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Management's Discussion and Analysis for Business Operations

For the three-month period ended June 30, 2012

1. Executive Summary

At the end of the second quarter of 2012, the Consolidated Financial Statements recorded a net loss of Baht 385 million. Net Loss Per Share was 0.28 Baht.

The Company's Performance can be summarized as follows:

(Unit: Million Baht)	2Q 2012	2Q 2011	1Q 2012	% Change YoY	% Change QoQ
Sale Revenues	40,362	42,906	47,610	-5.93%	-15.22%
Net Profit(Loss) ^{1/}	(385)	3,021	2,438	N/A	N/A
EPS (Baht)	(0.28)	2.33	1.77	N/A	N/A

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

For the second quarter of 2012, the Company's net loss of Baht 385 million resulted from weakening product spreads of the oil finished products and the benchmark crude, and a lower crude run compared to the same period of last year. Total GRM was negative 2.78 \$/bbl. The Company had inventory loss due to substantial price decrease of crude and finished products.

An average crude run capacity was 70,790 barrel per day, decreased from 98,160 barrel per day in the same period of 2011 as the Company had Annual Maintenance period from May 25 to June 23, 2012.

For Marketing Business, Sales volume was at 77,010 barrel per day, increased 4.78% from the same period last year, which was 73,500 barrel per day.

The Company's Marketing Margin (excluding lube) was at Baht 0.82 per litre and Marketing Margin (including lube) was Baht 0.87 per litre, compared to those of prior's year which were Baht 0.59 per litre and Baht 0.62 per litre respectively.



For Solar Power Plant Business, the 8 MW had started Commercial Operation (COD) since April 2, 2012. The Company also had revenue from insurance compensation of Baht 74 million from the 2011 Flood.

Company's projects progress status are shown as follow:

Project	Details	Progress
1. Refinery Business Project		
1.1 The repairing of Crude Distillation Unit 3 which was affected by the incident on July 4, 2012.	The repairing of Crude Distillation Unit 3 which has 80,000 Barrel per day capacity.	The Company hires Toyo Thai Corporation PLC. (TTCL) to be responsible for EPC Management. The revamp expected to be completed in October 2012.
1.2 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 under construction and will be completed around end of 2013.
2. Marketing Business Project		
2.1 Gasohol Promotion Project	The project aims to promote and expand the use of gasohol through increasing numbers of E20 and E85 service stations and sales promotion through the gasohol club card.	As of the end of 2Q 2012, the Company's E20 sales volume was at an average of 12.9 million litres per month and E85 sales volume was at an average of 1.6 million litres per month. Number of E20 service stations and E85 service stations are 508 and 31 respectively.



Project	Details	Progress
2.3 Mini BigC in Bangchak Service Stations.	It is a cooperation between the Company and BigC. BigC will invest in Mini BigC located in Bangchak Service Stations. The Company will receive benefit in terms of revenue sharing. The Company also expects an average increase of 10-15% in oil sales through service stations.	Currently, BigC has launched 4 Mini BigC in the Company's service stations: Rama 3, Sukapibarn, Pattanakarn, and New Charoenkrung. The Company and Mini BigC also start a cross marketing program.
3. Renewable Energy Development		
3.1 Electricity Generation from Solar Energy – Solar Power Plant Phase 1 at Bang Pa-In District, Ayudhaya Province	The electricity generation from solar energy of 38 MW. which comprised of:	
	The 8 MW, supplied to the Provincial Electricity Authority (PEA)	The project started Commercial Operate Date (COD) since April 2, 2012
	The 30 MW, supplied to the Electricity Generating Authority of Thailand (EGAT)	The project started COD since July 16, 2012.
3.2 Electricity Generation from Solar Energy – Solar Power Plant Phase 2 (Bangchak Solar Energy Co., Ltd. /BSE)	The electricity generation from solar energy of 32 MW and supplies to PEA. There are 2 locations, namely	
	16 MW at Bam Net Narong District, Chaiyaphum Province	The project is under construction and expected to have COD in December 2012.



