



**Singapore & Hong Kong**

**November 15-21, 2007**

# **Ratchaburi Electricity Generating Holding PCL**

## **Largest Thai Utilities : The Defensive Growth Company**

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## Value Creation

### RATCH Value

IPP Bidding

Import Power

Neighboring  
Country Projects

Strong Balance Sheet

**IPP bidding:** RATCH aims to win 1,600MW of the 3,200MW up for grab in the upcoming round of bidding

**Import power:** RATCH has and will continue to acquire new projects in Laos and Myanmar, both of which could potentially supply more than 10,000MW of electricity to Thailand

**Supplying neighboring countries:** RATCH is considering investments in the Vietnam, Cambodia, Indonesia, China and India

**Strong balance sheet:** RATCH's financial strength, prudent investment policy, and position as Thailand's leading utilities player will serve as a solid platform for further business expansions



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## Focus on IPP Bidding

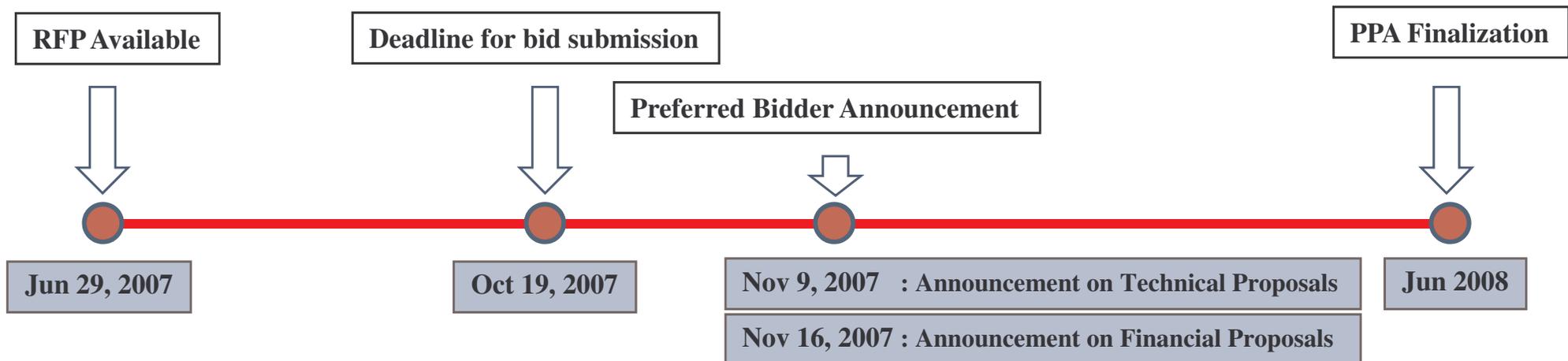
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## Round one bidding has been commenced

- Up to 3,200MW is up for grab in round one (2012 = 800 MW., 2013 = 800 MW. & 2014 = 1,600 MW.)
- RATCH aims to win 50% for this round of bidding.
- “Request for Proposal” (RFP) has been available since June 29, 2007.
- Bidders have around 3 months to prepare bids.
- Preferred bidders announced within 1 month after deadline for bid submission.
- Final announcement to be known in June 2008.

Figure : IPP Bidding Timeframe

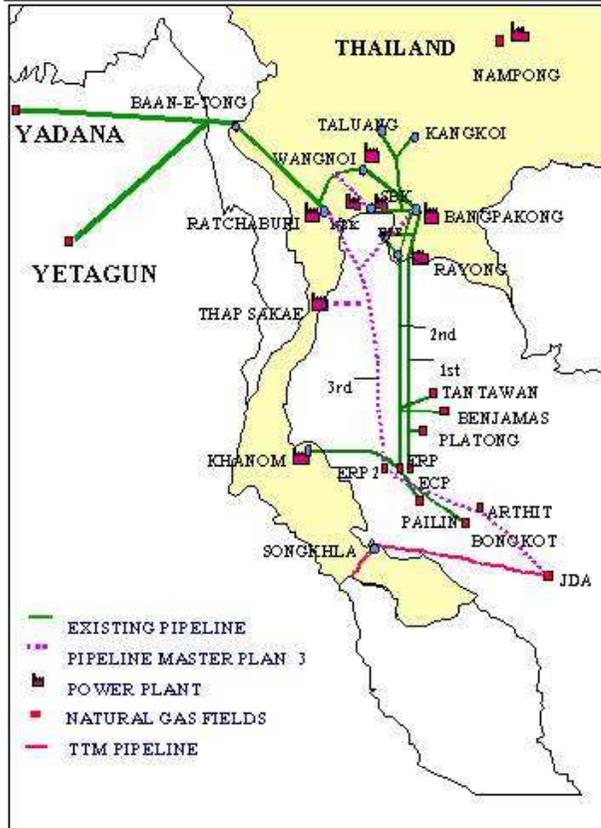




# Key bidding criteria: Price and Non-Price

## Ideal Location

### Gas Pipeline System



Non-price elements will be the first test:

Location

Funding

EIA

Technical

Pricing: Apart from “AP”, heat rate can make or break

What will it take to win the IPP bidding?

