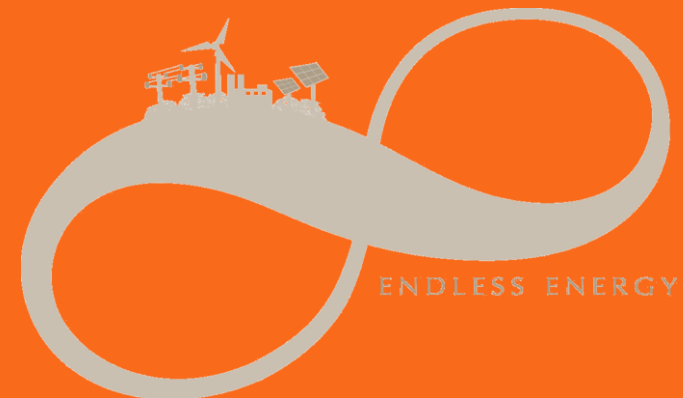


# CK POWER PUBLIC COMPANY LIMITED

Q2 2014 Review  
August 21, 2014



# Q2 2014 at Glance

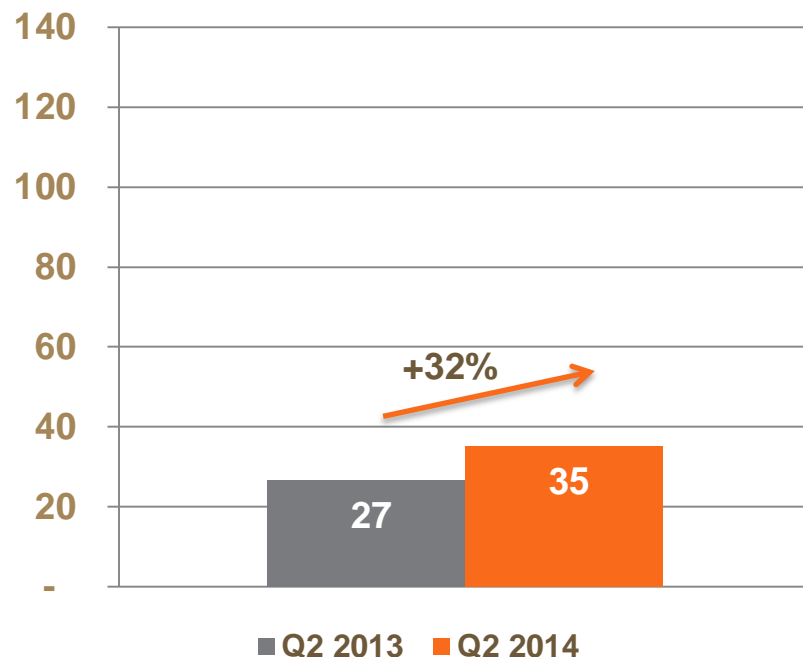
- **NN2's Seasonal Effect impacted Q2 performance**
- **BIC and BKC delivered solid performance**
- **Given BIC consolidation, Financial cost was improved**



# Q2 2014 Financial Performance

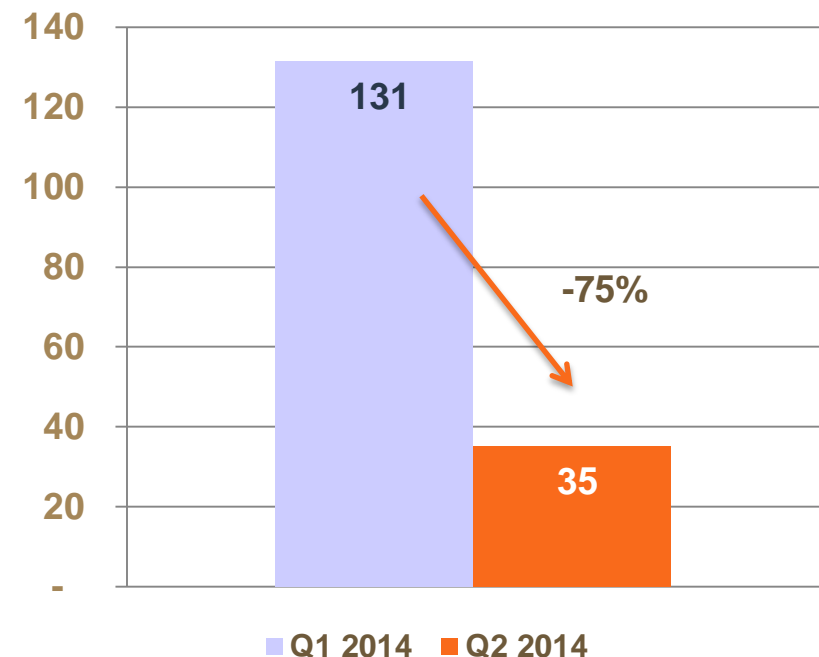
- BIC1 played a key role for 32% growth yoy
- Seasonal effect plus delay in rainfall as critical factors for qoq comparison
- No significant gain/loss on exchange in Q2 2014 compared to 246 MB loss in Q2 2013

