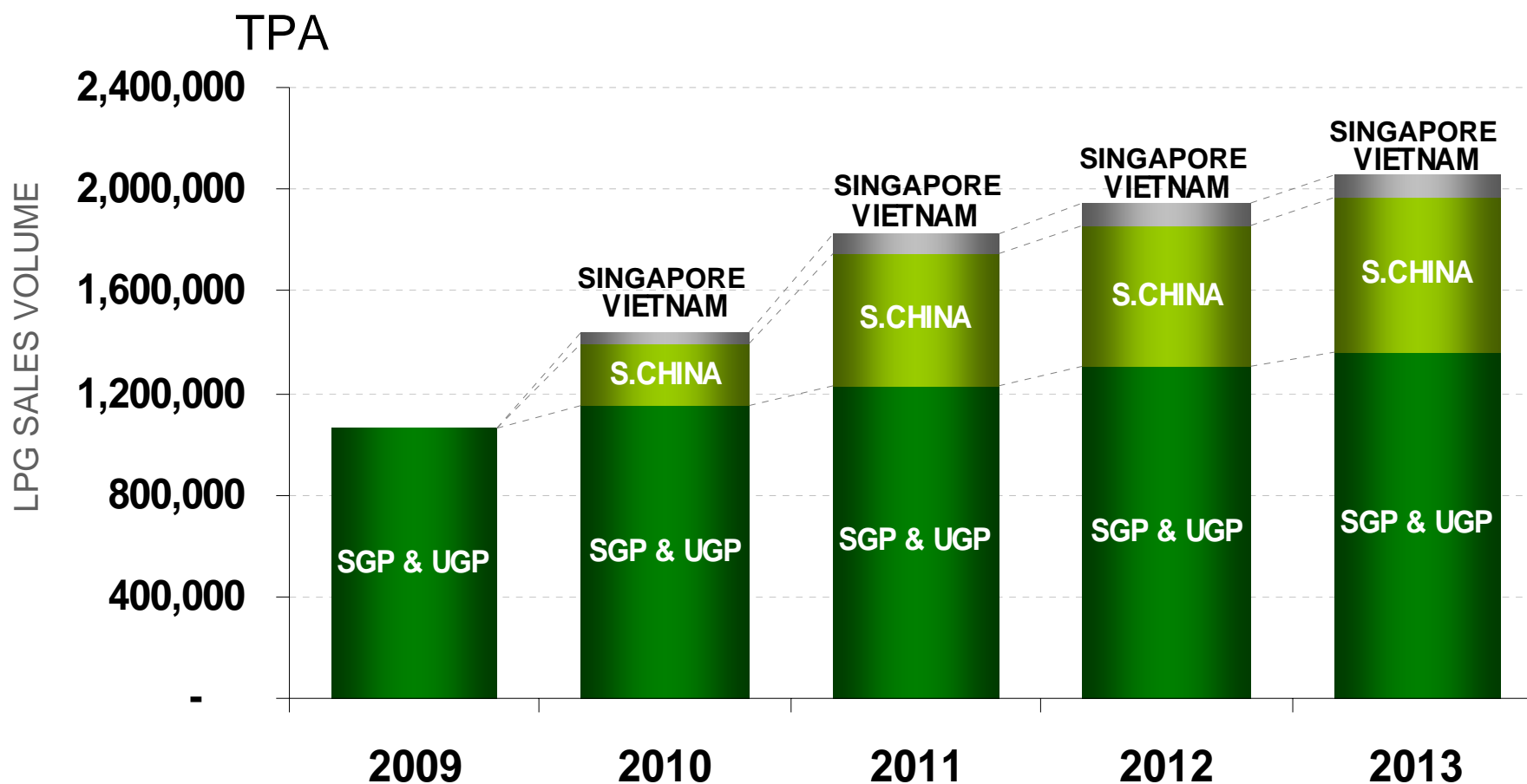




# Geographical market expansion



## Domestic + International Market Outlook





# Geographical market expansion



## South China (LPG)

### Projection

- Total market size (total China) 24 mil. TPA
- Investment : THB 2 billion
- Payback Period : 6 years
- Target Sales 480,000 TPA (2% market share)
- Expected growth : 8% per year
- Selling Price : USD 500/Ton
- Gross Profit : 5%