Project	Details	Progress
	16 MW at Bang Pa Han District, Ayudhaya Province	It is under the flood prevention system construction and expected to have COD in the first quarter of 2013.
3.3 Electricity Generation from Solar Energy – Solar Power Plant Phase 3	The electricity generation from solar energy of 48 MW and supplies to PEA. The locations are in the Central and the north-eastern of Thailand.	The projects are in the procurement stage and expected to start construction in early 2013.
3.4 Bio Fuel (B100) production by Bangchak Biofuel Co., Ltd. /BBF)	A capacity expansion project from 300,000 litres per day to be 360,000 litres per day.	The expansion project has started COD in July 2012.
3.5 Ethanol Project (Ubon Bio Ethanol/ UBE)	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 project has a production process adjustment for dual feed from cassava or molasses. The project is expected to be completed in November 2012 and started commercial operation (COD) in February 2013.

2. Oil Price Situation

In the second quarter of 2012, the crude price had continuously declined to the level around 106\$/BBL, with an average decrease of 10\$/BBL from the price level in first quarter of 2012. The oil price was pressured by the financial crisis in Eurozone particularly in PIIGS countries. However, the politics in Greece eased the market concern when the party that supports the European Union's bailout won the second election and was able to form the government.



Other factors that had impact to a drop in oil price were the concern on China and U.S.A's economic slowdown. China's Gross Domestic Product (GDP) growth in the first quarter of 2012 rose at a slower rate when compared to those of the 4th quarter of 2011. USA's GDP growth rate in the first quarter of 2012 was only 1.9 percent, compared to growth rate of 3 percent in 4th quarter of 2011. The U.S. Employment Rate was still below target. FED decided to extend its "Operation Twist" program for another 6 months and announced that it is ready to implement economic stimulus program if necessary.

Factors that had impact to a rise in the oil price were geopolitical risk of Iran sanction on nuclear program, the agreement to solve the European Debt Crisis, and the approval of direct recapitalization of European Banks from The European Financial Stability Facility (EFSF) started from 2013 onwards.

The table of oil prices and spread comparison

Unit: USD/bbl

Price	2Q 2012			2011	2012	Changes	
	MAX	MIN	AVG (A)	AVG 2Q (B)	AVG 1Q (C)	(A)-(B)	(A)-(C)
DB	122.02	89.10	106.50	110.57	116.11	-4.07	-9.61
UNL95/DB	19.47	6.52	13.96	14.23	14.25	-0.28	-0.29
GO/DB	17.40	13.80	15.35	19.51	16.24	-4.16	-0.89
FO/DB	1.44	-4.70	-1.31	-8.55	-0.55	7.24	-0.76



3. Operating Result

3.1 Summary of the Operating Results on consolidated basis

Unit: Million Baht

Statements of Income	2Q		Change	Jan-June	
	2012	2011	+ / (-)	2012	2011
Revenue from sale of goods and rendering of services	40,362	42,906	-2,545	87,972	78,665
Cost of sale of goods and rendering of services	(39,316)	(38,967)	-349	(83,597)	(71,387)
Gross Profit	1,045	3,939	-2,893	4,375	7,278
Loss from inventory write-down	(1,065)	28	-1,093	(1,065)	(12)
Gain (loss) from crude and product oil price hedging contract	388	(278)	+665	502	(861)
Gain (loss) from foreign currencies forward contract	(354)	(418)	+64	113	(488)
Gain on foreign exchange	19	153	-134	251	185
Reversal of allowance for loss from impairment of assets	96	1	+95	100	241
Other income / expense	131	986	-855	212	1,055
Selling, General & Administrative Expense	(902)	(804)	+98	(1,736)	(1,686)
Profit before financial costs and income tax expense	(641)	3,607	-4,248	2,752	5,712
Financial costs	(204)	(191)	+14	(396)	(401)
Income tax expense	476	(389)	+865	(275)	(838)
Net Profit / (Loss)	(369)	3,028	-3,397	2,081	4,473
· Non-controlling interests	15	7	+8	28	28
· Equity holders of the Company	(385)	3,021	-3,406	2,054	4,445



Revenues

- At the end of the second quarter of 2012, revenues from sale of goods and rendering of services of the Company and its subsidiaries were Baht 40,362 million, comprised of the Company's revenues of Baht 39,620 million, Bangchak Green Net Company Limited (BGN)'s revenues of Baht 6,601 million, Bangchak Biofuel Company Limited (BBF)'s revenues of Baht 1,292 million and Bangchak Solar Energy Company Limited (BSE)'s revenues of Baht 0.83 Million. However, there was connected transaction of Baht 7,152 million which mostly associated with the sale transactions from the Company to BGN and B-100 product produced by BBF sold to the Company.

