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## Management's Discussion and Analysis for Business Operations

For the first quarter ended March 31, 2012

### 1. Executive Summary

At the end of the first quarter of 2012, the Consolidated Financial Statements recorded a net profit of Baht 2,438 million (EPS = 1.77 Baht per share) which can be summarized in the table below

(Unit: Million Baht)	1Q 2012	1Q 2011	4Q 2011	% Change YoY	% Change QoQ
Sale Revenues	47,610	35,759	40,172	+33.14%	+18.52%
Net Profit <sup>1/</sup>	2,438	1,424	561	+71.21%	+334.58%
EPS (Baht)	1.77	1.14	0.42	+55.26%	+321.43%

Note 1/ Excluding the profit attributed to Non-Controlling interests.

For the first quarter of 2012, Net Profit increased by 71.21% from the same period last year because of a high GRM of \$12.53 per barrel and an average crude run capacity of 101,000 barrel per day. The Company had the inventory gain (before tax) amount of Baht 1,534 million. For Marketing Business, Sales volume was at 85,340 barrel per day, increased 27% from the same period last year. Marketing margin (including Lube) was Baht 0.62 per litre.



Company's projects progress status are shown as follow:

Project	Details	Progress
<b>1. Product Quality Improvement Project</b>		
1.1 Tail Gas Treating Unit Project	The project helps decrease emission of Sulphur Dioxide from the Sulphur recovery Unit. The total project value is approximately USD 37 million.	The Company had sign an EPC contract with Thai Woo Ree Engineering Company Limited. The project is in the stage of detailed design and preparation for construction which is expected to start in mid 2012.
<b>2. Marketing Business Expansion Project</b>		
2.1 Gasohol Promotion Project	The project aims to promote and expand the use of gasohol through more E20 and E85 service stations, including the sales promotion through the gasohol club card.	As of the end of 1Q 2012, the Company's E20 sales volume was at an average of 12.18 million litres per month and E85 sales volume was at an average of 1.1 million litres per month through 471 E20 service stations and 30 E85 service stations. The number of gasohol club members was 457,893, increased by 24,520 members from the end of 2011.
2.2 Diesel Club Promotion Project	The project aims to promote and expand the use of diesel as well as maintains the Company's customer base.	Company launched Diesel Club in February 2012. By the end of the first quarter of 2012, there were 57,265 holders of the diesel club card of which the Company aims to increase to 150,000 holders.



<p>2.3 Mini BigC in Bangchak Service Stations.</p>	<p>It is the cooperation between the Company and BigC. BigC will invest in Mini BigC located in Bangchak Service Stations. The Company will receive benefit in the form of revenue sharing. The Company expects that there will be an average increase of 10-15% in oil sales through service stations. In addition, there is an opportunity for a cross marketing through the customer base of BigCard, the Bangchak Gasohol Club, and the Diesel Club.</p>	<p>Company and BigC had signed the Memorandum of Understanding on March 5, 2012. Currently, BigC has invested in the pilot projects in the Company's 5 service stations, namely, Rama 3, On Nuch 44, Nawamin, Pattanakarn, and New Charoenkrung.</p>
<p><b>3. Renewable Energy Development</b></p>		
<p>3.1 Electricity Generation from Solar Energy – Solar Power Plant Phase 1 at Bang Pa-In District, Ayudhaya Province</p>	<p>The electricity generation from solar energy of 38 MW.</p>	
	<p>The 8 MW, supplied to the Provincial Electricity Authority (PEA)</p>	<p>The plant was submerged by 2011 flood and ceased operation, but it resumed the operation (COD) since April 2, 2012</p>
	<p>The 30 MW, supplied to the Electricity Generating Authority of Thailand (EGAT)</p>	<p>The plant was submerged by the 2011 flood and is under recovery construction. The COD is expected to be in July 2012.</p>



