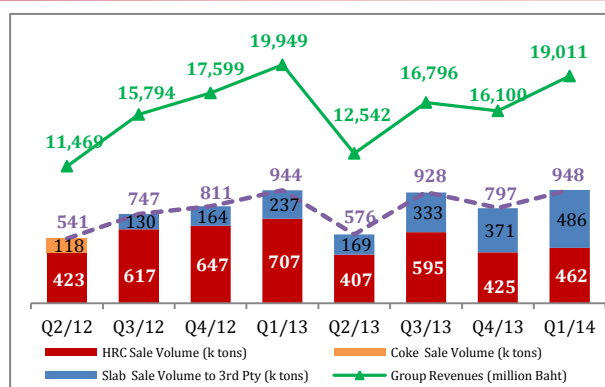


1. Highlights

	Unit: million Baht	Q1/2014
GROUP	Group LTIFR	3.96
	Group Revenues	19,011
	Group Sales Volume (k tons)	948
	Group EBITDA	75
	Group Net Profit (Loss)	(1,397)
	Net Debt ¹⁾	51,730
	Interest-Bearing Debt/Equity Ratio(x)	5.73
	HRC	HRC Sales (k tons)
HRC Production (k tons)		397
HRC Average Selling Price (USD/ton)		667
HRC Spread (USD/ton)		127
HRC Rolling Margin (%) ²⁾		19.0%
HRC EBITDA (USD/ton)		63.8
Upstream	Slab Sales (k tons)	717
	Slab Production (k tons)	696
	Slab Average Selling Price (USD/ton)	522
	Slab Sales to 3 rd Parties	68%
	Slab Spread (USD/ton)	144
	Slab Margin (%) ²⁾	27.5%

¹⁾ Net Debt = Interest-Bearing Debt - Cash and Cash Equivalents

²⁾ HRC Rolling Margin = HRC Spread/Average Selling Price;
Slab Margin = Slab Spread



- Q1/2014 Group Sales volume of 948k tons reached the highest record, whereas group sales and service revenue of 19,011 MB reached the second highest after Q1/2013
- Q1/2014 average PCI Injection Rate slightly increased to 115 kg/thm from 113 kg/thm in Q4/2013.
- For the case of *Safeguard Measure* on HRC without other element added (thickness 0.9 – 50 mm. and width 600 – 3,048 mm.) which DFT has announced an investigation in the Royal Gazette, a provisional measure is currently being contemplated.
- For the case of *Anti-dumping Measure* on HRC in coils and not in coils whose origins are from 14 countries which SSI has filed the petition for Sunset Review, an announcement of public hearings is anticipated consequently.

2. Business Outlook on Q2/2014

- In Q2/2014, HRC prices expected to slightly improve from Q1/2014. HRC Apparent Steel Supply in Q2/2014 is expected to be slightly up to approx. 1.44 million tons due to the return to production of the other 2 local producers.
- HRC Sales Volume in Q2/2014, which was a long weekend expected to decrease by 15-20% QoQ; whilst HRC Rolling Margin to be in range of 16-18%.
- Slab prices in Q2/2014 expected to slightly decrease QoQ; whilst Slab Margin expected to be in range of 28-30%.
- Slab sales volume in Q2/2014 is expected to decrease 7-10% QoQ, with approx. 80% 3rd parties proportion.

3. Group CEO's Messages

"In Q1/14, we made 3 major achievements. Group EBITDA positive 75 million baht, finally turned around after 3 quarters of EBITDA losses. Highest Group Sales Volume 948 thousand tons. Highest Slab Sales Volume to 3rd Parties 486 thousand tons.

Upstream Business more than halved its EBITDA loss from the previous quarter, as our various cost reduction efforts started to bear fruit. We achieved 36% higher Slab Spread, thanks to robust global slab market largely driven by the North American market demand, and the exacerbating raw material oversupply situation. Slab Sales Volume to 3rd Parties grew by 31%.

HRC Business continued to be beset by Thai political situation, dropping our Sales Volume by 25% below normal. Despite that, from the last quarter we achieved 9% growth in Sales Volume, 4% improvement in HRC Spread, and 31% increase in EBITDA.

As I have previously said, we need to achieve operational excellence and scale up our production volume, to match our asset size which had doubled since the upstream integration. Better economy of scale, better efficiency, and lower cost is the consequence. That is happening now. Our next target is to breakthrough the 1,000,000 ton quarterly volume mark which we expect will again deliver much better financial result.

We can confidently say that the business has passed its worst moment. Indeed, the transformation to become a fully-integrated steel producer had been painful, but we are turning around and will deliver better numbers going forward.

For the outlook, we are cautious yet optimistic. Though Thai political situation remains unresolved and there are risks related to China economy and Ukraine situation, we see the global steel market continuing to improve and raw materials market continuing to stumble. This means that our **HRC Business** sales will remain low for the moment while **Upstream Business** sales will thrive, and overall metal spread relatively healthy. We will continue to pursue operational excellence and also focus on building the value creation pipeline through the AAA Projects, while gradually starting to realize near-term benefits from our early AAA Projects."

4. Industry Overview and Outlook

Steel Industry in Q1/2014

World Steel Industry: World crude steel production in Q1/2014 was at approx. 403 million tons, up 3.1% QoQ mainly driven by China, whose production was at 201 million tons, up 6.8% QoQ. European crude steel production was 44 million tons, up by 4.1% QoQ; however, North American production was 29 million tons, down 1.9% QoQ. Consequently, the world crude steel production of global steel industry also increased, as shown in Figure 1.