Cost of sale of goods and rendering of services

- At the end of the second quarter of 2012, cost of sale of goods and rendering of services of Consolidated Income Statement was Baht 39,316 million, comprising of the Company's costs of Baht 38,799 million, Bangchak Green Net Company Limited (BGN)'s costs of Baht 6,416 million, Bangchak Biofuel Company Limited (BBF)'s costs of Baht 1,227 million and Bangchak Solar Energy Company Limited (BSE)'s costs of Baht 0.43 million, adjusted by connected transaction of Baht 7,126 million, which mostly were the Company's cost of sales of finished oil products sold to BGN and B-100 product produced by BBF sold to the Company.

Net Profit

- At the end of the second quarter of 2012, the Consolidated Statement of Income recorded a net loss of Baht 369 million, which was the Company's net loss of Baht 407 million, Bangchak Green Net Company Limited (BGN)'s net loss of Baht 4 million, Bangchak Biofuel Company Limited (BBF)'s net profit of Baht 51 million, Bangchak Solar Energy Company limited (BSE)'s net loss of Baht 0.29 million and Baht 9 million loss from investment in associate. Taking out the profit attributed to Non-Controlling interests of Baht 15 million, the remaining net loss to equity holders of the Company was Baht 385 million (Loss Per Share was 0.28 Baht.)



3.2 Analysis of the Company's Operating Results

Unit: Million Baht

Statements of income	2Q		Change	Jan-June	
	2012	2011	+ / (-)	2012	2011
Revenue from sale of goods and rendering of services	39,620	42,442	-2,822	86,560	77,824
Cost of sale of goods and rendering of services	(38,799)	(38,662)	+137	(82,662)	(70,994)
Gross Profit	821	3,780	-2,959	3,898	6,830
Loss from inventory write-down	(1,061)	-	-1,061	(1,061)	-
Gain (loss) from crude and product oil price hedging contract	388	(277)	+665	502	(861)
Gain (loss) from foreign currencies forward contract	(354)	(418)	+64	113	(488)
Gain on foreign exchange	19	153	-134	251	185
Reversal of allowance for loss from Impairment of assets	96	1	+95	100	241
Other income / expense	138	986	-848	218	1,140
Selling, General & Administrative Expense	(731)	(658)	+73	(1,405)	(1,401)
Profit before financial costs and income tax expense	(685)	3,566	-4,251	2,616	5,647
Financial costs	(197)	(182)	+15	(380)	(384)
Income tax expense	475	(386)	+861	(265)	(827)
Net Profit / (Loss)	(407)	2,999	-3,405	1,971	4,436

Company Operating Result for the second quarter 2012

- At the end of the second quarter of 2012, The Company's net loss was Baht 407 million compared to the Company's net profit of Baht 2,999 million from the same period of last year. The Company's base performance EBITDA was Baht 1,283 million. After include gain of totaling Baht 128 million from crude and



product oil price hedging contract and foreign currencies forward contract, together with inventory loss (include inventory and FX hedging) of Baht 1,672 million, total accounting EBITDA was negative of Baht 261 million.

Accounting EBITDA from Refinery Business was negative of Baht 1,069 million, whereas EBITDA from Marketing Business and Solar Power Plant Business were of Baht 701 million and Baht 107 respectively.

Gross Integrated Margin-GIM (from Gross Refining Margin-GRM and Marketing Margin-MKM) was 1.62 \$/bbl. The average crude run capacity was at 70,790 barrel per day.

