

Opportunity Day Presentation | 1Q/15

The Stock Exchange of Thailand
May 25, 2015



MEMBER OF
Dow Jones
Sustainability Indices
In Collaboration with RobecoSAM 

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PTTGC has based these forward-looking statements on its views with respect to future events and financial performance. Actual financial performance of the entities described herein could differ materially from that projected in the forward-looking statements due to the inherent uncertainty of estimates, forecasts and projections, and financial performance may be better or worse than anticipated. Given these uncertainties, readers should not put undue reliance on any forward-looking statements.

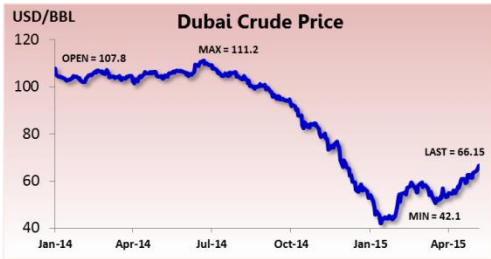
Forward-looking statements represent estimates and assumptions only as of the date that they were made. The information contained in this presentation is subject to change without notice and PTTGC does not undertake any duty to update the forward-looking statements, and the estimates and assumptions associated with them, except to the extent required by applicable laws and regulations.

- Overview
- Strategic Actions Progress
- Financial Performance
- Market Outlook

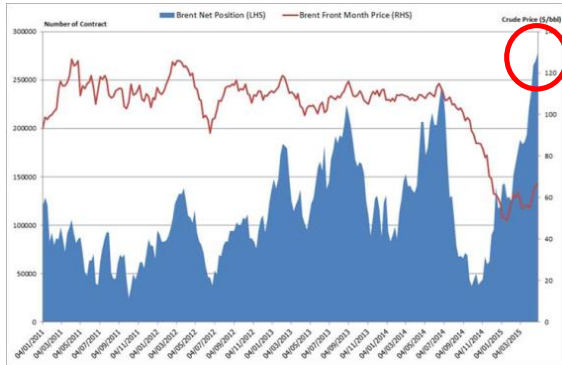
Crude Oil Price : Continue being cautious



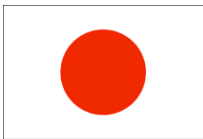
Crude Oil price has rebounded,



while extraordinarily high net long



Uncertain Economies



ACTIVELY ONGOING MONITORING

Production Optimization and Inventory Management

Feedstock Management

Expense Budgeting

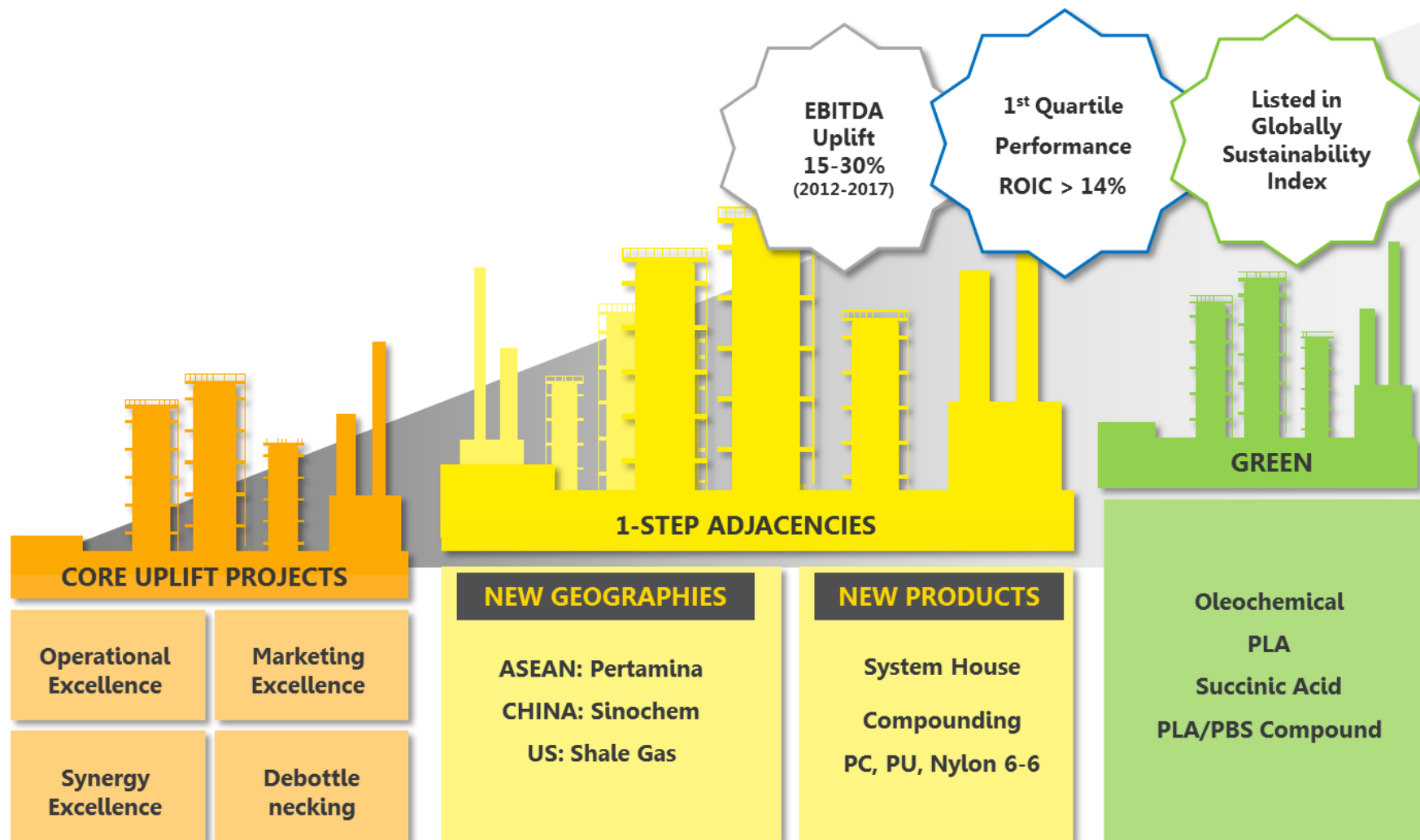
Hedging  Crack Spread and Stock Gain/Loss: Engaged 1/3 of target volume

