



## Thailand Focus – Global Roadshow 2008

9<sup>th</sup> – 13<sup>th</sup> June 2008 : Singapore, London and New York

*Organized by Stock Exchange of Thailand and Credit Suisse*

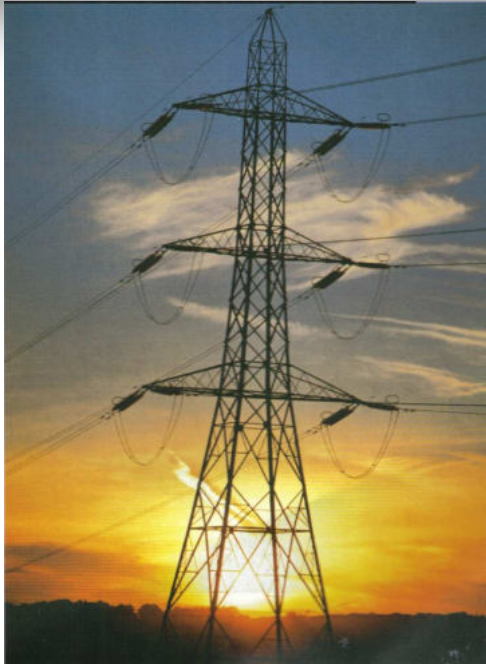


## Asian Insulators Public Company Limited

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**More than half of Porcelain Insulators uses in power transmission and distribution grids are our products. A progressive porcelain manufacturing plant with production flow and state-of-the-art raw materials preparation, pug mills and kilns with ISO-9001 Quality Assurance Program allows for manufacture and marketing of high quality insulators products. Product innovation and improvements, is an industry leader in the design and production of high quality porcelain insulators.**

## Agenda



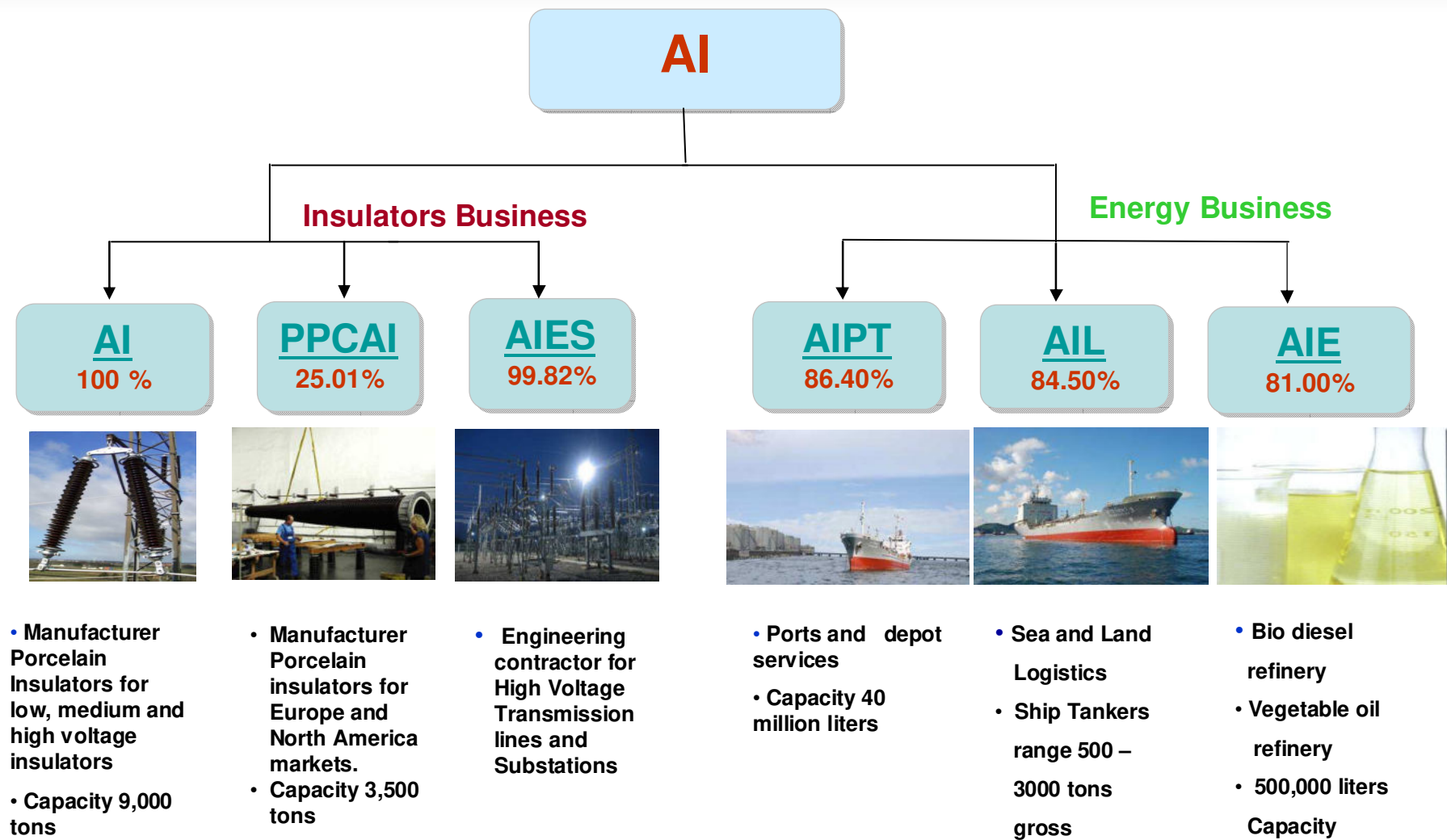
- Thai Economy
- Business Overview
- Consolidated Financials
- Business unit
  - Insulators
  - Engineering
  - Logistics
  - Alternative Energy
  - Ports and Terminals
- CAPEX

# Thai Economy



- 1Q08 GDP growth was 6%, with FY2008 expectations of 4.5 -5.5%
- 1Q08 Private investment expanded by 6.5%, accelerated from 3.9% in 4Q07, and merely 0.5% in FY2007.
- Public investment continually recovered growth of 4.5% in FY2007, 1Q2008 with growth of 6%.
- 1Q08 Export grew 10.3% (Baht term). FY2007 export grew 4.0%.
- 1Q08 Import grew 34.5% (Baht term). FY2007 import grew 9.6%.
- Current account surplus of US\$11.6 billion at the end of FY2007, down to US\$6.0 billion in 1Q08.
- Inflation rate rose rapidly from 2.9% in 4Q07 to 5% in 1Q08.
- Continued strengthening of regional currencies, against the US\$.

