



Titan Chemicals Corp. Bhd.

First Quarter 2010 Results

April 2010

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Agenda



1. Business Overview

2. Financial Results

3. Operational Highlights

4. Concluding Remarks

Questions & Answers



- **Demand continues to be strong**
 - **Higher polymer prices**
 - Average quarterly market polymer prices of US\$1,391/tonne in Q1 10 vs US\$1,222/tonne in Q4 09
 - **Higher naphtha prices**
 - Average quarterly naphtha of US\$718/tonne in Q1 10 compared to US\$680/tonne in Q4 09
 - **Indonesia operation**
 - Indonesian domestic market demand remain healthy with an estimated growth rate of 2% during the quarter compared to same period last year

Business Overview



- **Market conditions in Q1 10 vs Q4 09:**
 - **Group sales**
 - Sales revenue in Q1 2010 increased by 5% versus preceding quarter due to higher price
 - **Normal operating performance in Q1 2010**
 - Demand was affected by long festive holiday shutdown by fabricators
 - Polymer sales volume decreased 15% q-o-q due to fabricators shutting down for long festive holidays but they have started replenishing stock since end of Q1
 - Polymer prices moved in tandem with feedstock price

Agenda



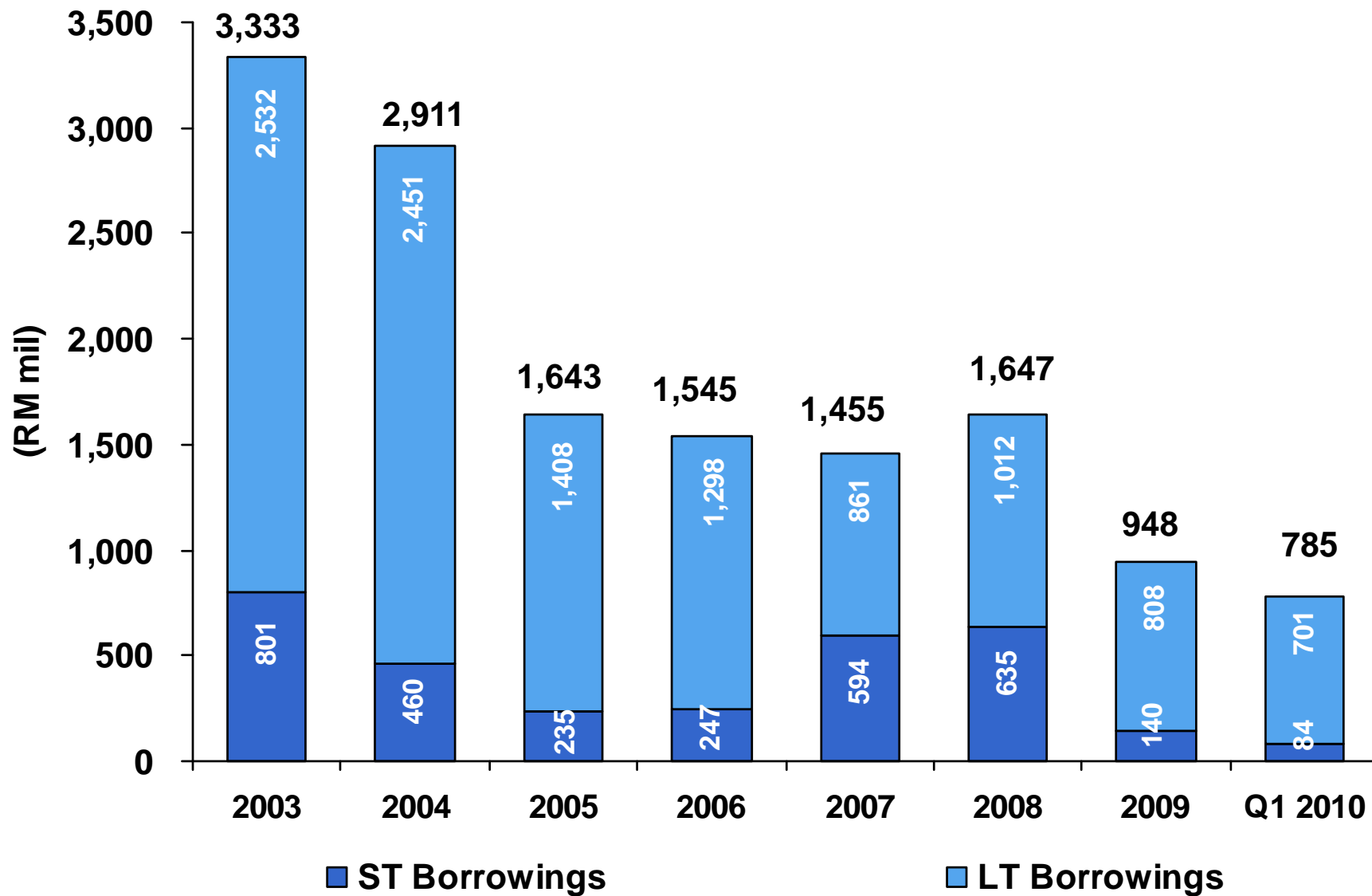
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Q1 2010 Financial Results



