



Analyst Meeting

2Q09 Performance

Friday 14 August 2009



Agenda

- **2Q09 Management Highlights**
- **Operation Performance**
- **CAPEX**
- **Financial Performance**
- **Industry Outlooks**

2Q09 Highlights

Overview

- Improving in significantly economic numbers shown the trough of recession finally arrived but slow recovery.
- Crude prices elevated resulting from better than expected in economic recovery, OPEC continuing production restraint, speculation, the unrest in Iran and Nigeria, and weaken USD.
- Outlook overview: Longer term recovery is expected though short-term difficulties exist
 - Refining: Tough time ahead
 - Petrochemical: Stronger for polyolefins, slowdown for styrenics
- 2Q09 average crude run 70% at optimum level.
- Market GIM in 2Q09 at 3.2 \$/bbl: Refinery -1 \$/bbl, Petrochemical 4.2 \$/bbl.

Operation

- EPCC Contractor under process for CHP Project; completion in 1Q11.
- Cost reduction program, 1H09 cost reduced by USD 16.3 million or 0.69 \$/bbl.
- Engaged international business consultant for business model restructuring. To be concluded by the end of August 09

Finance

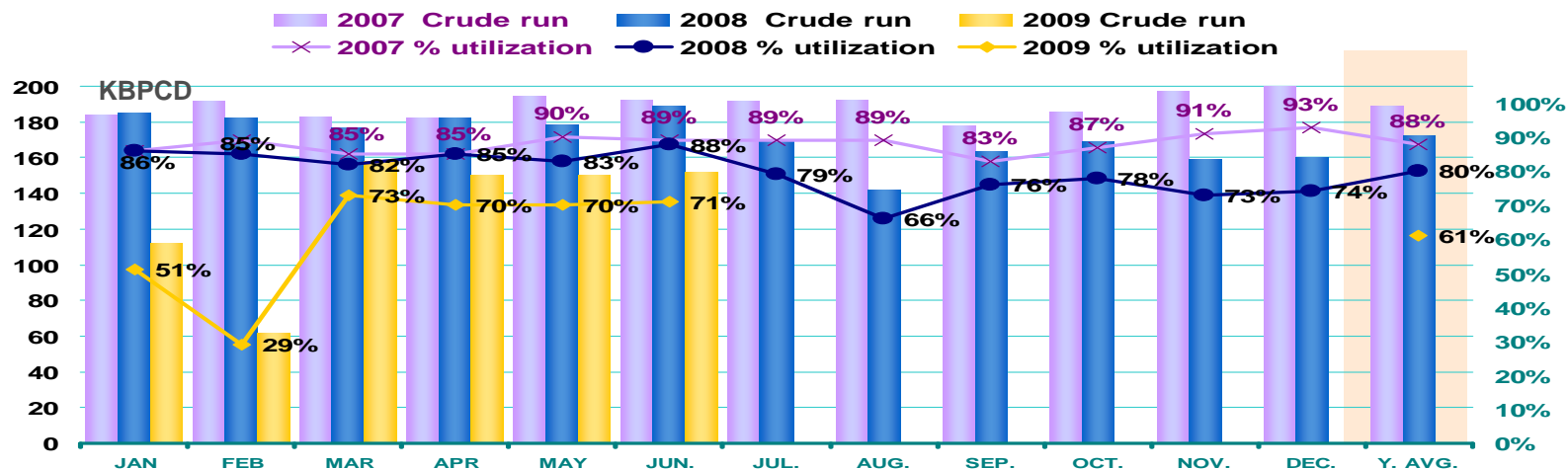
- S&P Ratings affirmed IRPC's corporate credit rating and company's senior unsecured noted at "BBB-" with negative outlook and removed both ratings from Credit Watch.
- Fitch Ratings (Thailand) maintained IRPC's National Long-Term rating at "A-" and National Short-term rating at "F2" with negative outlook
- Total ESOP exercised until June 2009 was executed only 1.12% of total shares.

Operation Performance



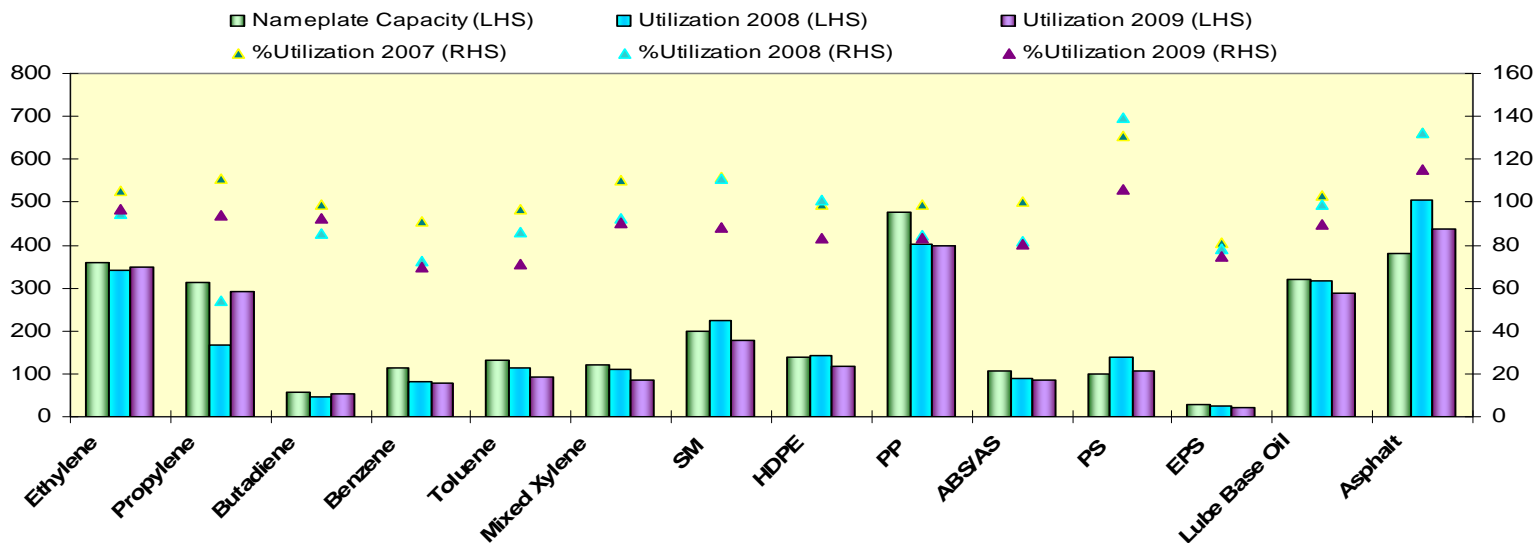
Capacity Utilization

Refinery Capacity Utilization



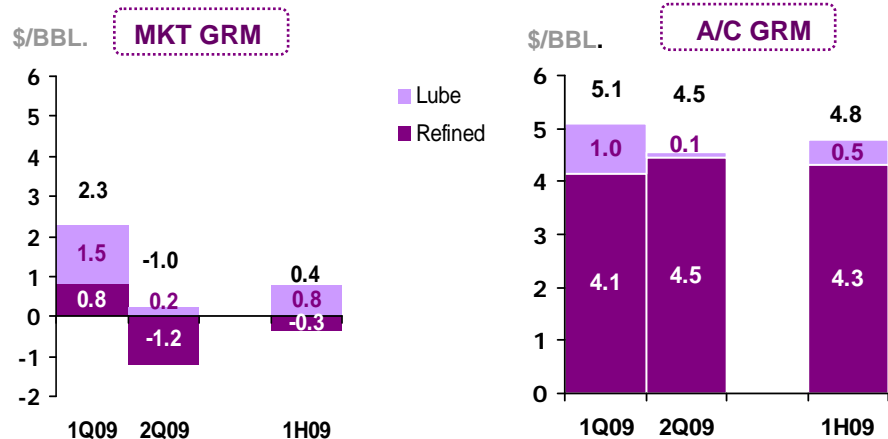
	2007	1Q08	2Q08	3Q08	4Q08	2008	1Q09	2Q09	1H09
% Utilization	88%	84%	85%	74%	75%	80%	52%	71%	61%