# Business Overview



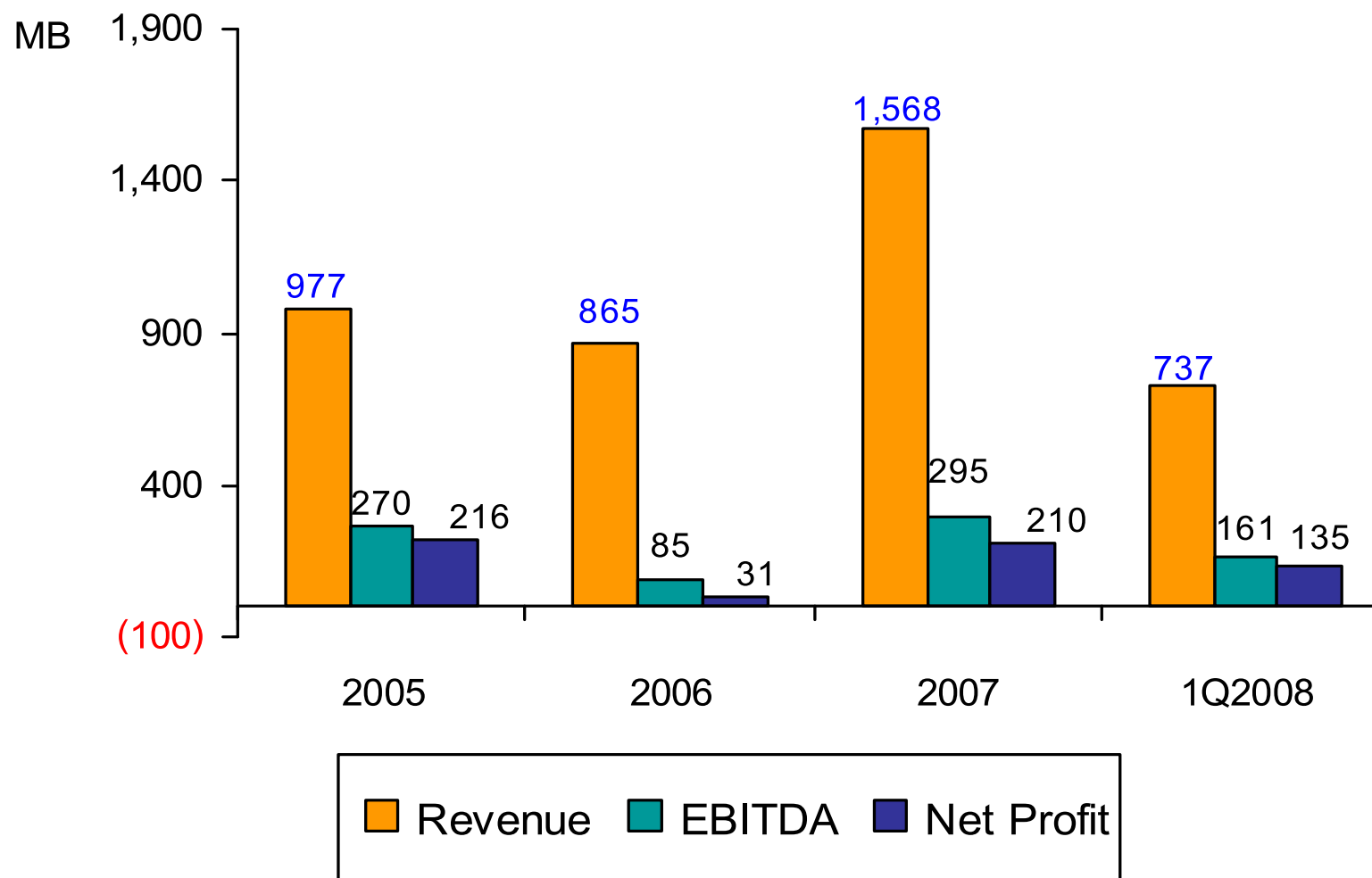


### Highlights

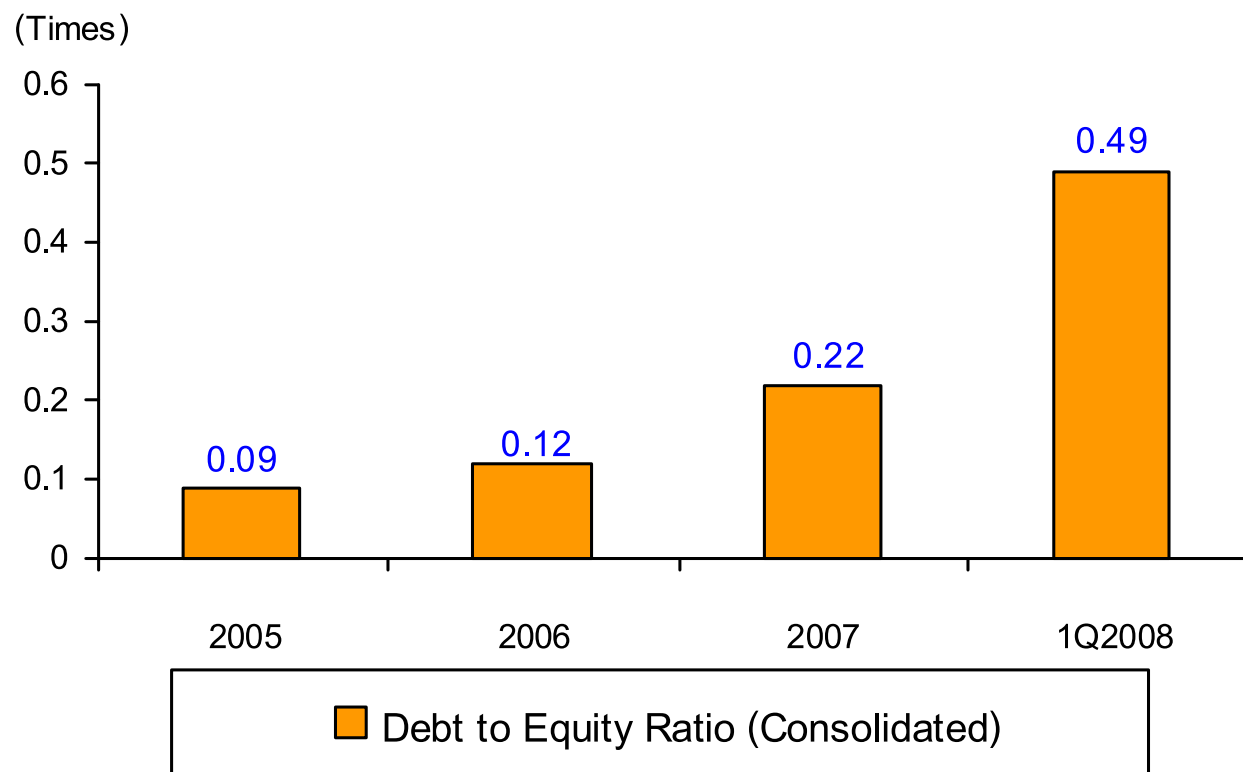
- AI is the leader in Porcelain Insulators manufacturer with 55% market share in Thailand.
- AI has 100% market share in high voltage insulators.
- AI has all Porcelain Insulators products range cover all the requirement from utilities for power transmission and distribution.
- AI has a progressive porcelain manufacturing plant with production flow and state-of-the-art raw materials preparation, pug mills and kilns with ISO-9001 Quality Assurance Program.
- AI is one of the leader in Bio diesel refinery with continuous process and vegetable oil refinery for industrials and consumers use.
- AI continuously achieves strong growth through alternative energy and vegetable oil.
- AI has a discipline engineering in design and construction of high voltage transmission, distribution lines and substations.
- AI has a complete logistics and tanks farm to support the alternative energy and vegetable oil business.