Morning War Room

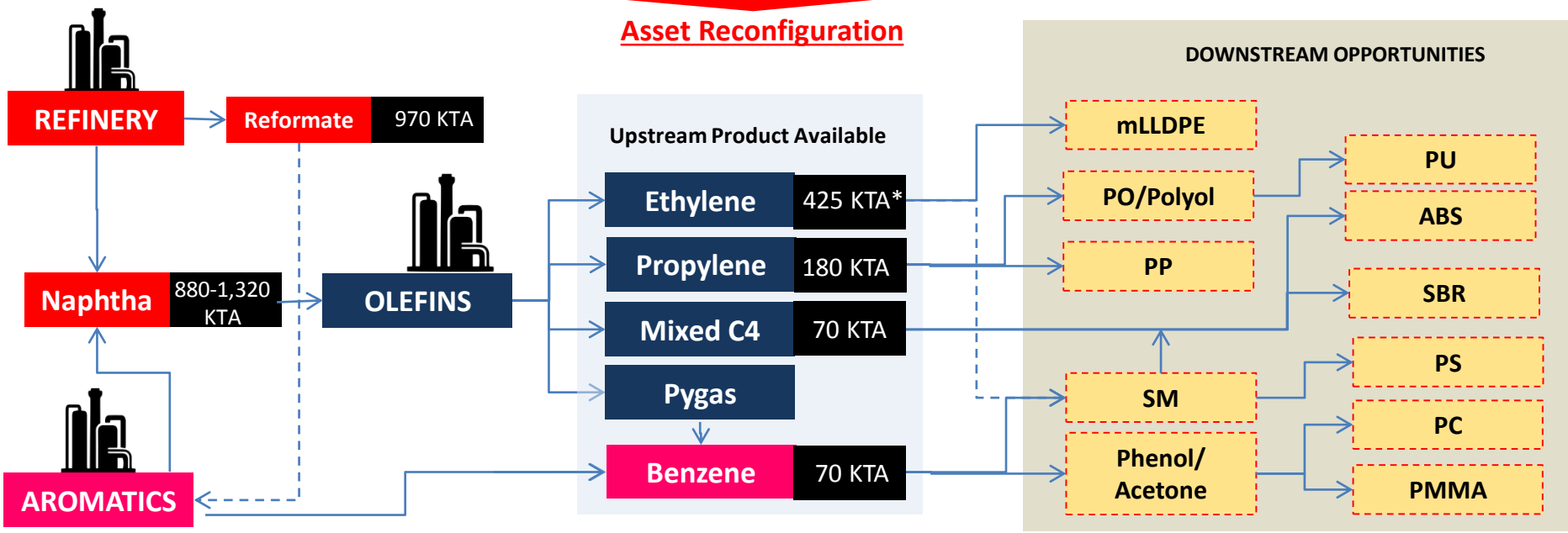
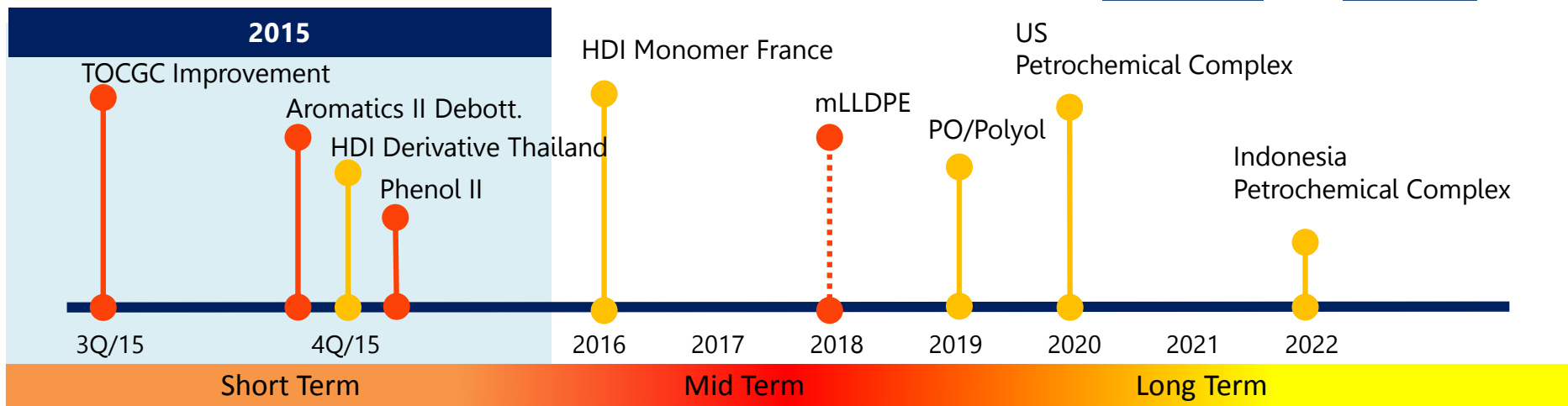
AGENDA

- Overview
- **Strategic Actions Progress**
- Financial Performance
- Market Outlook

MORE CLARITY ON STRATEGIES WITH PRUDENT ROADMAP

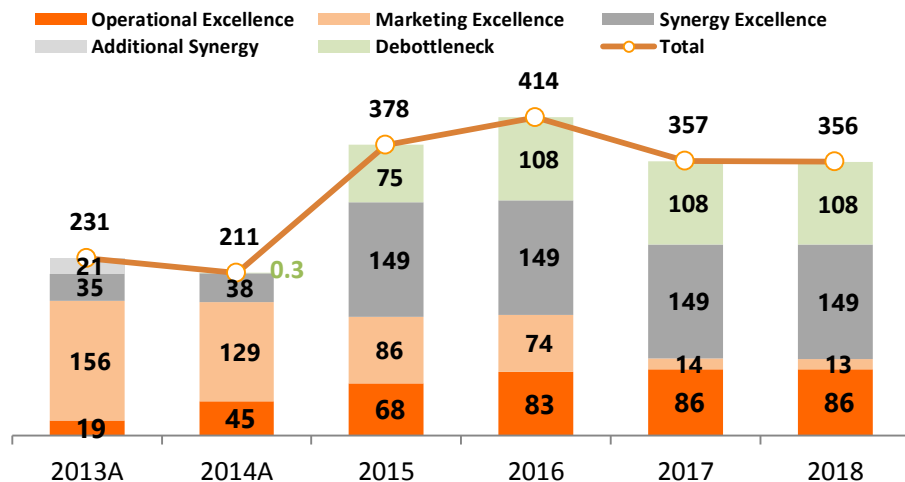


PTTGC Project Timeline



 Potential Products * 425 KTA of which 230 KTA contract expiring in 2016
 Excess volume available for asset reconfiguration

CORE UPLIFTS



Core Uplift Programs	2015 Target (MUSD)	1Q/15 Actual (MUSD)	FY2015 Estimate (MUSD)
Synergy Excellence	149	11	35
Marketing Excellence	86	26	112
Operational Excellence	68	18	76
Total	303	55	223

2015 COMPLETING PROJECTS

SYNERGY	PROJECT PROGRESS *	
Off Gas Upgrading at Olefins Delay to 2Q/15	99%	

DEBOTTLENECKING & EXPANSION	CAPACITY/ CAPEX	PROGRESS *
Phenol 2 Project Target COD: 4Q/15	Phenol +250 KTA Acetone +155 KTA	97%
	CAPEX 345 M\$	
TOCGC Plant Improvement Project Target COD: 3Q/15	EOE +90 KTA	85%
	CAPEX 94.2 M\$	
Aromatics 2 Debottlenecking Project Target COD: 4Q/15	PX +115 KTA BZ +35 KTA OX +20 KTA	76%
	CAPEX 128.8 M\$	

*Updated as of March 2015

1-STEP ADJACENCIES: US Petrochemical Complex

Petrochemical Complex

World Scale Ethane Cracker

- Utilize ethane from shale gas as feedstock
- Capacity : 1 MTA Ethylene
- Derivatives
 - HDPE : 700 KTA
 - MEG : 500 KTA
 - EO : 100 KTA
- Location : Dilles Bottom, Ohio
- Capex: Approx. US\$ 5.7 Billion

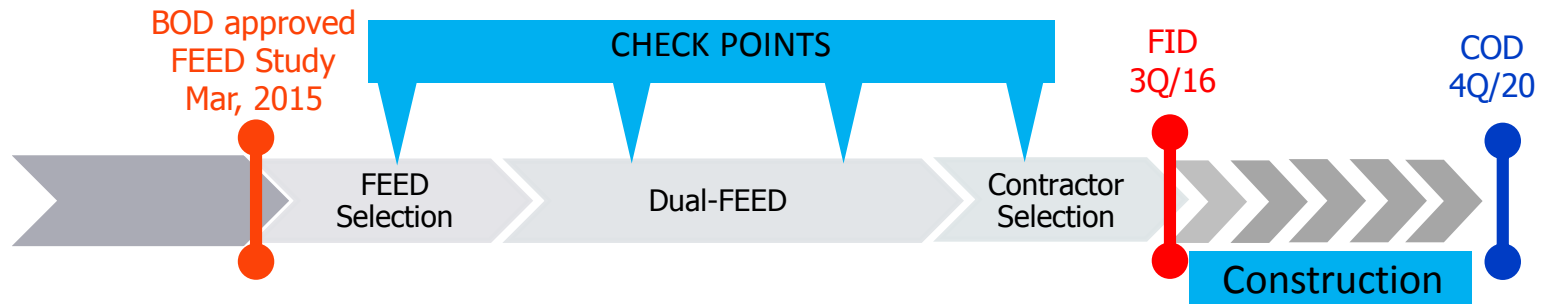


Key Criteria for FID

- Investment cost justify investment return
- Enough ethane capacity with capped price
- Partner can distribute products in N. America



