
Padaeng Industry PCL

2Q08 Results

21 August 2008

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AGENDA

Results

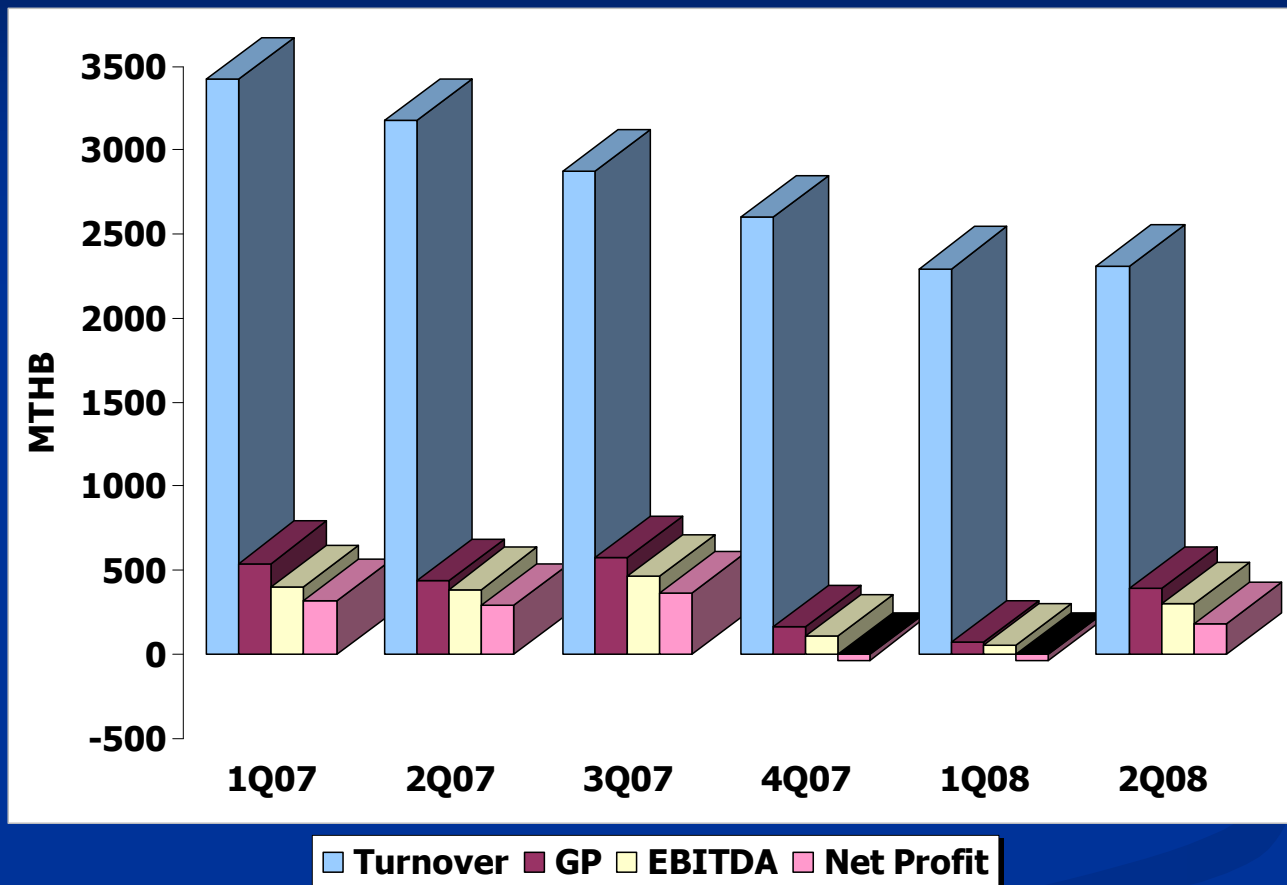
Highlights

Outlook

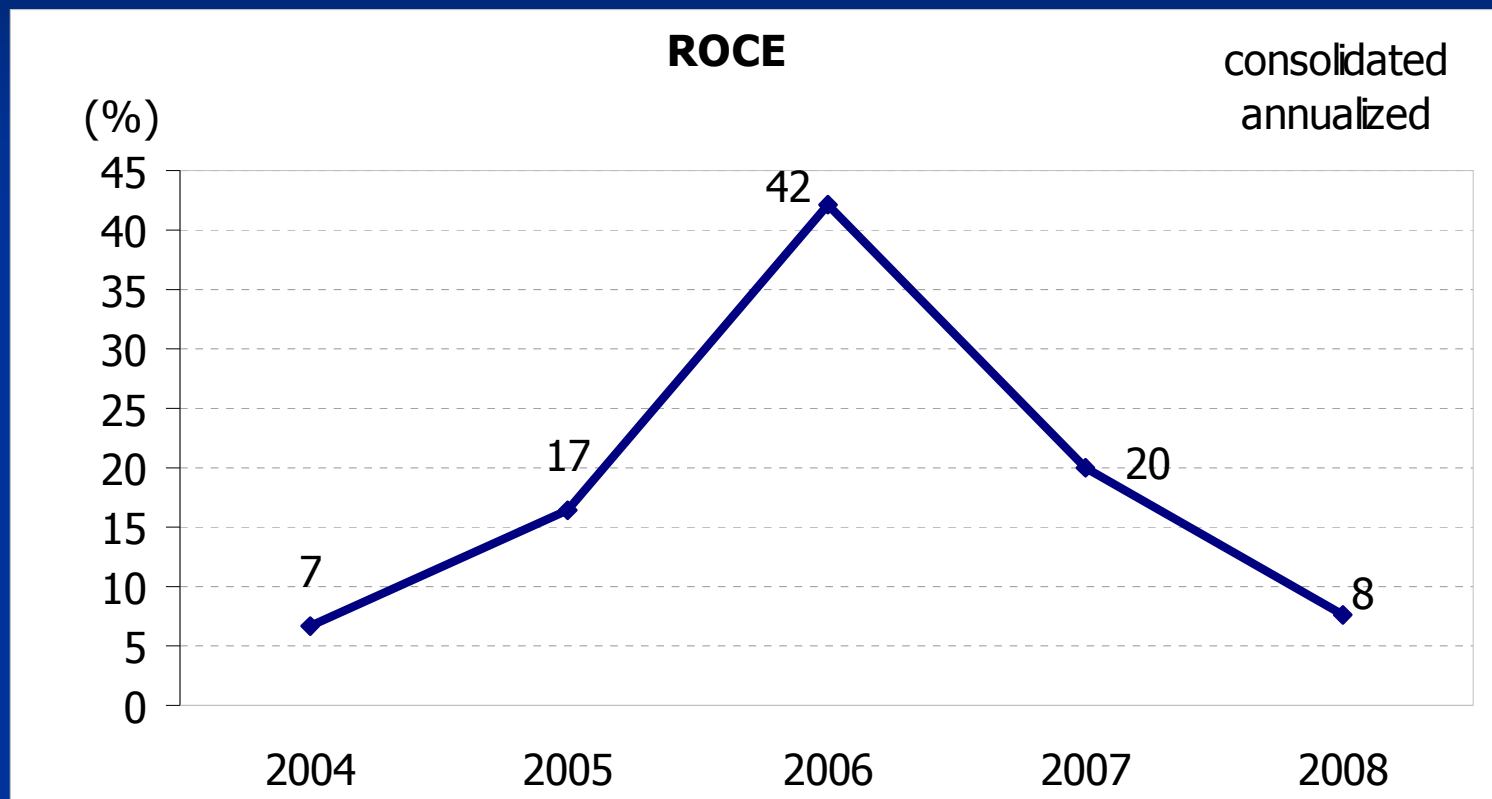


2Q08 Results

Financial results



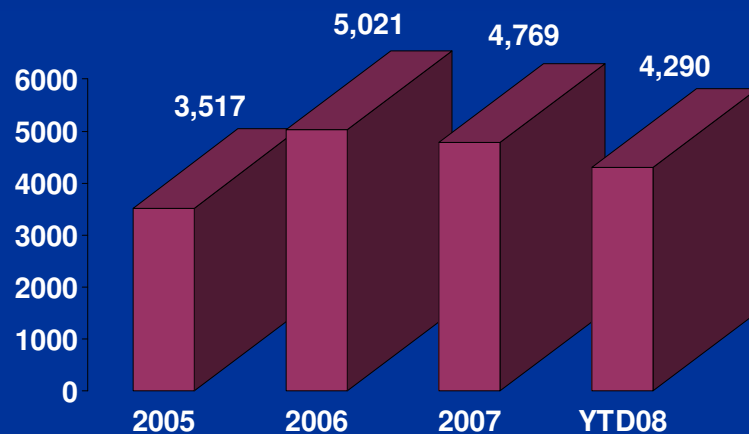
Financial Results



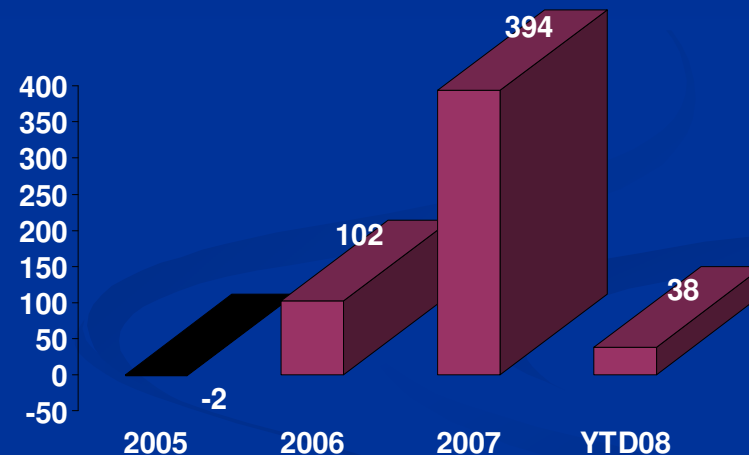
Balance Sheet

*Consolidated
(in million Baht)*

Shareholders' Equity



Net Cash Position



Dividend payment of 2.74 THB/share on 20 May 2008

