

**Chow Steel Industries Public Company Limited**  
**“CHOW”**

**Opportunity Day Q4/2012**

**March 25, 2013**

at 1101 Room (11st fl.) at the Stock Exchange of Thailand Building



The information contained in this presentation is intended solely for your personal reference only. If you are not an intended recipient, you must not read, disclose, copy, circulate, retain, distribute or take any action in reliance upon this material.

This presentation is not intended to substitute your own analysis and investigation and should not be considered a recommendation to any recipient of this presentation. Some statements contained herein are forward-looking statements identified by the use of forward-looking terminology such as “may”, “will”, “expect”, “anticipate”, “intend”, “estimate”, “continue”, “plan” or other similar words, which are subject to various risks and uncertainties. These statements include statements with respect to Chow Steel Industries Public Company Limited (the “Company” or “CHOW”)’s and their subsidiary corporate plans, strategies and belief and other statements that are not historical facts.

This presentation is prepared based on the assumptions and beliefs of CHOW Group’s management in light of the information currently available to the Company involving risks and uncertainties which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Nothing in this presentation is, or shall be relied on as promise or representation of the Company as to the future.

International Economic Overview

Thai Economic Overview

Industry Overview

Financial Highlights

Q&A

# International Economic Overview





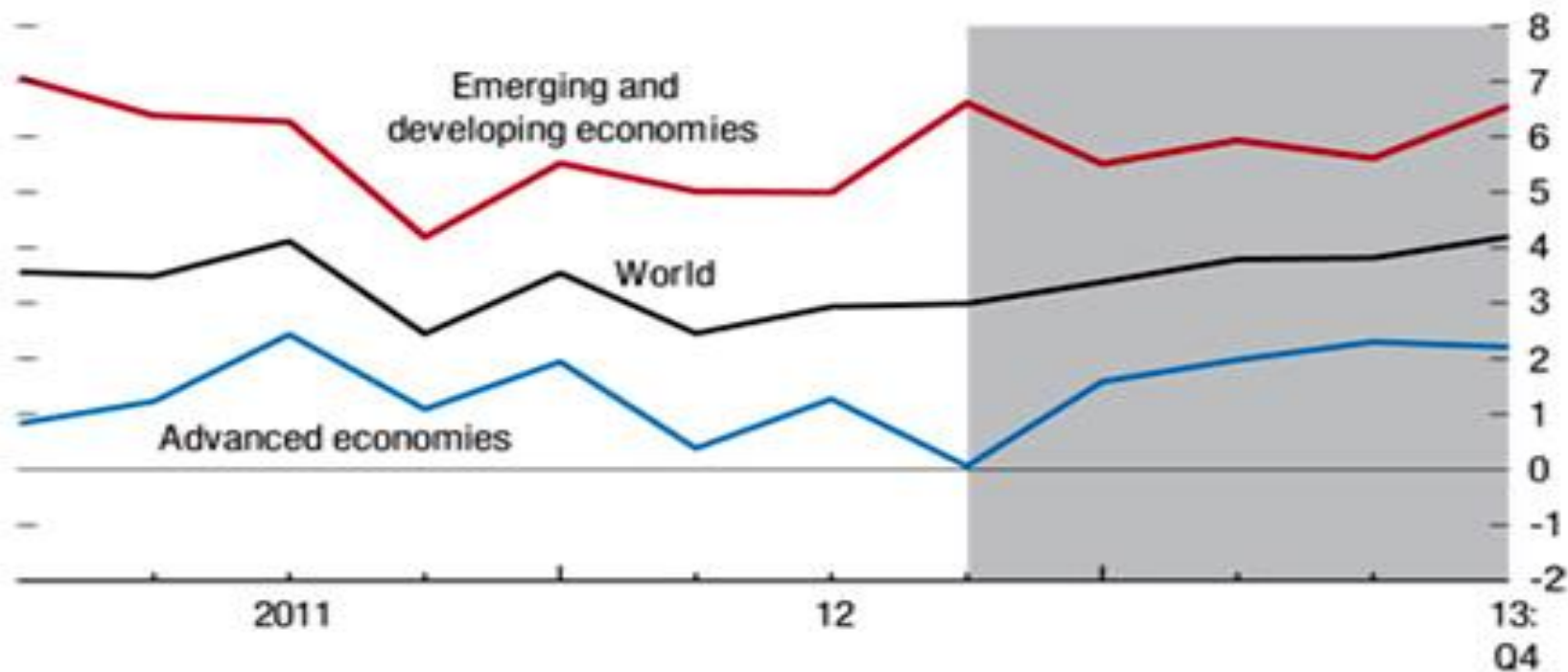
## Summary of Industrial Economic Situation for the Year 2012 and Outlook for the Year 2013

