

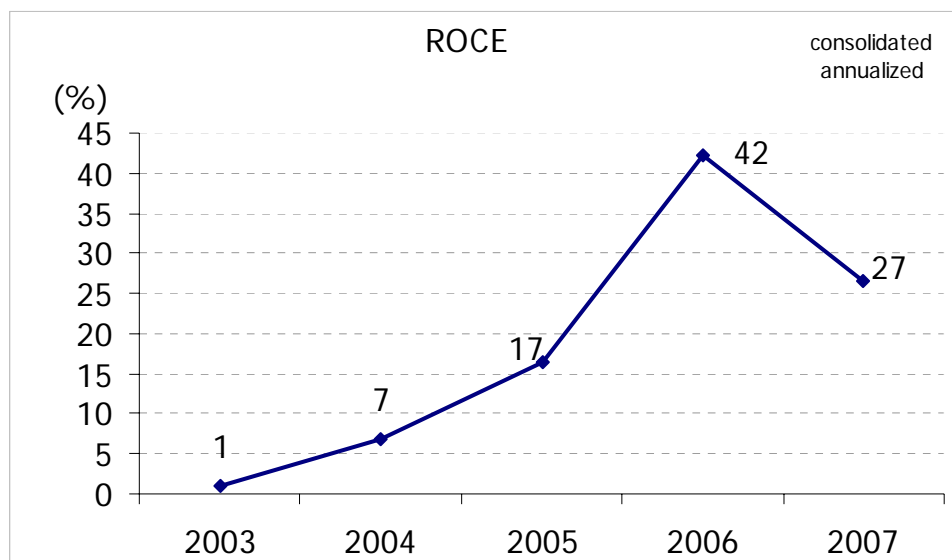
Padaeng Industry Plc.

Q2 2007 Update

14 August 2007

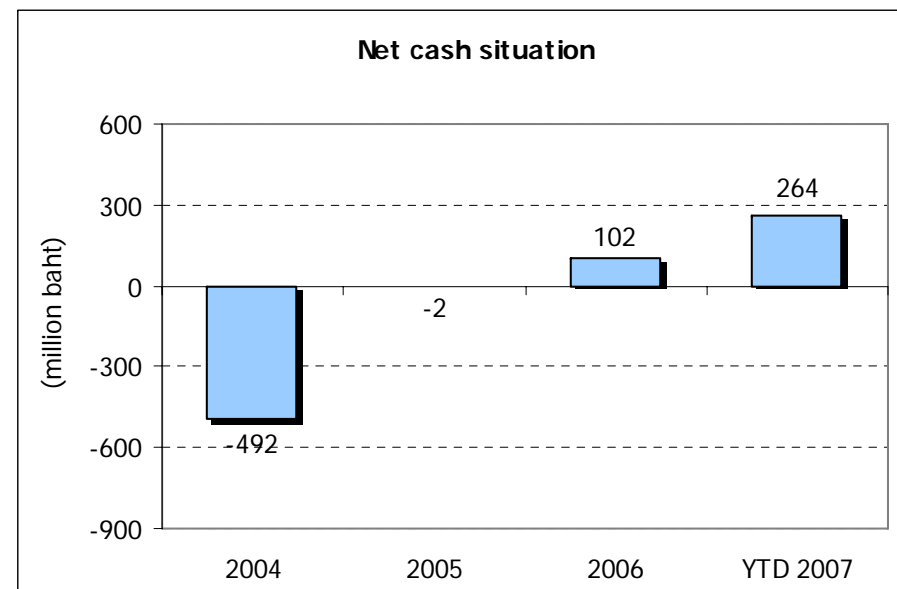
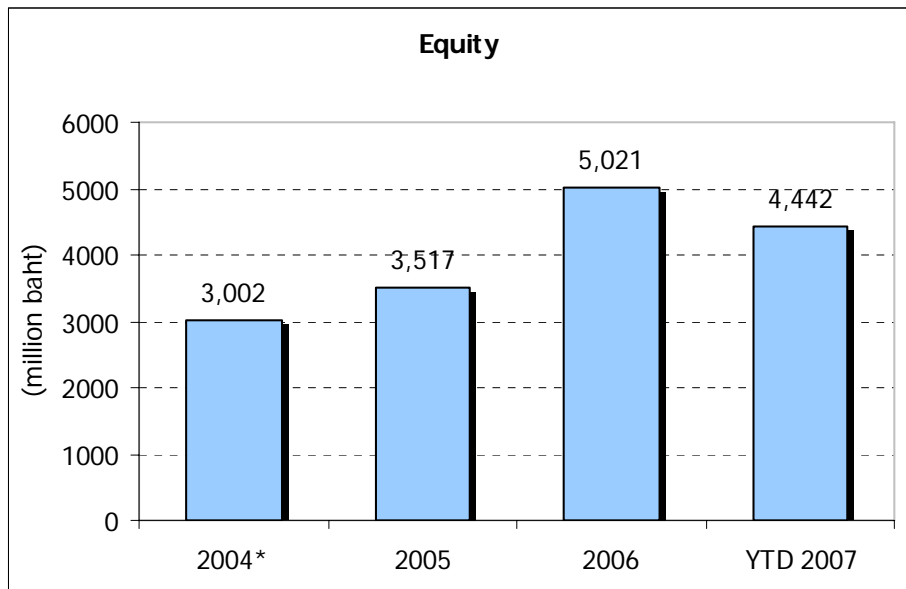
Performance