## Performance of AI (Consolidated)

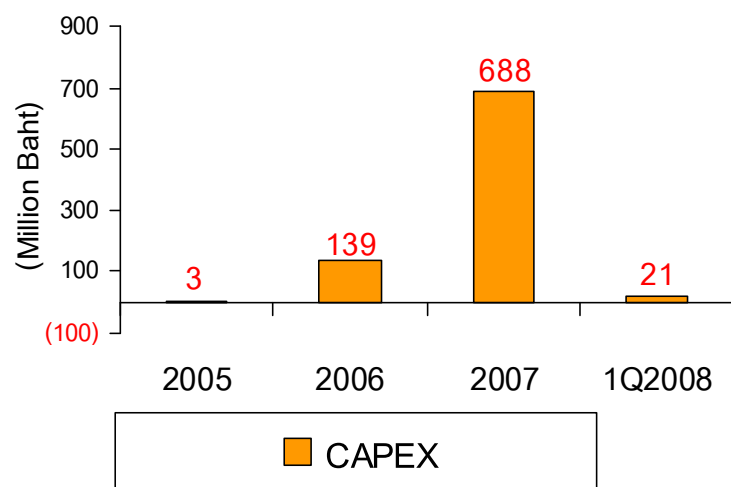


## Consolidated: Debt to Equity



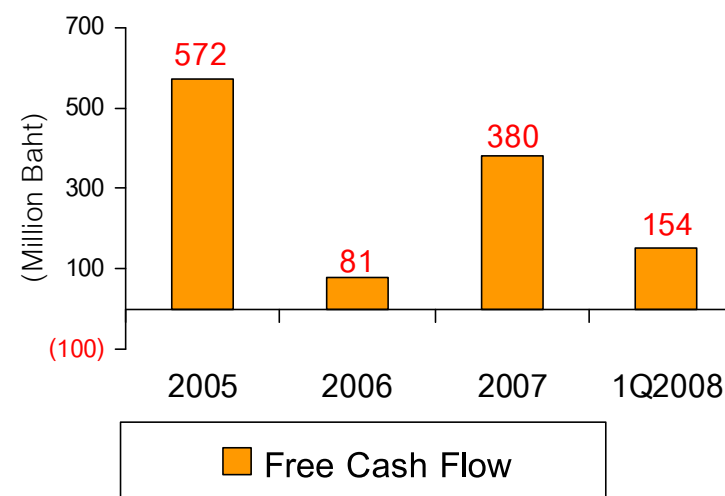


## Financials: CAPEX, Free Cash Flow



**Note :**

- CAPEX is capacity expansion projects.
- Maintenance CAPEX spending is expensed (reflected in EBITDA)



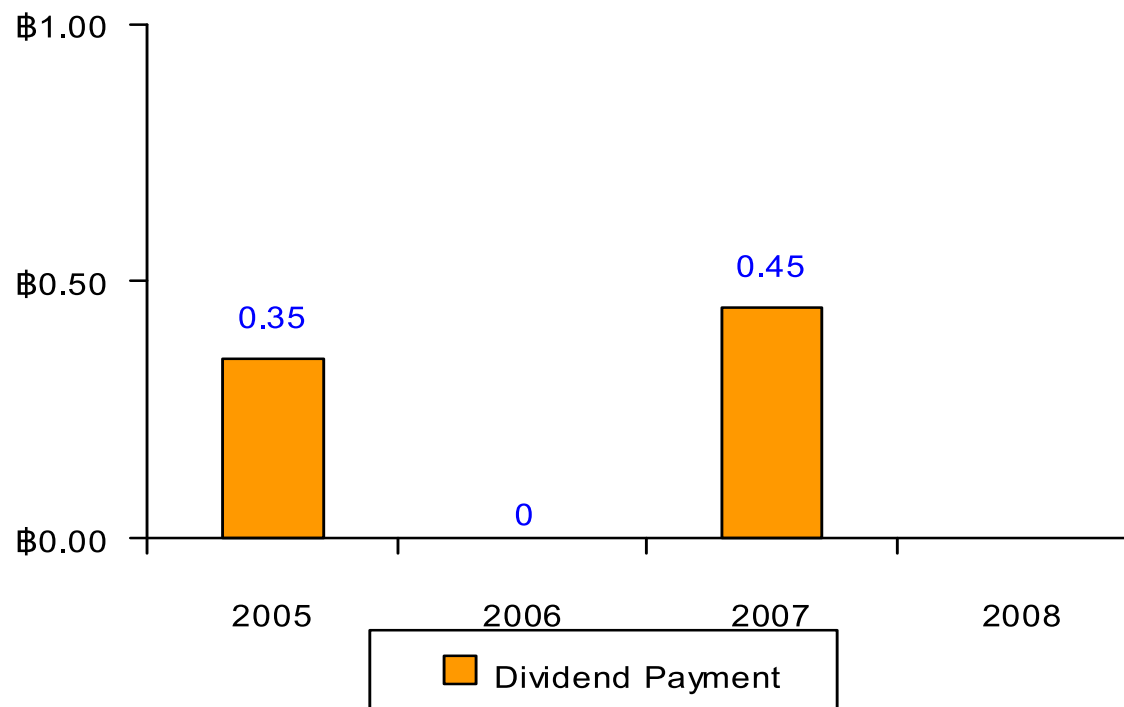
**Note:**

FCF = EBITDA (included dividends) – Interest Expense and Tax Paid.

## Dividend Payout Summary



(Baht per share)



