

CITY STEEL p.c.l.

2008 - 2009



**Be
Different**



Opportunity Day, August 28, 2008

CITY STEEL pcl.



- **COMPANY OVERVIEW**
 - **BUSINESS OPPORTUNITIES**
 - **FINANCIAL HIGHLIGHT**
 - **FUTURE PLANS**
-



Company profiles

CITY STEEL PCL.
Metal TECHNOLOGY™

CITY STEEL PUBLIC COMPANY LIMITED

Sector	Industrial Materials & Machinery
Stock quote	“CITY”
Established	August 7, 1995
Founded by	Phongratanadechachai family
Paid up	300 millions baht
Core business	Manufacturing of metal products (e.g.. storage systems & material handling equipments), Steel Service Center
Market	Local market ~ 95 %, export ~ 5 %
System	ISO 9001:2000
Address	88/3 moo 4, Bypass Rd., Nongmaidaeng, Muang, Chonburi, 20000. Thailand.
Website	<u>www.citysteelpcl.com</u>
Dividend policy	Approximately 40% of net profit after tax and legal reserved

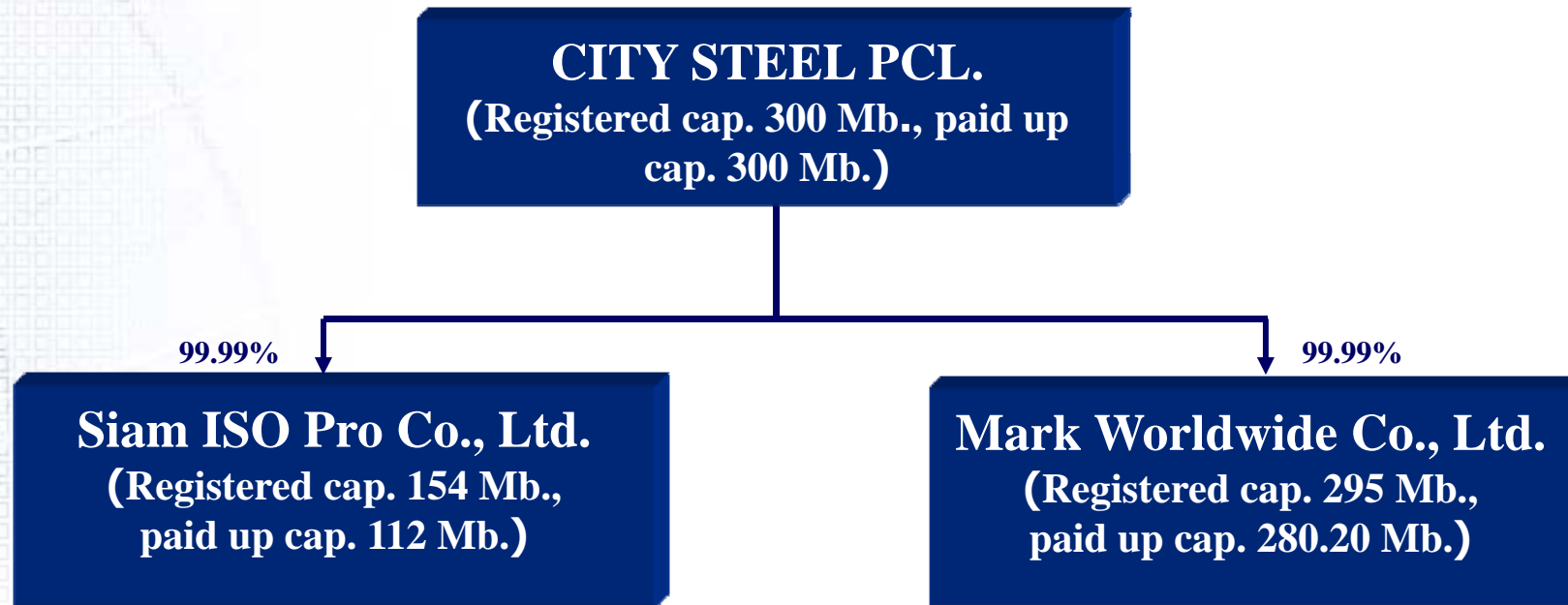


Corporate milestones





Group structures



As Apr 30, 2008



Board of Directors

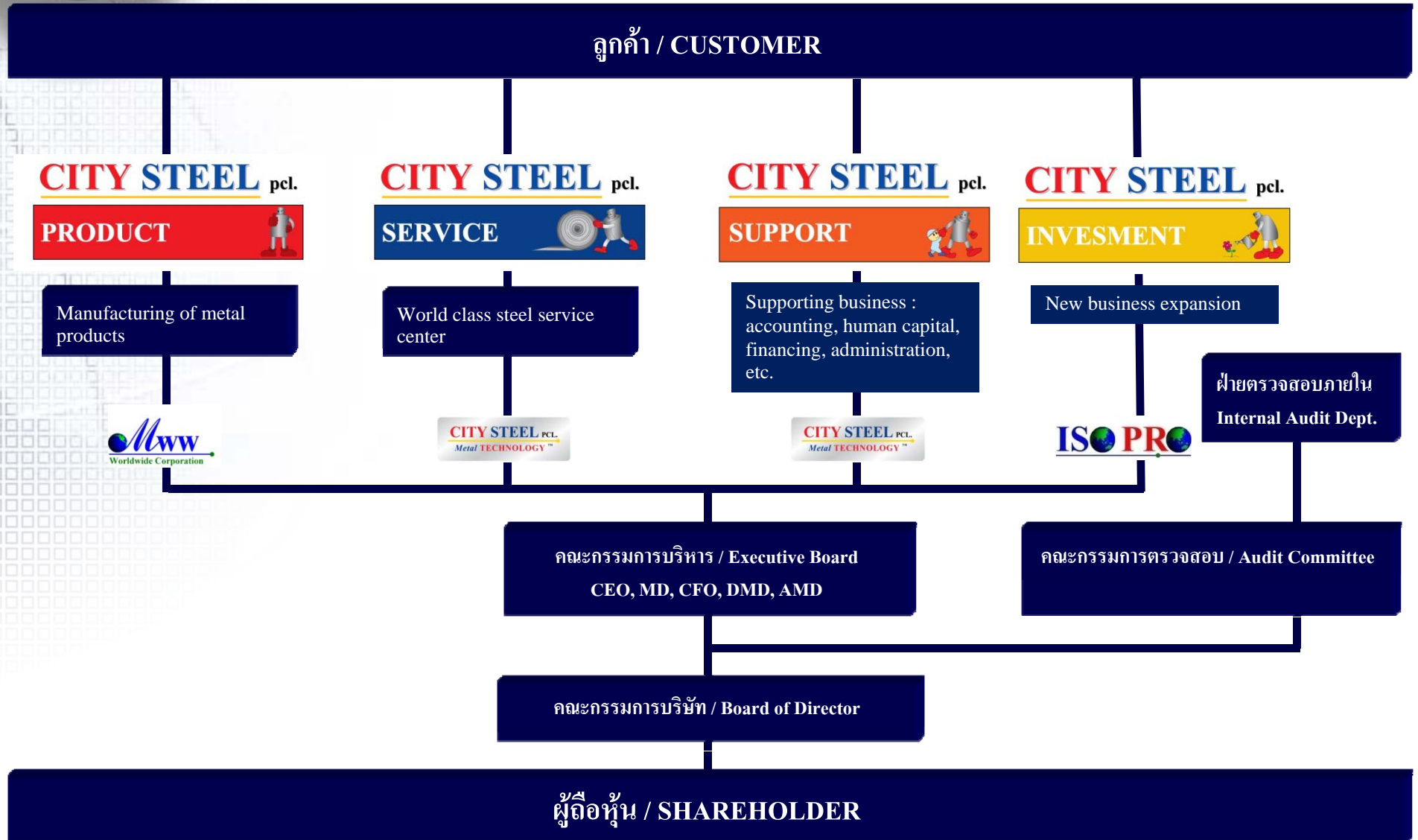
- | | | |
|----------------------------|-----------------------------|---------------------------------|
| 1. Mr. Wibool | Phongratanadechachai | CHAIRMAN |
| 2. Mr. Komgrich | Phongratanadechachai | PRESIDENT & CEO |
| 3. Mr. Satit | Phongratanadechachai | MANAGING DIRECTOR |
| 4. Ms. Suputra | Phongratanadechachai | CFO |
| 5. Mr. Charoengpong | Ongwongsakul | DEPUTY MANAGING DIRECTOR |
| 6. Mr. Manop | Chivatanasoonthorn | AUDIT COMMITTEE |
| 7. Mr. Anutara | Tantraporn | AUDIT COMMITTEE |
| 8. Mr. Pattarathon | Thatsanasuwan | AUDIT COMMITTEE |



CITY STEEL pcl. Customer Oriented Organization



As August 1, 2007



CITY STEEL pcl.



