



THORESEN GROUP



Thoresen Thai Agencies Plc.
3Q FY 2010 Analyst Presentation
25 August 2010

PATH
of SUCCESS

Agenda



I. 3Q FY 2010 Financial Highlights

II. Key Drivers











III. Business Outlook

IV. Capital Structure & Investments

V. Q & A



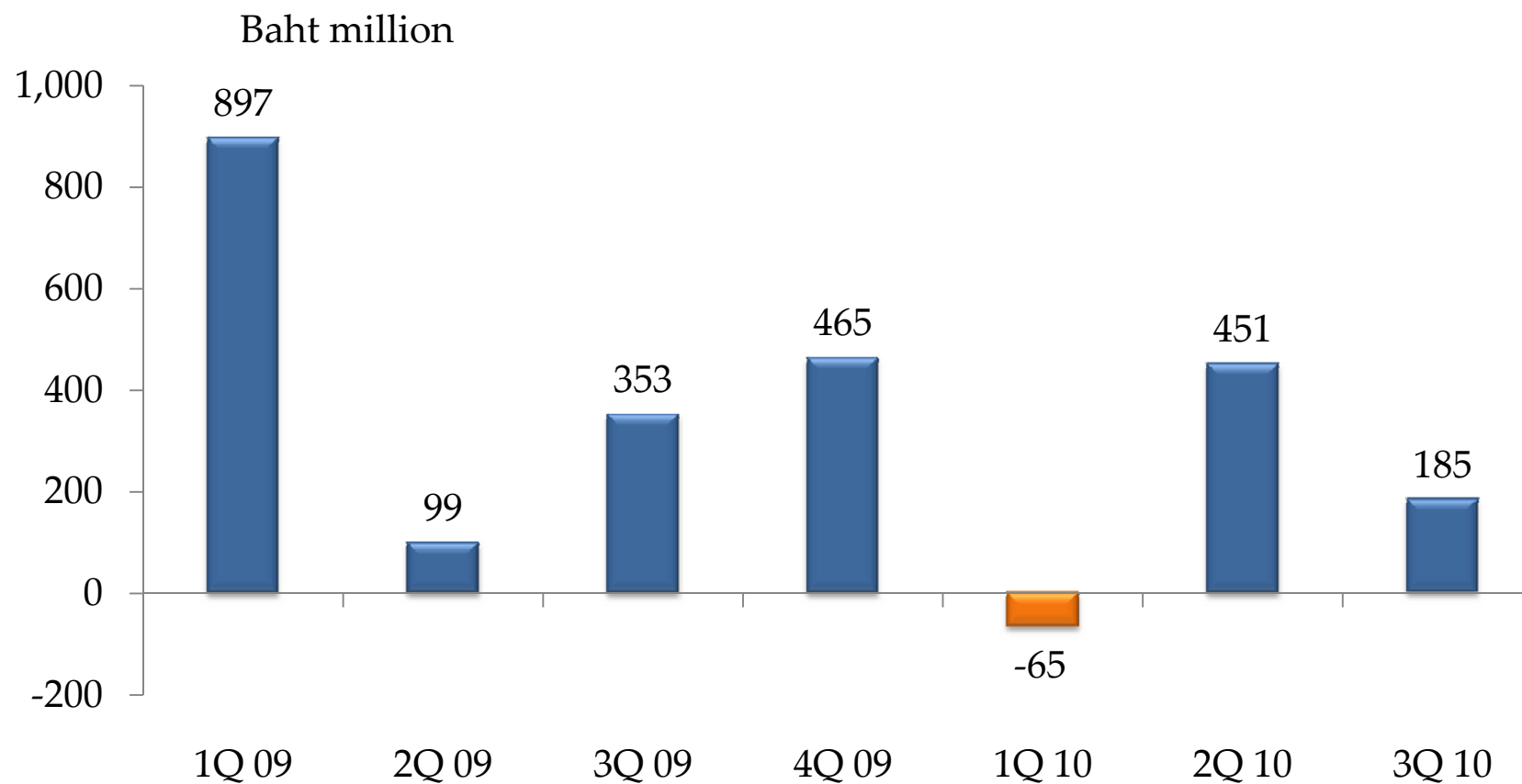
3Q FY 2010 Financial Highlights

-  TTA reports 3.44% YoY decline in revenues to Baht 4,795.45 million (increase 7.48% QoQ).
-  Group gross profits down by 13.49% YoY to Baht 1,544.41 million (rise 4.67% QoQ).
-  Group gross margin fell to 32.21% from 35.95% last year (versus 33.07% last quarter).
-  Net profits of Baht 185.13 million versus Baht 352.62 million and Baht 451.40 million a year ago and a quarter ago, respectively.
-  Earnings per share of Baht 0.26 versus Baht 0.50 and Baht 0.64 a year ago and a quarter ago, respectively.
-  Annualised return on average shareholders' equity of 2.90%, based on first nine months FY 2010 earnings result.
-  Operating cash flow for 3Q FY 2010 of Baht 527.72 million versus Baht 1,190.45 million and Baht 218.76 million a year and a quarter ago, respectively.
-  Net debt of Baht 5,895.88 million at 30 June 2010 versus net debt of Baht 4,864.33 million at 31 March 2010.
-  Cash level remains high at Baht 6,547.62 million.
-  Secured financing facilities of Baht 27,768.17 million.



Quarterly Group Net Profits & Net Losses

47.59% YoY Decline in Net Profit





Briefing on Lines of Business

Transport

- **Dry Bulk Shipping Operations**
 - ✓ Today, owner of 28 and medium-term charterer of 5 vessels, all expiring in FY 2011.
 - ✓ About 42.8% and 27.3% of vessel days on fixed rates through COA's and period time charters in FY 2010 and FY 2011, respectively.
 - ✓ Fleet renewal plan: 4 new Supramax vessels expected by 2012.
- **Shipping Services Companies**
 - ✓ A network of ship agency and ship brokerage companies in Asia and the Middle East.
- **Oil & Gas Tankering**
 - ✓ Part owner of 7 petroleum tankers/barges and 1 liquefied petroleum gas tanker in the Philippines.

Energy

- **Mermaid Maritime PLC. (MMPLC)**
 - ✓ Listed on the Singapore Stock Exchange.
 - ✓ Today, owner of 8 offshore service vessels.
 - ✓ Owner-operator of 2 tender drilling rigs.
- **Merton**
 - ✓ JV with SKI Construction Group to explore & develop 12,000 hectares of coal reserves in Cebu, Philippines.
 - ✓ A "mineable reserve" of 1.65 million to over 2.4 million tonnes was estimated on exploration area of 107 hectares.
 - ✓ Over 5,000 tonnes of coals were mined between April and July 2010, and commercial volumes are expected by October 2010.

Infrastructure

- **Unique Mining Services (UMS)**
 - ✓ Listed on the Market for Alternative Investment (MAI), Thailand.
 - ✓ UMS sold more than 0.75 million tonnes of coal in the first nine months of FY 2010 to its domestic clients.
- **EMC Gestion S.A.S./Baconco Co., Ltd.**
 - ✓ Baconco produced and sold 113,831 metric tons of fertiliser for the first nine months of FY 2010.
 - ✓ Professional logistics services commenced since January 2010, and warehouse volumes continue to increase. Average utilisation of capacity for Jan – Jun period was 76.72%. Almost 90% of the planned capacity was booked in July 2010.



