



Sri Trang Agro-Industry Public Company Limited

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Web: www.sritranggroup.com

Management Discussion and Analysis

Under Thai General Accounting Accepted Principles

For Three Month ended 30 September 2011 and 30 September 2010

Financial Result Overview

The third quarter of 2011 (Q3 2011) has been another challenging period from several factors such as the slower economic recovery in the US, the uncertainty of European sovereign debt, the PRC's inflationary control policy, as well as a concern of such effects on revenue growth of exporting countries. These concerns and uncertainties have led to an adverse impact to demand of Natural Rubber. Consequently, there were different views on the Natural Rubber situations and price trend among midstream players which created unclear movements of Natural Rubber price and posted some difficulties in managing operation and price risks. In addition, the third quarter is, in nature, the most challenging quarter in any year due to the fact that it is summer in EU countries, the US, and the PRC, whereas the production have been lowered across industrial sectors. In Thailand, as the largest Natural Rubber producing country, the supply starts to come off the market after the ending of the wintering period in May. Gross profit margin of Q3 2011, therefore, declined compared with the previous quarter. The depreciation of Thai Baht against US Dollar at the end of this quarter has required us to record an unrealised loss on foreign currency exchange in accordance with the early adoption of some accounting policies.

Accounting Policy Changes

Commencing on 1 July 2011, we have adopted TAS 12 "Income Taxes" before the standard comes into effect as published in the Government Gazette. This accounting standard comes into effect for periods beginning on or after 1 January 2013. In addition, we have adopted the accounting for derivative financial instruments, of which comprise rubber forward contracts made with traders, rubber futures contracts, interest rate swaps and forward foreign exchange contracts, that are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at fair value, and the resultant gains and losses are recognised in the statements of comprehensive income. We also apply the presentation and disclosures of financial instruments under TAS 107 (formerly TAS 48) "Financial Instruments: Presentation and Disclosures". Statements of Financial Position as at 30 September 2011 have been presented in comparison with as at 31 December 2010 and Statements of Comprehensive Income have been presented in comparison with the year ended 30 September 2010 which are retrospectively restated for comparative purposes.