### Project Update

- Completed deal in acquiring shares of COGEL (Shantou) in Sep'09
- Deposit Payment : USD 5 mil
- Expected handover in September 2010







# Geographical market expansion



## Vietnam (LPG)

### Projection

- Total market size 1 mil. TPA
- Investment : THB 400 mil
- Payback Period : 5 years
- Target Sales : 72,000 TPA (7% market share)
- Expected growth : 8% per year
- Selling Price : USD 500/Ton
- Gross Profit : 5%

### Project Update

- Acquisition 100% share in Super Gas Co.,Ltd. (Dong Nai -South Vietnam) in Mar'10
- Target in 2010 : 48,000 tons
- Invested in new cylinders 400,000 pcs
- Re-export base to Cambodia





# Geographical market expansion



## Singapore (LPG)

### Projection

- Total market size 90,000 TPA
- Investment : USD 15 Mil
- Payback Period : 5 years
- Target Sales 20,000 TPA
- 25% market share, 2<sup>nd</sup> largest

### Project Update

- Acquired 100% shares of Shell Gas (LPG) Singapore Pte. Ltd. on July 30, 2010





# Business Diversification



Optimizing opportunities, as well as minimizing risks

## Ethanol

- Proximity to raw material sources
- Bright future for domestic market as substituted fuel
- Export opportunity

## Coal

- Currently cheap energy cost
- Competitive advantage - utilizing existing network

## Dimethyl Ether (DME)

## Liquefied Natural Gas (LNG)

## Electricity



## Competitive advantages in cost management and efficiency



**Economy of scale**



**Excellent logistics and distribution network**



**Hence, improve customer services/satisfaction**



**Management Team with High Competence**



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**Thailand LPG Market & Highlights**

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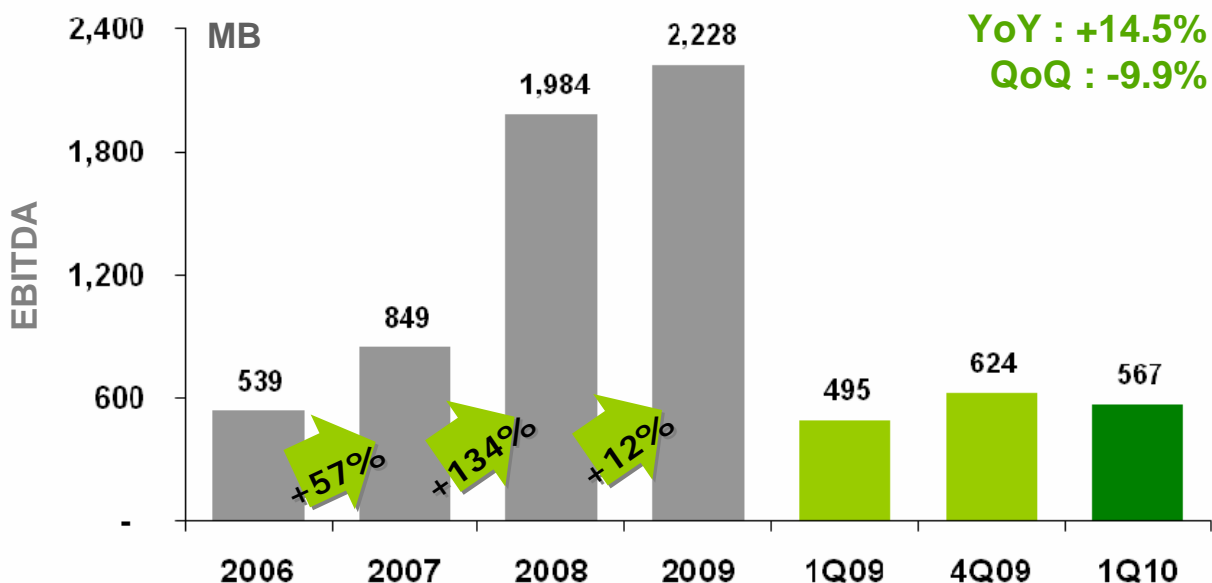
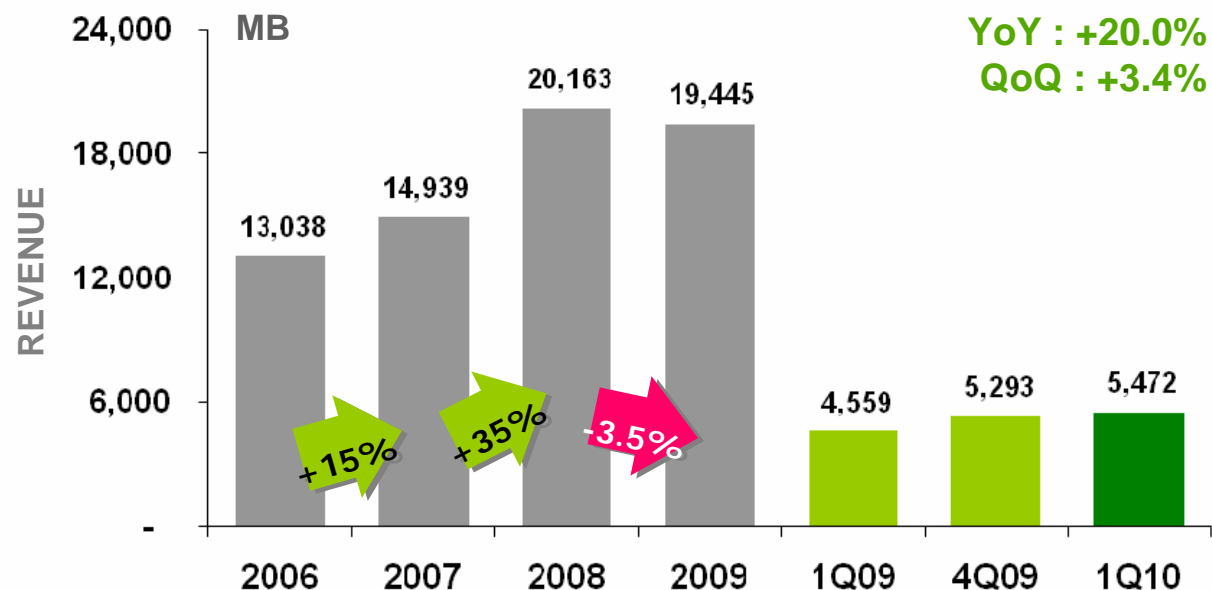
**SGP Business Outlook**