<p>3.2 Electricity Generation from Solar Energy – Solar Power Plant Phase 2 (Bangchak Solar Energy Co., Ltd., /BSE)</p>	<p>The electricity generation from solar energy of 32 MW and supplies to PEA. There are 2 locations, namely</p>	
	<p>16 MW at Bam Net Narong District, Chaiyaphum Province</p>	<p>BSE had an EPC Contract with Suntech, EDRI, and SolarTron. The project has already been started and is expected to have the COD in December 2012.</p>
	<p>16 MW at Bang Pa Han District, Ayudhaya Province</p>	<p>It is under the flood prevention system planning and is expected to start construction of the flood prevention system in the second quarter of 2012 and the COD will be in the first quarter of 2013.</p>
<p>3.3 Bio Fuel (B100) production by Bangchak Bio Fuel (BBF)</p>	<p>BBF has a capacity expansion project from 300,000 litres per day to 360,000 litres per day.</p>	<p>At present, the construction has already been completed and the Commissioning will be performed in May, and it is expected that COD will be in June 2012.</p>
<p>3.4 Ethanol Project (Ubon Bio Ethanol/ UBE)</p>	<p>The project aims to produce ethanol with the production capacity of 400,000 litres per day, and to produce cassava flour and to have biogas production. The Company holds 21.28% of UBE shares.</p>	<p>It is under the construction of which commissioning is expected to start in August and the COD in December 2012.</p>



3.5 Palm Plantation Project	The Palm Plantation project is in the Central and the North Eastern part of Thailand. The plantation is aimed to partially supply to BBF and to be the Palm Plantation Learning Center to farmers.	In 2011, the Company's palm plantation area was approximately 1,200 Rais, with a target of totaling 4,500 Rais. The construction of the Palm Plantation Learning Center in Rangsit has been completed and opened since the beginning of February 2012.
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## **2. Oil Price Situation**

An average crude oil price during the first quarter of 2012 was increased by 9 \$/BBL from the fourth quarter 2011. Key factors that support the increased prices were, firstly, the conflict over Iran's nuclear program, leading to Iranian sanction from EU and The Society for Worldwide Interbank Financial Telecommunication (SWIFT) announcement of stop service to 30 Iranian banks. Other factors were the cold weather in Europe at the beginning of the quarter, an improvement of U.S. economy, a decrease of china's consumer prices index, and the tension in Middle East and North Africa region including tension on oil transit fee in Sudan also supported prices.

However, oil prices were under pressure from the concern over European debt crisis and the concern of dropping in 2012 oil demand after the Chinese government cut its Gross Domestic Product (GDP) target for 2012 from an 8 percent to 7.5 percent, an eight-year low. Furthermore, prices were pressured from news that Saudi Arabia would raise its crude oil production to 12.5 MBD if needed, while the US, the UK and France considered a potential release of their strategic oil reserves targeting to reduce oil price.



### The table of oil prices and spread comparison

Unit: USD/bbl

Price	1Q 2012			2011		Changes	
	MAX	MIN	AVG (A)	AVG 1Q (B)	AVG 4Q (C)	(A)-(B)	(A)-(C)
DB	124.20	105.46	116.11	100.52	106.49	15.59	9.62
UNL95/DB	17.88	11.47	14.25	12.71	9.76	1.54	4.49
GO/DB	19.45	12.58	16.24	18.15	17.88	-1.91	-1.64
FO/DB	5.47	-7.46	-0.55	-8.69	-0.39	8.14	-0.16



### 3. Operating Result

#### 3.1 Summary of the Operating Results on consolidated basis

Unit: Million Baht

Statements of Income	1Q		Change
	2012	2011	+ / (-)
Revenue from sale of goods and rendering of services	47,610	35,759	+11,851
Cost of sale of goods and rendering of services	(44,281)	(32,420)	+11,861
<b>Gross Profit</b>	<b>3,329</b>	<b>3,339</b>	<b>(10)</b>
Gain (loss) from crude and product oil price hedging contract	114	(584)	+698
Gain (loss) from foreign exchange forward contract	467	(70)	+537
Gain (loss) from foreign exchange	232	32	+200
Impairment cost (loss)	4	241	(237)
LCM	-	(40)	N/A
Other income / expense	80	69	+11
Selling, General & Administrative Expense	(834)	(882)	(48)
<b>Profit before financial costs and income tax expense</b>	<b>3,392</b>	<b>2,105</b>	<b>+1,287</b>
Financial costs	(191)	(210)	(19)
Income tax expense	(751)	(449)	+302
<b>Net Profit / (Loss)</b>	<b>2,450</b>	<b>1,446</b>	<b>+1,005</b>
· Non-controlling interests	<b>12</b>	<b>21</b>	<b>(9)</b>
· Equity holders of the Company	<b>2,438</b>	<b>1,424</b>	<b>+1,014</b>