	<u>Q1 2010</u>	<u>Q4 2009</u>	<u>Δ%</u>	<u>Q1 2009</u>	<u>Δ%</u>
(RM million)					
Revenue	1,668.9	1,583.8	5%	1,127.1	48%
EBITDA	216.1	152.7	42%	229.4	-8%
PBT	124.0	46.6	166%	156.7	-21%
PAT	104.1	78.5	33%	132.8	-22%
EPS (sen)	6.12	4.40	39%	7.46	-18%

Borrowings profile



Financial Ratios



	FY-07 (Restated)	FY-08	FY-2009	Q4-09	Q1-10
EBITDA margin	14%	1%	17%	10%	13%
PAT margin	6%	(4%)	10%	5%	6%
Net Debt¹/Equity	35%	38%	21%	21%	16%
Total Debt²/Total Assets³	36%	37%	26%	26%	24%

¹ Net Debt = Long term Borrowings + Current Borrowings - Cash & Cash equivalents-Short Term Investments

² Total Debt = Long term Liabilities + Current Liabilities

³ Total Assets = Current Assets + Non-Current Assets

Note: Margin figures refer to underlying earnings only, excluding non-recurring income recognised upon consolidation of Indonesian subsidiary

Cash Flow and Working Capital Indicators



(RM millions)	Q4-09	Q1-10	Change
PAT	79	104	32%
Operating cash flow	(29)	196	775%
Net working capital ¹	1,137	1,127	-1%
Inventory ² (days)	15	14	-1 day
Receivables ³ (days)	35	34	-1 day

¹ Inventory + Trade & Other Receivables - Trade & Other Payables

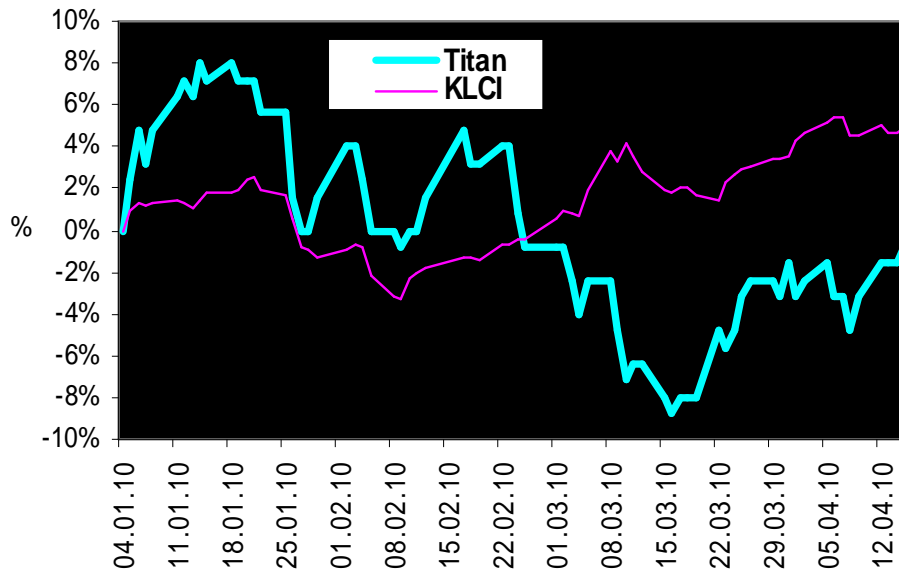
² Average Inventories (Finished Product) / Cost of Goods Sold * 90 days

