



บริษัท ไออาร์พีซี จำกัด (มหาชน)
IRPC Public Company Limited

Analyst Briefing Presentation

1 March 2007

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2006 Management Highlights

- Exit Business Rehabilitation, PTT's top management in place
- Set up Audit Com. and strengthen internal audit per CG
- Refinanced with ~ \$ 15 m annual saving in int. and WHT. Bank debt was brought down to \$ 805 m.
- Started ERP (Enterprise Resource Planning)
- IRPC Rebranding / Reorganization
- Initiative / Cost saving programs in place
- Reduced ~ 200 staffs and ~ 320 direct contracts from '05
- Start business restructuring and plan to sell non core assets / to exit retailed oil business
- Synergy in product sale, swap, purchasing with PTT group in place
- Announce its first dividend since 1997 of 0.12 Bt. / share. Payout ratio is 36.4% after deducting legal reserve.

OPERATIONAL PERFORMANCE

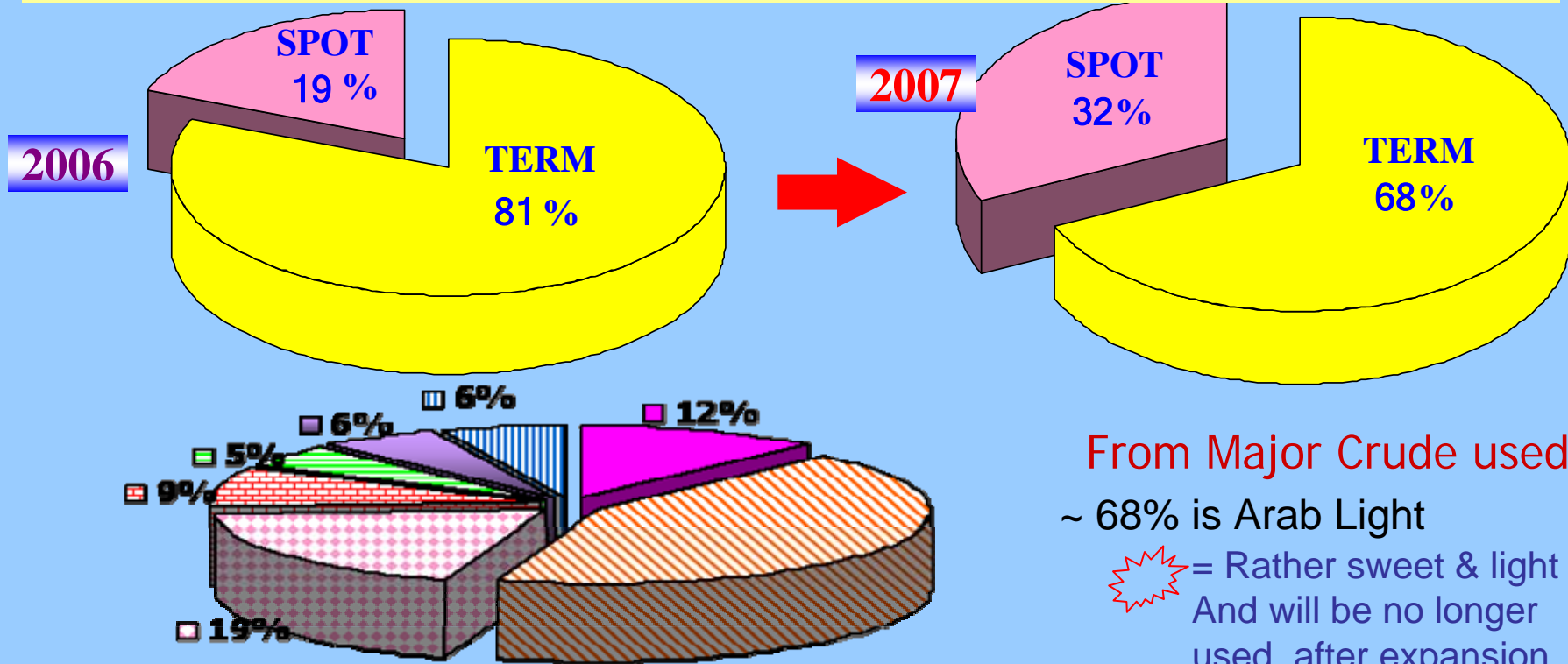
IRPC's products and future development ★

<u>Upstream</u>	<u>Intermediate</u>	<u>Downstream</u>
<u>Refined Oil</u> LPG Gasoline ★ Diesel Oil ★ Kerosene Fuel Oil	<u>Ethylene Cracker</u> Naphtha Ethylene Propylene ★ Butadiene	<u>Plastic Resin</u> HDPE ★ PP PS ABS/SAN ★ EPS
<u>Lube/Solvent</u> Lube Base Oil Solvent Product Lubricant Product Slacked Wax Extract Asphalt	<u>BTX</u> Benzene Toluene Xylene Styrene Monomer	<u>Polyurethane</u> Polyols Polyols - Systems