Consolidated (in million baht)	Q2 07	Q2 06	H1 07	H1 06
Turnover	3,176	2,670	6,599	4,803
Gross Profit	437	793	977	1,431
EBITDA	385	646	788	1,196
EBIT	289	553	603	1,011
Net Profit	290	555	603	1,011
EPS (baht/share)	1.28	2.46	2.67	4.47



Financial – Evolution of net debt and equity

*Consolidated
(in million Baht)*



() 2004 Restatement*

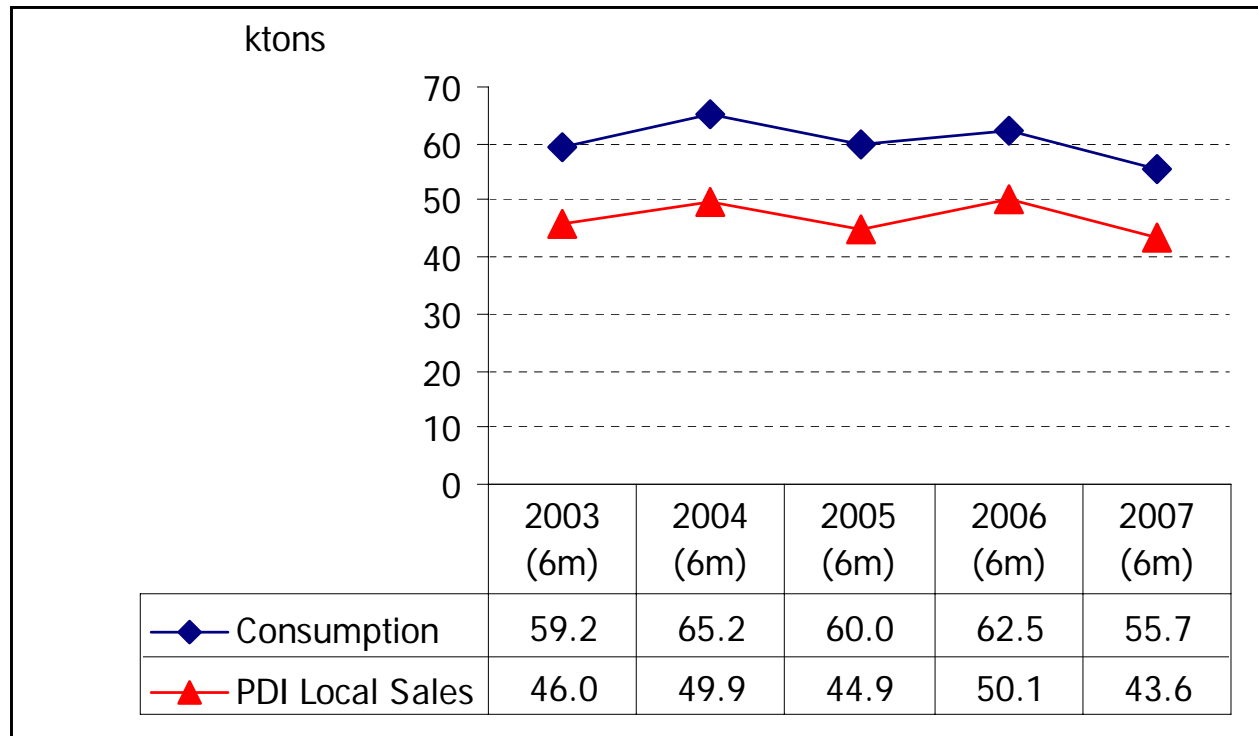
Highlights Q2 07

- **Impact of weak demand in local market**
- **Total sales maintained thanks to exports**
- **Expensive concentrates consumed in feed**
- **Higher production at the mine, not reflected in the feed**