- **COMPANY OVERVIEW**
 - **BUSINESS OPPORTUNITIES**
 - **FINANCIAL HIGHLIGHT**
 - **FUTURE PLANS**
-



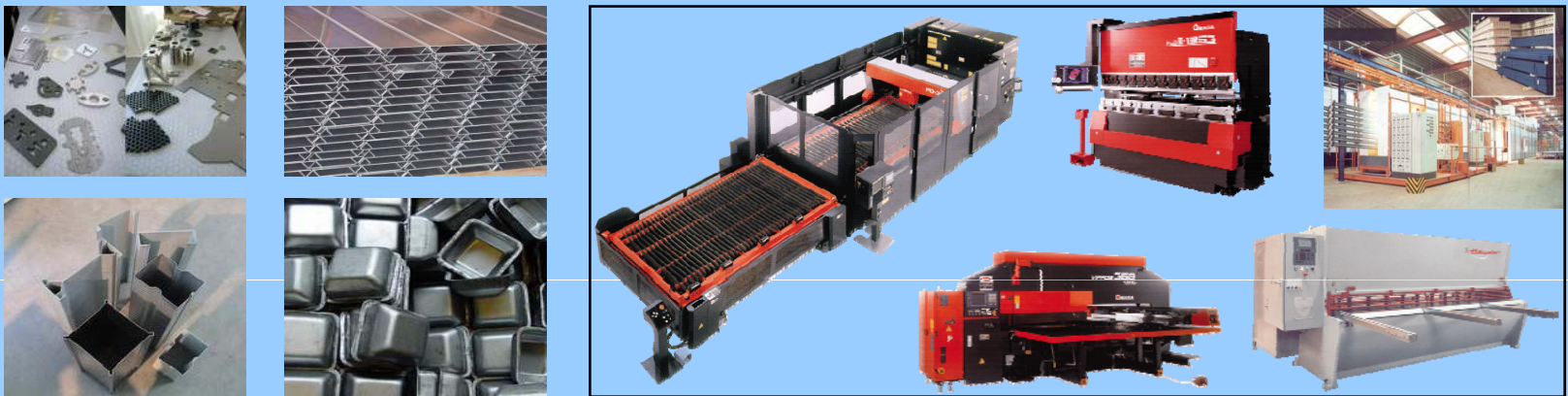
Core business



CITY STEEL Product : Finished product ; storage system, MHE, etc.

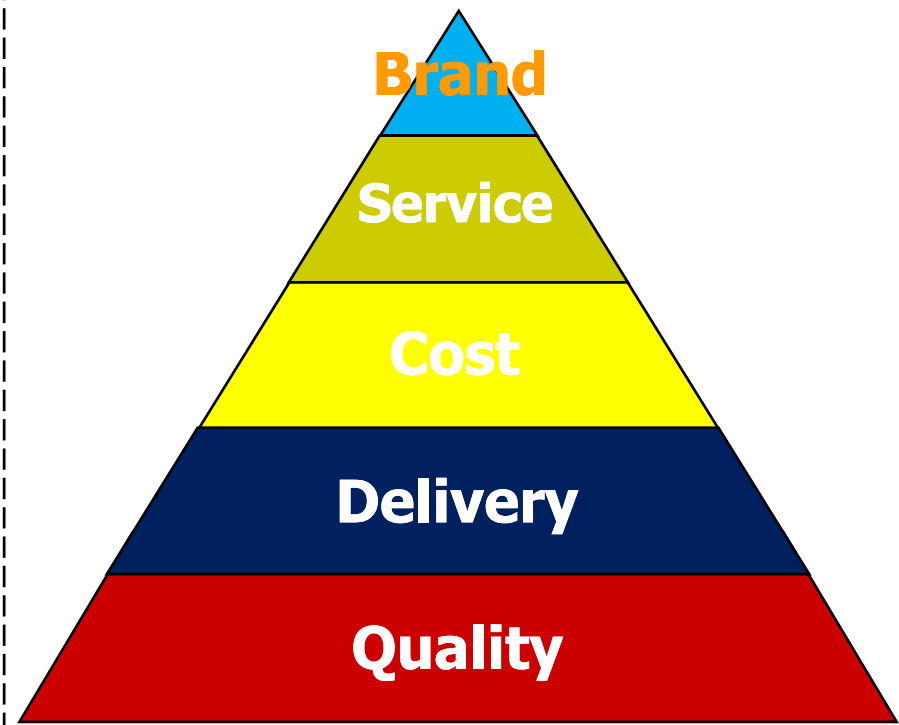
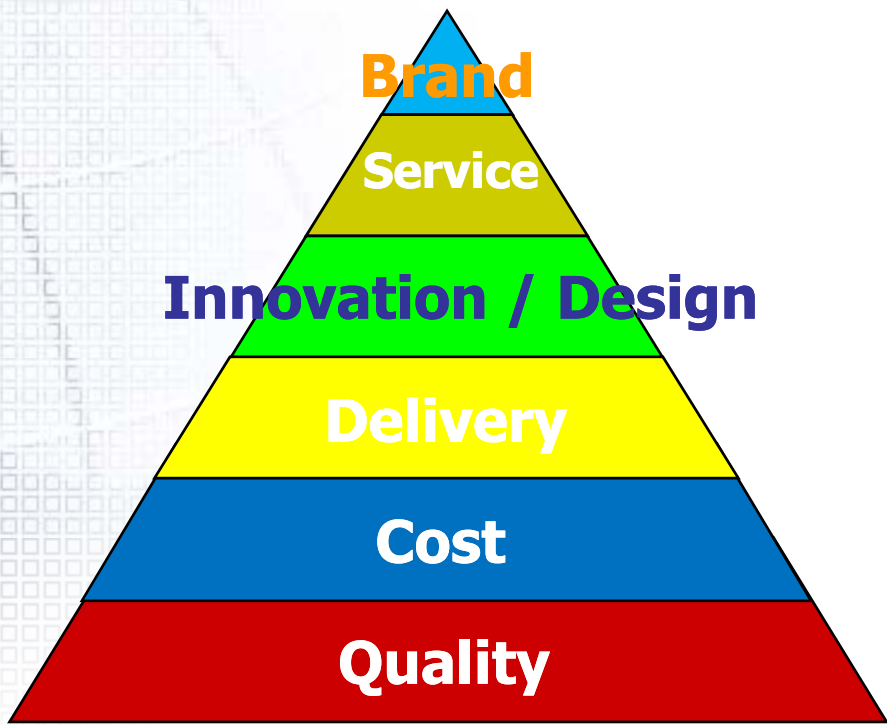


CITY STEEL Service : Semi-product ; metal parts, cutting parts, stamping parts, etc.