**Payout Ratio**

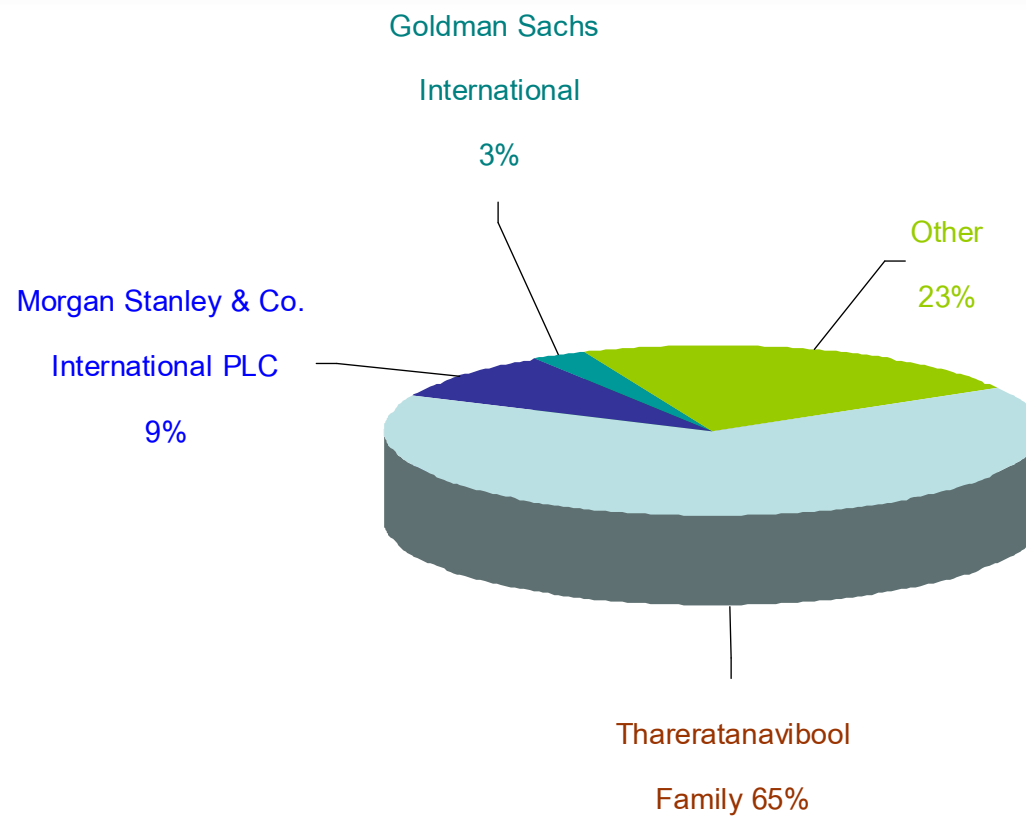
**81%**

**0%**

**97.8 %**

**Dividend Policy:** Company have the policy to pay the dividend to the shareholder each operation year, and not less than 40% of the net profit after tax and legal reserved. The dividend pay out is depend on the investment of the new project in the future.

