

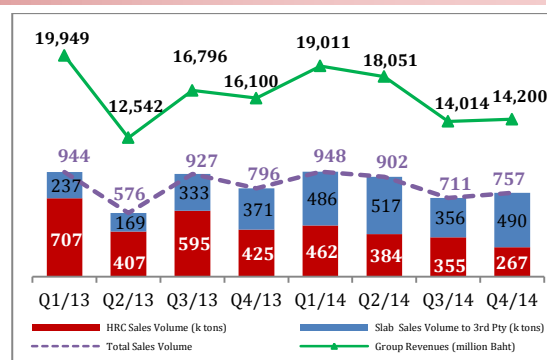
1. Highlights

	Unit: million Baht	Q4/2014	2014
GROUP	Group LTIFR	2.16	2.00
	Group Revenues	14,200	65,276
	Group Sales Volume (k tons)	757	3,318
	Group EBITDA	(133)	808
	Group Net Profit (Loss)	(1,552)	(4,903)
	Net Debt ¹⁾	52,165	
	Interest-Bearing Debt/Equity Ratio (x)	9.62	
HRC	HRC Sales (k tons)	267	1,468
	HRC Production Volume (k tons)	257	1,424
	HRC Average Selling Price (USD/ton)	668	679
	HRC Spread (USD/ton)	123	125
	HRC Rolling Margin (%) ²⁾	18.3%	18.4%
	HRC EBITDA (USD/ton) ³⁾	(27.1)	39.7
Upstream	Slab Sales Volume (k tons)	709	2,760
	Slab Production Volume (k tons)	689	2,760
	Slab Average Selling Price (USD/ton)	496	511
	Slab Sales Volume to 3 rd Parties	69%	67%
	Slab Spread (USD/ton)	207	183
	Slab Margin (%) ²⁾	41.8%	35.8%

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

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

³⁾ HRC EBITDA includes the stock loss provision USD 64.1 per/ton in Q4/2014 ar USD 11.1 per/ton in 2014.



Highlights in Q4/2014

- In Q4/2014, the Group recorded negative EBITDA Baht 133 million (from positive EBITDA Baht 866 in Q3/2014) due to the stock loss provision Baht 1,052 million. Excluding the stock loss provision, Core EBITDA was positive Baht 918 million.
- SSI UK reached its highest Slab Margin of 41.8% since operation restart in Q2/2012.
- The Group achieved its record high annual sales volume of 3,318K tons.
- Safeguard Measure on HRC without other element added (thickness 0.9 – 50 mm. and width 600 – 3,048 mm.) in coils and not in coil*, Safeguard Committee had announced a definitive measure to impose the safeguard duties on 19 Dec 2014 effective from 24 Dec 14 to 6 Jun 17.
- Anti-dumping Measure on HRC whose origins are from 14 countries*, Department of Foreign Trade ("DFT"), Ministry of Commerce opened a hearing meeting on 5 Jan 2015 in order to collect data to support definitive AD measure consideration. Previously, DFT had announced the Notification for investigation of the Sunset Review and extension of AD duty imposition for another year until 22 May 15.

2. Business Outlook on Q1/2015

- HRC Average Selling Price expected to decrease 13-15% QoQ, and HRC Rolling Margin expected to decrease to the range of 9-10%.
- HRC Sales Volume expected to increase 21-23% QoQ; whilst HRC Apparent Steel Supply expected to increase 1% QoQ to approx. 1.7 million tons.
- Slab Average Selling Price expected to decrease 25-27% QoQ; whilst Slab Margin expected to slightly decrease to 29-31%.
- Slab Sales Volume expected to decrease 5-7% QoQ, with approx. 55-60% to 3rd party customers.

3. Group CEO's Messages

"In the 4th quarter, while we are pleased with our core performance having delivered positive Baht 918 million Core EBITDA, we are facing with turbulent global headwinds. Recent sharp drop in oil price and accelerated devaluation of the Russian Ruble had put tremendous pressure on the global steel market, causing steel prices to drop by 30% in a period of just a few months. We had to prudently set a stock-loss provision of Baht 1,052 million, resulting in a disappointing negative Baht 133 million EBITDA result.

Upstream Business We achieved the highest-ever 41.8% Slab Margin, thanks to the combination of raw material price decrease and our effort in raw material blend optimization. PCI Injection Rate reached highest-ever 110kg/ton average for the quarter, giving us good cost saving. 3rd Parties Slab Sales Volume is robust at 69% of total. Core EBITDA was highest-ever positive Baht 517 million; but taking a Baht 488 million stock-loss provision, final EBITDA was positive Baht 29 million.

HRC Business Thai domestic HRC demand remained soft as expected throughout the latter part of 2014, our HRC Sales Volume dropped 25% QoQ. Nevertheless, we managed to maintain a satisfactory \$123/ton HRC Spread, resulting in a positive Baht 323 million Core EBITDA. Similar to the **Upstream Business**, taking a Baht 564 million stock-loss provision, final EBITDA was negative Baht 241 million.

As for the full year 2014, we successfully turned the business around from a negative EBITDA Baht 2,888 million in 2013 to a positive EBITDA Baht 808 million in 2014. Thanks to the hard work and creativity of our people, we have launched and delivered numerous initiatives to save cost, increase productivity and yield, and improve quality.

Our mission and strategy remains the same – Innovation and Integration. We continue to reduce cost and strengthen the competitiveness of our manufacturing base through integration and sharing of good practices, operational excellence and human resource talents. We continue to pursue quick-win initiatives, targeting short lead-time projects that deliver quick robust returns. We continue to innovate our Premium Value Products that will add value to our customers.

The near-term market outlook remains uncertain. While North American market demand remains strong, buyers' confidence is globally low as global steel market is still correcting and trying to find a bottom. Chinese steel export continues to exceed 10 million tons monthly rate. Russian/Ukraine situation is still very fluid, as is Greece situation. But we have been through turbulence before, being prudent and managing risk well are the keys to survival. The brighter spot is Thailand domestic demand, which had passed the trough in Q4 and is trending up as government economic initiatives start to kick in. Raw material costs are still trending down as the over-supply situation there continues, but as steel prices had antecedently taken a sharp drop, the spreads we see currently in Q1 are lower than normal and will only recover when the steel market returns to equilibrium."

4. Industry Overview and Outlook

Steel Industry in Q4/2014

World Steel Industry: World crude steel production in Q4/2014 was approx. 401 million tons, down 1.1% QoQ, mainly due to China whose production decreased by 3.1%, or down to 199 million tons QoQ; and South America whose production decreased by 4.2%, or down to 11 million tons QoQ. However, crude steel production in Europe and Asia (Others) grew by 5.3% and 2.3% QoQ. Consequently, the world crude steel production decreased QoQ, as shown in Figure 1.

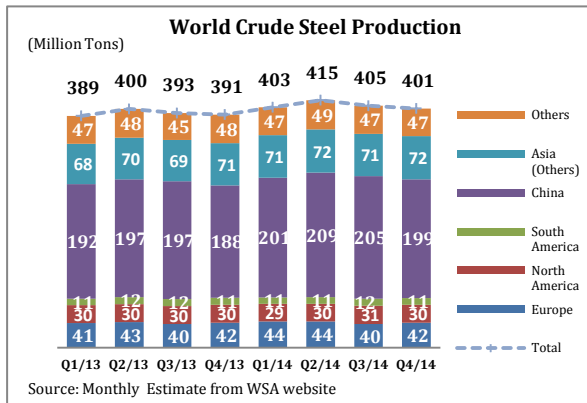


Figure 1: World Crude Steel Production

Iron ore, slab, and HRC prices decreased from the previous quarter. The average price of iron ore IODEX 62% Fe CFR China in Q4/2014 was USD 66-84/ton, down from USD 78-98/ton. The average price of Slab CFR East Asia Import was USD 445-455/ton, down from USD 498-515/ton. The average price of HRC CFR East Asia Import was USD 472-481/ton, down from USD 512-527/ton, as shown in Figure 2.