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Income Statement Overview

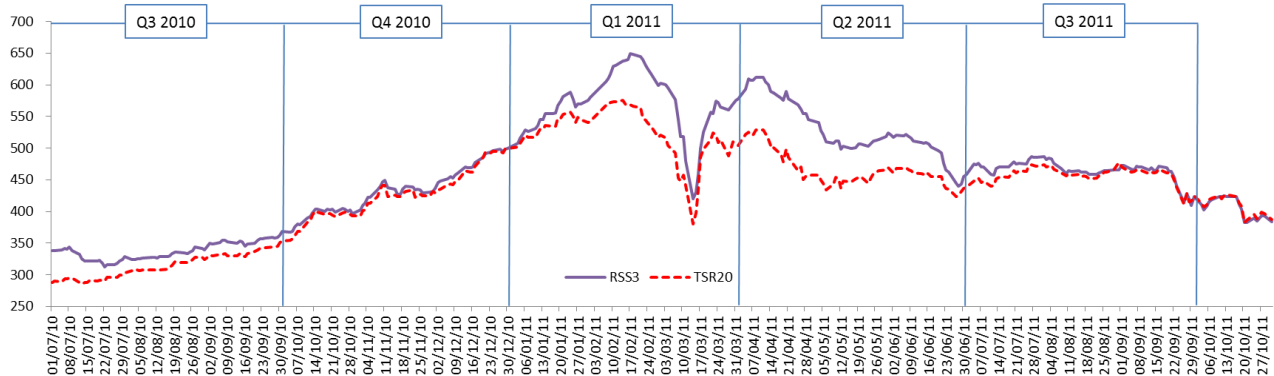
Unit: Baht million

	Q3 2011 ⁽¹⁾	Q3 2010 ⁽¹⁾	% YoY	Q2 2011	%QoQ
Revenue from sale of goods and services	33,636.3	20,678.8	62.7%	35,231.7	(4.5%)
Cost of sales and services (net)	32,676.1	19,957.3	63.7%	33,750.9	(3.2%)
Gross profit	960.2	721.5	33.1%	1,480.8	(35.2%)
SG&A	1,019.5	513.0	98.8%	944.7	7.9%
Other income	32.9	18.9	74.3%	54.0	(39.1%)
Gain/Loss on foreign exchange	(119.4)	460.3	(125.9%)	240.0	(149.8%)
Other gain/loss (net)	44.2	(67.9)	165.1%	39.4	12.1%
Operating profit	(101.6)	619.9	(116.4%)	869.6	(111.7%)
Profit sharing from associate companies and joint ventures					
	171.8	182.2	(5.7%)	266.2	(35.4%)
EBITDA	193.0	895.6	(78.5%)	1,252.0	(84.6%)
EBIT	70.2	802.1	(91.2%)	1,135.8	(93.8%)
Finance costs (net)	275.0	73.4	274.6%	173.1	58.9%
Income tax	135.7	(67.3)	301.6%	236.8	(42.7%)
Net Profit for the period	(69.0)	661.4	(110.4%)	725.8	(109.5%)
Attributed to Owners of the parent	(67.3)	656.8	(110.3%)	716.5	(109.4%)
Attributed to non-controlling interests	(1.7)	4.6	(137.1%)	9.4	(118.2%)

(1) Note: Statements of comprehensive income of Q3 2011 has been presented based on the early adoption of the aforementioned accounting policies. Financial result of Q3 2010 has been restated retrospectively for comparative purposes.

Daily Price Movement of TSR20 and RSS2 at SICOM

US Cent Per Kg.



Historical Exchange Rate of Thai Baht against US dollar

Thai Baht : USD





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Total sales of goods and services of Q3 2011 was Baht 33,636.3 million, increasing 62.7% YoY but decreasing 4.5% QoQ. Our sales growth YoY was attributed to the increase in sale volume of 14.7% and the increase in average selling price of 41.8%. The decline of sales QoQ was mainly driven by a decline of average price by 8.6% despite the marginal increase in sale volume of 4.1%. This was as a result of the concerns on slower economic recovery in the US, European sovereign debt problems and the PRC's inflationary control policy that put the pressure on average Natural Rubber price to move in unclear directions in a lower range compared to the previous quarter.

In terms of sale volume, we sold 243,820 tons of Natural Rubber in Q3 2011, increased by 14.7% YoY and 4.1% QoQ. Sale volume to the PRC was 90,236 tons, up 51.2% QoQ. Moreover, the sale volume to domestic market also increased by 13.0% QoQ to 49,522 tons. However, under the economic problems in the US and Europe, sale volume in such markets decreased by 13.9% and 27.1% QoQ, respectively.

Gross profit for Q3 2011 was recorded at Baht 960.2 million, up 33.1% YoY but down 35.2% QoQ. Our gross profit margin of Q3 2011 was recorded at 2.9%, fell from 3.5% and 4.2% compared with last year and last quarter, respectively. A decrease in gross profit margin YoY was due primarily to an increase in price of raw materials at faster rate than selling price. Part of the decline in gross profit margin QoQ was as a result of the unclear of global economic conditions, especially the recovery of the US economy and resolutions for European sovereign debts that have affected in the loss of confidence of consumers and investors. Such unclear global economy situations has created different views toward pricing trends of Natural Rubber among midstream players which heavily lowered gross profit of some of our products. TSR, our core product, and Concentrated Latex were largely affected by this phenomenon and recorded gross profit margin at 2.6% and 0.1%, respectively whereas RSS generated gross profit margin at 4.1%.

