

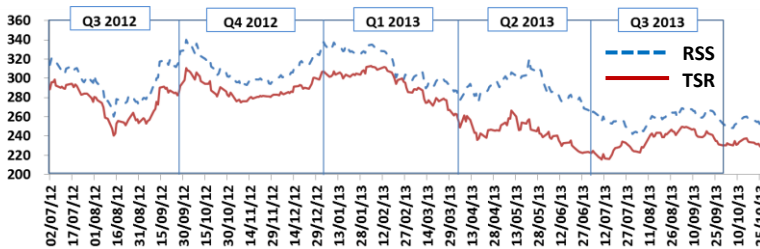
## STA : A World Leading Natural Rubber Player

### Financial result overview

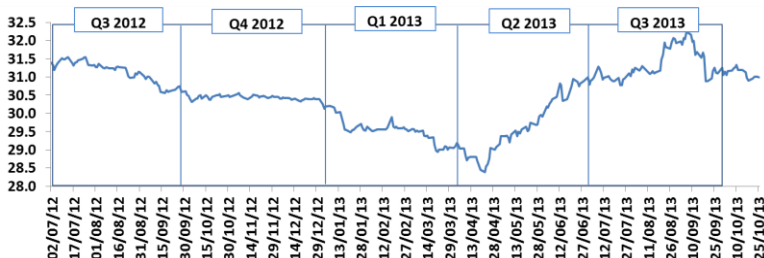
Our strategic plan to continuously expand business and world market share remains on track. In Q3 2013, our **sale volume hit our new record** retaining world leading position. **Our gross profit and gross profit margin improved YoY and QoQ**, although 1) the third quarter is typically characterised as the most challenging period of the year due to the fact that NR supply from Thailand starts to come off at the same time as the peak season in Indonesia whereas it is a summer season in western markets and 2) softening market sentiment during the period has lowered Natural Rubber (NR) price which directly brought down our total revenue.

However, our net profit margin softened YoY and QoQ as a result of an increase of finance cost from the additional financial facility to support our strategic growth plan and from unrealised loss on exchange rate of USD denominated loans, unrealised loss from financial derivative instruments from rubber trading, and decrease of profit sharing from associate companies and a joint venture. Moreover, speculation on Fed's QE tapering has created more challenging for our currency exposure management; therefore, our gain on exchange rate declined from the same period of last year.

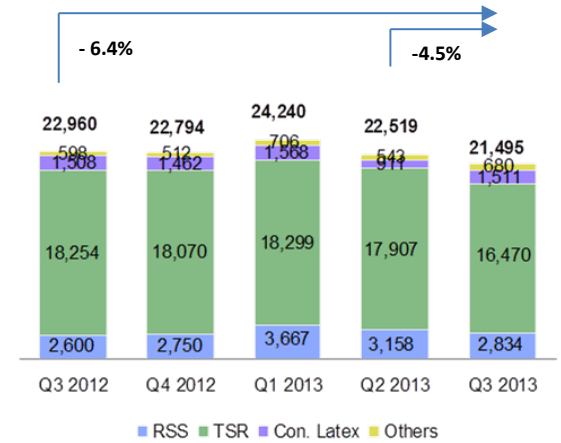
### TSR20 and RSS3 Price movement (US cent : Kg.)



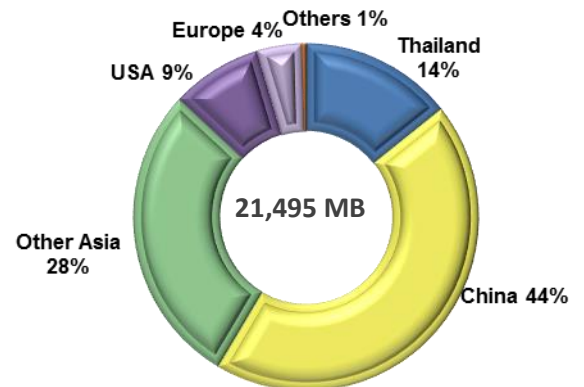
### Exchange rate of Thai Baht against US dollar