Petrochemical and Lube

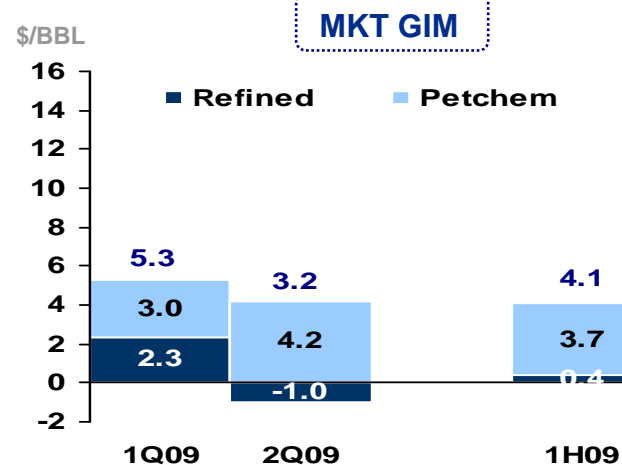


2Q09 GRM & PTF

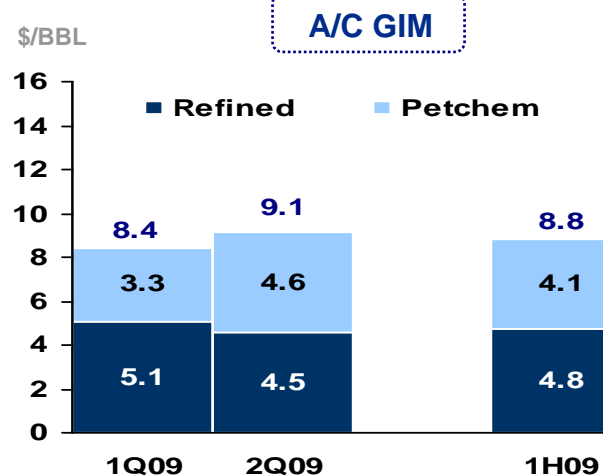
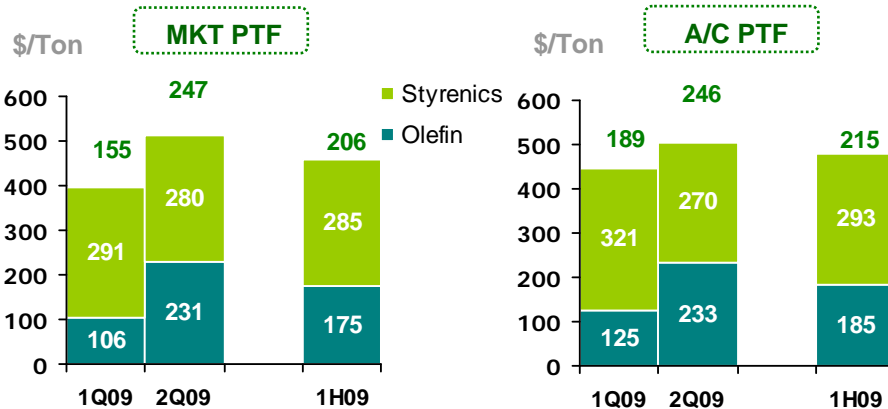
Gross Refinery Margin



