



MILL 010/2015

May 15, 2015

Subject : Management's Discussion and Analysis for the operating results of the year 2014 (Addition)

Attention : President

The Stock Exchange of Thailand

Millcon Public Company Limited ("the Company") would like to discuss the consolidated three months (first quarter) financial statement ending on 31 June 2015 of Millcon Public Company Limited and subsidiary company, which has been audited by a certified public accountant and has been approved by board of directors. The details are as follows:

1. Analysis of profit and loss statement for 3 months as of 31 March 2015 compare with 31 March 2014

Transaction	Quarter 1/2015	Quarter 1/2014	Diff. y-o-y	%	Quarter 4/2014	Diff. q-o-q	%
Income from sales and services	2,760	3,143	(383)	(12.18)	1,692	1,068	63.12
Total Income	2,945	3,174	(230)	(7.24)	1,742	1,203	69.06
Cost of sales and services	2,547	2,937	(390)	(13.29)	1,798	749	41.66
Gross Profit	213	206	7	3.65	(106)	319	300.94
Net Profit (Loss)	130	(48)	178	370.66	(746)	876	117.42
EBITDA	344	174	170	98.11	(323)	667	206.50

The Company had income from sales and services in the amount of 2,760 million baht, which is a 12.18% contraction from the same period of the previous year. This is due to steel prices reduction in responds to the economy slow down and steel prices for sales were declined by market mechanism. However, the Company's sale quantity for steel bar products has increased by 63.12% compare to fourth quarter of year 2014 and the steel bar product price also has increased. Other income in the amount of 184 million baht, an increase of 153 million baht or equivalent to 489% from the same period of the previous year which resulted from profit of exchange rate and selling of assets. [This asset, structural steel production machine that is no longer operational, was sold under a selling and buying agreement with an unrelated company. The Company has fully received the payment for the](#)

machinery in respect with the value of the agreement with the total amount of Baht 216 million. The value of the asset does not meet the Acquisition/Disposal regulation for disclosure.

For cost of sales and services in the amount of 2,547 million baht, decreased by 390 million baht or 13.39 % compare to first quarter of year 2014 and increased by 41.66% when compared to forth quarter of year 2014, which increase less than income from sales and services. This was resulted from purchasing raw material to meet the demand and better management. While finance cost reduced by 15 million baht which has been case the Company has liquidate of finance institutes under agreement. As a result of liabilities reduce in current period. Selling and administrative expense is in the amount of 95 million baht, reduced by 6.59% when compared to the same period of previous year be equal to 6.59%, resulting from control of management expense and management of the Company is better.

The Company has net profit in the amount of 130 million baht, increased by 379.79% from the same period of the previous year and compare with quarter 4/2014 increased by 117.42%. In addition, operating profit in the amount of 344 million increased by 98.11% from same period of the previous year and increase from previous quarter by 206.50%.As a result of EBITDA Margin be equal to 11.69%.

2. Analysis the financial statement as of 31 March 2015 compare with as of 31 December 2014

Transaction	Quarter 1/2015	Year 2014	Diff.	%
Total Assets	17,400	16,486	914	5.54
Total Liabilities	12,789	11,990	798	7.53
Total shareholder's equity	4,611	4,496	115	0.25

Total assets of the Company increased by 914 million baht compared to year 2014. The Company has current assets in the amount of 9,498 million baht, which has been an increase of 852 million baht or equal to 9.86% case from cash and cash equivalents, account receivable and inventories. This increase was resulted from the Company expansion in customer's base, following quantity of selling. While non-current assets in the amount of 7,902 million baht, increased by 61 million baht or be equal to 0.78

Total liabilities and shareholder's equity, total liabilities of the company have increased by 798 million or 6.66% baht increased in short-term loans by 308 million baht and increased in account payable by 664 million baht because purchasing raw material for production from customer's order. And Total shareholder's equity have increased by 115 million baht compare with previous year which has been case from accumulated losses decreased while the creditors from acquisition non-current assets were decreased.

Kindly be informed accordingly

Yours sincerely,

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(Mrs. Duangkamol Sukmuang)
Director