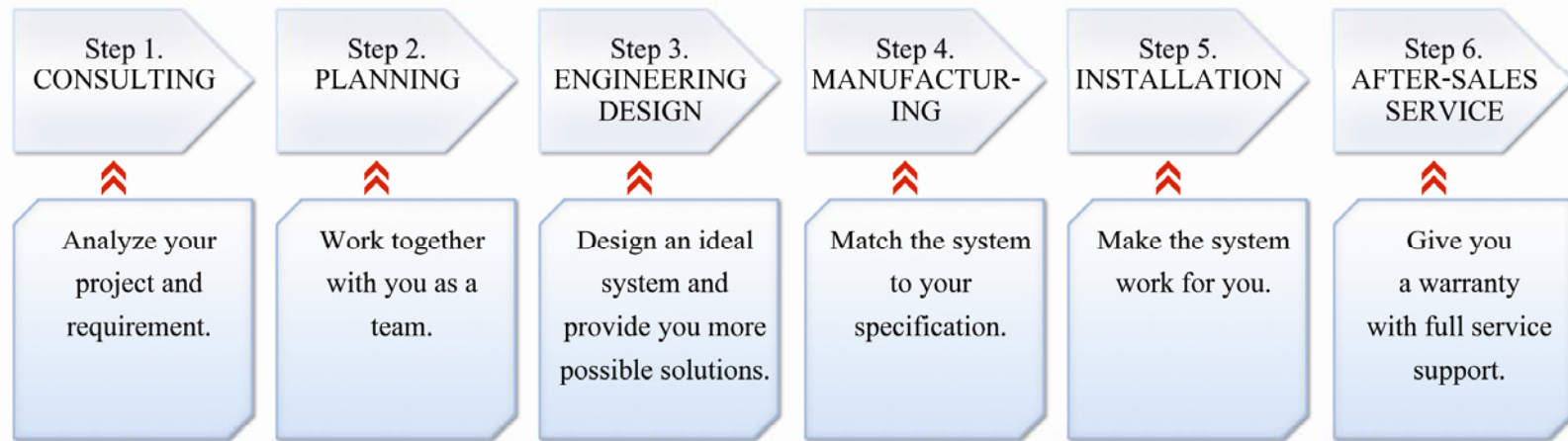


Key success factors





Business process



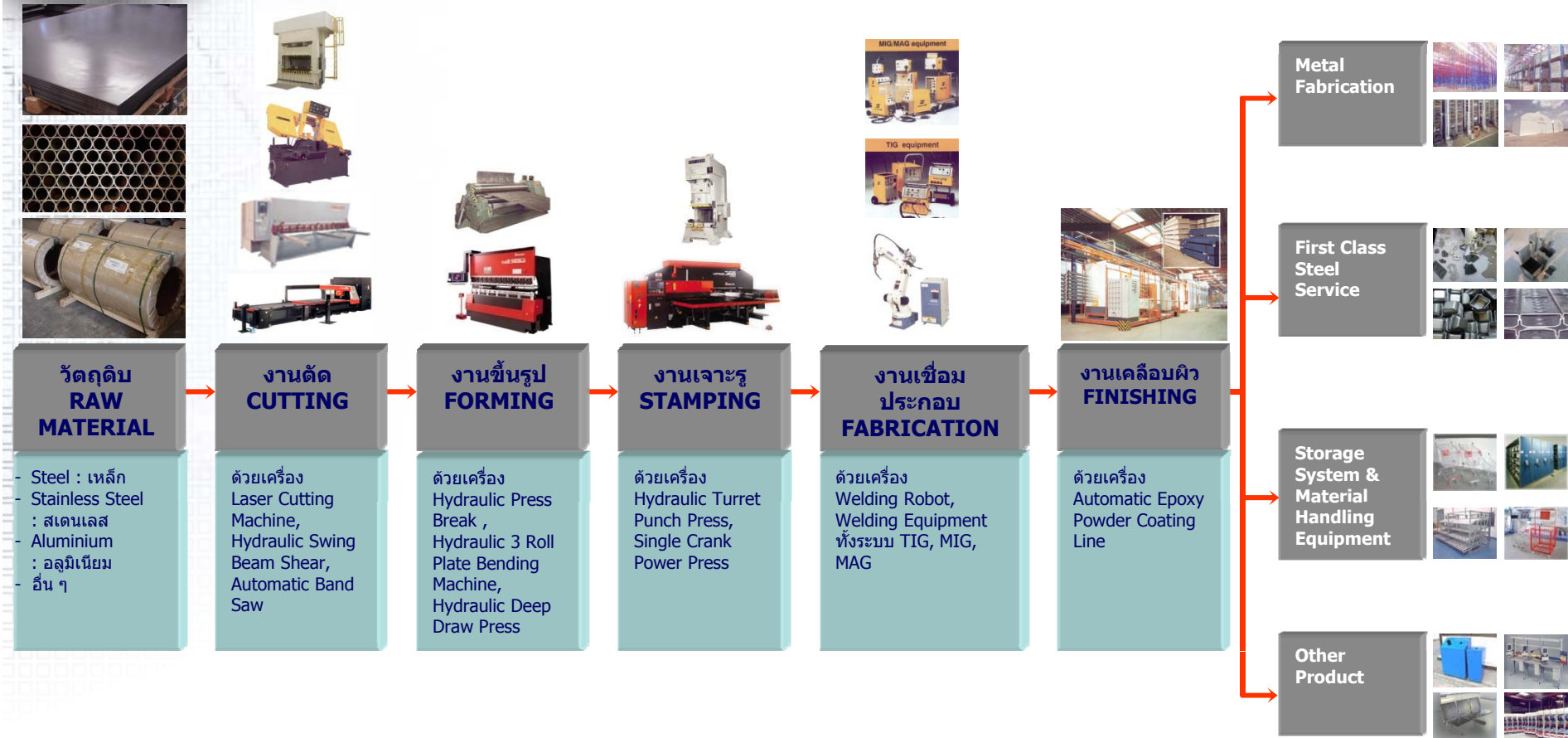
“Our services start before we sell.”