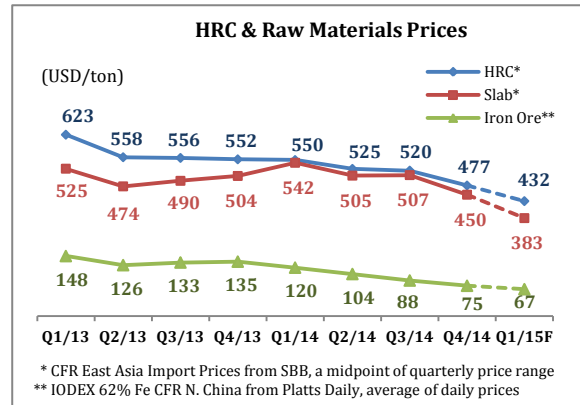


Figure 2: HRC, Slab and Iron Ore Prices (Price for Q1/2015 is an average up to 6 Feb 2014)

Thailand Steel Industry: In Q4/2014, Thailand's Apparent Steel Supply (ASS) was approx. 4,495k tons, down 0.9% QoQ, as shown in Figure 3. Domestic production volume decreased 20.2% QoQ, whereas import volume increased 10.6% QoQ. Long steel products ASS soared by 6.3% QoQ, due to a decrease in domestic production volume. On the other hand, flat steel products

ASS rose 2.3% QoQ. The higher flat steel products ASS was driven by an increase in cold-rolled steel sheet and coated steel sheet as a result of an increase in auto production volume by 3.3% QoQ. On the other hand, production volume of A/C and fridge decreased by 3.2% and 5.9% QoQ respectively, as shown in Figure 4.

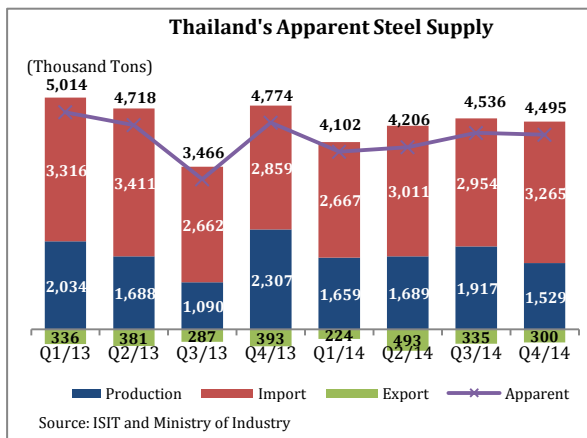


Figure 3: Domestic Apparent Steel Supply

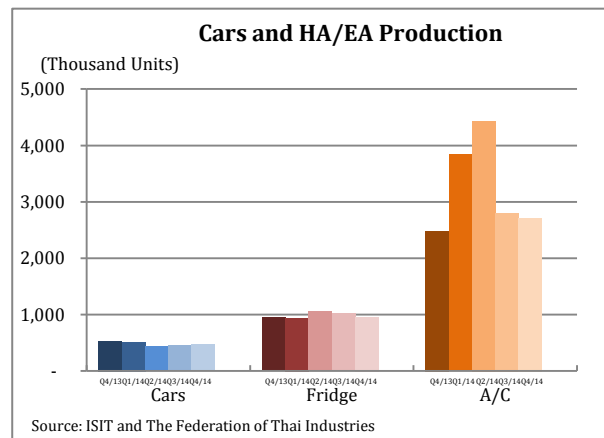


Figure 4: Domestic Production of Car, Fridge, and A/C

Thailand HRC Industry: In Q4/2014, domestic HRC Apparent Steel Supply (ASS) was approx. 1,676k tons, up 1.4% QoQ. HRC domestic production was 586k tons, down 21.4% QoQ, whilst import volume was 1,093k tons, up 19.9%, as shown in Figure 5.

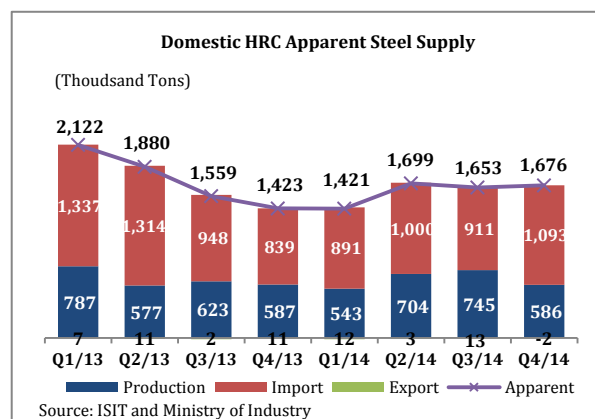


Figure 5: Domestic HRC Apparent Steel Supply

Outlook on Steel Industry in Q1/2015

World Steel Industry: The U.S. economic recovery continues to gain momentum from the last quarter, but growth may have been pressured by the decline in oil prices whilst the U.S. oil reserves rose to a record high. Furthermore, the dollar is likely to continue to appreciate against other currencies. As a result, steel production in the U.S. is expected to slightly increase in Q1/2015. The EU is closely monitoring the impact on industrial production from the Quantitative Easing (QE) policy in the amount of EUR 1 million, leading to an anticipation of slight increase in steel production in Q1/2015. For China, steel consumption has been sluggish and is expected to maintain its production level in Q1/2015.

As for prices in Q1/2015, the Company expects that steel prices will tend to decrease. Iron ore, slab, and HRC prices are expected to decrease to the range of USD 61-72/ton, USD 380-385/ton and USD 429-434/ton respectively, as shown in Figure 2.

Thailand HRC Industry: In Q1/2015, domestic HRC Apparent Steel Supply is expected to increase from 1,676k tons in Q4/2014 to 1,697k tons in Q1/2015. Meanwhile, HRC Apparent Steel Supply in 2015 is projected to be approx. 6,558k tons, as shown in figure 6.

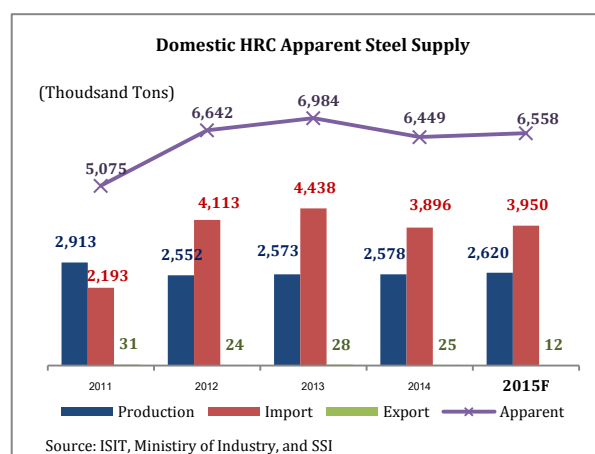


Figure 6: Estimate for Domestic HRC Apparent Steel Supply

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

Table 1: Financial Highlights in Q4/2014 of the Company, its Subsidiaries and Jointly-Controlled Entities

Unit: million Baht	2014 Q4	2014 Q3	+/- QoQ	2013 Q4	+/- YoY	2014 Jan-Dec	2013 Jan-Dec	+/- YoY
Group Sales Volume ¹⁾ (k tons)	757	711	+6%	796	-5%	3,318	3,243	+2%
Group Sales Revenue	14,200	14,014	+1%	16,100	-12%	65,276	65,387	-0.2%
Group Cost of Goods Sold	14,272	13,800	+3%	17,631	-19%	65,966	70,250	-6%
Group Gross Profit (Loss)	(72)	214	-134%	(1,531)	+95%	(690)	(4,863)	+86%
Group EBITDA ²⁾	(133)	866	-115%	(1,464)	+91%	808	(2,888)	+128%
Group Net Profit (Loss)	(1,552)	(547)	-184%	(2,907)	+47%	(4,903)	(7,053)	+30%

¹⁾ Group Sales Volume = HRC Sales Volume + Slab Sales Volume Sold to 3rd Parties

²⁾ EBITDA (Including the stock loss provision or the reversal thereof) = Net Profit + Interest + Tax + Depreciation and Amortisation

Consolidated

Q4/2014 The Company and its subsidiaries recorded sales and service revenues Baht 14,200 million, up 1% QoQ, from a 39% QoQ increase in Upstream Business's Slab Sales Volume to 3rd party customers, but down 12% YoY from a 36% YoY decrease in HRC Sales Volume despite an increase in Upstream Business's Slab Sales Volume to 3rd party customers of 19% YoY. Total cost of sales and service was Baht 14,272 million, up 3% QoQ but down 19% YoY, following lower Group Sales Volume and reduced cost of raw material as a result of a reduction in raw material prices and blend optimization. Group sales ratio of HRC:Slab after eliminating related transactions was 41:59 in Q4/2014 (compared with 56:44 in Q4/2013).