Average zinc price

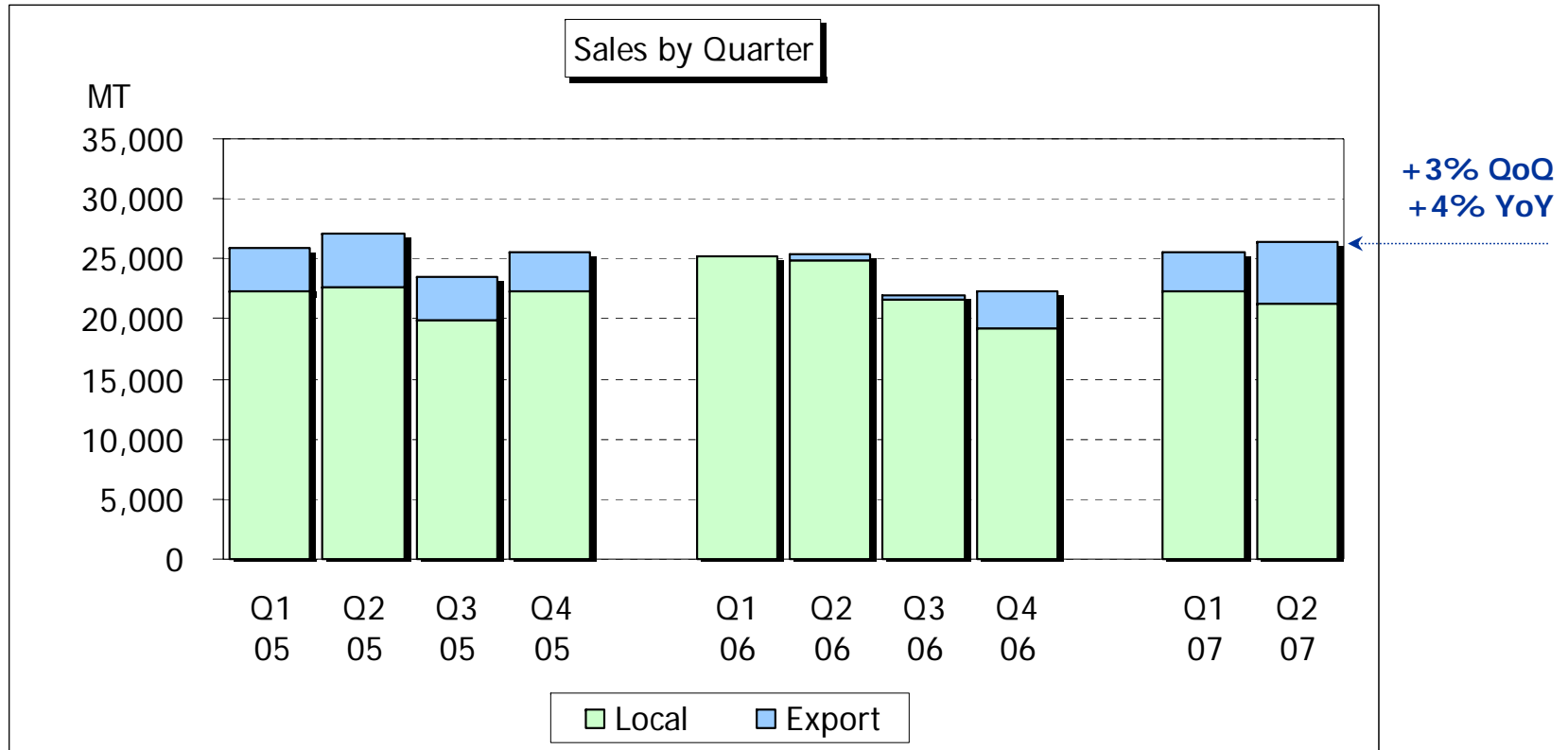
	Q207	Q206	
Zinc in \$	3,664	3,292	+11%
Baht/\$	34.8	38.2	-9%
Zinc in baht	127,554	125,754	+1%