EXPORT TO:

USA, EUROPE, UK, JAPAN,
SOUTH KOREA, AUSTRALIA,
NEW ZEALAND, SINGAPORE,
MALAYSIA, UAE (DUBAI),
BANGLADESH, BURMA,
INDONESIA, PHILIPPINES,
VIETNAM, etc.



Production process






“Customized product with our own design, no finished products in our stock – no old fashioned product in inventory”



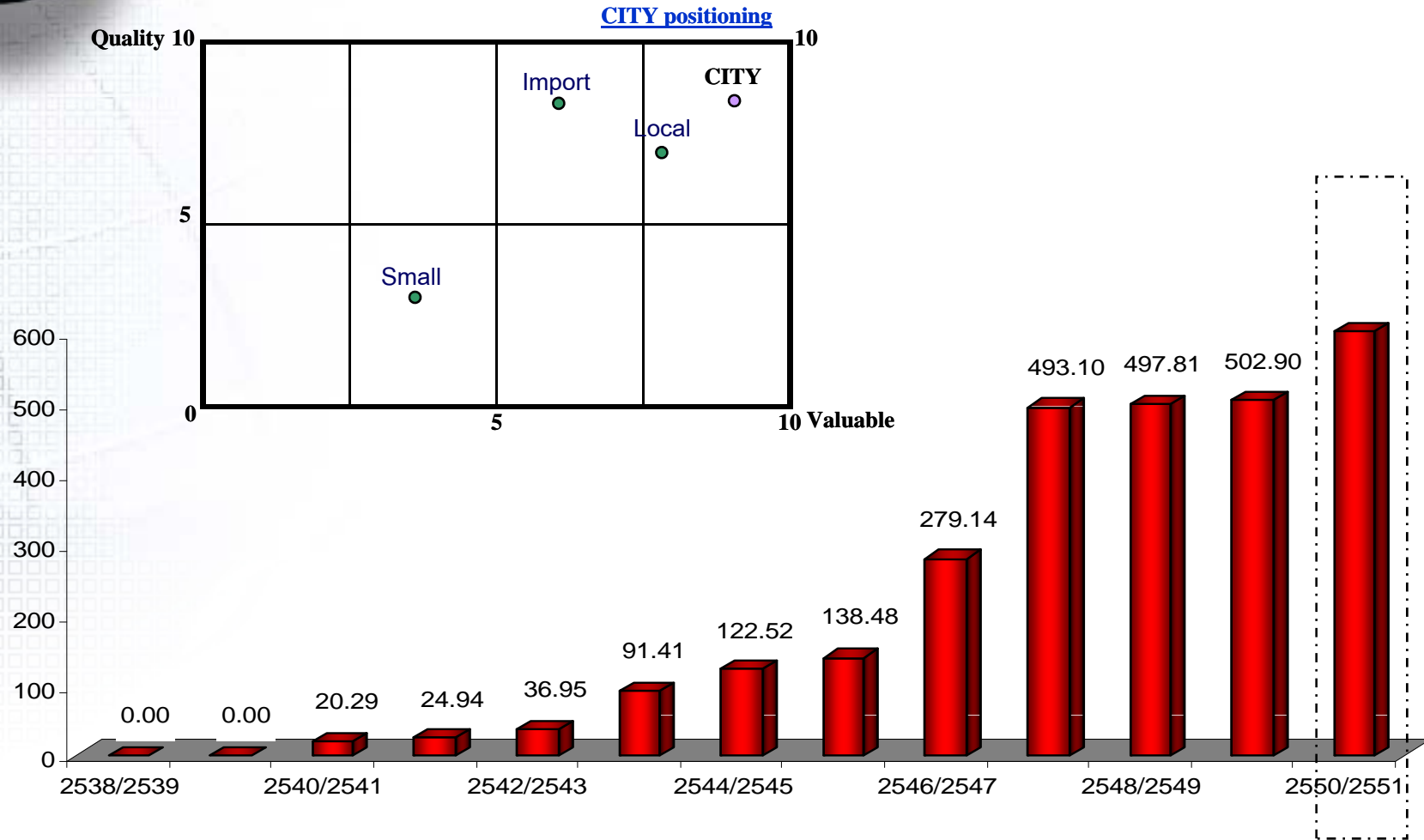
Production capacity



	ASSET	Production capacity	Utilization Q3 2550/2551
	Office & Factory	14,000 tons / year	~ 60 %
	Steel Service Center	2,000 tons / year	~ 90 %
	Office	Sold machines to CITY	-
	Office & Factory	9,000 tons / year	50 - 70%



Company revenues



“Competitive price = cost + margin”

Future goals

CITY STEEL pcl.