### Revenues

- At the end of the first quarter of 2012, revenues from sale of goods and rendering of services of the Company and its subsidiaries were Baht 47,610 million, comprised of the Company's revenues of Baht 46,940 million, Bangchak Green Net Company Limited (BGN)'s revenues of Baht 6,382 million, Bangchak Bio Fuel Company Limited (BBF)'s revenues of Baht 1,307 million and Bangchak Solar Energy Company Limited (BSE)'s revenues of Baht 0.83 Million. However, there was connected transaction of Baht 7,020 million which mostly associated with the sale transactions from the Company to BGN and B-100 produced by BBF sold to BCP.

### Cost of sale of goods and rendering of services

- At the end of the first quarter of 2012, cost of sale of goods and rendering of services of Consolidated Income Statement was Baht 44,281 million, comprising of the Company's costs of Baht 43,863 million, Bangchak Green Net Company Limited (BGN)'s costs of Baht 6,156 million, Bangchak Bio Fuel Company Limited (BBF)'s costs of Baht 1,252 million and Bangchak Solar Energy Company Limited (BSE)'s costs of Baht 0.33 million adjusted by connected transaction of Baht 6,990 million, which mostly was cost of sales of finished oil products among the Company to BGN and B-100 produced by BBF sold to BCP.

### Net Profit

- At the end of the first quarter of 2012, the Consolidated Statement of Income recorded a net profit of Baht 2,450 million, which was the Company's net profit of Baht 2,377 million, Bangchak Green Net Company Limited (BGN)'s net profit of Baht 32 million, Bangchak Bio Fuel Company Limited (BBF)'s net profit of Baht 41 million and Bangchak Solar Energy Company limited (BSE)'s net profit of Baht 0.16 million. Taking out the profit attributed to Non-Controlling interests of Baht 12 million, the remaining net profit to equity holders of the Company was Baht 2,438 million (EPS 1.77 Baht.)





### 3.2 Analysis of the Company's Operating Results

Unit: Million Baht

Statements of income	1Q		Change
	2012	2011	+/(-)
Revenue from sale of goods and rendering of services	46,940	35,382	+11,558
Cost of sale of goods and rendering of services	(43,863)	(32,332)	+11,531
<b>Gross Profit</b>	<b>3,077</b>	<b>3,050</b>	<b>+27</b>
Gain (loss) from crude and product oil price hedging contract	114	(584)	+698
Gain (loss) from foreign currencies forward contract	467	(70)	+537
Gain on foreign exchange	232	32	+200
Reversal of allowance for loss from Impairment of assets	4	241	(237)
Other income / expense	80	154	(7)
Selling, General & Administrative Expense	(673)	(743)	(70)
<b>Profit before financial costs and income tax expense</b>	<b>3,301</b>	<b>2,081</b>	<b>+1,220</b>
Financial costs	(184)	(202)	(18)
Income tax expense	(740)	(441)	+299
<b>Net Profit / (Loss)</b>	<b>2,377</b>	<b>1,437</b>	<b>+940</b>



## **Company Operating Result for the first quarter 2012**

- At the end of the first quarter of 2012, The Company's net profit was Baht 2,377 million increased by Baht 940 million from the same period of last year. The Company's base performance EBITDA was Baht 1,935 million. After include gains from foreign currencies forwards and crude and product oil price hedging contract of totaling Baht 140 million, together with inventory gain of Baht 1,534 million, total accounting EBITDA was Baht 3,609 million. Accounting EBITDA from Refinery Business and Marketing Business were Baht 3,059 million and Baht 550 million respectively. Gross Integrated Margin-GIM (Gross Refining Margin-GRM and Marketing Margin-MKM) was 15.18 \$/bbl. and the average crude run capacity was at 101,000 barrel per day.
- The revenue from sales and rendering service was Baht 46,940 million, Baht 11,558 million increasing from the same period of last year, due to an increase in average oil price compared to that of last year. Average retail price in 1Q 2012 was Baht 28.24 per liter compared to Baht 25.41 per liter in the same period of last year while sales volume substantially increased by 19.41%.
- Gross profit of Baht 3,077 million which was Baht 27 million increasing (0.89%) from the same period of last year resulted from an increase in crude run capacity and a substantial inventory gain (including inventory hedging) of Baht 1,534 million.
- Baht 114 million gain from crude and product oil price hedging contract.
- Gain from foreign currencies forwards contract amounted of Baht 467 million resulted from Thai Baht appreciation. It had affected a foreign exchange gain from Mark to Market and the USD 200 million Cross Currency Swap transactions in which the Company had swapped the Thai Baht Loan to USD loan (Cross Currency Swap) according to the Company's Natural Hedge Policy to protect exchange rate fluctuation impact.