Local Sales and Thailand Zinc Consumption



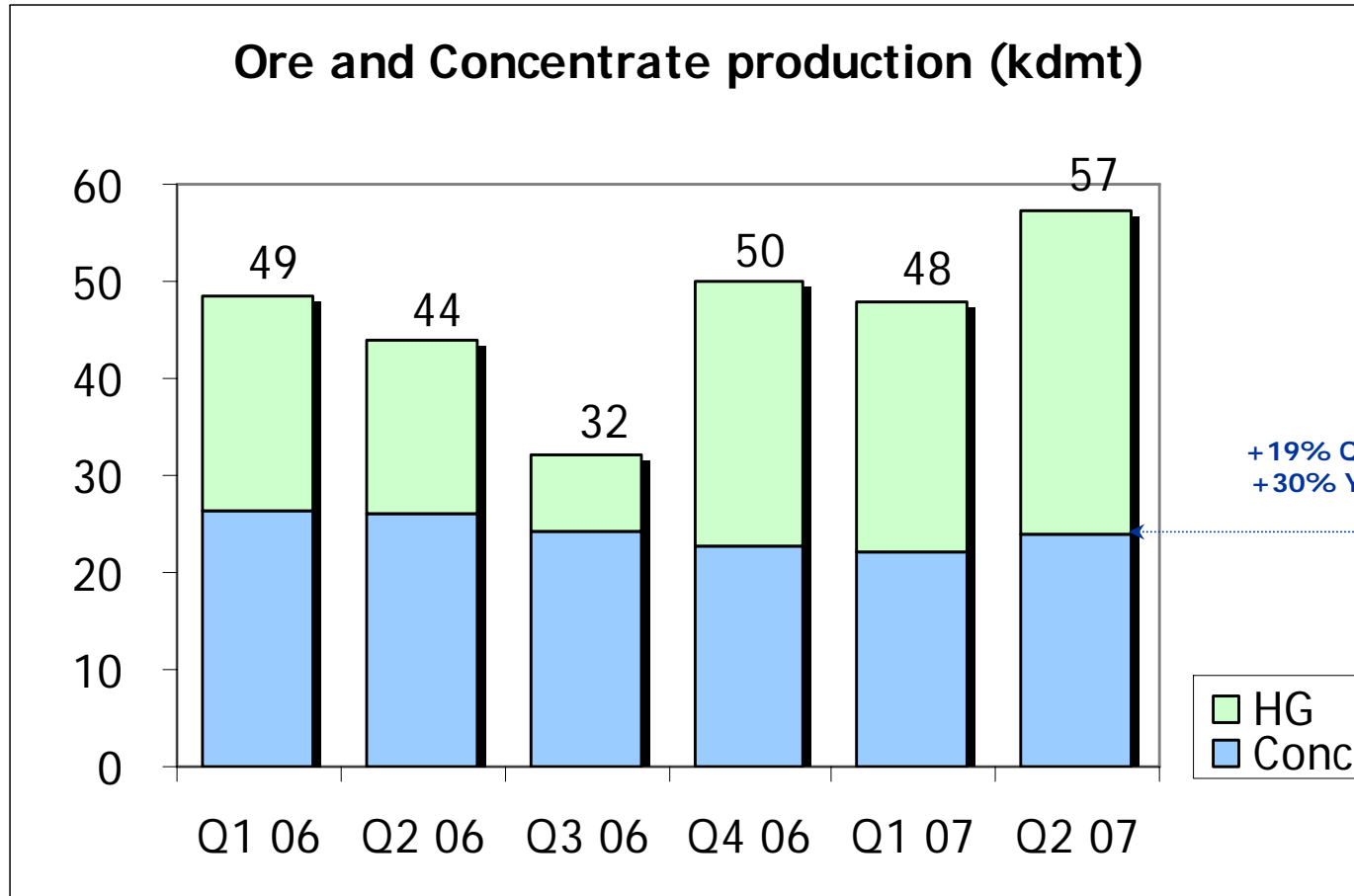
- Domestic consumption dropped by 11% YoY