The IMF expects that the world economic growth for the year 2012 will be at 3.3 per cent, a decline from the previous year. The reasons include the more severe public debt problem in Europe as well as unemployment that remains at a high level in many countries such as Spain, Greece, Italy, USA and Japan.

The world economy and trade volume in 2013 are expected to expand at the rates 3.9 to 5.0 per cent, respectively, as a result of the progress in the solving of the EU economic problem and the US Fiscal Cliff situation, together with the start of the recovery of major economies in the last quarter of 2012, which are expected to help to ensure a clear recovery of the world economy in the first half of the year and speeding up in the second half. In 2013, the US, Japanese and Chinese economies are expected to expand at the rates 2.4, 1.0 and 8.3, respectively. While the Euro zone in 2013 is expected to grow at 2.0 per cent as compared to a slow down of 0.4 per cent in 2012. Such a recovery trend, together with the continuous expansion of the money supply in major economies in 2012, is expected to put more pressure on capital movements and exchange rates of developing economies in the second half of 2013.

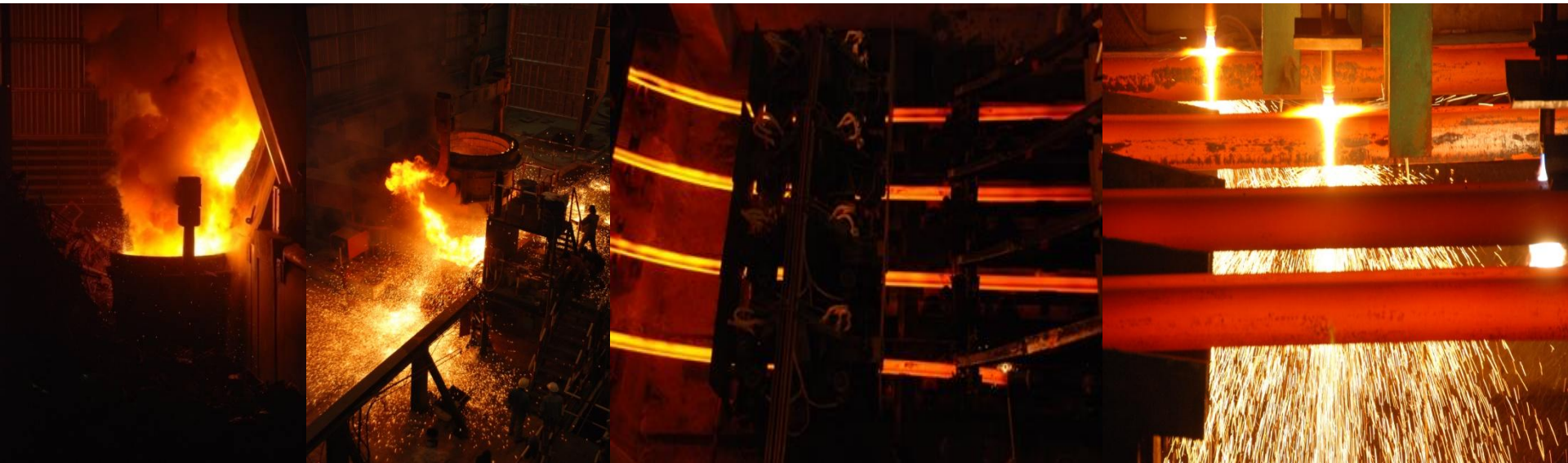
Source : Office of Industrial Economics

## Global GDP Growth (Percent; quarter over quarter, annualized)



Source : IMF staff estimates.