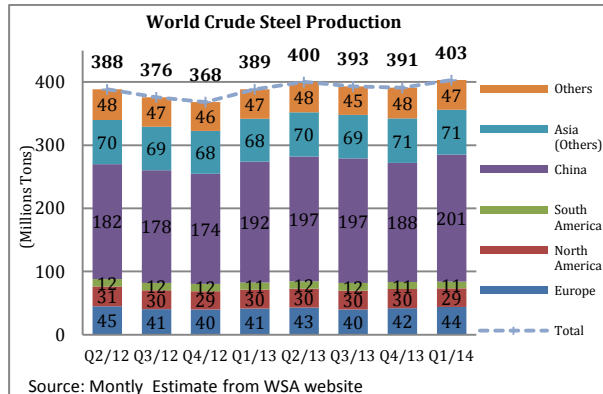


Figure 1: World Crude Steel Production

Regarding steel prices, iron ore and slab prices slightly decreased, whereas the average price of slabs in Q1/2014 continually rose from the previous quarter, resulting in narrower spread between slab and HRC prices of USD 8/ton. The average price of iron ore IODEX 62% Fe CFR China in Q1/2014 was USD 105-135/ton. The average price of HRC CFR East Asia Import was USD 535-565/ton, and the average price of slab CFR East Asia Import was USD 532-552/ton, as shown in Figure 2.

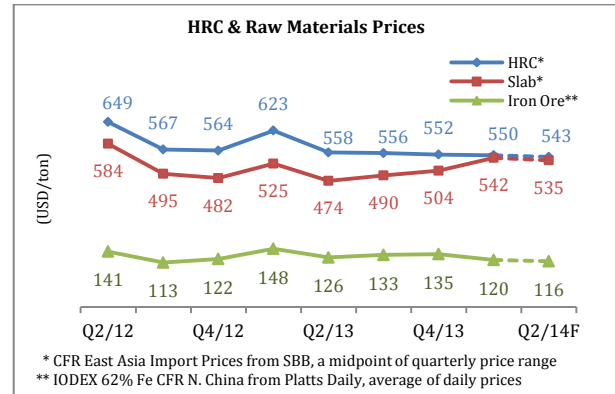


Figure 2: Prices of HRC, Slab and Iron Ore in 2012 - 2014 (Price for Q4/2013 is an average up to 7 May 2014)

Thailand Steel Industry: In Q1/2014, Thailand's Apparent Steel Supply was 4.3 million tons, up 10.1% QoQ as shown in Figure 3. Production increased 36.8% QoQ whereas import declined 6.7% QoQ. Higher production came from higher demand in long steel products in the construction sector, while consumption in flat steel products reduced due to domestic and international economic slowdown, including an impact from ongoing domestic political unrest affecting downstream industries including automotive and HA/EA. Car production volume in Q1/2014 shred by 1.8% QoQ, and fridge production volume declined by 1.0% QoQ. Nevertheless, air conditioner production volume went up by 54.7% QoQ supported by elevated demand during summer, as shown in Figure 4.

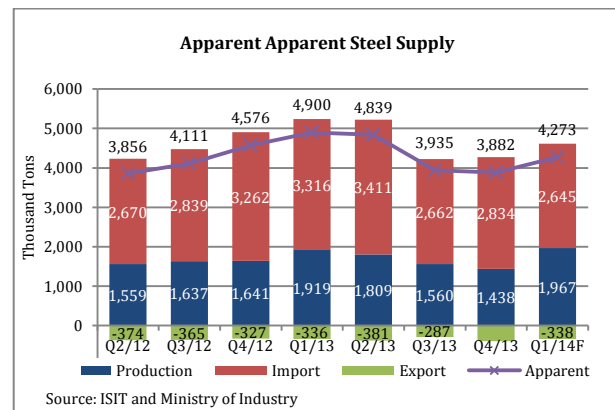


Figure 3: Domestic Apparent Steel Supply

Thailand HRC Industry: In Q1/2014, domestic HRC Apparent Steel Supply was 1.42 million tons, down 0.1% QoQ, due to lower demand in industrial sectors. HRC domestic production was 543k tons, down 7.4% QoQ, while import volume increased 6.2% QoQ to 891k tons, as shown in Figure 5. An increase in import caused by an import of HRC whose width wider than 1,550 mm or a declaration of wrong Customs Harmonise code in order to avoid the prevailing Anti Dumping measure. However, Department of Foreign Trade has announced the investigation which was effective on 30 January 2014, and a provisional measure is currently being contemplated.

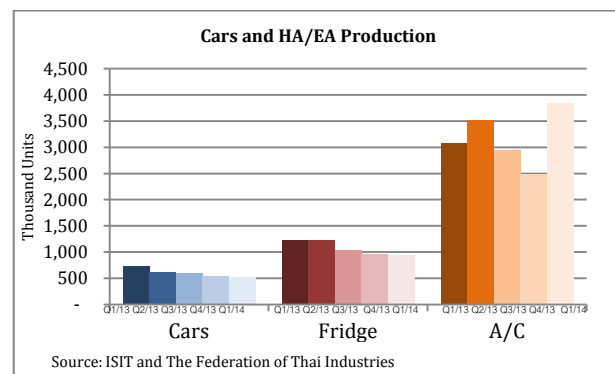


Figure 4: Domestic Production of Car, Fridge, and A/C

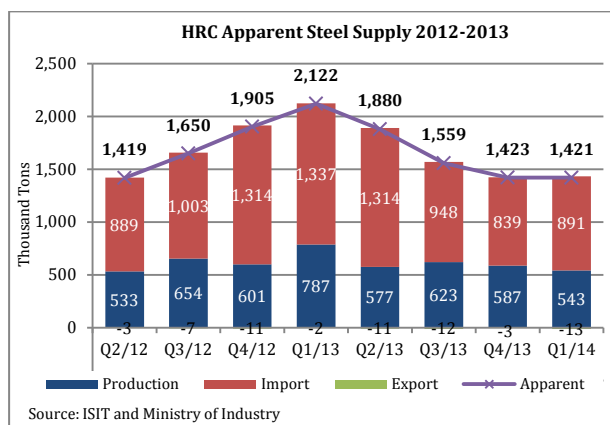


Figure 5: Domestic HRC Apparent Steel Supply

Outlook on Steel Industry in Q2/2014

World Steel Industry: The sign of economic recovery in the European and Japan economy has been continually seen from growing steel consumption in Q1/2014. Thus, rising steel consumption in Q2/2014 is anticipated. In addition, US steel industry also shows improvement in Q1/2014 from an increase in production, import, and U.S. Apparent Consumption of Steel Mill Products, especially the strong import volume which continued to grow in April. However, China's domestic steel demand, affected by the government's Restructuring and Rebalancing Policy is expected to be unchanged in Q2/2014 as same as the other regions of the world. In summary, It is projected that world steel production in Q2/2014 tends to slightly increase from Q1/2014. Prices of steel in Q2/2014 are anticipated to slightly decrease. Iron ore prices are likely to be in range of USD 114-119/ton, while slab and HRC prices are expected to be in range of USD 530-540/ton and USD 528-558/ton respectively.