Sales Volumes by Quarter

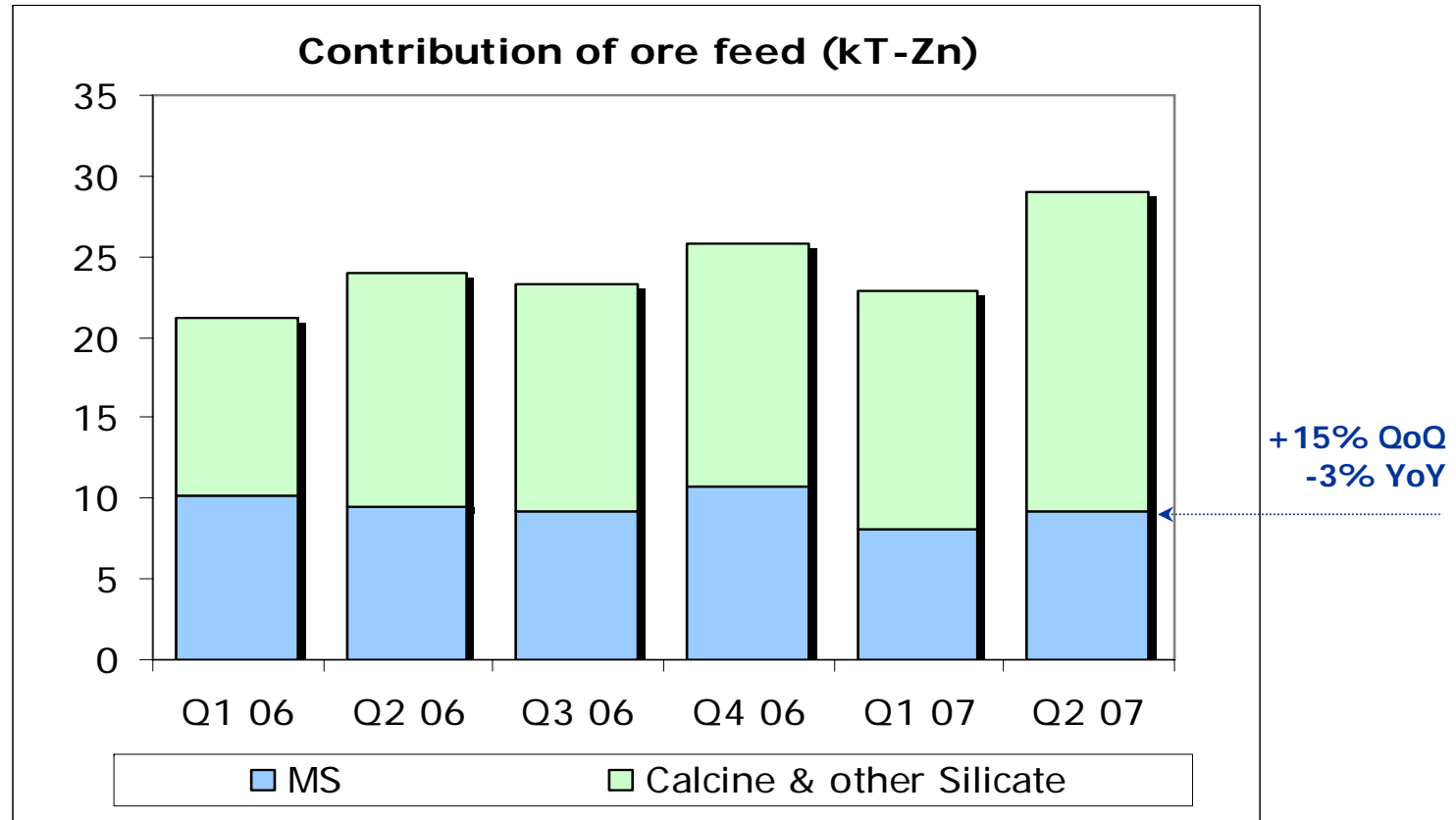


- Total sales slightly increased, thanks to exports

MS Ore production (dmt)

