



บริษัท มิลล์คอน สตีล จำกัด (มหาชน)

MILLCON STEEL PUBLIC COMPANY LIMITED

MILL 005/2016

February 29, 2016

Subject: Management's Discussion and Analysis for the operating results of the year 2015

Attention: President

The Stock Exchange of Thailand

Millcon Steel Public Company Limited would like to inform you the operating results of the Company and subsidiaries (collectively called the "the Company") for the year 2015 as follows ;

Performance	Year 2015	Year 2014	% YoY
Total Revenues	13,660	10,489	30%
Gross Profit	782	416	88%
SG&A	(622)	(420)	48%
Financial Cost	(629)	(742)	(15)%
Net Profit	756	(1,003)	185%
EBITDA	1,699	(50)	3,491%

Revenues

Revenue from sales and services

In 2015, the Company had revenue from sales and services in the amount of 12,331 million baht, increased 1,962 million baht or 19% cause from the Company had sale volume in the amount 809,569 tons, increased from previous year 58%. This is due to the Company's sale volume has increased from Government projects and private projects support.

Products	2015 Tons	2014 Tons	+/-	%
Steel Bar	541,583	405,908	135,676	33%
Structural Steel	32,928	27,942	4,986	18%
Billet	131,247	71,938	59,310	82%
Trading and Other	103,810	5,671	98,139	1731%
Total	809,569	511,458	298,110	58%



Total revenues

In 2015, the Company had total revenues in the amount of 13,660 million baht, increased 3,171 million baht or 30% compared to year 2014 cause from selling of machine in the amount of 154 million baht, selling of land 175 rai in the amount of 938 million baht and profit from business acquisition in the amount of 41 million baht.

Expanses

Cost of sale and services

In 2015, the Company had cost of sales and services in the amount of 11,549 million baht, increased 1,595 million baht compared to year 2014 but costs per revenue from sales and services decreased from 96% to 94% as a result of machine efficiency from maintenance machines and good management on the cost.

SG&A

In 2015, the Company set up 2 subsidiaries as Millcon Steel Pipes Co., Ltd, Saharuam Construction Material Co., Ltd. and acquired of Suntech Metals Co., Ltd and World Wire Processing Co., Ltd. that caused the Company had SG&A in the amount of 622 million baht, increased 202 million baht or 48% which is a little increased from year 2014 when compared per total revenues.

Cost of financial

In 2015, the Company had cost of financial in the amount of 629 million baht, decreased 113 million baht compared to year 2014. Due to the Company has liquidated of financial institutes under agreement. As a result of liabilities reduce in current period.

Profit from operating

Gross Profit

In 2015, the Company had gross profit in the amount of 782 million baht, Gross profit margin is 6.34%, increased by 367 million baht compared with year 2014 or 88% cause from cost management and high sale volume. EBITDA of 2015 is at 1,699 million baht, increased 1,749 million baht or 3,491%

Net Profit

In 2015, the Company turn over from loss in previous year to Profit in the amount of 756 million baht, increased 175 % as a result of operation as detail above.

Financial Statement	Consolidated			
	Y2015	Y2014	+ / -	%
Current Asset	7,844	8,646	(802)	(9)%
Non-Current Asset	11,460	7,841	3,619	46%
Total Asset	19,304	16,487	2,818	17%
Current Liabilities	12,327	11,836	492	4%
Non-Current Liabilities	1,117	155	962	622%



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Total Liabilities	13,444	11,990	1,454	12%
Total shareholder's equity	5,860	4,496	1,364	30%

As of December 31, 2015, the Company had the total asset 19,304 million baht, increased by 2,817 million baht or 17% compared to year 2014 cause from Trade Account and Note receivable increased, resulting from the customer base expansion and increased in the land, building and equipment.

Total liabilities of the Company had increased 1,454 million baht or 12% compare to the previous year. Due to working capital increased allied with steel demand and long term loan from improvement in the subsidiary company's machine.

The total shareholder's equity is at 5,860 million baht, increased 30% as a result from performance of the Company and allocate newly-issue ordinary shares to Bangkok Bank Plc. in the amount of 420 million baht.

Please be inform accordingly,

Yours sincerely,

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(Ms. Jureerat Lapanavanich)

Director