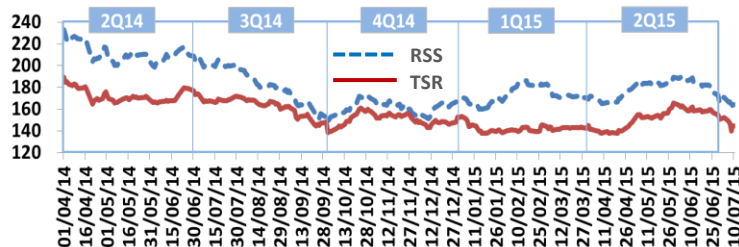


STA : A World Leading Natural Rubber Player

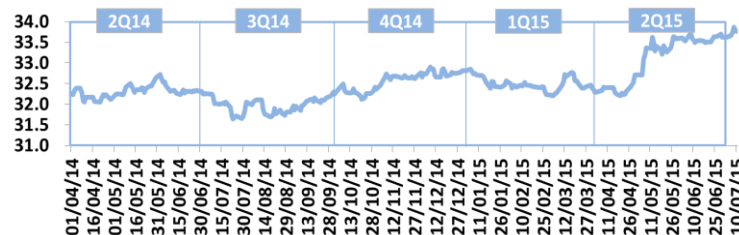
Financial result overview

Amidst the continue of lackluster global economic growth, Chinese economy slowdown, and low Natural Rubber (NR) price environment, we has registered an impressive net profit of Baht 518.1 million in Q2 2015. Our revenue increased QoQ but decreased YoY mainly factored by the declining NR price. Sale volume slightly shrank YoY under the depressed market but remained stable from the previous quarter at 269,204 tons. Although Thailand's unusual drought from El Niño has lowered NR supply and disrupted raw materials procurement during this quarter, we have posted a robust profit growth YoY and QoQ. Thanks to productivity enhancement and efficient inventory management, we marked the highest gross profit margin and net profit margin after the peak of bullish NR market cycle since the first quarter of 2011.

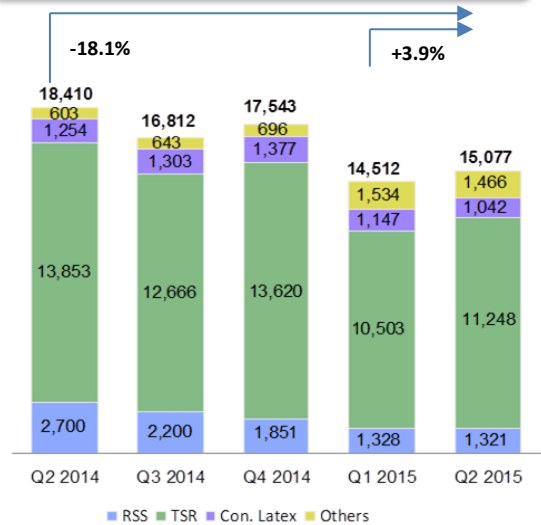
TSR20 and RSS3 Price movement (US cent : Kg.)



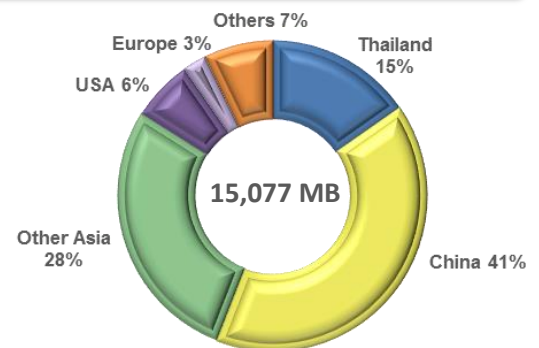
Exchange rate of Thai Baht against US dollar



Revenues by product (THB million)



Revenues by Country (Q2 2015)



Key financial ratios

Key Financial Ratios	Q2 2015	FY 2014	FY 2013
Gross profit margin	8.6%	4.4%	5.6%
Adjusted gross profit margin**	9.6%	6.1%	6.6%
EBITDA margin	6.1%	3.4%	4.1%
Net profit margin	3.4%	1.4%	2.0%
ROA	4.2%*	2.5%	4.5%
ROE	7.9%*	5.1%	9.4%
Current ratio (times)	1.34	1.42	1.31
D/E ratio (times)	0.88	0.84	1.21
Net D/E ratio (times)	0.80	0.73	1.12
Fixed asset turnover (times)	3.82*	5.38	8.09
Inventory Turnover (days)	69.70*	66.36	61.53
Collection Period (days)	26.25*	27.55	26.06
Payment Period (days)	10.08*	10.58	9.27