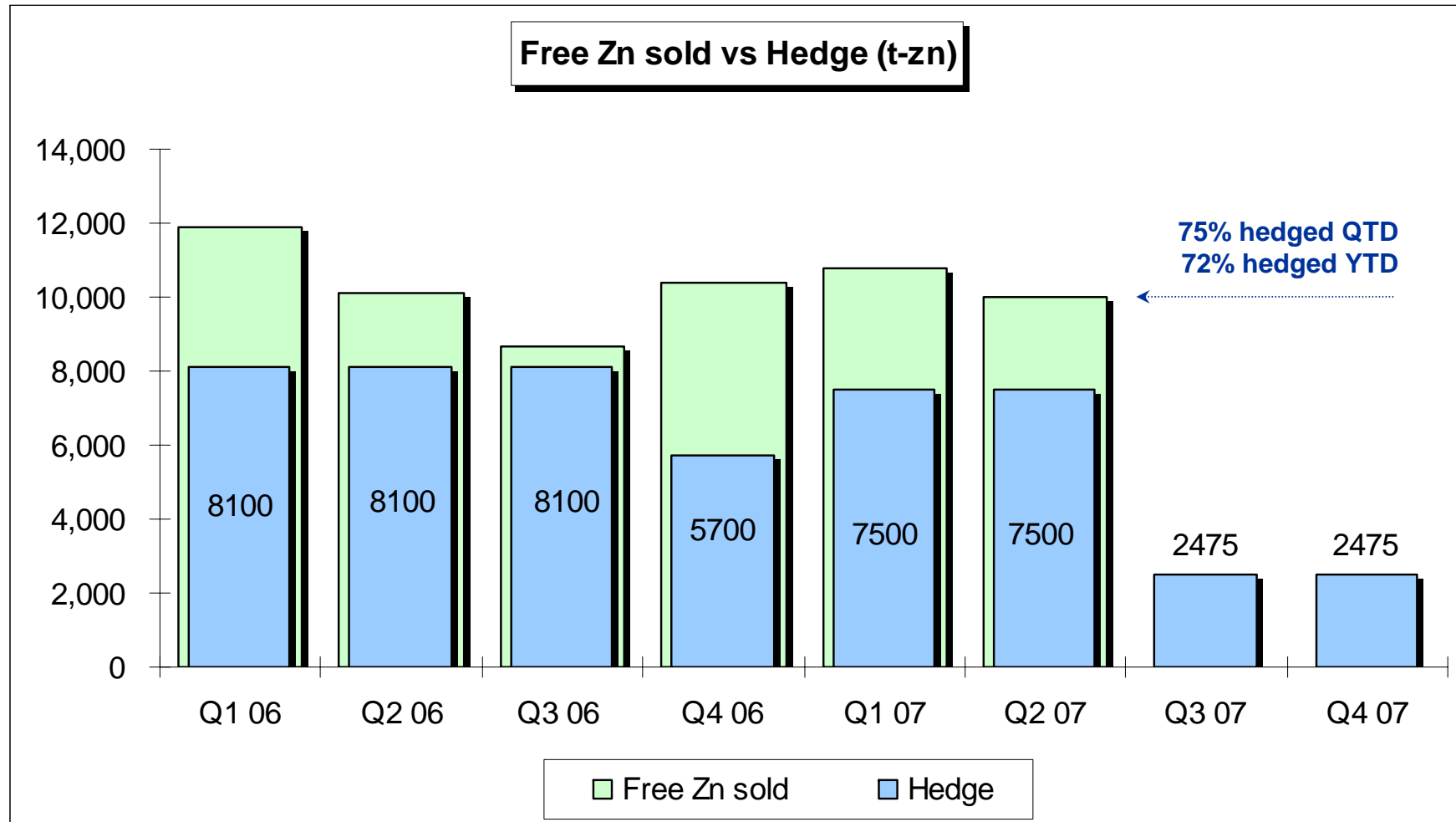


Contribution of Mae Sod in the feed of the smelter



%MS Share	Q1 06	Q2 06	Q3 06	Q4 06	Q1 07	Q2 07
	48%	40%	39%	42%	35%	32%

Comparison of Hedge with Free Zn sold



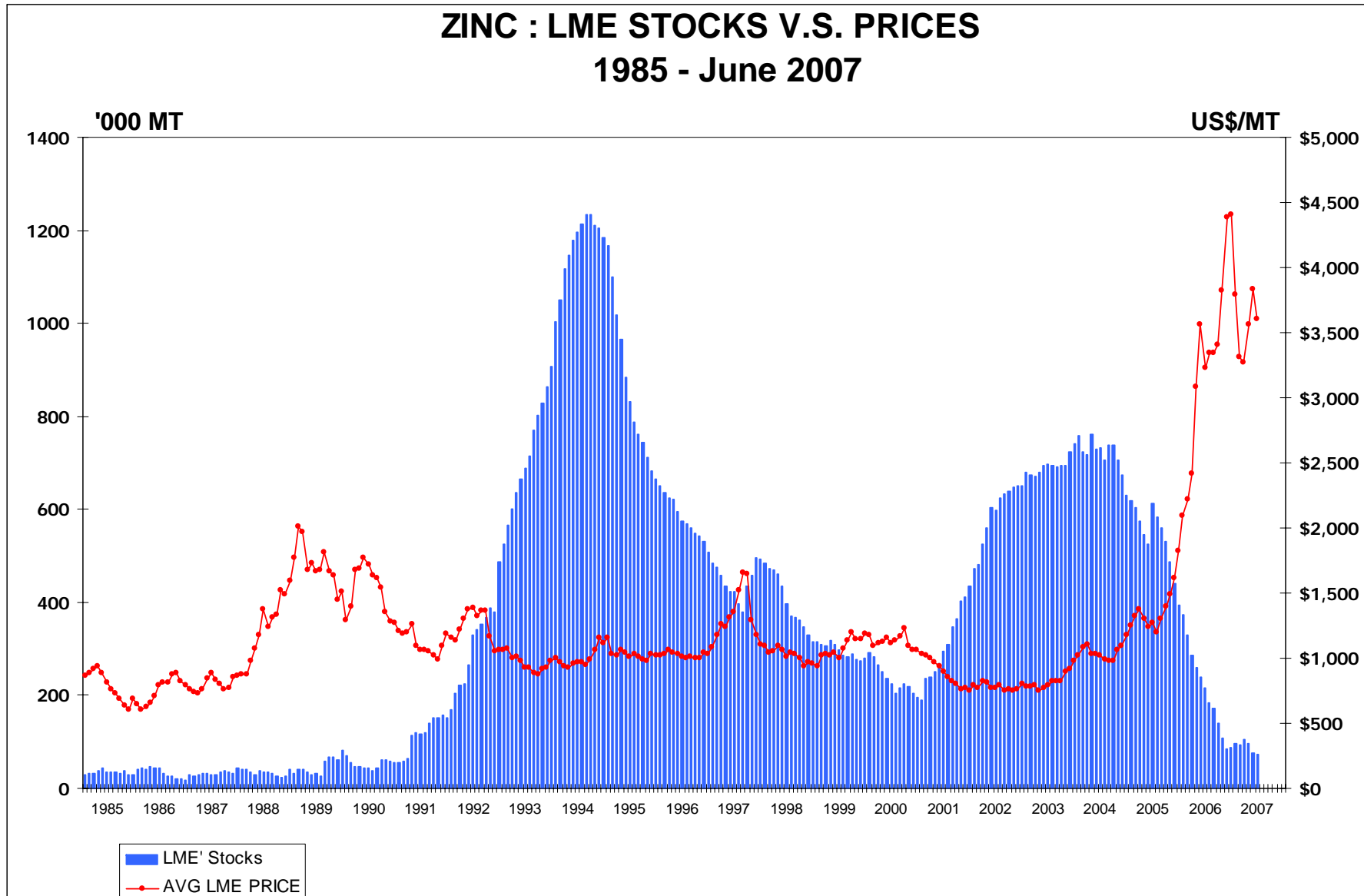
•The average price of zinc hedged for Q3 and Q4 is at THB/T 67,064 and 67,373 respectively

Outlook

Forward-looking statement

This presentation may contain forward-looking information that involves risks and uncertainties, including statements about Padaeng’s plans, objectives, expectations and intentions. Readers are cautioned that forward-looking statements include known and unknown risks and are subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of Padaeng. Should one or more of these risks, uncertainties or contingencies materialize, or should any underlying assumptions prove incorrect, actual results could vary materially from those anticipated, expected, estimated or projected. As a result, neither Padaeng nor any other person assumes any responsibility for the accuracy of these forward-looking statements.