2006 summary crude purchased and estimated 2007

'07 initiatives – 1) **Revise Term, more spot purchase and smaller portion of sweet crude can save up to \$ 5 m**

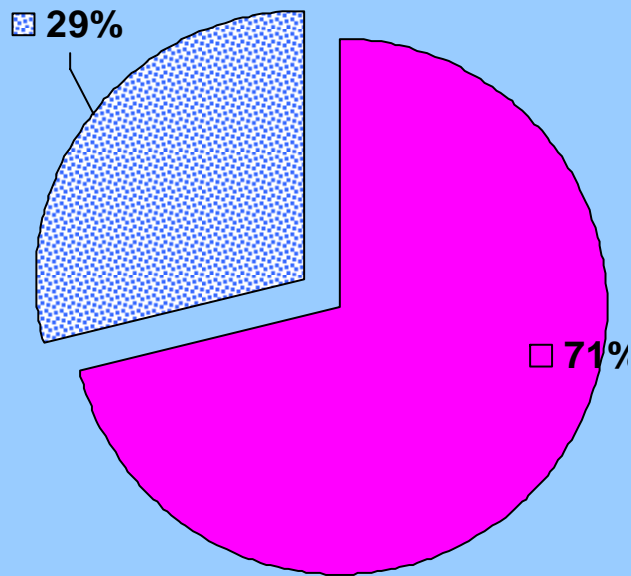
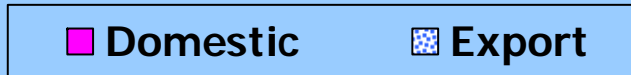
2) **reduce crude inventory from 3.1 m in '06 to 2.6 m (inclu. Safety stock) VS. Legal reserve of 2 m BBL**



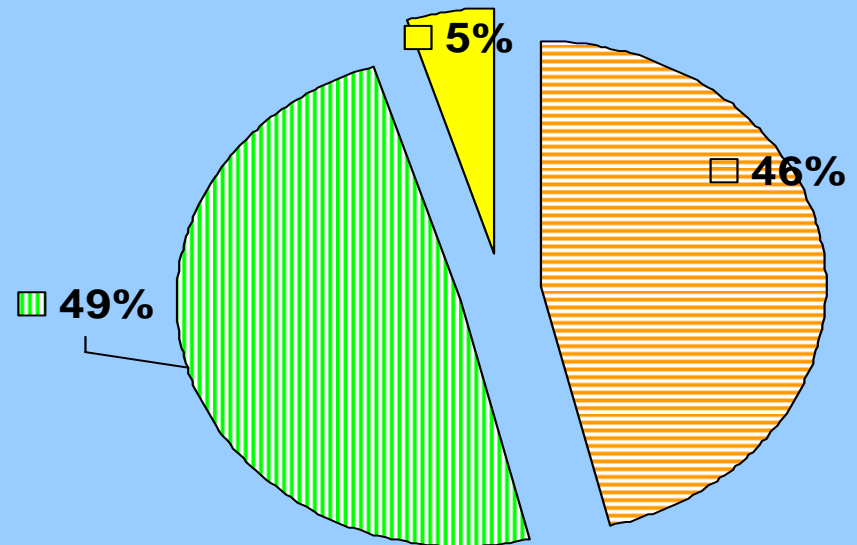
Sale & marketing

Sales by market distribution

Oil products
(~ 70% of total sales value)



Petrochemical products
(~ 30% of total sales value)