## Profit before fx rose by 32% yoy



- + BIC1 in operation
- + Management Charge
- Rainfall delay in NN2's catchment area

## Profit before fx dropped by 75% qoq

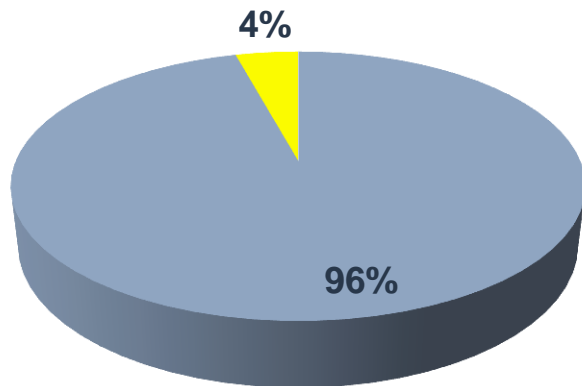


- Rainfall delay in NN2's catchment area
- No special transaction like Q1 2014 (44 MB)

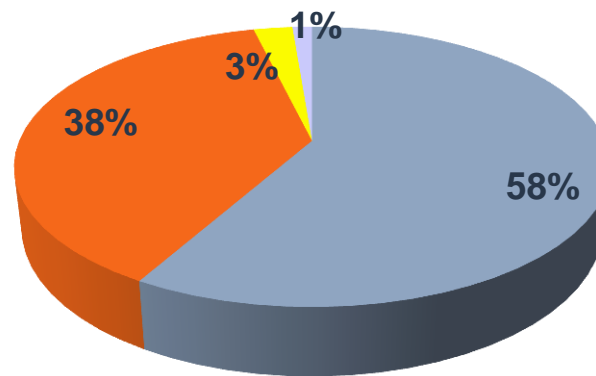
# Q2 2014 Financial Performance: Sales

Sales grew by 50% yoy but declined 12% qoq

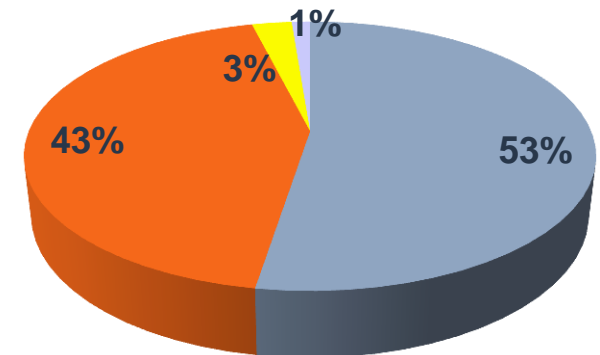
Q2 / 2013



Q1 / 2014



Q2 / 2014



■ NN2 ■ BIC ■ BKC ■ Steam

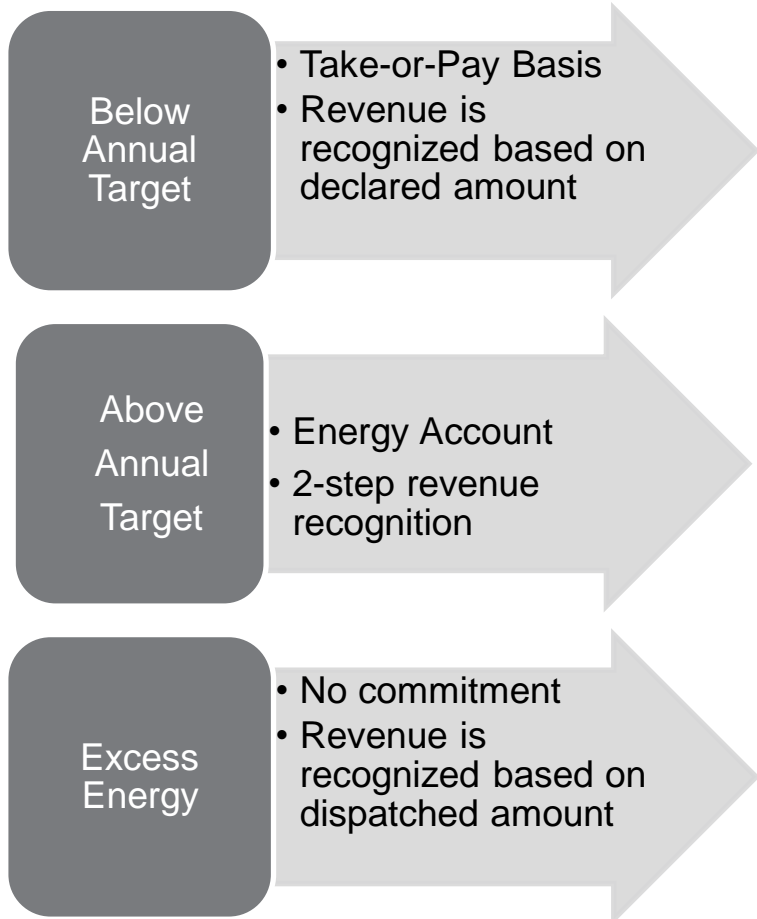
	Q2 2014	Q2 2013	YOY variance		Q1 2014	QOQ variance	
<b>Sales of electricity</b>	<b>1,507</b>	<b>1,018</b>	<b>489</b>	<b>48%</b>	<b>1,721</b>	<b>(214)</b>	<b>(12%)</b>
- NN2	802	975	(173)	(18%)	1,015	(213)	(21%)
- BIC	664	-	664	N/A	662	2	0%
- BKC	41	43	(2)	(4%)	44	(3)	(7%)
<b>Sales of steam</b>	<b>19</b>	<b>-</b>	<b>19</b>	<b>N/A</b>	<b>22</b>	<b>(4)</b>	<b>(16%)</b>



# NN2 Revenue Recognition



Stable revenue stream from three mechanisms: Annual Target, Take-or-Pay basis, and Energy Account, with upside from Excess Energy



Type of Energy	Tariff (THB/kWh)	Annual Target (GWh)	Period
Primary Energy (PE)	1.757*	2,218	All year
Secondary Energy (SE)	1.255	92	Aug- Oct
Excess Energy (EE)	1.062	N/A	EE month