Note:

* Annualised

** Adjusting for (reversal) allowance of inventory cost, realised foreign exchange gains / losses and realised rubber futures gains/(losses)

Statements of Comprehensive Income

(Unit : THB million)	Q2 2015	Q2 2014	% YoY	Q1 2015	%QoQ
Revenue from sale of goods and services	15,076.9	18,409.6	-18.1%	14,512.2	3.9%
Cost of sales and services	(13,782.5)	(17,731.0)	-22.3%	(13,472.5)	2.3%
Gross profit	1,294.4	678.6	90.7%	1,039.7	24.5%
SG&A	(892.8)	(913.2)	-2.2%	(802.6)	11.2%
Other income	47.1	40.5	16.2%	67.0	-29.7%
Gain on exchange rate, net	54.9	97.5	-43.7%	105.5	-48.0%
Other gains (net)	21.2	286.0	-92.6%	76.0	-72.1%
Operating profit	524.7	189.3	177.2%	485.6	8.1%
Share of profit from investments in associates and joint ventures	149.9	150.0	0.0%	68.4	119.2%
EBITDA	923.3	551.0	67.6%	787.6	17.2%
EBIT	674.7	339.3	98.8%	554.0	21.8%
Finance costs (net)	(161.8)	(204.4)	-20.8%	(237.6)	-31.9%
Income tax	2.8	26.0	-89.1%	(21.8)	-113.0%
Net Profit for the period	515.7	160.9	220.4%	294.6	75.0%
Attributed to Owners of the parent	518.1	166.6	211.0%	297.3	74.3%
Attributed to non-controlling interests	(2.5)	(5.7)	-56.7%	(2.7)	-8.6%

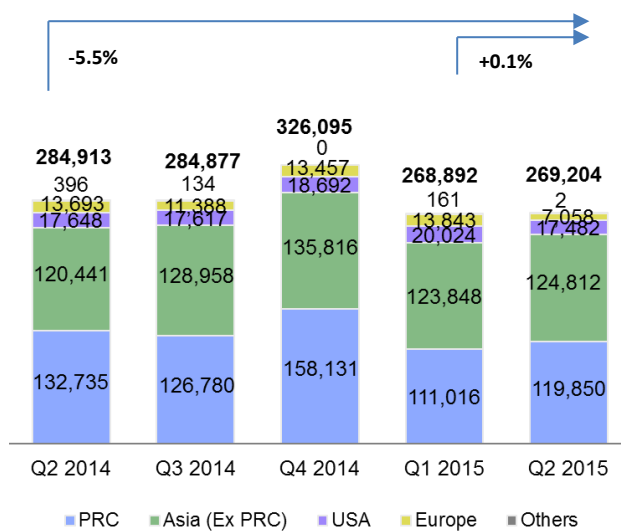
Total sales of goods and services of Q2 2015 was Baht 15,076.9 million, down 18.1% YoY but up 3.9% QoQ. The lackluster global economic growth, Chinese economy slowdown, and tumbling commodities' prices continued to pressure NR price during Q2 2015. Therefore, the decline of sales YoY was mainly driven by a decrease in average selling price of 19.1% and a decrease in sale volume of 5.5%. For quarterly comparison, the increase in total revenue was mainly attributed to an increase of average selling price by 4.8% while the sale volume remained stable. A slight improvement of NR price QoQ was owing to concerns on unusual drought as an effect from El Niño and the declining NR in supply chain as a result of chronically depressed price level.

Sale volume decreased by 5.5% YoY but increased by 0.1% QoQ to 269,204 tons. The reimposition of anti-dumping duty on Chinese passenger and light truck tires imported by the US commencing since January 2015 has resulted to a slack NR import demand of China. Therefore, sale volume to China, which contributed 44.5% of our sale volume in Q2 2015, declined by 9.7% YoY. Subdued global economic growth also brought down our sales to domestic market, India, Japan, and Europe by 15.9%, 22.5%, 14.2%, and 48.5%, respectively. Such decrease was partly offset by the increase of our sales to

Malaysia, Singapore, and Korea by 106.5%, 44.1%, and 21.2%, respectively.