Gross Integrated Margin

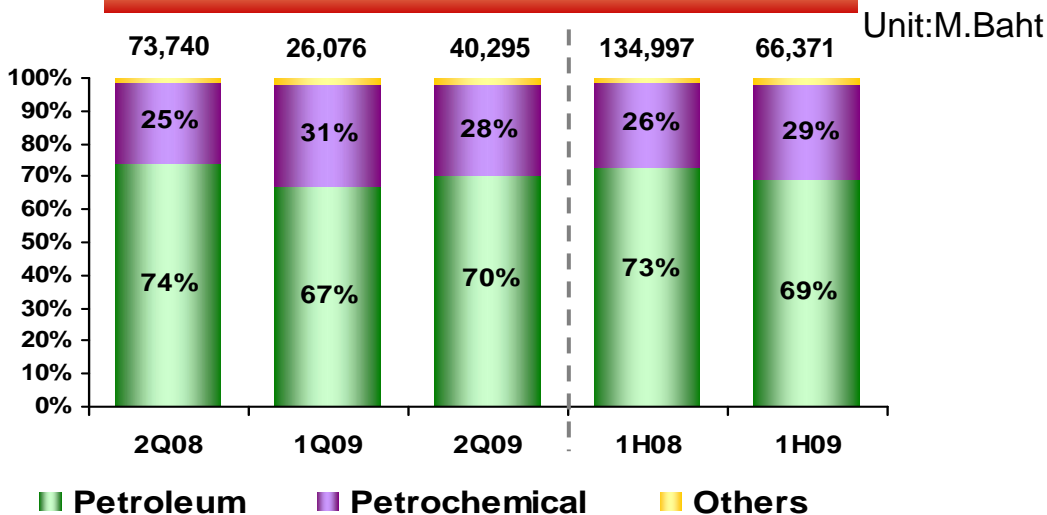


Product to Feed

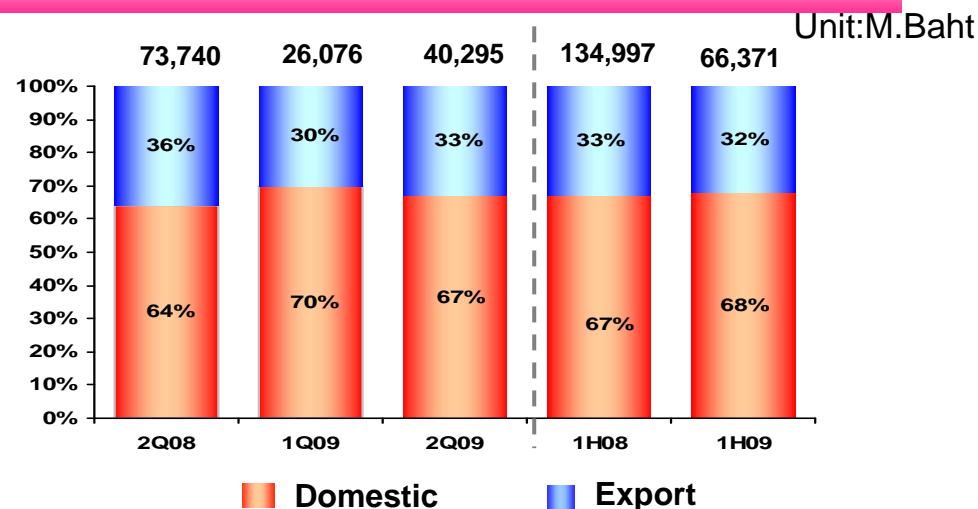


1H09 Product Sales Value by Market

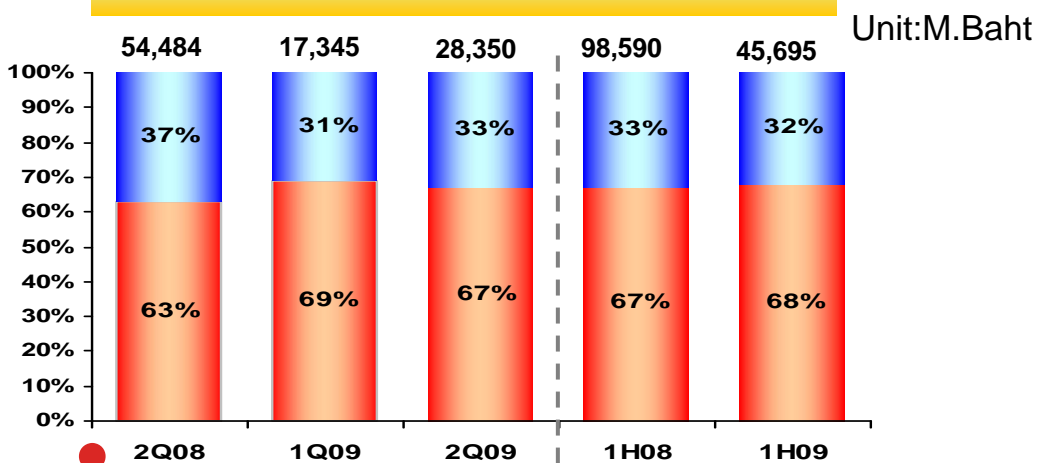
Sales Proportion



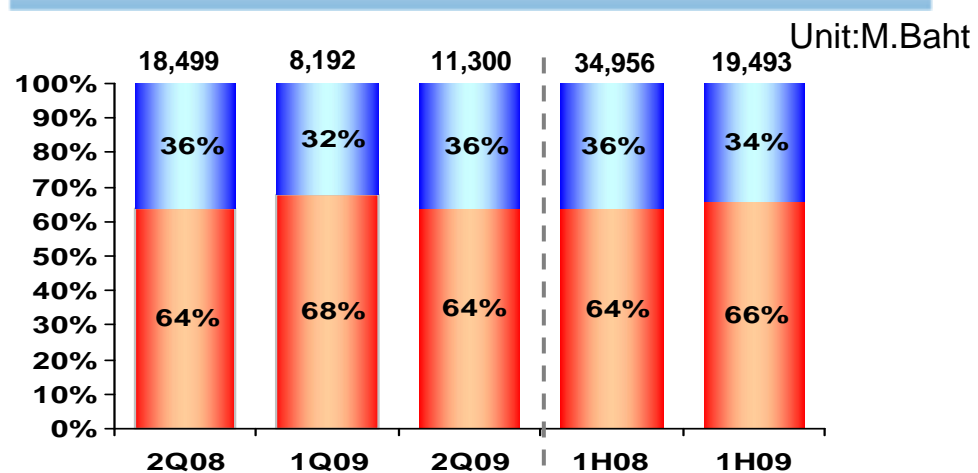
Total Products Sales: Local vs Export



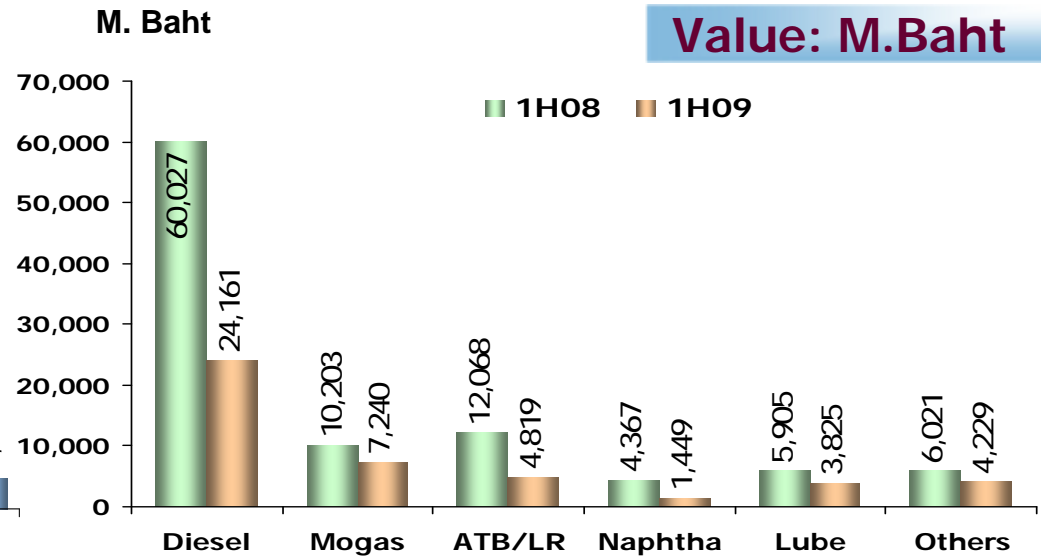
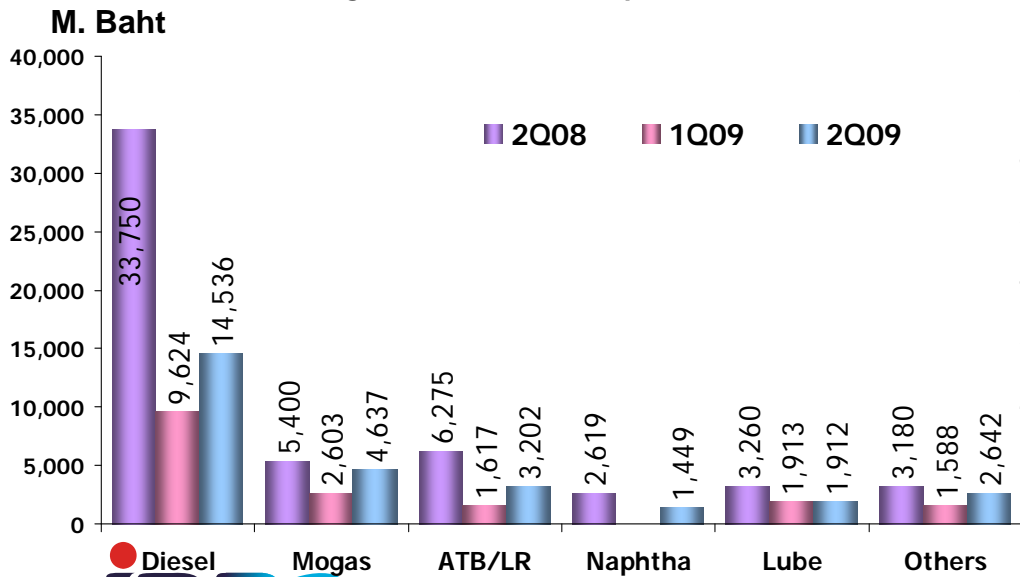
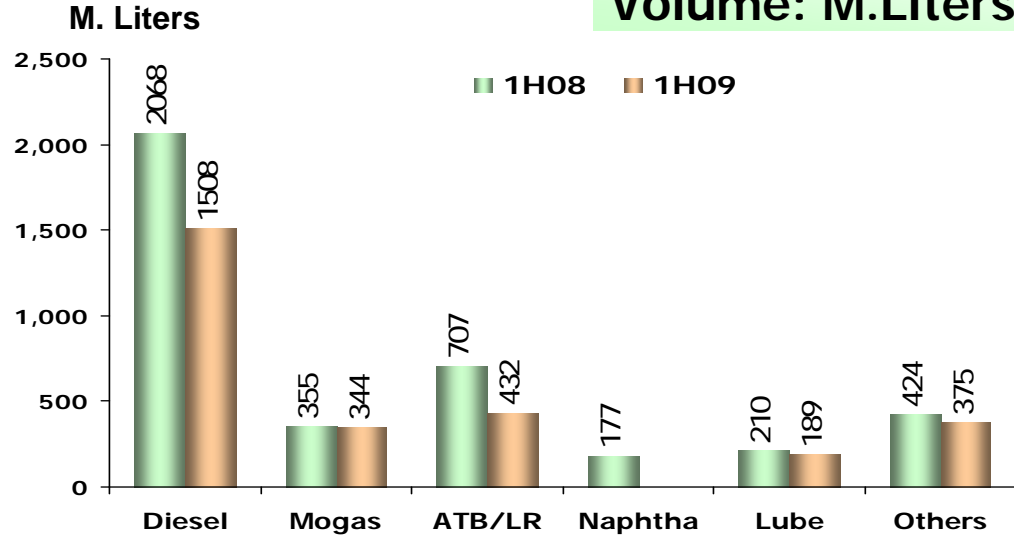
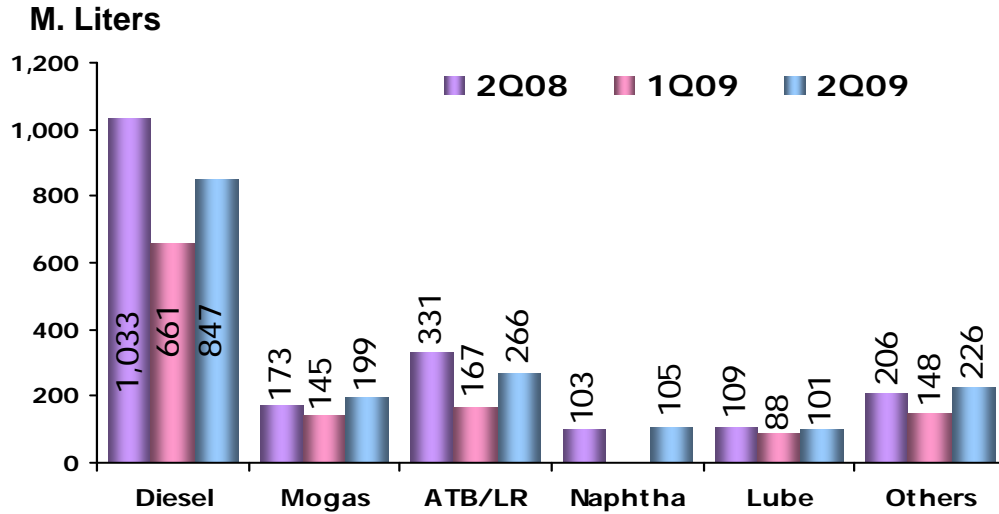
Oil products: Local vs Export