Timeline

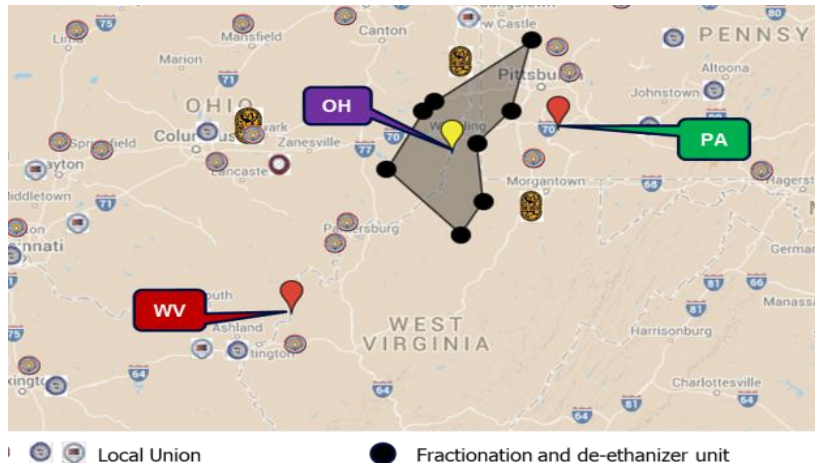


1-STEP ADJACENCIES: US Petrochemical Complex

Site Location: Ohio's Key Advantages

Close to feedstock supply

- Site location is in the center of ethane network with nearby fractionation units
- Allowing the project to utilize existing pipelines and provide flexibility for ethane delivery
- Pipelines in this region are mostly newly built with less than 2 years of use.



Availability and Quality of Workforce

- 90,000 local skilled workers in Ohio
- JobsOhio with the construction trades and educational system will deliver the required workforce.



JobsOhio : organization promoting job creation and economic development of Ohio

- JobsOhio offers an aggressive incentive package for the Project i.e. state job creation tax credits, workforce training grants, infrastructure improvement grants, and local tax credits

Accessible by railway/ highway/ waterway

Readiness of infrastructure and utility

Close to demand: (% of total US & Canada)

- HDPE: 55% (4,500 KTA)
- MEG: 65% (1,400 KTA)



1-STEP ADJACENCIES: US Petrochemical Complex



Feedstock

- Discussed with 9 potential upstream and midstream suppliers with volume of 2.3-3.4 MTA of ethane which exceeds required volume of 1.25 MTA
- Expected ethane supply contract tenor of 10-20 years.
- Aim to cap ethane price with ceiling



Marketing

As a result of 73 customer visits in 2014, all customers are willing to buy from us.

- PE visits covered > 30% of US demand (42 visits)
- EOEG visits covered > 80% of US demand (31 visits)

Product suppliers in NE America

HDPE	MEG
PTTGC, Shell, Braskem Combined Capacity 2,450 KTA (60% of NE demand)	PTTGC



Partner

Partner Selection Criteria

- Trader / Marketing Expertize
- Product Offtaker
- Local connection & Practice

PTTGC is working with 6 selected potential partners



Funding

PTTGC is talking to potential lenders in Thailand and study funding scheme in the US in parallel



Technology

Cracker : Stone & Webster

- Stone & Webster has the highest number of projects and capacity share for the new project in US.

HDPE : INEOS Group Limited (INEOS)

- INEOS technology can produce products that fit to US market and has market share in N.America.

EOEG : Scientific Design (SD)

- PTTGC has long experience in SD technology in Thailand.