Income Statement Summary

Transport - Highest Profit Contributor, Followed by Infrastructure, Energy had Net Losses

3Q FY 2010 (Baht million)	Consolidated	Dry Bulk Shipping	MMPLC	Baconco	UMS
Revenues	4,795.45	2,566.15	904.78	526.54	588.24
Gross profits	1,544.41	762.72	279.10	82.56	162.59
Operating profits	267.03	263.20	- 48.32	55.76	75.85
SGA expenses	542.73	113.10	137.47	18.67	65.10
Finance costs/-income⁽¹⁾	126.57	8.75	28.72	-2.67	16.25
Net profits/-losses	185.13	437.87	-262.08	51.08	43.10
Earnings/-Losses per share (Baht)	0.26	N/A	N/A	N/A	N/A
Gross margins (%)	32.21%	29.72%	30.85%	15.68%	27.64%
GP/SGA (xs)	2.85	6.74	2.03	4.42	2.50

Note: (1) Finance costs include interest expenses offset with interest income.

Source: TTA

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Key Drivers: Transport Group

Dry Bulk Shipping's Generated Baht 434.4 million to TTA's Bottom Line ...

- Dry bulk shipping's earnings were hurt by:
 - ✓ Operating days fell to 35.60 full-time equivalent vessels this quarter, a 30% YoY and a 3% QoQ decline;
 - ✓ Higher owner expenses: USD 5,343 per available service day, a 21% YoY and 30% QoQ increase. This is because:
 - Additional insurance premium calls made by P&I clubs in 3Q FY 2010;
 - Inconvenient locations for replacement of spares and stores;
 - Expensive dry-docking and repairs to one vessel in the US Gulf; and
 - One-time vessel upgrades to two vessels.
- But offset by TTA's rising fleet average TCE rate of USD 14,624 per available service day (owned fleet's TCE of USD 15,381). This is because:
 - ✓ Our vessels were better positioned into the Atlantic for higher paying voyages;
 - ✓ A number of forward cargoes were booked in firmer market conditions.



Key Drivers: Transport Group (cont'd)



Ongoing business strategy:

- ✓ Increase COA and period time charters in FY 2011;
- ✓ Move more capacity to profitable geographical areas;
- ✓ Ensure cost controls are emphasised;
- ✓ Seek fleet renewal options to increase our fleet capacity.

Petrolift Contributed Baht 24.2 million to TTA's Bottom Line



In April 2010, we acquired a 38.83% stake in Petrolift Inc..



Petrolift's total capacity is approximately 180,000 barrels.



Almost all Petrolift's fleet capacity is under term contracts ranging from 3 to 12 years with the three major oil and gas companies in the Philippines.



Ongoing business strategy:

- ✓ Seek fleet acquisition options to increase capacity;
- ✓ Negotiate additional long-term charters.



Dry Bulk Shipping Operating Summary

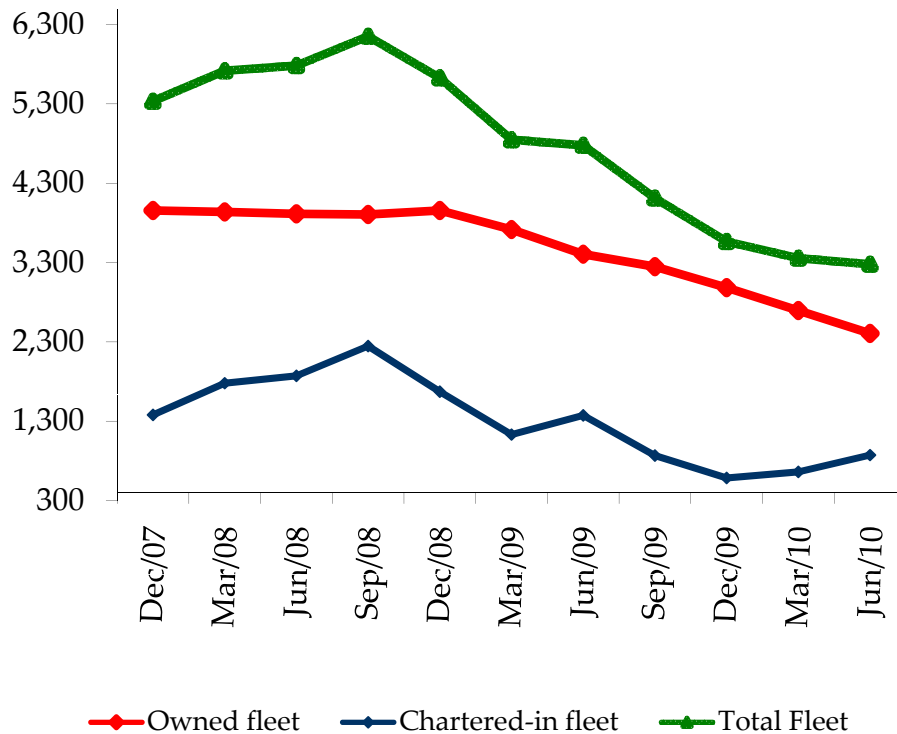
Owner Expenses Rose due to Uncontrollable Factors

USD/Vessel Service Day	3Q FY 2010	3Q FY 2009	2Q FY 2010
TCE	14,624	13,480	13,180
Owner Expenses	5,343	4,432	4,132
Dry Docking Expenses	1,386	1,292	1,398
Total Owner Expenses	6,729	5,724	5,530
Total Owner Expenses/TCE	46.01%	42.46%	41.96%

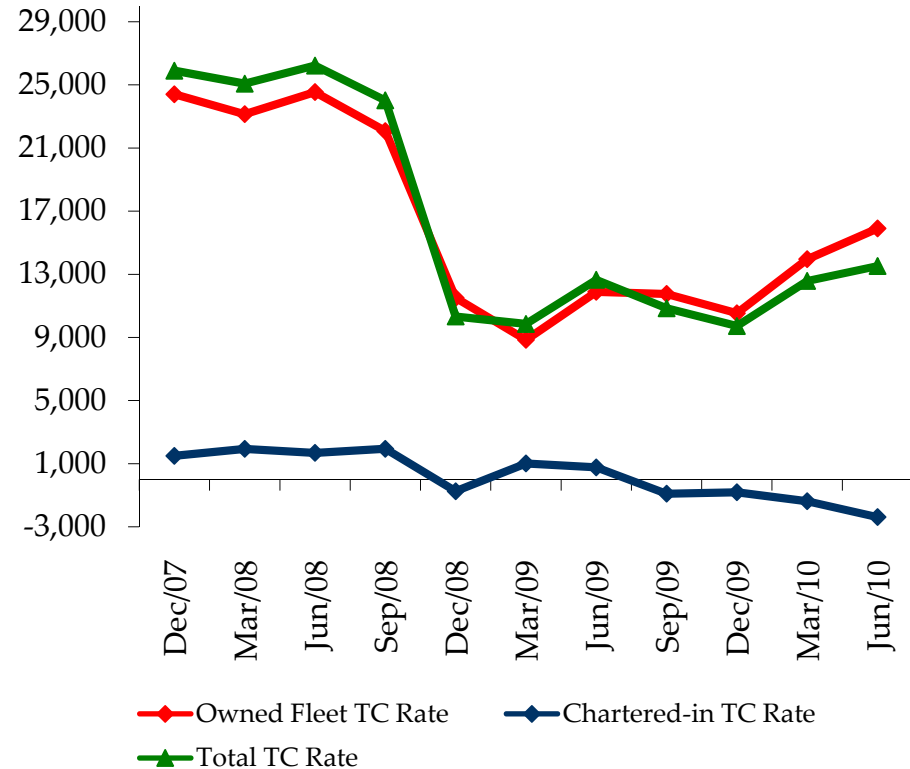
TTA Achieved a TCE Rate Performance of USD 14,624 per Vessel Day in 3Q FY 2010