LME Stocks VS Zinc Prices



World Zinc Demand and Supply (2003-2007F)

Year	2003	2004	2005	2006	% yoy	2007 Forecast	% yoy
Mine Production	9,520	9,733	10,127	10,350	+2.2	11,350	+9.7
	(-359)	(-620)	(-102)	(-323)		(-50)	
Metal Production	9,879	10,353	10,229	10,673	+4.3	11,400	+6.8
	(+38)	(-313)	(-385)	(-370)		(-50)	
Metal Consumption	9,841	10,666	10,614	11,043	+4.0	11,450	+3.7

Unit : '000 MT Zn

Source : International Lead and Zinc Study Group (ILZSG) as of May 2007

Company Outlook for Q3-07

Activities

- Local sales : no improvement expected due to rainy season and economic situation
- Maintenance shutdown flotation in July
- Low mining activity during rainy season
- Impact of hedges much reduced (7,500 MT/Q to 2,475 MT/Q)

Mining lease renewal

- EIA approved by NEB. Renewal in progress
- Concentrates foreseen as backup in case of delay.

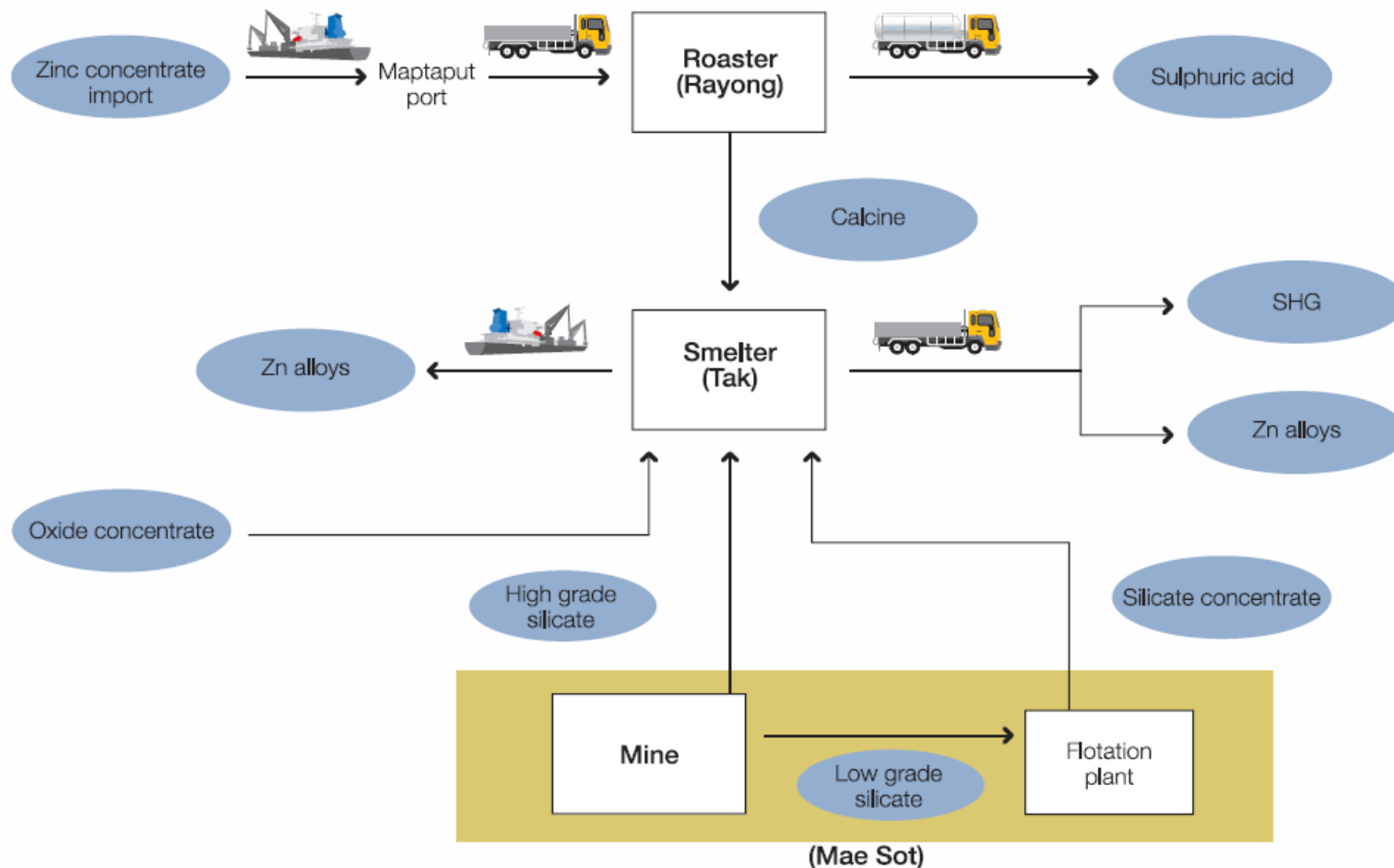
Questions and answers

Annexes

Operations Flow chart



Operations
Flow chart



Cash flow statement

Consolidated of H1

(In million Baht)