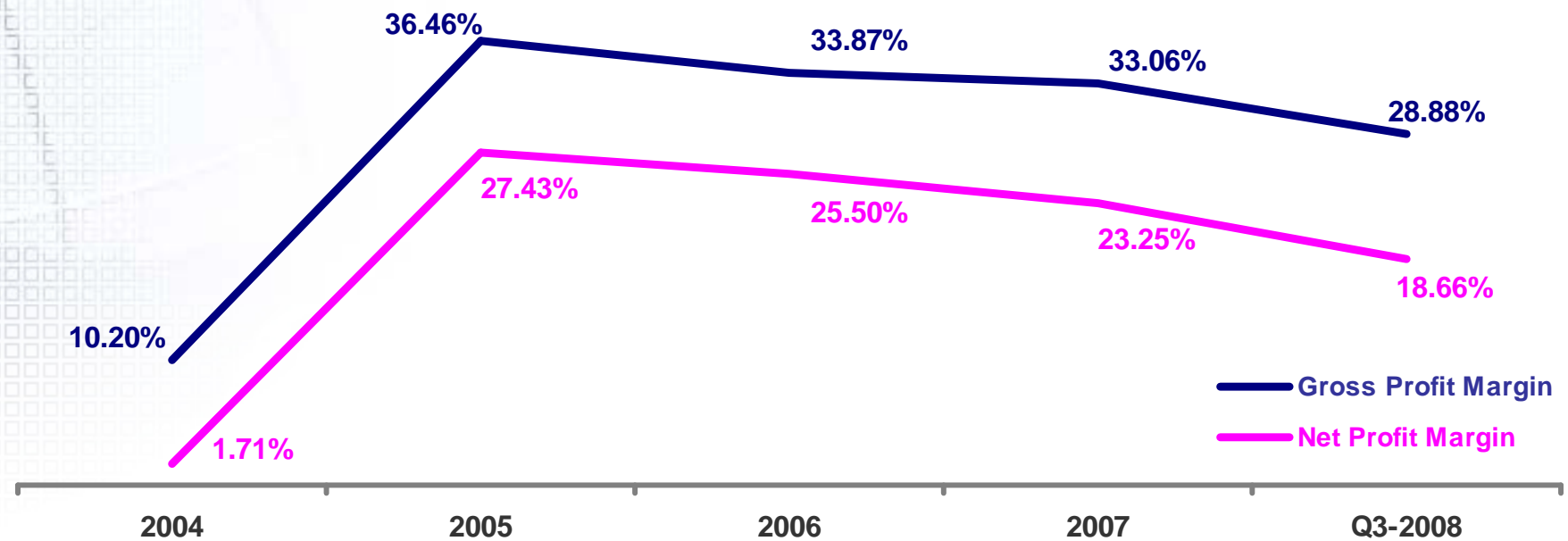


- **COMPANY OVERVIEW**
 - **BUSINESS OPPORTUNITIES**
 - **FINANCIAL HIGHLIGHT**
 - **FUTURE PLANS**
-



Financial Highlight

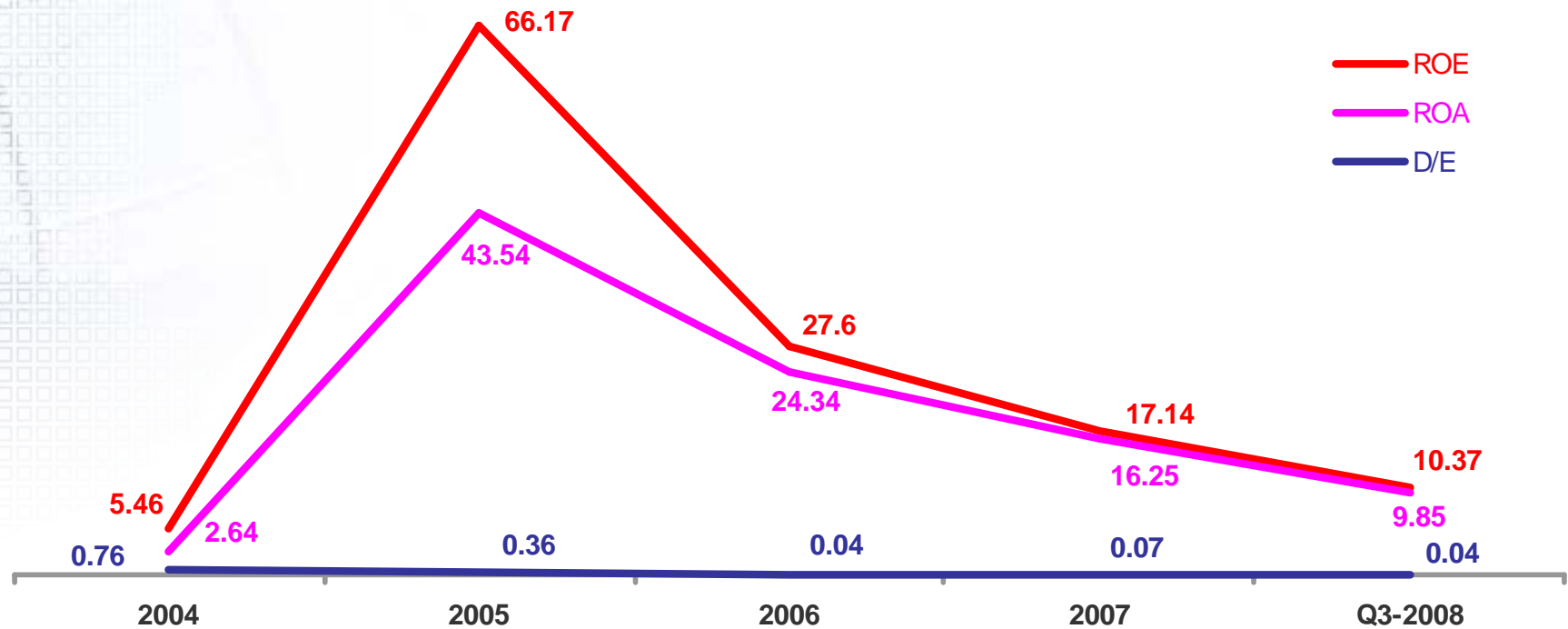
► Profitability Ratio