# Shareholders Structure

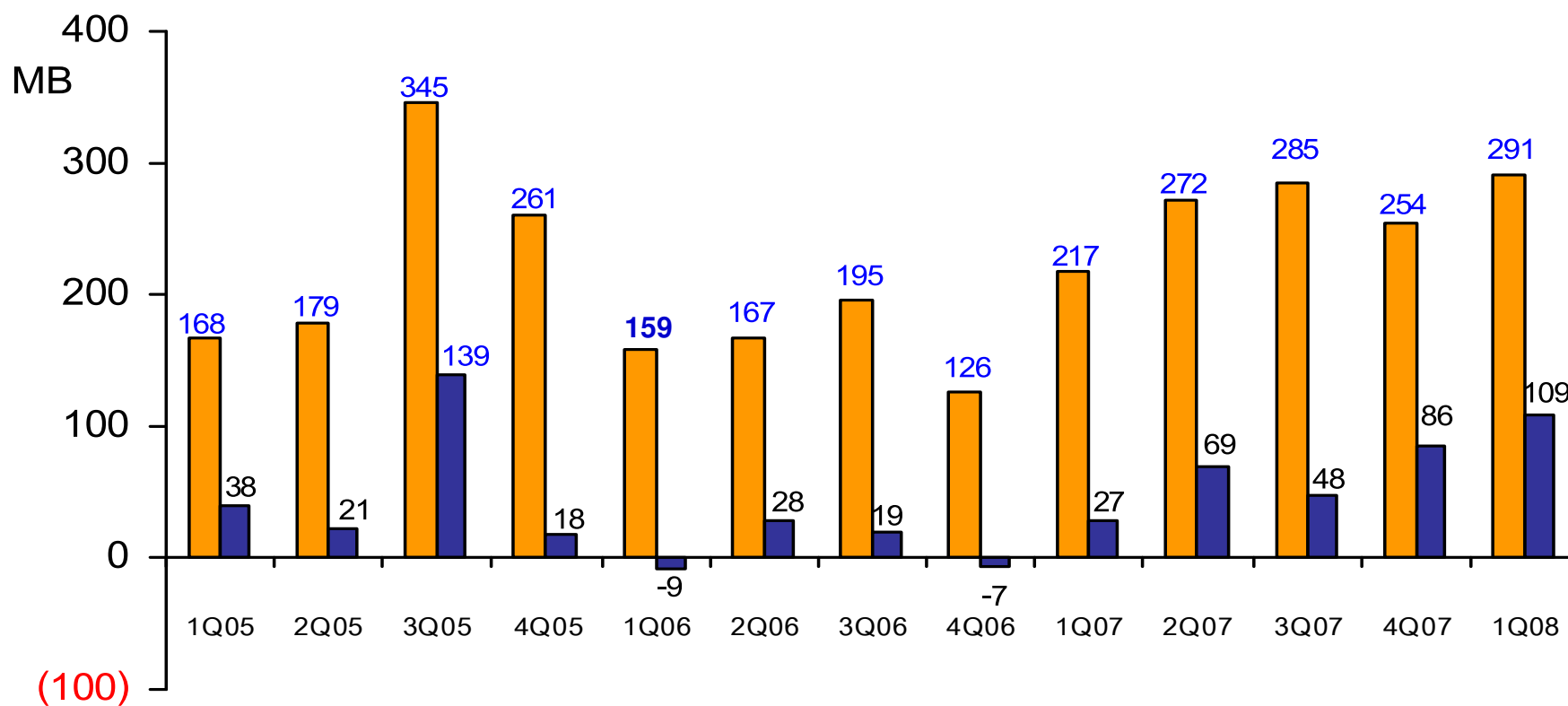


**Number of shares = 500,000,000 shares**

**Par Value = 1 Baht**

**As of March 11, 2008**

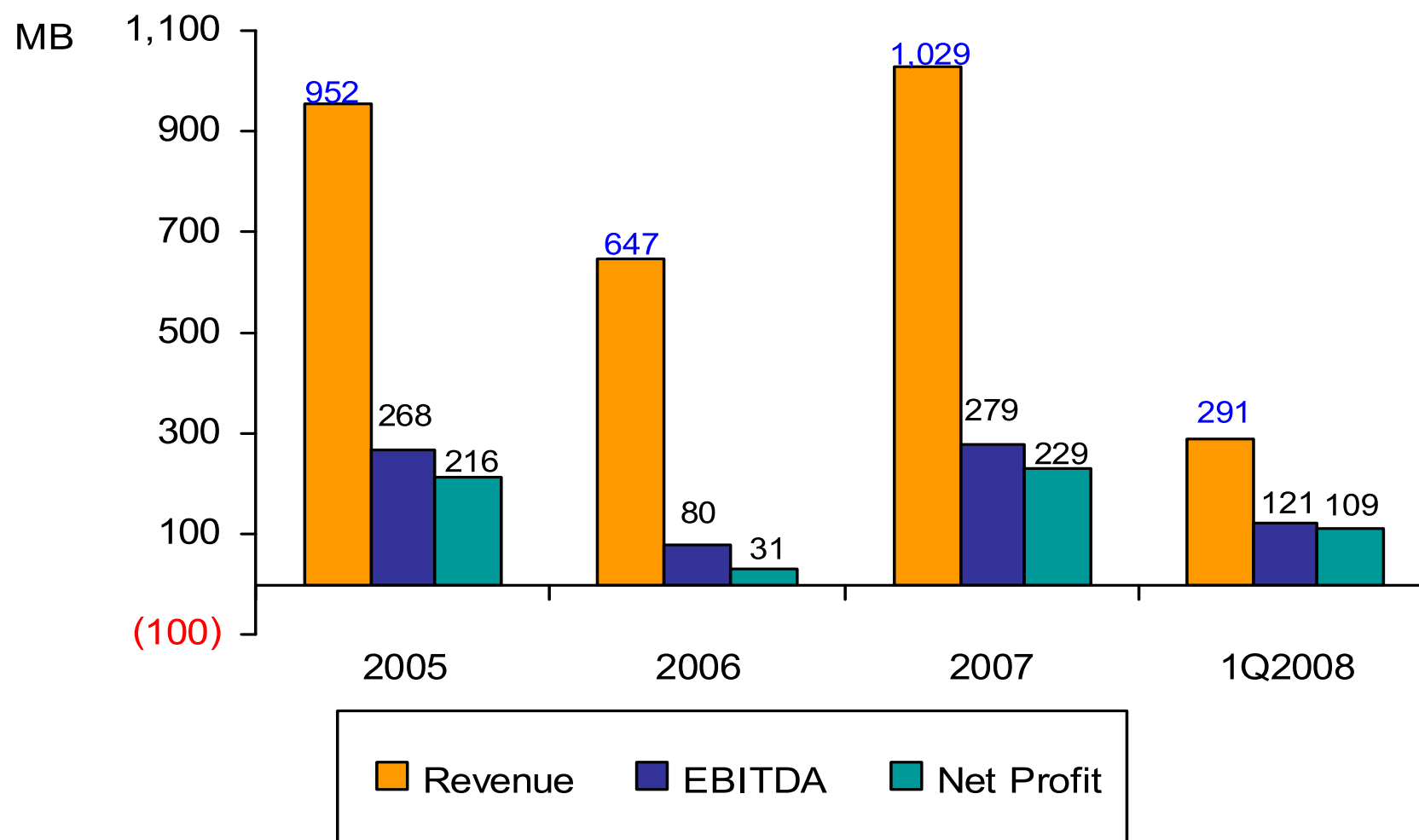
## Insulators: Revenue and Net profit



Revenue

Net Profit

## Insulators: Performance





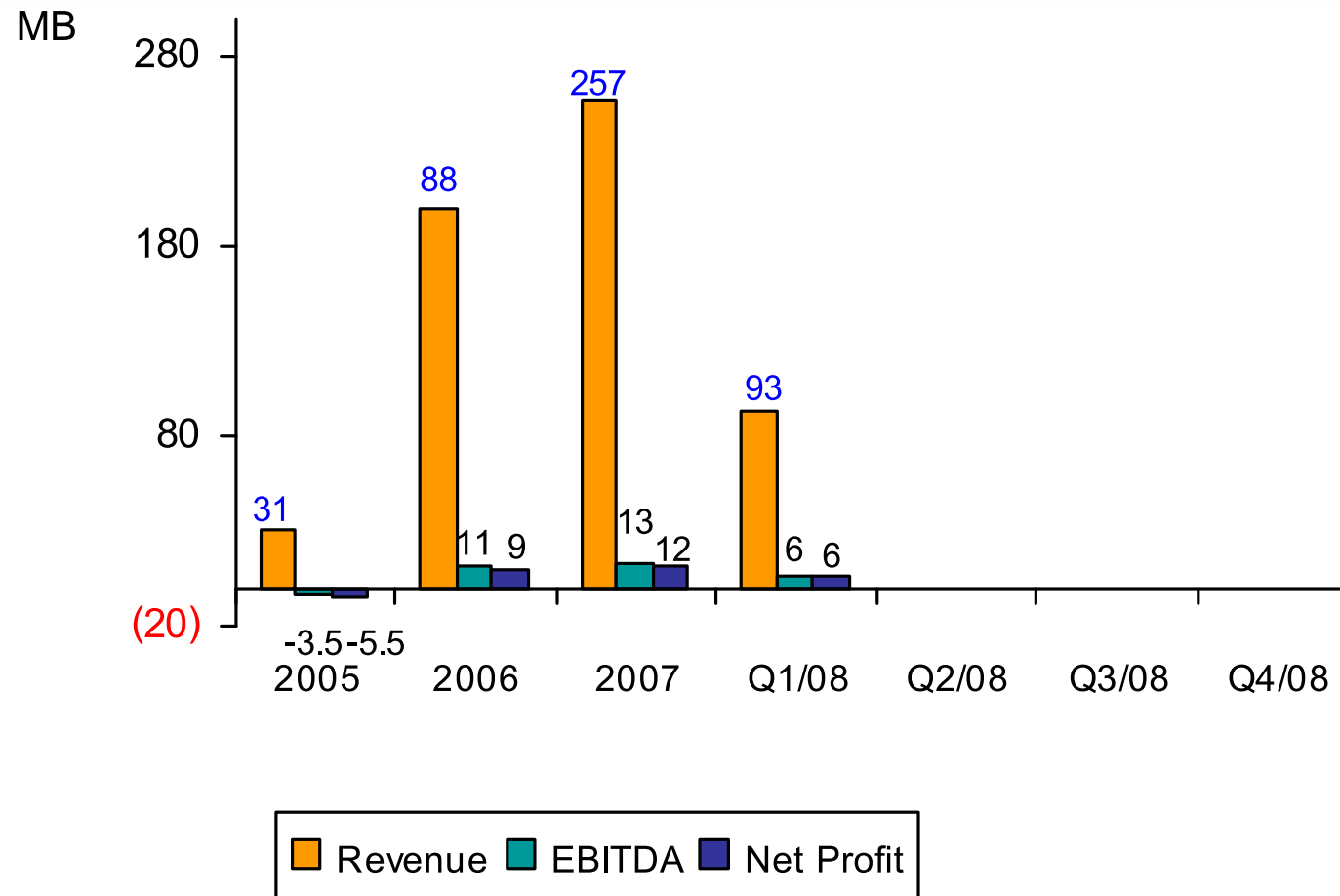
### **1Q2008 Highlights**

- Gross profit margin improved, as import raw materials cost decreased due to the exchange rate.
- Challenges of high energy costs and raw materials cost.

### **Outlook**

- Recovering of the economy, and government spending is enforce.
- High domestic demand of High and Medium Voltage Insulators for utilities and private sectors.
- Challenges of high energy and raw materials cost.
- Seek out for the new local raw material suppliers.

