

November 14, 2016

The President

The Stock Exchange of Thailand

Dear Sir/Madam,

Re: Management's Discussion and Analysis on 3Q/2016

3Q/2016 Highlight

- Net profit increased to Baht 77.1 million in 3Q/2016 or increased 57% QoQ
- Sales volume increased to 53,580 tons in 3Q/2016 or increased 14% YoY
- Although drought in the first half 2016, the rains finally started in June and the Company was able to recover the sales for the 9 months period to about the same level as last year resulting net profit to be Baht 166 million increased by 6% YoY.

Overview

The Company generated net profit at Baht 77.1 million in 3Q/2016, increased by 57% YoY from Baht 49.1 million in 3Q/2015 and 23% QoQ from Baht 62.6 million in 2Q/2016. The Occupancy rate of factory area for leasing remained full at 100% with growing demand.

In 3Q/2016, sales revenue was at Baht 793.2 million which decreased slightly by 1% YoY from Baht 802.3 million in 3Q/2015 and by 4% QoQ from Baht 822.5 million in 2Q/2016. While slight decrease in revenue resulting from the overall drop in average price per ton, the company was still able to manage its profit spread (between selling price and raw material price) resulting gross margin improving to 30% in 3Q/2016 from 23% in 3Q/2015 and 25% in 2Q/2016 and the net profit margin improving to 10% in 3Q/2016, increased from 6% in 3Q/2015 and 8% in 2Q/2016.

Table 1: Performance Summary

<i>in Million Baht</i>	3Q/15	2Q/16	3Q/16	% YoY	% QoQ	9M/15	9M/16	% YoY
Sales Revenue	802.3	822.5	793.2	-1%	-4%	2,353.7	2,223.8	-6%
Gross Profit	185.7	207.3	236.9	28%	14%	553.6	597.2	8%
Gross Margin (%)	23%	25%	30%			24%	27%	
EBITDA	75.4	89.5	105.6	40%	18%	237.5	246.2	4%
EBITDA Margin (%)	9%	11%	13%			10%	11%	
Net Profit	49.1	62.6	77.1	57%	23%	157.4	166.1	6%
Net Profit Margin (%)	6%	8%	10%			7%	7%	
Basic earnings per share (in Baht)	0.48	0.62	0.76	58%	23%	1.61	1.64	2%

Fertilizer and Factory Area Leasing Business

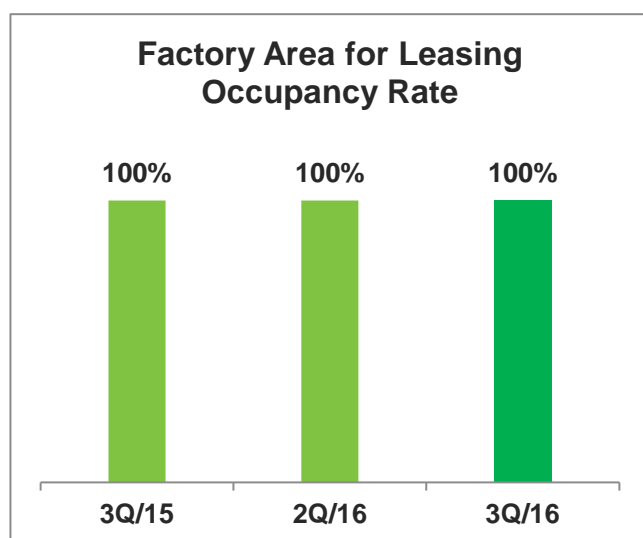
Sales volume in 3Q/2016 was 53,580 tons, grew 14% YoY from 47,112 tons in 3Q/2015 but decreased 3% QoQ from 55,107 tons in 2Q/2016. Domestic sales volume in 3Q/2016 was at 27,450 tons, grew 3% YoY from 26,620 tons in 3Q/2015 but decreased 12% QoQ from 31,165 tons in 2Q/2016 since second quarter is normally the peak quarter of domestic market. Export sales volume was at 26,129 tons in 3Q/2016, increased 9% QoQ from 23,942 tons, mainly from increased in export to Africa and increased 28% YoY from 20,492 tons in 3Q/2015 mainly driven by higher export volume to Philippines, and some countries in Africa. Sales volume in 9M/2016 was at 146,514 tons compared to 146,672 tons in 9M/2015. Single fertilizer sales volume was at 2,883 tons in 9M/2016, significantly increased by 327% YoY from 675 tons in 9M/2015 driven by successful N-Protect launched with Solvay in September 2015 while fertilizer NPK slightly decreased 2% from 144,342 tons in 9M/2015 to 141,984 tons in 9M/2016.

Table 2: Sales Volume

Unit: Tons	3Q/15	2Q/16	3Q/16	% YoY	% QoQ	9M/15	9M/16	% YoY
Fertilizer NPK	46,013	53,470	52,167	13%	-2%	144,342	141,984	-2%
Single fertilizer	553	1,004	794	44%	-21%	675	2,883	327%
Pesticide	546	633	618	13%	-2%	1,655	1,647	0%
Total	47,112	55,107	53,580	14%	-3%	146,672	146,514	0%

Table 3: Sales Volume Breakdown

Unit: Tons	3Q/15	2Q/16	3Q/16	% YoY	% QoQ	9M/15	9M/16	% YoY
Domestic	26,620	31,165	27,450	3%	-12%	86,178	81,343	-6%
Export	20,492	23,942	26,129	28%	9%	60,494	65,171	8%
Total	47,112	55,107	53,580	14%	-3%	146,672	146,514	0%



The occupancy rate of factory area for leasing remained fully occupied with 100% occupancy rate supported by good and effective management of factory area for leasing and the growing demand even though the company already expanded more space of factory area for leasing. Revenue from factory area for leasing in 3Q/2016 was at Baht 14.0 million which increased by 3.6% YoY from Baht 13.5 million in 3Q/2015 but decreased by 6.9% QoQ from Baht 15.1 million in 2Q/2016. According to growing demand of factory area for leasing, the Company plans to expand more factory area for leasing in response to current and new customers' demand.