- Gain on foreign exchange of Baht 232 million resulted from Thai Baht appreciation as the Company had transactions of selling and/or buying of oil and products in foreign currencies.
- Corporate Income Tax increased by baht 299 million resulted from an increase in net profit. Since 2012, corporate income tax rate has reduced to 23% and the Company did not have tax privilege from BOI projects.

### The breakdown EBITDA by businesses

Unit: Million Baht

	1Q		Δ	
	2012	2011	+/(-)	%
■ Base Performance EBITDA	1,935	1,515	+420	+27.72
- Refinery business	1,385	1,171	+214	+18.27
- Marketing business	550	344	+206	+59.88
■ Gains (loss) from Hedging transaction (GRM & FX Hedgings)	140	(235)	+375	N/A
■ Gains from inventory (Including Inventory & FX Hedgings)	1,534	954	+580	+60.80
■ Total Accounting EBITDA	3,609	2,233	+1,376	+61.62
- Refinery business	3,059	1,890	+1,170	+61.94
- Marketing business	550	344	+206	+59.88

#### 3.2.1 Refinery Business

For the first quarter of 2012, the Refinery Business's gross profit was Baht 2,166 million. Base Performance EBITDA was Baht 1,385 million, an increase of Baht 214 million from similar period of last year or 18.27%. Gains from crude and



product oil price hedging contract as well as from Foreign Currencies forward contracts, totally to Baht 140 million.

There were Baht 1,534 million inventory gain (included inventory hedging), so total accounting EBITDA of Refinery Business was Baht 3,059 million, an increase of Baht 1,170 million from the same period of last year. The Refinery Business has a Total GRM of 12.53 \$/bbl, compared to 13.77 \$/bbl in the first quarter of 2011. An average crude run capacity was 101,000 barrel per day increasing from 62,700 barrel per day in the first quarter of 2011.

GRM Analysis is shown as follows:

Unit: USD/bbl

GRM	1Q		Changes +/-
	2012	2011	
Base GRM	6.68	9.62	-2.94
GRM Hedging	0.49	-1.36	+1.85
Inventory (including Inventory & FX Hedging)	5.36	5.51	-0.15
Total	12.53	13.77	-1.24

**Base GRM** The Base GRM was at 6.68 \$/bbl, which was a 2.94 \$/bbl decrease from 9.62 \$/bbl in the same period of 2011, due to a weakening spreads of GO/DB and IK/DB which were BCP's major products. The spreads of the oil finished products and the benchmark crude are described as follows:

Unit: USD/bbl

spreads	1Q		Changes +/-
	2012	2011	
UNL95/DB	14.30	12.59	+1.71
IK/DB	15.64	20.33	-4.69
GO/DB	16.36	18.40	-2.04
FO/DB	-0.49	-8.69	+8.20



**GRM Hedging** gain of 0.49 \$/bbl which was better when compared to the same period of last year which was at a loss of 1.36 \$/bbl

**Inventory Effect (including Inventory & FX Hedging)** Total inventory gain including Inventory Hedging and Foreign Exchange Hedging was 5.36 \$/bbl

### **3.2.2 Marketing Business**

For the first quarter of 2012, the Marketing Business's gross profit was Baht 911 million, increased by 264 million from the same period of last year. EBITDA from the Marketing Business was Baht 550 million, increased from EBITDA of last year which was at Baht 344 million. The Company's Marketing Margin (excluding lube) was at Baht 0.58 per litre (equivalent to USD 2.96 per barrel at the average exchange rate of 31.12 Baht/USD) which was higher when compared to last year's marketing margin of Baht 0.49 per litre (equivalent to USD 2.54 per barrel at the average exchange rate of 30.67 Baht/USD). The sales volume through the Marketing Business increased substantially by 27% from the same period of 2011. Total monthly sales volume reached 407.02 million litre per month, compared to a 320.34 Million litre per month in the same period of 2011.