Actual Vessel Days



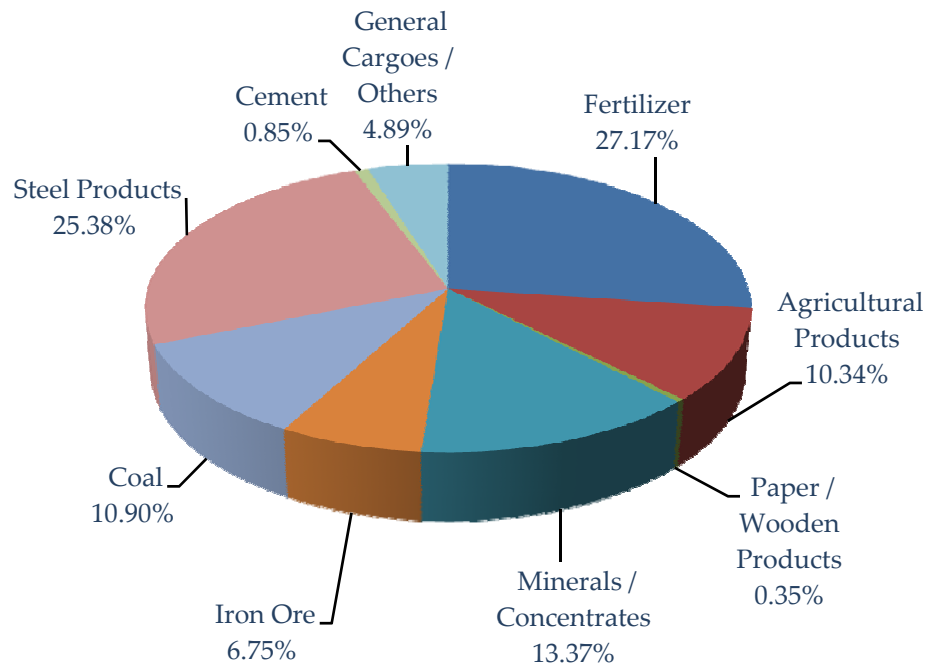
Actual TCE Rates



3Q FY 2010 Cargo Volume of 2.77 million Revenue Tonnes

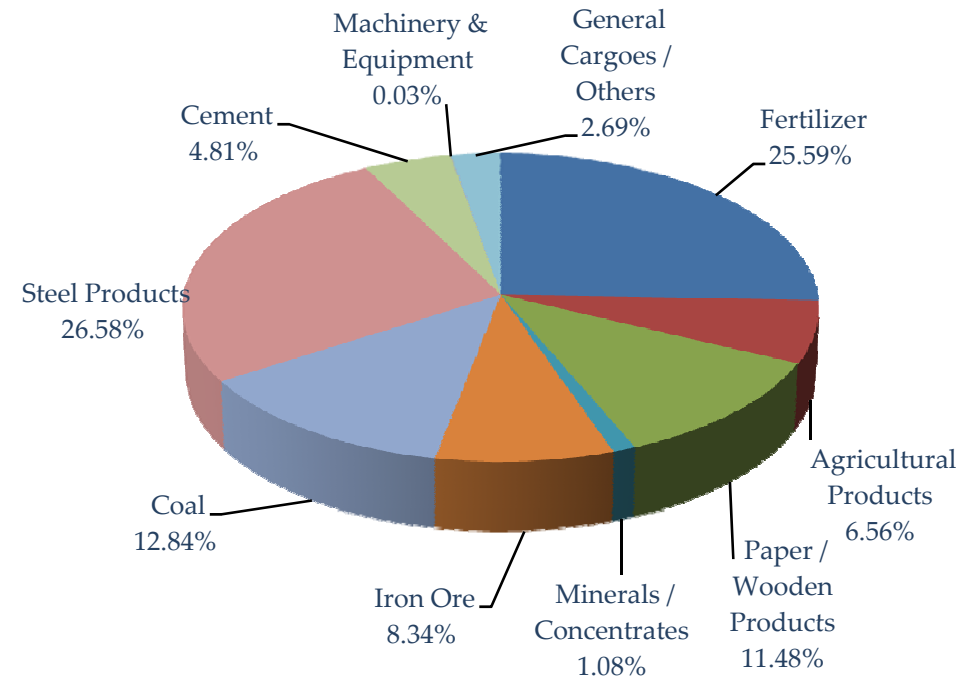


3Q FY 2010



2.77 million Revenue Tonnes

3Q FY 2009



3.15 million Revenue Tonnes

Source: TTA



Key Drivers: Energy Group

Weak Offshore Service Market: Net Losses of Baht 49.95 million to TTA



Mermaid Offshore Services Ltd. (MOS)'s operating losses of Baht 23.82 million:

- ✓ Average vessel utilisation rate of 56.59%, but our four DP2 dive support vessels ("DSV"), which provide the highest revenues and profits, were only 35.70% utilised;
- ✓ Average day rates fell by 23% YoY but improved by 42% QoQ, suggesting a bottoming out of day rates;
- ✓ Additional depreciation expenses of Baht 20.92 million for Mermaid Sapphire, Mermaid Siam, and Mermaid Asiana;
- ✓ Seascope and Subtech combined contributed Baht 143.26 million and Baht 46.05 million of service income and gross profits, respectively.



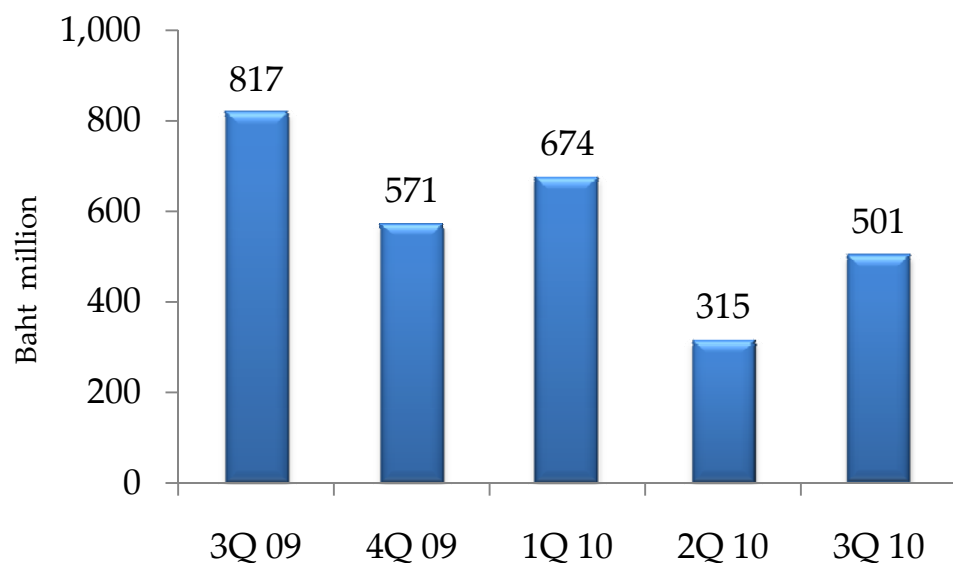
Ongoing business strategy:

- ✓ Increase marketing efforts to key clients across several geographical areas such as North Sea, Middle East, Thailand, Indonesia, Vietnam, China, and India;
- ✓ Meet local content rules and other requirements to work in areas mentioned above;
- ✓ Adapt service offerings to include normal charter of vessels, when subsea projects are not available.