3

**SGP Financial Performance**

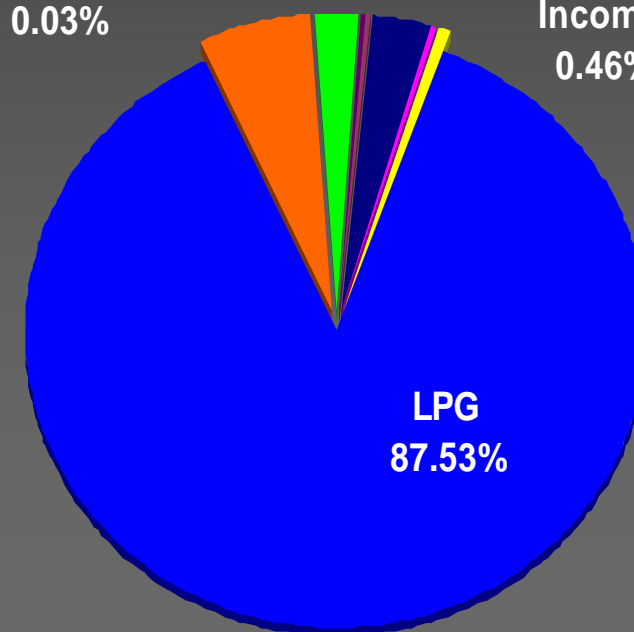


# Financial Highlights – Revenue, EBITDA



## Revenue Proportion

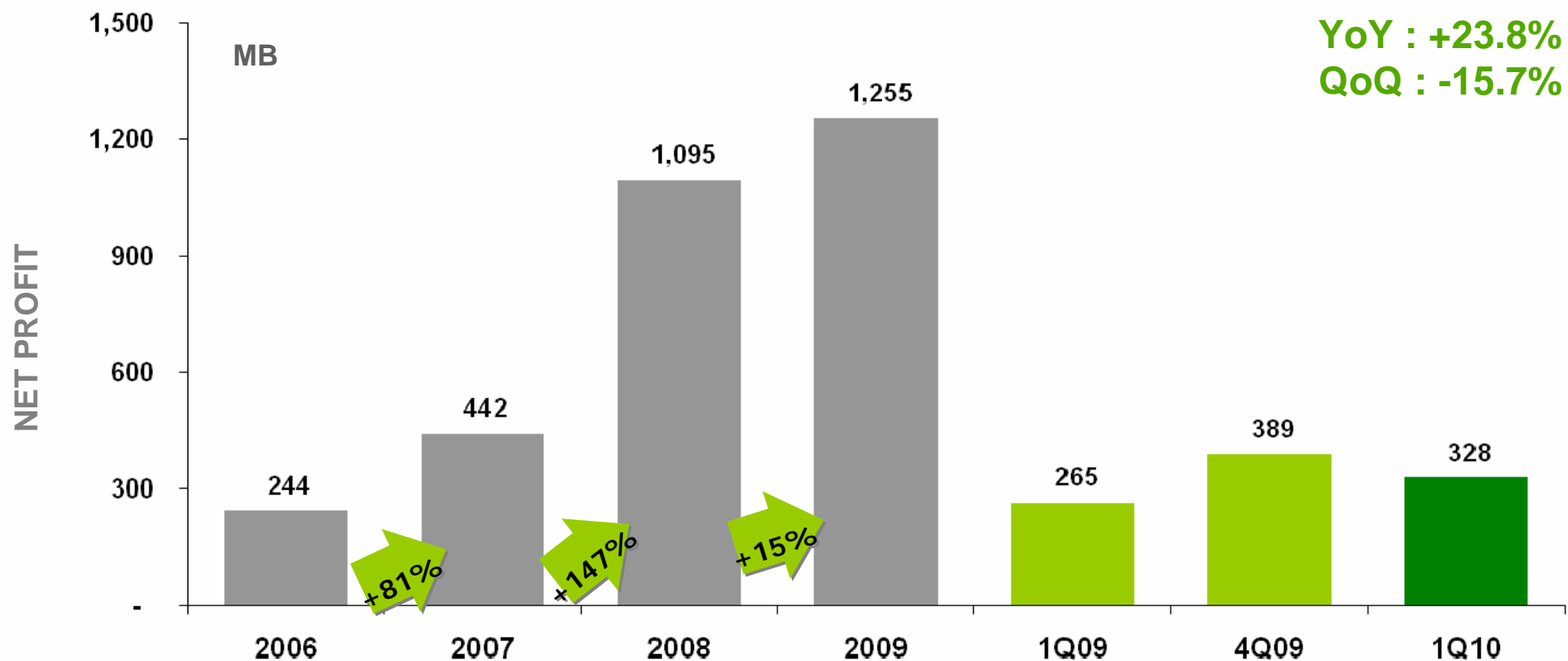
Petrochemicals	Vietnam	Special Gas	Service Income
5.92%	0.45%	2.20%	0.50%
Ethanol	Logistic	Diesel	Coal
0.00%	2.83%	0.01%	0.05%
Cylinder	Other Income		
0.03%	0.46%		