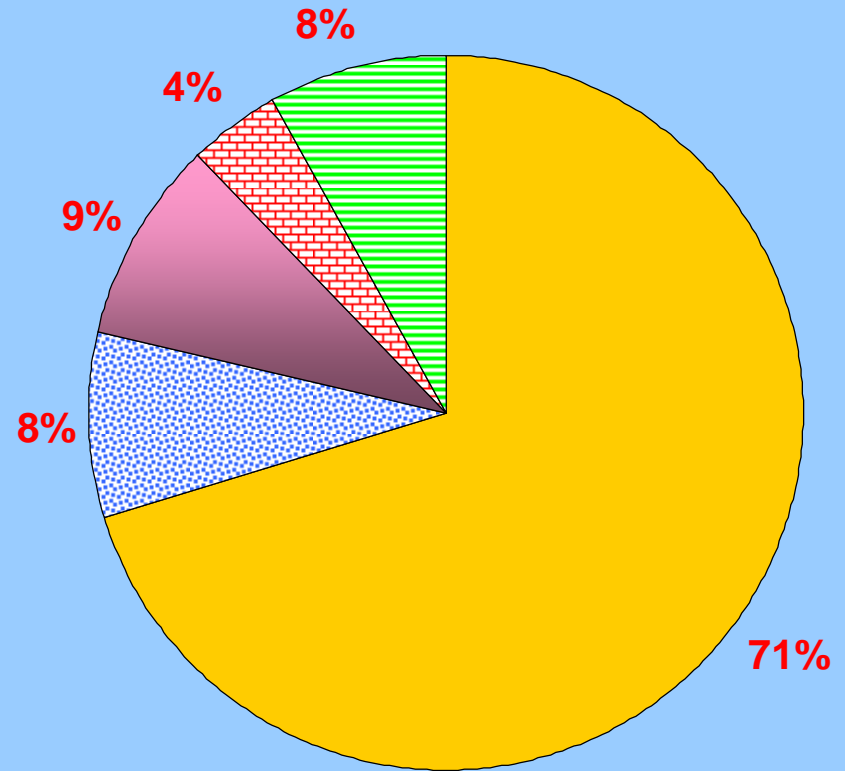
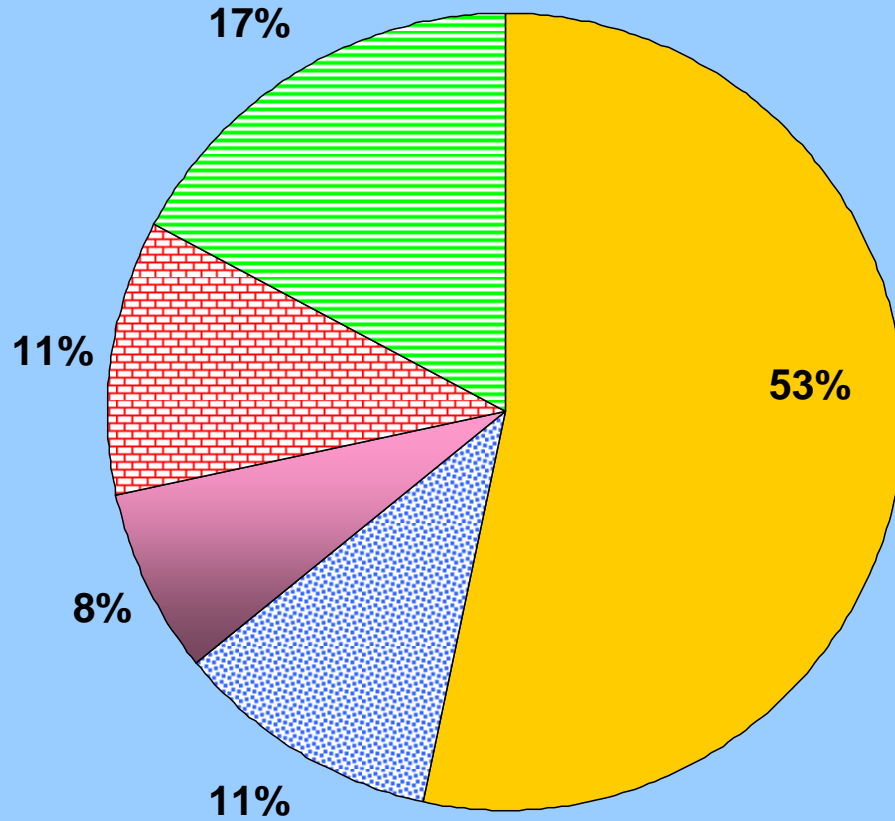
Annual sales = Bt. 202 billion (exclude excise)