PE Tariff comprises 0.02475 USD/kWh and 0.965 THB/kWh or approx. 1.757 THB/kWh at exchange rate of 32 THB/USD

	Revenue	Payment
PE	PE Tariff	PE Tariff
SE	SE Tariff	SE Tariff

Special Case:  
If EGAT requests to dispatch more electricity than the declared amount, revenue recognition is based on actual dispatch

	Account Declaration		Account Use	
	Revenue	Payment	Revenue	Payment
PE	75% EE Tariff	None	PE Tariff – 75% EE Tariff	PE Tariff
SE	75% EE Tariff	None	SE Tariff – 75% EE Tariff	SE Tariff

At the end of 10-year period, any outstanding accounts will be settled as EE

	Revenue	Payment
EE	75% EE Tariff	EE Tariff

- While NN2 has to declare PE and SE a month in advance EE can be sold with short notice by declaring “EE Month”
- At the end of 10-year period, NN2 has to pay back 25% of all EE sold to EGAT

# NN2 Revenue Recognition



	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	= 2,218 x PE <b>= 3,897 MB</b>	= 2,218 x PE + 100 x EE x 75% <b>= 3,977 MB</b>	= 2,118 x PE +100 x(PE-EEx75%) <b>= 3,817 MB</b>	= 2,118 x PE <b>= 3,721 MB</b>	= 2,318 x PE <b>= 4,073 MB</b>
Payment	= 2,218 x PE <b>= 3,897 MB</b>	= 2,218 x PE <b>= 3,897 MB</b>	= 2,218 x PE <b>= 3,897 MB</b>	= 2,118 x PE <b>= 3,721 MB</b>	= 2,318 x PE <b>= 4,073 MB</b>
	Normal Year	Wet Year	Dry Year	Dry Year	Wet Year