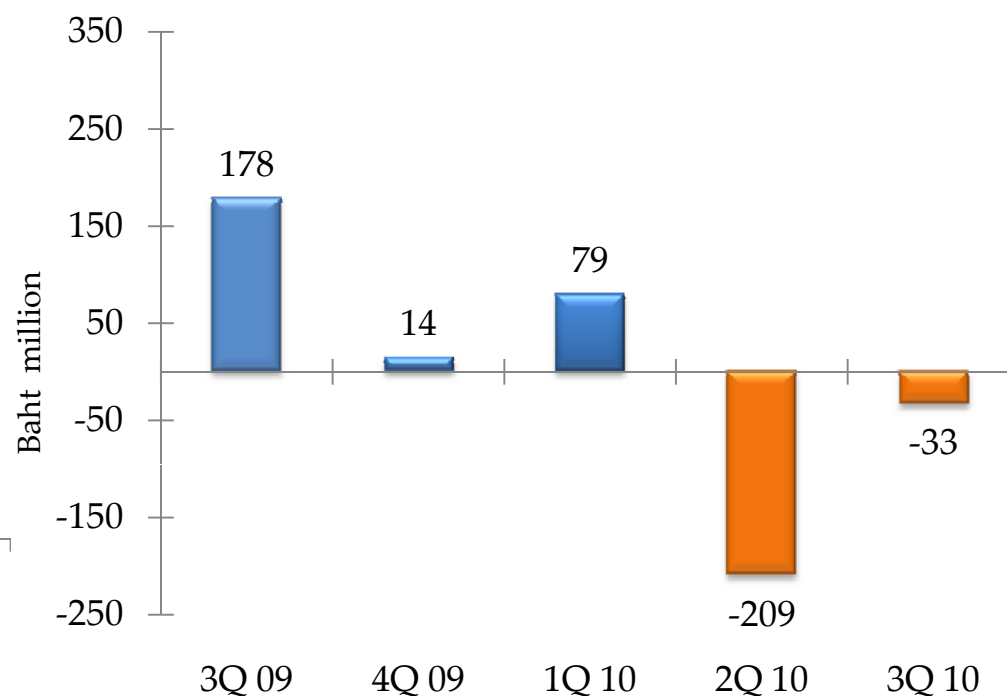
Energy Group: Mermaid Offshore Services (MOS)



MOS' Service Income ⁽¹⁾



MOS' Operating Profit & Margin ⁽¹⁾ (excl Forex)



Note (1) : Service income & operating profit exclude those from Subtech

MOS' Utilisation Rate

3Q 09	4Q 09	1Q 10	2Q 10	3Q 10
64%	57%	46%	28%	57%

MOS' Operating Margins

3Q 09	4Q 09	1Q 10	2Q 10	3Q 10
22%	3%	12%	- 65%	- 7%



Key Drivers: Energy Group

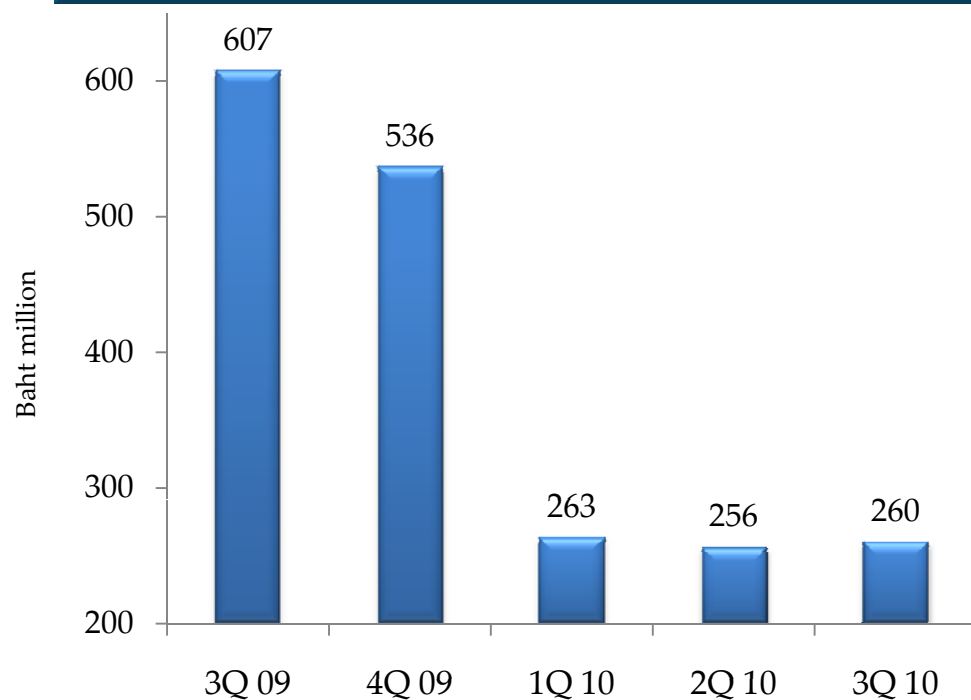
Drilling: Net Losses of Baht 94.15 million to TTA

- Mermaid Drilling Ltd. (MDL)'s operating loss of Baht 148.70 million:
 - ✓ Asset utilisation rate remained at 50%, as only MTR-2 was working as compared to two rigs a year ago;
 - ✓ MTR-2 continues to operate for Chevron Indonesia under a new contract awarded this quarter at a higher day rate, expiring in March 2011.
- In August 2010, MTR-1 was mobilised to the Middle East, starting work as an accommodation work barge for a minimum of 160 days at a contract value of USD 3.2 million.
- We divested our interests in KM-1 due to construction issues and delivery delays surrounding the construction. The amount of loss from the sale is USD 7.35 million. Without this loss, MDL would have reported an operating profit of Baht 29.85 million.
- Ongoing business strategy:
 - ✓ Continue to market MTR-1 as accommodation work barge after the initial contract;
 - ✓ Search for modern and more technically advanced rig assets for expansion.