2006 Oil products sale

Total 9,233 m Litre

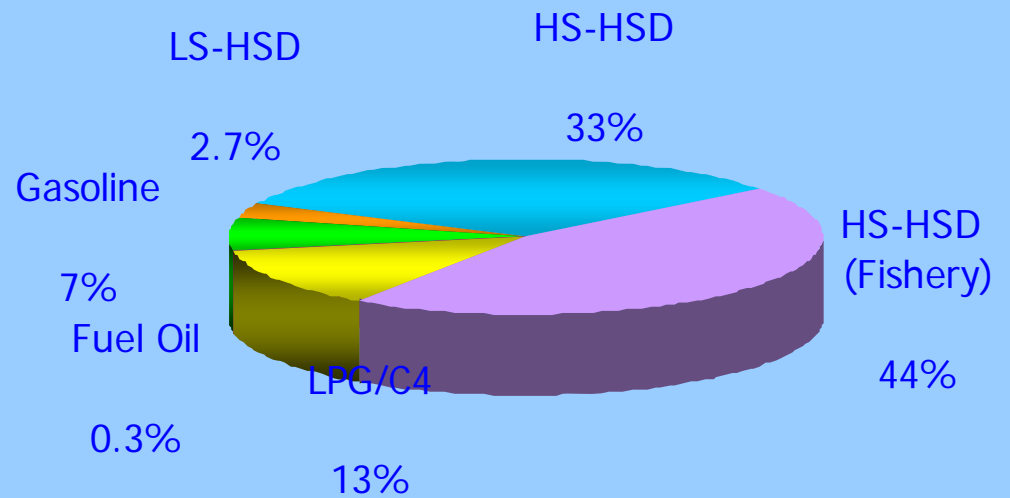
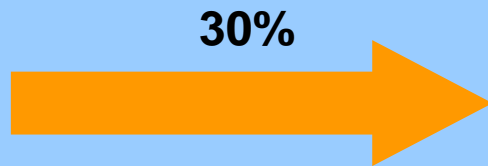
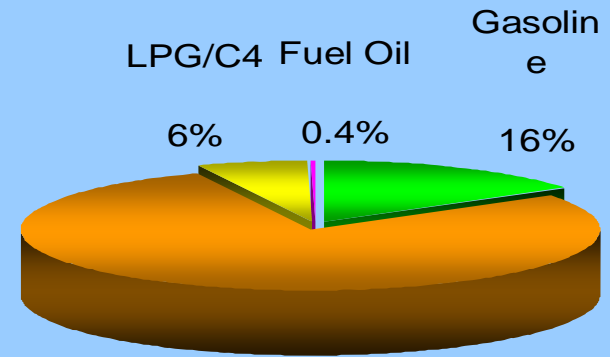
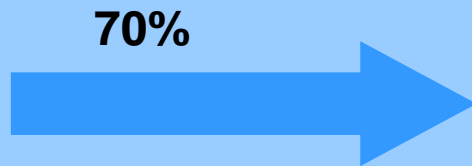
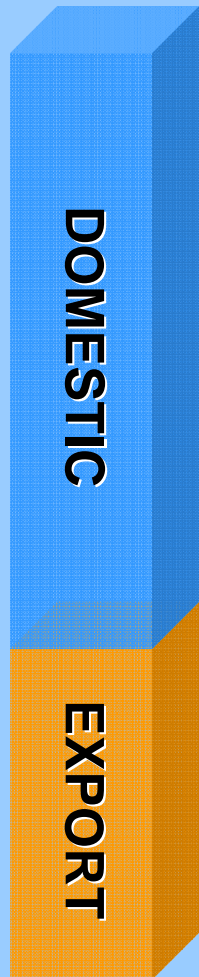
Total Bt. 143,066 m