# Q2 2014 Performance: NN2



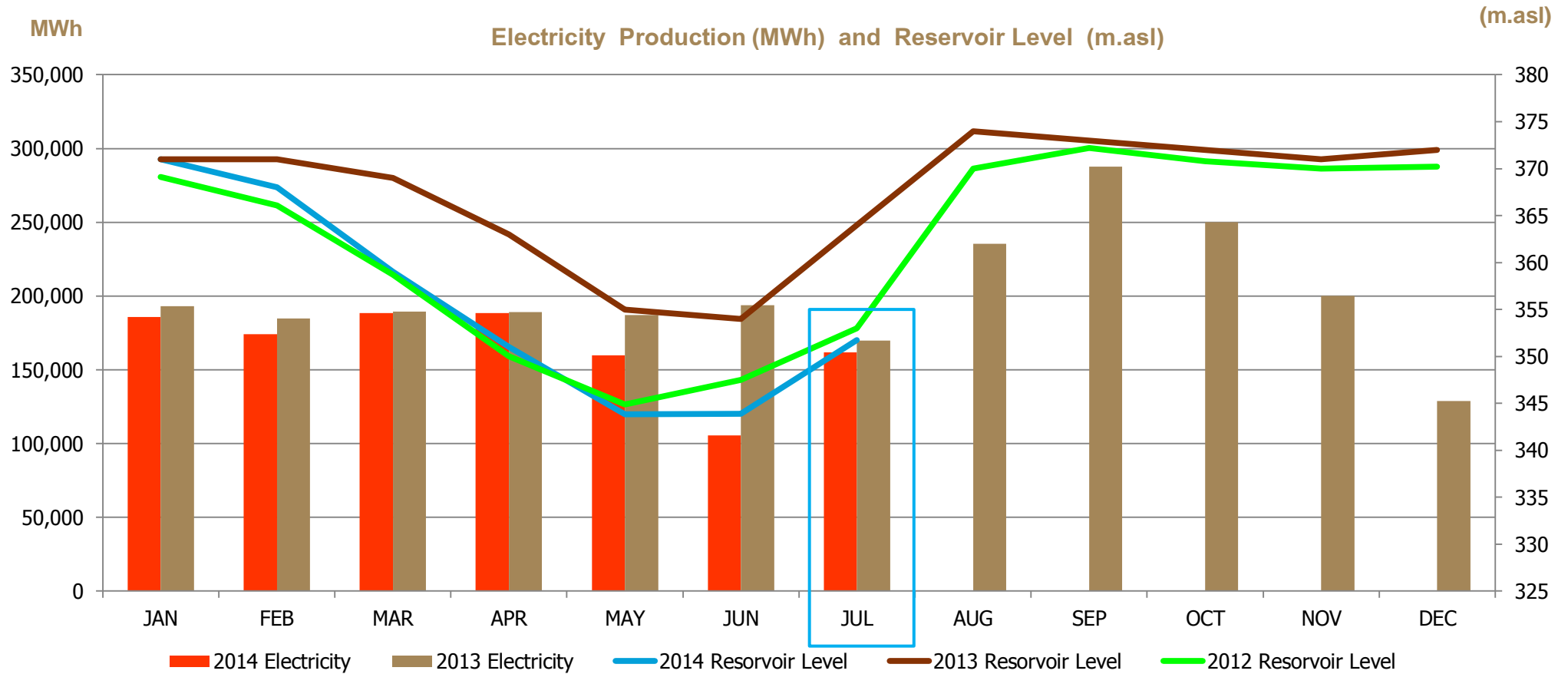
2014						
Month	Declaration (MWh)			Reservoir Level (m.asl)	Energy Account (MWh)	
	PE*	SE**	EE***		PE	SE
JAN	185,923			370.6		
FEB	174,122			368.2		
MAR	188,326			358.9		
APR	188,343			350.6		
MAY	159,797			343.9		
JUN	105,562			343.9		
JUL	161,646			351.8		
AUG						
SEP						
OCT						
NOV						
DEC						
Account Drawdown						
Total						