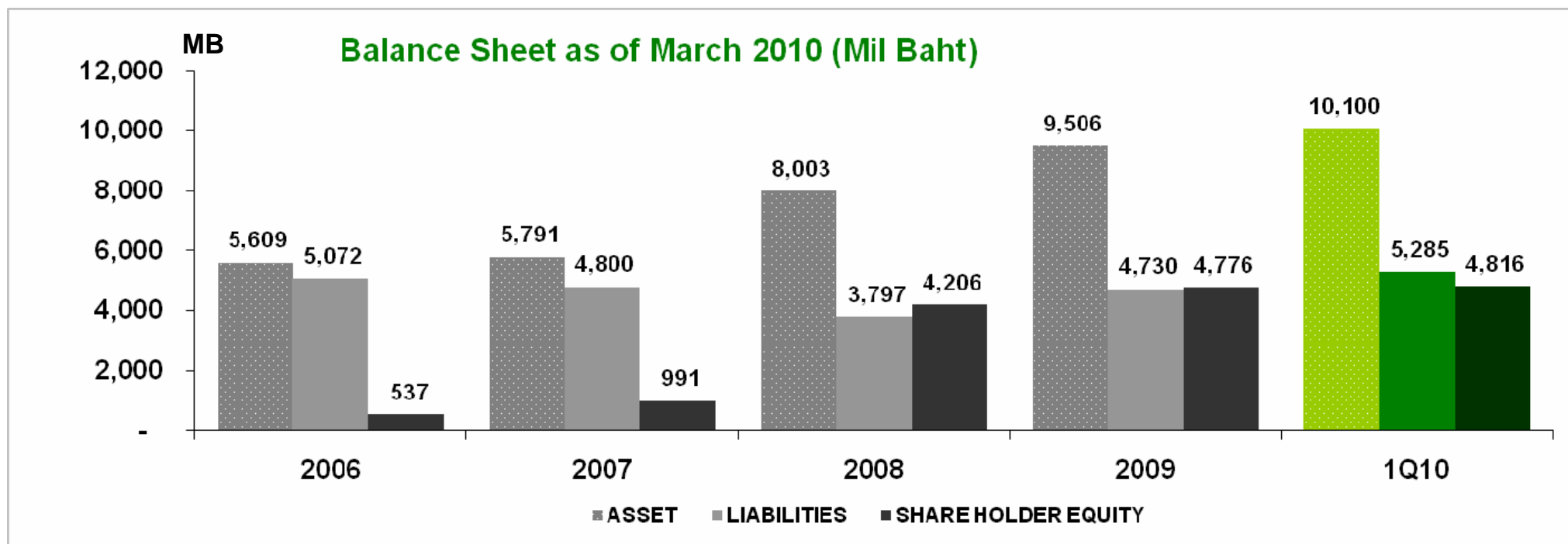


# Financial Highlights – Net Profit



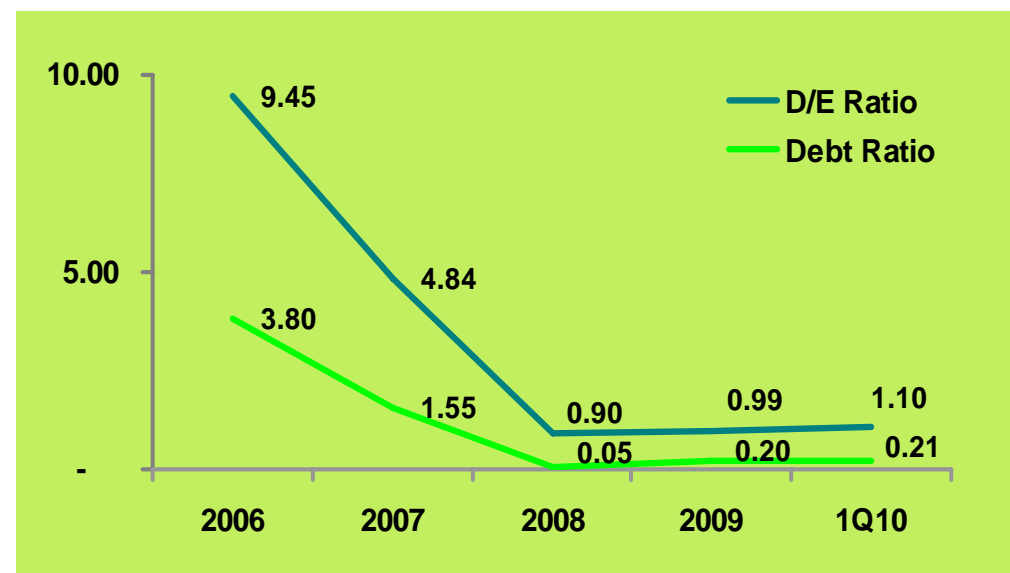


# Financial Performance : Balance Sheet



## Quarter 1 2010 :

1. Cash & Current Investment account for 12.04% of Total Assets
2. Property, plant and equipment account for 55.64% of Total Assets
3. Cylinder deposit account for 43.20% of Total Liabilities