	2005	2006*	2007
Cash flow from operation	583	1,200	789
Change in working capital	<u>(33)</u>	<u>(446)</u>	<u>788</u>
Net cash provided by operating activities	550	754	1,577
Net cash flow from investing activities	(140)	(146)	(184)
Net cash flow from financing activities (after Dividend)	(42)	655	(1,300)
Net cash flow (increase in the year)	368	1,263	93

() 2006 Restatement*

Balance sheet

Consolidated <i>(In million Baht)</i>	2005	2006	2007
Current assets	2,611	5,310	4,672
Non current assets	2,560	2,431	2,426
Total assets	5,172	7,741	7,098
Current liabilities	1,469	2,538	2,551
Non current liabilities	186	182	105
Shareholder's equity	3,517	5,021	4,442
Total liabilities & equity	5,172	7,741	7,098

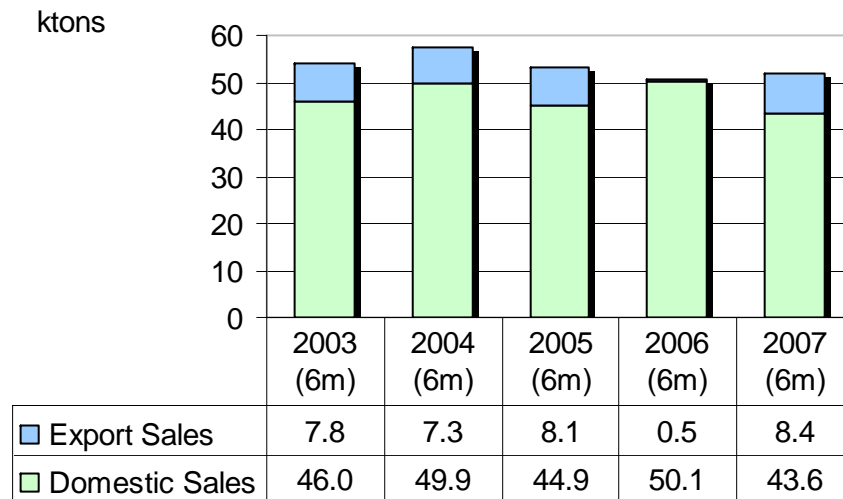
Key indicators

<i>Consolidated</i>		YTD Jun06	YTD Jun07
Ending Capital Employed	MB	3,928	4,178
Return on Capital Employed (*)	%	54.5	26.5
Return on Assets (*)	%	32.3	16.3
Return on Equity (*)	%	51.9	25.5
Debt to Equity Ratio	%	73	60
Book Value Per Share	Baht	18.93	19.65

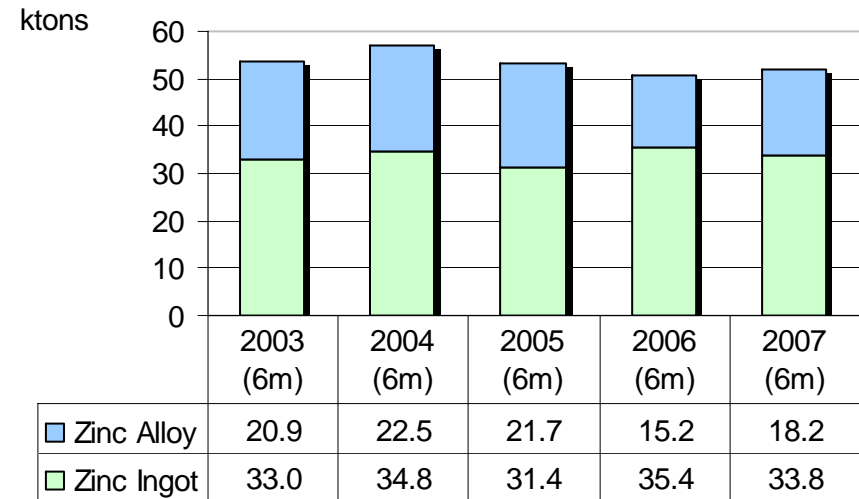
(*) Annualized

Zinc Sales Volumes

Sales by markets



Sales by products



- In H1 2007, 40% of Export is SHG