The Company and its subsidiaries reported gross loss of Baht 72 million, negative EBITDA Baht 133 million (excluding the provision for loss on decline in value of inventories Baht 595 million and the provision of loss under onerous contracts of Baht 457 million, Core EBITDA was positive Baht 918 million), and net loss Baht 1,552 million or negative EPS Baht 0.05 per share. Operating performance was lower QoQ mainly from lower HRC operating performance of HRC Business. However, the overall performance improved YoY due to higher Sales Volume to 3rd party customers in Upstream Business as well as higher Slab Spread. Yet, the Company and its subsidiaries still suffered net loss due to production volume of the Upstream Business did not reach the optimal level to cover the depreciation and interest expense.

	Q4/2014	Q3/2014	Q4/2013
NP Margin (%)	(10.9)	(3.9)	(18.1)
ROA* (%)	(8.0)	(2.8)	(13.9)
ROE* (%)	(114.1)	(33.5)	(109.2)
EPS (Baht)	(0.05)	(0.02)	(0.09)

Note: * Annualised figures for comparison purpose

In 2014 The Company and its subsidiaries recorded sales and service revenues Baht 65,276 million, down 0.2% YoY following decreased HRC Sales Volume in HRC Business due to an impact of negative domestic factors despite higher Slab Sales Volume to 3rd party customers in Upstream Business. Sales ratio of HRC:Slab after eliminating related transactions was 50:50 in 2014 (compared with 70:30 in 2013). Total cost of sales and service Baht 65,966 million, down 6% YoY resulted from lower raw material costs in both HRC Business and Upstream Business.

The Company and its subsidiaries reported gross loss Baht 690 million, EBITDA Baht 808 million (excluding the provision for loss on decline in value of inventories Baht 465 million and the provision of loss under onerous contracts of Baht 239 million, Core EBITDA was positive Baht 1,513 million), and net loss Baht 4,903 million or negative EPS Baht 0.15 per share. Compared with the corresponding period last year, the overall performance was better; gross loss and net loss were smaller whilst EBITDA turned from negative to positive due to improvement in both HRC Spread and Slab Spread, as well as unit conversion cost of HRC Business. Smaller negative profitability ratios are shown in a below table except ROE showing a higher negative fraction due to decreased equity.

	Jan-Dec 2014	Jan-Dec 2013
NP Margin (%)	(7.5)	(10.8)
ROA* (%)	(6.1)	(8.1)
ROE* (%)	(67.8)	(62.5)
EPS (Baht)	(0.15)	(0.24)

Note: * Annualised figures for comparison purpose

HRC Business (the Company)

Table 2: Performance Highlight of HRC Business

Unit: USD/ton	2014 Q4	2014 Q3	+/- QoQ	2013 Q4	+/- YoY	2014 Jan-Dec	2013 Jan-Dec	+/- YoY
Average Selling Price	668	701	-5%	660	+1%	679	689	-2%
Average Cost of Goods Sold	615	640	-4%	617	-0.2%	625	651	-4%
HRC Spread ¹⁾	123	133	-8%	122	+1%	125	122	+3%
HRC Rolling Margin ²⁾	18.3%	18.9%		18.4%		18.4%	17.6%	
HRC EBITDA ³⁾	(27.1)	51.0	-153%	54.9	-149%	39.7	46.0	-14%
Sales Volume (k tons)	267	355	-25%	425	-37%	1,468	2,134	-31%
Production Volume (k tons)	257	388	-34%	408	-37%	1,424	2,131	-33%

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⁾ HRC EBITDA includes the stock loss provision USD 64.1 per/ton in Q4/2014 and USD 11.1 per/ton in 2014. 2013 HRC EBITDA includes gain on sales of investments in TCRSS Baht 225 million occurred in Q1/2013.

Revenues: Q4/2014. The Company recorded sales and service revenues Baht 5,765 million, down 27% QoQ and 36% YoY. HRC Sales Volume was 267k tons, down 25% QoQ and 37% YoY, due to high import volume of downstream steel products such as steel pipes and steel purlin which affected HRC consumption. In addition, the global steel prices have dropped sharply following the falling of commodity prices as oil prices decreased causing customers to prolong their orders. HRC Average Selling Price in Q4/2014 was Baht 21,902/ton or approx. USD 668/ton, down 5% QoQ and up 1% YoY. Premium Value Products (PVPs) contributed to 39% of total HRC Sales Volume.

Expenses: Q4/2014, the Company recorded **Cost of sales and service** Baht 5,810 million, comprising total cost of sales and service Baht 5,329 million, and the provision for loss on decline in value of inventories Baht 481 million. Cost of sales and service decreased 19% QoQ and 31% YoY mainly from lower HRC Sales Volume. **SG&A** was Baht 247 million; up 9% QoQ, due to the provision for doubtful debts Baht 37 million and up 80% YoY from provision for doubtful debts and the reclassification on a production process improvement expense previously included in cost of sales and service to be part of SG&A expense. The provision for loss under onerous contracts was Baht 83 million due to a decrease in steel prices as earlier explained. **Interest Expense** was Baht 397 million; down 6% QoQ and 23% YoY resulted from lower inventory level, including no loss on interest rate swap as occurred in Q4/2013.

HRC Spread: Q4/2014, recorded at USD 133/ton or HRC Rolling Margin of 18.9%, up from USD 117/ton in Q2/2014, and up from USD 93/ton in Q3/2013.

Profits: Q4/2014, the Company recorded gross loss Baht 45 million, negative HRC EBITDA Baht 241 million (excluding the provision for loss on decline in value of inventories Baht 481 million and the provision of loss under onerous contracts of Baht 83 million, Core EBITDA was positive Baht 323 million), and net loss Baht 757 million; down QoQ from gross loss Baht 681 million, HRC EBITDA Baht 581 million, and net profit Baht 36 million. Operating performance also dropped YoY, where gross profit was Baht 626 million, HRC EBITDA was Baht 737 million, and net profit was Baht 75 million in Q4/2013. HRC EBITDA/ton in Q4/2014 was USD 27.1/ton (including the stock loss provision USD 64.1/ton); down from USD 51.0/ton in Q3/2014 and 54.9/ton in Q4/2013. The lower performance was dragged by a sharp decrease of world steel prices which impacted the HRC Sales Volume, and required the Company to setup the stock loss provision as earlier explained.

In 2014, the Company recorded sales and service revenues Baht 32,382 million, down 29% YoY, with HRC Sales Volume of 1,468k tons, down 31% YoY following lower domestic demand affected by political situation, economic slowdown and the volatility of steel prices in the world market. HRC Average Selling Price was Baht 22,069 ton or approx. USD 679/ton, down 2% YoY following steel prices in the world market. Premium Value Products contributed to 38% of total HRC Sales Volume.

In 2014, the Company recorded **Cost of sales and service** Baht 30,293 million, comprising total cost of sales Baht 29,839 million and the provision for loss on decline in value of inventories Baht 454 million. Cost of sales and service decreased 30% YoY following lower HRC Sales Volume and unit conversion cost. **SG&A** was Baht 930 million; up 21% YoY resulted from the provision for doubtful debts of Baht 37 million and the reclassification on a production process improvement expense previously included in costs of sales and service to be part of SG&A expense. In addition, there was provision of loss under onerous contracts of Baht 83 million. **Interest Expense** was Baht 1,682 million; down 17% YoY resulted from lower inventory level, including no loss on interest rate swap as occurred in 2013, as earlier explained.