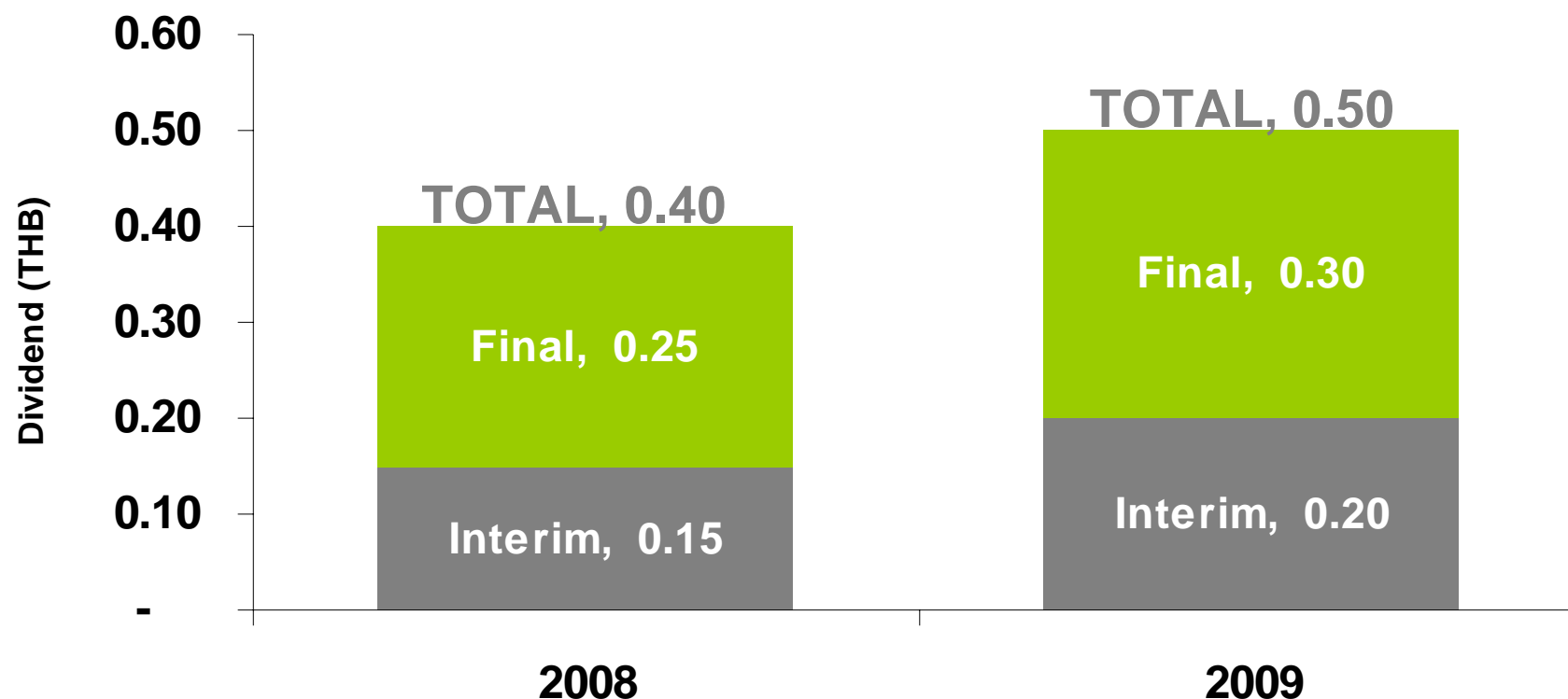
# Dividend Payment



## ■ Dividend Policy

- Not less than 40% of net profit after corporate income tax of the company's financial statement and after deduction of statutory reserve.

## ■ Historical Dividend Payments





# 2010 Economic and Market Outlook



- ✓ 1H2010 - 10% GDP growth
- ✓ Favorable economic atmosphere – NESDB forecasts Thailand GDP growth of 7% in 2010
- ✓ Crude oil price is expected to move around USD 70-80 per barrel
- ✓ Environmental issue is continuously encouraging industrial sector to switch to cleaner fuel.
- ✓ Government LPG price-control lifting policy
  - ✓ Positive effect : SGP's higher margin by percentage of increased revenue
  - ✓ Competitive edge : Currently, SGP has strong logistics facilities and distribution network which enhance its efficiency in cost management.



**Questions are welcomed !**



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