Operating loss for Q3 2011 amounted to Baht 101.6 million, down from operating profit of Baht 619.9 million and Baht 869.9 million in last year and last quarter, respectively. We had operating loss in Q3 2011 at 0.3%, declined from the operating profit margin at 3.0% in Q3 2010 and 2.5% in Q2 2011. Such operating loss was due principally to a decrease in gross profit margin, an increase in cess rate from Baht 1.40 to Baht 5.0 per kilogram compared with the same period a year earlier, an increase in administrative expenses of which mainly comprised personal expenses to support the capacity expansion, and recognition of loss on foreign exchange as a result of a depreciation of Thai Baht against US Dollar at the end of Q3 2011 under the early adoption of some accounting policies.

Due to the mentioned operating loss as well as an increase in finance cost as a result of interest rate rise and larger amount of loans to support sales growth, we recorded net loss of Baht 69.0 million, compared with net profit amounted Baht 661.4 million and Baht 725.8 million in last year and last quarter, respectively. Consequently, we got a net loss of 0.2%, decreased from the net profit margin of 3.2% in Q3 2010 and 2.1% in Q2 2011.



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Business Segmentation Analysis

Revenue breakdown by product segment (Baht million)

	Q3 2011	Q3 2010	% YoY	Q2 2011	%QoQ
RSS	5,731.3	3,467.5	65.3%	7,417.9	(22.7%)
%	17.0%	16.8%		21.1%	
TSR	24,725.8	14,718.2	68.0%	24,776.2	(0.2%)
%	73.5%	71.2%		70.3%	
Concentrated Latex	2,519.1	2,080.8	21.1%	2,482.1	1.5%
%	7.5%	10.1%		7.0%	
Others⁽¹⁾	660.4	412.3	60.2%	555.5	18.9%
%	2.0%	2.0%		1.6%	
Total revenue	33,636.4	20,678.8	62.7%	35,231.7	(4.5%)

Note: (1) Comprises revenue from (i) the sale of dried rubber wood and wood packing products and (ii) the provision of certain services (such as logistics, research and development and information technology services) to our associates and a joint venture entity as well as other external third parties.

Tonnage breakdown by product segment (tons)

	Q3 2011	Q3 2010	% YoY	Q2 2011	%QoQ
RSS	39,230.3	32,241.2	21.2%	44,140.9	(11.1%)
%	16.1%	15.2%		18.8%	
TSR	176,441.3	150,327.0	17.4%	165,852.9	6.4%
%	72.4%	70.7%		70.8%	
Concentrated Latex	28,148.4	29,987.0	(6.1%)	24,308.7	15.8%
%	11.5%	14.1%		10.4%	
Total sale volume	243,820.0	212,555.2	14.7%	234,302.5	4.1%

Business segment breakdown: Q3 2011 (Baht million)

	RSS	% to sales	TSR	% to sales	Con. Latex	% to sales	Others ⁽¹⁾	% to sales	Total	% to sales
Revenue	5,731.3	100.0	24,725.8	100.0	2,519.1	100.0	660.4	100.0	33,636.4	100.0
Cost of sales	5,499.0	95.9	24,088.0	97.4	2,516.4	99.9	572.8	86.7	32,676.1	97.1
Gross profit	232.3	4.1	637.8	2.6	2.7	0.1	87.6	13.3	960.3	2.9

Business segment breakdown: Q3 2010 (Baht million)

	RSS	% to sales	TSR	% to sales	Con. Latex	% to sales	Others ⁽¹⁾	% to sales	Total	% to sales
Revenue	3,467.5	100.0	14,718.2	100.0	2,080.8	100.0	412.3	100.0	20,678.8	100.0
Cost of sales	3,446.3	99.4	14,110.0	95.9	2,051.6	98.6	349.4	84.7	19,957.3	96.5
Gross profit	21.2	0.6	608.2	4.1	29.2	1.4	62.9	15.3	721.5	3.5

Business segment breakdown: Q2 2011 (Baht million)