# Engineering: Performance







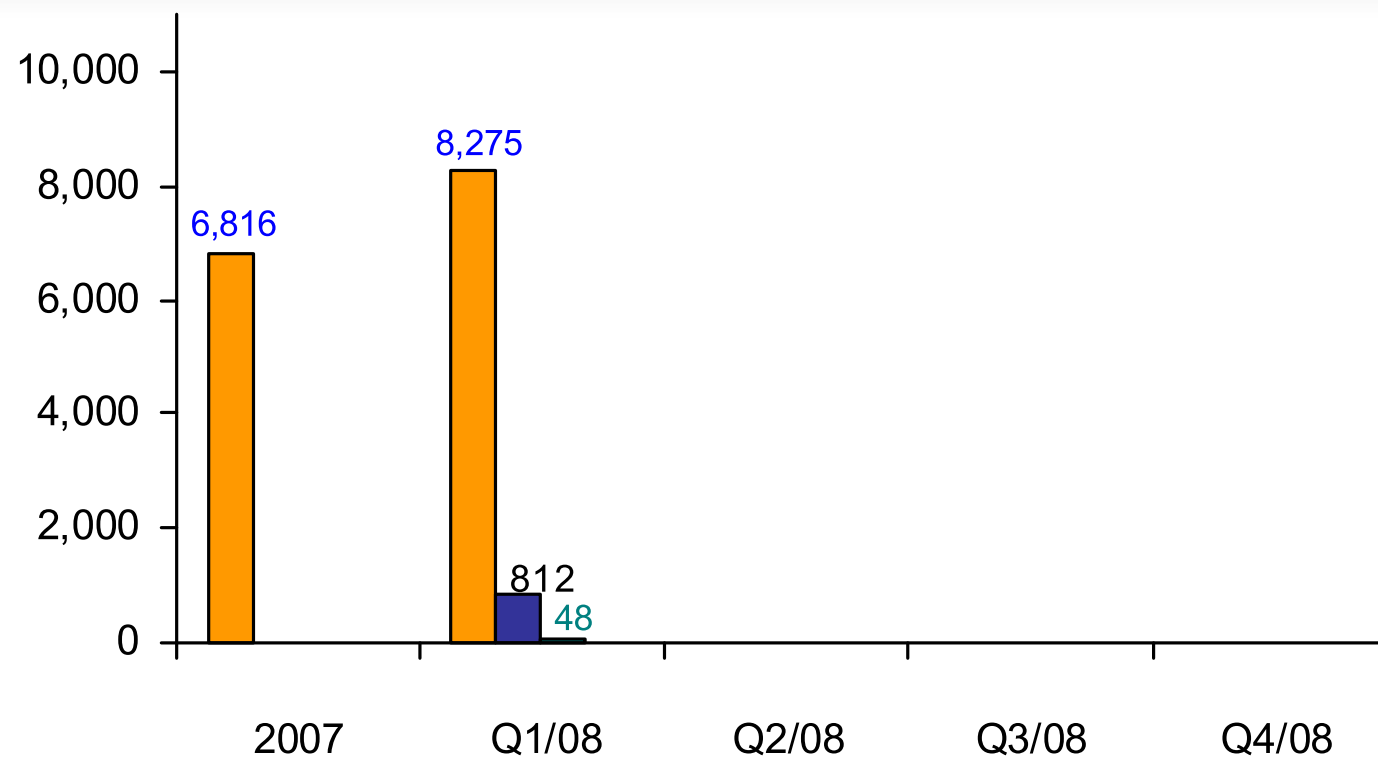
### 1Q2008 Highlights

- Construction materials have been managed for fixing the prices thought out the project.
- Challenge of high energy cost.
- With 3% construction progress ahead of construction schedule, which can save more on construction cost.

### Outlook

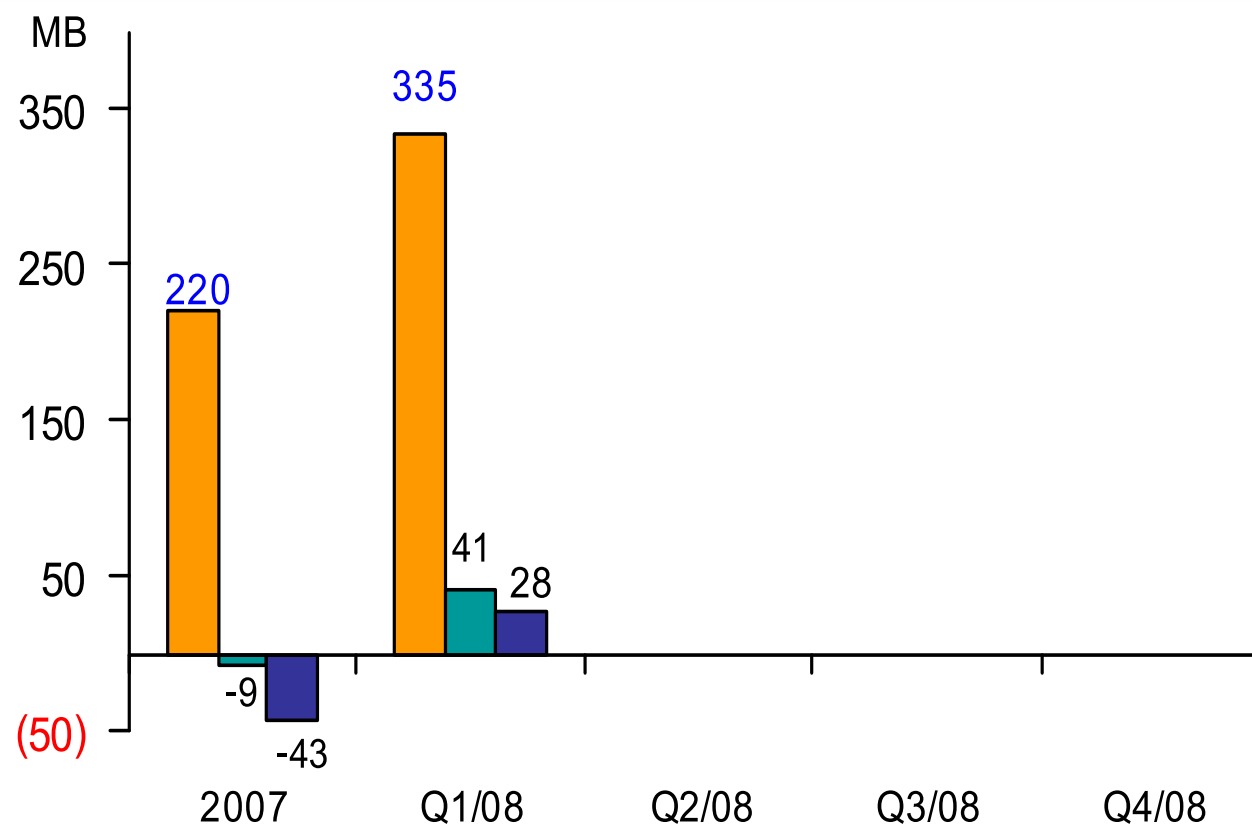
- Challenge of high energy and construction materials cost.
- More selective on construction project, due to the price increase of construction materials and energy.

## Bio Diesel: Sales Volume



■ B 100 ( x1000 Litres)   ■ Glycerin ( x1000 Kg)   ■ Palm Fatty Acid ( x1000 Kg)   ■ Olein ( x1000 Kg)

## Bio Diesel: Performance



Revenue EBITDA Net Profit



### 1Q2008 Highlights

- The production cost of Bio Diesel (B100) was decreased as per the production volume increased, with average production volume about 100,000 liters per day.
- The Dollar Cost Average method was used for procurement the raw materials such as Crude Palm Oil (CPO) and Palm Sterin to reduce the risk on price fluctuation.
- Challenge of high energy cost.
- Price formula as per Energy Department of Thailand for Bio diesel (B100) on weekly basis.