- The Average Sales through service station, in the first quarter of 2012 increased by 9.3% compared to the same period of 2011.
- The Average Sales to industrial customers increased by 93% and sales through Jobber channel increased by 303% from the same period of 2011.

### **3.2.3 Solar Power Plant Business operating result.**

For the first quarter of 2012, The 8 MW Solar Power Plant ceased operation resulting from 2011 flood impact. As a result, there was no revenue generating during the first quarter of 2012. However, the 8 MW Solar Power Plant has been resumed operation since April 2, 2012. And the 30 MW Solar Power Plant is still under Recovery Construction Period. It is expected to have the Commercial Operation Date in July 2012.



4. Analysis of the Financial Position as of March 31, 2012 compared to December 31, 2011

Unit: Million Baht

<b><u>Balance Sheet</u></b>	<b>Consolidated</b>		<b>Company</b>	
	<b>31 Mar 2012</b>	<b>31 Dec 2011</b>	<b>31 Mar 2012</b>	<b>31 Dec 2011</b>
<b>Assets</b>				
Current assets	37,041	31,294	36,390	30,730
Investments in associates and other long-term investments	747	745	1,111	1,111
Property, plant and equipment	26,766	26,959	25,849	26,062
Other non-current assets	2,634	2,605	2,628	2,598
<b>Total assets</b>	<b>67,188</b>	<b>61,603</b>	<b>65,978</b>	<b>60,501</b>
<b>Liabilities</b>				
Current liabilities	17,166	13,990	16,945	13,786
Long-term borrowings (including current portion)	16,596	16,582	16,022	16,022
Other non-current liabilities	1,096	1,152	1,062	1,121
<b>Total liabilities</b>	<b>34,858</b>	<b>31,724</b>	<b>34,029</b>	<b>30,929</b>
<b>Equity</b>				
Total equity attributable to owners of The Company	32,168	29,729	31,949	29,572
Non-controlling interests	162	150	-	-
<b>Total equity</b>	<b>32,330</b>	<b>29,879</b>	<b>31,949</b>	<b>29,572</b>
<b>Total liabilities and equity</b>	<b>67,188</b>	<b>61,603</b>	<b>65,978</b>	<b>60,501</b>



#### 4.1 Assets

- As of March 31, 2012, Total Assets of the Company and its subsidiaries were Baht 67,188 million, which comprised of the Company's total assets of Baht 65,978 million, Bangchak Green Net Company Limited (BGN)'s total assets of Baht 1,082 million, Bangchak Bio Fuel Company Limited (BBF)'s total assets of Baht 1,486 million and Bangchak Solar Energy (BSE)'s total assets of Baht 152 million adjusted by connected transactions of Baht 1,510 million which was mainly Trade Account Receivable-BGN and BBF of Baht 872 million and Baht 231 million accordingly and Subsidiaries investment of Baht 348 million.
- The Company's Total Assets as of March 31, 2012 compared to the end of 2011 increased by Baht 5,477 million. The changes of assets were mainly from
  - Cash amounted Baht 2,686 million decreased by Baht 726 million resulted from cash used for operating activities and short-term loan repayment. (Detail is mentioned under Cash Flow Analysis Section).
  - Net Accounts Receivable amounted Baht 9,470 million increased by Baht 802 million from the increasing sales through marketing business especially industrial sales while foreign trade accounts receivable decreased by Baht 514 million.
  - The inventories amounted Baht 21,200 million increased by Baht 5,055 million from an increase in product prices and an increase in quantity. Inventory as of end of the first quarter of 2012 was 5.3 Million Barrel, 0.9 Million Barrel increased from the end of 2011. The inventory comprised of 3.7 Million Barrel in crude oil and 1.6 Million Barrel in finished products
  - Prepayment of Corporate Income Tax increased by Baht 327 million because the Corporate Income Tax paid during the First-half of 2011 was higher than the Company's actual 2011 Corporate Income Tax Expense, as the Company has received benefits from BOI tax privilege in Environmental Improvement Project amounted of Baht 1,349 million.