### Revenues by product (THB million)



### Revenues by country (Q3 2013)



### Key financial ratios

Key Financial Ratios	Q3 2013	FY 2012	FY 2011
Gross profit margin	6.6%	4.8%	4.3%
Adjusted gross profit margin**	5.6%	4.3%	5.3%
EBITDA margin	4.2%	2.9%	2.5%
Net profit margin	1.1%	1.4%	1.0%
ROA	4.9%*	3.6%	3.4%
ROE	9.6%*	7.5%	9.2%
Current ratio (times)	1.55	1.47	1.46
D/E ratio (times)	0.99	0.94	1.22
Net D/E ratio (times)	0.90	0.86	1.10
Fixed asset turnover (times)	8.16*	11.38	21.07
Inventory Turnover (days)	56.09*	57.85	52.93
Collection Period (days)	23.37*	24.55	17.67
Payment Period (days)	7.40*	7.18	6.46

Note:

\* Annualised

\*\* Adjusting for (reversal) allowance of inventory cost and realised foreign exchange gains / losses

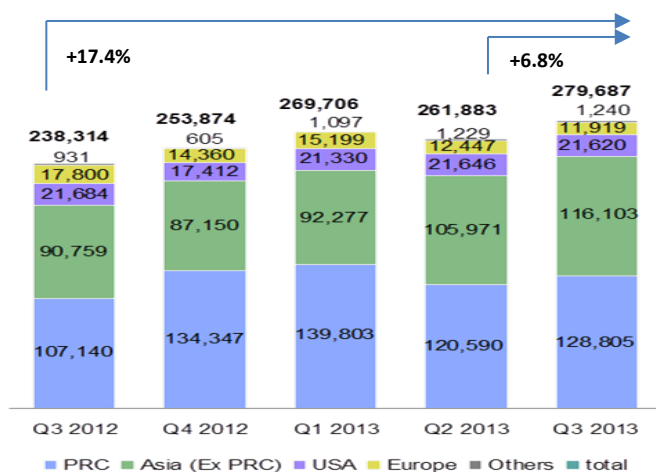
## Statements of Comprehensive Income

(Unit : THB million)	Q3 2013	Q3 2012	% YoY	Q2 2013	%QoQ
<b>Revenue from sale of goods and services</b>	<b>21,495.3</b>	<b>22,960.4</b>	<b>-6.4%</b>	<b>22,519.4</b>	<b>-4.5%</b>
Cost of sales and services (net)	(20,086.8)	(21,632.4)	-7.1%	(21,521.2)	-6.7%
<b>Gross profit</b>	<b>1,408.6</b>	<b>1,327.9</b>	<b>6.1%</b>	<b>998.1</b>	<b>41.1%</b>
SG&A	(913.7)	(948.0)	-3.6%	(840.8)	8.7%
Other income	31.4	20.2	55.5%	87.7	-64.2%
Gain/Loss on foreign exchange	192.7	437.3	-55.9%	(112.0)	272.0%
Other gain/loss (net)	(103.4)	113.9	-190.8%	173.3	-159.7%
<b>Operating profit</b>	<b>615.6</b>	<b>951.4</b>	<b>-35.3%</b>	<b>306.5</b>	<b>100.9%</b>
Profit sharing from associate companies and a joint venture	96.1	180.5	-46.7%	140.4	-31.5%
<b>EBITDA</b>	<b>909.0</b>	<b>1,291.7</b>	<b>-29.6%</b>	<b>624.3</b>	<b>45.6%</b>
<b>EBIT</b>	<b>711.7</b>	<b>1,131.9</b>	<b>-37.1%</b>	<b>446.8</b>	<b>59.3%</b>
Finance costs (net)	(425.4)	(149.9)	183.7%	(169.2)	151.4%
Income tax (expense) income	(52.2)	(198.3)	-73.7%	37.3	240.1%
<b>Net Profit for the period</b>	<b>234.1</b>	<b>783.6</b>	<b>-70.1%</b>	<b>314.9</b>	<b>-25.7%</b>
Attributed to Owners of the parent	227.6	787.3	-71.1%	308.1	-26.1%
Attributed to non-controlling interests	6.5	(3.6)	278.0%	6.8	-4.4%

### Total sales of goods and services of Q3 2013 declined 6.4% YoY and 4.5% QoQ to Baht 21,495.3 million.

An uneven global economic recovery, concerns over QE tapering, and a persistence of NR supply surplus continued to pressure NR price in this quarter. As a result, the decrease in sales both YoY and QoQ was principally driven by lower average selling price. In comparison with Q3 2012, the decline of sales was due mainly to 20.7% fall in average selling price, despite offset by the increase in sale volume of 17.4%. For quarterly comparison, the decrease in total revenue was mainly attributed to a decrease of average selling price by 11.3%, which was partially offset by 6.8% growth of sale volume.