Financial Highlight

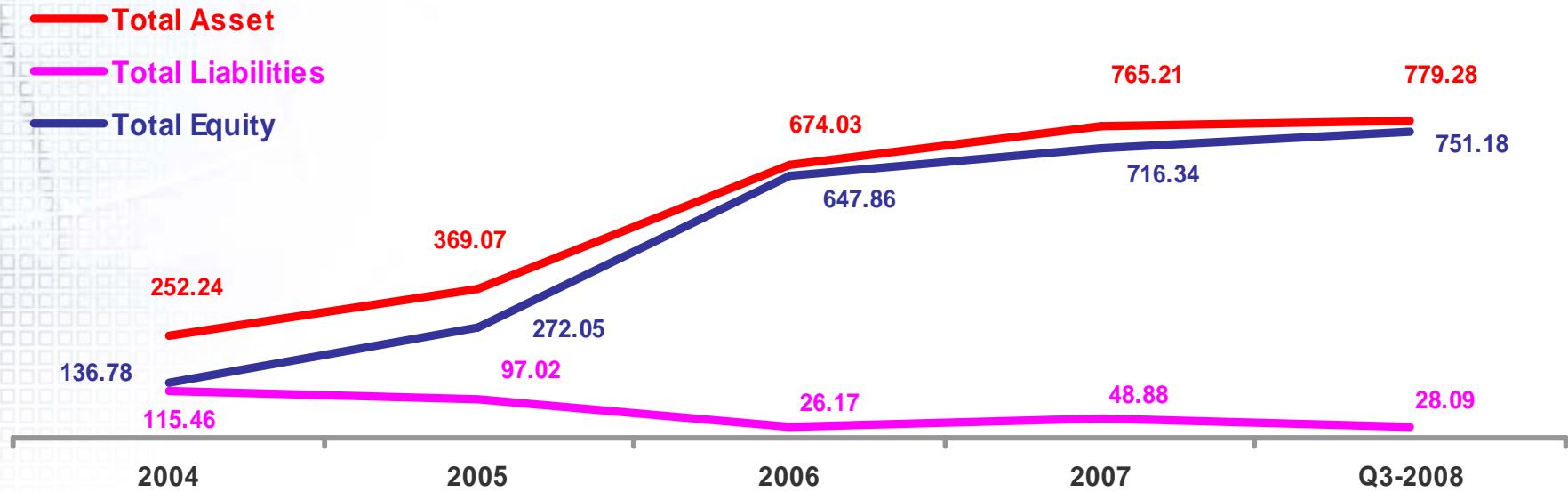
► Efficiency Ratio & Financial Policy Ratio





Financial Highlight

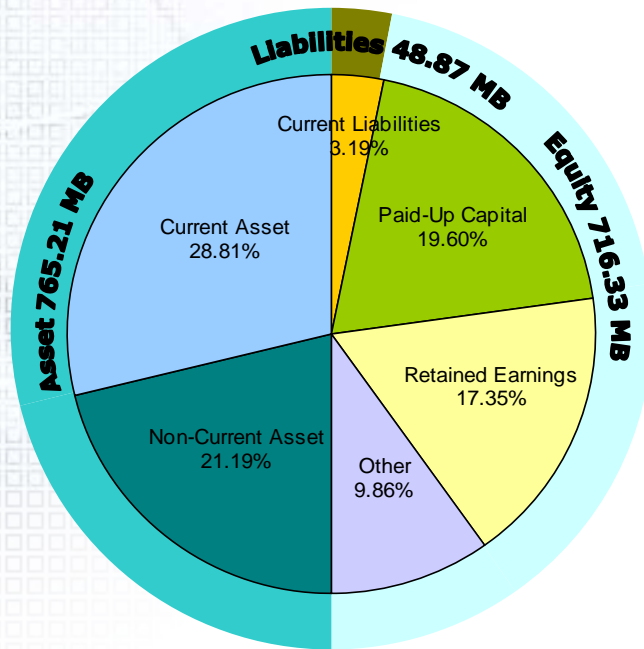
▶▶ Total Asset = Total Liabilities + Total Equity