³ Average Trade Debtors/ Sales Revenue * 90 Days

Stock Performance and Key Indicators



Share Price Movement (1 Jan 2010 - 15 April 2010)



VALUATION FIGURES

(as at 31 Mar 10)

Share Price (3 month-high)	RM	1.36
Share Price (3 month-low)	RM	1.12
Share Price (3 month-average)	RM	1.25
Share Price (Close)	RM	1.23
Net EV	RM'Mil	2,861
EV to EBITDA *	times	3.01
Price Earning Ratio *	times	4.28
Price to Book Ratio	times	0.50

PROFIT RETURN RATIO

(for 1Q10)

Net Profit Margin	%	6.2
Earning per Share	sen	6.1
Return on Equity - ROE *	%	11.9
Return on Assets - ROA *	%	8.9

FINANCIAL POSITION RATIO

(as at 31 Mar 10)

Current Ratio	times	3.15
AR Day	days	34
DSCR (net CAPEX) *	times	1.54
Net D/E Ratio	times	0.16
Debt to EBITDA *	times	0.83
NTA per share	RM	2.42

* Trailing 12 months data

Share Buyback – Volume and Value



Q4 2005 – Q1 2010

Shares Purchased	24,898,500
Total Consideration (in RM)	30,545,743

2010

Average Purchase Price	RM 1.3219
Lowest Purchase Price	RM 1.2421
Highest Purchase Price	RM 1.3500
Current price (April 16 closing)	RM 1.23
NTA per share (31 March 2010)	RM 2.42

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Business Highlights - Malaysia



- **Maintained steady operations during the quarter**
 - Continuous monitoring and adjustments of plants operating rates to maximize revenue
- **Healthy market share**
 - Command 37% share in Polyolefin market
- **Inventory remain low**
 - Lower sales volume q-o-q
 - Inventory level maintained at previous quarter level

Business Highlights – Indonesia



- **Maintained healthy group market share**
 - TPN PE market share reduced to 23% due to lower production output as a result of ethylene supply constraint. However as a group, Titan gained 39% PE market share, or 3% improvement from Q1 2009.
- **Operations**
 - **PE**
 - Production of 48.3KT with only two trains running on ethylene shortage.
 - Lower quarterly sales of 47.5 KT
 - **BOPP**
 - Quarterly sales of 3.6KT with production volume of 3.4KT