### Sales volume (Tons)



Sale volume reached a new record of 279,687 tons in Q3 2013, or increased by 17.4% YoY and 6.8% QoQ. Thanks to our strong marketing platform, our impressive growth of sale volume outpaced 2013 global NR consumption growth forecasted by IRSG of 3.9%. Our market share in Chinese market, the world largest NR consumer, has been aggressively expanding amid their softening economy. In Q3 2013, sale volume to Chinese market grew by 20.2% YoY and 6.8% QoQ outperformed NR import volume of China that dropped by 15% YoY and 23% QoQ (Source : IRSG).

Our sale volume to Indian, Japanese, Korean, and Vietnamese market also rose significantly YoY and QoQ as most tyre makers increased their production to enjoy their profit during this low NR price.

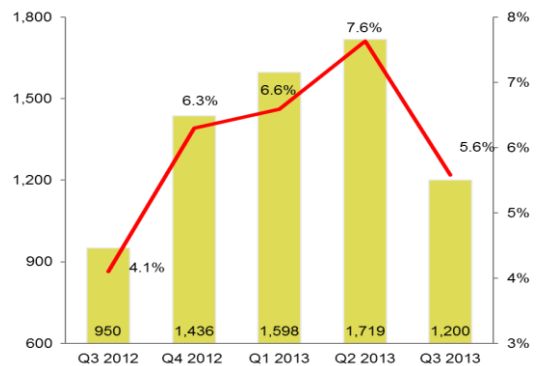
However, sale volume to Europe declined by 33.0% YoY and 4.2% QoQ due to a cloudy economic recovery. Weaker demand as a result of economic slowdown and the expiration of government subsidy for the first car project have also brought down sale volume of domestic market by 6.2% YoY and 1.6% QoQ.

**Gross profit** for Q3 2013 was registered at Baht 1,408.6 million, up 6.1% YoY and 41.1% QoQ. Market volatility from the speculation of Fed's policy to wind down asset purchase program and ongoing demonstration of southern rubber farmers challenged us in managing our margin in this quarter. Nonetheless, our gross profit margin of Q3 2013 was recorded at 6.6%, rose from 5.8% in the same period last year and from 4.4% in the last quarter. Assuming the reversal of inventory allowance of Baht 321.9 million was not made in Q3 2013 but including the realised foreign exchange gains of Baht 113.6 million from our hedging policy, our adjusted gross profit margin would have been at 5.6%, which was higher than the adjusted gross profit margin in Q3 2012 at 4.1% but lower than Q2 2013 at 7.6%.

**Operating profit** for Q3 2013 was Baht 615.6 million, down 35.3% YoY but up 100.9% QoQ. Operating profit margin for Q3 2013 was 2.9%, decreased from 4.1% in Q3 2012 but increased from 1.4% in Q2 2013. The decrease in operating profit margin in comparison with the same period last year was mainly contributed by unrealised loss from financial derivative instruments for rubber trading and a decrease of gain on foreign exchange as a result of the fluctuation of Thai Baht against US Dollar during the speculation of QE tapering, although offset by an increase in other income and a decrease in SG&A expenses\*. An improvement in operating profit margin compared with the previous quarter was due principally to an increase in gross profit margin and gain on foreign exchange despite partially offset by an increase in SG&A expenses from ccess expenses and transportation costs which were in line with our sale volume growth, unrealised loss from financial derivative instruments from rubber trading, and a decrease in other income\*.