- Refined Oil
- Naphtha
- Lube
- Asphalt, Wax, Extract
- ATB



2006 Itemized Refined Oil sale

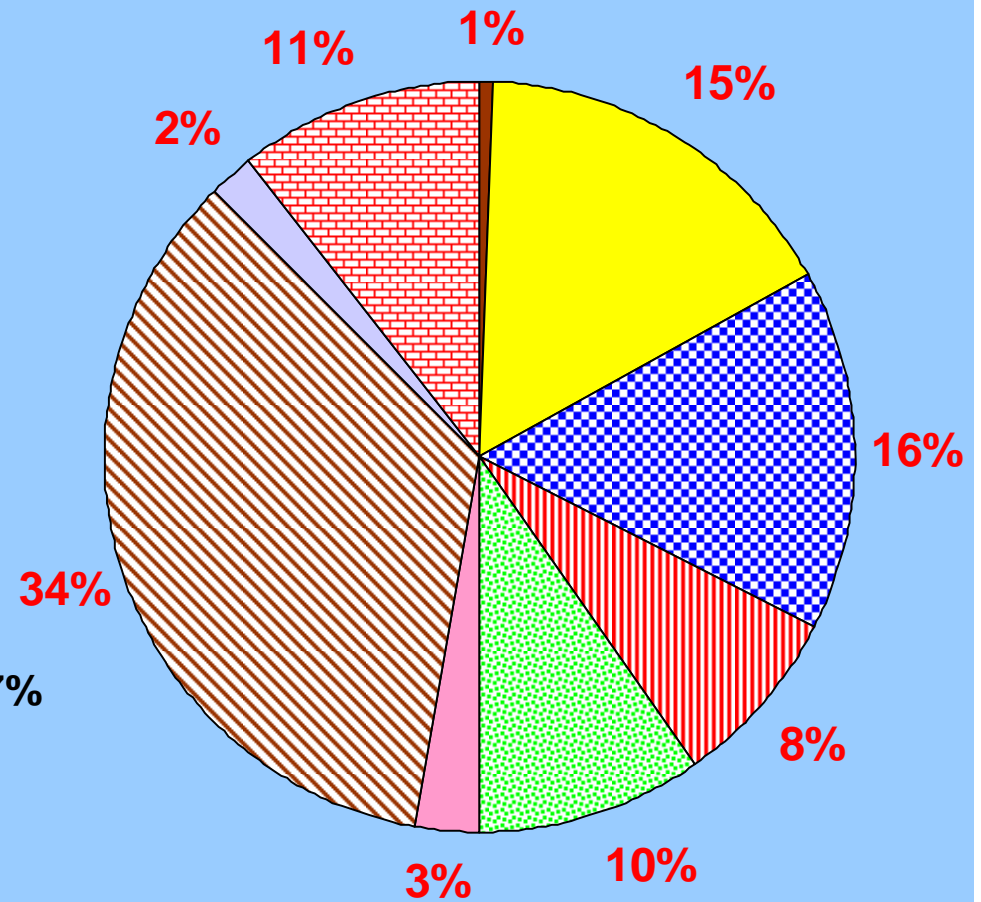
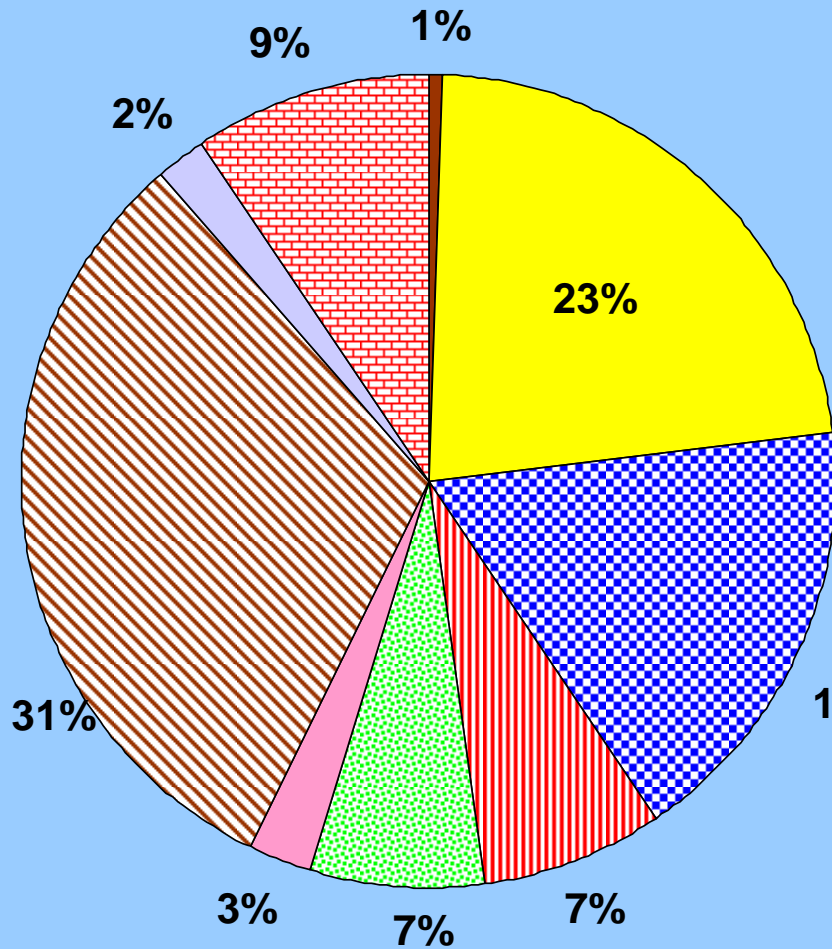
Unit = %



