

THAI PLASTIC AND CHEMICALS PUBLIC COMPANY LIMITED
Management Discussion and Analysis
Quarter 3/2014

(Unreviewed Consolidated Financial Statements)

Business Overview

Thai Plastic and Chemicals Public Company Limited (TPC) and its subsidiaries reported Q3'14 net profit at 400 million Baht, decreased by 510 million Baht compared to the same period of last year.

Price Situation and Sales Volume

PVC prices in Q3'14 were higher compared with Q3'13 due to increased PVC demand in this region together with increased main raw material prices. Therefore, PVC price in Q3'14 was at US\$ 1,041/MT which increased by US\$ 23/MT compared with the same period of the prior year.

The average price of ethylene in Q3'14 was at US\$ 1,478/MT which increased by US\$ 156/MT compared with the same quarter of last year, resulting from tight supply from Taiwan. The EDC price increased to US\$ 445/MT from US\$ 339/MT of the same period of the previous year, resulting from tight supply from Middle East region.

From the changes of PVC and raw material prices above, the PVC – EDC– Ethylene gap was at US\$ 336 /MT which decreased by US\$ 100 /MT compared with the same period of last year.

The domestic sales volume in Q3'14 was decreased by 3% and overseas sales volume in Q3'14 decreased 10% compared with the same quarter of the previous year, due to low price PVC from China.

Consolidated Operating Results of Q3/2014 (Unreviewed Consolidated Financial Statements)

TPC and its subsidiaries reported sales and services income at 8,322 million Baht which increased by 3% from the same quarter of last year, mainly from the increase in selling price.

The proportions of sales were 67% from PVC businesses, 31% from Related to PVC Business and 2% from other revenue, respectively. The 80% of total revenue from sales and services came from sales of companies in Thailand and the 20% came from sales of overseas subsidiaries.

TPC and its subsidiaries' net profit of Q3'14 was at 400 million Baht which decreased by 510 million Baht or 56 % compared with the same period of prior year, resulting from the lower gap between selling price and main raw materials price.

For first nine months operating results of 2014, TPC and its subsidiaries reported the revenue from sales and services at 23,982 million Baht which similar to the same period of last year. The consolidated net profit was at 729 million Baht which decreased by 64% from the same period of previous year due to the Annual Plant Turnaround together with the lower gap between selling price and main raw materials price.

As of September 30, 2014, TPC and its subsidiaries held a Debt to Equity Ratio at 0.58, increased from 0.47 at the end of last year, mainly from annual dividend payment to shareholders.

TPC
October 28, 2014