	RSS	% to sales	TSR	% to sales	Con. Latex	% to sales	Others ⁽¹⁾	% to sales	Total	% to sales
Revenue	7,417.9	100.0	24,776.2	100.0	2,482.1	100.0	555.5	100.0	35,231.7	100.0
Cost of sales	6,961.9	93.9	23,994.1	96.8	2,313.9	93.2	481.0	86.6	33,750.9	95.8
Gross profit	456.0	6.1	782.1	3.2	168.2	6.8	74.5	13.4	1,480.8	4.2

Note: (1) Comprises revenue from (i) the sale of dried rubber wood and wood packing products and (ii) the provision of certain services (such as logistics, research and development and information technology services) to our associates and a joint venture entity as well as other external third parties.



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Ribbed Smoked Sheet (RSS)

Revenue from the sale of RSS was up 65.3% YoY but down 22.7% QoQ. In comparison to the same period last year, such increase was largely attributed to 35.8% increase in average selling price and increase in sale volume by 21.7%. Quarterly comparison, the decrease in revenue was due to a decline in selling price by 13.1% and a decline in sale volume by 11.1% as a result of the anticipation of the customers on the price and market movements as well as the switch from the use of RSS to TSR by tyre makers.

Cost of sales of RSS increased 59.6% YoY but decreased 21.0% QoQ. In comparison to the same period last year, the increase in cost of sales was in line with a rise in sale volume and higher price of raw materials owing to higher market price of Natural Rubber. The decrease in cost of sales in comparison with Q2 2011 was due to a decline in sale volume and price of raw materials. In addition, there was a reversal of inventory allowances for RSS amounted Baht 87.2 million in this quarter.

In Q3 2011, our gross profit from the sale of RSS amounted to Baht 232.3 million, 995.7% increase YoY but 49.1% decrease QoQ. Gross profit margin of Q3 2011 was 4.1% increased from 0.6% in Q3 2010 but decreased from 6.1% in Q2 2011. The decrease in gross profit margin comparing to last quarter was owe to a faster rate of increase in the price of raw materials in comparison with the rate of increase in the average selling price for the same period. Assuming the reversal of inventory allowance was not made, the gross profit margin of RSS would have been at 2.5%.

Technically Specified Rubber (TSR)

Revenue from the sale of TSR recorded a growth of 68.0% YoY but marginally down by 0.2% QoQ. Such YoY increase was mainly attributable to an increase in average selling price of 43.1% and the increase in sale volume of 17.4% YoY. In comparison to the last quarter, the decline in revenue was due primarily to 6.2% decrease in the average selling price, despite the increase in sale volume of 6.4%. The average selling price of TSR decreased at slower pace compared to that of RSS, which decreased by 13.1%. This was due to unfavourable dry weather in Indonesia, one of major TSR producing countries, which led to a shortage of TSR supply when there was an increase in demand. The average selling price of TSR, thus, decreased at slower rate than that of RSS.

Cost of sales of TSR increased 70.7% YoY and 0.4% QoQ. The increase in cost of sales compared to the same period last year was attributable to an increase in price of raw materials according to higher price of Natural Rubber. Cost of sales marginally increased from the previous period due to an increase in sale volume despite it was offset by downward movement of Natural Rubber price, especially in September. We have made a reversal of inventory allowances for TSR of Baht 116.7 million in this quarter.

Our gross profit from the sale of TSR amounted to Baht 637.8 million, increased 4.9% YoY but decreased 18.5% QoQ. Gross profit margin of Q3 2011 was 2.6% down from 4.1% in Q3 2010 and 3.2% in Q2 2011. The decrease in gross profit margin comparing to last quarter was owe to a faster rate of increase in the price of raw materials in comparison with the rate of increase in the average selling price for the same period. Assuming the reversal of inventory allowance was not made, the gross profit margin of TSR would have been at 2.1%.