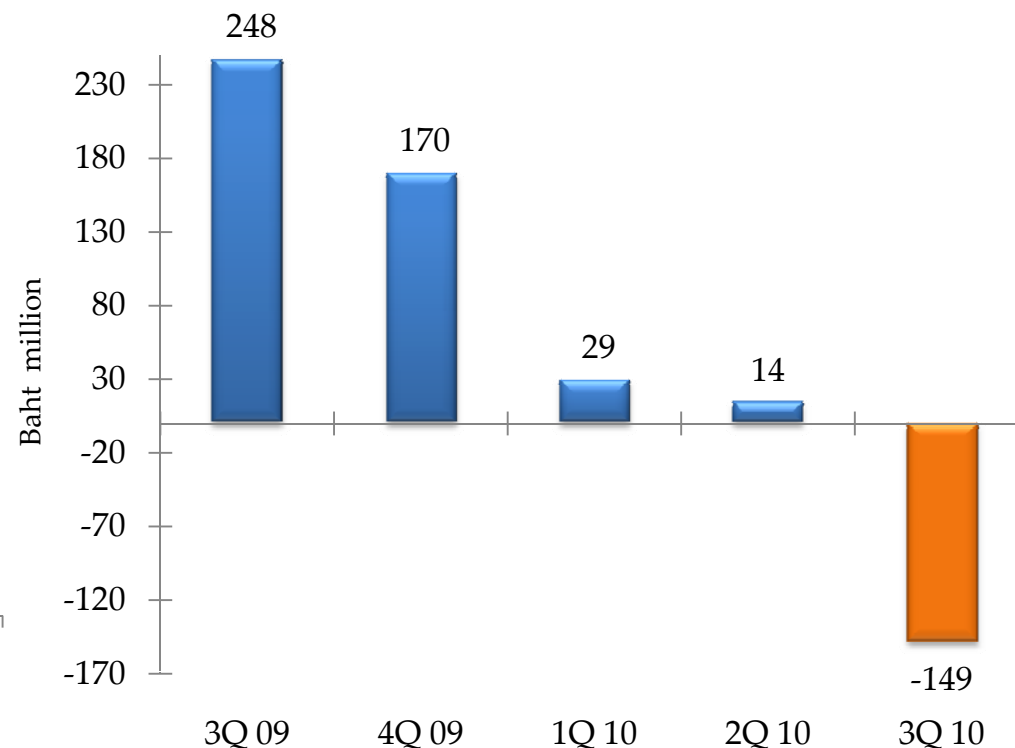


Energy Group: Mermaid Drilling (MDL)

MDL's Service Income



MDL's Operating Profit & Margin (excl Forex)



MDL's Utilisation Rate

3Q 09	4Q 09	1Q 10	2Q 10	3Q 10
99%	81%	50%	49%	50%

MDL's Operating Margins

3Q 09	4Q 09	1Q 10	2Q 10	3Q 10
41%	32%	11%	5%	- 57%



Key Drivers: Infrastructure Group

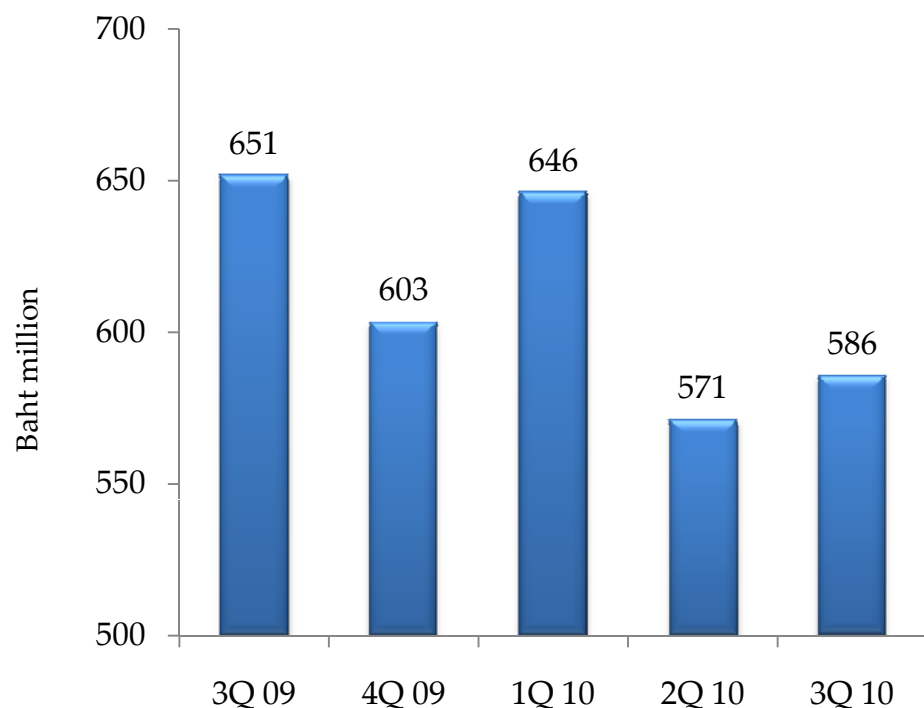
UMS Showed Signs of Recovery and Contributed Baht 38.6 million to TTA

- UMS' performance remained weak when compared YoY but improved significantly QoQ:
 - ✓ Sales increased 2.71% QoQ, as a result of an increase in average selling prices and coal volumes. However, revenues fell 8.90% YoY as sales volumes fell 3.00%;
 - ✓ Based on the product-specific costing method, the restated gross margins improved to 20.35% as compared to 18.77% one quarter ago;
 - ✓ SG&A expense increased 25.90% YoY as a reversal of losses in inventory value was recorded last year. Stripping out the one-time item, the SG&A expense experienced a small 2.83% YoY increase;
 - ✓ Income tax expenses were higher as there was a tax deductible expense on certain eligible investments in fixed assets last year. And, UMS is accruing corporate income taxes of 30%, as the 20% subsidised tax rate for listing on the MAI expired at the end of 2009.
- To better reflect underlying performance, UMS chose to apply a more refined product-specific costing method starting from January 2010 onwards and recorded the necessary adjustments in 3Q FY 2010. However, the results for January to June 2010 will remain unchanged. (See table on the next slide).
- Ongoing business strategy:
 - ✓ Increase marketing efforts to existing and new clients;
 - ✓ Initiate projects to expand market by fostering conversion of non-coal into coal-fired boilers;
 - ✓ Complete briquette/granular project to enhance gross margins of coal product.

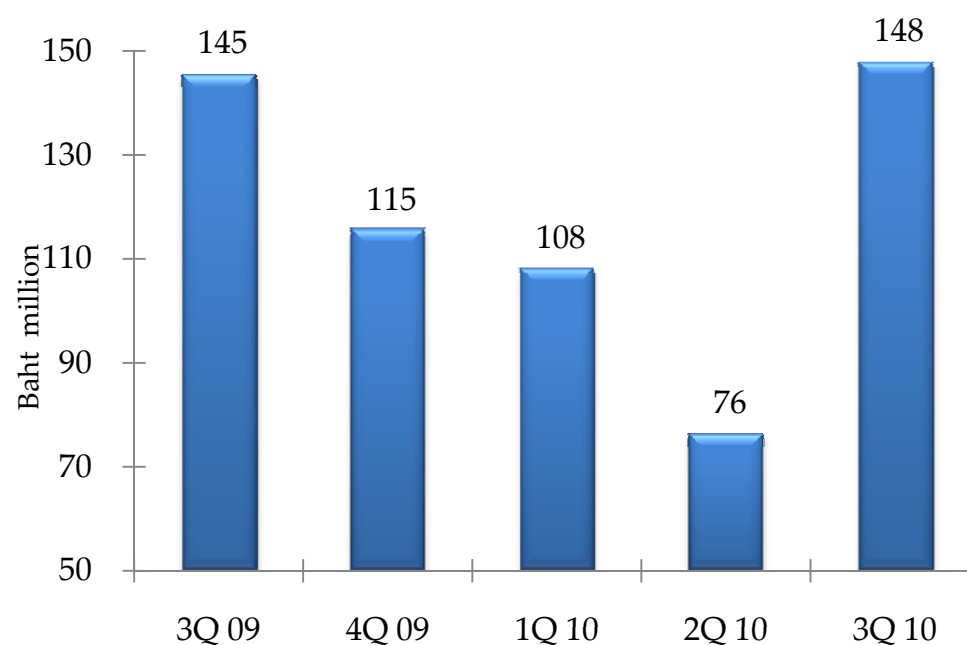


Infrastructure Group: UMS

UMS' Total Sales



UMS' Gross Profit



UMS' Restated Financial Results (Baht million)