# Thai Economic Overview



## Summary of Industrial Economic Situation for the Year 2012 and Outlook for the Year 2013

For the Thai economy in the year 2012, gross domestic product (GDP) for the 4<sup>th</sup> quarter grew at the rate 18.9 per cent, accelerating from that of 3.1 per cent in the 3<sup>rd</sup> quarter. The rate is considered the highest expansion as compared to recent periods, making the overall 2012 growth rate of the Thai economy to expand at 6.4 per cent. This is a result of the increase in both domestic and foreign demands. Household consumption continued to expand at 12.2 per cent higher than 6.0 per cent in the previous quarter, particularly of durable goods such as motor vehicles evidently accelerating, as well as semi-durable goods and non-durable goods such as food, beverage, water supply, electricity, fuel, medicine and services expanding at 12.1 per cent as compared with 9.8 per cent in the last quarter. Labor remuneration and expenditures on goods and services both expanded. Private investment improved continuously, while public investment and consumption also improved.

Source : Office of Industrial Economics



# Industry Overview



## Summary of Industrial Economic Situation for the Year 2012 and Outlook for the Year 2013

The Center for Economic and Business Forecasting, University of the Thai Chamber of Commerce, re-adjusted the forecasts of the Thai economic outlook for the year 2013 to grow in the range of 4.8 – 5.3%, or a mid-rate of 5%, an increase from the expected growth of 4.5%. This is due to the continued expansion signal. Conditional on the world economy recovery and undisrupted political situation, it is expected that GDP growth will definitely reach its target. For other key economic indicators, it is estimated that domestic consumption will grow at 3.9%, investment at 7.9%, exports at 8.2%, a trade balance surplus of 5,000 million USD, the agricultural sector at 3.4%, the industrial sector at 5.6%, tourism having its historically high record of 23.6 million tourists generating an income of 1.04 million baht, the baht expected to fluctuate within the range 28.5 – 30.5 baht/USD, inflation expected at 3.5%, and the average Dubai crude oil price of 108 – 120 USD/barrel.

The positive factor supporting the growth of the Thai economy comes from the fact that the government continues to provide constant injections into the economy. It is expected that by the end of the second quarter, there will be a sum of 500,000 million baht being injected into the domestic economy. At the same time, the wage rise to 300 baht per day will increase the purchasing power of labor totaling around 100,000 million baht. This year export is expected to increase by the amount of 100,000 million baht, while income from tourism will increase by 100,000 – 200,000 million baht, from which will help to drive the growth of the economy.

Source : Office of Industrial Economics

## Summary of Iron and Steel Industry Situation

The volume of iron and steel production for the year 2012 was approximately 6,763,387 metric tons (excluding semi-finished iron products, cold rolled steel sheet, coated steel sheet, and steel pipe), a decrease of 2.49 per cent as compared to the same period of the previous year. By considering each product, it is found that the product decreasing the most during this period was semi-finished iron products with a decrease of 21.94 per cent. Long-shaped steel showed a small increase of 0.78 per cent, while flat-shaped steel also showed a similar, small increase of 0.95 per cent.

The iron industry situation in 2013 for flat-shaped steel, particularly iron used in the automobile industry including HR Sheet P&O, CR Carbon Steel, and Galvanized Sheet (EG), is expected to face an increase in the domestic demand due to higher production as a result of the government First-car Policy. Even the policy period ended, there remain cars to be delivered to buyers. This results in an expansion of flat-shaped steel in 2013. As for the long-shaped steel situation for the year 2013, it is expected to remain steady because in the real estate sector public and private construction projects remain calm resulting in a steady trend in the domestic production and demand for long-shaped steel as well.