However, sale volume remained stable in comparison with the previous quarter since the decrease in our sales to USA and Europe was balanced out by the increase in our sales to China.

Sales volume (Tons)



Revenues by product (THB million)

	Q2 2015	Q2 2014	% YoY	Q1 2015	% QoQ
TSR	11,247.7	13,852.6	-18.8%	10,502.6	7.1%
%	74.6%	75.2%		72.4%	
RSS	1,321.0	2,699.6	-51.1%	1,328.3	-0.6%
%	8.8%	14.7%		9.2%	
LTX	1,041.7	1,253.9	-16.9%	1,147.3	-9.2%
%	6.9%	6.8%		7.9%	
Others*	1,466.5	603.5	143.0%	1,534.0	-4.4%
%	9.7%	3.3%		10.6%	
Total	15,076.9	18,409.6	-18.1%	14,512.2	3.9%

Note*: Comprises revenue from (i) the sale of dried rubber wood and wood packing product and (ii) the provision of certain services (such as logistics, research and development and information technology services) to our associates and a joint venture entity as well as other external third parties (iii) the sale of gloves

Gross profit for Q2 2015 was registered at Baht 1,294.4 million, increase 90.7% YoY and 24.5% QoQ amid bearish market sentiment and El Niño impact. Thanks to our productivity enhancement and efficient inventory management, our gross profit margin of Q2 2015 was recorded at 8.6%, up from Q2 2014 at 3.7% and Q1 2015 at 7.2%. Assuming the inventory allowance of Baht 73.7 million was not made in Q2 2015 but including realised foreign exchange gain of Baht 89.5 million and realised rubber futures loss of Baht 17.7 million from our hedging activities, our adjusted gross profit margin in Q2 2015 would have been at 9.6%, significantly improved from Q2 2014 at 2.5% and Q1 2015 at 7.4%.

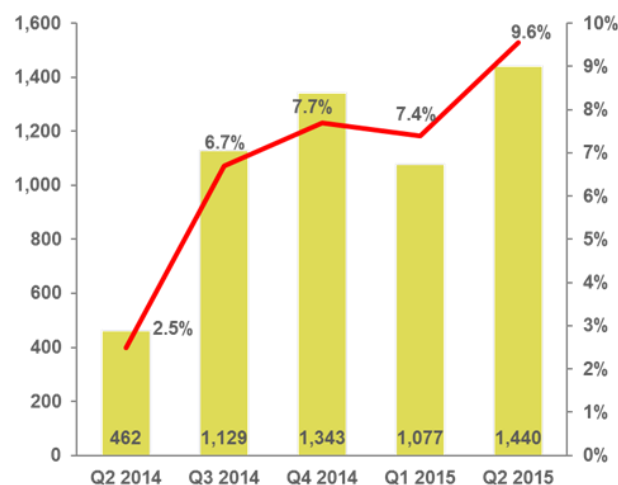
Operating profit for Q2 2015 amounted to Baht 524.7 million, up 177.2% YoY and 8.1% QoQ. Operating profit margin for Q2 2015 was 3.5%, increased from 1.0% in Q2 2014 and 3.3% in Q1 2015. The increase in operating profit margin YoY was mainly driven by the improvement of gross profit and a decrease in selling expenses from lower cess expenses, despite being offset by higher administrative expenses as well as lower gain on exchange rates and rubber futures. In comparison with the previous quarter, operating profit margin increased due mainly to an increase in gross profit despite being offset by an increase in SG&A expenses as well as lower gain on exchange rates and rubber futures.

Net profit for Q2 2015 was Baht 518.1 million increased by 211.0% YoY and 74.3% QoQ. Net profit margin in Q2 2015 was 3.4%, the highest after the peak of bullish NR market cycle since the first quarter of 2011, which increased from 0.9% YoY and 2.0% QoQ. The increase in net profit margin YoY was attributed to a growth of operating profit and a decrease in finance cost from lower level of IDR depreciation against USD, despite being offset by a decrease in income tax.

In comparison to the last quarter, the increase in net profit margin was mainly due to the improvement of operating profit, higher share of profit from associates and joint ventures since there was a one-time provision for impairment of a joint venture in Indonesia in Q1 2015, a decline of finance costs from lower unrealised loss on USD denominated loan, and a decline of income tax expense.