#### Non-Pricing

- Location
- Funding
- EIA
- Technical

#### Pricing

- Availability Payment
- Energy Payment





## RATCH has the right ingredients to win

### Existing Infrastructures in Place



**Transmission Line**

**Land & Space**

**Fuel Oil Tank**

**Water reservoir & Water Treatment Plant**

**Gas Supply System**

**EIA (completed)**

**Existing facilities create competitive advantage for coming round of bidding**

**Funding & borrowing capacity**

### Bidding Strategy

**Self-bidding (Ratch's Extension project CCGT#4)**

**Partnership-bidding (with Kanzzi Electric and Rojana Industrial Park)**



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## **Power Import...Huge Potential**

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# Laos and Myanmar offer up to 10,000MW in high potential projects

**Surrounded by High Potential Projects in Neighboring Countries**



- Bidding is not required to win import concessions**
- Attractive alternative source of power to Thailand**
- Comply with govt's fuel diversification policy**
- Solid PPAs with EGAT**
- Bring crucial economic development to Laos and Myanmar**

**Figure: Potential MW Imports from Laos and Myanmar**

	Location	Project Size(MW)
Nam Ngum 3	Laos	440
Nambak	Laos	150
Xe Pian -Xe Nam Noi	Laos	372
Hongsa Lignite	Laos	1,653
Ta sang	Myanmar	<u>7,000</u>
<b>Total</b>		<u><b>9,615</b></u>

**and more.....**





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## Supplying Neighboring Countries

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## Eyeing the new potential

### Supplying Neighboring Countries



**Vietnam -with EVN, 600MW**

**China -Combined Heat & Power (CHP), 500MW**

**Indonesia-fuel conversion and efficiency improvement**

**Cambodia – Supplying thermal & hydro power**

**India – under study**



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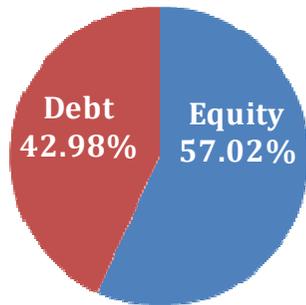
## **Strong Balance Sheet**

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# Strong Balance Sheet facilitates growth

## Lower Than Optimal Capital Structure



## Low D/E

Capital Expenditure requirement not a burden

Bt10bn + cash on hand

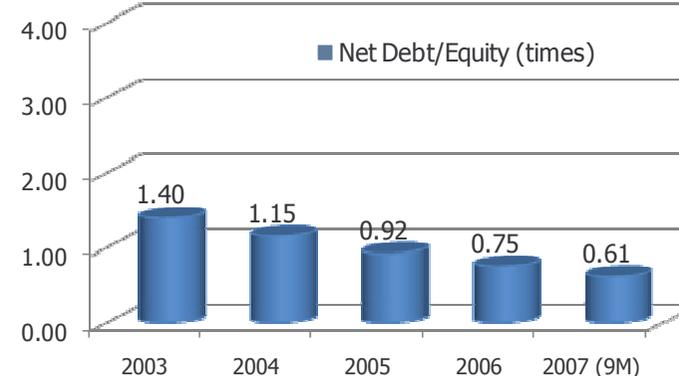
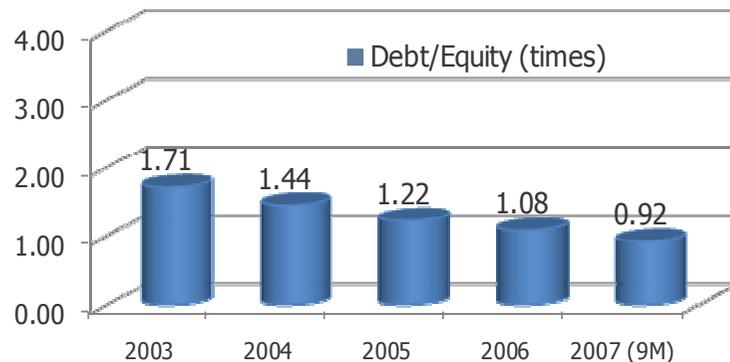
Solid and predictable future cashflow stream