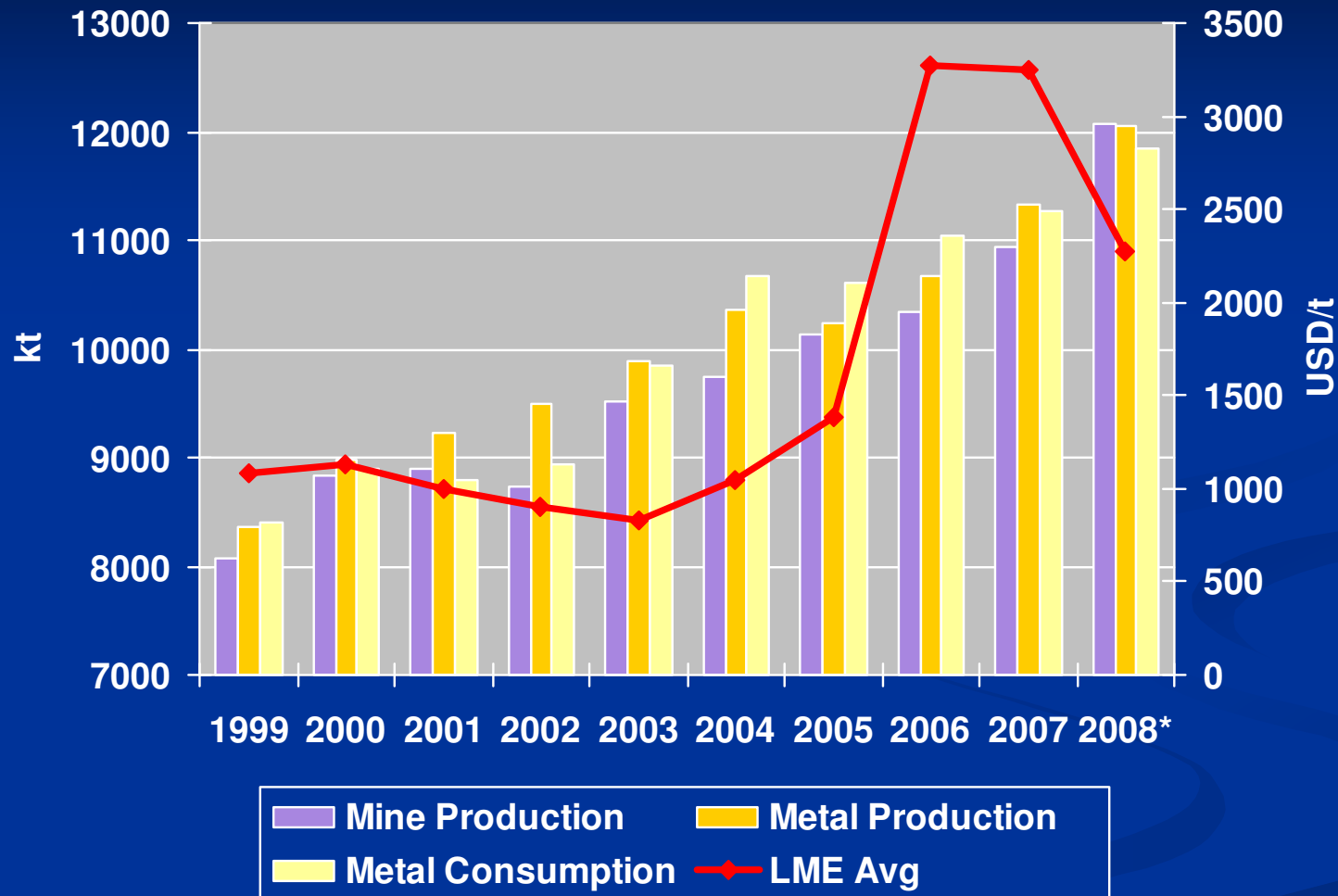


2Q08 Highlights

Environment 2Q08

- Since October 2007, the International Lead and Zinc Study Group (ILZSG) did forecast a deficit of the zinc consumption on the production of about 145kt for 2008.
- To date this year, the steady increase of 10kt/month of the LME stocks have confirmed this trend. ILZSG estimates surplus 1H08 at 72kt.
- The totals stocks (LME & inventories) are estimated at less than 5 weeks of consumption, at its lowest point in 20 years.