Thailand Steel Industry: In Q2/2014, domestic HRC Apparent Steel Supply is expected to slightly increase from Q1/2014 due to the resume of production of local two

manufacturers. HRC Apparent Steel Supply in Q2/2014 is projected at 1.44 million tons, up 1.1% QoQ. Meanwhile, HRC Apparent Steel Supply in year 2014 will be approx. 5.95 million, as shown in figure 6.

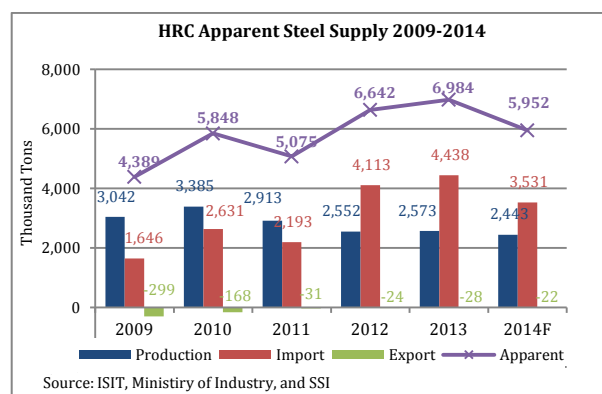


Figure 6: Estimate for HRC Apparent Steel Supply

5. Performance of the Company, its Subsidiaries and Jointly-Controlled Entities

Table 1: Financial Highlights in Q1/2014 of the Company, its Subsidiaries and Jointly-Controlled Entities

Unit: million Baht	2014 Q1	2013 Q4	+/- QoQ	2013 Q1	+/- YoY
Group Sales Volume ¹⁾ (k tons)	948	796	+19%	944	+0.4%
Group Sales Revenue	19,011	16,100	+18%	19,949	-5%
Group Cost of Goods Sold	19,461	17,631	+10%	20,394	-5%
Group Gross Profit (Loss)	(450)	(1,531)	+71%	(445)	-1%
Group EBITDA ²⁾	75	(1,464)	+105%	800	-91%
Group Net Profit (Loss)	(1,397)	(2,907)	+52%	(778)	-80%

¹⁾ Group Sales Volume = HRC Sales Volume + Slab Sales Volume Sold to External Parties

²⁾ EBITDA = Net Profit + Interest + Tax + Depreciation and Amortisation

Consolidated

Q1/2014 Results The Company and its subsidiaries recorded sales and service revenues Baht 19,011 million, up 18% QoQ, following an increase in sales volume both in HRC Business and Upstream Business, but down 5% YoY despite a slight increase in total sales volume as sales ratio of HRC: Slab reduced from 79:21 in Q1/2013 to 54:46 in Q1/2014. Furthermore, HRC Business was impacted by uncertainty amidst domestic political situation, although sales volume to third party of Upstream Business substantially increased. Total cost of sales and service was Baht 19,461 million, up 10% QoQ, following a higher sales volume but at a lower proportion compared to an increase in sale volume resulted from lower slab production cost in Upstream Business.

The Company and its subsidiaries reported gross loss Baht 450 million, EBITDA Baht 75 million, and net loss Baht 1,397 million or negative EPS Baht 0.04 per share; with negative profitability ratios shown in a table on the right.

Compared to Q4/2013, operating performance improved significantly due to an improvement in both HRC spread and Slab spread, including lower cost per unit of Upstream Business and HRC Business, but still endured net loss caused by below-break-even production level of Upstream Business. However, compared to Q1/2013, overall operating performance worsened, mainly due to lower sales volume in HRC Business, as well as no gain on sales of investment in jointly-controlled entity, as occurred in Q1/2013.

	Q1/2014	Q4/2013	Q1/2013
NP Margin (%)	(7.4)	(18.1)	(3.9)
ROA* (%)	(6.8)	(13.9)	(3.7)
ROE* (%)	(61.8)	(109.2)	(24.9)
EPS (Baht)	(0.04)	(0.09)	(0.03)

Note: * Annualised figures for comparison purpose

HRC Business (the Company)

Table 2: Performance Highlight of Sahaviriya Steel Industries Plc.

Unit: USD/ton	2014 Q1	2013 Q4	+/- QoQ	2013 Q1	+/- YoY
Average Selling Price	667	660	+1%	740	-10%
Average Cost of Goods Sold	612	617	-1%	682	-10%
HRC Spread ¹⁾	127	122	+4%	141	-10%
HRC Rolling Margin ²⁾	19.0%	18.4%		19.1%	
HRC EBITDA ³⁾	63.8	54.9	+16%	76.1	-16%
Sales Volume (k tons)	462	425	+9%	707	-35%
Production Volume (k tons)	397	408	-3%	764	-48%

¹⁾ HRC Spread excludes the provision for loss on decline in value of inventories or the reversal thereof.

²⁾ HRC Rolling Margin = HRC Spread/Average Selling Price

³⁾ Q1/2013 HRC EBITDA includes gain on sales of investments in TCRSS Baht 225 million, or equivalent to USD 10.7/ton.

Revenues: Q1/2014. HRC Business recorded sales and service revenues Baht 10,170 million, up 13% QoQ but down 35% YoY. HRC sales volume was 462k tons, up 9% QoQ resulted from an increase in steel demand, after the reduction in inventory level at the end of the year, but down 35% YoY caused by slowdown economic amidst domestic political unrest adversely affecting domestic steel consumption. HRC Average Selling Price was Baht 21,794/ton (approx. USD 667/ton), up 1% QoQ following improving steel prices in world markets. Premium Value Products contributed 38% of total HRC sales volume.