1-STEP ADJACENCIES: Petrochemical Complex in Indonesia

Refinery Upgrading Project

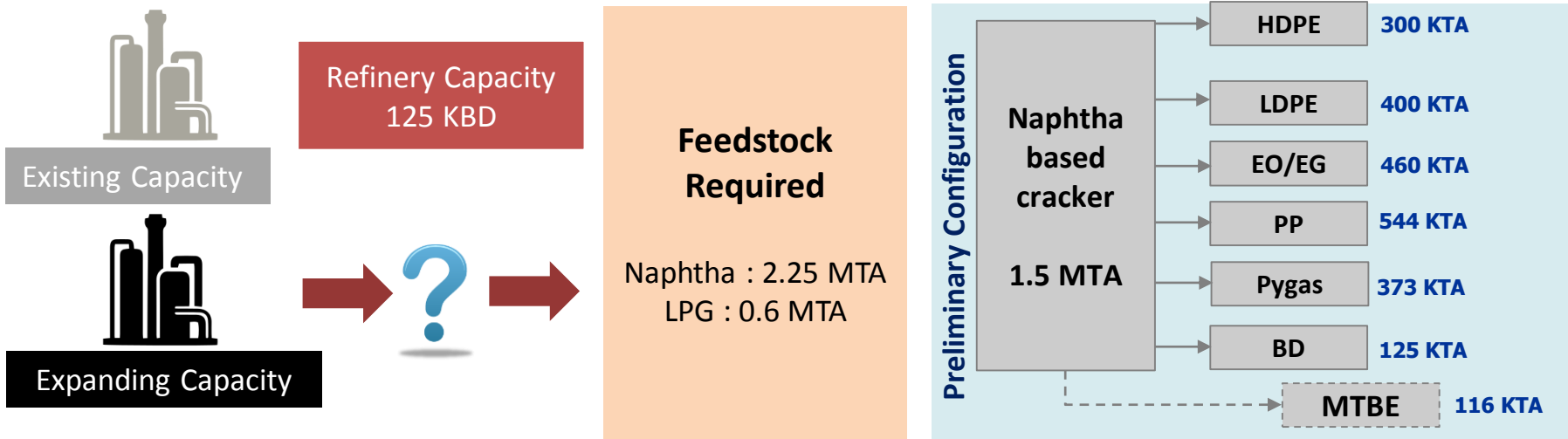


Potential Partner

Petrochemical Complex Project



Feedstock from Balongan Refinery

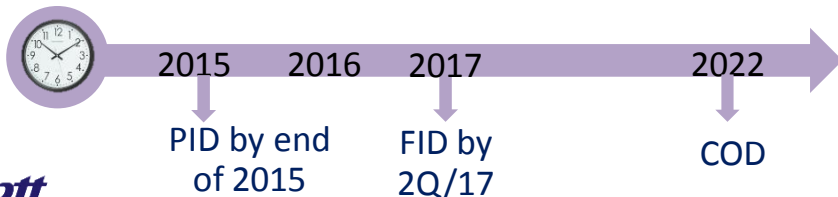


Balongan Refinery Expansion + Petrochemical Complex

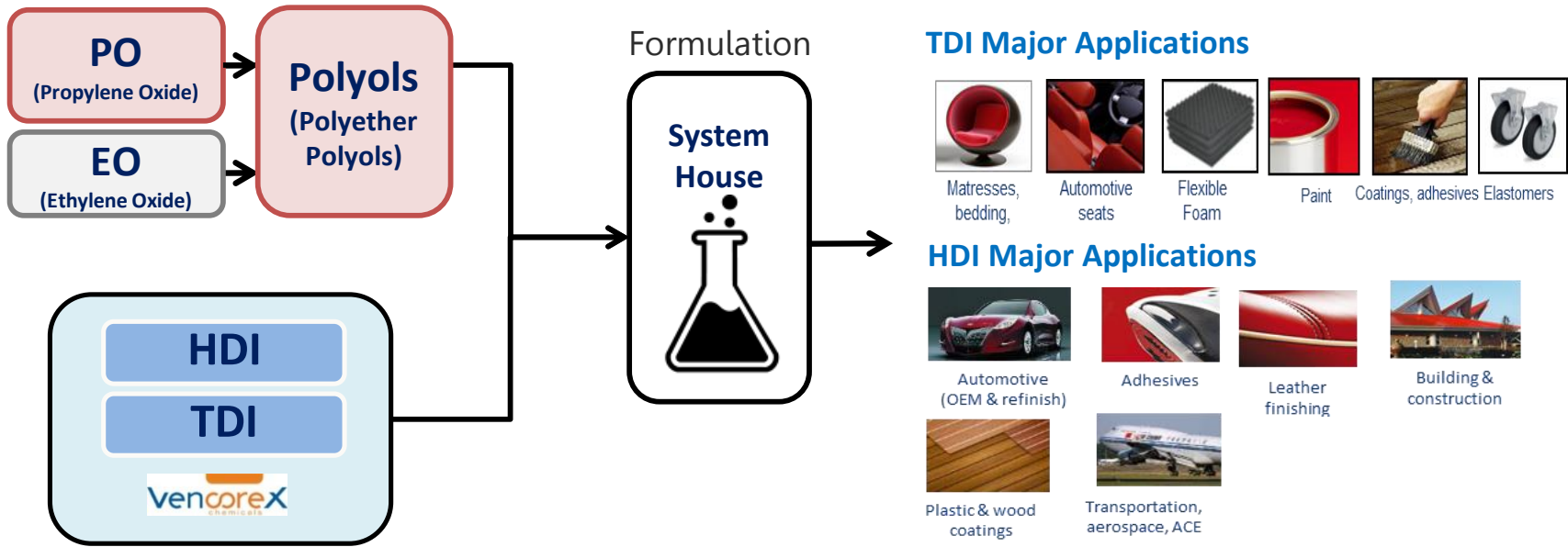
- Consider collaboration to integrate Balongan Refinery with petrochemical complex
- PERTAMINA and a partner is looking to upgrade/expand its Balongan refinery

Updates

- PERTAMINA and partner is determining size and configuration of Refinery upgrade/expansion
- Availability of petrochemical feedstock from refinery expansion
- Configuration and product yield of the expansion
- Domestic demand of refined product



1-STEP ADJACENCIES PU Chain: PO/Polyols



PO/Polyol

PO / POLYOL Project

- Location : Rayong, Thailand
- Capacities
 - PO : 200 KTA
 - Polyols & System house : 100-150 KTA
- CAPEX ~ 1 billion USD
- Target COD : 4Q/19

Update:

- Finalizing HOA agreement with partner
- Feasibility study



1-STEP ADJACENCIES PU Chain: Vencorex

HDI Derivatives

VENCOREX Thailand

HDI derivatives plant in Thailand

- Capacity: 12 KTA
- CAPEX : 40 M.Euro
- Target COD : 4Q/15
- Construction Status : 71.6%



Marketing

- Existing customers of Vencorex France in Asia approx. 8% of Asia Pacific Market
- Seek new customers through premarketing by increasing direct sales especially with key accounts
- HDI in Asia growth at 6% per annum

VENCOREX USA : Exploring the possibility of HDI derivatives expansion in the US

HDI Monomer

VENCOREX France

- TDI conversion to world-scale HDI monomer
- Capacity: 70 KTA
- CAPEX : 17 M.Euro
- Target COD : 2Q/16

Update:

- Ordered long lead item



2015

2016

End 1Q/16
S/D to tie in

COD 2Q/16

TDI

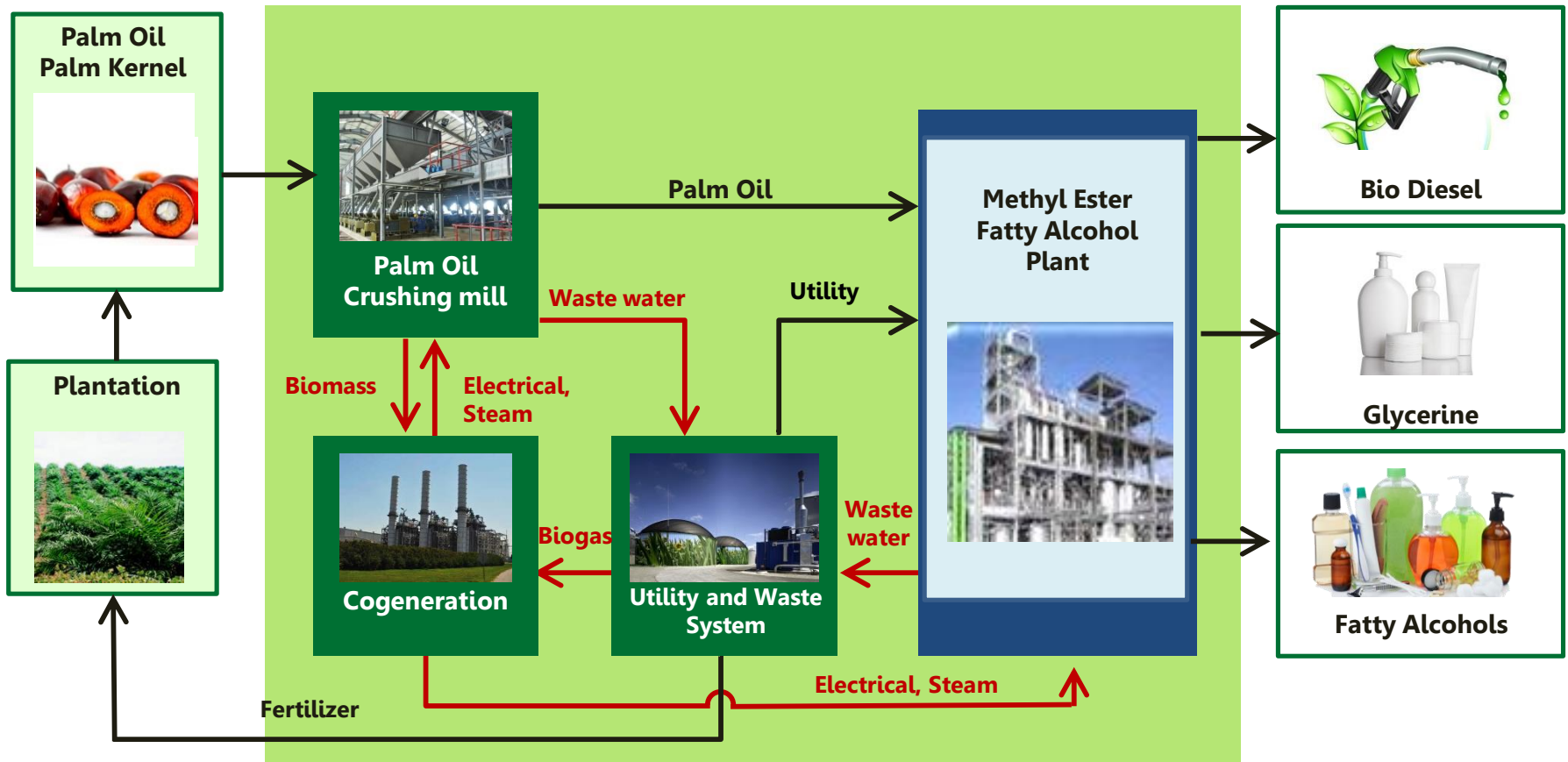
Sustaining strong TDI customer base in Europe

- Maximize special grade TDI (raffinate)
- Application development i.e. TDI for Coating/ Adhesives/ Sealants/ Elastomers market
- Target on direct customers while keeping good connection with worldwide traders