Adjusted GP and GPM*

(Unit : THB million)



Note:

* Adjusting for (reversal) allowance of inventory cost, realised foreign exchange gains / losses and realised rubber futures gains/(losses)

Business Segmentation Analysis



Technically Specified Rubber (TSR)

Revenue from the sale of TSR declined 18.8% YoY but rose 7.1% QoQ. In comparison to the same period last year, the decrease of revenue was mainly driven by 18.8% decrease in average selling price pressured by looming NR industry whereas sales volume remained stable.

For quarterly comparison, an increase in revenue was due to 3.2% and 3.8% increase of average selling price and sale volume, respectively. The increase of average selling price QoQ was in tandem with the improvement of NR price which was influenced by NR production cut from chronically depressed NR price and concerns on El Niño's impact.

Gross profit of TSR increased by 112.6% YoY and 44.4% QoQ. Gross profit margin significantly improved YoY and QoQ as a result of our effective inventory management.



Ribbed Smoked Sheet (RSS)

Revenue from the sale of RSS contracted by 51.1% YoY and 0.6% QoQ. Such decline YoY was driven by a decrease of average selling price and sales volume by 18.8% and 39.7%, respectively. For quarterly comparison, a marginal decrease in revenue was as a result of 6.4% increase in average selling price offset by 6.6% decrease in sales volume.

The decrease in sale volume YoY and QoQ was as a consequence of the Thai government's rubber buffer fund scheme which was implemented at our stock up raw materials period in preparation for leaf shedding of rubber tree during the second quarter of each year.

Thus, our gross profit of RSS decreased 77.1% YoY and 62.7% QoQ. Gross profit margin also lowered YoY and QoQ.



Concentrated Latex (CLTX)

Revenue from the sale of CLTX was down 16.9% YoY and 9.2% QoQ. The decrease of revenue compared with the same period last year was due to a contraction of average selling price and sale volume by 14.5% and 2.8%, respectively. The off-peak seasonality effect in the second quarter of CLTX was dampened by the drought from El Niño. Thus, the decline of revenue compare to the previous quarter was mainly driven by a decrease in sale volume of 19.5% despite being partly offset by an increase in average selling price of 12.8%.

Gross profit from the sale of CLTX increased 192.2% YoY but decreased 14.9% QoQ. Gross profit margin was maintained at a satisfactory level, significantly improved YoY but slightly lowered QoQ.

Statements of Financial Position

(Unit : THB million)	30-Jun-15	31 Dec 14	% change
Cash and cash equivalents	1,582.2	2,131.6	-25.8%
Trade AR and other receivables, net	4,908.2	4,688.4	4.7%
Inventories, net	11,078.5	10,029.9	10.5%
Other current assets	749.6	834.4	-10.2%
Total current assets	18,318.5	17,684.4	3.6%
Investments in associates and JVs	4,273.6	4,036.1	5.9%
Property, plant and equipment, net	14,682.6	14,355.0	2.3%
Rubber and palm plantations, net	1,041.6	901.2	15.6%
Other non-current assets	862.0	813.8	5.9%
Total non-current assets	20,859.9	20,106.1	3.7%
Total assets	39,178.4	37,790.5	3.7%
Short-term borrowings from financial institution	10,465.9	9,408.4	11.2%
Trade accounts payable and other payables	2,402.2	2,579.5	-6.9%
Current portion of debentures	300.0	-	100.0%
Other current liabilities	473.7	476.0	-0.5%
Total current liabilities	13,641.8	12,464.0	9.5%
Long-term borrowings from financial institutions	3,181.5	2,913.5	9.2%
Debentures	1,150.0	1,450.0	-20.7%
Other non-current liabilities	342.9	371.2	-7.6%
Total non-current liabilities	4,674.4	4,734.7	-1.3%
Total liabilities	18,316.2	17,198.7	6.5%
Issued and paid up share capital	1,280.0	1,280.0	0.0%
Premium on share capital	8,551.0	8,551.0	0.0%
Retained earnings	10,128.9	9,790.3	3.5%
Non-controlling interests	92.6	100.2	-7.6%
Other items	809.7	870.4	-7.0%
Total shareholders' equity	20,862.2	20,591.9	1.3%
Total liabilities and shareholders' equity	39,178.4	37,790.5	3.7%

Current assets increased by Baht 634.1 million, or 3.6%, to Baht 18,318.5 million for the period ended of Q2 2015 which primarily comprised an increase in inventories of Baht 1,048.6 million and an increase in trade accounts receivable and other receivables of Baht 219.8 million which was partially offset by Baht 549.4 million decrease in cash and cash equivalent and Baht 133.3 million decrease in amounts due from futures brokers.