Expenses: Q1/2014. HRC Business recorded **Cost of sales and service** Baht 9,317 million, comprising total cost of sale Baht 9,342 million, and the reversal of provision for loss on decline in value of inventories Baht 25 million. Cost of sale and service increased 11% QoQ, but dropped 35% YoY following sales volume. **SG&A** was Baht 225 million, up 64% QoQ mainly from higher selling expenses from rising sales volume and the reclassification on the transaction of production process improvement previously included in costs of sales and service to be part of SG&A expense; but down 19% YoY due to no repairing expenses for equipment damaged in accidents as occurred in Q1/2013 including an improvement in SG&A expense management. **Interest Expense** was Baht 461 million; down 9% QoQ and 8% YoY resulted from declining inventory level and portion of long-term loan being repaid.

HRC Spread: Q1/2014, recorded at USD 127/ton or HRC Rolling Margin of 19.0%, up from USD 122/ton in Q4/2013; but down from USD 141/ton in Q1/2013.

Profits: Q1/2014, HRC Business recorded gross profit Baht 853 million, HRC EBITDA Baht 962 million, and net profit Baht 347 million; up 36%, 31%, and 363% QoQ respectively. HRC EBITDA/ton was USD 63.8/ton (including the reversal of provision for loss on decline in value of inventories USD 1.7/ton); up from USD 54.9/ton in Q4/2013 due to improving HRC sales volume and HRC Spread. Compared to Q1/2013, HRC Business recorded gross profit, EBITDA, and net profit down by 34%, 40% and 60% YoY respectively due to the reasons as earlier explained, including no gain on sales of investment in jointly-controlled entity as occurred in Q1/2013.

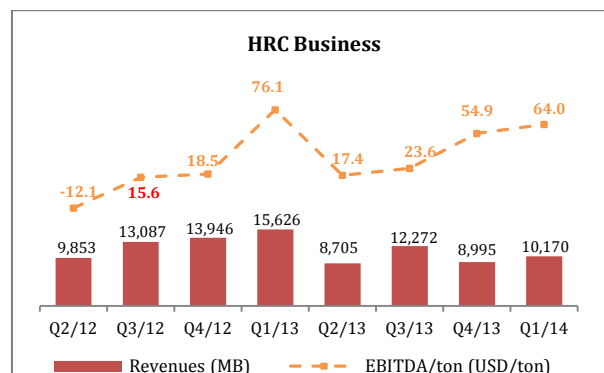


Figure 7: Revenues and EBITDA/ton of HRC Business

Upstream Business (SSI UK)

Table 3: Performance Highlight of SSI UK

Unit: USD/ton	2014 Q1	2013 Q4	+/- QoQ	2013 Q1	+/- YoY
Average Selling Price	522	497	+5%	510	+3%
Average Raw Material Cost	379	391	-3%	392	-3%
Slab Spread ¹⁾	144	106	+36%	118	+22%
Slab Margin ²⁾ (%)	27.5%	21.3%		23.1%	
Sales Volume (k tons)	717	713	+0%	670	+7%
Sales Volume to External Parties (k tons)	486	371	+31%	237	+105%
Slab Sales to 3 rd Parties	68%	52%		35%	
Production (k tons)	696	738	-6%	623	+12%

¹⁾ Slab Spread excluded the provision for loss on decline in value of inventories or the reversal thereof.

²⁾ Slab Margin = Slab Spread/Average Selling Price

Revenues: Q1/2014, SSI UK recorded total sales and service revenues Baht 12,513 million, up 9% QoQ and 16% YoY supported by 0.5% QoQ increase in Slab sales volume to 717 k tons and 5% QoQ increase in Slab Average Selling Price to USD 522/ton. Additionally, non-steel sales including by products and coke also mounted. Revenues after elimination of related parties transactions were Baht 8,689 million from 486 k tons of Slab sold to external parties, or approx. 68%.

Expenses: Q1/2014, SSI UK recorded **Cost of sales and service** Baht 13,876 million, comprising total cost of sale of Baht 13,945 million and the reversal of provision for loss on decline in value of inventories Baht 69 million. Total cost of sales and service increased 2% QoQ and 9% YoY as sales volume increased; however, raw material cost per ton decreased following a decrease in raw material prices. Average PCI injection rate slightly improved from 113 kg/thm in Q4/2013 to 115 kg/thm in Q1/2014. Conversion cost reduced due to lower production volume. **SG&A** was Baht 104 million whilst the reversal of provision set up for loss under onerous contracts was Baht 88 million. **Interest Expense** was Baht 365 million; down 13% QoQ resulted from lower interest expense on increasing import amount of raw materials and down 13% YoY due to better efficiency of raw material procurement.

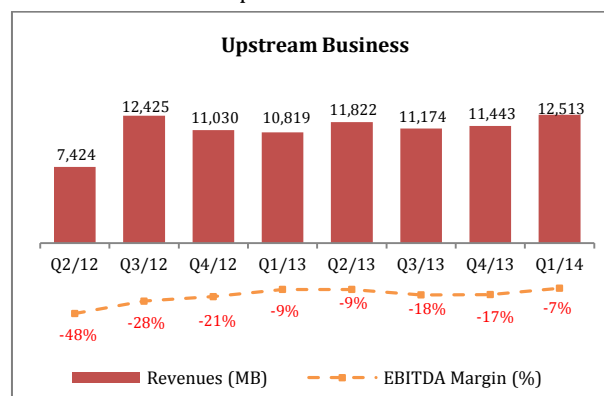
Slab Spread: Q1/2014, recorded at USD 144/ton or Slab Margin of 27.5%, up from USD 106/ton in Q4/2013 and USD 118/ton in Q1/2013.