In 2014, recorded HRC Spread at USD 125/ton or HRC Rolling Margin of 18.4%, up from USD 122/ton in the same period as 2013.

In 2014, the Company recorded gross profit Baht 2,089 million, HRC EBITDA Baht 1,887 million (excluding the provision for loss on decline in value of inventories Baht 454 million and the provision of loss under onerous contracts of Baht 83 million, Core EBITDA was positive Baht 2,424 million), and net loss Baht 346 million; down from gross profit Baht 2,564 million, HRC EBITDA Baht 2,967 and net profit Baht 210 YoY respectively. HRC EBITDA/ton was USD 39.7/ton (including the stock loss provision USD 11.1/ton); down from USD 46.0/ton in the same period as 2013 due to lower HRC Sales Volume affected by political situation, economic slowdown and the volatility of steel prices in the world market, resulted in the stock loss provision as earlier explained.

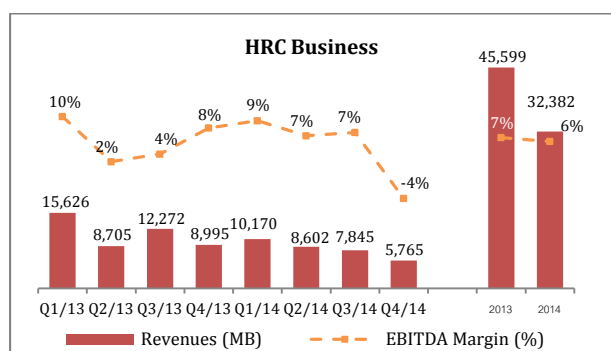


Figure 7: Revenues and EBITDA Margin of HRC Business

Upstream Business (SSI UK)

Table 3: Performance Highlight of Upstream Business

Unit: USD/ton	2014 Q4	2014 Q3	+/- QoQ	2013 Q4	+/- YoY	2014 Jan-Dec	2013 Jan-Dec	+/- YoY
Average Selling Price	496	507	-2%	497	-0.1%	511	499	+3%
COGS	495	524	-6%	582	-15%	538	580	-7%
Slab Spread ¹⁾	207	193	+7%	106	+96%	183	114	+61%
Slab Margin ²⁾ (%)	41.8%	38.1%	-	21.3%	-	35.8%	22.8%	-
Sales Volume (k tons)	709	688	+3%	713	-1%	2,760	2,807	-2%
Sales Volume to 3 rd Party Customers (k tons)	490	356	+38%	371	+32%	1,849	1,110	+67%
Slab Sales Volume to 3 rd Party Customers	69%	52%	-	52%	-	67%	40%	-
Production Volume (k tons)	689	705	-2%	738	-7%	2,760	2,770	-0.3%

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: Q4/2014, SSI UK recorded total sales and service revenues Baht 11,644 million, up by 3% QoQ and 2% YoY from 3% QoQ increase in Slab Sales Volume to 709k tons, but a decrease of 1% YoY. Slab Average Selling Price was down by 2% QoQ and 0.1% YoY to USD 496/ton. However, Thai Baht weakened against the US Dollar by 2% QoQ and 3% YoY. Revenues after elimination of related parties transactions were Baht 8,293 million from 490k tons of Slab Sold to 3rd Party Customers, or approx. 69% of total Slab Sales Volume, which increased from 356k tons in Q3/2014.

Expenses: Q4/2014, SSI UK recorded **Cost of sale and service** Baht 11,762 million, comprising total cost of sales Baht 11,649 million and the provision for loss on decline in value of inventories Baht 114 million. Total cost of sales and service decreased 0.5% QoQ and 13% YoY from the falling cost of raw material per ton as a result of raw material prices decrease and blend optimization. Cost of sales and service also decreased from lower unit conversion cost due to cost reduction projects and the British Pound weakening against the US Dollar by 7% QoQ. Average PCI Injection Rate (Pulverised Coal Injection) increased from 101 kg/thm in Q3/2014 to 110 kg/thm in Q4/2014. **SG&A** was Baht 106 million, up 3% and 31% YoY since there was no reversal of employees' bonus accrual transaction as occurred in Q4/2013. The provision for loss under onerous contracts was Baht 405 million. **Interest Expense** was Baht 405 million, up 5% QoQ from increasing outstanding balance in bank overdrafts, but down 3% YoY due to a decrease in raw materials cost.

In 2014, SSI UK recorded total sales and service revenues Baht 46,809 million, up 3% YoY, from Slab Sales Volume of 2,760k tons. Although Slab Sales Volume decreased 2% YoY, Slab Average Selling Price increased 3% YoY. In addition, Thai Baht weakened to an average of 6% compared with last year. Revenues after elimination of related parties transactions were Baht 32,200 million deriving from 1,849k tons of Slab Sales Volume to 3rd Party Customers, or 67% of total Slab Sales Volume.

In 2014, SSI UK recorded **Cost of sales and service** Baht 49,788 million, comprising total cost of sales Baht 49,777 million and the provision for loss on decline in value of inventories Baht 11 million. Total cost of sales and service decreased 6% YoY following a decrease in raw material prices. **SG&A** was Baht 417 million, up 13% YoY due to no reversal of employees' bonus accrual transaction and the weakening of Thai Baht as earlier explained. The provision for loss under onerous contracts was Baht 156 million. **Interest Expense** was Baht 1,519 million, down 6% YoY resulted from effective control of inventories level and reduced raw materials cost.

Slab Spread: Q4/2014, SSI UK recorded at USD 207/ton or Slab Margin of 41.8%, up from USD 193/ton in Q3/2014 and USD 106/ton in Q4/2013.

In 2014, SSI UK recorded Slab Spread at USD 183/ton or Slab Margin of 35.8%, up from USD 114/ton in the same period of the previous year.

Profits: Q4/2014, SSI UK recorded gross loss Baht 118 million, Slab EBITDA Baht 29 million (excluding the provision for loss on decline in value of inventories Baht 114 million and the provision of loss under onerous contracts of Baht 374 million, Core EBITDA was positive Baht 517 million), and net loss Baht 843 million. Gross loss improved QoQ, due to Slab Sales Volume and Slab Spread improvement. Conversely, Slab EBITDA decreased from Baht 339 million and net loss was higher from Baht 505 million, due to a sharp drop of slab prices in the world market, especially in the second half of Q4/2014 resulted in the stock loss provision Baht 488 million as earlier explained, despite a decrease in unit conversion cost. Compared with 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), loss was lower YoY due to better Slab Spread.

In 2014, SSI UK recorded gross loss Baht 2,979 million, negative Slab EBITDA Baht 1,046 million (excluding the provision for loss on decline in value of inventories Baht 11 million and the provision of loss under onerous contracts of Baht 156 million, Core EBITDA was negative Baht 878 million), and net loss Baht 4,396 million. Compared with the previous year (where gross loss was Baht 7,746 million, Slab EBITDA was negative Baht 5,919 million, and net loss was Baht 7,259 million), operating performance improved YoY due to better Slab Spread, although there was no one-off reversal of income deferred tax liabilities Baht 1,925 million as occurred in the same period of the previous year.

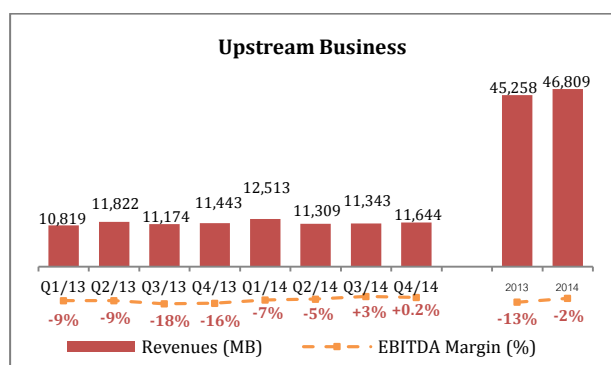


Figure 8: Revenues and EBITDA Margin of Upstream Business

Port Business (PPC)

Revenues: Q4/2014, PPC recorded total service revenues Baht 79 million, up 1% QoQ, from higher revenues from PPC Shore Crane. Compared with Q4/2013, revenues dropped by 2% YoY resulted from lower throughput volume and revenues from PPC Shore Crane due to the economic slowdown from the political unrest in the first half of the year, but the situation improved in the second half of the year.