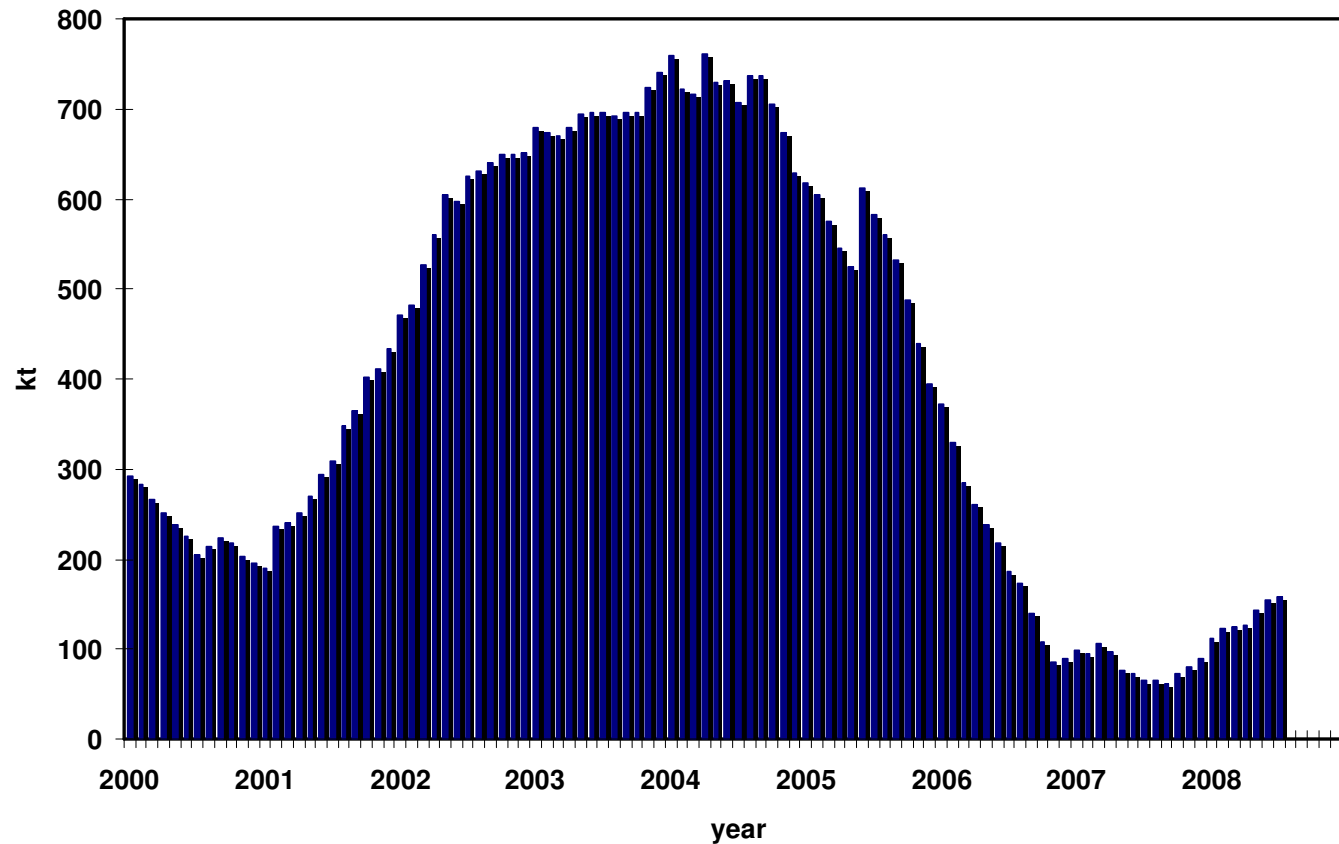
World Zinc Demand and Supply



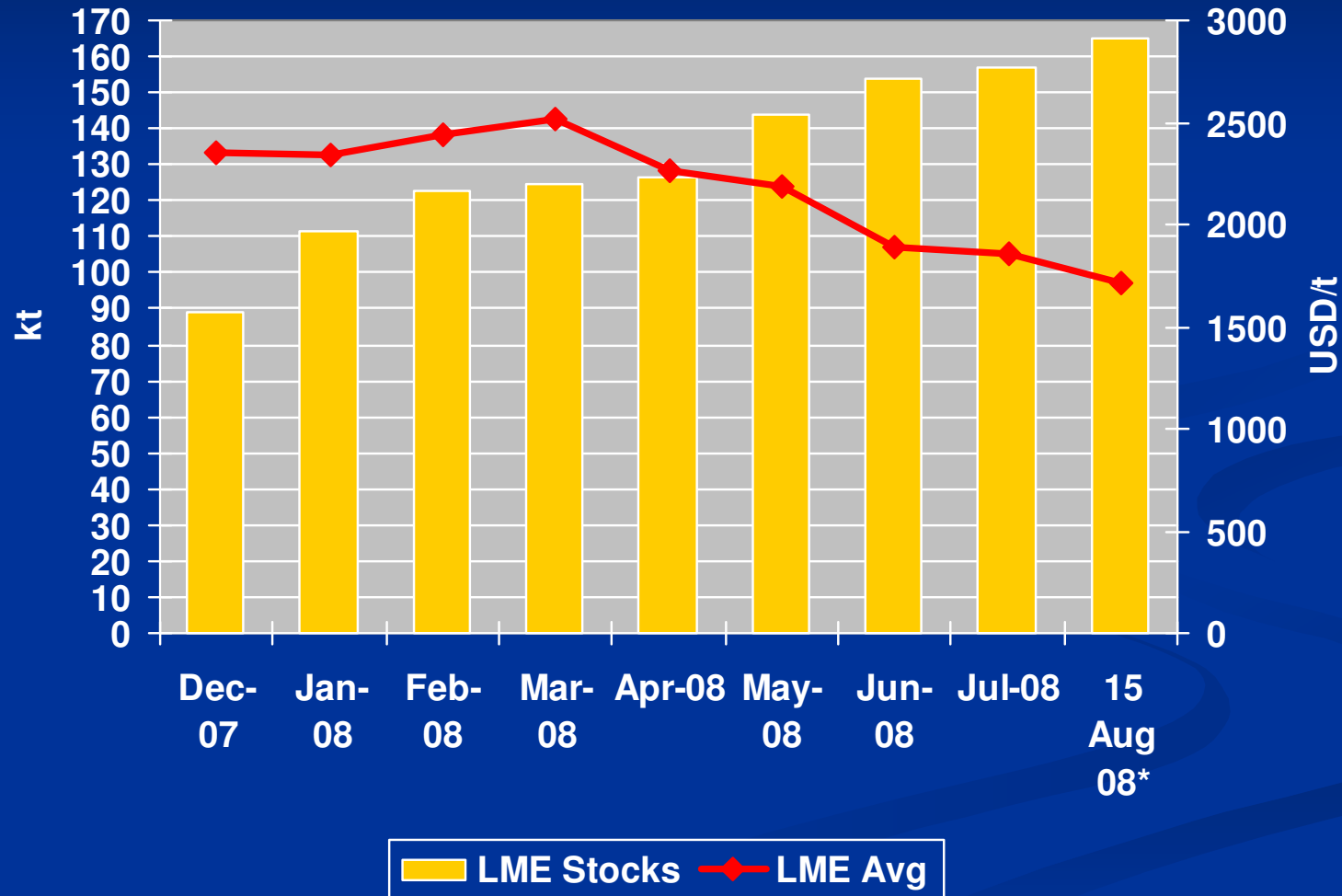
Source : International Lead and Zinc Study Group (ILZSG) Forecast of April 2008

LME Stocks

Zinc LME Stocks 2000- YTD



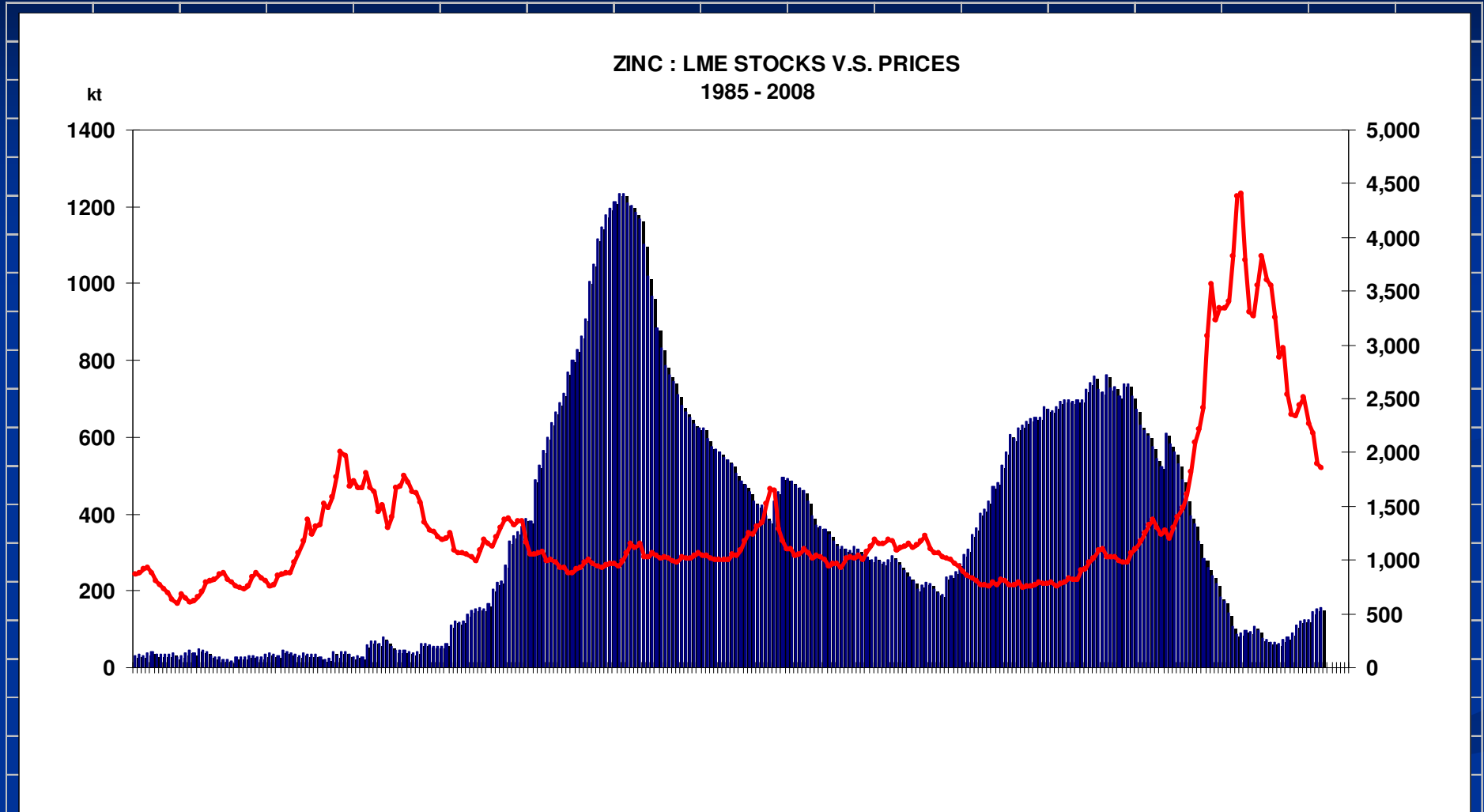
2008 LME Stocks



Environment 2Q08

- Obviously, this situation has affected the zinc price worldwide.
- It has, however, affected its price more than its activity as the zinc consumption has increased (competition between stainless steel and galvanized steel mainly).