Continue R&D for TDI Process Improvement

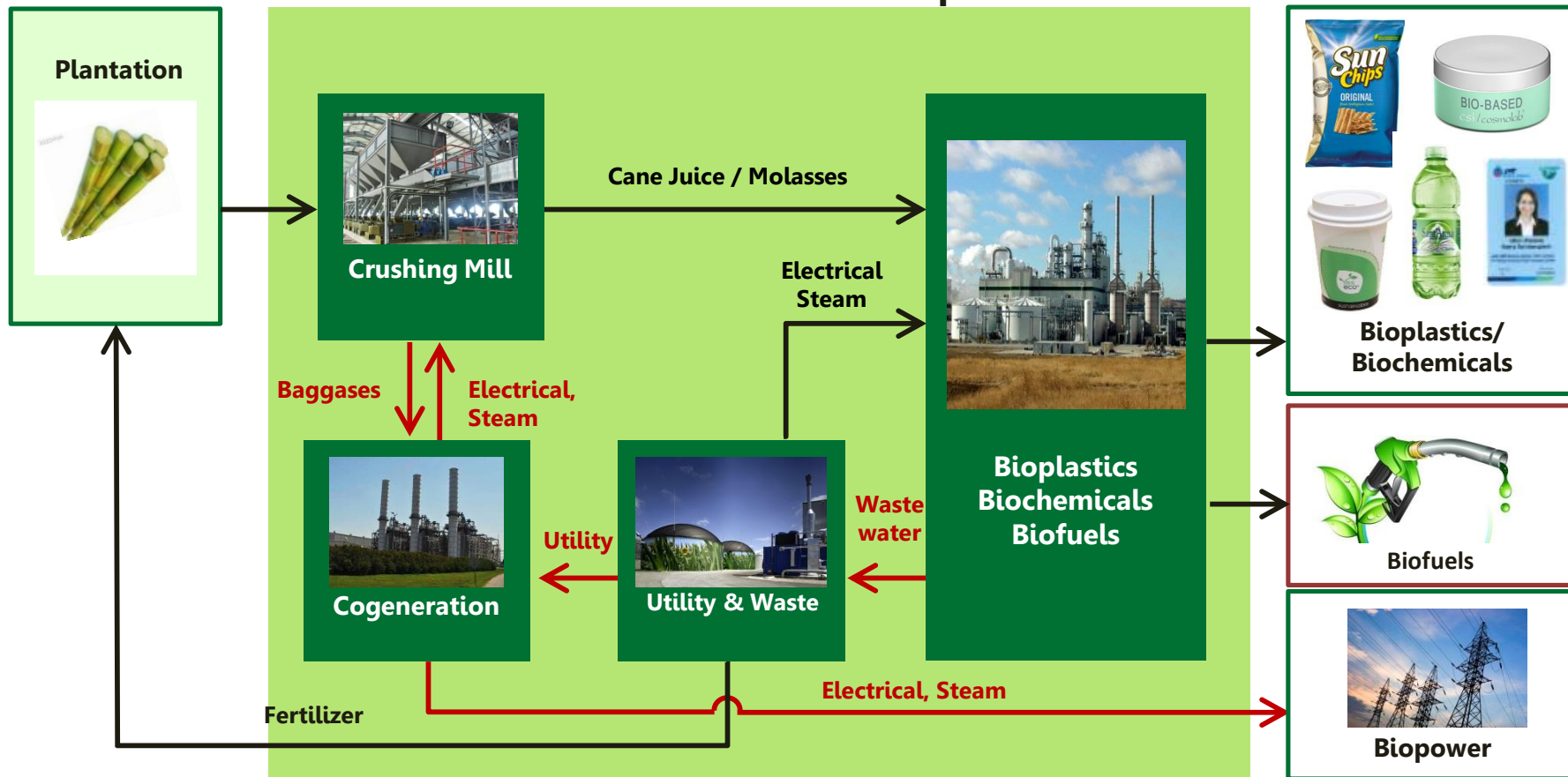
GREEN: Bio-Hub Concept

Palm-Base Biohub Concept

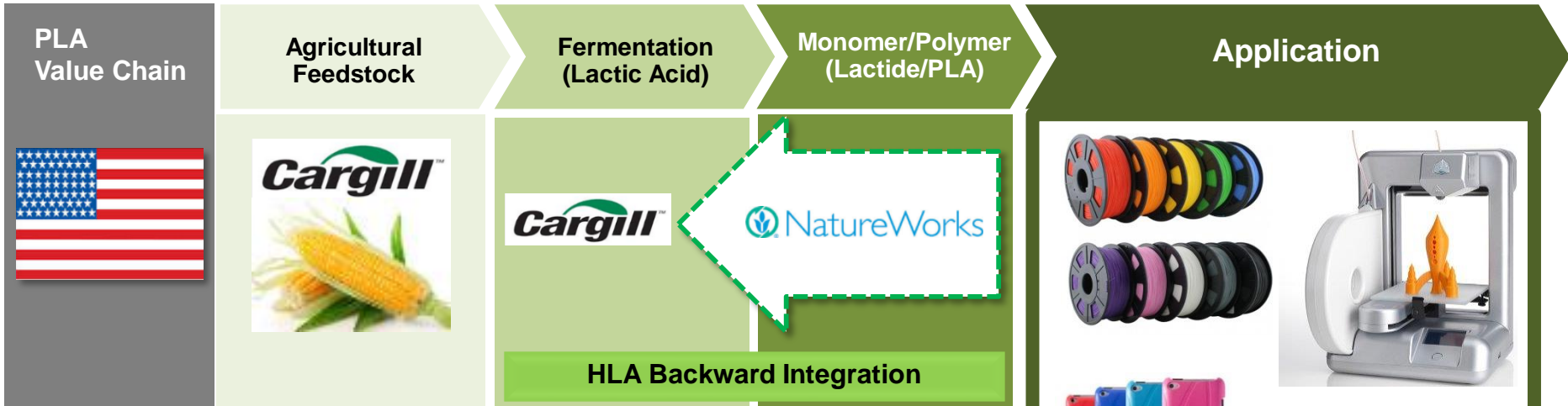


GREEN: Bio-Hub Concept

Sugar-Base Biohub Concept



GREEN: NatureWorks



US Plant : Lactic Acid contributes 50-70% of PLA cost, moving upstream to integrate Lactic Acid supply will increase competitive position; driving PLA business in a sustainable model



Thailand Plant : Integration with Cargill's Lactic Acid Technology will enable NatureWorks to invest in second fully integrated PLA Plant located in Thailand, supporting Thai National BIO-HUB Policy

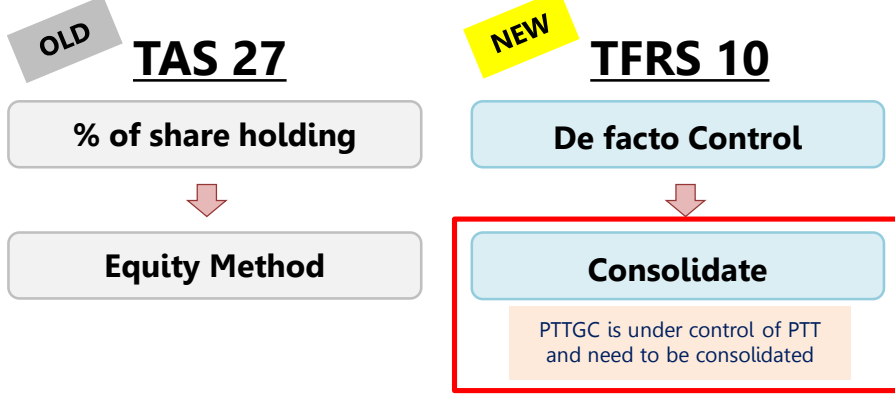


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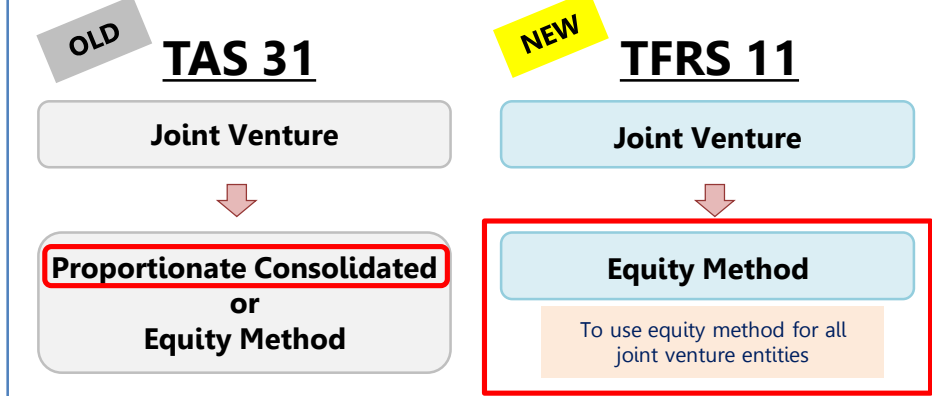
Changes in Accounting Standards - PACK 5