In 2014, PPC recorded total service revenues Baht 283 million, down 28% YoY from lower throughput volume and lower revenues from PPC Shore Crane from the political issue as earlier explained.

Profits: Q4/2014, PPC recorded gross profit Baht 41 million, EBITDA Baht 57 million, and net profit Baht 25 million, or up 5%, 3%, and 0.5% QoQ respectively mainly due to revenues increase. Compared with Q4/2013, gross profit, EBITDA, and net profit decreased by 25%, 9%, and 22% respectively, as there was no reclassification on the transaction of repairing and supplies expenses to be part of assets as occurred in Q4/2013.

In 2014, PPC recorded gross profit Baht 129 million, EBITDA Baht 193 million, and net profit Baht 69 million, or down 45%, 32%, and 56% respectively, as there was no reclassification on the transaction of repairing and supplies expenses to be part of assets as earlier explained.

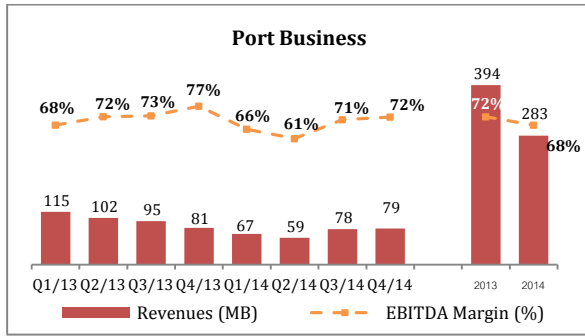


Figure 9: Revenues and EBITDA Margin of Port Business

Engineering Business (WCE)

Revenues: Q4/2014, WCE recorded total sales and service revenues Baht 152 million, down 24% QoQ with following details:

- 1) Maintenance Management Business Baht 60 million, down 16% due to a decrease in equipments maintenance contracts as most contracts were delivered in Q3/2014.
- 2) Machinery Engineering Business Baht 18 million, up 33% due to an increase in new projects from customer in the cement industry and state-owned enterprises.
- 3) Steel Structure and Fabrication Business Baht 16 million, up 8% due to new projects received from customer in the industrial equipment sector.
- 4) Engineering Procurement and Construction Business Baht 57 million, down 42% due to no new projects on hand.

Revenues from external customers apart from the Company and its subsidiaries accounted for 69% of total sales and service revenues.

Profits: Q4/2014, WCE recorded gross profit Baht 6 million; negative EBITDA Baht 16 million; and net loss Baht 14 million. Compared with Q3/2014, gross profit increased by 119% whilst EBITDA and net profit decreased by 81% and 82% QoQ respectively. WCE recorded allowance for cost overrun of projects in progress on a loss-making project of Baht 12 million. Compared with Q4/2013, gross profit, EBITDA, and net loss was lower 83%, 169% and 218% respectively following the earlier explanation.

In 2014, WCE recorded total sales and service revenues Baht 803 million, down 12% YoY with following details:

- 1) Maintenance Management Business Baht 286 million, down 18% due to a decrease in number of contracts and man hours from the Group's long term maintenance contracts.
- 2) Machinery Engineering Business Baht 67 million, down 49% due to a reduction in the Group's production volume.
- 3) Steel Structure and Fabrication Business Baht 60 million, down 24% due to few new projects received from customers.
- 4) Engineering Procurement and Construction Business Baht 390 million, up 10% due to new projects received from customer in paper industry and additional revenue recognition based on work completion of the projects carried on since 2013.

Revenues from external customers apart from the Company and its subsidiaries accounted for 69% of total sales and service revenues.

In 2014, WCE recorded gross profit Baht 16 million; negative EBITDA 114 million; and net loss 120 million, down 90%, 220%, and 344% YoY respectively as WCE recorded allowance for cost overrun of projects in progress on a loss-making project of Baht 49 million.

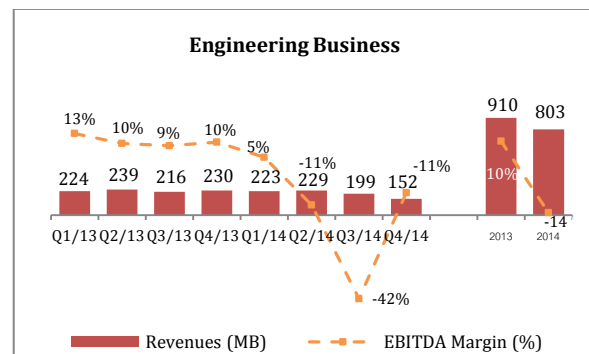


Figure 10: Revenues and EBITDA Margin of Engineering Business

CRC Business (TCRSS)

Revenues: Q4/2014, TCRSS recorded total sales Baht 3,283 million, up 8% QoQ and 21% YoY, following an increase in CRC Sales Volume by 9% QoQ and 24% YoY from higher sales volume in general low-end, electro-galvanised steel sheet, and galvanised steel sheet segment. However, CRC Average Selling Price decreased by 2% QoQ and 3% YoY due to a competitive market.

Profits: Q4/2014, TCRSS recorded gross profit Baht 188 million, EBITDA Baht 272 million, and net profit Baht 72 million, up by 40%, 58%, and 119% QoQ respectively compared with Q3/2014; and up by 180%, 89% and 1526% YoY respectively compared with Q4/2013. Improving performance QoQ and YoY resulted from 1) an increase in CRC Sales Volume 2) lower unit conversion cost resulted from higher production volume and cost reduction projects and 3) the reversal of provision for loss on decline in value of inventories.

In 2014, TCRSS recorded total sales Baht 12,287 million, up 6% YoY due to an increase in CRC Sales Volume by 11% YoY, following higher sales volume in general low-end and electro-galvanised steel sheet segment, while CRC Average Selling Price decreased by 5% YoY due to a competitive market as earlier explained.

In 2014, TCRSS recorded gross profit Baht 386 million, EBITDA Baht 610 million, and net profit Baht 2 million; down by 41%, 26%, and 99% QoQ respectively due to lower CRC Average Selling Price of 5% YoY as earlier explained, while raw material prices weakened at a smaller degree than CRC Average Selling Price.

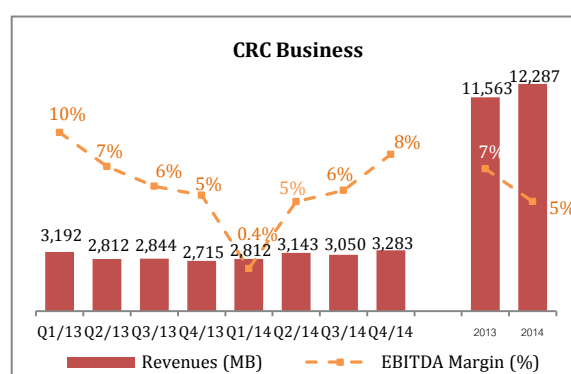


Figure 11: Revenues and EBITDA Margin of CRC Business

6. Consolidated Financial Status

Consolidated Financial Position as at the End of Q4/2014

Trade and Notes Receivable- Net

As at 31 December 2014, trade and notes receivable netted Baht 5,312 million, down 4% from the end of 2013, following higher sales and service revenues in Upstream Business at the end of 2014.

Inventory

As at 31 December 2014, inventory netted Baht 13,629 million, down 22% from the end of 2013, as a result of lower raw materials cost and purchase volume of raw materials.

Table 4: Inventories Classification as at the End of Quarter

Unit: million Baht	31 Dec 2014	31 Dec 2013	% Chg.
Raw Materials (Slab, iron ore, coking coal, & coke)	4,330	5,717	-24%
Raw Materials in Transit (Slab)	4,628	6,201	-25%
Finished Goods and Work-in-process (HRC & HRC-P/O)	3,161	3,906	-19%
Tools and Spare Parts	2,446	2,036	+20%
Less: Provision for loss on decline in value of inventories	(937)	(473)	-98%
Net Inventories	13,629	17,388	-22%

Current Ratio

As at 31 December 2014, current ratio was 0.33x; decreased from 0.64x at the end of 2013 mainly from the falling inventories and loan reclassification in the group.

