

Mewah International Inc.
Q2 2013 Financial Results Briefing
12th Aug, 2013



**HARNESSING
CAPABILITIES**



**EMBRACING
OPPORTUNITIES**

This presentation, as well as financial statements appended herewith should be read in conjunction with Mewah International Inc.'s Unaudited Financial Statements for the Second Quarter and Half Year Ended 2013 lodged on the SGXNET on 12th Aug, 2013.

Some figures and percentages within the explanations may not exactly match due to rounding off.

In US\$ million, unless stated otherwise

	Q2 2013	Q2 2012	% change	Q1 2013	% change
Sales volume (MT'000)	849.1	894.6	-5.1%	980.2	-13.4%
Revenue	707.3	1,012.3	-30.1%	859.2	-17.7%
Operating margin ("OM")	28.3	29.5	-4.1%	29.7	-4.7%
Net profit *	4.1	6.3	-35.2%	4.0	2.7%

In US\$ million, unless stated otherwise

	H1 2013	H1 2012	% change
Sales volume (MT'000)	1,829.2	1,792.6	2.0%
Revenue	1,566.6	2,008.5	-22.0%
Operating margin ("OM")	58.0	60.3	-3.8%
Net profit *	8.0	14.6	-44.9%

Income Statement – Q2 2013



In US\$ million, unless stated otherwise

	Q2 2013	Q2 2012	Change	Change%	Q1 2013	Change	Change%
Sales volume (MT'000)	849.1	894.6	-45.5	-5.1%	980.2	-131.1	-13.4%
ASP (US\$)	833.0	1,131.6	-298.6	-26.4%	876.6	-43.6	-5.0%
Revenue	707.3	1,012.3	-305.0	-30.1%	859.2	-151.9	-17.7%
OM per MT (US\$)	33.3	33.0	0.3	0.9%	30.3	3.0	9.9%
Operating margin ("OM")	28.3	29.5	-1.2	-4.1%	29.7	-1.4	-4.7%
Other income	1.1	2.1	(1.0)	-49.7%	1.5	-0.4	-26.7%
Overheads	(17.0)	(16.4)	-0.6	3.7%	(18.1)	1.1	-6.1%
Depreciation	(4.5)	(4.1)	-0.4	10.7%	(4.7)	0.2	-4.3%
Finance costs	(3.6)	(4.3)	0.7	-16.4%	(4.0)	0.4	-10.0%
Income tax	(0.6)	(0.8)	0.2	-18.1%	(0.6)		n.m.
Profit after tax	3.7	6.2	-2.5	-40.2%	3.8	-0.1	-2.6%
Non-controlling interest	0.4	0.1	0.3	242.9%	0.2	0.2	100.0%
Net profit *	4.1	6.3	-2.2	-35.2%	4.0	0.1	2.7%