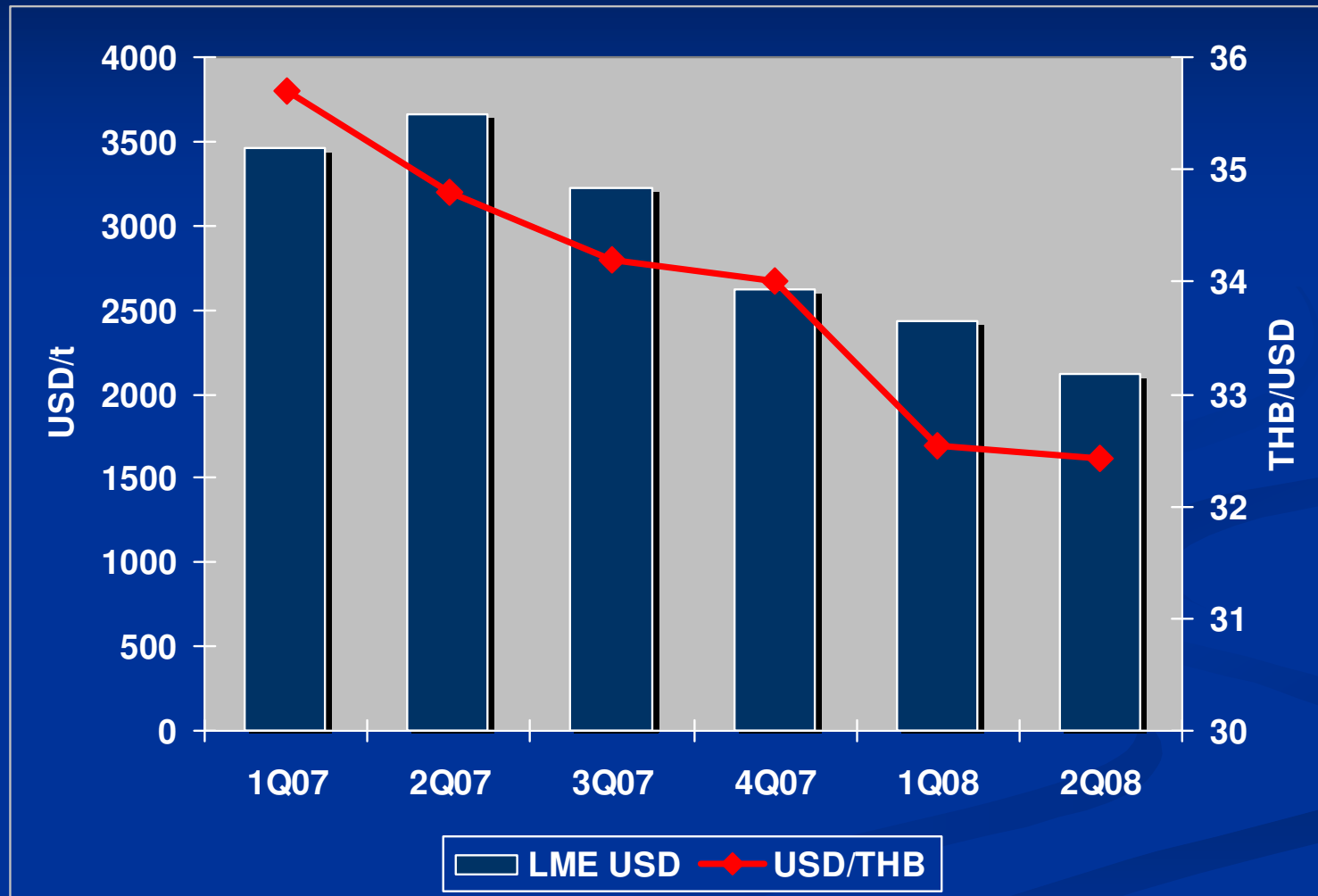
LME Stocks & Zinc Price



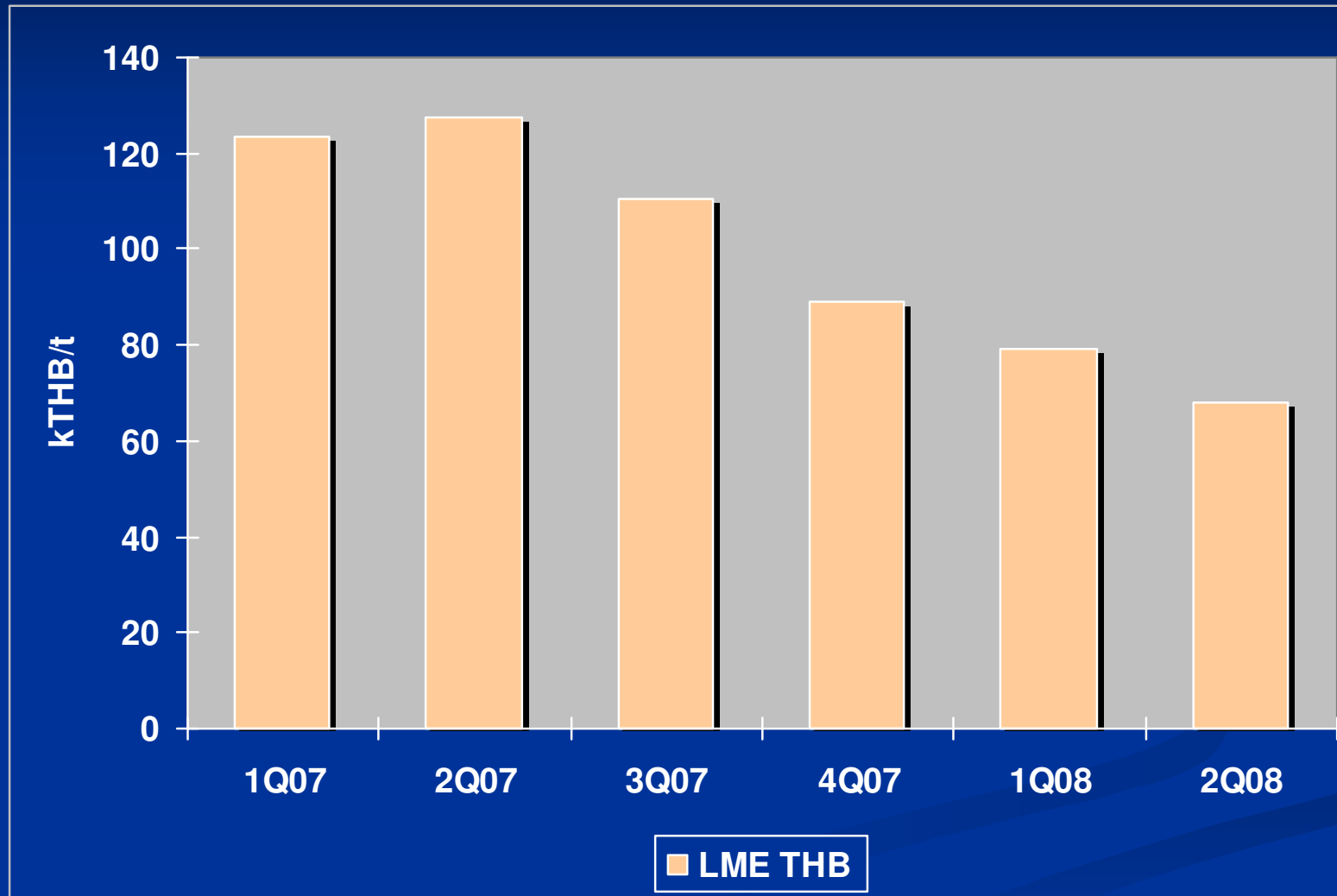
Environment 2Q08

- After a slowdown during 1Q08, Zinc price has resumed its decrease at a pace of around 4-5% per month totalling 42% during the past year.
- After the brutal loss in 1Q08, the USD has resumed its degradation of about 0.5% per month, totalling 7% in a year.