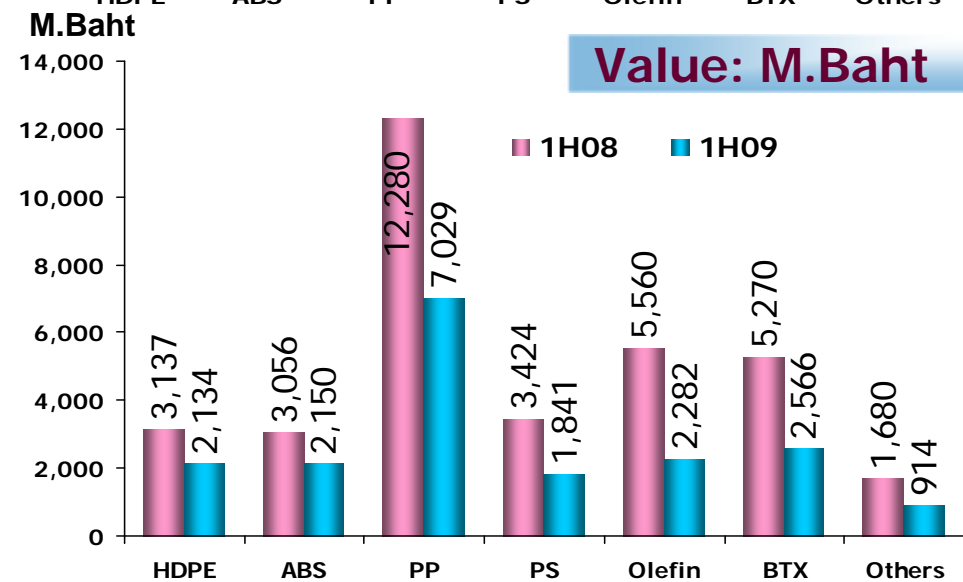
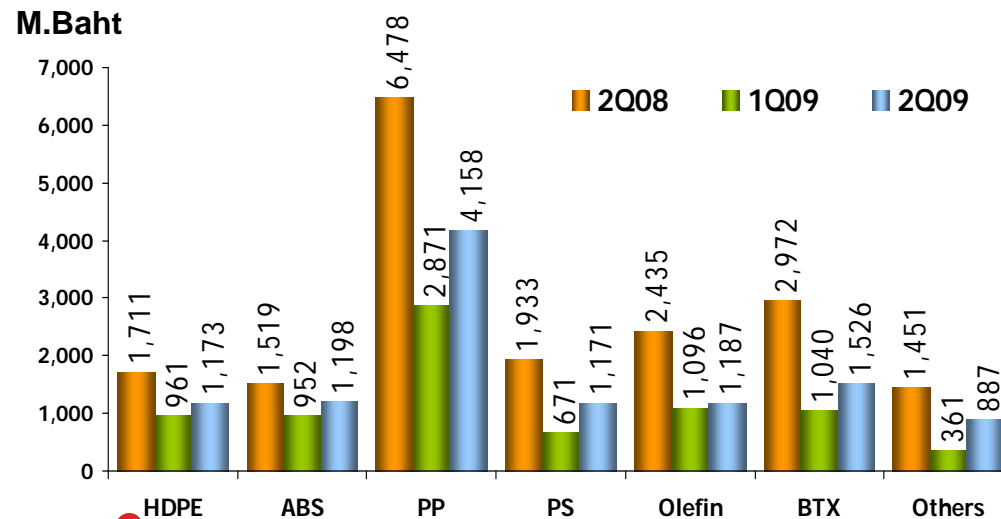
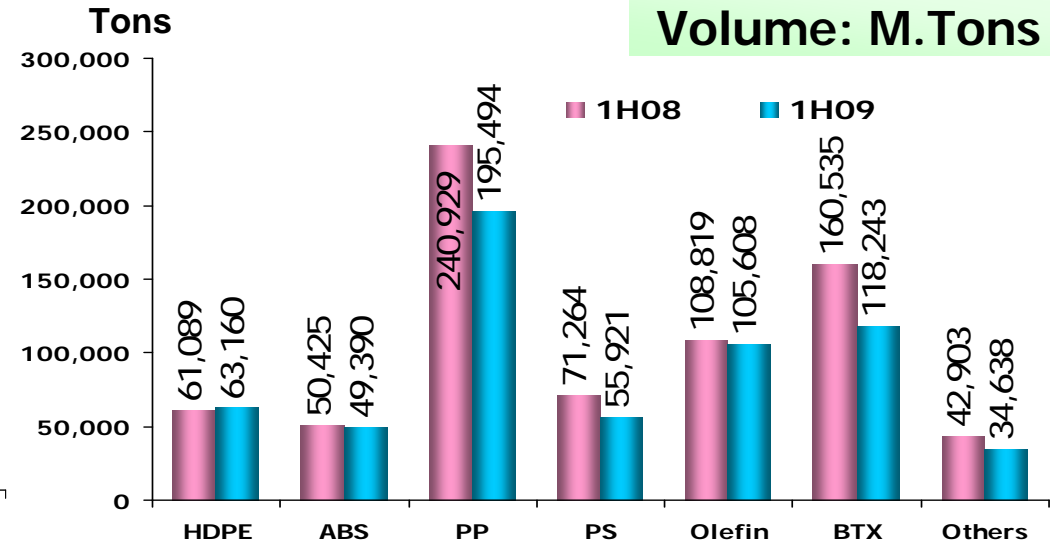
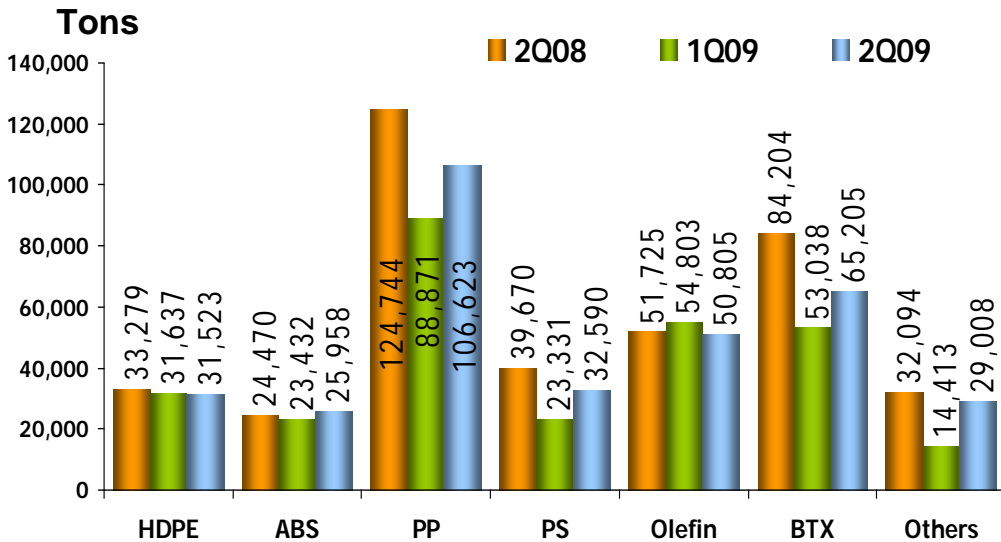
Petrochemical products: Local vs Export



1H09 Petroleum Product Sales



1H09 Petrochemical Product Sales



CAPEX



Future Project Progress: 2007-2012

As of June 2009	CAPEX Amount (Million USD)	Benefit/year (Million USD/year)	Start	Complete	Progress	Purpose / Remarks
Complete Projects						
HDPE Compound *	12.60	3	2Q07	1Q09	100%	Increase capacity from 17 KTA to 57 KTA
ABS Expansion *	17.10	4	2Q07	1Q09	100%	Increase capacity from 96 KTA to 117 KTA
Total	29.70	7				
Phase I						
Power Plant *	220.00	39	2Q07	1Q11	45%	CHP 216 MW for internal use, reduce power & steam cost, improve power stability
Safety Improvement	39.00	n/a	2Q07	2011	26%	Continual improvement
Total	259.00	53				
Phase II						
ABS Expansion 6 *	n/a	n/a	On Revision			Increase capacity from 117 KTA to 200 KTA
New Reg_EURO IV	n/a	n/a	On Revision			Comply to regulation
Petroleum Improvement	n/a	n/a	On Revision			Increase capacity from 215 to 265 kbpd & improve product slate
Propylene Booster *	88.00	n/a	2009	2011		Increase capacity by 100 KTA
Total	88.00					
Grand Total	347.00					