- As of March 31, 2012, Oil Fuel Fund Subsidy Receivable was at Baht 885 million, decreased by Baht 42 million mostly from rebate of Diesel (EURO IV), GSH E20 and GSH91. For the first quarter of 2012, the Company had received cash rebate from Oil Fuel Fund Subsidy of Baht 285 million.
- A Baht 444 million increased in Value Added Tax Receivable since there was an increase in crude purchasing.
- Property, plant and equipment decreased by Baht 213 million. In the first quarter of 2012 the Company had an increase in an annual investment of Baht 295 million and there was depreciation of Baht 508 million.

## **4.2 Liabilities**

- As of March 31, 2012, Total Liabilities of the Company and its subsidiaries were Baht 34,858 million, which comprised of the Company's total liabilities of Baht 34,029 million, Bangchak Green Net Company Limited (BGN)'s total liabilities of Baht 1,014 million, Bangchak Bio Fuel Company Limited (BBF)'s total liabilities of Baht 946 million and Bangchk Solar Energy (BSE)'s total liabilities of Baht 2 million adjusted by connected transactions of Baht 1,133 million which mostly associates with the sale transactions between the Company and subsidiaries (BGN and BBF).
- The Company's Total Liabilities as of March 31, 2012 compared to the end of 2011 increased by Baht 3,100 million. The changes of liabilities were mainly from;
  - Total Borrowings as of March 31, 2012 decreased by Baht 2,000 million from short-term loan repayment.
  - Accounts Payable amounted of Baht 13,755 million increased by Baht 5,138 million which was resulted from rising in oil price and an increase in crude purchasing volume at the end of the first Quarter.
  - Accrued Income Tax Payable amounted of Baht 739 million from Corporate Income Tax in the first quarter of 2012.





- Liabilities on hedging contracts decreased Baht 455 million.
- Other Non-Current Liabilities decreased by Baht 392 million which mainly resulted from decrease in accrued expenses and increase in other account payable.

### **4.3 Equity**

- As of March 31, 2012, the Consolidated Total Equity was Baht 32,330 million, which comprised of the Company's total equity of Baht 31,949 million, Bangchak Green Net Company Limited (BGN)'s total equity of Baht 67 million, Bangchak Bio Fuel Company Limited (BBF)'s total equity of Baht 540 million and Bangchak Solar Energy (BSE)'s total equity of Baht 150 million adjusted by connected transactions of Baht 376 million.
- The Company's Total Equity as of March 31, 2012 increased by Baht 2,377 million from the end of 2011. The Company's net profit Baht 2,377 million.

Therefore, as of March 31, 2012, the Company's equities were Baht 31,949 million, with a book value of Baht 23.20 per share.



## 5. Analysis of the Cash Flows Statement

Unit: Million Baht

	March 31, 2012	
	Consolidated	Company
Cash flows from operating activities	3,963	3,863
Cash used for operating assets and liabilities	(1,864)	(2,027)
Net cash used in operating activities	2,099	1,837
Net cash used in investing activities	(367)	(337)
Net cash paid from financing activities	(2,219)	(2,227)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(487)</b>	<b>(726)</b>
Cash and cash equivalents at 1 January 2012	4,020	3,412
<b>Cash and cash equivalents at 31 March 2012</b>	<b>3,533</b>	<b>2,686</b>

- In the first quarter of 2012, the Company and Subsidiaries had Cash and cash equivalents of 4,020 million. Net decrease in cash and cash equivalents was Baht 487 million which was resulted from Baht 2,099 net cash received from operating activities, Baht 367 million net cash used in investing activities and Baht 2,219 net cash paid for financial activities. As a consequence, total cash and cash equivalents at March 31, 2012 accounted for Baht 3,533 million.
- In the first quarter of 2012, the Company had cash flow from operating activities of Baht 3,863 million resulted from net profit of Baht 2,377 million plus non-cash expense Baht 562 million, plus interest expense and income tax expense Baht 924 million. The Company's cash beginning balance was at Baht 3,412 million. Detail of cash used are as follows:
  - The Company used Baht 2,027 million of cash for operating assets and liabilities;