2013						
Month	Declaration (MWh)			Reservoir Level (m.asl)	Energy Account (MWh)	
	PE*	SE**	EE***		PE	SE
JAN	193,000			371.2		
FEB	184,766			370.6		
MAR	189,513			368.8		
APR	189,153			362.5		
MAY	187,121			355.0		
JUN	193,690			354.0		
JUL	169,752			363.7		
AUG	220,000	15,399		374.4		
SEP	238,000	49,807	150,672	373.7		
OCT	220,000	30,000		371.5		3,206
NOV	200,000			371.5		
DEC	128,920			372.3	95,916	
Account Drawdown	-	-	-			
Total	2,313,916	95,206				

\* Primary Energy with Annual Target at 2,218,000 MWh \*\* Secondary Energy with Annual Target at 92,000 MWh \*\*\* Excess Energy Please find the details of Nam Ngum 2

Tariff Structure in the Appendix

# Q2 2014 Performance: NN2



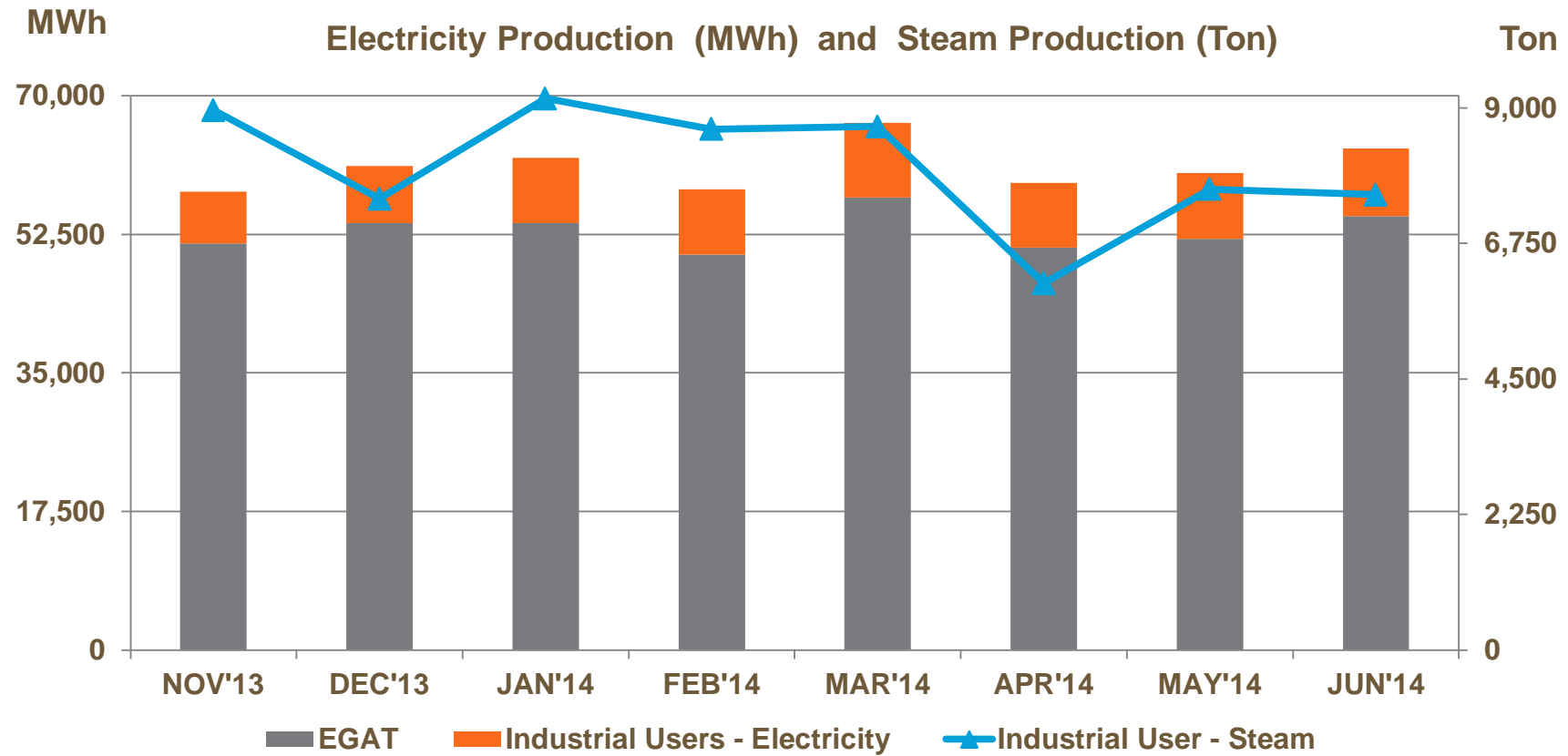


# Q2 2014 Performance: BIC



Electricity Customers							
	PPA (MW)	JAN'14	FEB'14	MAR'14	APR'14	MAY'14	JUN'14
Electricity Produced (MWh)							
EGAT	90.0	53,918	49,978	57,154	50,858	51,967	54,784