Project Progress: CHP

Overall Work progress 45%



Substation



Demineral water plant

Financial Performance

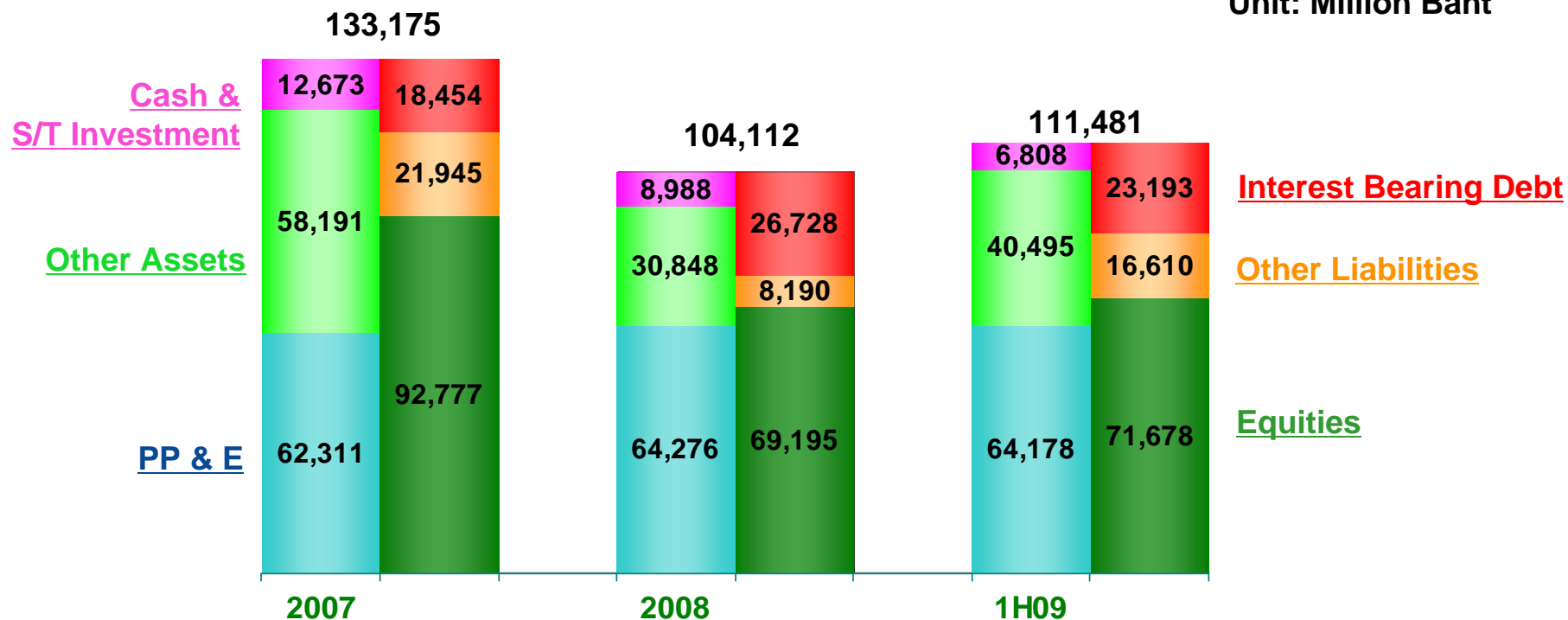


Financial Highlights

Unit: Million Baht	2Q09	2Q08	%YoY	1Q09	%QoQ	6m09	6m08	%YoY
Sales	40,295	73,740	-45.4%	26,076	54.5%	66,371	134,997	-50.8%
Net Sales	36,776	71,521	-48.6%	24,047	52.9%	60,823	129,801	-53.1%
Cost of Goods Sold	(32,687)	(63,912)		(25,874)		(58,562)	(119,392)	
Gross Profit	4,089	7,609	-46.3%	(1,827)	-323.7%	2,261	10,408	-78.3%
Gross Margin	11.1%	10.6%		-7.6%		3.7%	8.0%	
Other Revenue	(172)	246		256		85	363	
SG&A	(753)	(935)	-19.4%	(702)	7.3%	(1,456)	(1,717)	-15.2%
EBITDA before LCM	3,163	6,920	-54.3%	(2,273)	-239.2%	891	9,054	-90.2%
EBITDA Margin	8.6%	9.7%		-9.5%		1.5%	7.0%	
LCM	137	-		4,840		4,977	-	
EBITDA after LCM	3,300	6,920	-52.3%	2,567	28.6%	5,868	9,054	-35.2%
Depre. & Amort.	(831)	(820)		(800)		(1,631)	(1,637)	
EBIT	2,470	6,100	-59.5%	1,767	39.8%	4,237	7,417	-42.9%
Net Financial Expenses	(292)	(247)		(369)		(661)	(498)	
Pretax Profit	2,178	5,853	-62.8%	1,398	55.8%	3,576	6,919	-48.3%
Taxes	(17)	(18)		(15)		(32)	(27)	
Net Profit before Extra.	2,161	5,835	-63.0%	1,383	56.2%	3,544	6,891	-48.6%
Doubtful Account	12	(7)		1		13	(16)	
FX. Gain/(Loss), Swap	49	(474)		194		243	479	
Investment Gain (Loss)	210	(257)		43		252	(624)	
Asset Gain (Loss)	(5)	33		4		(1)	33	
Other Expenses	(3)	(4)		(3)		(6)	(9)	
Net Profit	2,423	5,126	-52.7%	1,621	49.4%	4,044	6,754	-40.1%
No. Share (M.)	19,644	19,500		19,500		19,644	19,500	
Norm. EPS	0.11	0.30		0.07	56.2%	0.18	0.35	-49.1%
EPS	0.12	0.26		0.08	49.4%	0.21	0.35	-40.7%
BV	3.64	4.90		3.59		3.64	4.90	8.9%

Balance Sheet:

Unit: Million Baht



Treasury policy :

- Net Debt/Equity $\leq 1.0x$
- Net Debt/EBITDA $\leq 2.0x$

Current Status

= 0.23x
= 1.4x

Key Financial Ratios

	2Q09	2Q08	1Q09	6m09	6m08
<u>Liquidity & Leverage Ratio (Times)</u>					
Quick Ratio	1.02	0.93	1.34	1.02	0.93
Total IBD / Equity	0.32	0.30	0.36	0.32	0.30
Net IBD / Equity	0.23	0.25	0.20	0.23	0.25
Liabilities / Equity	0.56	0.56	0.51	0.56	0.56
Net IBD / EBITDA	1.40	1.32	1.37	1.40	1.32
IBD / EBITDA	1.98	1.58	2.46	1.98	1.58
EBITDA / Interest Exp.	10.27	25.95	7.21	8.66	15.62
<u>Profitability Ratio</u>					
Gross Profit Margin	11.1%	10.6%	-7.6%	3.7%	8.0%
EBITDA Margin	9.0%	9.7%	10.7%	9.6%	7.0%
Net Profit Margin	6.6%	7.2%	6.7%	6.6%	5.2%
ROE	11.3%	14.1%	9.2%	11.3%	14.1%
ROCE	8.5%	10.9%	6.7%	8.5%	10.9%

Industry Outlooks



Industry Outlooks

Crude Oil

Unstable & attached to economic state

High volatile by looming the market

- Better than expected economic numbers
- Demands recovery in Asia especially in China
- Weak refinery margin take aback crude demand
- Geopolitical tension / strictly on OPEC production outputs
- US Dollar depreciation