High borrowing capacity

Prudent investment Policy

- Focus on principle mission

- Unique investment strategy





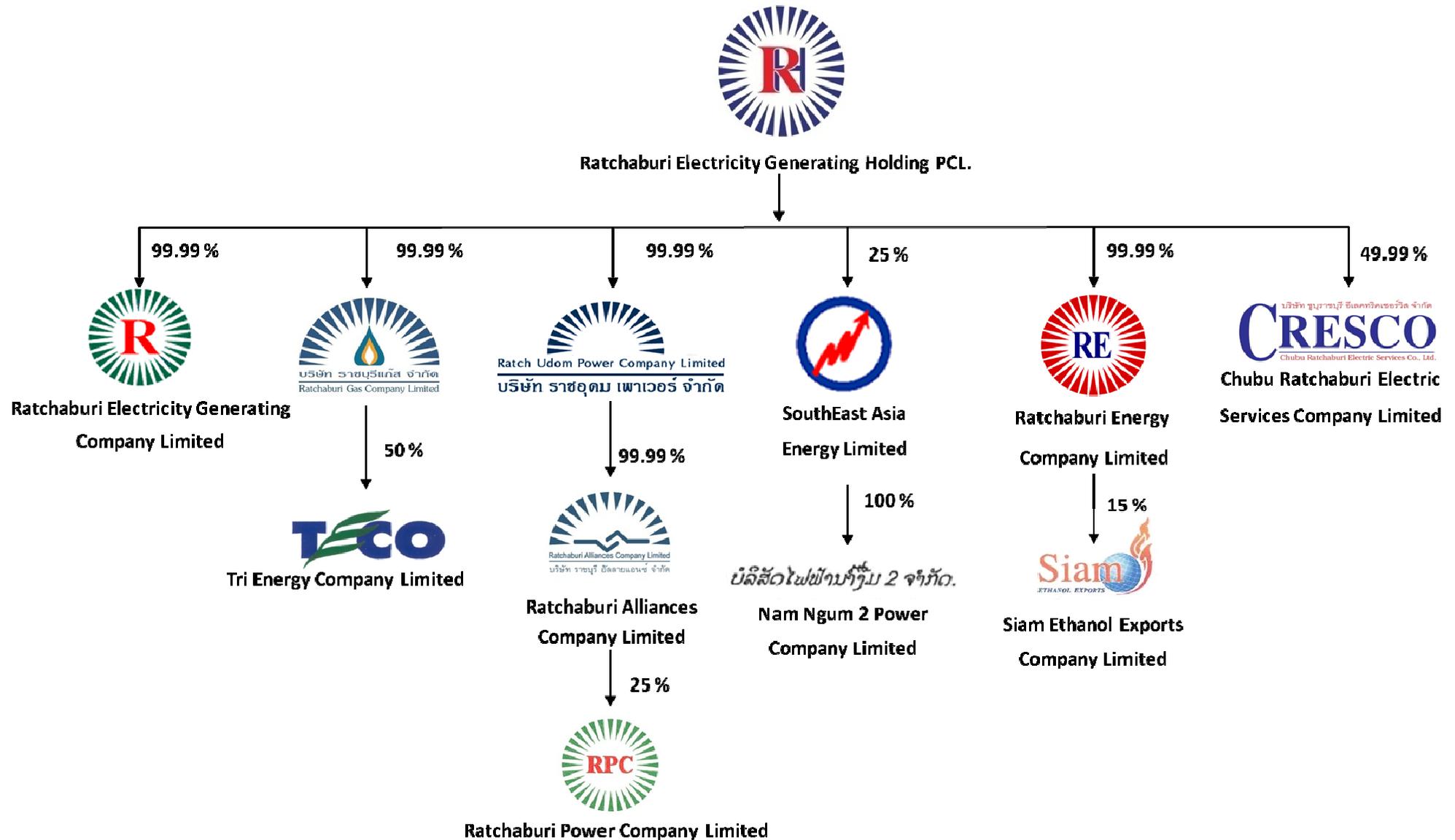
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# Appendix