Group: Stable Operating Performance

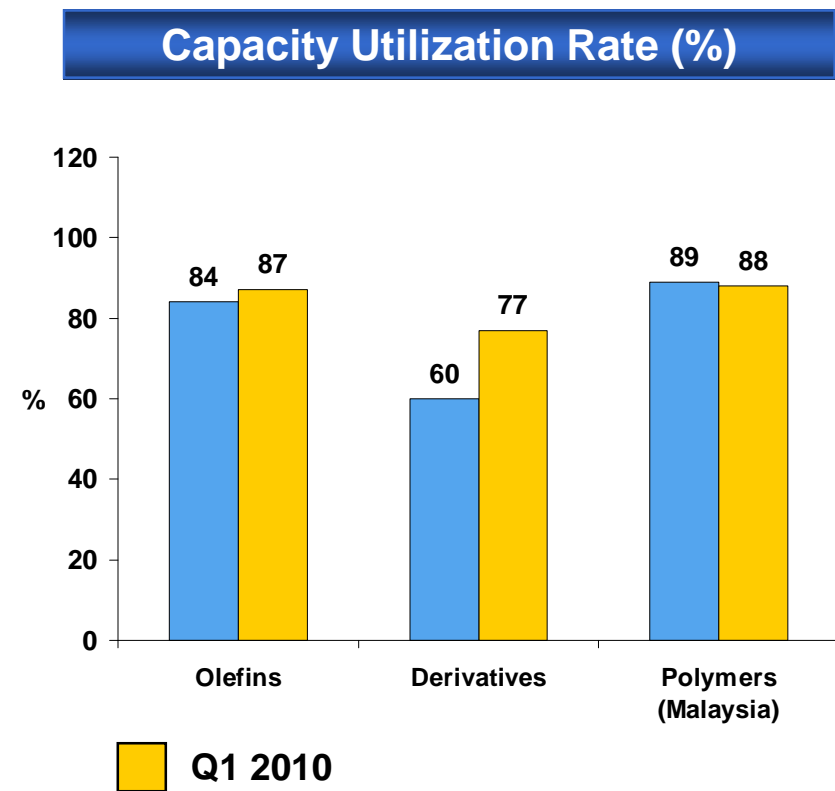
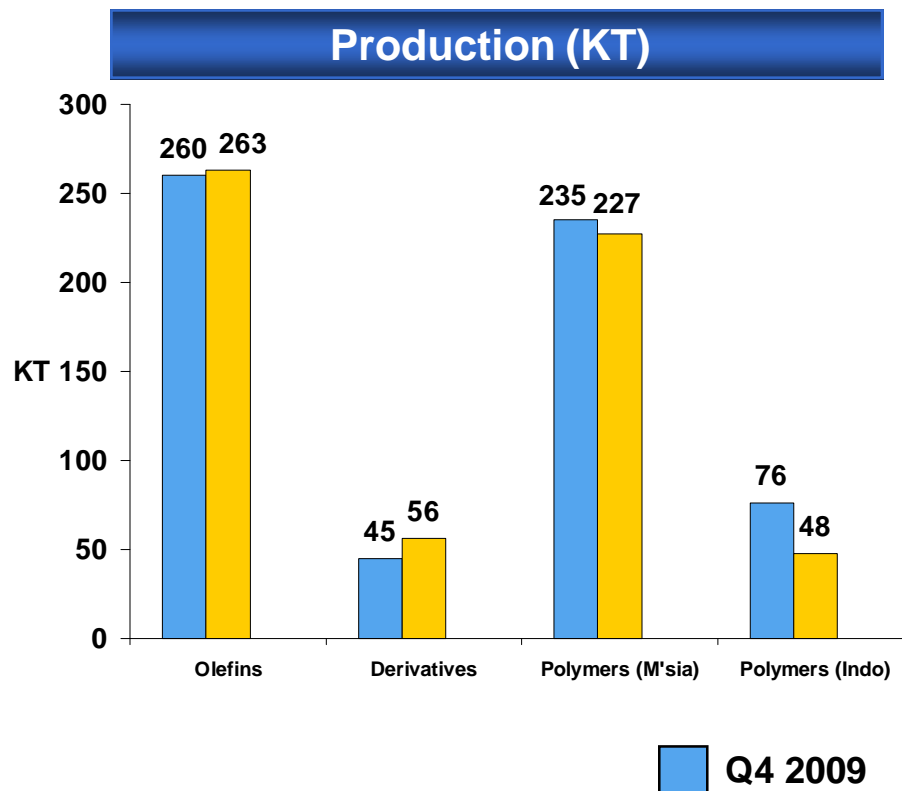