$$B100 = (0.97) \text{ CPO} + (0.15) \text{ MtOH} + 3.32$$

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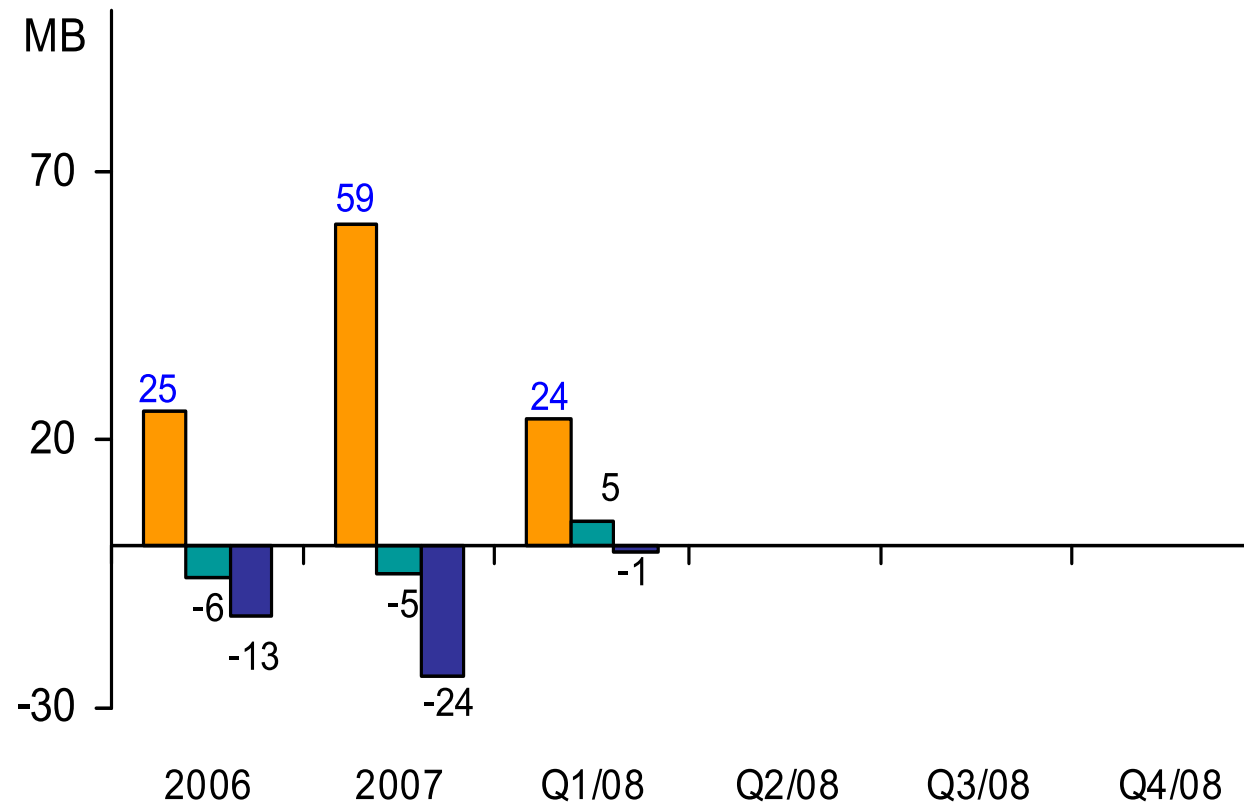


### Outlook

- Three years contract with PTT to supply Bio Diesel for 2 – 3 million liters per month.
- One year contract with BCP to supply Bio Diesel for 0.3 -0.5 million liters per month.
- Most of major oil companies will launch Bio Diesel (5% B100) in most petrol stations by June 2008, then demand will increase from 1.2 to 2.5 million liters per day.
- Challenge of high heating cost with new biomass boiler is under construction. Expect to complete within April 08. Estimate to reduce the heating cost by 40%.
- Improving the production process for Vegetable oil (Olein) to conform with Food and Drug Administration.
- “Pamola” brand will be used for Vegetable oil for the canned and bulk with the production volume between 50,000 – 100,000 liters per day.



## Logistics: Performance



Revenue EBITDA Net Profit



### 1Q2008 Highlights

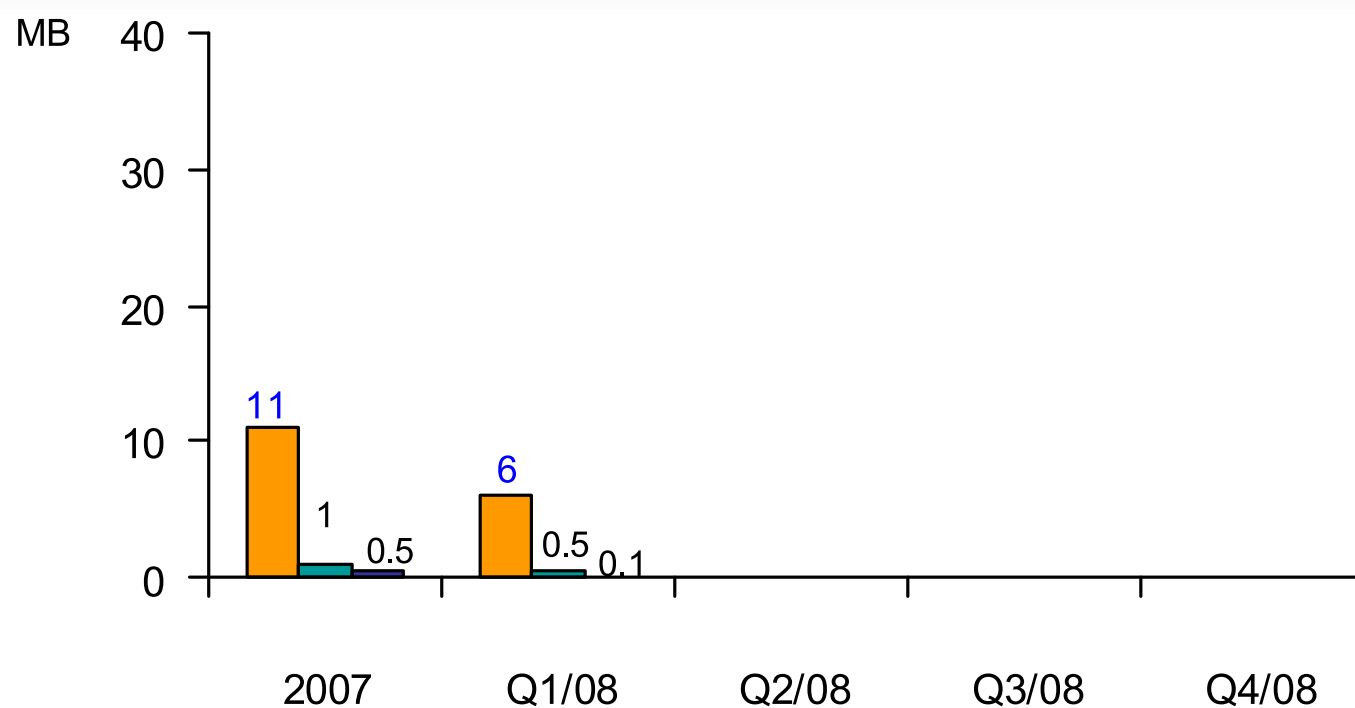
- The utilize capacity about 65% for time charter and freight charge.
- Average freight charge is USD 30 per tonnage of cargo.
- Strong Thai Baht and high fuel oil price are having the impact to revenue and operation cost.

### Outlook

- Continued strengthening of regional currencies, against the US\$
- High energy cost, impact to revenue and operation cost.
- Lower utilization, due to the demand of ship tankers decreased.



## Ports and Terminals: Performance



Revenue EBITDA Net Profit



### 1Q2008 Highlights

- Ports services and supply the ice block to fishing industry at Samut Sakorn province.
- Construction begin for tanks farm and port at Samut Sakorn province with 18 million liters capacity of Crude Palm Oil, and expecting to provide the services for internal and external customers in Dec 08. Delay from June 08 to Dec 08, due to the obstruction of city's dam construction project.