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# Company structure



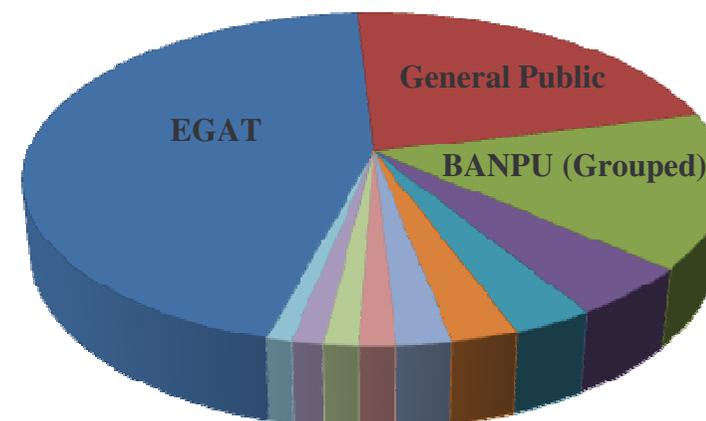


# Shareholder structure

## Top 10 major shareholders as at Sept 4, 2007

1.	EGAT	45.00%
2.	BANPU (Grouped)	14.99%
3.	SOCIAL SECURITIES OFFICE	4.91%
4.	LITTLEDOWN NOMINEES (Grouped)	3.19%
5.	GOVERNMENT SAVINGS BANK	2.62%
6.	INVESTOR BANK AND TRUST COMPANY	2.17%
7.	NORTRUST NOMINEES LTD.	1.42%
8.	AMERICAN INTERNATIONAL ASSURANCE COMPANY (Grouped)	1.38%
9.	STATE STREET BANK AND TRUST	1.24%
10.	THE HONGKING AND SHANGHAI BANKING CORPORATION LIMITED	0.99%

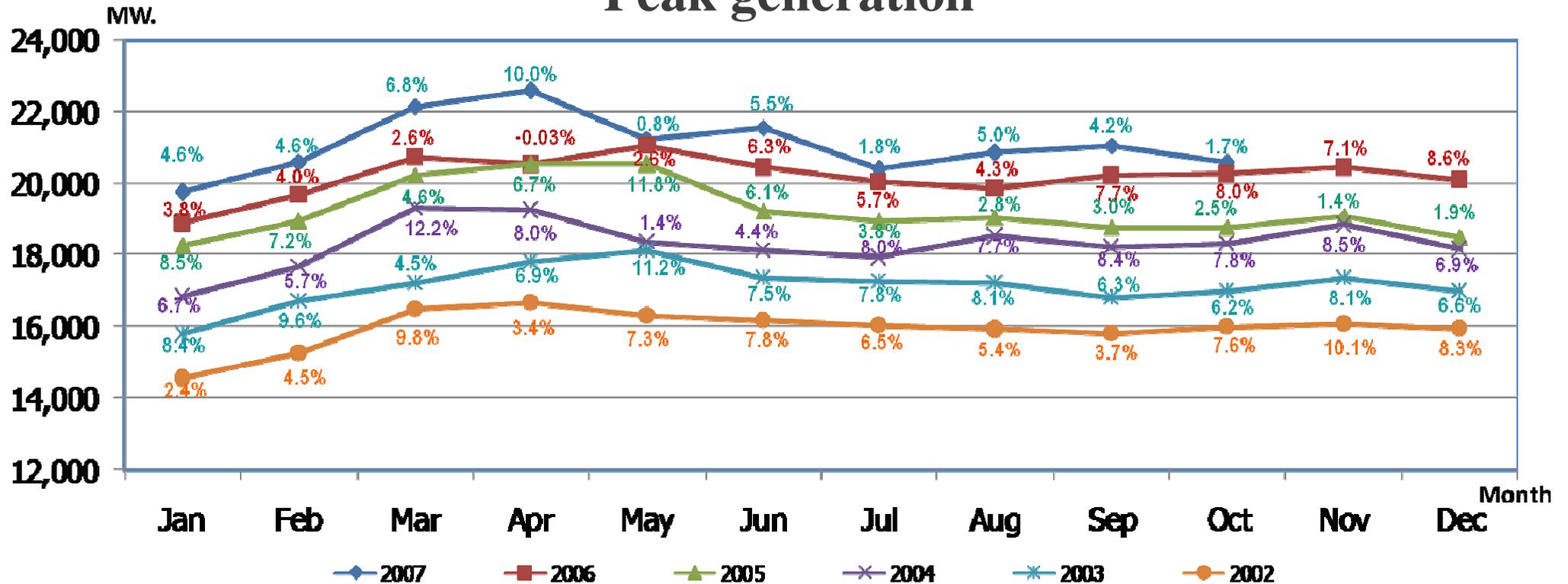
<b>Total</b>		<b>77.91%</b>
<b>General Public</b>		<b>22.09%</b>
<b>Total Shareholders</b>		<b>100.00%</b>



- EGAT
- General Public
- BANPU (Grouped)
- Social Securities Office
- LITTLEDOWN NOMINEES LIMITED
- Government Saving Bank
- INVESTOR BANK AND TRUST COMPANY
- NORTRUST NOMINEES LTD
- AMERICAN INTERNATIONAL ASSURANCE COMPANY (Grouped)
- STATE STREES BANK AND TRUST COMPANY (Grouped)
- THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED



## Peak generation



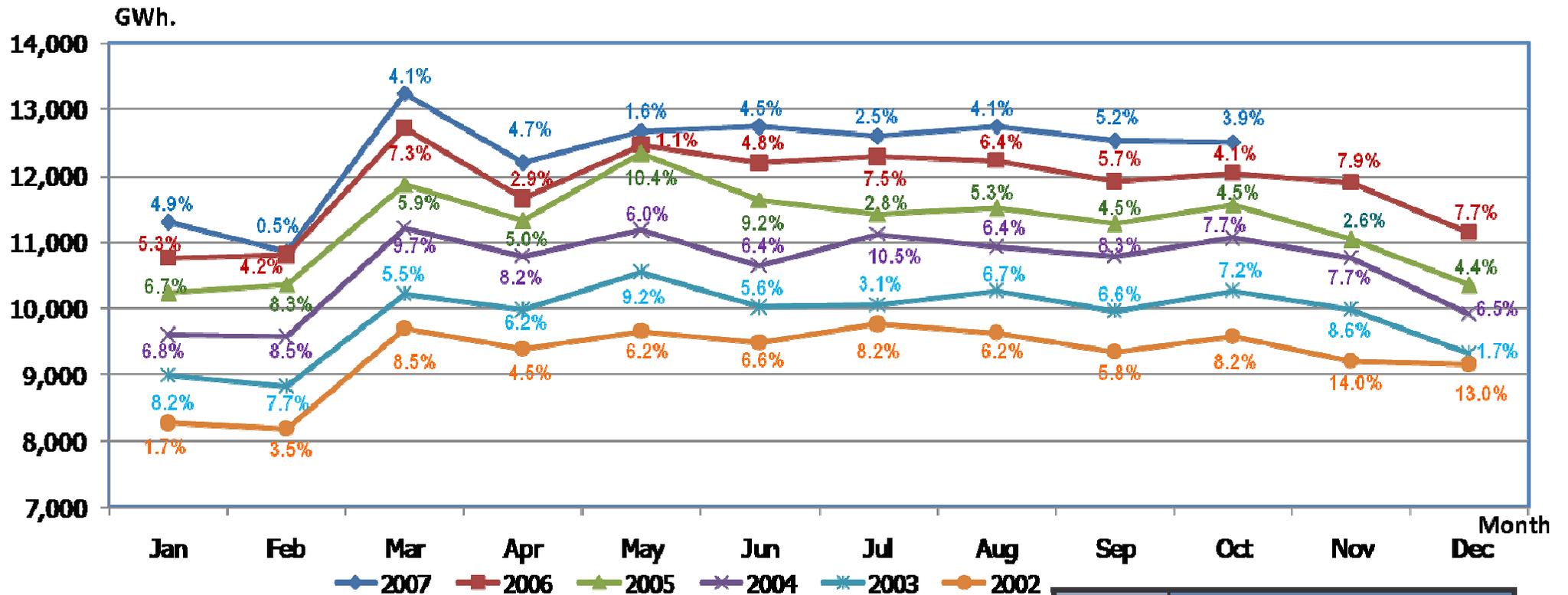
- In 2006, the highest peak generation was 21,064.00 MW. on May, 2.6% increase yoy.
- In 2007, the highest peak generation was 22,586 MW. on April 7.2% increase yoy.

Year	Peak Generation		
	MW.	Increase	
		MW.	%
2007	22,586	1,522	7.23%
2006	21,064	526	2.56%
2005	20,538	1,212	6.27%
2004	19,326	1,205	6.64%
2003	18,121	1,440	8.63%
2002	16,681	555	3.44%