Source : Office of Industrial Economics

# Financial Highlights





## Consolidated Statements

### Gross Margin

Profitability for year ended 2012 slow down to 5.33% from 7.20% in previous year, due to volatility of prices and delay the purchase.

### Interest Expense

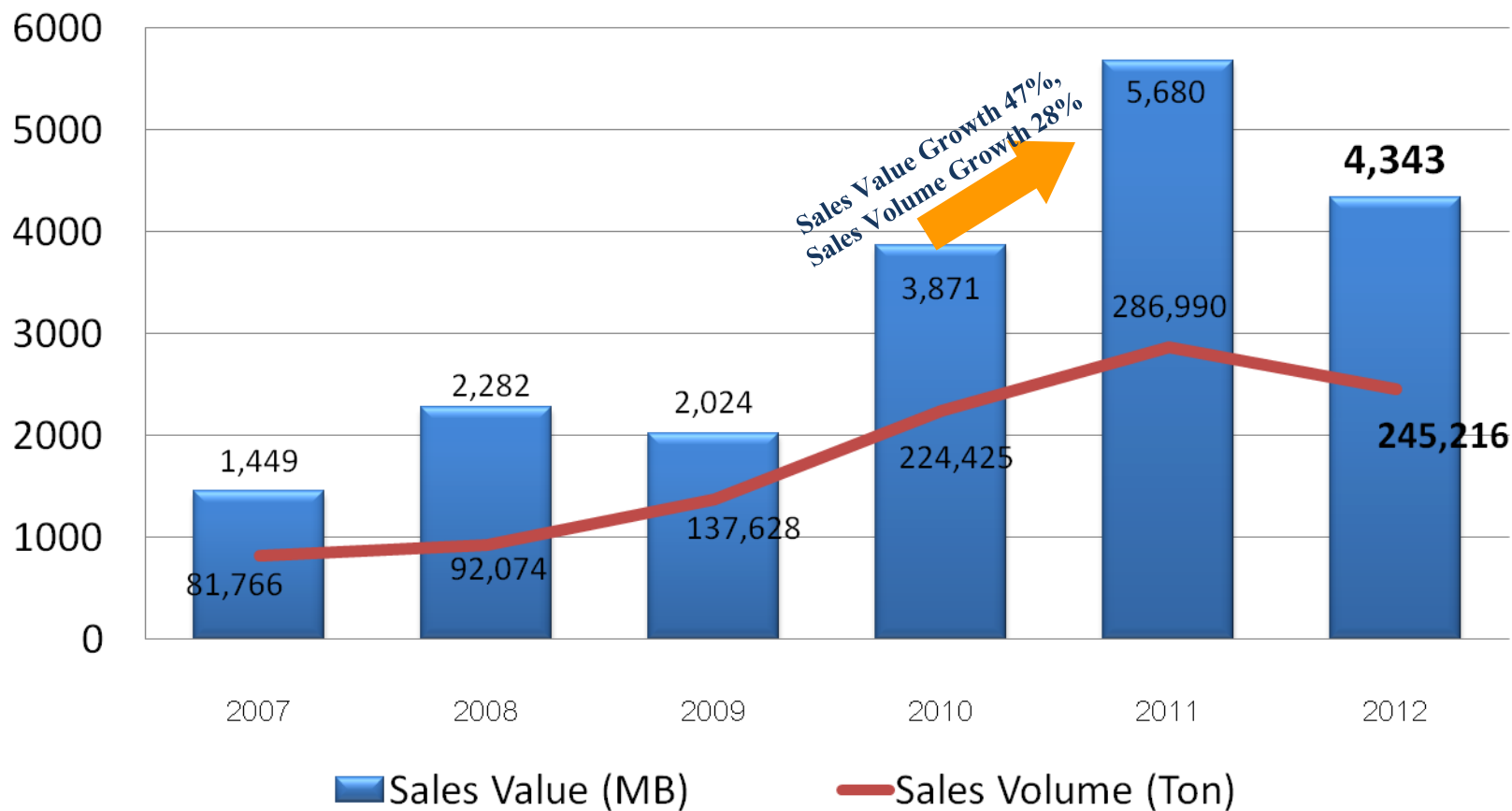
Interest decreased from interest rate and principle.