Port Business (PPC)

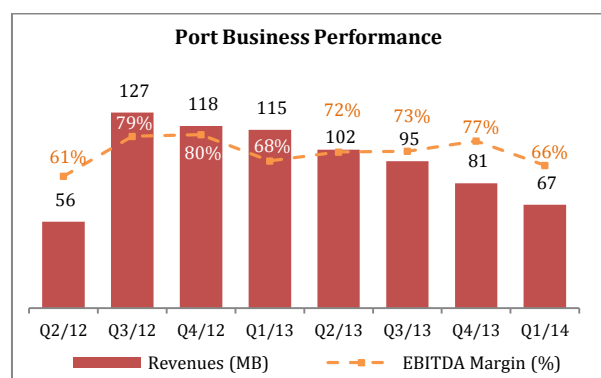
Revenues: Q1/2014, PPC recorded total service revenues Baht 67 million, down 17% QoQ and 42% YoY from lower throughput volume and lower revenue form PPC Shore Crane. The uncertainty of the political situation affected domestic economic growth including port industry which is a supporting business to other business segments.

Profits Q1/2014, PPC recorded gross profit Baht 29 million, EBITDA Baht 44 million, and net profit Baht 13 million, or down 47%, 29%, and 57% respectively compared to Q4/2013, mainly resulted from a decrease in revenues, professional fees on the port's maintainance, and no reclassification on the transaction of repairing and supplies expenses to be part of assets as occurred in Q4/2013. Compared to Q1/2013, gross profit, EBITDA, and net profit decreased by 55%, 44%, and 71% respectively,

Profits: SSI UK recorded gross loss Baht 1,363 million, negative EBITDA Baht 883 million, and net loss Baht 1,701 million. Loss was lower QoQ, compared to Q4/2013 where gross loss was Baht 2,152 million, EBITDA was negative Baht 1,887 million, and net loss was Baht 2,725 million; as Slab Average Selling Price increased contributing to better Slab Margin. Loss was also lower YoY, compared to Q1/2013 where gross loss was Baht 1,866 million, EBITDA was negative Baht 974 million, and net loss Baht 1,775 million; as a result of 1) higher Slab Average Selling Price and higher Slab Spread, 2) lower raw material cost and, 3) lower conversion cost per unit.


Figure 8: Revenues and EBITDA Margin of Upstream Business

mainly caused by a sharp drop in revenues while most costs of sale and service are fixed-cost.


Figure 9: Revenues and EBITDA Margin of Port Business

Engineering Business (WCE)

Revenues: Q1/2014, WCE recorded total sales and service revenues Baht 214 million, down 7% QoQ caused by a 24% decrease of revenues in Steel Structure and Fabrication Business as one project had been delivered since Q4/2013 and finished in the early Q1/2014; whilst new high-value projects of Steel Structure and Fabrication Business are under bidding. Furthermore, sales in Machinery Engineering Business also decreased 45% due to a sharp reduction in need for repairing and spare parts of the Company and jointly-controlled entities resulted from lower capacity utilisation. Compared to Q1/2013, total sales and service revenue dropped 4% YoY mainly due to a decrease of revenues in Engineering Procurement and Construction Business and Steel Structure and Fabrication Business. Sales and service revenues from external customers apart from the Company and its subsidiaries accounted for 56% of total sale and service revenues.

Profits: Q1/2014, WCE recorded gross profit Baht 25 million; EBITDA Baht 11 million; and net profit Baht 1.7 million, decreased QoQ by 34%, 52%, and 86%

respectively. Compared to Q1/2013, gross profit, EBITDA, and net profit decreased by 46%, 62%, and 90% respectively due to lower revenues as earlier explained.

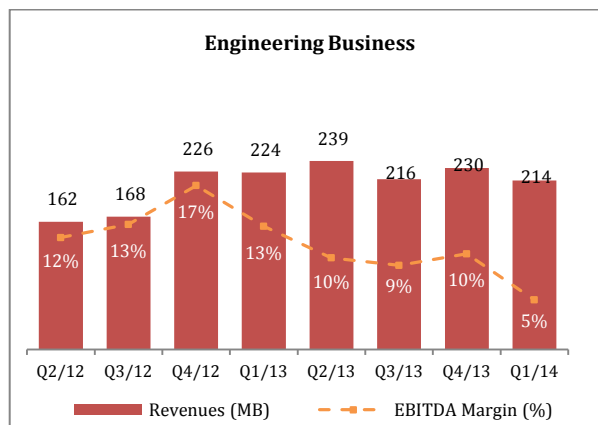


Figure 10: Revenues and EBITDA Margin of Engineering Business

CRC Business (TCRSS)

Revenues: Q1/2014, TCRSS recorded total sales Baht 2,812 million, up 4% QoQ; following a 4% QoQ increase in CRC sales volume to 111k tons, while average selling price dropped 2% impacted by intensely competitive market situation and a reduction in levels of production of the automotive industry. Compared to Q1/2013, total sales dropped 12% YoY caused by a 7% drop in sales volume following lower production of customers in the automotive industry; despite a higher sales volume in Electro-galvanised steel sheet. In addition, an average selling price decreased by 6% while the uncertainty of the political situation remains a major factor of the slowing of domestic economy and the overall industry.

Profits: Q1/2014, TCRSS recorded gross profit Baht 22 million, EBITDA Baht 10 million; and net profit Baht 109 million, down by 132%, 93%, and 2548% QoQ respectively, resulted from a higher cost in raw material including a provision for loss under onerous contracts; whilst there was a reversal of provision for loss under onerous contracts in Q4/2013. Compared to Q1/2013, gross profit, EBITDA, and net profit decreased by 108%, 97%, and 187% respectively due to lower sales volume as

well as average selling price following the market's condition; whilst cost of raw material climbed up due to Baht depreciation. Consequently, TCRSS already set up the provision for loss on decline in value of inventories and provision for loss under onerous contracts.

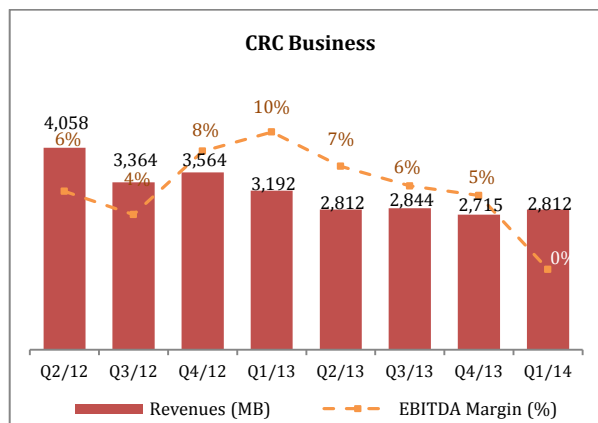


Figure 11: Revenues and EBITDA Margin of CRC Business

6. Consolidated Financial Status

Consolidated Financial Position as at the End of Q1/2014

Trade and Notes Receivable- Net

As at 31 March 2014, trade and notes receivable netted Baht 5,848 million, up 14% from the end of 2013; in line with an increase in consolidated sales and service revenues; especially rising sales and service revenues of the Company and SSI UK, as earlier explained.