TFRS 10 & TFRS 11 : Material effect to PTTGC

TFRS 10 : Consolidated Financial Statements



TFRS 11 : Joint Arrangements



Impact of TFRS 10

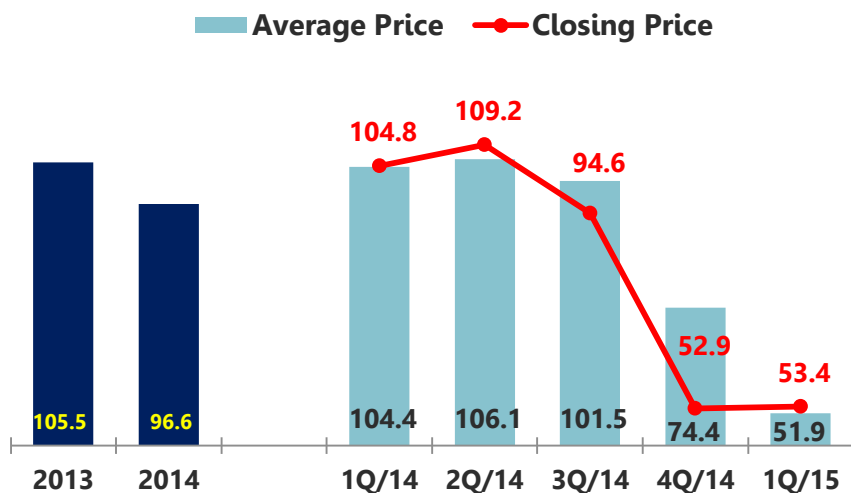
- | | |
|--|--|
| <p>Effect to PTTGC</p> <ul style="list-style-type: none"> All business combination between the companies under PTT's control need to <u>realize at cost</u> <p>Previous Common Control Transaction</p> <ul style="list-style-type: none"> 2006 : BPE, PTTPE 2011 : PTTCH + PTTAR 2013 : GPSC | <p>Effect to Statement of Income</p> <ul style="list-style-type: none"> Reduction in depreciation expense (of PPA value) <p>Effect to Statement of Financial Position</p> <ul style="list-style-type: none"> Reduction in total assets (PPA & Goodwill) Reduction in total equity (deficit in equity) |
|--|--|

Impact of TFRS 11

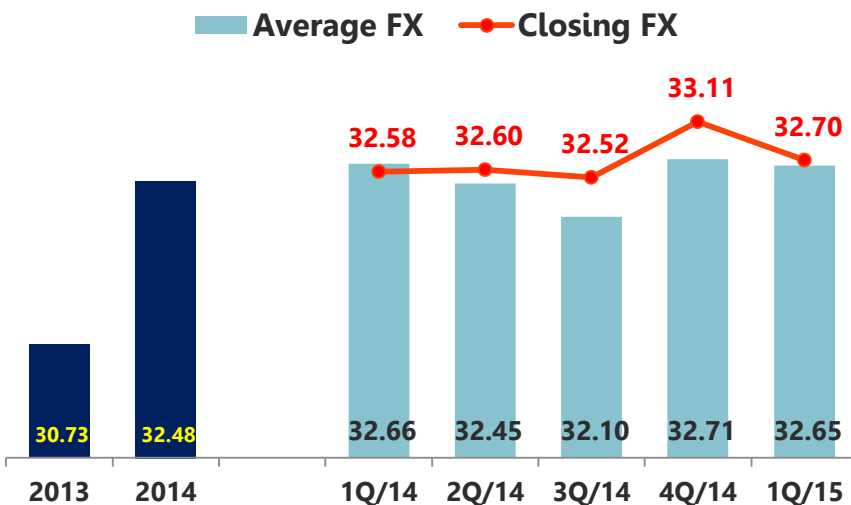
- | | |
|---|--|
| <p>Effect to PTTGC</p> <ul style="list-style-type: none"> Joint Venture : to apply <u>equity method</u> instead of previously used proportionate consolidation method <p>Joint Venture Entities</p> <ul style="list-style-type: none"> TEX (50%) Emery (50%) ESC (50%) NatureWorks (50%) | <p>Effect to Statement of Income</p> <ul style="list-style-type: none"> Reduction in revenue and expense Increment in share of profit from investments No effect to the Company's net profit <p>Effect to Statement of Financial Position</p> <ul style="list-style-type: none"> Reduction in total assets & liabilities Increment in investment in joint ventures |
|---|--|

BUSINESS ENVIRONMENT AND OPERATIONS RECAP

Average and Ending Dubai Crude Price: USD/BBL



Average and Closing FX : THB/USD



- Surplus crude pressured Dubai price to decline from average at 74.4 USD/BBL in 4Q/14 to 51.9 USD/BBL in 1Q/15. As a result, PTTGC reported Stock Loss & NRV totaling 1,133 M.THB in 1Q/15.
- FX Gain amounting to 526 M.THB, resulting from slight appreciation in THB against USD from 33.11 THB/USD at the end of 4Q/14 to 32.70 THB/USD at the end of 1Q/15

	1Q/15	QoQ	YoY
CDU Utilization Rate	102%	1%	1%
Jet - Dubai	17.08	-4%	0%
Diesel - Dubai	16.29	2%	-8%
Fuel Oil - Dubai	-1.86	67%	78%
GRM on CDU (\$/bbl)	7.97	27%	44%

BTX Utilization Rate	89%	26%	-2%
PX- Condensate	333	-17%	-14%
BZ- Condensate	217	-32%	-43%
Market P2F (\$/Ton)	219	34%	32%

Olefins Utilization Rate	96%	-5%	18%
Polyethylene Utilization Rate	107%	-3%	8%
MEG Utilization Rate	108%	5%	44%
HDPE Price	1188	-18%	-24%
MEG Price	903	-13%	-24%
% Adj. EBITDA Margin	19%	-5%	-5%

1Q/15 INCOME STATEMENT – CONSOLIDATED

	1Q/14R**		4Q/14R**		1Q/15		YoY		QoQ	
	MB	%	MB	%	MB	%	MB	%	MB	%
Sales Revenue	141,455	100	121,085	100	99,251	100	(42,204)	-30%	(21,834)	-18%
Feedstock Cost	(117,581)	(83)	(95,112)	(79)	(75,721)	(76)	(41,860)	-36%	(19,391)	-20%
Product to Feed Margin	23,874	17	25,973	21	23,530	24	(344)	-1%	(2,443)	-9%
1 Variable Cost	(7,062)	(5)	(7,358)	(6)	(6,809)	(7)	(253)	-4%	(549)	-7%
2 Fixed Cost	(4,075)	(3)	(4,039)	(3)	(3,514)	(4)	(561)	-14%	(525)	-13%
3 Stock Gain/(Loss) & NRV	(567)	(0)	(13,676)	(11)	(1,133)	(1)	(566)	-100%	12,543	92%
4 Gain/(Loss) Commodity Hedging	184	0	1,229	1	(188)	(0)	(372)	-202%	(1,417)	-115%
5 Other Income	990	1	1,421	1	926	1	(64)	-6%	(495)	-35%
6 SG&A	(2,413)	(2)	(3,278)	(3)	(2,339)	(2)	(74)	-3%	(939)	-29%
EBITDA	10,931	8	272	0	10,473	11	(458)	-4%	10,201	3750%
7 Depreciation & Amortization	(3,857)	(3)	(4,040)	(3)	(3,979)	(4)	122	3%	(61)	-2%
EBIT	7,074	5	(3,768)	(3)	6,494	7	(580)	-8%	10,262	272%
Finance Cost	(1,176)	(1)	(1,117)	(1)	(1,076)	(1)	(100)	-9%	(41)	-4%
8 FX Gain/(Loss)	617	0	(451)	(0)	526	1	(91)	-15%	977	217%
9 Shares of profit/(loss) from investments	36	0	(312)	(0)	237	0	201	558%	549	176%
10 Income Tax Expense	(402)	(0)	923	1	(499)	(1)	97	24%	1,422	154%
Net Profit	6,149	4	(4,725)	(4)	5,682	6	(467)	-8%	10,407	220%
Profit/(loss) attributable to:										
Owners of the Company	6,320	4	(4,780)	(4)	5,631	6	(689)	-11%	10,411	218%
Non-controlling interests	(171)	(0)	55	0	51	0	222	130%	(4)	-7%
Adjusted EBITDA *	11,498	8	13,948	12	11,606	12	108	1%	(2,342)	-17%