### Productivity

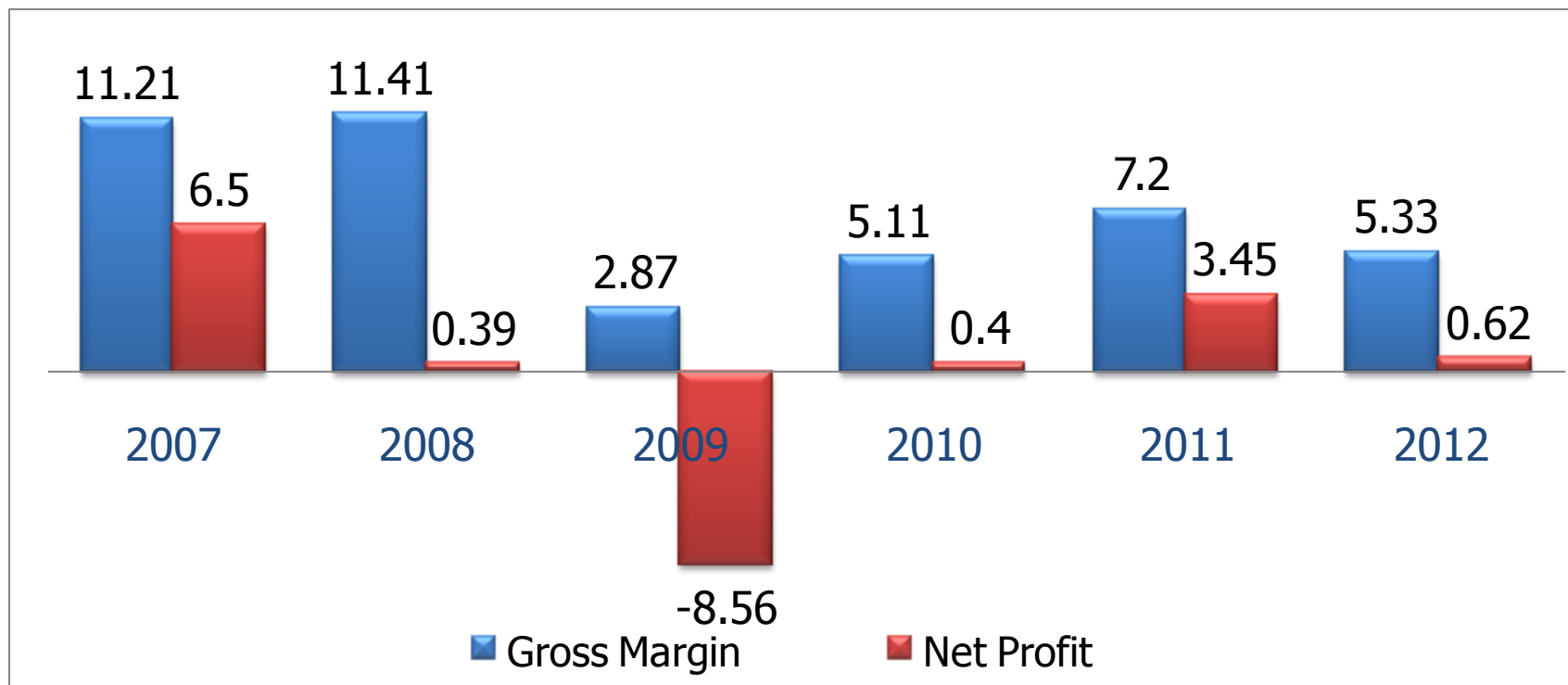
**Plant I** grew to 67.05%, a rise from 65.66% in the previous year.  
**Plant II** grew to 62.57%, a rise from 56.46% for the 9 month-period as compared with the same period of the previous year, before the production halt by fire incident in Q4.