2006 itemized Petchem. Products sale quantity and Value

Tot. sales 1.38 m ton

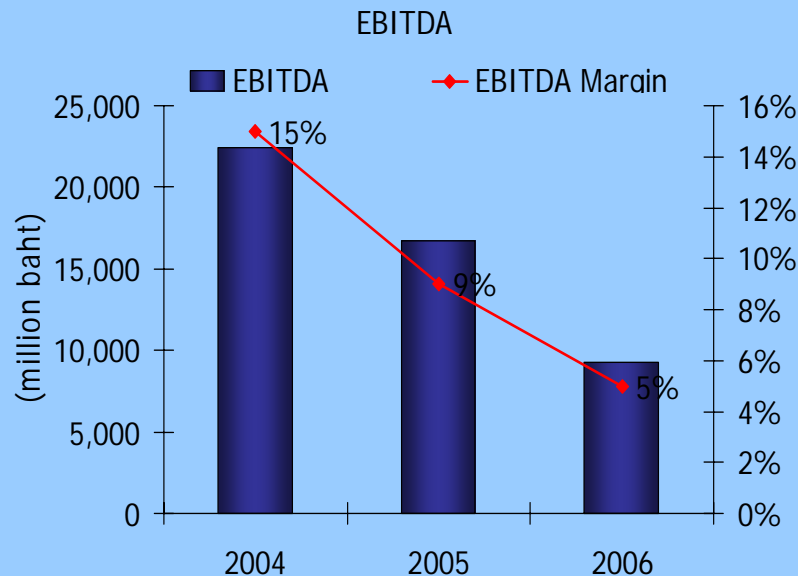
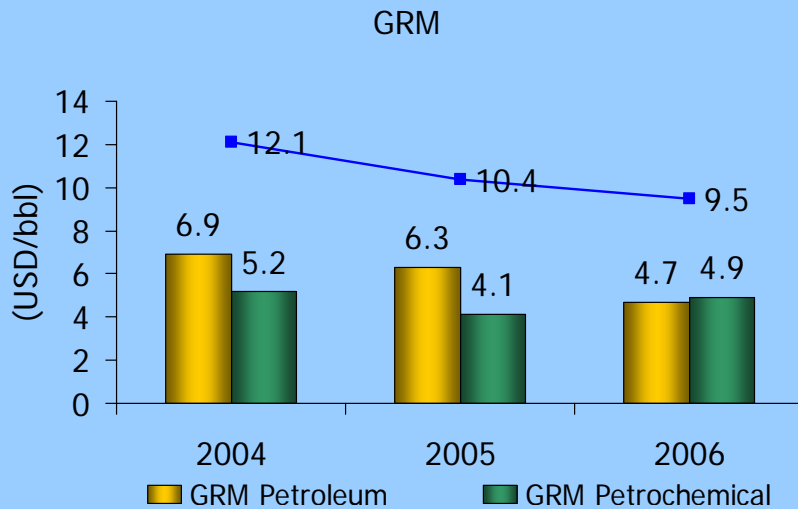
Tot. sales Bt. 58,135 m



EBSM
 BTX
 Olefins
 HDPE
 ABS
 CD-1
 PP
 EPS
 PS

G R M and EBITDA

GRM and EBITDA



Effect from Q4'06 Turn around

- ▶ Lost one-month production
- ▶ Stock loss caused negative EBITDA
- ▶ ~ Baht 1,020 million repair and maintenance cost was booked in COGS VS. normal maintenance cost in the past ~ Bt. 6 – 800 m / y.

2007

GRM Petchem may slightly decline from '06.

Integrated GRM therefore decrease from '06

2007 Market Highlights & Forecasted

- IRPC plans for crude run at 190,000 BPCD.
- Dubai price will remain \$ 52 – 57 / BBL
- Petchem price and margin will be slightly lower than 2006

Financial Performance

'06, '05 P & L statement

P&L statement (M. Bt)	2006	2005	% chg.
Net sales *	191,991	176,069	9%
Cost of sales **	(179,946)	(156,637)	15%
Gross profit	12,046	19,432	-38%
SG&A *	(3,975)	(3,423)	16%
Dividend income	175	90	94%
Non cash adj. & others	1,058	586	81%
EBITDA	9,303	16,685	-44%
Depreciation & amortization	(3,076)	(3,152)	-2%
EBIT	6,227	13,534	-54%
Interest expense	(2,080)	(3,118)	-33%
Interest income	790	341	132%
<i>FX gains (losses)</i>	2,451	(2,032)	-221%
<i>Other income / (expense)</i>	(523)	(557)	-6%
EBT	6,866	8,168	-16%
Income tax expense	(32)	(24)	31%
Profit of minority interests	(11) -	-	-
Net profit before extra item	6,822	8,144	-16%
Extra item :-			
Gain from rehab. (a)		35,559	-
Gain from sale of TPIPL (b)	-	18,207	-
Net profit	6,822	61,909	-89%
<i>Normalized EPS ***</i>	0.35	0.96	-64%
<i>audited EPS</i>	0.35	7.32	-95%
<i>Number of share (m)</i>	19,500	8,455	131%
<i>Note : * exclude excise * * = before Depre. & Amort.</i>			
<i>*** = Before Extra item</i>			