- The revenue from sales and rendering service was Baht 39,620 million, a drop of Baht 2,822 million compared to same period last year. Reasons of revenue drop were from a decrease in crude run due to an annual maintenance during May 25- June 23 which resulted in 10% decreasing in total sales volume, and from substantial price decrease of crude and oil finished products.
- Gross profit of Baht 821 million, a drop of Baht 2,959 million or 78.28% from the same period of last year, resulted from weakening product spreads of the oil finished products and the benchmark crude in 2Q2012 compared to those of 2Q2011. As a result, the base GRM decreased by 2.47 \$/bbl. However, the Gross profit of Marketing Business increased significantly at 69.37% or Baht 462 million compared to the same period of the last year.
- Loss from Inventory (including Inventory & FX Hedging) of Baht 1,672 million.
- Loss from foreign currencies forwards contract amounted of Baht 354 million after Mark to Market resulted from Thai Baht depreciation.
- Other income of Baht 137 million mainly from Revenue from insurance compensation of Baht 74 million for the 8 MW Solar Power Plant which was affected by the 2011 flood.
- Reversal of allowance for loss from Impairment of assets of Baht 96 million received from the 8 MW Solar Power Plant which was resumed operation in April 2012 of Baht 98 million and impairment of open-end MFC Energy Fund of Baht 2 million.
- Income tax expenses decreased by Baht 861 million due to a loss in this quarter. The Company also used additional BOI Tax Privilege of Baht 267 Million from its Environmental Improvement Project.



The breakdown EBITDA by businesses

Unit: Million Baht

	2Q		Δ	
	2012	2011	+/(-)	%
■ Base Performance EBITDA	1,283	2,843	-1,560	-54.9
- Refinery Business	475	2,426	-1,951	-80.4
- Marketing Business	701	417	+286	+68.6
- Solar Power Plant	107	-	+107	N/A
■ Gains (loss) from Hedging transactions (GRM & FX Hedgings)	128	(195)	+323	N/A
■ Gains (loss) from Inventory (Including Inventory & FX Hedgings)	(1,672)	1,263	-2,935	-232.4
■ Total Accounting EBITDA	(261)	3,911	-4,172	-106.7
- Refinery Business	(1,069)	3,494	-4,563	-130.7
- Marketing Business	701	417	+284	+68.1
- Solar Power Plant	107	0	+107	N/A

3.2.1 Refinery Business

For the second quarter of 2012, as there was Annual Maintenance, an average crude run capacity was 70,790 barrel per day, compared to 98,160 barrel per day in the same period of 2011.

The Refinery Business's gross profit was negative of Baht 330 million.

Base Performance EBITDA was Baht 475 million, a decrease of Baht 1,951 million or 80.4% from similar period of last year. There were a total of Baht 128 million gain from crude and product oil price hedging contract and Foreign Currencies forward contracts.



There were Baht 1,672 million inventory loss (including inventory and FX hedging), so total accounting EBITDA of Refinery Business was negative of Baht 1,069 million, decreased from EBITDA of Baht 3,494 million from the same period of last year. The Refinery Business has a Total GRM of negative 2.78 \$/bbl. GRM Analysis is shown as follows:

Unit: USD/bbl

GRM	2Q		Changes +/-
	2012	2011	
Base GRM	4.85	7.32	-2.47
GRM Hedging (Oil & FX)	0.63	(0.72)	+1.35
Inventory (including Inventory & FX Hedging)	(8.26)	4.65	-12.90
Total	(2.78)	11.25*	-14.02

*Adjusted in 2012 due to the change in new accounting regulation regarding risk management.

Base GRM The Base GRM was at 4.85 \$/bbl, which dropped by 2.47 \$/bbl compared to Base GRM of 7.32 \$/bbl in the same period of 2011. Major factor is the weakening product spreads of the oil finished products and the benchmark crude.

The spreads of the oil finished products and the benchmark crude are described as follows:

Unit: USD/bbl

spreads	2Q		Changes +/-
	2012	2011	
UNL95/DB	13.96	14.20	-0.24
IK/DB	15.74	20.44	-4.70
GO/DB	15.35	19.51	-4.16
FO/DB	(1.31)	(8.57)	+7.26



GRM Hedging (Oil & FX) A gain of 0.63 \$/bbl

Inventory Loss (including Inventory & FX Hedging) Total inventory loss including Inventory Hedging and Foreign Exchange Hedging was negative of 8.26 \$/bbl. due to substantial price decrease of crude and finished products.