Non-current assets increased by Baht 753.8 million, or 3.7% to Baht 20,859.9 million for the period ended of Q2 2015 which primarily consisted of an increase in property, plants and equipment of Baht 327.6 million (net of depreciation and write-off) for the construction of new factories in Thailand and Indonesia, an increase in rubber and palm plantations of Baht 140.4 million, and an increase in investment in associates and joint ventures of Baht 237.6 million from an increase in their operating results.

Current liabilities increased by Baht 1,177.9 million, or 9.5%, to Baht 13,641.8 million for the period ended of Q2 2015 which mainly resulted from a rise in short term loans

from financial institution of Baht 1,057.5 million to support the higher level of inventories and a rise in current portion of debenture of Baht 300.0 million offsetting with a decrease in trade accounts payable and other payables of Baht 177.3 million and a decrease in derivative financial instruments of Baht 43.6 million.

Non-current liabilities decreased by Baht 60.3 million, or 1.3% to Baht 4,674.4 million for the period ended of Q2 2015 which was primarily due to a decrease in debenture of Baht 300.0 million offsetting with an increase in long-term loans of Baht 268.0 million (net of current portion) to support rubber plantation business.

Equity increased by Baht 270.4 million, or 1.3% to Baht 20,862.2 million for the period ended of Q2 2015 due mainly to the increase in net profit during the period.

Statement of Cash Flows

(Unit : THB million)	6M 2015	6M 2014
CFO	(69.1)	7,256.0
CFI	(1,021.2)	(803.4)
CFF	541.0	(6,810.5)
Net increase (decrease) in cash	(549.4)	(357.9)
Beginning cash	2,131.6	1,892.7
Ending cash	1,582.2	1,534.8

For the first six months of 2015, cash flow from operation before net change in operating assets and liabilities was Baht 1,783.9 million. We spent cash amounted to Baht 1,322.7 million from change in our operating assets and liabilities. We spent Baht 1,090.0 million of CAPEX, principally comprised Baht 696.2 million for expansion of TSR production capacity and Baht 337.0 million for the investment in rubber plantation business. Our CAPEX is basically financed by our internal cash and long-term loan facilities from financial institutions. Our debt to equity ratio as at 30 June 2015 was relatively stable at 0.88 times which was relatively conservative compared with our competitors in the same industry.

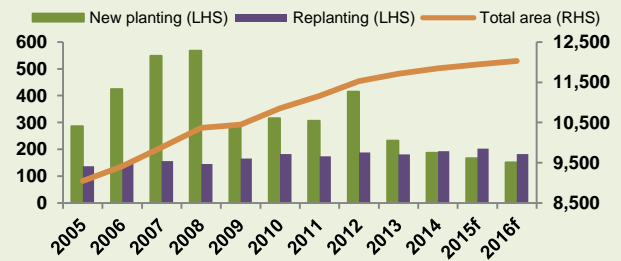
Industry Outlook

World Economic Indicators, GDP%

Annual GDP Growth (%)	2014	2015f	2016f
World	3.4	3.3	3.8
Advanced Economies	1.8	2.1	2.4
Emerging Economies	4.6	4.2	4.7
China	7.4	6.8	6.3

Source: IMF, World Economic Outlook, July 2015

NR Planting Area of 11 Main Producers (000' HA)



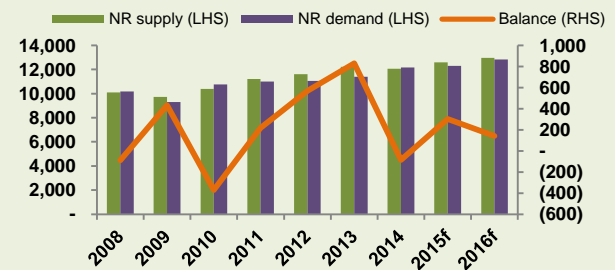
Source: IRSG

World Tire and Vehicle Production

(million units)	2014	2015f	2016f
World vehicle in use	1,192	1,230	1,271
<i>% growth</i>	3.3	3.2	3.3
World vehicle production	90	92	96
<i>% growth</i>	2.8	2.3	4.4
World tyre production	1,729	1,746	1,853
<i>% growth</i>	4.3	1.0	6.1