APCB Electronic Thailand Co., Ltd.	12.0	5,052	4,799	5,468	4,605	4,645	4,974
Nippon Super Precision Co.,Ltd.	4.2	1,743	1,724	1,946	1,556	1,447	1,498
MMC Tools (Thailand) Co.,Ltd. (started Dec 1, 2013)	3.0	1,026	1,206	1,494	1,505	1,597	1,554
Takei Plastic (Thailand) Co.,Ltd. (started Dec 8, 2013)	1.5	435	461	565	521	579	566
Heat Rate (BTU/KWh)		7,751	7,758	7,665	7,849	7,781	7,768
Steam Customer – Quality Construction Products Plc. (Q-CON)							
	Contracted Capacity (Ton/Hr.)	JAN'13	FEB'14	MAR'14	APR'14	MAY'14	JUN'14
Steam Produced (Ton)	19.6	9,159	8,649	8,693	6,089	7,649	7,560

# Q2 2014 Performance: BIC



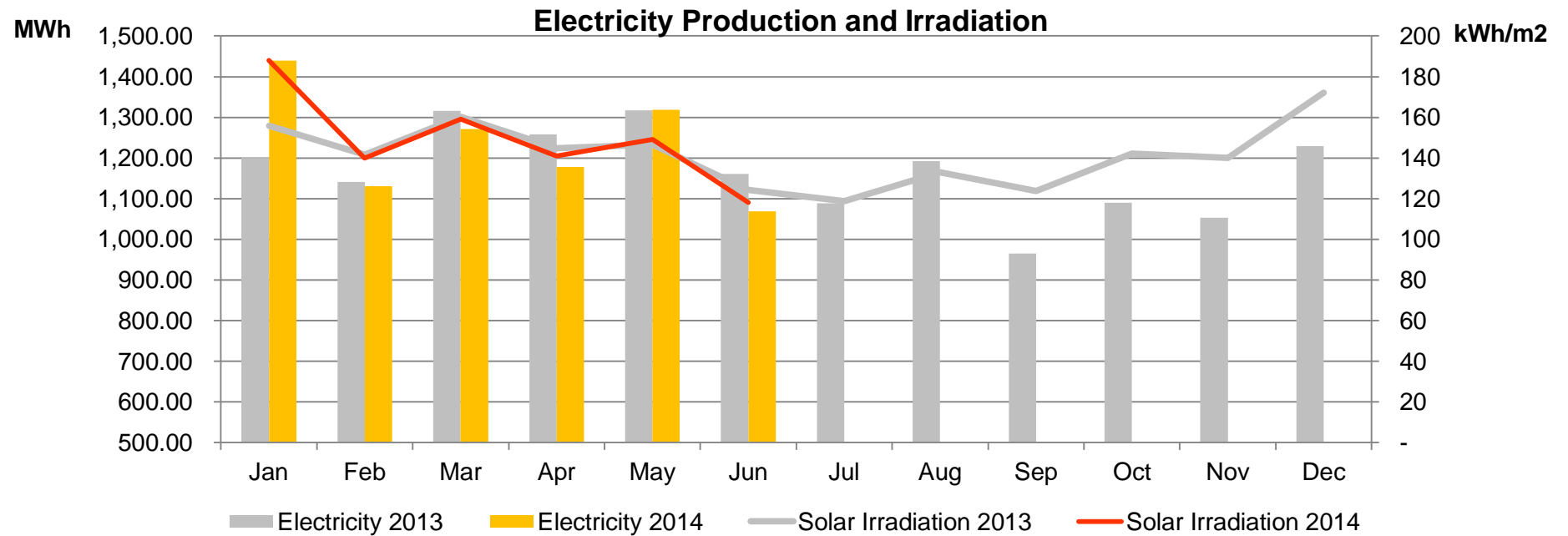
# Q2 2014 Performance: BKC



2013													
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Total Year 2013
Energy production (MWh)	1,200.1	1,141.4	1,316.2	1,258.0	1,317.7	1,160.2	1,088.1	1,192.2	964.5	1,089.6	1,053.8	1,228.9	14,010.8