'06, '05 Balance Sheet

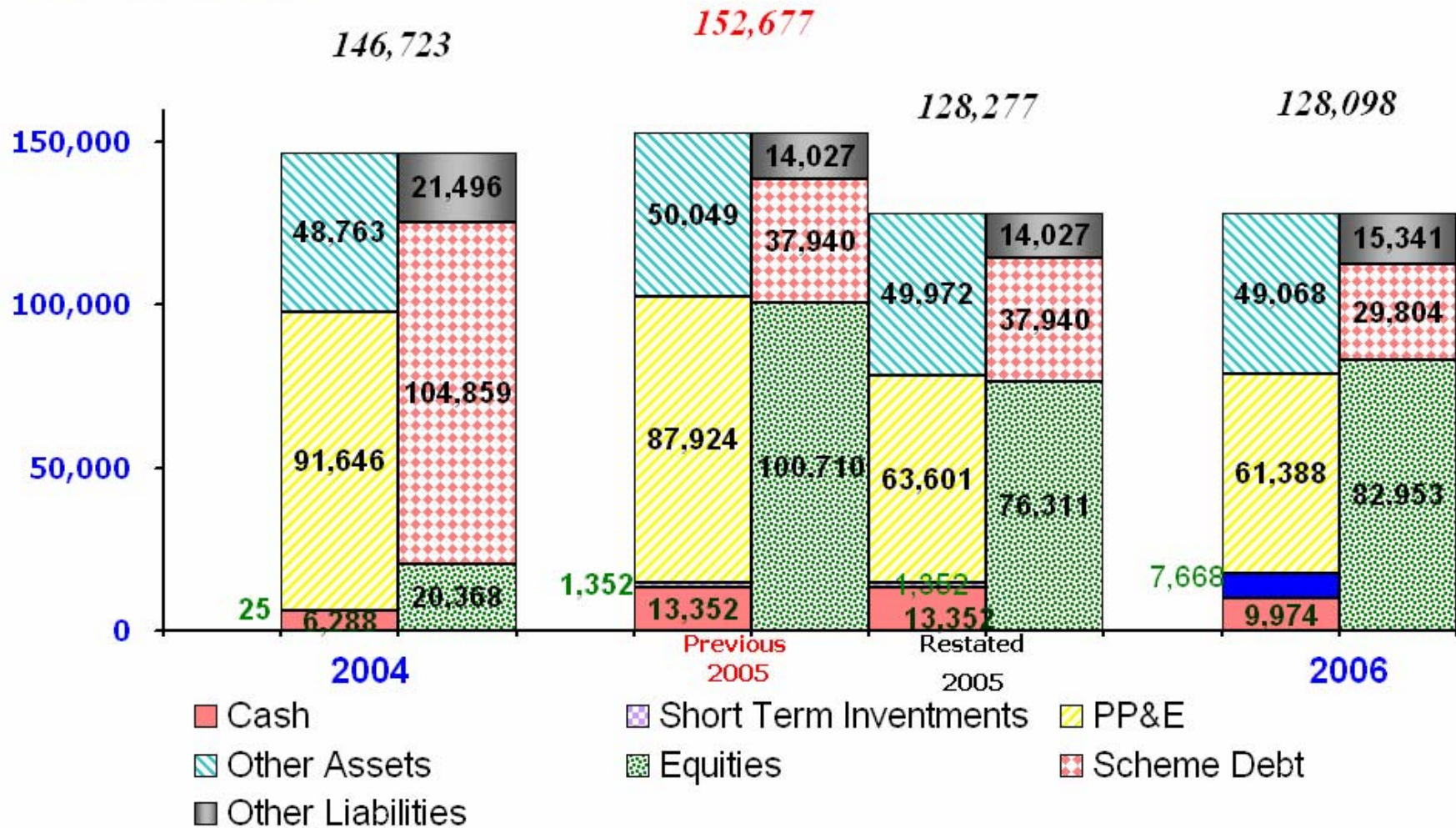
Balance sheet (M .Bt)	2006	2005	% chg.
Cash and S-T inv.	17,642	14,704	20%
Inventories, net	30,697	30,316	1%
PP&E, net	61,388	63,601	-3%
Other assets	18,371	19,657	-7%
Total assets	128,098	128,277	0%
ST loan	29,804	175	16968%
Scheme debt	-	37,940	-100%
Other liabilities (mostly A/P)	15,341	13,852	11%
Total liabilities	45,145	51,966	-13%
Shareholder equity	82,953	76,311	9%
Total liabilities & S.H.E	128,098	128,277	0%
Total debt	29,804	38,114	-22%
Net debt	12,162	23,410	-48%
Capital employed	112,757	114,425	-1%
BV / share	4.25	3.91	9%
No.of shares (m.shares)	19,500	19,500	YE share