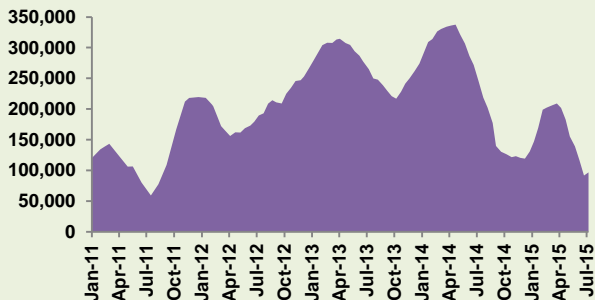
Source: IRSG

NR Balance (000'tons)

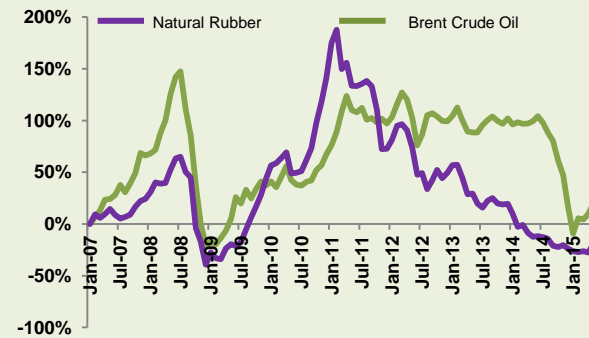


Source: IRSG

NR stock at Qingdao, China (tons)



NR price VS. Oil price



Source: IRSG

After NR price continued on its downward trajectory for almost five years, fundamental demand and supply has been positively readjusted. The prolonged low level of NR price and recent El Niño phenomenon have eliminated some amount of NR in the supply chain. Meanwhile, NR demand from tyre makers remain stable as they continue to benefit from low rubber prices. The lowest level in 45 months of NR stock at Qingdao, China also reflected a normal NR consumption from the largest consuming country. Nevertheless, such readjustment in fundamental demand and supply is still outweighed by lacklustre global economy, concerns on China's economic slowdown, and the low level of other commodity prices which is adversely affected by the strong US dollar. Therefore, NR price is not expected to significantly rebound from its current level that already close to production cost of rubber farmers.

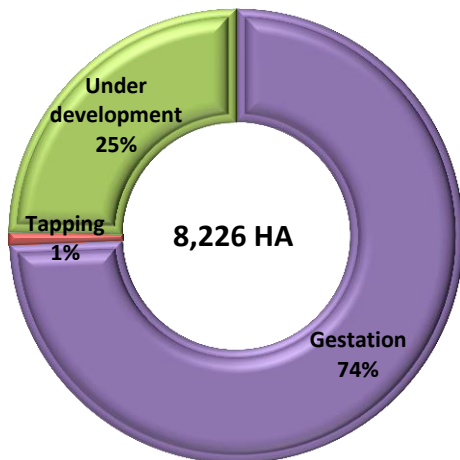
Progress of our business growth plan in value chain



Our strategic plan to aggressively expand and penetrate across natural rubber supply chain remains on track.

Upstream Business – Land of more than 8,000 hectares already secured for rubber plantation

As at 30 June 2015, the Group has obtained approximately 51,415 rai (8,226 hectares) suitable for rubber plantation in 19 provinces of Thailand, of which approximately 38,712 rai (6,194 hectares) has already been planted. Most of our lands are in the North and Northeastern regions.



Midstream Business – Continuous capacity expansion to reach 1.6 million by the end of 2016

In 2015, there will be 4 new factories adding around 174,000 ton capacity to our group. As at 30 June 2015, our facility in Sa Kaeo (Thailand) has already completed for production while the other three in Kalasin (Thailand), Mudon (Myanmar), and Jambi (Indonesia) are expected to run within the third quarter of this year.

Expand and diversify into high potential markets

We have recently executed our strategies to continuously expand in domestic and highly potential markets including Myanmar and Vietnam. We still keep an eye on opportunity to expand our business into new territory that would render us good diversification and returns.

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