	3Q 10	2Q 10
Restated Gross Profits	119.22	107.17
Restated Net Profits	23.46	16.27

UMS' Gross Margin ⁽¹⁾




3Q 09	4Q 09	1Q 10	2Q 10	3Q 10
23%	19%	17%	14%	25%

Note ⁽¹⁾: This gross margin is not restated according to UMS' newly applied refined product-specific costing method.



Key Drivers: Infrastructure Group (cont'd)

Baconco Continues to Contribute Positive Earnings of Baht 51.1 million to TTA

-  Baconco sold 38,424 metric tonnes (mt) of fertilisers in 3Q FY2010 and a total of 113,831 mt for the first 9 months of FY 2010:
 - ✓ Given that March to June is the time for farmers to prepare for planting, it was thus the peak season for fertiliser consumption;
 - ✓ Gross margins improved to 15.66% from 11.13% last year.
-  During 3Q FY 2010, Baconco had a 63.10% average utilisation rate of its intended warehousing capacity for logistics, because the facility was used for our own fertiliser storage. For the six months period that ended in June 2010, Baconco booked a total of 110,483 metric tonnes (an average of 76.72% of total capacity) of warehousing services.
-  Ongoing business strategy:
 - ✓ Concentrate on fertiliser special products, where competition is less and thus higher margins;
 - ✓ Maintain high quality warehouse services to demand higher prices;
 - ✓ Seek additional land and warehouse expansion opportunities.

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Business Outlook: Transport Group

Dry Bulk Shipping: Freight Rates are Likely to be Capped by Weak Demand and Rising Vessel Supply...

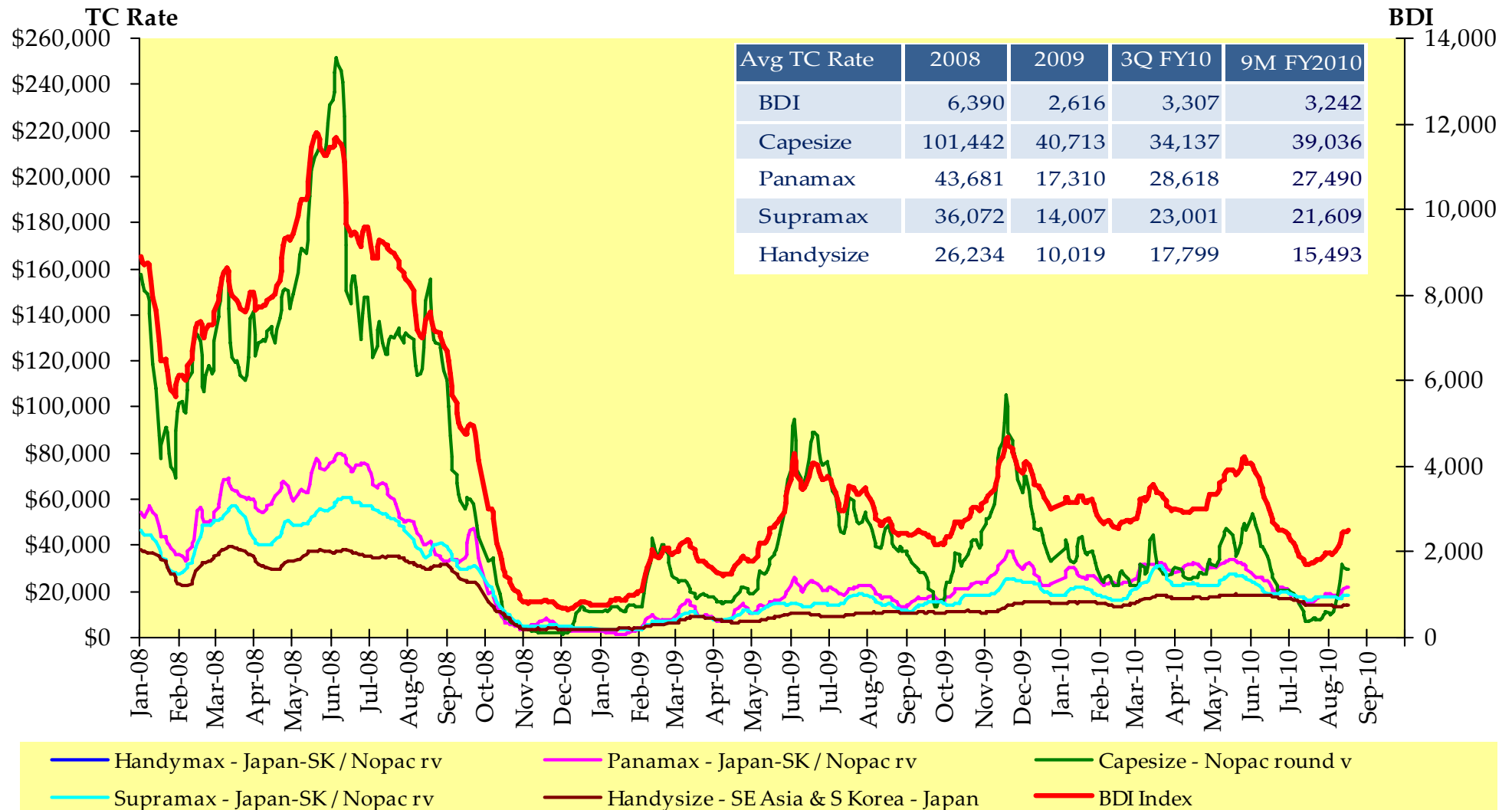
- Demand: China's import policy remains the major driving force.
 - ✓ The recent downward trend of the BDI was caused by China's slower imports. We do not expect a strong recovery in Chinese imports in the near term because:
 - Chinese steel market is unlikely to increase output soon because of soft margins and high inventory;
 - At the end of July, China achieved a record high domestic iron ore production of about 102 mmt;
 - China also has record high port iron ore inventories of about 79 mmt at the end of July and is expected to sustain at this level for the next few months;
 - Coal imports are limited with domestic mines selling at competitive prices and high coal inventories.
 - ✓ As for the rest of the world, steel demand is expected to grow but at a lacklustre rate. In the last month, the world crude steel capacity utilisation has declined to 80.6% from 82.0% in May 2010;
 - ✓ The grain market in the South Atlantic is active, and the market views that the global crop should continue to have good harvests especially from North and South America. Consequently, seaborne grain could support demand;