*Note\*: The YoY decrease of SG&A expenses was due mainly to the absence of one-time expense from marine shipping accident occurred in August 2012 that has been recorded under SG&A item in Q3 2012. Afterwards, the receipt of insurance claim for such marine shipping accident was recorded under other income in Q1 2013 and Q2 2013. Thus, comparatively other income of Q3 2013 declined QoQ.*

### Adjusted GP and GPM\* (THB million)



*Note: \* GP and GPM after adjusting for (reversal) allowance of inventory cost and realised forex gains / losses*

**Net profit** for Q3 2013 declined 71.1% YoY and 26.1% QoQ to Baht 227.6 million. Net profit margin was 1.1%, decreased from 3.4% in Q3 2012 and from 1.4% in Q2 2013. The main factors for the decrease of net profit margin compared with the same period last year were a decline in operating profit, a decrease in profit sharing from investments in associates and a joint venture, and an increase in finance cost, even though partially offset by and a decrease in income tax expense. In comparison with a quarter earlier, the decrease of net profit margin was mainly contributed by a decrease in profit sharing from investments in associates and a joint venture, an increase in finance cost, and an increase in income tax expenses.

A YoY and QoQ increase of finance cost was attributed to unrealised loss on exchange rate of USD denominated loans and the increase in both short-term and long-term loans to support our accelerating sales growth and business expansion. A reduction of profit sharing from investments in associates and a joint venture compared with the previous quarter was mainly contributed by lower net profit from glove business and natural rubber processing business.

## Business Segmentation Analysis

### Revenues by Product (THB million)

	Q3 2013	Q3 2012	% YoY	Q2 2013	% QoQ
TSR*	16,474.4	18,253.5	-9.7%	17,931.6	-8.1%
%	76.6%	79.5%		79.6%	
RSS*	2,834.2	2,602.7	8.9%	3,158.4	-10.3%
%	13.2%	11.3%		14.0%	
LTX	1,511.0	1,508.3	0.2%	911.1	65.8%
%	7.0%	6.6%		4.0%	
Others**	675.8	595.9	13.4%	518.3	30.4%
%	3.1%	2.6%		2.3%	
<b>Total</b>	<b>21,495.3</b>	<b>22,960.4</b>	<b>-6.4%</b>	<b>22,519.4</b>	<b>-4.5%</b>

Note:

\* Includes processing fee for Thai Government commencing to record from Q3 2012 onwards.

\*\* Comprises revenue from (i) the sale of dried rubber wood and wood packing product and (ii) the provision of certain services (such as logistics, research and development and information technology services) to our associates and a joint venture entity as well as other external third parties



**Technically Specified Rubber (TSR)**

Revenue from the sale of TSR declined by 9.7% YoY and 8.1% QoQ. The decline in revenue both YoY and QoQ was directly attributed to lower level of NR price pressured by uncertain global economic recovery and speculation over QE tapering. However, sale volume of TSR products was higher YoY and QoQ due to our continuance of capacity expansion and strong marketing strategy.

In comparison to the same period last year, the decrease of revenue was driven by 21.4% decrease in average selling price, despite the increase of sale volume by 14.7%. Similarly, a decrease of revenue for quarterly comparison was due to 10.5% decrease of average selling price which was partly offset by 2.8% increase of sale volume.

Gross profit of TSR increased by 11.6% YoY and 29.9% QoQ. Gross profit margin improved YoY and QoQ.



**Ribbed Smoked Sheet (RSS)**

Revenue from the sale of RSS rose 8.9% YoY but fell 10.3% QoQ. Such increase in comparison with the same period last year was driven by 30.5% growth of sale volume, despite partially offset by 16.4% decrease of average selling price. In comparison with the previous quarter, a decline was driven by a decrease of both average selling price by 7.0% and sale volume by 3.5%.

Gross profit from the sale of RSS grew 5.3% YoY and 68.0% QoQ. Gross profit margin remained at satisfactory level, improved QoQ but marginally lowered YoY.



**Concentrated Latex (LTX)**

Revenue from the sale of Concentrated Latex was up 0.2% YoY and 65.8% QoQ. A key contributor for revenue increase was a significant growth of sale volume 24.1% YoY and 81.8% QoQ from a pick-up demand of NR as a raw material for glove manufacturers after diminished stock during wintering season in the previous quarter, although partially offset by a decline in average selling price of 19.3% YoY and 8.8% QoQ.