Source: EGAT



# Energy generation

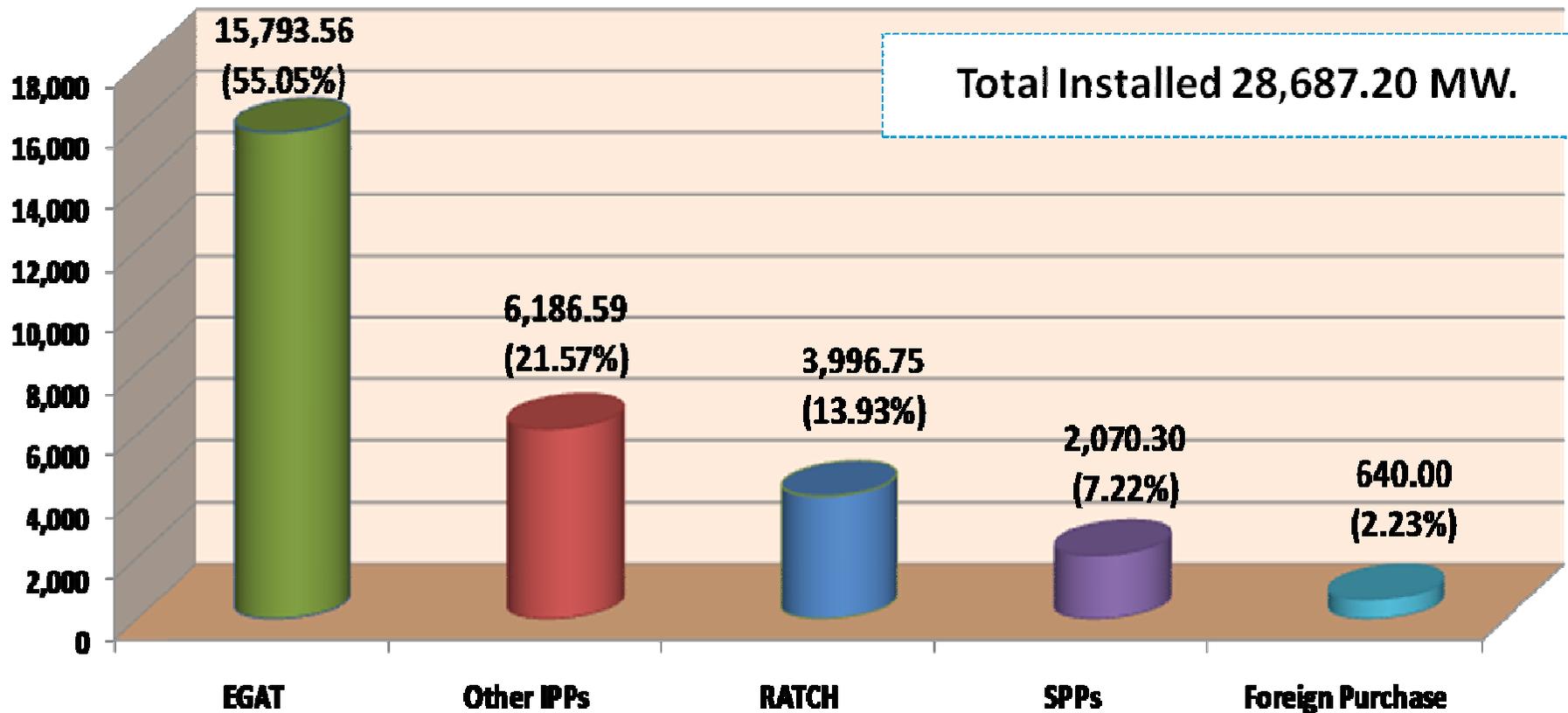


- In 2006, average monthly energy generation growth was 5.4%
- In 2007, average monthly energy generation growth was 3.6%

Year	Energy Generation		
	GWh.	Increase	
		GWh.	%
2007	123,349	-	-
2006	142,088	7,234	5.36
2005	134,854	7,364	5.78
2004	127,490	9,133	7.72
2003	118,357	7,057	6.34
2002	111,300	7,444	7.17



## Total installed capacity





## Income statement

Unit : in Million Baht

	2007 ( 9 months)	2006	2005	2004	2003
Revenues	34,522.64	51,848.22	44,836.83	40,416.43	35,803.69
Expenses	<u>28,662.23</u>	<u>44,223.34</u>	<u>37,471.84</u>	<u>32,668.42</u>	<u>28,634.21</u>
EBIT	5,860.41	7,624.88	7,364.99	7,748.01	7,169.48
Interest Expense	1,028.81	1,443.75	1,208.88	1,224.68	1,702.59
Income Tax	<u>81.70</u>	<u>75.09</u>	<u>89.75</u>	<u>36.30</u>	<u>42.56</u>
Net Income	<u>4,749.90</u>	<u>6,106.04</u>	<u>6,066.36</u>	<u>6,487.03</u>	<u>5,424.33</u>
EPS (Baht)	3.28	4.21	4.18	4.47	3.74



