

THAI PLASTIC AND CHEMICALS PUBLIC COMPANY LIMITED
Management Discussion and Analysis
Quarter 1/2015
(Unreviewed Consolidated Financial Statements)

Business Overview

Thai Plastic and Chemicals Public Company Limited (TPC) and its subsidiaries reported Q1'15 net profit at 492 million Baht, increased by 164 million Baht compared to the same period of last year.

Price Situation and Sales Volume

PVC prices in Q1'15 were lower compared with Q1'14 due to decreased main raw material prices from crude oil price collapse. Therefore, PVC price in Q1'15 was at US\$ 807/MT which decreased by US\$ 238/MT compared with the same period of the prior year.

The average price of ethylene in Q1'15 was at US\$ 1,026 /MT which decreased by US\$ 415/MT. The EDC price decreased to US\$ 265 /MT from US\$ 461 /MT of the same period of the previous year, resulting from excess supply from VCM plant turnaround in North America.

From the changes of PVC and raw material prices above, the PVC – EDC– Ethylene gap was at US\$ 353 /MT which increased by US\$ 18 /MT compared with the same period of last year.

The domestic sales volume in Q1'15 was decreased by 3% and overseas sales volume increased 2% compared with the same quarter of the previous year, due to buying sentiment regain by the end of the quarter together with seasonal demand from agriculture segment in Asia.

Consolidated Operating Results of Q1/2015 (Unreviewed Consolidated Financial Statements)

TPC and its subsidiaries reported sales and services income at 7,429 million Baht which decreased by 9% from the same period of last year, resulting from the decrease in selling price.

The proportions of sales were 62% from PVC businesses, 35% from downstream businesses and 3% from other revenue, respectively. The 82% of total revenue from sales and services came from sales of companies in Thailand and the 18% came from sales of overseas subsidiaries.

TPC and its subsidiaries net profit of Q1'15 was at 492 million Baht which increased by 164 million Baht or 50 % due to last year's loss from foreign exchange rate while the gap between selling price and main raw material prices was increased.

As at March 31, 2015, TPC and its subsidiaries held a Debt to Equity Ratio at 0.49, decreased from 0.53 at the end of last year, mainly from the decrease of loans from financial institutions.

TPC
April 27, 2015