Business Outlook: Transport Group (cont'd)

-  Supply: The underlying threat of excess new-builds delivering this year still exists.
 - ✓ 443 vessels and 37.495 million DWT were delivered during the first 6 months of 2010. This represents less than half of the scheduled deliveries for the remaining 6 months of 2010;
 - ✓ For the second half of 2010, 1,038 vessels and 83.412 million DWT, equivalent to 16.67% of the current dry bulk fleet, remains in the order book. However, we doubt that they will be fully delivered within this year. In other words, deliveries are expected to push out further to 2011 and 2012;
 - ✓ Considering the already large order book of new build vessels in 2011 of 1,278 vessels, equivalent to 113.955 million DWT, we maintain our belief in a significant oversupply situation.
-  Scrapping for the first 6 months of 2010 was only 38 vessels and 1.432 million DWT, which is almost negligible. This is especially prevalent when earnings are above operational costs for most ship operators.
-  In summary, we expect dry bulk earnings to remain flat or decline in the coming months.

Slow Recovery of the Dry Bulk Market Over the Next Two Years



The Current Dry Bulk Fleet – New Order Book Equals 55.35% of Current Fleet



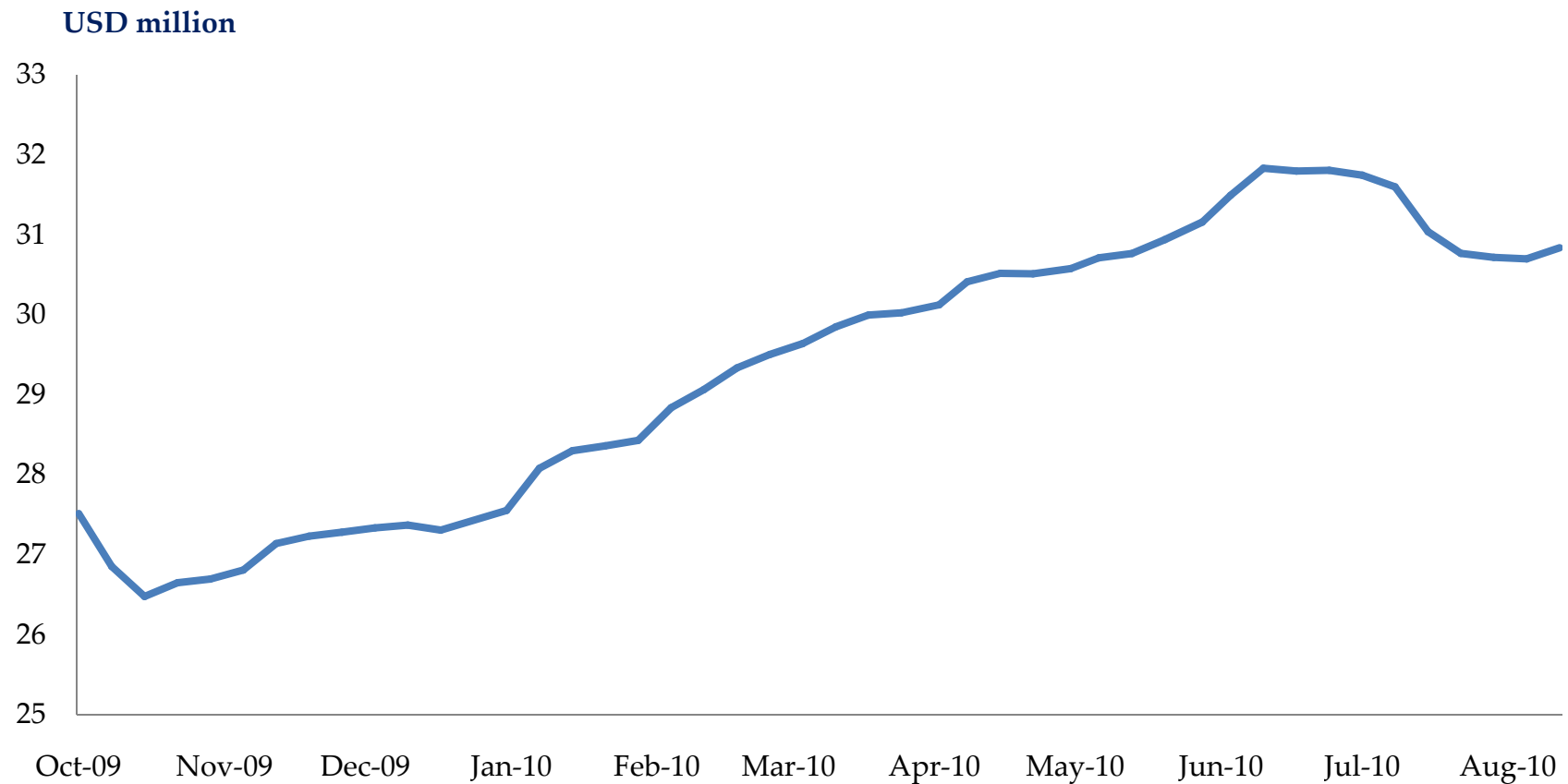
Size	World Current Fleet (incl. Delivery in Jul 2010)			Total Order Book in Jul 2010 (will be delivered on 2010 – 2012+)		
	No.	DWT '000	% Breakdown DWT	No.	DWT '000	% of Current Fleet
10-25	1,054	19,618	3.92%	62	1,231	6.27%
25-50	2,825	102,265	20.43%	712	24,024	23.49%
50-60	1,030	55,955	11.18%	780	44,248	79.08%
60-100	1,738	129,576	25.89%	880	70,843	54.67%
100+	1,081	193,060	38.58%	703	136,684	70.80%
Total	7,728	500,474	100.00%	3,137	277,030	55.35%

	Delivered		Demolition		Net Growth	
	No.	DWT' 000	No.	DWT' 000	No.	DWT' 000
2009	449	35,653	115	5,039	334	30,614
Jan - Mar	237	20,130	23	983	214	19,147
Apr – Jun	206	17,365	15	449	191	16,916
Jul	53	4,792	3	50	50	4,714
7 months 2010	496	42,287	41	1,510	455	40,777

Baltic Exchange Sale & Purchase Assessment for a 5-year old Supramax Vessel



Second Hand Values Fell Recently ...






Source: Baltic S&P 16 August 2010




Business Outlook: Energy Group



Subsea Engineering Vessels Utilisation Rates Should Improve...

-  Rising enquiries for our DP2 DSVs. However, many of our submitted tenders remain outstanding, as oil and gas companies delay in awarding contracts.
-  Day rates are expected to recover, as oil prices remain within a stable range for project viability.
-  Deepwater Horizon incident should be positive for subsea business in the medium term.




Drilling Earnings Growth is Expected to Stem from New Assets...

-  As oil prices stabilised and move upwards in line with the global economic recovery, requirements for all types of drilling rigs are inevitable.
-  The rising availability of shipyards for construction of new build rigs and modern and technically advanced equipment is preferred by clients today, and we believe any new investment made during this period will cost less than if such projects were entered later in the future.
-  Reviewing opportunities for future acquisition of drilling assets (both second-hand and new build), especially as we have adequate funds from our recent rights issue and sales proceeds from KM-1.