Financial structure

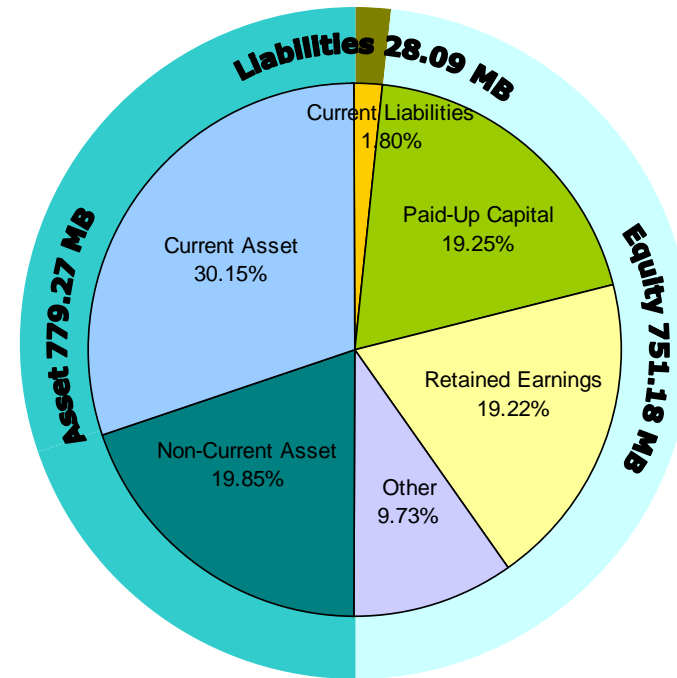
July 2007 (year ended 2006 – 2007)



Asset = 765.21 MB
Liabilities = 48.87 MB
Equity = 716.33 MB
D/E - 0.07
Current Ratio = 9.02



April 2008 (Q3 / 2007 – 2008)



Asset = 779.27 MB
Liabilities = 28.09 MB
Equity = 751.18 MB
D/E - 0.04
Current Ratio = 16.73

CITY STEEL pcl.



- **COMPANY OVERVIEW**
- **BUSINESS OPPORTUNITIES**
- **FINANCIAL HIGHLIGHT**
- **FUTURE PLANS**



● New Customer Oriented Organization

- Be different
- Rightsizing
- Outsourcing
- Collaboration
- Customer centric
- Convergence
- Lean management
- Activity based costing



Future plans 2008 - 2010

Current SBUs.

- ❖ **Growth 5-15 % for existing strategic business units**
- ❖ **Steel service center expansion.**

New SBUs development.

- ❖ **Merchandising (industrial equipment, and supply)**
- ❖ **Open sales office in oversea market.**
- ❖ **Joint venture or merge & acquisition.**
- ❖ **Distribution center / fully storage system warehouse for rent.**



Why “CITY”

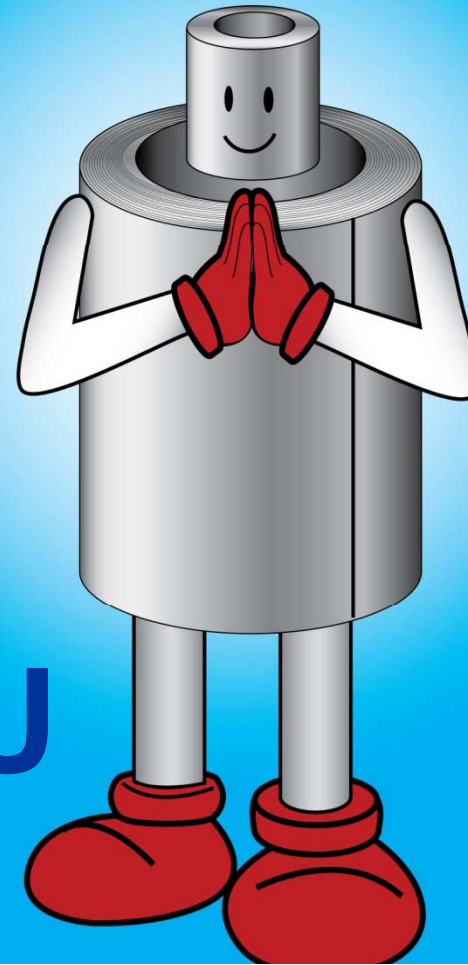
- 1. Customized product with corporate own design. (No old fashioned product in inventory)**
- 2. More varieties of product and service (One stop service)**
- 3. Customer diversification (Over 2,000 clients, over 20 industrial sectors)**
- 4. Less sensitive to raw material price (Cost plus margin)**
- 5. High quality product (ISO 9001:2000 & High Tech Machine)**
- 6. Innovation in product, service, and production (Lean management)**
- 7. No bad debt (Customer screening process)**
- 8. Strong customer & supplier relationship (Over 12 years in industry)**
- 9. More profitability (High margin with cost reduction process)**
- 10. Lower financial risk (D/E ratio is lower than 0.1, more opportunities for business expansion)**

CITY STEEL pcl.



Q & A

THANK YOU



www.citysteelpcl.com

Email: ir@wkpgroup.com