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Concentrated Latex

Revenue from the sale of Concentrated Latex was up 21.1% YoY and 1.5% QoQ. Comparing with the same period last year, the increase was mainly attributable to the increase in average selling price of 29.1% despite a decrease in sale volume by 6.1% due to the shift of demand from glove manufacturers from NR to NBR (synthetic gloves). A slight increase in revenue comparing with the previous quarter was attributable to 15.8% of sale volume growth resulted from an increase in purchasing order from Natural Rubber glove producers due to a decline in average selling price by 12.4%.

Cost of sales of Concentrated Latex increased 22.7% YoY and 8.8% QoQ. The increase in cost of sales compared with the same period last year was attributable to the higher price of raw materials along the line with the increasing Natural Rubber price. Whereas the increase in cost of sales compared with the last quarter was mainly caused by sale volume growth as well as the inventory allowances in Q3 2011 of Baht 35.8 million.

Our gross profit from the sale of Concentrated Latex amounted to Baht 2.7 million, decrease 90.9% YoY and 98.4% QoQ. Our gross profit margin of Q3 2011 was 0.1% decreased from 1.4% in Q3 2010 and 6.8% in Q2 2011. The decrease in gross profit margin was owe to a faster rate of increase in the price of raw materials in comparison with the rate of increase in the average selling price for the same period. Assuming the inventory allowance was not made, the gross profit margin of Concentrated Latex would have been at 1.5%.

Consolidated Balance Sheet

Current assets

Current assets increased by Baht 6,885.0 million, or 23.7%, from Baht 28,951.0 million for the year end 2010 to Baht 35,806.0 million for the period end of Q3 2011 which primarily comprises an increase in cash and cash equivalent for Baht 3,015.3 million partly from capital increase through the equity offering in Singapore, an increase in trade receivables of Baht 3,707.8 million due to growth of sale volume and average price, an increase in inventories of Baht 341.1 million upon capacity expansion and a rising average price of Natural Rubber, which was partially offset by a decrease in derivative financial instruments of Baht 255.4 million.

Non-current assets

Non-current assets increased by Baht 2,825.8 million, or 32.5%, from Baht 8,704.7 million for the year end 2010 to Baht 11,530.5 million for the period end of Q3 2011 which primarily consists of an increase in property, plants and equipments for Baht 1,917.4 million (net of depreciation and write-off) for the construction of our new factories in Chonburi, Mukdaharn, Udon Thani, Ubonratcha Thani, Banjamasin and Jumbi (Indonesia), for the expansion of existing factories in Sadao Songkhla, Pontianak and Palembang (Indonesia), for the construction of three warehouses in Sikao Trang, in Hauy Yord Trang, and in Thoong Song Nakorn Si Thammarat, as well as for acquisition of landbank for rubber plantation, an increase in investment in associates and joint venture of Baht 560.8 million from their operating results, an increase in deferred income tax assets of Baht 192.1 million, an increase in long-term loan to an associate of Baht 61.4 million, an increase in fixed deposits pledged



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as collateral for trade financing of Baht 51.9 million, and an increase in investment property of Baht 49.6 million.

Current liabilities

Current liabilities increased by Baht 1,468.1 million, or 5.9%, from Baht 24,787.6 million for the year end 2010 to Baht 26,255.7 million for the period end Q3 2011 which was mainly from an increase in short-term loans of Baht 1,159.2 million, an increase in derivative financial instruments of Baht 403.1 million, an increase in a current portion of long-term loan of Baht 97.4 million, which was partially offset by a decrease of trade accounts payable of Baht 187.7 million and a decrease of other current liabilities of Baht 43.9 million.

Non-current liabilities

Non-current liabilities increased by Baht 32.5 million, or 1.3%, from Baht 2,476.7 million for the year end 2010 to Baht 2,509.2 million for the period end Q3 2011 primarily due to an decrease in long-term loans of Baht 131.2 million (net of current portion).

Shareholders' equity

Equity increased by Baht 8,180.2 million, or 78.7%, from Baht 10,391.5 million for the year end 2010 to Baht 18,571.7 million for the period end Q3 2011 due mainly to a capital increase through the equity offering in Singapore of Baht 7,707.2 million (net of fund raising expense) and an increase in net profit from the first nine months of 2011.