## Revenue from Sales

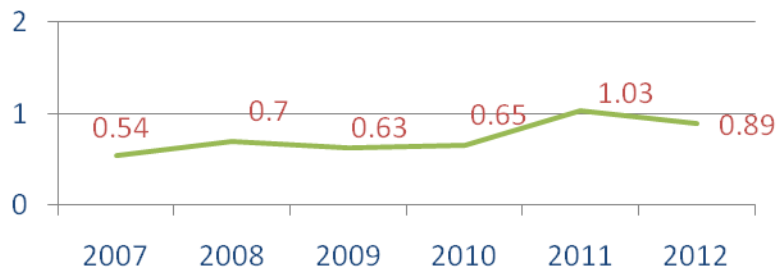


➤ **Gross Margin and Net Profit (%)**

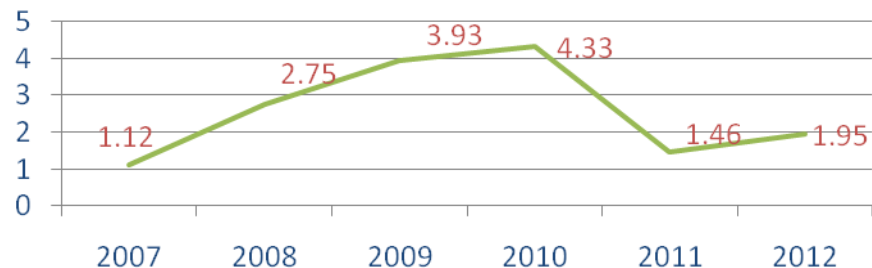


## Profitability

### Current ratio

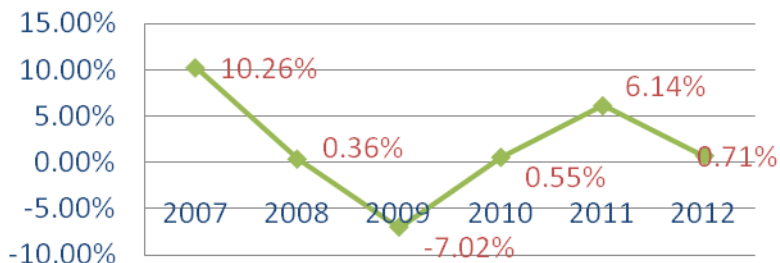


### D/E ratio

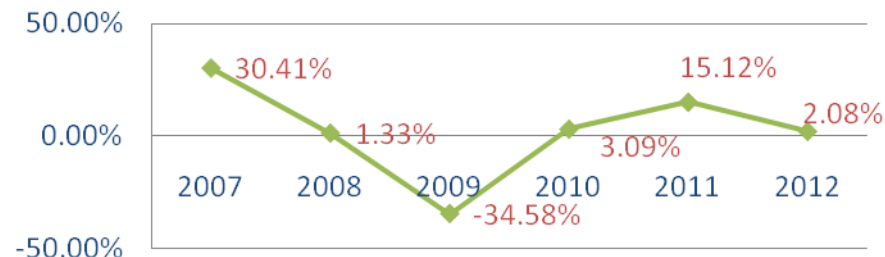


\* Calculate from Consolidated Financial Statements

### Return on Assets



### Return on Equity



Event	Date
Record Date (XM)	14 March 2013
AGM 2013	26 April 2013

# Q & A

*[www.chowsteel.com](http://www.chowsteel.com)*