Gross profit from the sale of Concentrated Latex declined by 53.8% YoY and 285.4% QoQ pressured by the continual switching raw materials of glove makers from using NR to NBR. Gross profit margin improved QoQ but lowered YoY.

## Statements of Financial Position

(Unit : THB million)	30 Sep 13	31 Dec 12	% change
Cash and cash equivalents	1,815.0	1,534.0	18.3%
Trade AR and other receivables, net	5,923.8	6,511.3	-9.0%
Inventories, net	13,657.0	13,151.6	3.8%
Other current assets	698.0	774.0	-9.8%
<b>Total current assets</b>	<b>22,093.8</b>	<b>21,970.9</b>	<b>0.6%</b>
Investments in associates	3,408.9	3,456.1	-1.4%
Property, plant and equipment, net	12,263.0	10,034.3	22.2%
Other non-current assets	1,175.1	1,234.8	-4.8%
<b>Total non-current assets</b>	<b>16,847.0</b>	<b>14,725.2</b>	<b>14.4%</b>
<b>Total assets</b>	<b>38,940.7</b>	<b>36,696.2</b>	<b>6.1%</b>
Trade accounts payable and other payables	2,879.8	2,428.5	18.6%
Short-term loans from financial institutions	10,789.7	12,173.0	-11.4%
Other current liabilities	569.7	341.6	66.8%
<b>Total current liabilities</b>	<b>14,239.2</b>	<b>14,943.1</b>	<b>-4.7%</b>
Long-term loans from financial institutions	1,857.9	400.9	363.5%
Debentures	3,050.0	2,150.0	41.9%
Other non-current liabilities	220.5	265.4	-16.9%
<b>Total non-current liabilities</b>	<b>5,128.3</b>	<b>2,816.2</b>	<b>82.1%</b>
<b>Total liabilities</b>	<b>19,367.5</b>	<b>17,759.4</b>	<b>9.1%</b>
Issued and paid up share	1,280.0	1,280.0	0.0%
Premium on share capital	8,551.0	8,551.0	0.0%
Retained earnings	9,120.7	8,352.1	9.2%
Non-controlling interests	86.7	84.9	2.2%
Other items	534.8	668.9	-20.1%
<b>Total shareholders' equity</b>	<b>19,573.2</b>	<b>18,936.8</b>	<b>3.4%</b>
<b>Total liabilities and shareholders' equity</b>	<b>38,940.7</b>	<b>36,696.2</b>	<b>6.1%</b>

**Current assets** increased by Baht 122.8 million, or 0.6%, from Baht 21,970.9 million for the year end 2012 to Baht 22,093.8 million for the period end of Q3 2013 which due primarily to an increase in cash and cash equivalents of Baht 280.9 million and an increase in inventories of Baht 505.4 million, which was partially offset by a decrease in trade receivables of Baht 587.5 million due to lower average selling price of NR products. The increase in inventories was a reflection of our sale growth and production capacity expansion.

**Non-current assets** increased by Baht 2,121.7 million, or 14.4%, from Baht 14,725.2 million for the year end 2012 to Baht 16,847.0 million period end of Q3 2013 which primarily consists of an increase in property, plants and equipment of Baht 2,228.6 million (net of depreciation and write-off) for the construction of our five new block rubber factories in Thailand, Indonesia, and Myanmar and an expansion plant in Thailand as well as for acquisition of landbank for rubber plantation, which partially offset by a decrease in investments in associates and a joint venture of Baht 95.1 million from decrease of their operating results.

**Current liabilities** decreased by Baht 703.9 million, or 4.7%, from Baht 14,943.1 million for the year end 2012 to Baht 14,239.2 million for the year end of Q3 2013 which was mainly on account of a decrease in short-term loans of

Baht 1,383.4 million in consequence of less requirement for working capital during a lower NR price, which was partially offset by an increase in trade accounts payable and other payables of Baht 451.3 million and an increase in derivative financial instruments of Baht 163.1 million.

**Non-current liabilities** increased by Baht 2,312.1 million, or 82.1%, from Baht 2,816.2 million for the year ended 2012 to Baht 5,128.3 million for the period end of Q3 2013 which was primarily due to an increase in debentures of Baht 900.0 million and an increase in long-term loans of Baht 1,457.0 million (net of current portion) to support our business expansion.