- The combination has led to a further 10% degradation of the Zinc price in THB, totalling 47% in one year.

LME and USD changes



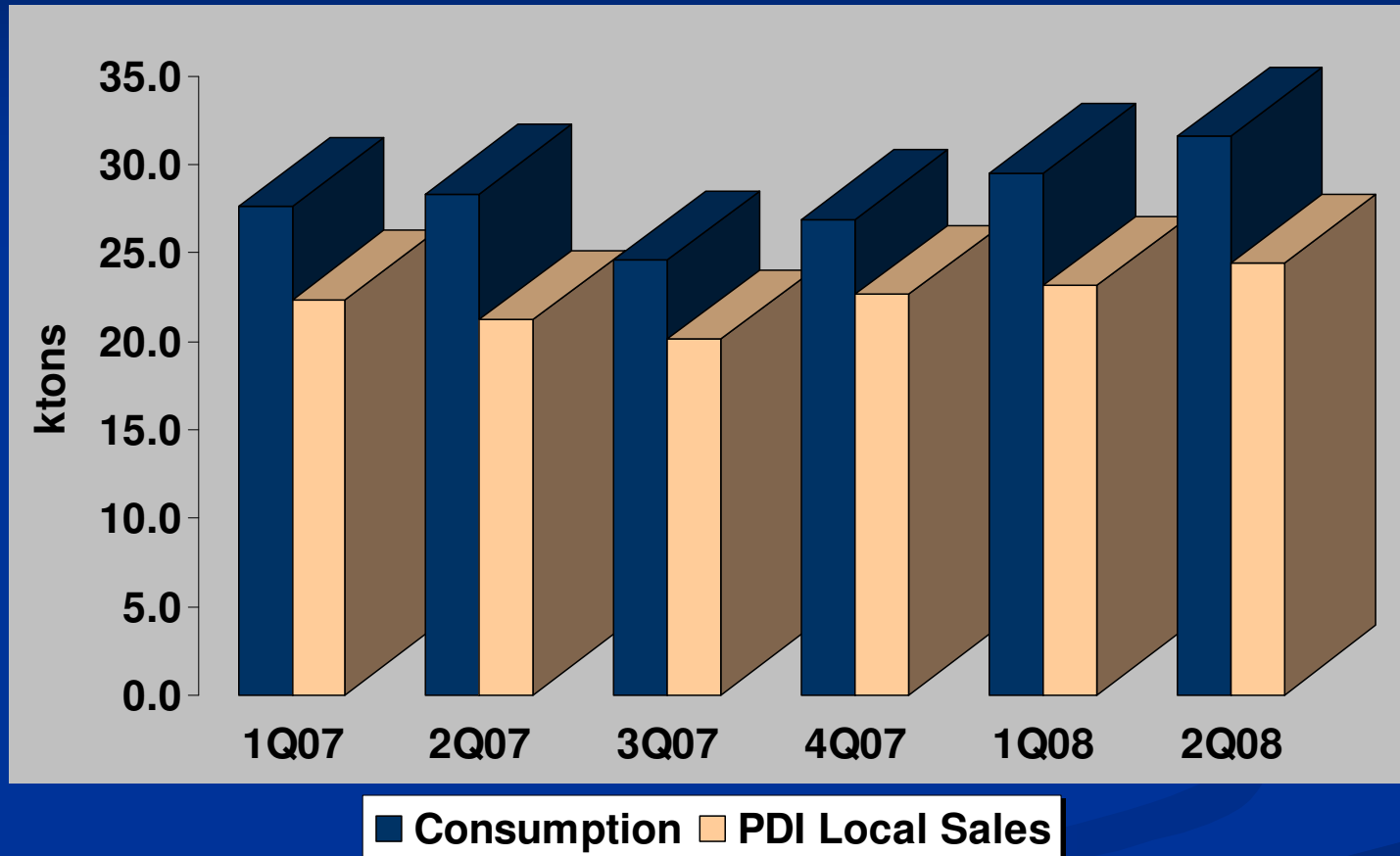
Zinc price in THB



Environment 2Q08

- Deterioration of the local economy
- But, continued improvement of the local zinc demand (+7% vs. 1Q08, +11% vs. 2Q07)