Liabilities and Liquidity Management

As at 31 December 2014, the Company and its subsidiaries had total liabilities Baht 71,833 million, down 3% from 31 December 2013 mainly due to a decrease in accounts payable of the Company and its subsidiaries.

The Company and its subsidiaries had total interest-bearing debts Baht 52,516 million whilst net debt was Baht 52,165 million. These debts consisted of short-term borrowings and current portion of long-term interest-bearing debts Baht 52,373 million and long-term interest-bearing debts Baht 143 million.

Cash Flow

As at 31 December 2014, the Company and its subsidiaries' ending cash was Baht 351 million; an increase from net cash and cash equivalents of Baht 163 million at the end of 2013, as detailed in Table 14, consisting of:

- Net cash received from operating activities of Baht 2,595 million consisting of (1) cash inflows from operation Baht 954 million, and (2) cash inflows from net change in working capital of Baht 1,641 million mainly resulted from a reduction in inventories.
- Net cash received from investing activities of Baht 37 million was mainly from (1) cash outflows from additional investments in fixed assets and intangible assets of Baht 762 million (2) cash inflows from dividends received from jointly-controlled entity in the amount of Baht 724 million (3) cash inflows from currency translation differences of Baht 97 million, and (4) cash inflows from other activities of Baht 172 million.
- Net cash used in financing activities was Baht 2,463 million; mainly consisting of cash paid for finance costs, repayment on short-term and long-term loans, and cash received from short-term loans from financial institutions and related parties.

Table 5: Financial Ratios

Financial Ratios	31 Dec 2014	31 Dec 2013
Current Ratio (x)	0.33	0.64
Interest-Bearing Debt to Equity Ratio (x)	9.62	4.89

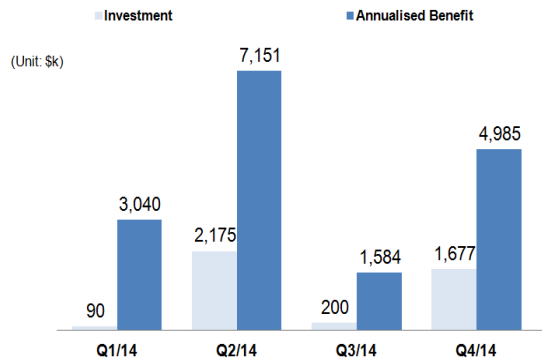
As at 31 December 2014, long-term loan granted from financial institution to SSI UK in the amount of Baht 23,573 million was classified as a current liability. The stated loan will be classified back from current liability to long-term liability in Q1/2015 as the Group has obtained the waivers of breaches of loan rescheduling and covenant ratios from financial institutions in February 2015.

Total shareholders' equity decreased 49% to Baht 5,460 million as a result of the group's operating loss. Therefore, interest-bearing debt to equity ratio went up to 9.62x from 4.89x as at 31 December 2013.

7. Ongoing Projects

Upstream Business's AAA Projects

SSI UK has an investment plan in AAA projects, a series of small projects which require small amount of capital expenditure with low technology/delivery risk, but contribute high return and quick payback. These investment projects aim to improve the business's competitiveness and profitability. The 20 near-term AAA projects have been completed in 2014 requiring capital expenditure approx. USD 4.14 million. Expected benefits are approx. USD 16.76 million per annum with detailed plan as show below:



Q1/14	Q2/14	Q3/14	Q4/14
	Boiler 2	SBCO Small Booster (pipework)	SBCO Benzole Plant Optimization (Phase II)
	Boiler 3	Inline COG CV Analyser	RCO Ammonia Liquor Storage Tanks
	EC: Motor (1)	SBCO Nalco 3D Trasar Water Monitoring	RCO Online Gas
	RBF Cooling Circuit 1&3 VSD's	Torpedo 46	Ladle Lid Weight
RCO Benzole Stream 2	Drawing Office Setup	Rail Grease Flange	Coke Screening
RCO Nalco 3D Trasar	Scrap Bay Grab	Vibration Data collectors	Existing Four Bed Slitting Machine Upgrade

In Q4/2014, SSI UK delivered a total of 6 projects with an investment of USD 4.99 million and expected annualized benefit of USD 1.68 million. The delivered projects in Q4/2014 were SBCO Benzole Plant Optimization (Phase II), RCO Ammonia Liquor Storage Tanks, RCO Online Gas, Ladle Lid Weight, Coke Screening, and Existing Four Bed Slitting Machine Upgrade.

Examples of the AAA Projects delivered in Q4/2014:

Existing Four Bed Slitting Machine Upgrade Project

PLC's control system of the Slitters was becoming obsolete and very hard to obtain spare parts. The system also required constant operator's input leading to poor cutting quality. The scheme was raised to install the new PLC system with fully automatic controls and monitoring function to ensure high cutting quality standards.

New PLC system and cutting nozzles have been installed and commissioned on 2 November 2014. Slitter's reliability and cutting quality have improved which results to finer cut and yield improvement as planned.

The total investment was USD 0.24 million with expected payback period within 8 months.



This picture shows the machine during slitting.

Coke Screen Project

The coke screen was out of date and started causing issues such as electrical and mechanical breakdowns. Therefore, the efficiency of coke screening was dropped to 75% and not consistent to the supply of coke. Moreover, there were penalty fees charged by customers from ineffective screening, and also there was additional cost to hire external mobile coke screen.

The new screen was fully installed and commissioned on 6 October 2014. The sample results were good.

The total investment for this project was USD 0.16 million with expected payback period within 5 months.



These pictures illustrate the installation of Coke Screening machine.

8. Recent Development

Event in Q4/2014

Key Development in Manufacturing

Water Treatment's Chemical Reduction Project

In Q4/2014, the Company has succeeded in designing a new water treatment process at HRC Pickling and Oiling Plant in order to reduce chemical usage. Instead of treating all water at the same time like the old process, the water contained total dissolved solid (TDS) was pumped to the clarifier for settling at the bottom of the clarifier before getting into the treatment process which allowed lower amount of chemical usage. Implementing this project helped the Company reduce chemical usage by 25% compared to prior year, resulted in cost reduction of Baht 4 per ton or approx. Baht 0.1 million in Q4/2014, or approx. Baht 0.5 million per year.

Recent Development of WCE

At the end of Q4/2014, WCE had a backlog order for all businesses Baht 269 million to be delivered within 2015 including 1) Maintenance Management Business Baht 45 million; 2) Machinery Engineering Business Baht 16 million; 3) Steel Structure and Fabrication Business Baht 69 million, and 4) Engineering Procurement and Construction Business Baht 139 million.

Extension of Roll Lifetime Project

In Q4/2014, the Company has extended the use of work rolls by setting a new life standard for work rolls at HRC Pickling and Oiling plant, without jeopardizing the products quality. Implementing this project helped the Company reduce new rolls replacement cost from the use of 6 new rolls per month to 4 new rolls per month. This resulted in cost reduction of approx. Baht 0.2 million in Q4/2014, or approx. Baht 0.8 million per year.

During Q4/2014, WCE received new orders amounting Baht 144 million, including 1) Maintenance Management Business Baht 60 million; 2) Machinery Engineering Business Baht 18 million; 3) Steel Structure and Fabrication Business Baht 63 million, and 4) Engineering Procurement and Construction Business Baht 3 million.