Refined Products

Very lean margin, challenge to survive

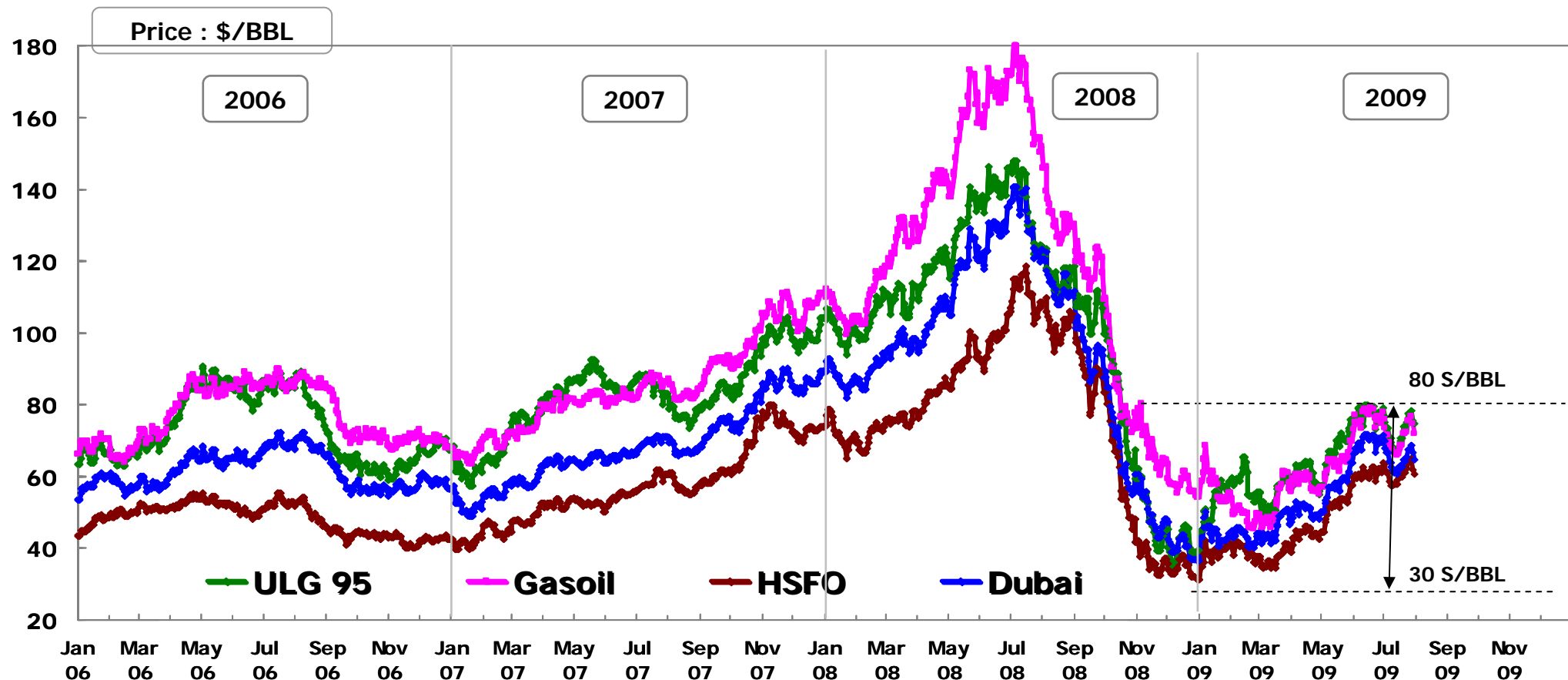
- Thin spread from shrinkage of demand
- Cutback refining & swap product yield to heal market imbalance
- Weaken demand & continue to struggle
- Further twist into alternative energy

Petrochemical Products

Pace for a recovery

- Prices driven by cost push
- Demand rush back particularly in Asia
- Short capacity from cut run and turnaround
- Overhang concern from ME additional capacity

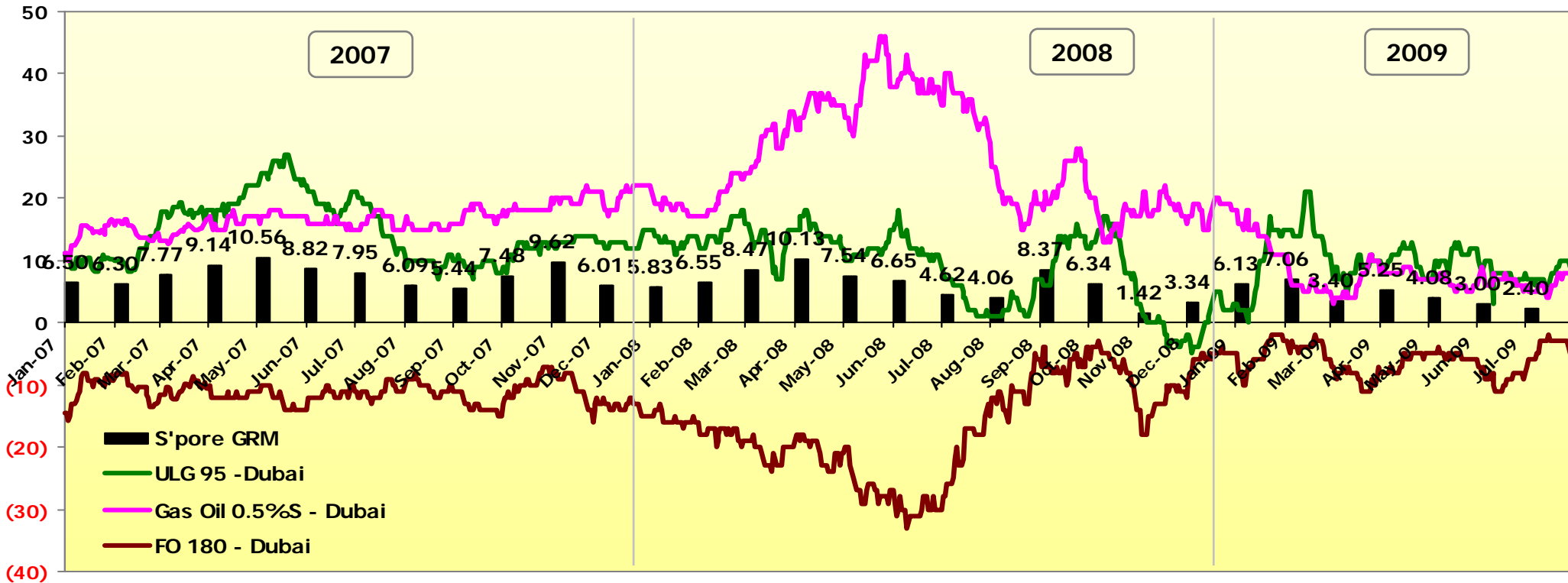
Refinery: Tough time ahead



\$/BBL	2007	1Q08	2Q08	3Q08	4Q08	2008	1Q09	Apr09	May 09	Jun09	2Q09	Jul 09	1Aug09
Dubai	68.34	91.43	116.91	113.34	52.60	93.57	44.27	50.10	57.85	69.76	59.24	64.82	70.00
ULG 95	83.48	105.12	129.84	119.29	56.32	102.64	54.80	60.46	68.50	77.57	68.84	72.83	80.18
Gas Oil 0.5%S	85.53	114.36	154.47	139.02	70.25	119.53	53.19	58.09	64.06	76.57	66.24	71.08	76.88
Fuel Oil 180cst	57.61	73.21	90.93	100.62	43.95	77.18	38.27	43.84	52.41	60.93	52.39	60.82	65.06

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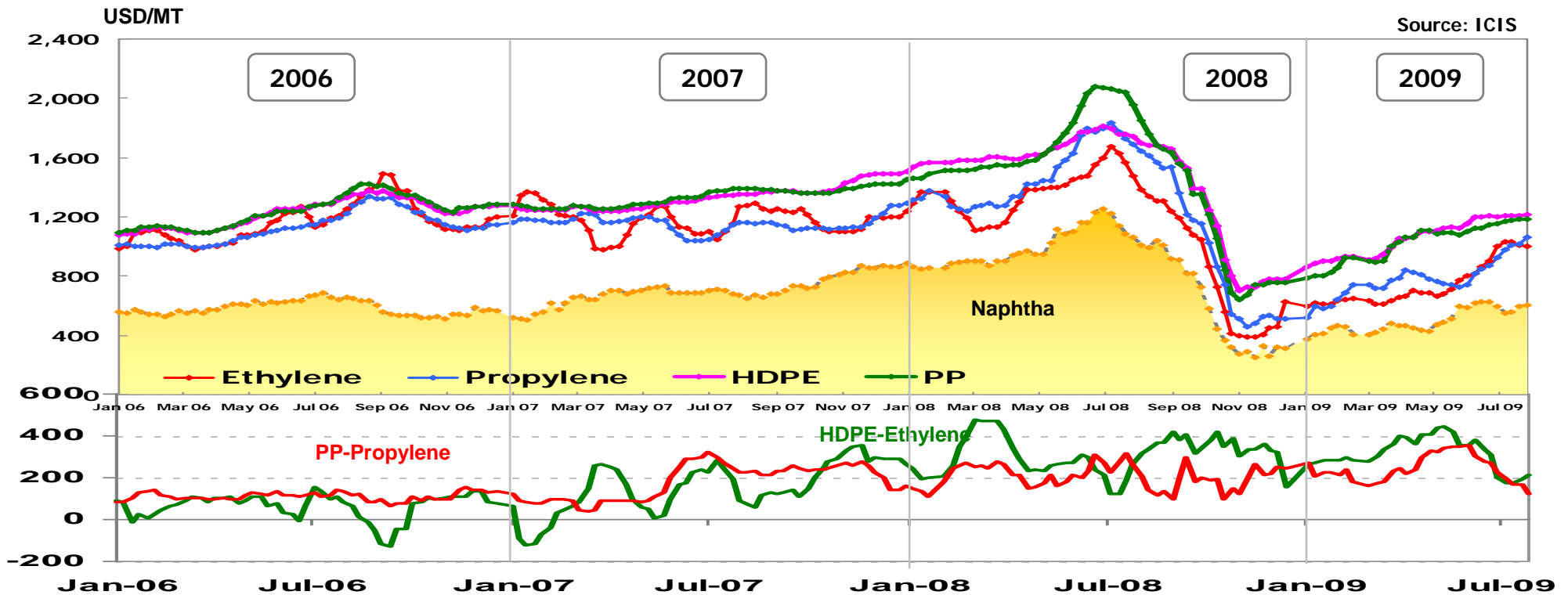
Price : \$/BBL