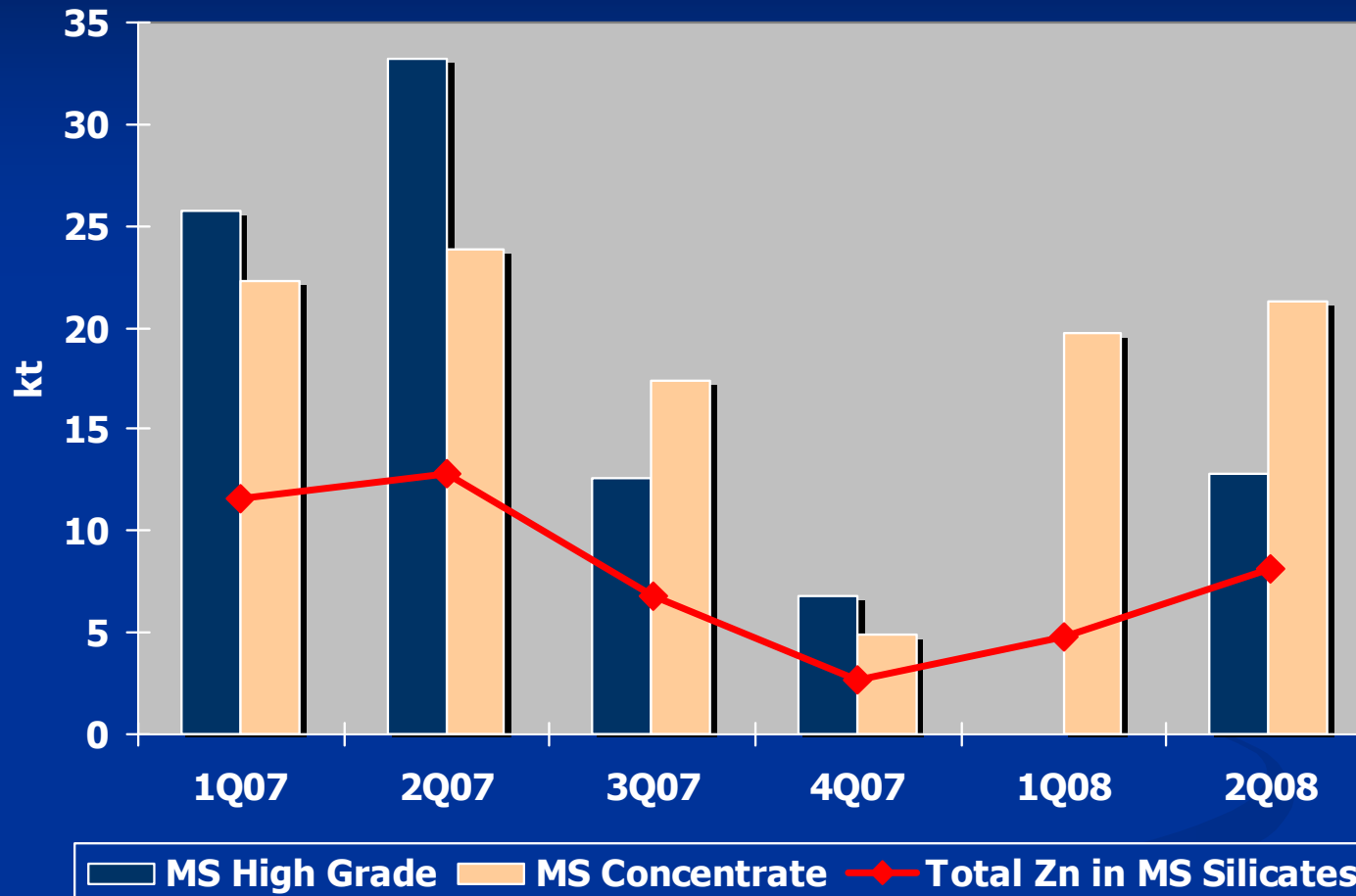
Zinc Local Sales & Consumption



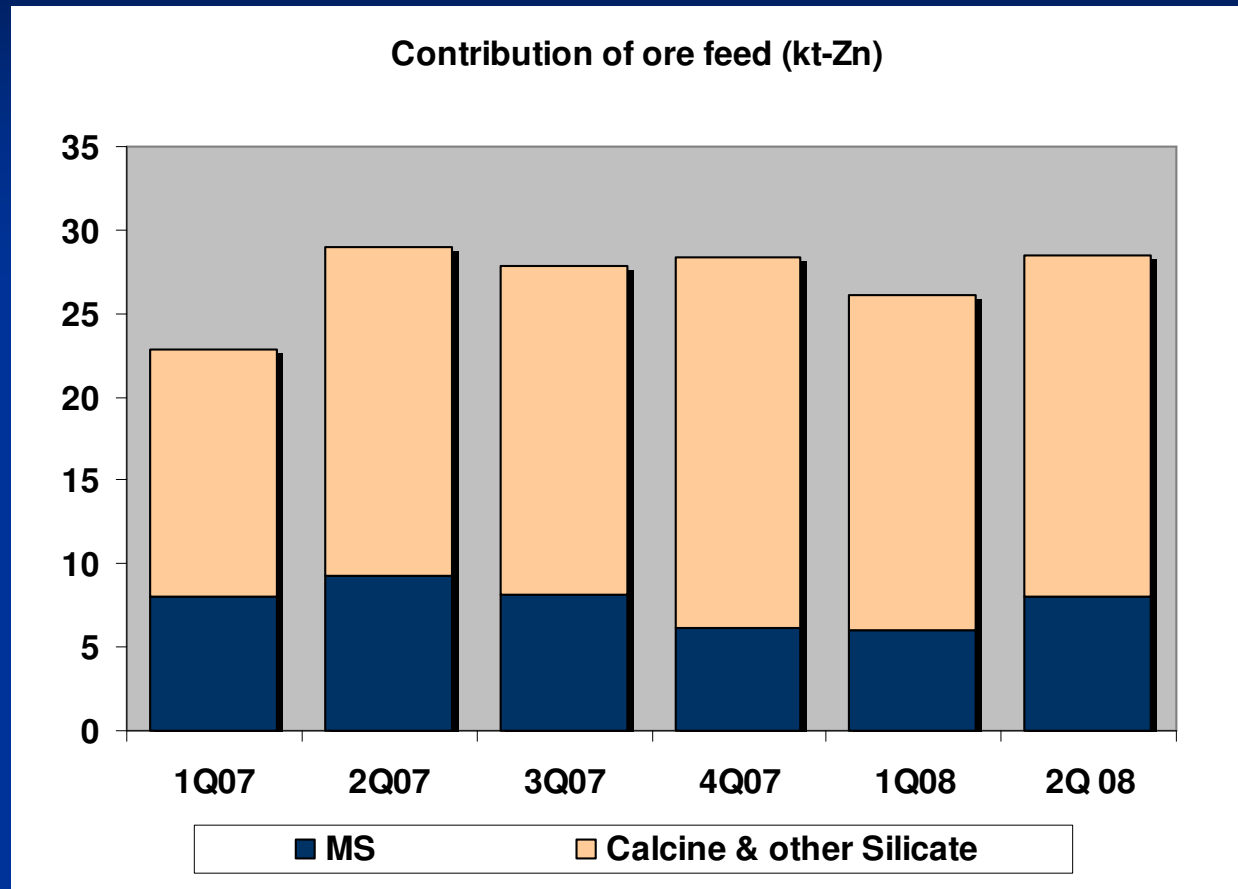
Highlights 2Q08

- Return to profitability **(+177 MB)** after loss in 1Q08 **(-37 MB)** and in 4Q07 **(-35 MB)**.
- Authorization to restart mining operations was received on 28 April 2008. Mining operations resumed in May.
- Use of Mine concentrates up 34% vs. 1Q08