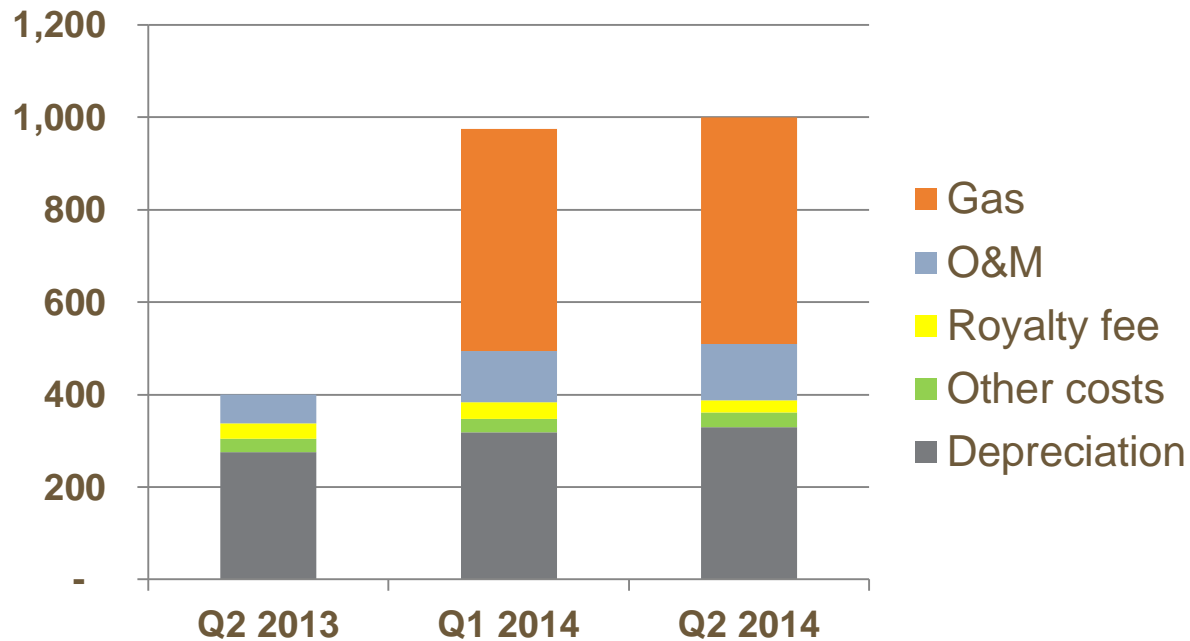
  

2014													
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Total Year 2014
Energy production (MWh)	1,439.5	1,131.7	1,271.2	1,178	1,319.6	1,068.1							



# Q2 2014 Financial Performance: Operating costs

## Cost of Sales (MB)



**Cost of Sales grew by 150% yoy mainly from BIC1 operation while cost of sales slightly increased by 3% qoq**

**IA amortization and Administrative expenses remained stable**

	Q2 2014	Q2 2013	YOY variance		Q1 2014	QOQ variance	
Fuel cost	491	-	491	N/A	480	11	2%
Depreciation	329	275	54	20%	318	11	3%
Royalty fee	27	33	(6)	(18%)	35	(8)	(23%)
O&M	121	63	58	92%	112	9	8%
Other costs	32	29	3	10%	30	2	7%