Good Corporate Governance and Corporate Social Responsibility

- 1) On 24 October 2014, SSI collaborating with Sahaviriya Group arranged the first annual "Ride for Smile 2014" under the Two Wheels Preserve Bangsaphan Project. The objective is to encourage the Bangsaphan community to have a healthier lifestyle, reduce energy consumption, and prevent global warming. The project also aims to promote community volunteering by inviting local residents to join a 12 kilometer bicycle ride from Phongprasas Subdistrict Administration Office to Sothsuksa Thepparat School at Ban Tonthonglang Moo 9, Phongprasas Subdistrict, and clean the beach in front of the school. More than 91 people from Bangsaphan community joined the event helping to reduce carbon dioxide emission of approximately 414.96 Kgs of carbon dioxide equivalent.
- 2) On 8 November 2014, five steel companies co-arranged the event "Thailand Iron Man Mini Marathon 2014". The hosts including Sahaviriya Steel Industries Plc., Thai Cold Roll Steel Sheet Plc., NS Blue Scope (Thailand) Ltd., Siam United Steel (1995) Co., Ltd., and Nippon Steel & Sumikin Galvanizing (Thailand) Co., Ltd. invited an honourable guest, H.E. Mark Kent, British Ambassador to bestow the Baht 2.6 million raised from the event to support organizations for the underprivileged nationwide, at Lumpini Park.
- 3) During 7-9 November 2014, SSI joining forces with the Office of Prachuap Khiri Khan Primary Educational Service Area 1 and Bangsaphan Science Teacher Network arranged "the 10th Conservation Youth Camp" at Ban Tha Kham School. There were 120 fifth grade students from 24 schools in Bangsaphan, joining the activity. The objective of this camp is to instill and reinforce moral values on environmental conservation to the youths. Also, the students experienced actual conservation actions through exciting activities during the camp.
- 4) On 3 December 2014, SSI and Sahaviriya Group collaborating with Mae Rumphueng Subdistrict Administration Organization organized a group of approximately 1,400 people, including executives, employees and local residents from Bangsaphan to join a 3 kilometer walk rally under the "Love the King Preserve Bangsaphan 2014 Project" from a multipurpose pavilion in Moo 5, Mae Ramphueng Subdistrict to Mae Ramphueng Administrative Organization Office to honour His Majesty the King. The event also included releasing 9 million marine animals such as turtles, shrimps and fish to preserve the coastline resources of Bangsaphan and increase food and income sources for local community. The event was held at Mae Rumphueng Subdistrict Administration Organization Office, Bangsaphan District, Prachuap Khiri Khan.
- 5) On 17 December 2014, SSI and the Office of Prachuap Khiri Khan Primary Educational Service Area 1 co-hosted a competition of turning wastes into inventions. The competition was designed to encourage students to develop their lateral thinking and team building skills while building a fresh perspective on waste and recycling. By creating an invention out of wastes, students will see how valuable resources can be recovered from the waste and put to use in other ways. There were 11 schools participating in this activity at Ban Thakham School, Prachuap Khiri Khan.
- 6) SSI staff arranged SSI Volunteering Project under "25th Anniversary of SSI, 250 Goodness, A Thousand Hearts of SSI Arsa". In Q4/2014, total of 4 activities were arranged with the assistance of 64 SSI staff, 60 residents, in total of 124 people with 992 volunteering service hours in the following areas:
 - On 19 November 2014, volunteering to teach science and mathematics subjects to primary school students at Bangsaphan Kindergarten School in Moo 1, Kamnerd Noppakhun Subdistrict, Bangsaphan District.
 - During 28 November – 1 December 2014, renewing roof tiles of a crematorium at Paron Temple in Moo 6, Ronthong Subdistrict, Bangsaphan District.
 - During 11 November – 13 December 2014, building 14x14 meter community sport field and setting water storage tank provided by local community in Moo 4, Ronthong Subdistrict, Bangsaphan District.
 - During 28 November – 1 December 2014, painting a multipurpose pavilion at Pak Prak Temple in Moo 2, Pak Prak Subdistrict, Bangsaphan Noi District.

Awards

- 1) On 3 October 2014, SSI received an honorable plate for "Excellent CSR Organization," on the occasion of Ministry of Social Development and Human Security's 12th anniversary, at MSDHS building. SSI was one of the 12 excellent CSR organizations chosen to be a role model for the society
- 2) On 19 November 2014, SSI received "CSRI Recognition Award 2014" at the Stock Exchange of Thailand (SET). SET has conducted the CSR Recognition award in order to honor Thai listed companies who have shown their commitment to social responsibility and being role models for sustainable businesses.
- 3) On 21 November 2014, SSI received "Thailand Energy Awards 2014" for Outstanding Designated Factory in Energy Conservation at Santi Maitri Building, the Royal Thai Government House. The Thailand Energy Awards 2014 was held by Department of Alternative Energy Development and Efficiency, Ministry of Energy. The award was aimed to honour organizations and persons who have outstanding contributions on energy conservation and alternative energy development
- 4) On 26 November 2014, SSI received "Prime Minister Industry Award 2014" for Outstanding Productivity at Santi maitre Building, the Royal Thai Government House. The award was launched by Ministry of Industry to support companies who have creativity and effort that will benefit the country at large.
- 5) On 17 December 2014, SSI received "Excellent Organization by Environment Impact Assessment (EIA) Standard 2014." The award was launched by the Office of Natural Resources and Environmental Policy and Planning to honour organizations that have followed the excellent environmental policy as well as be a role model for other business operators. The event took place at Centra Government Complex Hotel & Convention Centre Chaeng Wattana, Bangkok.

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

Safeguard Measure

- For the case of imported *HRC without other element added (thickness 0.9 – 50 mm. and width 600 – 3,048 mm.) in coils and not in coil*, Safeguard Committee had announced the Provisional Measure in the Royal Gazette being effective for 200 days from 7 Jun 14 to 23 Dec 14. Later, Department of Foreign Trade ("DFT"), Ministry of Commerce opened a hearing meeting for all stakeholders. Finally, Safeguard Committee announced a definitive measure to impose the safeguard duties on 19 Dec 2014 and effective from 24 Dec 14 to 6 Jun 17 with details as follows:
 - 1) 21.92% of CIF price for products imported from 24 December 2013 to 6 June 2015
 - 2) 21.52% of CIF price for products imported from 7 June 2015 to 6 June 2016
 - 3) 21.13% of CIF price for products imported from 7 June 2016 to 6 June 2017

Anti – dumping Measure

- For the case of *Anti-dumping Measure on HRC whose origins are from 14 countries*, DFT had announced the Notification for investigation of the Sunset Review and extension of AD duty imposition for another year in the Royal Gazette being effective from 23 May 14 to 22 May 15. Later, DFT opened a hearing meeting on 5 Jan 2015 in order to collect data to support definitive AD measure consideration.

Development on Capital Structure

- As at 31 December 2014, the Company had total outstanding of Convertible Debentures No. 1/2012 of 279 units amounting to the outstanding value of Baht 279,000 whose maturity date will be on 23 May 2015. The last interest payment and the principal repayment will be made to all Convertible Debentures holders on such date.

Appendix

Table 6: World Crude Steel Production

Unit: million tons	2014	2014	+/-	2013	+/-	2014	2013	+/-
Region	Q4	Q3	QoQ	Q4	YoY	Jan-Dec	Jan-Dec	YoY
EU	41.61	39.50	+5%	42.08	-1%	168.76	166.24	+2%
North America	30.15	31.01	-3%	30.05	+0.3%	120.44	119.70	+1%
South America	11.34	11.84	-4%	11.42	-1%	45.17	46.46	-3%
China	198.91	205.36	-3%	188.31	+6%	813.88	774.57	+5%
Asia (ex. China)	72.46	70.87	+2%	70.78	+2%	286.59	277.86	+3%
Others	46.51	46.92	-1%	48.19	-3%	189.58	187.88	+1%
Total	400.98	405.49	-1%	390.82	+3%	1,624.41	1,572.70	+3%

Source: World Steel Association

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

Unit: USD/ton	Q3/2014 Actual ¹⁾	Q4/2014 Estimate ²⁾	Q4/2014 Actual ¹⁾	Q1/2015 Estimate ²⁾
Coking Coal (Premium HCC FOB Australia)	110.76	109.33	109.96	107.10
Iron Ore (IODEX 62% Fe CFR North China)	78-98	79-84	66-84	61-72
Slab (CFR East Asia import)	498-515	480-490	445-455	380-385
Slab (FOB Latin export)	490-502	470-485	460-477	430-445
HRC (CFR East Asia import)	512-527	481-495	472-481	429-434
HRC (US domestic EXW Indiana) ³⁾	669-679	642-653	628-640	677-687