Mine Silicates Production



Mine Contribution to the smelter



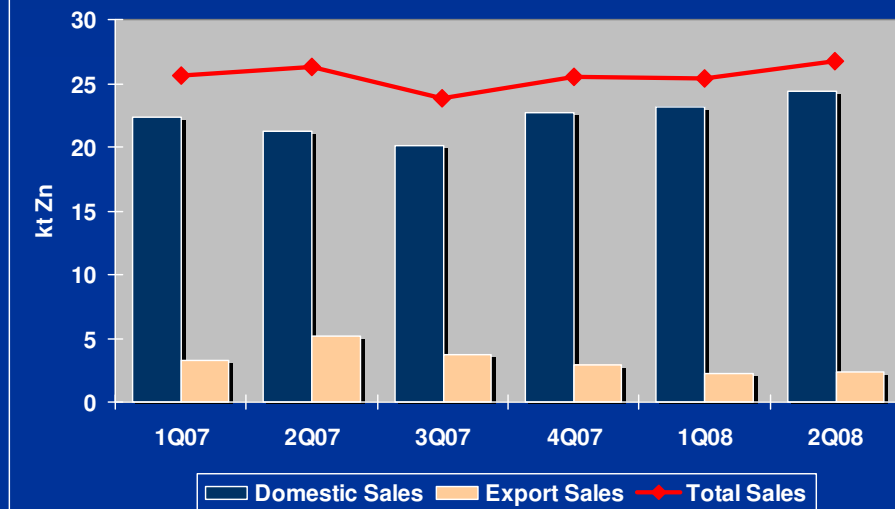
%MS Share	35%	32%	29%	22%	23%	28%
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Highlights 2Q08

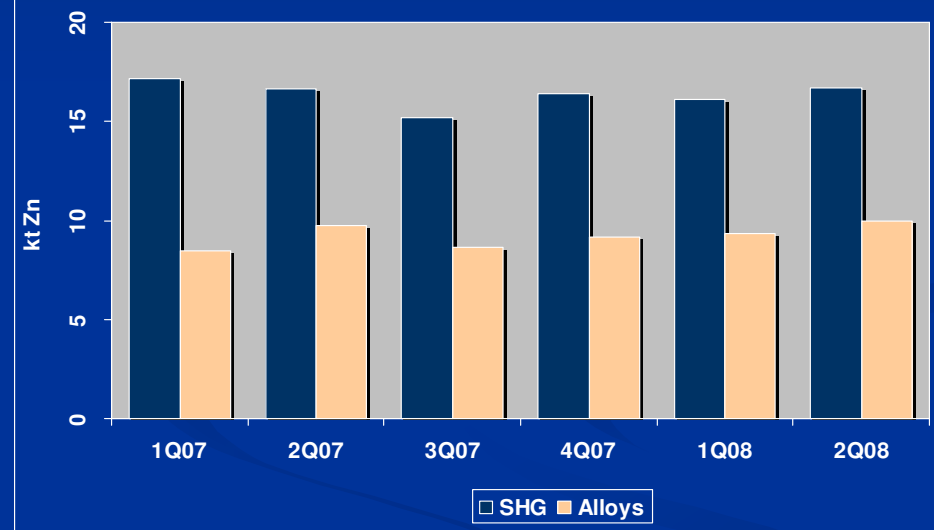
- The smelter ran at capacity during 2Q08
- Leading to an increase in total sales (+5% vs. 1Q08)
- Lower turnover (-5% vs. 1Q08) as a consequence of the zinc price.

Zinc Sales

Sales by Markets



Sales by products





Outlook

Outlook

- For the short term, foreseen zinc surpluses on the mining and smelting side should keep some pressure on prices.
- For the company, it has to be compounded with the USD/THB evolution.
- For the longer term, looming concentrates shortage will make the current mining strategy of the company necessary.



Q&A



Thank you

**Please send your report to
woratipr@padaeng.co.th**



Annexes

Key indicators

<i>Consolidated</i>		1Q07	2Q07	3Q07	4Q07	1Q08	2Q08
Ending Capital Employed	MB	4,743	4,178	4,579	4,375	3,844	4,252
Return on Capital Employed (**)	%	20.0	26.5	27.2	20.1	(4.0)	7.7
Return on Assets (**)	%	13.8	16.3	18.6	13.8	(2.5)	4.6
Return on Equity (**)	%	19.2	25.5	26.2	19.0	(2.1)	4.1
Debt to Equity Ratio	%	39	60	27	21	28	51
Book Value Per Share	Baht	23.60	19.65	21.26	21.10	20.73	18.77
Earning per share	Baht	1.39	1.28	1.60	4.12	(0.16)	0.78
Dividend per share	Baht	-	-	-	2.74	-	-

(**) Annualized

YTD Cash flow statement



PADAENG INDUSTRY
PUBLIC COMPANY LIMITED

Consolidated <i>In million Baht</i>	FY2006	FY2007	YTD JUN08
Cash flow from operation	2,128	1,356	441
Change in working capital	<u>(1,527)</u>	<u>812</u>	<u>442</u>
Net cash provided by operating activities	601	2,168	883
Net cash flow from investing activities	(237)	(579)	(447)
Dividend payment	(247)	(1,169)	(616)
Net cash flow from other financing activities	<u>37</u>	<u>(654)</u>	<u>828</u>
Net cash increase (decrease) in the year	<u>154</u>	<u>(234)</u>	<u>648</u>

Balance sheet

Consolidated (In million Baht)	Y2006	Y2007	YTD08
Current assets	5,310	3,141	3,547
Non current assets	2,431	2,618	2,925
Total assets	7,741	5,759	6,472
Current liabilities	2,618	880	2,002
Non current liabilities	102	110	180
Shareholder's equity	5,021	4,769	4,290
Total liabilities & equity	7,741	5,759	6,472

Income Statement

<i>Consolidated</i>		1Q07	2Q07	3Q07	4Q07	1Q08	2Q08
Revenues from sales & services	MB	3,424	3,176	2,874	2,599	2,294	2,311
Gross profit	MB	541	437	570	159	71	391
EBITDA	MB	402	385	465	104	52	300
EBIT	MB	313	289	365	-35	-42	207
Net profit	MB	314	290	362	-35	-37	177