Consolidated Performance

Table 4: Income Statement

<i>in Million Baht</i>	3Q/15	2Q/16	3Q/16	% YoY	% QoQ	9M/15	9M/16	% YoY
Sales Revenue	802.3	822.5	793.2	-1%	-4%	2,353.7	2,223.8	-6%
Raw Material Costs	(616.6)	(615.2)	(556.3)	-10%	-10%	(1,800.1)	(1,626.5)	-10%
Gross Profit	185.7	207.3	236.9	28%	14%	553.6	597.2	8%
Service & Other Income	14.4	15.3	14.2	-1%	-7%	39.1	40.4	4%
Operating Cost	(63.7)	(61.4)	(59.7)	-6%	-3%	(168.3)	(170.7)	1%
Cost of providing services	(2.4)	(5.0)	(4.5)	86%	-10%	(6.5)	(13.6)	108%
SG&A	(58.6)	(66.8)	(81.3)	39%	22%	(180.2)	(207.2)	15%
EBITDA	75.4	89.5	105.6	40%	18%	237.5	246.2	4%
Depreciation & Amortization	(15.2)	(16.2)	(16.7)	10%	3%	(41.0)	(49.3)	20%
EBIT	60.3	73.3	88.9	48%	21%	196.6	196.9	0%
Financial Cost	(1.0)	(2.2)	(1.6)	49%	-29%	(5.1)	(5.5)	9%
Gain/(Loss) from Foreign Exchange	0.9	(1.7)	(0.9)	-198%	45%	(1.4)	(3.7)	-171%
Profit before income tax	60.2	69.4	86.5	44%	25%	190.1	187.7	-1%
Income Tax Expense	(11.1)	(6.8)	(9.4)	-15%	37%	(32.7)	(21.6)	-34%
Net Profit	49.1	62.6	77.1	57%	23%	157.4	166.1	6%

In 3Q/2016, net profit was at Baht 77.1 million which increased 57% YoY from 49.1 million in 3Q/2015 and 23% QoQ from Baht 62.6 million in 2Q/2016. Sales revenue was at Baht 793.2 million in 3Q/2016, reduced from Baht 802.3 million in 3Q/2015 and Baht 822.5 million in 2Q/2016 or decreased 1% YoY and 4% QoQ because of lower average selling price per ton in 3Q/2016. Gross profit increased by 28% YoY to Baht 236.9 million in 3Q/2016 from Baht 185.7 million in 3Q/2015 and grew 14% QoQ from Baht 207.3 million in 2Q/2016 due to lower raw material cost. Gross margin increased to 30% in 3Q/2016 from 23% in 3Q/2015 and 25% in 2Q/2016.

Service & other income maintained at about Baht 14.2 million in 3Q/2016. Service & other income included revenue from factory area for leasing at Baht 13.5 million in 3Q/2015 and Baht 14.0 million in 3Q/2016.

Operating cost reduced 6% YoY from Baht 63.7 million in 3Q/2015 to Baht 59.7 million in 3Q/2016 due to lower maintenance cost. Cost of providing services grew 86% YoY from Baht 2.4 million in 3Q/2015 to Baht 4.5 million in 3Q/2016 due to land rental expense of Baconco 5 which started to apply from 4Q/2015 onward (the first year location fees was exempted). SG&A increased to Baht 81.3 million in 3Q/2016 or grew 39% YoY from Baht 58.6 million, mainly from increasing of transportation cost especially for export market.

EBITDA significantly increased 40% YoY from Baht 75.4 million in 3Q/2015 to Baht 105.6 million in 3Q/2016 and grew 18% QoQ from Baht 89.5 million in 2Q/2016. EBITDA margin was at 13% in 3Q/2016 compared to 9% and 11% in 3Q/2015 and 2Q/2016 respectively. Depreciation and amortization increased 10% YoY, driven by the expansion of factory area for leasing, from Baht 15.2 million in 3Q/2015 to Baht 16.7 million in 3Q/2016. In 3Q/2016, financial cost was Baht 1.6 million in 3Q/2016, increased 49% YoY from Baht 1.0 million in 3Q/2015 and reduced 29% QoQ from Baht 2.2 million in 2Q/2016.

Resultantly, PMTA reported the consolidated financial statement for the three-month period ended September 30, 2016 with net profit of Baht 77.1 million (Baht 0.76 per share), increased 57% YoY from Baht 49.1 million (Baht 0.48 per share) in 3Q/2015 and grew 23% QoQ from Baht 62.6 million (Baht 0.62 per share) in 2Q/2016.

Yours faithfully,

PM Thoresen Asia Holdings Public Company Limited

Mr. Chalermchai Mahagitsiri
Chairman of the Board of Directors

Mr. Sigmund Stromme
Managing Director