Sources: ¹⁾ Quarterly average prices are from SBB-Steel Business Briefing website, except Coking Coal (Premium HCC FOB Australia) and 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 6 Feb 2015, except Coking Coal (Premium HCC FOB Australia) and 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)	2014 Q4	2014 Q3	% QoQ	2013 Q4	% YoY	2014 Jan-Dec	2013 Jan-Dec	% YoY
Car Production ¹⁾	0.47	0.46	+3%	0.53	-11%	1.88	2.46	-23%
Refrigerator Production ¹⁾	0.96	1.02	-6%	0.95	+1%	3.97	4.42	-10%
Air Conditioner Production ²⁾	2.71	2.80	-3%	2.48	+9%	13.79	12.02	+15%

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

Unit: tons	2014 Q4	2014 Q3	% QoQ	2013 Q4	% YoY	2014 Jan-Dec	2013 Jan-Dec	% YoY
Domestic Production	585,711	744,888	-21%	586,906	-0.2%	2,578,170	2,573,497	+0.2%
Import	1,093,043	911,271	+20%	838,675	+30%	3,895,809	4,438,308	-12%
Export	2,469	2,914	-15%	2,795	-12%	24,591	27,835	-12%
Total	1,676,285	1,653,245	+1%	1,422,786	+18%	6,449,388	6,983,970	-8%

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

Table 10: HRC Apparent Steel Supply (Estimate for 2015)

Unit: tons	2014 Actual	Q1/2015 Estimate	Q2/2015 Estimate	Q3/2015 Estimate	Q4/2015 Estimate	2015 Estimate	% YoY
Domestic Production	2,578,170	650,000	600,000	720,000	650,000	2,620,000	+2%
Import	3,895,809	1,050,000	1,000,000	950,000	950,000	3,950,000	+1%
Export	24,591	3,000	3,000	3,000	3,000	12,000	-51%
Total	6,449,388	1,697,000	1,597,000	1,667,000	1,597,000	6,558,000	+2%

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 Q4	2014 Q3	+/- QoQ	2013 Q4	+/- YoY	2014 Jan-Dec	2013 Jan-Dec	+/- YoY	
Sale and service revenues	14,200	14,014	+1%	16,100	-12%	65,276	65,387	-0.2%	
Cost of sales and service	14,272	13,800	+3%	17,631	-19%	65,966	70,250	-6%	
Gross profit (loss)	(72)	214	-134%	(1,531)	+95%	(690)	(4,863)	+86%	
SG&A	416	387	+7%	255	+63%	1,529	1,263	+21%	
Provision for loss under onerous contracts (reversal)	457	(0.3)	N.A.	46	+903%	239	(451)	+153%	
Gain on sales of investments in jointly-controlled entity	-	-		-		-	363		
EBITDA ¹⁾	(133)	866	-115%	(1,464)	+91%	808	(2,888)	+128%	
Interest expense	815	790	+3%	829	-2%	3,222	3,565	-10%	
Depreciation and amortisation	611	637	-4%	631	-3%	2,514	2,506	+0.3%	
Income tax (reversal)	(7)	(13)	+46%	(17)	+58%	(25)	(1,907)	+99%	
Realised FX gain (loss)	5	(182)	+103%	(1,091)	+100%	(315)	(1,072)	+71%	
Unrealised FX gain (loss)	(21)	345	-106%	474	-104%	359	688	-48%	
Net profit (loss)	(1,552)	(547)	-184%	(2,907)	+47%	(4,903)	(7,053)	+30%	
EPS (Baht)	(0.05)	(0.02)	-189%	(0.09)	+47%	(0.15)	(0.24)	+37%	

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

Table 12: Financial Results by Business

Unit: million Baht	2014 Q4	2014 Q3	+/- QoQ	2013 Q4	+/- YoY	2014 Jan-Dec	2013 Jan-Dec	+/- YoY
<u>Sale and Service Revenues</u>¹⁾								
Consolidated	14,200	14,014	+1%	16,100	-12%	65,276	65,387	-0.2%
HRC Business	5,765	7,845	-27%	8,995	-36%	32,382	45,599	-29%
Upstream Business	8,293	5,986	+39%	6,949	+19%	32,200	19,132	+68%
Port Business	36	37	-1%	33	+11%	139	169	-18%
Engineering Business	104	146	-29%	123	-15%	551	486	+13%
<u>EBITDA</u>¹⁾								
Consolidated ²⁾	(133)	866	-115%	(1,464)	+91%	808	(2,888)	+128%
HRC Business ³⁾	(241)	581	-142%	737	-133%	1,887	2,967	-36%
Upstream Business	29	339	-91%	(1,887)	+102%	(1,046)	(5,919)	+82%
Port Business	57	55	+3%	62	-9%	193	284	-32%
Engineering Business	(16)	(84)	+81%	23	-169%	(114)	95	-220%
Elimination of Related Parties Transaction	38	(24)		(400)		(112)	(316)	

Net Profit (Loss)¹⁾

Unit: million Baht	2014 Q4	2014 Q3	+/- QoQ	2013 Q4	+/- YoY	2014 Jan-Dec	2013 Jan-Dec	+/- YoY
Consolidated ⁴⁾	(1,552)	(547)	-184%	(2,907)	+47%	(4,903)	(7,053)	+30%
HRC Business	(757)	36	N.A.	75	N.A.	(346)	210	-265%
Upstream Business	(843)	(505)	-67%	(2,725)	+69%	(4,396)	(7,259)	+39%
Port Business	25	24	+0.5%	31	-22%	69	156	-56%
Engineering Business	(14)	(76)	+82%	12	-218%	(120)	49	-344%
Elimination of Related Parties Transaction	17	(38)		(317)		(146)	(278)	
Non-controlling Interest	19	11		17		36	69	

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

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

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 Dec 14	As of 31 Dec 13	+/-
Assets			
Accounts Receivable	5,312	5,108	+4%
Inventories	13,629	17,388	-22%
Other Current Assets	4,068	5,659	-28%
Total Current Assets	23,009	28,154	-18%
Property, Plant and Equipment	50,513	52,425	-4%
Investments in jointly-controlled entities	3,419	3,839	-11%
Other Non-Current Assets	353	308	+15%
Total Assets	77,293	84,726	-9%
Liabilities			
S/T Debt and Current Portion of L/T Interest-Bearing Debts	52,373	23,869	+119%
Accounts Payable	10,852	12,614	-14%
Other Current Liabilities	6,452	7,560	-15%
Total Current Liabilities	69,677	44,044	+58%
L/T Interest-Bearing Debts	143	28,047	-99%
Other Non Current Liabilities	2,013	2,026	-1%
Total Liabilities	71,833	74,116	-3%
Equity			
Equity Attributable to Owners of the Company	4,660	9,794	-52%
Non-controlling Interests	800	816	-2%
Total Equity	5,460	10,610	-49%
Total Liabilities and Equity	77,293	84,726	-9%

Table 14: Condensed Statement of Cash Flow

Unit: million Baht	Jan-Dec 2014
Net cash used in operating activities	2,595
Dividends received from jointly-controlled entity	724
Purchases of property, plant and equipment	(740)
Currency translation differences	(97)
Other investments	(150)
Net cash received from investing activities	37
Net Proceeds from issuance of ordinary shares	0
Finance cost paid	(2,900)
Repayment on bank overdrafts and short-term loans from financial institutions	352
Proceeds from short-term loan from related parties	424
Repayment on long-term loans	(236)
Cash paid for buyback convertible debentures	0
Cash paid for other financing activities	(104)
Net cash used in financing activities	(2,463)
Net increase (decrease) in cash and cash equivalents	168
Cash and cash equivalents at 1 January 2014	163
Effect of exchange rate changes on balance held in foreign currency	20
Cash and cash equivalents at 31 December 2014	351

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>

Disclaimer

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