Business Outlook: Infrastructure Group



UMS: Rising Prices and Improving Sales Volumes ...

-  We expect UMS' average coal sales prices to either stabilise or increase over the next few months, in line with the market conditions.
-  UMS experienced improvement in coal sales to cement plants during the last quarter, with more than 100,000 tonnes committed for sale. With cement production increasing further, we expect that plants will purchase more coal.
-  Many public infrastructure projects have been re-activated, and most small to medium-sized companies are reporting sales growth as local and international economies recover.

Baconco: Fertiliser Sales may Slow but Warehousing Services Remain Active ...

-  Fertiliser sales expect to slow over the next quarter but are expected to pick up again before year end.
-  The slower fertiliser sales should be supported by our warehousing services.

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Capital Structure



Leverage Remains Low

Baht million	3Q FY 2010	3Q FY 2009	2Q FY 2010
Net operating CF	527.72	1,190.45	218.76
Cash and short term investment	8,347.78	11,684.37	7,791.00
Gross debt	14,243.66	6,382.55	12,655.33
Net cash/- debt	- 5,895.88	5,301.82	- 4,864.33
Shareholders' equity	31,788.01	30,770.51	32,230.62
ROE (%)	2.90%	7.05%	2.95%
Debt/Equity (x)	0.42	0.21	0.36
Debt / Total capitalisation ¹ (x)	0.31	0.17	0.28

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

Source: TTA



Credit Metrics & Liquidity Profile

Debt Servicing Capability Remains Strong

Baht million	9M FY 2010	9M FY 2009
Shareholder's equity	31,788.01	30,770.51
Net book value per share	44.90	43.46
Adjusted EBITDA*	2,539.55	3,332.68
Adjusted EBITDA margin (%)	18.27%	20.29%
Gross debt/Adjusted EBITDA* (x)	5.61	1.92
Adjusted net financial cash or -debt/Adjusted EBITDA* (x)	- 2.32	1.59
Adjusted net financial cash or - debt/Equity (x)	- 0.19	0.17
Adjusted EBITDA*/Net interest expenses (x)	8.03	18.79
Cash and short term investments	8,348	11,684
Current ratio (xs)	1.69	4.14
Adjusted cash conversion cycle (days)	13	9
A/R	34	40
A/P	21	31
Adjusted working capital / Revenues	0.47	0.70

Note: *Adjusted to exclude one-off gains/losses

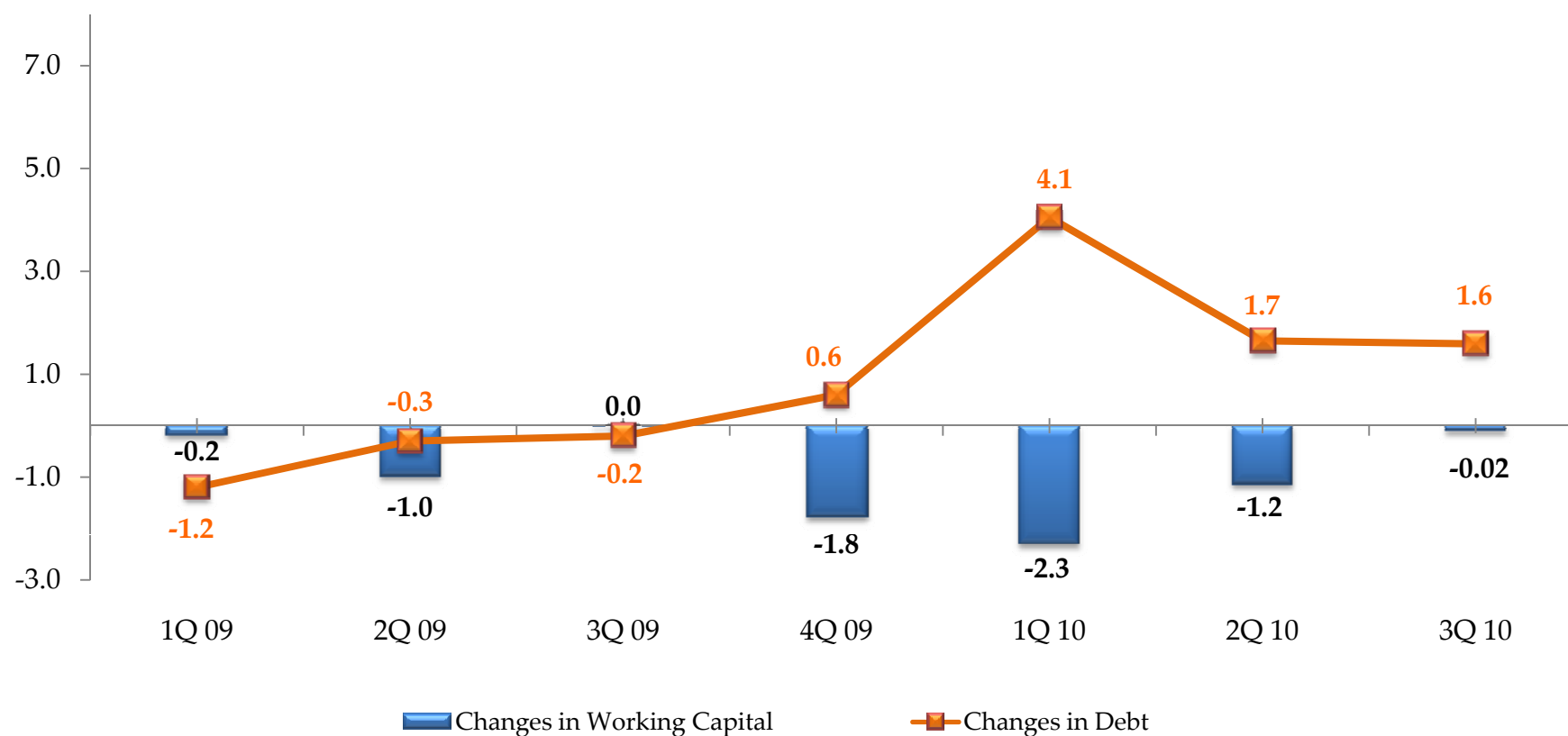
Source: TTA



QoQ Changes in Working Capital and Debt

Demand for Working Capital and Debt Levels Have Fallen Further ...

Baht billion



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 <ul style="list-style-type: none"> ▪ 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%

Long Term Debt Maturity Profile Breakdown by Business Group



Baht million	Within 12 Months	12-24 Months	>24 Months	Total
<u>As of 30 Jun 2010</u>				
Convertible Bonds	1,579	1,209	1,209	3,997
TTA	1,579	1,209	1,209	3,997
UMS	-	-	-	-
Mermaid	-	-	-	-
Bank Debt	3,694	1,108	3,920	8,722
TTA	2,662	82	640	3,384
UMS	213	173	255	641
Mermaid	819	853	3,025	4,697
Other Debts	28	13	5	46
TTA	12	1	-	13
UMS	15	11	2	28
Mermaid	1	1	3	5
Total	5,301	2,330	5,134	12,765
% Breakdown	41.53%	18.25%	40.22%	100.00%

Source: TTA

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