3.2.2 Marketing Business

For the second quarter of 2012, the Marketing Business's gross profit was Baht 1,128 million, increased by 462 million from the same period of last year.

EBITDA from the Marketing Business was Baht 701 million, increased from EBITDA of last year which was at Baht 417 million. The Company's Marketing Margin (excluding lube) was at Baht 0.82 per litre (equivalent to USD 4.15 per barrel feed) which was higher when compared to last year's marketing margin of Baht 0.59 per litre (equivalent to USD 3.08 per barrel feed).

The sales volume through the Marketing Business increased by 4.78% and total sales volume was 77,010 barrel per day, compared to a 73,500 barrel per day in the same period of 2011.

- The Average Sales through service station, in the second quarter of 2012 increased by 5.1% compared to the same period of 2011.
- The Average Sales to industrial customers increased by 18.9% and sales through Jobber channel increased by 17.9% from the same period of 2011.

3.2.3 Solar Power Plant Business

The 8 MW Solar Power Plant has resumed its Commercial Operation since April 2, 2012, generated revenue of Baht 26.7 million in the second quarter of 2012. In addition, the Company had Revenue from insurance compensation of Baht 74 million from the 2011 flood, so total EBITDA was Baht 107 million.

(note: the 30 MW Solar Power Plant had started Commercial Operation Date on July 16, 2012.)



4. Analysis of the Financial Position as of June 30, 2012 compared to December 31, 2011

Unit: Million Baht

<u>Balance Sheet</u>	Consolidated		Company	
	30 Jun 2012	31 Dec 2011	30 Jun 2012	31 Dec 2011
Assets				
Current assets	32,797	31,294	31,675	30,730
Investments in associates and other long-term investments	738	745	1,573	1,111
Property, plant and equipment	27,729	26,959	26,748	26,062
Other non-current assets	2,663	2,605	2,657	2,598
Total assets	63,927	61,603	62,653	60,501
Liabilities				
Current liabilities	12,749	13,990	12,479	13,786
Long-term borrowings (including current portion)	19,340	16,582	18,792	16,022
Other non-current liabilities	1,254	1,152	1,217	1,121
Total liabilities	33,343	31,724	32,488	30,929
Equity				
Total equity attributable to owners of The Company	30,406	29,729	30,166	29,572
Non-controlling interests	178	150	-	-
Total equity	30,584	29,879	30,166	29,572
Total liabilities and equity	63,927	61,603	62,653	60,501

4.1 Assets

- As of June 30, 2012, Total Assets of the Company and its subsidiaries were Baht 63,927 million, which comprised of the Company's total assets of Baht 62,653 million, Bangchak Green Net Company Limited (BGN)'s total assets of



Baht 896 million, Bangchak Biofuel Company Limited (BBF)'s total assets of Baht 1,446 million and Bangchak Solar Energy (BSE)'s total assets of Baht 664 million, adjusted by connected transactions of Baht 1,733 million which were mainly from Trade Account Receivable-BGN of Baht 699 million, BBF of Baht 156 million and Investment in Subsidiaries of Baht 810 million.

- The Company's Total Assets as of June 30, 2012 compared to the end of 2011 increased by Baht 2,152 million. The changes of assets were mainly from
 - Cash amounted Baht 3,751 million, increased by Baht 339 million. (Detail is stated under Cash Flow Analysis Section).
 - Net Accounts Receivable amounted Baht 5,554 million, decreased by Baht 3,114 million, as there was a decline in export due to a reduction in production capacity during Annual Maintenance period.
 - Inventories amounted Baht 19,010 million, increased by Baht 2,865 million from an increase in quantity. Inventory at the end of the second quarter of 2012 was 5.3 Million Barrel, 0.9 Million Barrel increased from the end of 2011.