Consolidated Cash Flow

As at 30 September 2011, we had cash and cash equivalents of Baht 4,789.3 million, an increase of Baht 3,015.3 million, or 170.0% increase from the balance of Baht 1,774.0 million as at 31 December 2010.

We generated cash flows from operations before net change in operating assets and liabilities of Baht 3,882.5 million. The Company utilised Baht 4,457.0 million arising from an increase in our operating assets and liabilities which was due primarily to an increase in trade receivables of Baht 3,711.5 million, an increase in inventories of Baht 617.2 million, and a decrease in trade accounts payable of Baht 185.9 million. The increase in trade receivables was due mainly to an increase in the average selling prices and sales volumes of our Natural Rubber Products. The increase in inventory was attributed to the capacity expansion and the increase in raw material price. Meanwhile, the slight decrease in trade accounts payable was mostly contributed by a decrease in the payable from joint venture.

The Company paid interest and income tax of Baht 1,211.2 million. Overall, the Company utilised net cash flows of Baht 1,785.6 million from our operating activities.



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Investing activities utilised net cash flows of Baht 2,265.8 million, principally from investment in property, plants and equipments of Baht 2,212.6 million for the construction of our new factories in Chonburi, Mukdaharn, Udorn Thani, Ubonratcha Thani, Banjamasin and Jumbi (Indonesia), for the expansion of existing factories in Sadao Songkhla, Pontianak and Palembang (Indonesia), for the construction of three warehouses in Sikao Trang, in Hauy Yord Trang, and in Thoong Song Nakorn Si Thammarat Trang, as well as for acquisition of landbank for rubber plantation. Furthermore, we also provided a long-term loan to an associate company of Baht 61.4 million. We also invested in fixed deposit at financial institutions of Baht 51.9 million and in investment property of Baht 49.6 million. We further invested in subsidiaries and associates of Baht 30.3 million. This was partially offset by dividend received of Baht 75.5 million from associate and joint venture companies and cash received from disposal of intangible assets and fixed assets of Baht 68.7 million.

Net cash inflow from financing activities amounted to Baht 7,066.8 million. This consisted mainly of a capital fund raising through the equity offering in Singapore of Baht 7,598.1 million (net of fund raising expense and relevant taxes), long-term loan drawdown of Baht 1,421.6 million, which was partially offset by a repayment of long-term loans from financial institutions of Baht 340.9 million and dividend payment of Baht 1,600.0 million.

Financial Ratios

Current ratios

Current ratio is calculated by dividing total current assets by total current liabilities. As at 30 September 2011 and 31 December 2010 our current ratios were 1.36 and 1.17 times, respectively. The increase in our current ratio was due primarily to an increase in cash and cash equivalents, trade accounts receivable, and inventories in line with the increasing sale volume and price of Natural Rubber Products.

Fixed asset turnover ratio

Fixed asset turnover ratio is calculated by dividing sales of goods and services by average property, plant and equipment (net). As at 30 September 2011 and 31 December 2010, our fixed asset turnover were 22.81* and 17.73 times, respectively. An increase in fixed asset was due mainly to an increase in sale volume and price of Natural Rubber Products.

Return on assets ("ROA")

ROA is calculated by dividing net profit for the year by total assets. As at 30 September 2011 and 31 December 2010, our ROA were 6.22%* and 12.88%, respectively. The decrease in ROA was due to a decrease in net profit for the first nine month of 2011 as well as an increase in total assets which mainly contributed by a rise in trade accounts receivable, cash and cash equivalents, and capacity expansion.

Return on equity ("ROE")

ROE is calculated by dividing net profit for the year by total equity. As at 30 September 2011 and 31 December 2010, our ROE were 18.24%* and 43.56%, respectively. The decrease in ROE was due mainly to decrease in net profit and the increase in shareholders' equity through the equity offering in Singapore.