'06, '05 cashflow statement

Cash Flow (M.Baht)	2006	2005
Net profit	6,823	61,909
Depreciation and amortisation	3,076	3,152
FX, non-cash adjustment & other	(462)	(49,165)
Change in working capital	2,407	(2,408)
Cash flows from operations	11,844	13,488
Interest/Dividends received	905	290
ST loan to related parties	(1,133)	(1,463)
Capex	(723)	(405)
Others	32	6,515
Cash flows from investing	(918)	4,937
Interest paid	(2,078)	(2,916)
O/D / Bridge Loan	29,916	(119)
Debt financing (repayment)	(36,214)	(45,833)
Issue of common shares	0	38,449
Others	388	385
Cash flows from financing	(7,988)	(10,034)
Net change in cash and S-T inv.	2,938	8,391
Free cash flow	10,926	18,425
Ending Cash and S-T inv.	17,642	14,704

Balance Sheet

(unit : million baht)



2006 financial highlights

- Sharp drop in crude price from Aug. caused Q4 negative EBITDA.
- 30 - 45 days major turnaround Nov. – Dec.'06 with no production
- Q4 Asset Revaluation caused retroactive F/S restatement
 - Improved '05 COGS by reducing Bt. 1,145 m Depreciation
 - '05 asset decreased by Bt. 24,399 m (-19%)
- '06 Sale volume decrease 6% due to turnaround but net sales value increase 9.7% due to higher product prices
- '06 Net profit decreased from '05 due to
 - '05 P&L include extra. & other income from Restructuring of Bt. ~ 54 billion.
 - COGS includes total turnaround cost of ~ Bt. 1,020 m
 - High crude cost before Sep.'06 was booked in Q4 COGS when product price declined

Comparison '05 F/S previous VS. restated

<i>(unit : million baht)</i>	2005	2005 (restated)	change	%change	
Balance Sheet					
Inventories	30,391	30,316	-76	-0.3%	
Property, plant and equipment	87,924	63,601	-24,323	-38%	changed the accounting policy from revaluation of assets to historical cost
Total Assets	152,677	128,277	-24,399	-19%	
Revaluation surplus	24,323	-	-24,323	-100%	
Shareholder's Equity	100,710	76,311	-24,399	-32%	
Statements of income					
Sales	187,132	187,132	0	0%	
Cost of sales	160,733	159,615	-1,117	-1%	decrease in depreciation and amortization
SG&A	14,681	14,659	-22	0%	
Net Profit	60,770	61,909	1,139	2%	
Basic EPS	2.98	3.11	0.13	4%	

5 yrs. Future capex plans

Tentative Investment plan – Focus on phase 1

IRPC Investment Project Schedule

Remarks : Subjected to change upon detailed study

Power plant with planned gas usage has shorten construction period

Project	Benefit \$ m/ y	Total Investment (Million USD)	2007				2008				2009				2010				2011				Time Period (Month)							
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4								
Phase I																														
HDPE Compound_Pipe	2.5	12																					21							
ABS Expansion	3.8	10																					21							
Power Plant -200 MW	35.4	200																												
Safety&Lay out Improv.		39				5				11				11									12							
Sub total (Million USD)	41.7	261	\$ capex outflow each year is subject to capex phasing																											
Phase II																														
New Regulation (EURO IV)	41	360																						48						
Petroleum Improvement	164	620																						50						
Propylene Booster	35	50																						42						
Jetty Improve	11	46																												
Sub total (Million USD)	251	1,076	\$ capex outflow each year is subject to capex phasing																											
Under study																														
Common Stack		24											7					17												
Admin. Building		12																3				7								
Sub total (Million USD)		36	\$ capex outflow each year is subject to capex phasing																											
Total (Million USD)	293	1,373																												



= subject to further study and approval

Existing & future capacities by 2009, 2011-12

nameplate output '000 ton / year		Future	Phase 1	Future	Phase 2
	Existing	Phase 1	%	Phase 2	%
	2006	2009	Change	2011-12	Change
Olefins	728	728	0%	792	9%
- Ethylene	360	360	-	360	-
- Propylene	312	312	-	376	21%
- Butadiene	56	56	-	56	-
Aromatics	367	367	-	367	-
- Benzene	114	114	-	114	-
- Toluene	132	132	-	132	-
- Mix Xylene	121	121	-	121	-
Styrene Monomer	200	200	-	200	-
Poleolefins	615	608	-1%	608	-
- PP	475	475	-	475	-
- HDPE all grade	140	133	-5%	133	-
- HDPE Commodity grade	123	76	-38%	76	-
- CD-1 (hi-graded HDPE)	17	57	238%	57	-
Styrenic	226	247	9%	247	-
- ABS	96	117	22%	117	-
- PS	100	100	-	100	-
- EPS	30	30	-	30	-
Crude Oil Distillation ('000 BPCD)	215	215	-	258	20%
- Diesel ('000 BPCD)	63	63	-	101	60%
- Mogas 91, 95 ('000 BPCD)	11	11	-	15	36%
Lube Base' 000 ton / year	300	300	-	300	-
Asphalt' 000 ton / year	380	380	-	380	-

Q & A session

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