## Balance Sheet

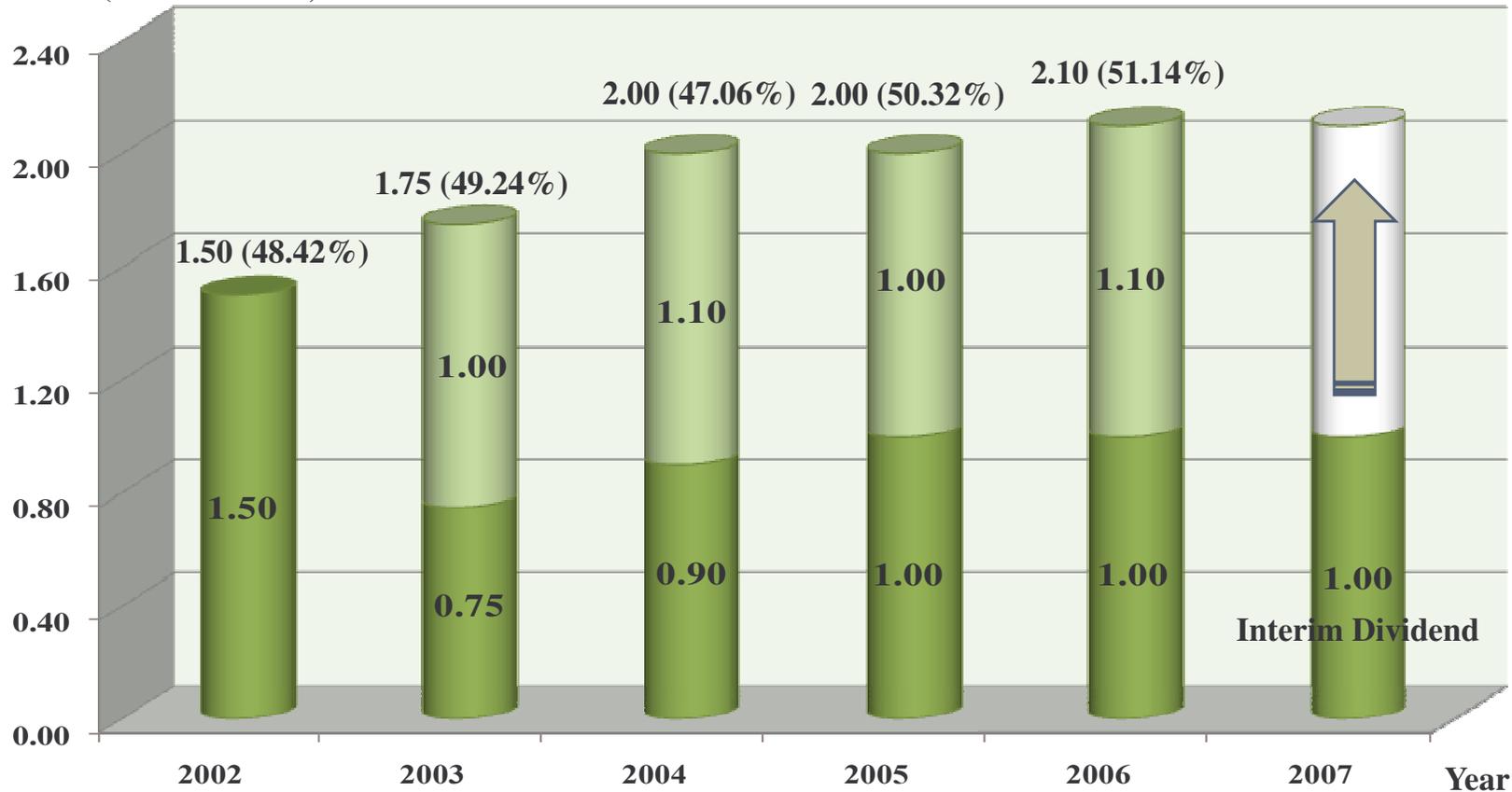
Unit : in Million Baht

	2007 ( 9 months)	2006	2005	2004	2003
<b><u>Asset</u></b>					
Current Asset	20,493	21,923	18,300	14,188	12,047
Property, plant & equipments	43,562	45,233	47,561	49,825	51,068
Interests in Joint Ventures	5,439	3,986	3,036	2,330	1,965
Others Assets	552	963	1,044	2,055	2,064
<b>Total Assets</b>	<b>70,046</b>	<b>72,105</b>	<b>69,941</b>	<b>68,398</b>	<b>67,144</b>
<b><u>Liabilities &amp; Shareholders' Equity</u></b>					
Current Liabilities	9,918	11,010	8,943	8,284	7,166
Long-term Liabilities	23,728	26,400	29,508	33,766	35,242
Shareholders' Equity	36,400	34,695	31,490	26,348	24,736
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>70,046</b>	<b>72,105</b>	<b>69,941</b>	<b>68,398</b>	<b>67,144</b>