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Debt to equity ratio ("D/E")

D/E is calculated by dividing total debt by total equity. As at 30 September 2011 and 31 December 2010, our D/E were 1.55 and 2.56 times, respectively. The decrease in D/E was due mainly to the increase in shareholders' equity through equity offering in Singapore.

Notes: *annualised basis

Outlook

Industry in general

As 70% of Natural Rubber demand is driven by tyre industry and global economic development is the key indicator for tyre consumption and its growth prospect. The global economy recovery has become more uncertain. The slow recovery in developed markets as well as the increase in fiscal and financial uncertainties in some of economies becomes more worrisome. However, growth in emerging markets is expected to remain fairly robust. As a result of this, commodity products have been largely immune to the adverse developments including the volatile capital flow and greater commodity price turbulence. As of September 2011, International Monetary Fund (IMF) has revised down its forecast that global economy for 2011 and 2012 are expected to grow at 4.0% and 4.0% respectively, whereas emerging markets are expected to grow at 6.4% and 6.1% respectively, and the PRC, which is the major Natural Rubber consumption country, is forecasted to growth at 9.5% and 9.0%, respectively. The short-term outlook of Natural Rubber is still very uncertain due to the volatilities in the macro fronts. The US debt ceiling and European sovereign debt issues all weigh very heavily in the performance of the global markets particularly those in the equity markets. The loss of consumer confidence as a consequence of slow global recovery will certainly affect consumptions, whether in developed or emerging markets.

We still expect our revenue growth will be higher than the overall growth of Natural Rubber demand due to our continuance of capacity expansion in midstream and downstream products both in Thailand and Indonesia.

Demand & supply balance

According to NR trends and statistics report of the Association of Natural Rubber Producing Countries (ANRPC) in October 2011, the NR supply in 2011 would be marginally better than a previous expectation due mainly to the increase in the output from Malaysia. The rainfalls and floods in Thailand have not significantly affected the supply of NR as supply base in Thailand is mainly located in the South. The demand is also expected to slower down compared to the previous expectation. The auto sector of the PRC has been adversely affected by the shift in government policy from encouraging people to buy car to boost domestic demand to curbing inflation to prevent overheating economy. However, this slowdown does not cause worry too much to us as 75% of the consumption of tyre industry is represented by replacement markets for the vehicles in use and the tyre is still in expansion mode industrywide.

Progress of our businesses in value chain

As at 30 September 2011, our optimum annual capacity was registered at industry record at 1.0 million tons per annum. At the end of 2011, our production capacity should be arrived at 1.1 million tons per annum with additional capacity from new TSR plants in the fourth quarter in Mukdaharn and



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expansion capacity of Pontianak (Indonesia). We have revised our capacity expansion to achieve 1.5 million tons per annum from initial timeframe in 2012 to 2013 due to the revision in factory layout especially in the Northeast of Thailand and the lengthy process to achieve licenses/permits in Indonesia.

Our upstream integration through rubber plantation that we have earmarked for future entry remains on track. We have acquired land approximately 16,950 rai (2,712 hectares), most of them are in the North of Thailand. Approximately 250 rai (40 hectares) are under tapping, 6,815 rai (1,090 hectares) have been planted and will be mature to start tapping in 2016. The vacant land of 9,885 rai (1,582 hectares) will be planted next raining season in 2012. The achievement of our plan to have 50,000 rai of rubber plantation in 2014 will depend on the reasonability of land price and advantages of location as well as sufficiency of saplings. Although we have yet to achieve mature plantation at the necessary scale, we believe that the upstream integration shall further enhance our Natural Rubber supply chain that we have capitalized on with sustained profitability.

Financial management

On our financial front, we have planned to raise capital from corporate debenture in an amount of Baht 3,000-5,000 million, which will be mainly used for the refinancing of long-term loan in order to achieve lower cost of financing and extension of the loan tenure.