\$/BBL	2007	1Q08	2Q08	3Q08	4Q08	2008	1Q09	Apr09	May 09	Jun09	2Q09	Jul 09	1Aug09
ULG 95 - Dubai	15.14	13.69	12.93	5.95	3.72	9.07	10.54	10.36	10.64	7.81	9.61	8.01	10.18
Gas Oil 0.5%S - Dubai	17.19	22.93	37.56	25.68	17.65	25.96	8.83	7.99	6.21	6.81	7.00	6.27	6.88
Fuel Oil 180cst - Dubai	-10.73	-18.22	-25.98	-12.72	-8.64	-16.39	-5.98	-6.26	-5.45	-8.83	-6.84	-4.00	4.94



Polyolefins: Price driven by cost push

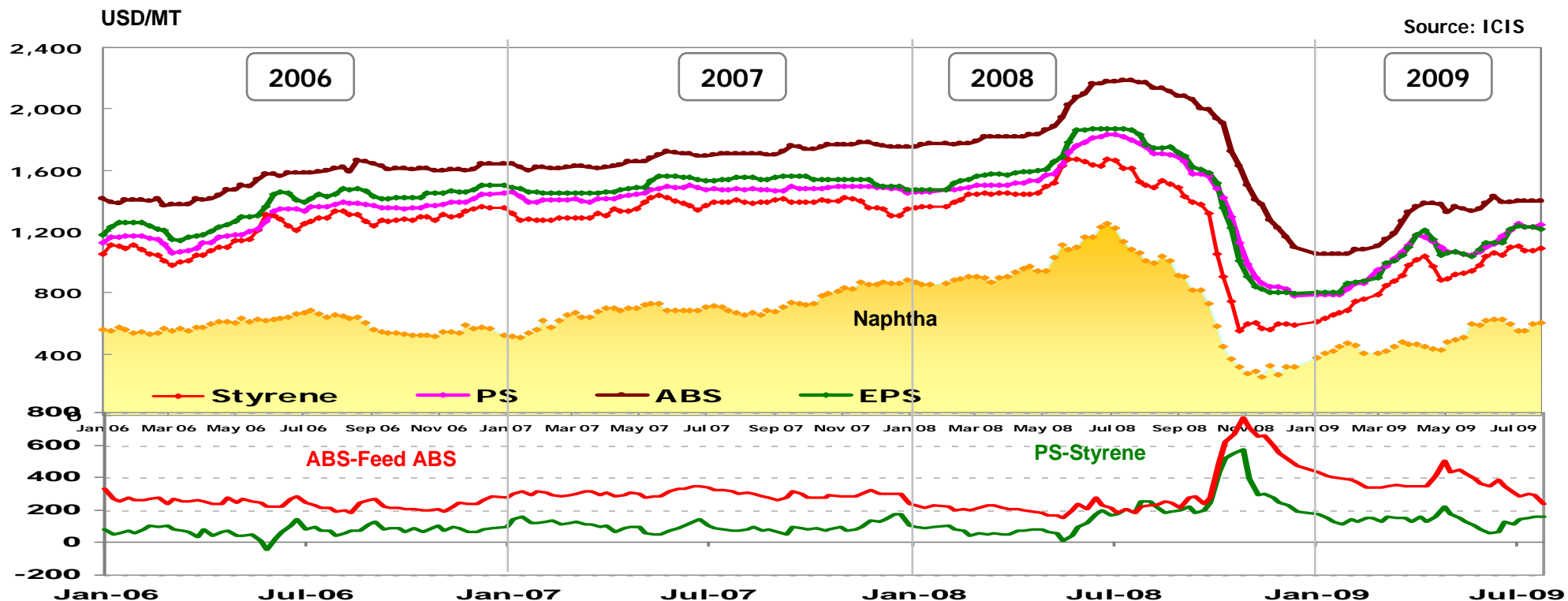


\$/MT	2007	1Q08	2Q08	3Q08	4Q08	2008	1Q09	Apr09	May09	Jun09	2009	Jul09
Naphtha	704	880	1,049	1,020	357	827	431	456	499	613	523	581
Ethylene	1,179	1,240	1,385	1,379	543	1,137	626	678	704	846	743	1,015
Propylene	1,153	1,293	1,523	1,572	626	1,254	672	815	752	823	797	997
HDPE	1,331	1,572	1,670	1,670	869	1,445	920	1,069	1,117	1,190	1,125	1,206
PP	1,334	1,508	1,732	1,785	828	1,463	878	1,065	1,089	1,122	1,092	1,171



Note : 1. HDPE , PP, Ethylene & Propylene price from ICIS LOR (CFR SEA) .
 2. Naphtha price from ICIS LOR (CFR Japan)

Polystyrenics: Continuing sluggish demand



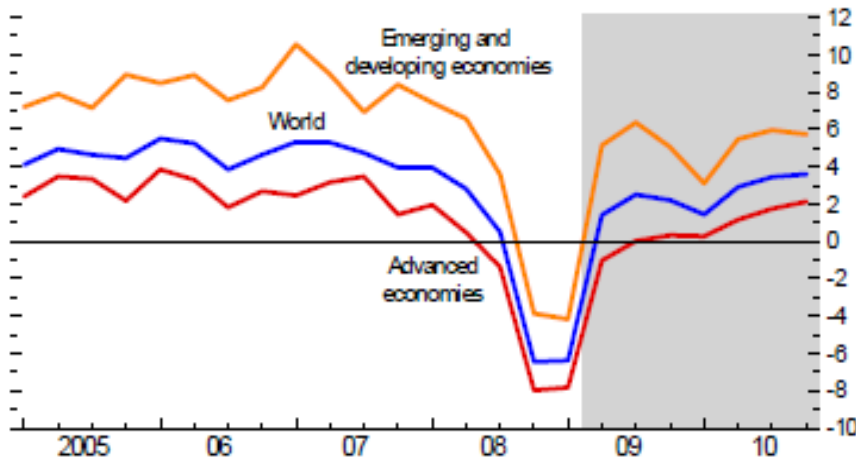
\$/MT	2007	1Q08	2Q08	3Q08	4Q08	2008	1Q09	Apr09	May09	Jun09	2Q09	Jul09
Naphtha	704	880	1,049	1,020	357	827	431	456	499	613	523	581
Styrene	1,356	1,402	1,549	1,523	701	1,294	745	1,001	912	1,029	981	1,088
PS	1,459	1,478	1,639	1,724	1,030	1,468	885	1,146	1,067	1,113	1,108	1,234
ABS	1,700	1,782	1,952	2,129	1,462	1,831	1,103	1,364	1,351	1,388	1,367	1,399
EPS	1,512	1,519	1,705	1,765	993	1,496	888	1,158	1,052	1,119	1,109	1,225



Note : 1. PS, ABS, EPS & Styrene price from ICIS LOR (CFR SEA)
2. Naphtha price from ICIS LOR (CFR Japan).