- The Company paid cash of Baht 6,289 million for the operating assets, mostly for the increase in Trade Account Receivable by Baht 793 million, the increase in Inventory by Baht 5,055 million, and the increase in Other Assets by Baht 441 million.
- Cash received of Baht 4,268 million from operating liabilities. There were Baht 5,029 million increased in Accounts Payable, and Baht 761 million decreased in Other Liabilities and Other Accrued Expenses.
- Corporate Income Tax paid of Baht 6 million
- The Company used Baht 337 million of cash for investing activities;
  - Investment in Property, Plant and Equipments of Baht 288 million,
  - Investment in Other Assets of Baht 60 million
  - Cash Received from Interest Earned of Baht 11 million
- The Company used Baht 2,227 million of cash for financing activities ;
  - Baht 227 million paid for interest expense.
  - Baht 2,000 million paid for short-term loan repayment.

Therefore, as of the end of the first quarter of 2012, the Company's cash and cash equivalents decreased by Baht 726 million from January 1, 2012 in which the Company's cash was at Baht 3,412 million, leading to the ending cash of Baht 2,686 million.



## 6. Financial Ratio

	1Q 2012		1Q 2011	
	Consolidated	Company	Consolidated	Company
□ Net Profit Margin, %	5.12	5.06	3.98	4.06
□ Earnings Per Share, Baht/Share <sup>1/</sup>	1.77	1.73	1.14	1.15
□ Return on Equity-ROE, %	7.88	7.73	5.97	6.07
□ ROE (excluding inventory effect), %	3.98	3.89	3.48	3.45
□ Current Ratio , Times	2.07	2.07	2.15	2.16
□ Debt to Equity, Times <sup>2/</sup>	0.51	0.50	0.62	0.61
□ Book Value, Baht/Share <sup>3/</sup>	23.36	23.20	21.59	21.48

1/ EPS in 2011 was calculated from an average amount of share between 2554 and 2553 amount 1,374 and 1,170 million share.

2/ Book value per share is calculated from amount of share at March 31, 2012 1,377 million shares. December 31, 2011 1,377 million shares.



## 7. Environmental Cost Accounting

Having the environmental concerns and social responsibilities, since 2005, the Company has prepared the environmental management accounting report (production line) and also published in the Annual Sustainability Report. The environmental cost accounting helps the Company to keep track of related information, which is useful for enhancing the environmental management effectiveness, and resource utilization. The report for the first Quarter of 2012 compared to same period of last year is summarized hereunder.

(Unit : Million Baht)	1Q		Change +/-
	2011	2012	
<b>Material Costs of Product Outputs</b> : Consist of crude oil, ethanol, bio-diesel, chemical, energy and utilities in production	17,667.87	36,640.70	18,972.83
<b>Material Costs of Non-Product Outputs</b> : Consist of slop and sludge oil, waste water, chemical surplus	36.15	27.42	(8.73)
<b>Waste and Emission Control Costs</b> : Consist of maintenance cost of environmental control equipments and depreciation and other fees	23.87	62.30	38.43
<b>Prevention and Other Environmental Management Costs</b> : Consist of monitoring and measurement cost, environmental management system expenses	1.54	1.04	(0.50)
<b>Benefit from by-product and waste recycling</b> : The revenue realization from liquid sulfur, glycerin, waste paper	(0.97)	(8.94)	7.97

Environment cost in the first quarter of 2012 increased from the same period of last year approximately Baht 18,972 million, or increased by 107%. More than 99% of the increase were from material costs of product outputs. The increase of cost was resulted from the rising crude oil price and the obvious increase in production capacity in the first quarter of 2012. Meanwhile, Material Costs of Non-Product outputs, and Prevention and Other Environment Management Costs decreased. However Waste and Emission Control Costs were increased, resulting from EURO IV unit's depreciation which started its COD in November 2011. In addition, there was revenue from the distribution of liquid sulphur, paper, and scrap iron which increased by 8.18% due to the sales of 200-litre drums which were bought for the 2011 flood prevention.