Stable production and operating rate

- Higher olefin production while maintaining operating rate for polymer plants

Lower production in Indonesia

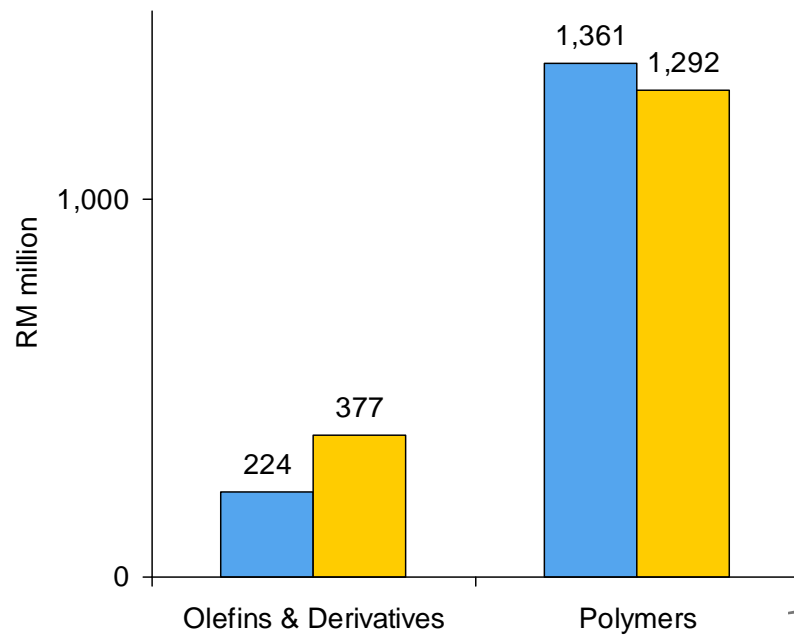
- Production was lower due to ethylene supply constraint



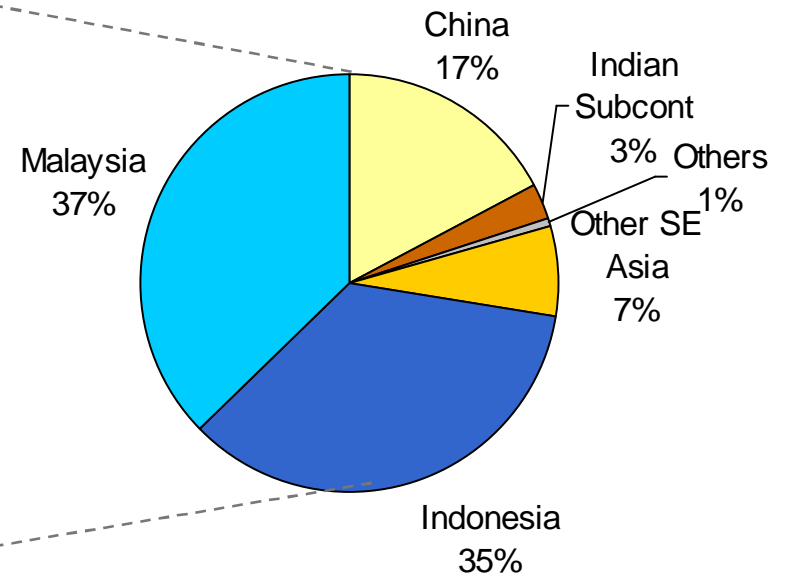
Group: Higher revenue versus last quarter



Sales revenue



Breakdown of polymers sales revenue in Q1 2010



Q4 2009

Q1 2010

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Questions & Answers

Conclusion



Financial Results

- EBITDA of RM216m was higher versus Q4 2009

Market Conditions

- Fabricators in SEA replenished their inventory after keeping it low before the AFTA liberalization
- China continues to register impressive import growth with increased YTD Feb import of polyolefin products by 17% compared to same period last year.

Business & Operations

- Malaysia
 - Operating rates remained stable
 - Market demand for polyolefin products remains healthy
 - Fabricators' inventory eased towards end Q1 2010 and started to replenish stocks along with higher feedstock prices
- Indonesia
 - Lower production and sales volume due to ethylene supply constraint
 - Y-O-Y increase in group market share for PE products
 - Market demand softening but still growing
 - Normal inventory at producers and low inventory at downstream

Industry outlook



- **Market conditions**
 - Fabricators continue to maintain lean inventory
 - Demand from re-export sector will improve with seasonal summer orders
 - Supply from new start-up to be balanced by turnaround season in Asia Pacific
 - Forecasted higher GDP growth rate globally will lead to higher demand growth for polymer
- **Supply/Demand imbalance remains**
 - Stable supply from recent start-up will be a concern and will exert pressure on inventory
 - Higher polymer prices in North America and Europe will open up export opportunities into these regions from Asia and will result in a more balance supply and demand in Asia



Thank You

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