Inventories comprised of 3.7 Million Barrel of crude oil and 1.6 Million Barrel of finished products. The increase in inventory level resulted from a crude run plan at 110,000 barrel per day after Annual Maintenance.
 - Refundable Corporate Income Tax, Baht 598 million, from the 2011 corporate income tax refund. The Company had BOI Tax Privilege from its Environmental Improvement Project, totaling of Baht 1,616 million, in which Baht 1,349 million was used in 2011 and Baht 267 million was used in May 2012.
 - Other current assets such as Value Added Tax Receivable increased by Baht 548 million due to an increase in crude oil and oil products purchased in the second quarter, and deferred revenue from the 8MW solar power plant insurance compensation from the 2011 flood damage.
 - Additional Investment in Subsidiaries of Baht 463 million, which was an investment in Bangchak Solar Energy Co., Ltd – a wholly owned by the Company.
 - Property, plant and equipment increased by Baht 686 million. As the end of second quarter of 2012, the Company had an increase in an annual investment of Baht 1,605 million and there was a 6-month depreciation of Baht 1,007 million. The Company had Baht 98 million reversal of allowance



for loss from impairment of the 8 MW solar power plant's assets from the 2011 flood.

4.2 Liabilities

- As of June 30, 2012, Total Liabilities of the Company and its subsidiaries were Baht 33,343 million, which comprised of the Company's total liabilities of Baht 32,488 million, Bangchak Green Net Company Limited (BGN)'s total liabilities of Baht 833 million, Bangchak Biofuel Company Limited (BBF)'s total liabilities of Baht 854 million and Bangchak Solar Energy (BSE)'s total liabilities of Baht 51 million adjusted by connected transactions of Baht 883 million which mostly associates with the sale transactions between the Company and subsidiaries (BGN and BBF).
- The Company's Total Liabilities as of June 30, 2012 compared to the end of 2011 increased by Baht 1,558 million. The changes of liabilities were mainly from;
 - Total Borrowings as of June 30, 2012 increased by Baht 770 million from a bond issuance of Baht 3,000 million, short-term loan repayment of Baht 2,000 million and long-term loan repayment of Baht 225 million.
 - Accounts Payable amounted of Baht 9,234 million increased by Baht 617 million resulted from an increase in oil and finished products purchased volume in the second Quarter.
 - Income Tax Payable amounted of Baht 432 million, resulted from Corporate Income Tax in the first half of 2012.

4.3 Equity

- As of June 30, 2012, the Consolidated Total Equity was Baht 30,584 million, which comprised of the Company's total equity of Baht 30,166 million, Bangchak Green Net Company Limited (BGN)'s total equity of Baht 63 million, Bangchak Biofuel Company Limited (BBF)'s total equity of Baht 592 million and Bangchak Solar Energy (BSE)'s total equity of Baht 613 million, adjusted by connected transactions of Baht 849 million.
- The Company's Total Equity as of June 30, 2012 increased by Baht 594 million from the end of 2011 as the Company had a net profit of Baht 2,377



million in the first quarter of 2012, a net loss of Baht 407 million in the second quarter of 2012 and a dividend payment of Baht 1,377 million.

Therefore, as of June 30, 2012, the Company's equity was Baht 30,116 million, with a book value of Baht 21.91 per share.

5. Analysis of the Cash Flows Statement

	Unit: Million Baht	
	June 30, 2012	
	Consolidated	Company
Cash flows from operating activities	5,342	5,174
Cash used for operating assets and liabilities	(1,617)	(1,751)
Net cash provided by operating activities	3,725	3,423
Net cash used in investing activities	(1,766)	(2,126)
Net cash used in financing activities	(985)	(958)
Net increase in cash and cash equivalents	974	339
Cash and cash equivalents, Beginning Balance	4,021	3,412
Cash and cash equivalents, Ending Balance	4,995	3,751

For the first 6-month of 2012, the Company and Subsidiaries had Cash and cash equivalents, Beginning Balance of Baht 4,021 million. Net increase in cash and cash equivalents was Baht 974 million which was resulted from Baht 3,725 net cash provided by operating activities, Baht 1,766 million net cash used in investing activities and Baht 985 net cash used in financial activities. As a consequence, total cash and cash equivalents at June 30, 2012 accounted for Baht 4,995 million.

For the first 6-month of 2012, the Company had cash and cash equivalents, Beginning Balance of Baht 3,412 million. Net increase in cash and cash equivalents was Baht 339 million which was resulted from Baht 3,423 net cash provided by operating activities, Baht 2,126 million net cash used in investing activities and Baht 958 net cash used in financial activities. As a consequence, total cash and cash equivalents at June 30, 2012 accounted for Baht 3,751 million.