**Equity** increased by Baht 636.4 million, or 3.4%, from Baht 18,936.8 million for the year end 2012 to Baht 19,573.2 million for the period end of Q3 2013 due mainly to net profit during the period.

## Statements of Cash Flows

(Unit : THB million)	9 mo. 2013	9 mo. 2012
CFO	2,644.4	6,690.4
CFI	(2,512.2)	(1,754.1)
CFF	148.7	(5,268.9)
<b>Net increase in cash</b>	<b>280.9</b>	<b>(332.6)</b>
Beginning cash	1,534.0	2,273.0
<b>Ending cash</b>	<b>1,815.0</b>	<b>1,940.4</b>

For the first nine months of 2013, **cash flow** from operation before net change in operating assets and liabilities was Baht 3,050.6 million. We generated cash amounted Baht 490.2 million from change in our operating assets and liabilities We spent Baht 3,104.8 million of CAPEX, principally comprised Baht 1,572.6 million for expansion of TSR production capacity and Baht 1,450.6 for the investment in rubber plantation business. Our CAPEX is basically financed by long-term facilities from financial institutions and proceeds from IPO in Singapore.

## Industry Outlook

### Demand-Supply and price interaction

Although demand from tyre makers is quite stable at this current low NR price level, fundamental outlook of NR demand-supply remains soft. Supply excess from the new rubber trees that were increasingly planted during 2005-2008 will continue its trend unless there is demand pick-up from tyre makers. For short-term seasonal outlook, high NR production from Thailand and Malaysia during their peak season will not materially affect NR price as it will partly be offset by lower production during wintering season in Indonesia.

Unit : '000 tons	2009	2010	2011	2012	2013f
<b>NR Production</b>	<b>9,723</b>	<b>10,393</b>	<b>11,055</b>	<b>11,329</b>	<b>11,722</b>
% YoY	-3.7%	6.9%	6.4%	2.5%	3.5%
<b>NR Consumption</b>	<b>9,361</b>	<b>10,773</b>	<b>11,007</b>	<b>11,042</b>	<b>11,438</b>
% YoY	-8.1%	15.1%	2.2%	0.4%	3.9%
<b>NR surplus (deficit)</b>	<b>362</b>	<b>(380)</b>	<b>48</b>	<b>288</b>	<b>284</b>

Source: IRSG

### Macro-economic events

Current NR market tends to rely on macro-events rather than fundamental demand & supply as negative factors about excess supply have already been absorbed.

Overall global economic growth is still weak. Although the EU has reached the end of economic contraction but activity is forecast to remain tepid. Decelerating growth of China will affect many other economies, particularly on commodity exporters. The postponement of Fed's decision on the reduction of asset purchase due to uneven economic recovery of the US created volatility in capital flow and fluctuation in currency exchange. This injects negative sentiment to commodity market as investors become more cautious on investment, especially on risky assets.

### The Thai Government policy

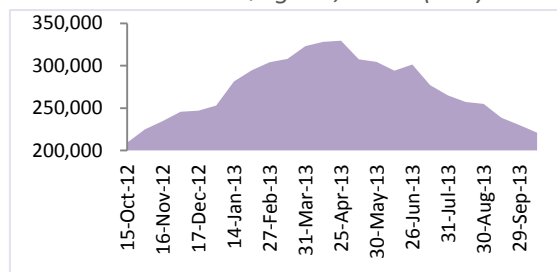
There is less possibility for the government to conduct the second round of rubber buying scheme to push up raw material prices from farmers. The subsidy for production costs to rubber farmers of Baht 2,520 per rai (Baht 15,750

per hectare), with a limit of 25 rai (4 hectares) per farmer over 7 months (Sep'13 – Mar'14) has no material impact to NR supply.

### Rubber Stock in China & Thailand

The decrease to the normal level of Natural Rubber inventory at Qingdao free trade zone, China's main hub for rubber, prompts Chinese market for the restocking season (Nov – Feb) before their Chinese new year and Thailand's wintering season. However, this short-term positive outlook for NR price is offset by the estimated 200,000 tons of rubber inventory held by Thai government from rubber buying scheme which will continue to pressure NR price until they are released into the market.