# Dividend policy

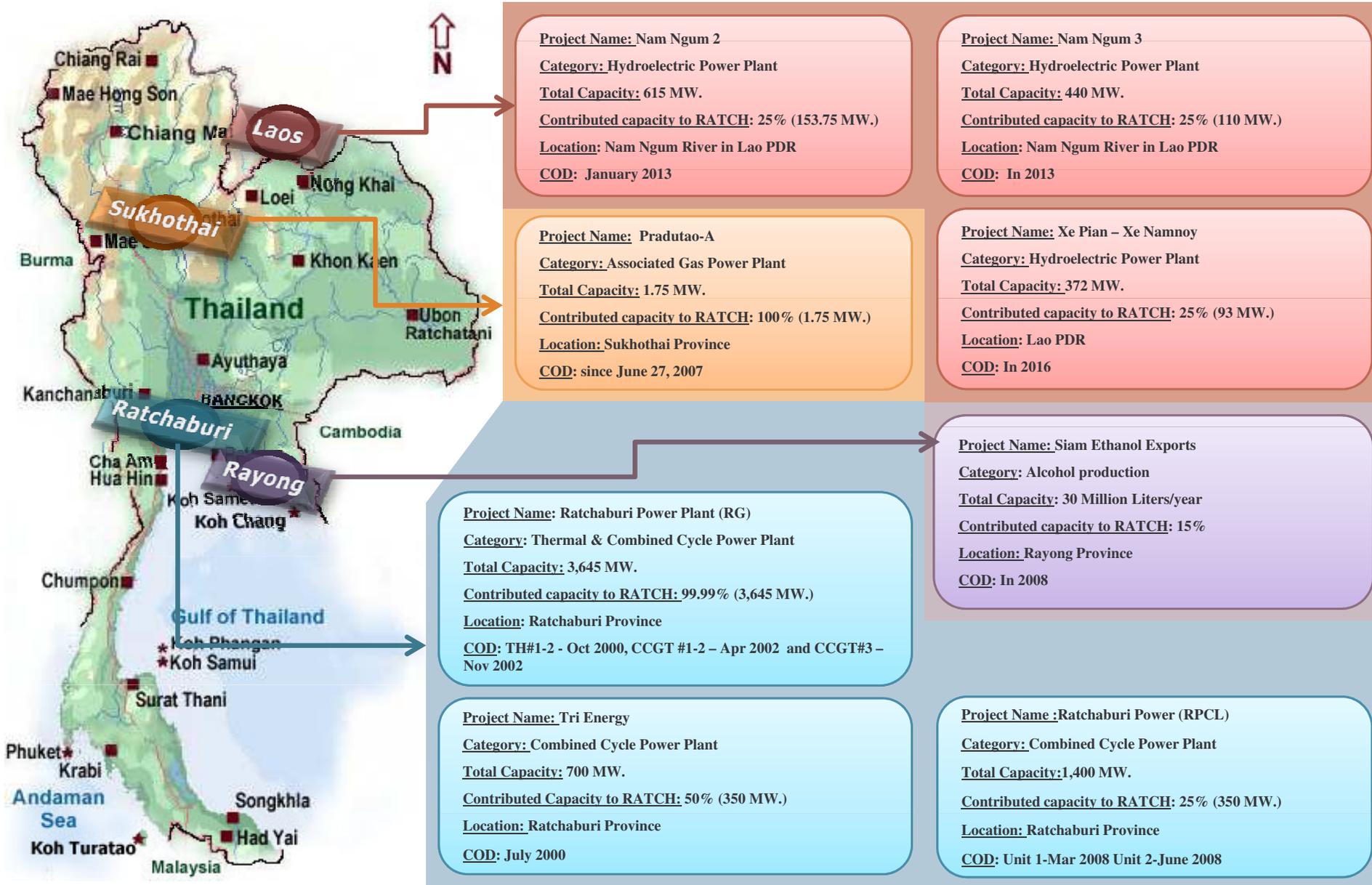
Baht per Share (% of Net Profit)



- ▶ Dividend policy at minimum 40% of net profit after legal reserve and other reserves of separate financial statement.
- ▶ Interim dividend for 2007 operating performance was Baht 1.00 per share on September 17, 2007.



# RATCH group's project





## Power Development Plan 2007

Year	New Domestic Plants					Power Purchase from other countries	Increased Capacity	Total Capacity	Peak Demand	Reserve Margin (%)
	Gas	Coal	Nuclear	GT	SPP					
2011	-	-	-	-	-	597	597	34,037	27,996	18.0
2012	1,400	-	-	-	200	220	1,820	35,857	29,625	17.4
2013	1,400	-	-	-	200	963	2,563	37,800	31,384	16.5
2014	1,400	700	-	-	200	261	2,561	40,361	33,216	17.7
2015	1,400	1,400	-	-	200	-	3,000	42,186	35,251	16.1
<b>Total</b>	<b>5,600</b>	<b>2,100</b>	<b>-</b>	<b>-</b>	<b>800</b>	<b>2,041</b>	<b>10,541</b>			
2016	1,400	700	-	-	200	390	2,690	44,127	37,382	16.4
2017	3,500	-	-	-	200	500	4,200	47,119	39,560	15.6
2018	2,100	-	-	-	200	510	2,810	49,888	41,795	15.6
2019	3,500	-	-	-	200	530	4,230	52,829	44,082	16.5
2020	1,400	-	2,000	-	100	550	4,050	55,251	46,481	16.7
2021	700	-	2,000	-	-	570	3,270	58,321	48,958	15.4
<b>Total</b>	<b>12,600</b>	<b>700</b>	<b>4,000</b>	<b>-</b>	<b>900</b>	<b>3,050</b>	<b>21,250</b>			
<b>Grand Total</b>	<b>18,200</b>	<b>2,800</b>	<b>4,000</b>	<b>-</b>	<b>1,700</b>	<b>5,091</b>	<b>31,791</b>			



# Powering the Future