Detail of cash used are as follows:

1. The Company used Baht 1,751 million of cash for operating assets and liabilities;
 - Cash of Baht 1,665 million used in the operating assets, mostly for a decrease in Trade Account Receivable by Baht 3,117 million, an increase in Inventory by Baht 3,926 million, and an increase in Other Assets by Baht 856 million.
 - Cash of Baht 74 million used in operating liabilities. There were an increase in Accounts Payable of Baht 617 million and a decrease in Other Liabilities and Other Accrued Expenses of Baht 691 million.
 - Cash paid for Corporate Income Tax of Baht 12 million
2. The Company used Baht 2,126 million of cash in investing activities;
 - Investment in Property, Plants and Equipments of Baht 1,582 million,
 - Investment in Subsidiaries of Baht 463 million
 - Investment in Other Assets of Baht 125 million
 - Cash Received from Interest Earned of Baht 43 million
3. The Company used Baht 958 million of cash in financing activities ;
 - Baht 3,000 million received from bond issuance
 - Baht 2,000 million paid for short-term loan repayment.
 - Baht 1,377 million paid for dividend in April 2012
 - Baht 356 million paid for interest expense and bond issuing cost.
 - Baht 225 million paid for long-term loan repayment

Therefore, as of the end of the second quarter of 2012, the Company's cash and cash equivalents increased by Baht 339 million from Beginning Balance of Baht 3,412 million. The Company's cash and cash equivalents, Ending Balance was Baht 3,751 million.



6. Financial Ratio

	Consolidated		Company	
	2Q 2012	2Q 2011	2Q 2012	2Q 2011
□ Net Profit Margin, %	(0.95)	7.04	(1.03)	7.07
□ Earnings Per Share, Baht/Share ^{1/}	(0.28)	2.33	(0.30)	2.31
□ Return on Equity-ROE, %	(1.28)	11.54	(1.36)	11.53
□ ROE (excluding inventory effect), %	3.05	8.17	2.95	8.13
□ Return on Assets-ROA, %	(0.61)	5.03	(0.66)	5.10
□ ROA (excluding inventory effect),%	1.46	3.56	1.43	3.59

1/ Calculated from the profit attributable to the owners of the Company.

	Consolidated		Company	
	Jun30,2012	Dec31,2011	Jun30,2012	Dec31,2011
□ Current Ratio , Times	2.42	2.15	2.41	2.16
□ Debt to Equity, Times ^{2/}	0.53	0.62	0.52	0.61
□ Book Value, Baht/Share ^{3/}	22.08	21.59	21.91	21.48

2/ Debt = Interest Bearing Debt.

3/ Solely from the total equity attributable to equity holders of the Company.



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 second quarter of 2012 compared to same period of last year is summarized hereunder.

(Unit : Million Baht)	2Q		+/-
	2012	2011	
Material Costs of Product Outputs : Consist of crude oil, ethanol, bio-diesel, chemical, energy and utilities in production	29,199.45	31,872.20	(2,672.75)
Material Costs of Non-Product Outputs : Consist of slop and sludge oil, waste water, chemical surplus	54.06	27.67	26.39
Waste and Emission Control Costs : Consist of maintenance cost of environmental control equipments and depreciation and other fees	38.40	40.04	(1.64)
Prevention and Other Environmental Management Costs : Consist of monitoring and measurement cost, environmental management system expenses	1.32	1.60	(0.28)
Benefit from by-product and waste recycling : The revenue realization from liquid sulfur, glycerin, waste paper	(6.05)	(6.45)	(0.40)

In the second quarter of 2012, there was annual maintenance period so average crude run was 70.79 KBD, decreased by 27.37 KBD from the same period last year.

Environment cost in the second quarter of 2012 decreased approximately Baht 2,648 million, or decreased by 8.3% from the same period of last year. The costs reduced in all categories, except the material costs of non-product outputs which increased by 95.4 %. The increase was from the oil awaiting for reprocess after completion of the annual maintenance. Revenues from waste reuse were also reduced as compared to 2Q2011.