Inventory

As at 31 March 2014, inventory netted Baht 14,517 million, down 17% from 31 December 2013, mainly from effective inventory management and lower unit price of raw materials.

Current Ratio

As of 31 March 2014, current ratio was 0.59x, slightly decreased from the end of 2013, mainly from falling inventory as earlier explained.

Liabilities and Liquidity Management

As at 31 March 2014, the Company and its subsidiaries had total liabilities Baht 71,491 million, down 4% from 31 December 2013 due to a decrease in accounts payable and current liabilities.

The Company and its subsidiaries had total Interest-Bearing Debts Baht 51,899 million whilst Net Debt was Baht 51,730 million. The debts consisted of short-term

Cash Flow

As at 31 March 2014, the Company and its subsidiaries's ending cash was Baht 170 million; a slight increase in net change in cash and cash equivalents from the end of 2013, as detailed in Table 14, consisting of:

- Net cash received from operating activities of Baht 530 million consisted of (1) cash outflows from operation Baht 134 million, which included net loss of the Company and its subsidiaries for the period of Baht 1,395 million caused by reasons mentioned above; and (2) cash inflows from net change in working capital Baht 664 million mainly resulted from a reduction in inventories.
- Net cash used in investing activities Baht 11 million was mainly from additional investments in fixed assets and intangible assets Baht 165 million. However, the group had net cash inflows from currency translation differences Baht 154 million.
- Net cash used in financing activities was Baht 511 million; mainly consisting of cash paid for finance cost and cash received from short-term loans.

Table 4: Inventories Classification as at the End of Quarter

Unit: million Baht	31 Mar 2014	31 Dec 2013	% Chg.
Raw Materials (Slab, iron ore, coking coal, & coke)	4,361	5,717	-24%
Raw Materials in Transit (Slab)	5,709	6,201	-8%
Finished Goods and Work-in-process (HRC & HRC-P/O)	2,643	3,906	-32%
Tools and Spare Parts	2,148	2,036	+6%
Less: Provision for loss on decline in value of inventories	(344)	(473)	+27%
Net Inventories	14,517	17,387	-17%

Table 5: Financial Ratios

Financial Ratios	31 Mar 2014	31 Dec 2013
Current Ratio	0.59	0.64
Interest-Bearing Debt to Equity Ratio	5.73	4.89

borrowings and current portion of long-term interest-bearing debts Baht 24,727 million, whilst long-term interest-bearing debts Baht 27,172 million.

Total shareholders' equity decreased 15% to Baht 9,062 million mainly due to SSI UK's operating loss. Therefore, Interest-Bearing Debt to Equity ratio went up to 5.73x from 4.89x as at 31 December 2013.

7. Ongoing Projects

[There is no current ongoing project.]

8. Recent Development

Events in Q1/2014

Key Development in Manufacturing

SSI UK's Slab Introduction to Auto Customers Project

To date, the Company had introduced HRC-P&O produced from own slabs to 6 world-class automakers in total of 12 grades. Of which, 10 grades had been granted as Approved Source by 4 automakers and commercialized (one of which was achieved in Q1/2014); 1 grade had passed Stamping Test and is in process to be commercialized with 1 automaker, expected within 2014; and 1 grade has passed Material Test with another automaker.

Under the Innovate Premium Value Products strategy, the Company intends to increase sales ratio of PVP products, targeting the automotive and cold-rolling sector in particular. In Q1/2014, the Company achieved PVP ratio 38% of total HRC Sales Volume. 2014 target is 40%.

Recent Development of WCE

At the end of Q1/2014, WCE had a backlog order for all businesses of Baht 490 million. During Q1/2014, WCE received new orders amounting Baht 398 million, including 2 major EPC orders worth Baht 303 million with customers in the paper industry.

Good Corporate Governance and Corporate Social Responsibility

- 1) On 11 January 2014, SSI Group together with local government organisations in Bangsaphan, Prachuap Khiri Khan, comprising Mae Rumphueng Subdistrict Administration, Kamnerd Noppakun Subdistrict Administration, and Kamnerd Noppakun Sub-District Municipal Office arranged National Children's Day 2014. The Company also took the youths to explore PPC's site and PPC Shore Crane, as part of their learning experience.
- 2) On 3 March 2014, SSI signed the agreement as the title sponsor of "Sahaviriya Bangkok Triathlon 2014". The proceeds from the event will be used to support leprosy patients and children whose parents were afflicted with HIV.
- 3) On 19 March 2014, SSI handed over "Hydroponic Vegetable Plots in Greenhouse" to Mr. Thongchai Sangplong, the principal of Ban-Morrasuab School. There were School Committee, teachers, students, and their parents participating in the event. After the handover, some of the hydroponic vegetable was cooked for students of Ban-Morrasuab School. This project, not only provided students to have non-toxic vegetable for lunch, but also generated extra income Baht 6,000 to the school for each harvest time as they can sell the hydroponic vegetable to their parents and the general public.