Note: * Adjusted EBITDA refers to EBITDA excluding impact of inventory value (excludes Inventory gain/(loss) and NRV)

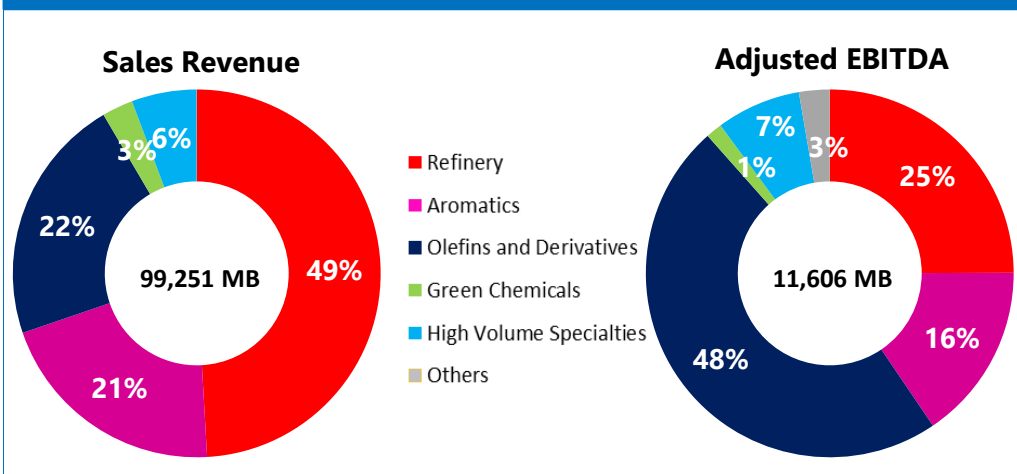
** Restated 1Q/2014 and 4Q/2014 Income Statements from the implementation of new accounting standards (Pack 5)

OVERVIEW OF BUSINESS UNITS' PERFORMANCE

(Unit: MB)	1Q/14R	4Q/14R	1Q/15	YoY % + /(-)	QoQ % + /(-)
Sales Revenue	141,455	121,085	99,251	-30%	-18%
EBITDA	10,931	272	10,473	-4%	3750%
EBITDA Margin (%)	8%	0%	11%	3%	10%
Net Profit	6,320	(4,780)	5,631	-11%	218%
EPS (Baht/Share)	1.40	(1.06)	1.25	-11%	218%
Adjusted EBITDA*	11,498	13,948	11,606	1%	-17%
Adjusted EBITDA Margin (%)	8%	12%	12%	4%	0%

Note: * Adjusted EBITDA refers to EBITDA excluding impact of inventory value (Inventory gain/(loss) and NRV)

1Q/15 Revenue and Adjusted EBITDA Structure



% Adjusted EBITDA Margin

Business Unit :	1Q/14R	4Q/14R	1Q/15
Refinery	3	6	6
Aromatics	3	1	13
Olefins and Derivative	24	25	19
Green	8	2	6
HVS	3	6	12
Average	8	12	12

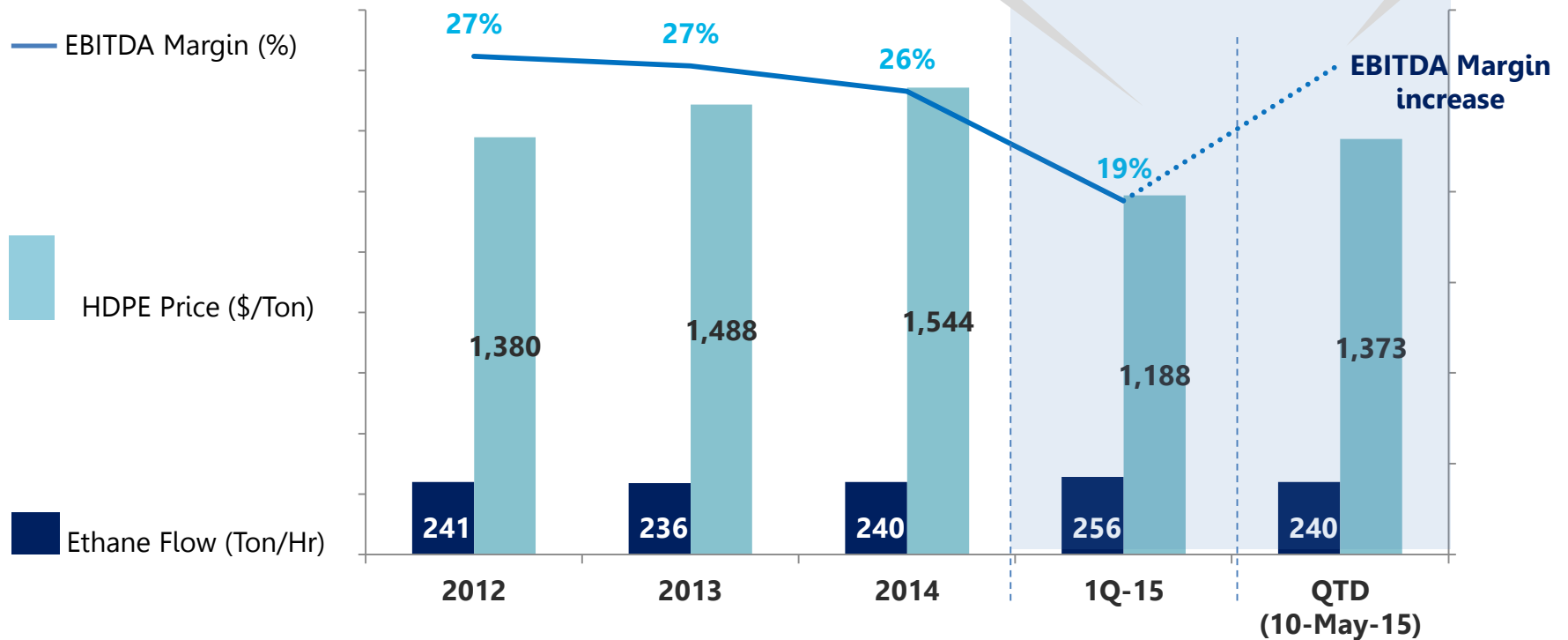
Olefins and Derivatives

1Q/15 EBITDA Margin 19%

- HDPE price @ 1,188 \$/Ton decreased 23% from avg. 2014 price
- Variable cost (mainly consist of utility and chemical cost) per ton decreased 10% from avg. 2014