World Economic: Weak recovery ahead

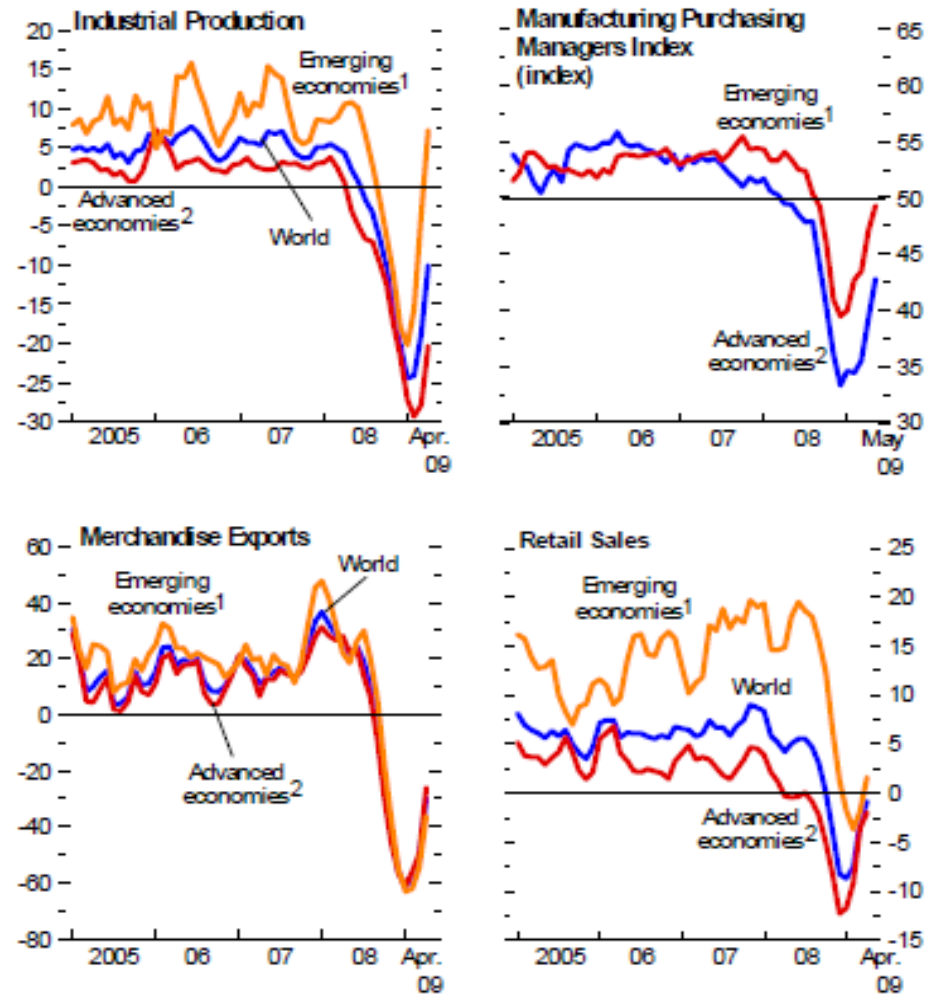
Figure 1. Global GDP Growth
(Percent; quarter-over-quarter, annualized)



	GDP growth, %				GDP growth, %		
	2008	2009F	2010F		2008	2009F	2010F
G7	0.6	-4.5	0.3	G7	0.6	-3.9	1.0
--US	1.1	-3.9	0.6	--US	1.1	-2.8	1.2
--Japan	-0.7	-8.7	-1.9	--Japan	-0.7	-7.0	0.3
--Euroland	0.7	-3.4	0.3	--Euroland	0.6	-4.3	0.8
EM Asia	6.8	3.6	5.5	EM Asia	6.8	4.2	5.8
--China	9.0	7.0	6.6	--China	9.0	8.3	7.8
--India	7.3	4.6	6.1	--India	7.3	5.5	6.0
EMEA	4.3	-1.8	3.7	EMEA	4.3	-3.3	2.9
--Russia	5.6	-2.4	4.0	--Russia	5.6	-4.4	1.8
Latam	4.4	-1.3	2.9	Latam	4.4	-2.3	3.0
--Brazil	5.4	-1.0	3.5	--Brazil	5.4	-1.0	4.0
Industrial countries	0.7	-4.2	0.3	Industrial countries	0.7	-3.8	1.0
EM countries	5.8	1.4	4.5	EM countries	5.8	1.4	4.5
Global	2.8	-1.9	2.0	Global	2.9	-1.5	2.5

Note: Comparing to the previous "World Outlook" reported in March 2009
Sources: Deutsche Bank, TISCO Research

Figure 2. Selected High-Frequency Indicators
(Annualized percent change of 3-month moving average over previous 3-month moving average unless otherwise noted)



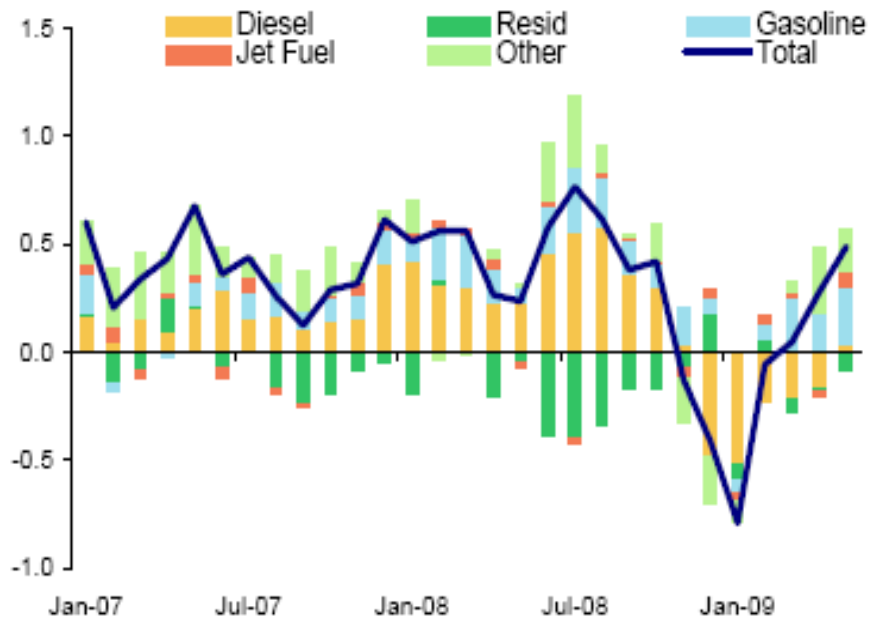
Source: IMF staff estimates.

Demand Growth from China

Refined Products

Chinese Oil Demand Growth Returns to Form

(MoM Δ, mmb/d)

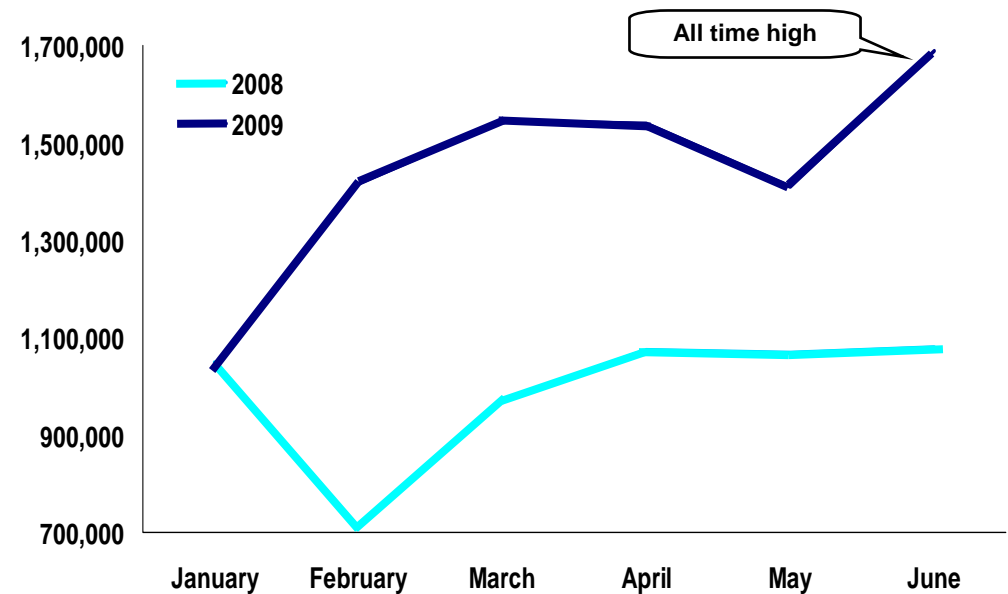


Source: Norwegian Energy, Morgan Stanley Commodity Research

Petrochemical Products

Polymer Imports to China

Tons



Source: ICIS Report

Thank you

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