Current Status of Trade Remedy Measures against Imported Hot-rolled Flat Steel and Cold-rolled Flat Steel

The Company and TCRSS have filed petitions for two Trade Remedy Measures, which are Anti-dumping Measure and Safeguard Measure, against imported hot-rolled flat steel and cold-rolled flat steel to Department of Foreign Trade ("DFT"), Ministry of Commerce, for review and investigation. The current status of each measure is as follows:

- 1) Safeguard Measure
 - For the case of imported hot-rolled flat steel without other element added (thickness 0.9 – 50 mm. and width 600 – 3,048 mm.) in coils and not in coils, DFT announced the Notification for an investigation in the Royal Gazette on 29 January 2014. The Public Consultation/Hearing was held on 26 February 2014 and 12 March 2014. The Company already sent the questionnaire to DFT on 9 April 2014.
 - For the case of cold-rolled flat steel in coils and not in coils imported from China, Vietnam and Taiwan, the Committee on Dumping and Subsidy had final determination on 22 January 2014, and announced in the Royal Gazette on 5 February 2014, which is effective for 5 years (from 6 February 2014 to 5 February 2019), with these following revised duty rates:
 - 1) 9.24%-20.11% of CIF price for products imported from China
 - 2) 14.35% of CIF price for products imported from Vietnam
 - 3) 4.22%-17.47% of CIF price for products imported from Taiwan
- 2) Anti-dumping Measure
 - For the case of hot rolled flat steel in coils and not in coils whose origins are from 14 countries, the Company already filed the petition for Sunset Review for the purpose of 5-year extension of AD measure to DFT on 21 January 2014.

Development on Capital Structure

- The Company is on process, and will continue to buy back the remaining 279 units of Subordinated Convertible Debentures.

Appendix

Table 6: World Crude Steel Production

Unit: million tons	2014	2013	+/-	2013	+/-
Region	Q1	Q4	QoQ	Q1	YoY
EU	43.79	42.08	+4%	41.47	+6%
North America	29.49	30.05	-2%	29.71	-1%
South America	10.81	11.42	-5%	11.13	-3%
China	201.05	188.31	+7%	191.75	+5%
Asia (ex. China)	70.87	70.78	+0%	67.92	+4%
Others	47.00	48.19	-2%	46.57	+1%
Total	403.02	390.82	+3%	388.55	+4%

Source: World Steel Association

Table 7: Average Prices of Slab, HRC, and Other Raw Materials

	Q4/2013 (USD/ton) Actual ¹⁾	Q1/2014 (USD/ton) Estimate ²⁾	Q1/2014 (USD/ton) Actual ¹⁾	Q2/2014 (USD/ton) Estimate ²⁾
Coking Coal (Premium HCC FOB Australia)	140.39	122.50	120.22	110.94
Iron Ore (IODEX 62% Fe CFR North China)	131-139	121-135	105-135	114-119
Slab (CFR East Asia import)	500-508	530-550	532-552	530-540
Slab (FOB Latin export)	467-477	500-515	495-508	505-520
HRC (CFR East Asia import)	537-567	540-570	535-565	528-558
HRC (Ex-mill US Midwest) ³⁾	661-671	645-665	N.A.	N.A.

Sources: ¹⁾ Quarterly average prices are from SBB-Steel Business Briefing website, except IODEX 62% Fe CFR North China average prices are calculated from SBB-Steel Markets Daily Report

²⁾ Quarterly estimated prices are based on average prices from SBB-Steel Business Briefing website up to 7 May 2014, except IODEX 62% Fe CFR North China are calculated from SBB-Steel Market Daily Report

³⁾ Prices are quoted in unit of USD/short ton, which can be converted by factor of 1 short ton = 0.9072 metric ton

Table 8: Car and Home Appliance Production in Thailand

Production Volume (in million units)	Q1/2014	Q4/2013	% QoQ	Q1/2013	% YoY
Car Production ¹⁾	0.52	0.53	-2%	0.72	-28%
Refrigerator Production ¹⁾	0.94	0.95	-1%	1.21	-22%
Air Conditioner Production ²⁾	3.84	2.48	+55%	3.07	+25%

Sources: ¹⁾ Car Production information published by Thailand Automotive Institute

²⁾ Refrigerators and Air Conditioners Production information published by Bank of Thailand

Table 9: HRC Apparent Steel Supply

	Q4/2013 (tons) Actual	Q1/2014 (tons) Estimate	Q1/2014 (tons) Actual	% QoQ	Q1/2013 (tons) Actual	% YoY
Domestic Production	586,906	650,000	543,396	-7%	786,879	-31%
Import	838,675	900,000	891,066	+6%	1,337,243	-33%
Export	2,795	3,000	13,486	+383%	1,982	+580%
Total	1,422,786	1,547,000	1,420,976	-0.1%	2,122,140	-33%

Source: Iron and Steel Institution of Thailand for actual data and the Company's estimate

Table 10: HRC Apparent Steel Supply (Estimate for 2014)

	2013 (tons) Actual	Q1/2014 (tons) Actual	Q2/2014 (tons) Re- estimate	Q3/2014 (tons) Re- estimate	Q4/2014 (tons) Re- estimate	2014 (tons) Re- estimate	% YoY
Domestic Production	2,573,497	543,396	620,000	620,000	660,000	2,443,396	-5%
Import	4,438,308	891,066	820,000	900,000	920,000	3,531,066	-20%
Export	27,835	13,486	3,000	3,000	3,000	22,486	-19%
Total	6,983,970	1,420,976	1,437,000	1,517,000	1,577,000	5,951,976	-15%

Source: Iron and Steel Institution of Thailand for actual data, and the Company's estimate

Table 11: Summary of Consolidated Financial Results**Consolidated**

Unit: million Baht	2014 Q1	2013 Q4	+/- QoQ	2013 Q1	+/- YoY
Sale and service revenues	19,011	16,100	+18%	19,949	-5%
Cost of sale and service	19,461	17,631	+10%	20,394	-5%
Gross profit (loss)	(450)	(1,531)	+71%	(445)	-1%
SG&A	356	255	+40%	411	-13%
Provision for loss under onerous contracts (reversal)	(88)	46	-293%	(520)	+83%
Gain on sales of investments in jointly-controlled entity	-	-	-	363	-100%
EBITDA ¹⁾	75	(1,464)	+105%	800	-91%
Interest expense	832	829	+0%	926	-10%
Depreciation and amortisation	639	631	+1%	646	-1%
Income tax (reversal)	2	(17)	+114%	6	-61%
Realised FX gain (loss)	32	(1,091)	+103%	(179)	+118%
Unrealised FX gain (loss)	11	474	-98%	363	-97%
Net profit (loss)	(1,397)	(2,907)	+52%	(778)	-80%
EPS (Baht)	(0.04)	(0.09)	+52%	(0.03)	-45%

¹⁾ Q1/2013 Group EBITDA includes gain on sales of investment in TCRSS Baht 363 million.