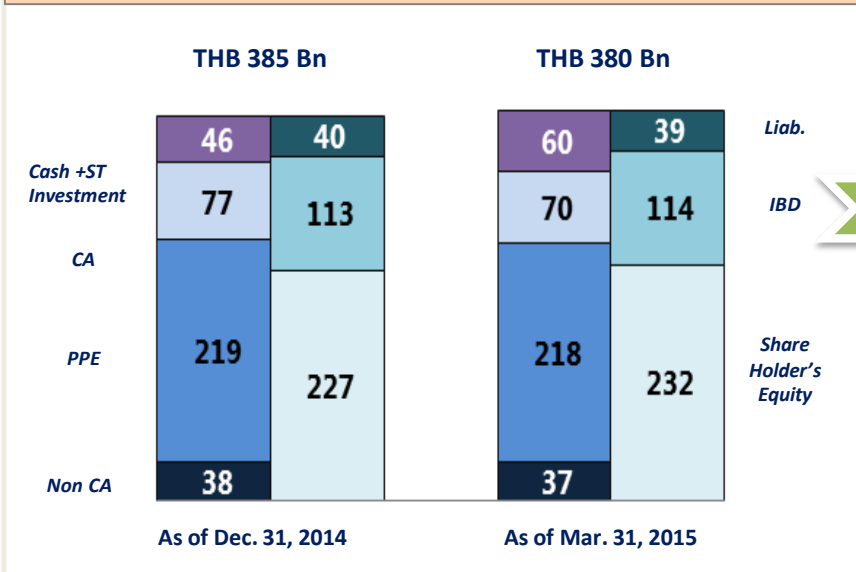
2Q/15 Expects EBITDA Margin to increase

- HDPE price is expected to be in the higher level than 2012
- Ethane flow is expected to remain the same level as 2012

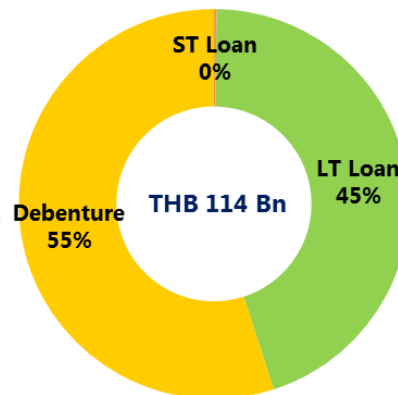


STRONG FINANCIAL POSITION

Statements of Financial Position



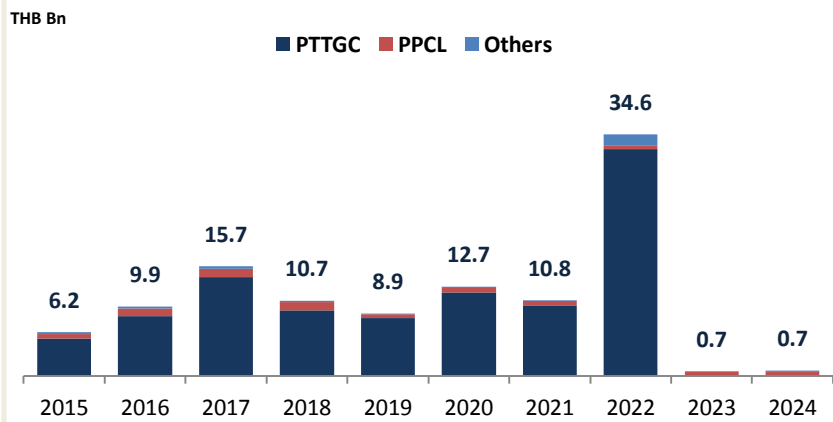
Loan Type



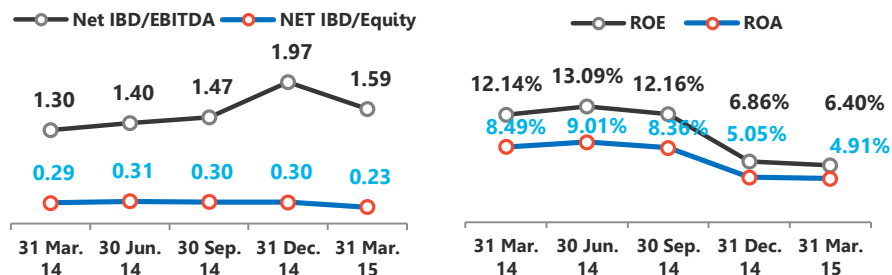
Interest Rate	Currencies
63 % Fixed	55 % THB
37 % Float	45 % USD & Others

- Cost of long term debts ~ 4.59% (Include W/H Tax)
- Average loan life after refinancing - 5.11Years

Maturity of Financial Debt* as at Mar. 31, 2015



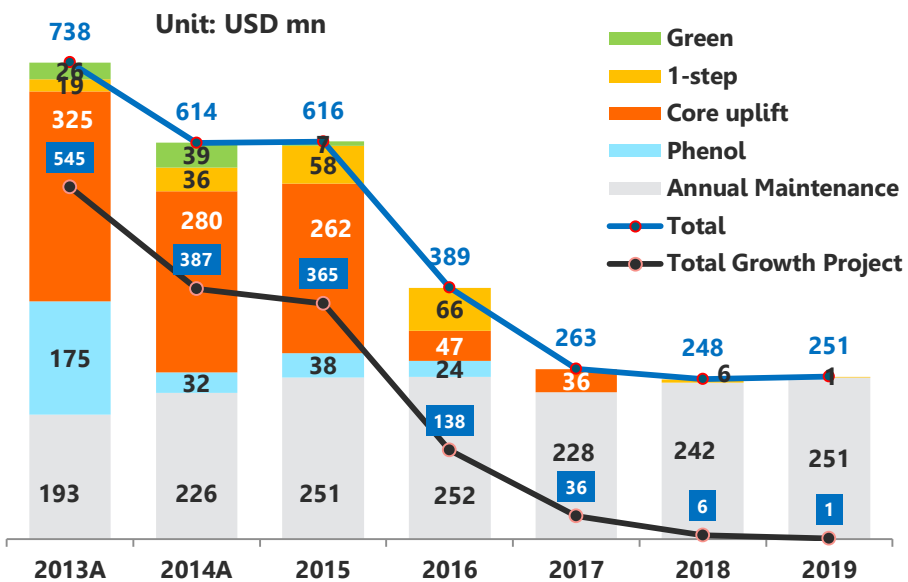
Key Financial Ratios



Treasury policy
 Net IBD to Equity ratio of $\leq 0.7x$
 Net IBD to EBITDA ratio of $\leq 2.4x$

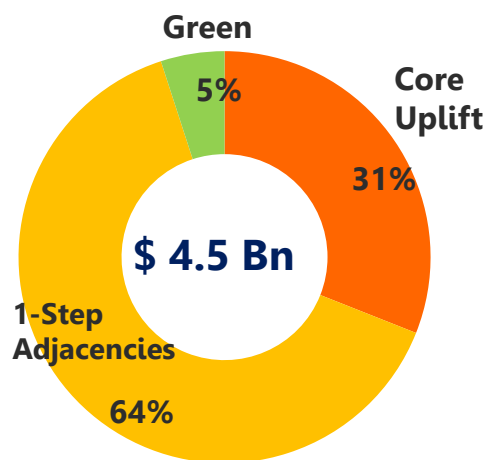
CAPEX TO SUPPORT GROWTH

Approved CAPEX Plan 2015 -2019*



*FX = 30 THB/USD

Uncommitted 5 Years Investment CAPEX



\$ 2.5 Bn
Cash Flow
From
Operation

+

\$ 2 Bn
Debt
Financing

\$1 Bn secured from USD
Bond issued in Sep'12

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2015 Market Outlook

Crude price in improve in short term with high volatility

- Crude demand/supply will be more balanced from growing demand during low oil price with slower U.S. crude output, however, record high of crude net long position
- Expect Dubai crude to increase in 2H/15 to 64 \$/bbl at the end of the year.

Aromatics margins slightly improve

- Paraxylene still in oversupply however, start up of new capacity maybe delayed. Chinese regulators are more stringent after Dragon Aromatics' incident.
- Benzene demand improved from low crude oil price, however, higher naphtha crackers operating rate may increase benzene supply from additional pygas volume.

Polyethylene strong prices from firm demand

- Polyethylene market is quite balanced with more demand from emerging market

MEG margin recovers from polyester demand growth

- MEG market is more balanced from growing demand from polyester. Low inventory level of MEG in China.

Thank You

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