NR Stock in Qingdao, China (Ton)



### NR Price Trend

Current NR price becomes less volatile and stabilizes at low level. In short-term outlook, NR price is less likely to sustainably turnaround under this macro-economic factors as well as fundamental demand & supply and is expected to move in sideways pattern.

However, in longer term, there is a possibility for the price to reflect fair level if demand from mature market and emerging market steadily pick up.

## Progress of our business in value chain

Our strategic plan to continuously expand business and world market share remains on track. Our sales volume for the first half of 2013 represented approximately 10% of global demand\*, expanded from FY2012 of 9%. We have been successfully expanding our market share in key strategic market, China. For the first nine month of 2013, our sales volume to China represented 15% of total natural rubber import\*, improved from 13% from FY2012. As a world largest fully-integrated NR producer, we believe that expanding our capabilities and capacity at each stage of the supply chain will not only strengthen our dominant market position but also increase sustainable profitability in the long run.

(\*Source: IRSG)

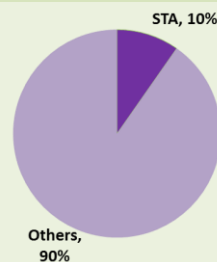
### Midstream Business – to expand production capacity to 1.5 million tons per annum in the next couple of years

As at 30 September 2013, our optimum annual capacity was registered at industry record at 1.2 million tons per annum. Total additional capacity from year ended 2012 came from new TSR plants in Ubon Ratchathani and the expansion capacity of Palembang (Indonesia). We aim to reach capacity of 1.5 million tons per annum in the next couple of years. The North East of Thailand, will be our future footprint. The additional 6 plants will be completed in different timeline. We are also in the process of building a plant in our 3<sup>rd</sup> location in Indonesia in Muara Bungo province. The establishment of our business in new countries is also expected to be successfully done in very near future.

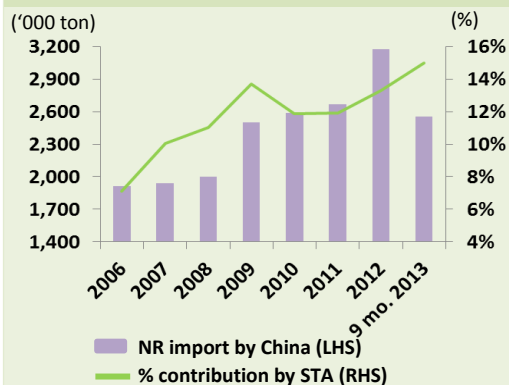
### Upstream Business – to achieve 8,000 hectares in 2014

As at 30 September 2013, we have acquired land approximately 36,520 rai (5,843 hectares), most of them are in the North of Thailand. Approximately 460 rai (74 hectares) are under tapping, 23,130 rai (3,700 hectares) have been planted and will be mature for tapping from 2016 onwards. The vacant land of 12,930 rai (2,069 hectares) will be planted during raining season of the next year.

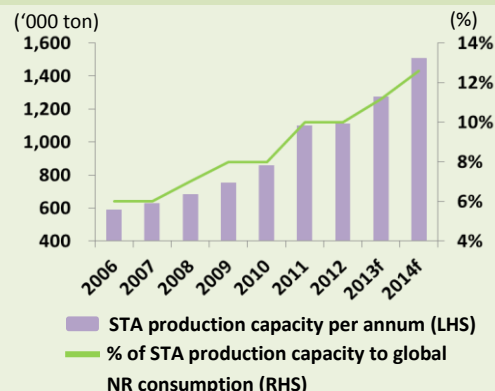
STA World Market Share (H1 2013)



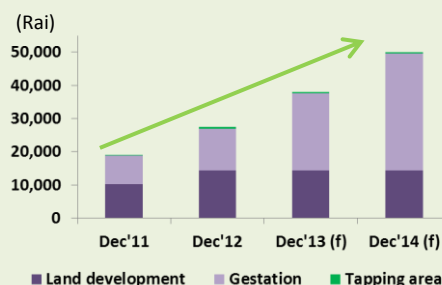
Contribution of STA on China Import



STA Production Capacity



Area for Rubber Plantation



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