Table 12: Financial Results by Business

Unit: million Baht	2014 Q1	2013 Q4	+/- QoQ	2013 Q1	+/- YoY
<u>Sale and Service Revenues</u> ¹⁾					
Consolidated	19,011	16,100	+18%	19,949	-5%
HRC Business	10,170	8,995	+13%	15,626	-35%
Upstream Business	8,689	6,949	+25%	4,141	+110%
Port Business	33	33	+2%	48	-31%
Engineering Business	119	123	-3%	135	-11%
<u>EBITDA</u> ¹⁾					
Consolidated ²⁾	75	(1,464)	+105%	800	-91%
HRC Business ³⁾	962	737	+31%	1,593	-40%
Upstream Business	(883)	(1,887)	+53%	(974)	+9%
Port Business	44	62	-29%	79	-44%
Engineering Business	11	23	-52%	29	-62%
Elimination of Related Parties Transaction	(59)	(400)		73	

Unit: million Baht	2014 Q1	2013 Q4	+/- QoQ	2013 Q1	+/- YoY
Net Profit (Loss) ¹⁾					
Consolidated ⁴⁾	(1,397)	(2,907)	+52%	(778)	-80%
HRC Business	347	75	+363%	868	-60%
Upstream Business	(1,701)	(2,725)	+38%	(1,775)	+4%
Port Business	13	31	-57%	46	-71%
Engineering Business	2	12	-86%	17	-90%
Elimination of Related Parties Transaction	(62)	(317)		55	
Non-controlling Interest	3	17		11	

¹⁾ Revenues of each business unit is shown as net revenues after elimination of related parties transactions while EBITDA and Profit (Loss) are shown as amount before elimination of related parties transactions.

²⁾ Q1/2013 Group EBITDA includes gain on sales of investment in TCRSS Baht 363 million

³⁾ Q1/2013 HRC EBITDA includes gain on sales of investment in TCRSS 225 million Baht

⁴⁾ TCRSS and Redcar Bulk Terminal Ltd transactions are recorded under equity method.

Table 13: Condensed Consolidated Statements of Financial Position

Unit: million Baht	As of 31 Mar 14	As of 31 Dec 13	+/-
Assets			
Accounts Receivable	5,848	5,108	+14%
Inventories	14,517	17,388	-17%
Other Current Assets	4,526	5,659	-20%
Total Current Assets	24,891	28,154	-12%
Property, Plant and Equipment	51,506	52,425	-2%
Investments in jointly-controlled entities	3,840	3,839	+0%
Other Non-Current Assets	316	308	+3%
Total Assets	80,553	84,726	-5%
Liabilities			
S/T Debt and Current Portion of L/T Interest-Bearing Debt	24,727	23,869	+4%
Accounts Payable	11,322	12,614	-10%
Other Current Liabilities	6,248	7,560	-17%
Total Current Liabilities	42,298	44,044	-4%
L/T Interest-Bearing Debts	27,172	28,047	-3%
Other Non Current Liabilities	2,021	2,026	-0%
Total Liabilities	71,491	74,116	-4%
Equity			
Equity Attributable to Owners of the Company	8,289	9,794	-15%
Non-controlling Interests	772	816	-5%
Total Equity	9,062	10,610	-15%
Total Liabilities and Equity	80,553	84,726	-5%

Table 14: Condensed Statement of Cash Flow

Unit: million Baht	Jan-Mar 2014
Net cash used in operating activities	530
Proceeds from sale of investments in jointly-controlled entity	0
Purchases of property, plant and equipment	(154)
Currency translation differences	154
Other investments	(11)
Net cash received from investing activities	(11)
Net Proceeds from issuance of ordinary shares	0
Finance cost paid	(669)
Net proceeds from bank overdrafts and short-term loans from financial institutions	174
Repayment of long-term loans	(2)
Cash paid for buyback convertible debentures	0
Cash paid for other financing activities	(13)
Net cash used in financing activities	(511)
Net increase (decrease) in cash and cash equivalents	8
Cash and cash equivalents at 31 December 2012	163
Effect of exchange rate changes on balance held in foreign currency	(1)
Cash and cash equivalents at 30 September 2013	170

About SSI

Sahaviriya Steel Industries PLC. or SSI is ASEAN's largest fully-integrated flat steel producer with 4 million tons annual capacity of hot rolled steel sheet in coils (HRC). SSI endeavors to supply premium-grade steel sheets to cater to the region's growing demand in various sectors such as automobile, energy, transportation and construction sectors. In the upstream business, SSI owns SSI Teesside, a 3.6 million tons per annum fully-integrated iron-steel making plant located in Redcar in the northeast of UK, through a wholly-owned subsidiary **Sahaviriya Steel Industries UK Limited** ("SSI UK"). SSI Teesside supplies premium-grade steel slabs to SSI to feed its growing demand, as well as to other rolling mills around the world. In the downstream business, SSI has investments in joint-venture downstream plants: namely **Thai Cold Rolled Steel Sheet PLC.** ("TCRSS") - Thailand's first and largest cold roll mill, and **Thai Coated Steel Sheet Co., Ltd.** ("TCS") - Southeast Asia's first and largest electro-galvanizing line. All SSI's plants in Thailand are located on a world-class coastal industrial site in Bang Saphan, Prachuap Khirikhan Province, 400km south of Bangkok on the western peninsula of Thailand, where they are efficiently integrated with its privately-owned deep-sea port (**Prachuap Port Co., Ltd.** or PPC), which allows import of raw materials and export of finished products in large economy of scale. SSI extends its engineering capabilities into its wholly-owned subsidiary, **West Coast Engineering Co., Ltd.** or WCE, which specialises in engineering, maintenance, spare parts production, fabrication, erection and commissioning service. Our people's passion and energy is captured in the Company's vision statement - "innovate premium value steel products and services for customers; generate consistent profit and sustainable value for stakeholders."

For more information, please visit <http://www.ssi-steel.com>

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