# Q2 2014 Financial Performance: Finance Cost

## Improvement on Financial Term

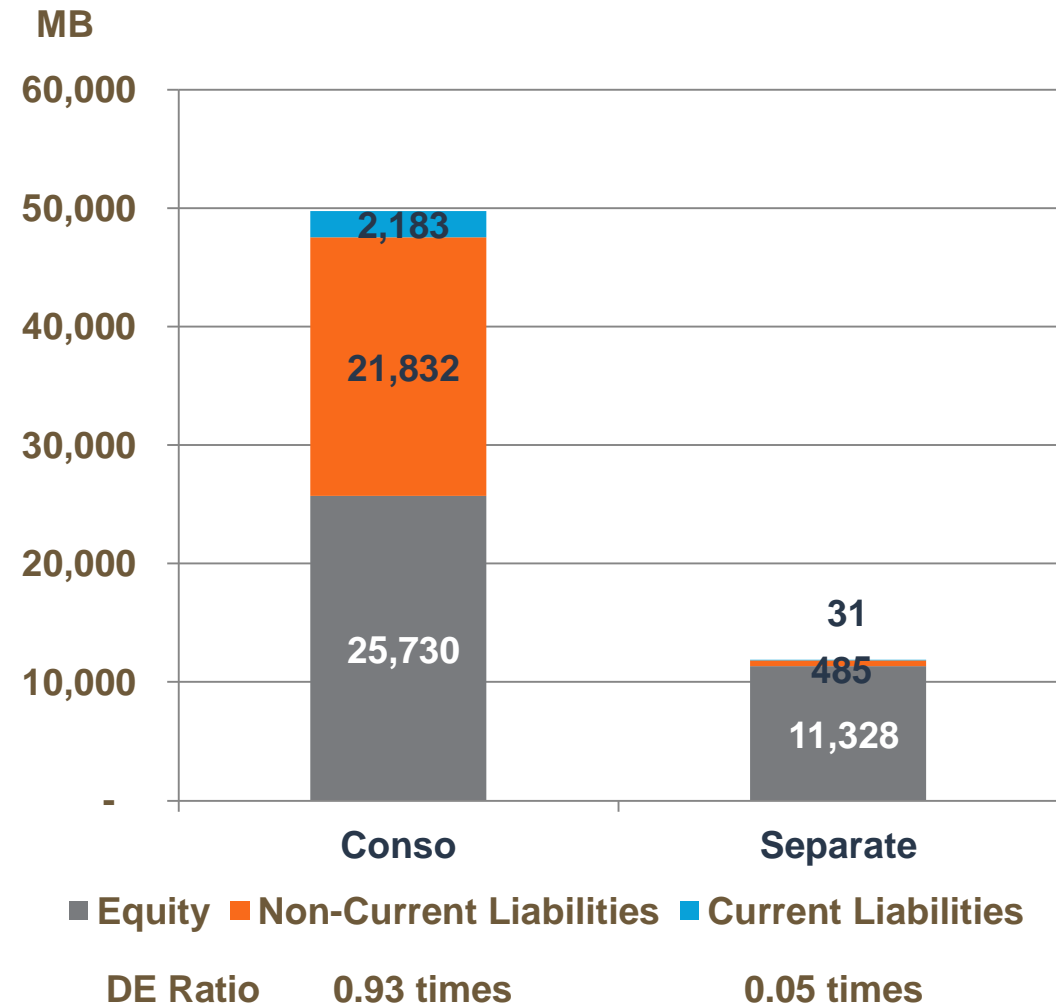
- Interest rate reduction by 0.2%-0.5% across all projects - Done
- Release of some reserve under NN2 - Done
- BIC1 loan tenor extension – Done
- NN2 loan tenor extension - Ongoing
- BIC 2 project finance - Ongoing

## Outstanding Loan as of June 30, 2014

CKP	490	MB
SEAN	18,230	MB*
BIC	4,028	MB
BKC	<u>597</u>	<u>MB</u>
Total	23,345	

- Including \$158 M
- Average cost of debt: 5.03%

## Leverage opportunity



# Outlook for 2H 2014

## Existing Projects

- Late rain finally arrived
- NN2 to finalize major terms for refinancing
- BIC1 to continue load optimization
- Stable performance for all solar projects

## Future Projects

- BIC2's EPC contract and CFA to be signed
- Preparation for solar power plants with new FIT scheme





# CKP Outlooks : Growth Roadmap

*Solid Project Pipeline and Strong Growth Plan with 27% CAGR growth in Total MW Capacity during 2014 - 2020*



2020 Onward  
Target : 4,280 MW

- Additional :**
- 1,000 MW from Cross – Border
  - 960 MW from 8 Cogeneration Projects



2019  
Target : 2,320 MW

- Additional :**
- 160 MW from Nam Bak
  - 1,285 MW from Xayaburi



2017  
Target : 875 MW

- Additional :**
- 120 MW from BIC 2
  - Upsides from Domestic Renewables (Target 100 MW)



2014  
Operating : 755 MW

# Q&A