### Outlook

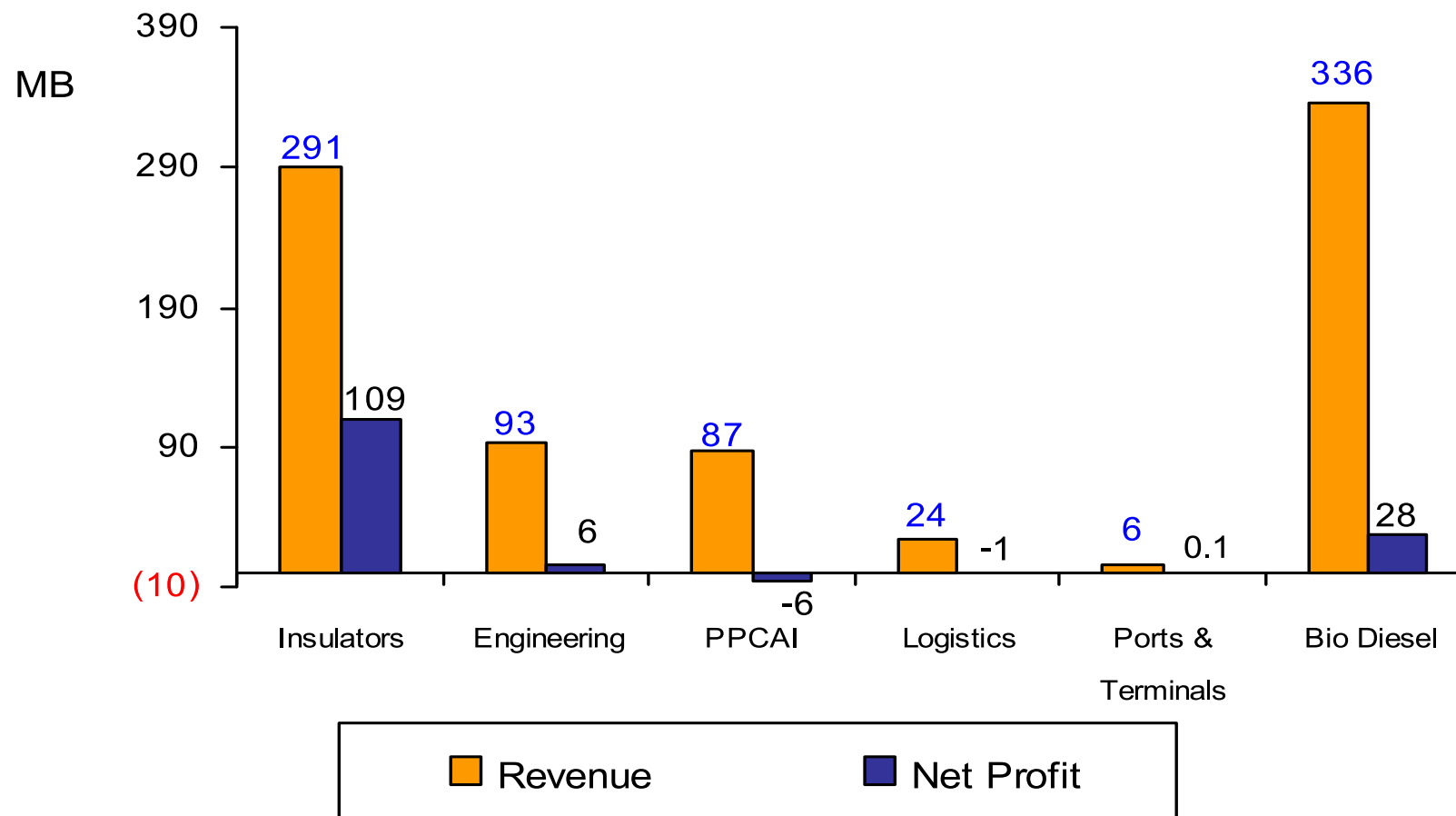
- Awaiting for EIA approval for Port at Chumporn Province for 20 million liters tanks farm capacity of Crude Palm Oil and expecting to provide the services for internal and external customers in Dec 08. Delay from June 08, due to the permission license by EIA.
- CAPEX for tanks farm and terminals for both Chumporn and Samut Sakorn Province are 370 million Baht.

## CAPEX and Investment for AI Group Year 2008



Business	Total Project Cost	Stake	Details	Start
Insulators	30 MB	100%	Increase capacity 3,000 tons	Jul 07– May 08
Ports & Term.	370.5 MB	86.54%	Ports & Terminals 38 million liters	Mar 08-Dec 08
AI Group	14.5 MB	100%	SAP - ERP Software & Hardware	Completed
Total	415 MB			

## Appendix: Segmented Performance 1Q2008



## Appendix: Segmented Performance



Sales (MB)	2005	2006	2007	1Q2008
Consolidate	977.25	865.21	1,568.59	737.04
Insulators	952.29	647.49	1,028.69	291.35
Engineering	31.44	200.28	257.20	92.77
Bio Diesel		2.87	220.48	335.95
Ports & Terminals			11.48	5.77
Logistics		24.74	59.68	23.89
EBITDA (MB)				
Consolidate	270.46	85.21	295.04	161.34
Insulators	268.43	79.72	278.60	121.03
Engineering	(3.50)	10.99	13.11	6.09
Bio Diesel		(0.88)	(9.12)	40.65
Ports & Terminals			1.22	0.49
Logistics		(5.67)	(5.29)	4.99

## Appendix: Segmented Performance



Assets (MB)	2005	2006	2007	1Q2008
Consolidate	406.34	481.73	1,061.73	1064.66
Insulators	400.70	370.47	323.31	332.17
Engineering	5.64	5.49	4.83	4.71
Bio Diesel		159.00	446.17	443.97
Ports & Terminals			115.45	115.76
Logistics		105.61	174.27	170.44
Net Profit After Tax (MB)				
Consolidate	216.03	30.99	210.11	134.86
Insulators	216.03	30.99	229.42	108.94
Engineering	(5.51)	9.17	12.32	5.96
Bio Diesel		(0.88)	(42.59)	28.00
Ports & Terminals			0.52	0.1
Logistics		(12.92)	(24.20)	(1.32)
Consolidate Debt to Equity	0.09	0.12	0.22	0.49

## Appendix: Subsidiaries and Joint Venture



### ✦ AI Engineering Services Company Limited (AIES)

- ✦ A discipline engineering in design and construction of high voltage transmission, distribution lines and substations.

### ✦ PPC Asian Insulators Company Limited (PPCAI)

- ✦ A Joint venture company between PPC Insulators Group and Asian Insulators Public Company Limited manufacturer medium and high voltage insulators for exporting to North America and Europe.

### ✦ AI Logistics Company Limited (AIL)

- ✦ A sea and land logistics services provider with ship tankers for crude palm oil and petroleum products in the Southeast Asia regional.

### ✦ AI Ports and Terminals Company Limited (AIPT)

- ✦ A depot and terminals services provider operating for ships docking, tanks farmer services for crude palm oil and petroleum products.

### ✦ AI Energy Company Limited (AIE)

- ✦ A leader in Bio diesel refinery with continuous process and vegetable oil refinery for industrials and consumers use.