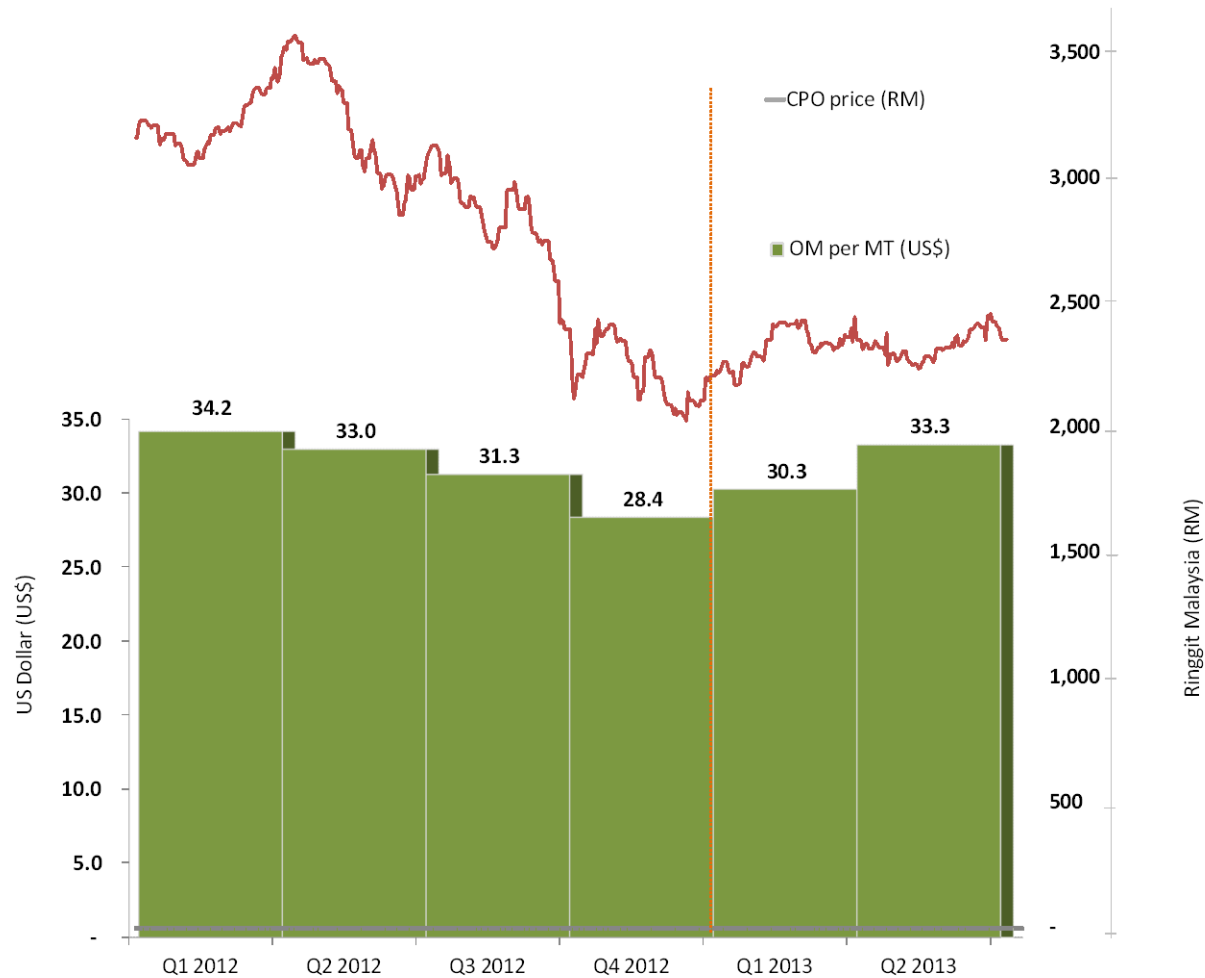
Income Statement – H1 2013



In US\$ million, unless stated otherwise

	H1 2013	H1 2012	Change	Change%
Sales volume (MT'000)	1,829.2	1,792.6	36.6	2.0%
ASP (US\$)	856.4	1,120.4	-264.0	-23.6%
Revenue	1,566.6	2,008.5	-441.9	-22.0%
OM per MT (US\$)	31.7	33.6	-1.9	-5.7%
Operating margin ("OM")	58.0	60.3	-2.3	-3.8%
Other income	2.6	3.6	-1.0	-29.7%
Overheads	(35.1)	(30.6)	-4.5	14.7%
Depreciation	(9.2)	(8.2)	-1.0	11.8%
Finance costs	(7.6)	(8.6)	1.0	-11.0%
Income tax	(1.2)	(2.3)	1.1	-47.6%
Profit after tax	7.5	14.3	-6.8	-47.9%
Non-controlling interest	0.6	0.3	0.3	104.3%
Net profit *	8.0	14.6	-6.6	-44.9%

Market prices for CPO vs. OM per MT of the Group



Income Statement – Quarterly comparison



In US\$ million, unless stated otherwise

	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013
Sales volume (MT'000)	898.0	894.6	777.7	830.2	980.2	849.1
ASP (US\$)	1,109.4	1,131.6	1,085.8	924.9	876.6	833.0
Revenue	996.2	1,012.3	844.4	767.8	859.2	707.3
OM per MT (US\$)	34.2	33.0	31.3	28.4	30.3	33.3
Operating margin ("OM")	30.8	29.5	24.3	23.6	29.7	28.3
Other income	1.5	2.1	2.6	4.6	1.5	1.1
Overheads	(14.2)	(16.4)	(17.4)	(16.7)	(18.1)	(17.0)
Depreciation	(4.1)	(4.1)	(4.2)	(4.5)	(4.7)	(4.5)
Finance costs	(4.3)	(4.3)	(4.5)	(4.4)	(4.0)	(3.6)
Income tax	(1.6)	(0.8)	0.0	1.0	(0.6)	(0.6)
Profit after tax	8.1	6.2	0.8	3.6	3.8	3.7
Non-controlling interest	0.2	0.1	0.4	0.6	0.2	0.4
Net profit * before exceptional net gains	8.3	6.3	1.2	4.2	4.0	4.1
Exceptional net gains	-	-	-	4.8	-	-
Net profit *	8.3	6.3	1.2	9.0	4.0	4.1

8 * Profit after tax attributable to equity holders of the Company, excluding exceptional gains

Sales Volume – Q2 2013

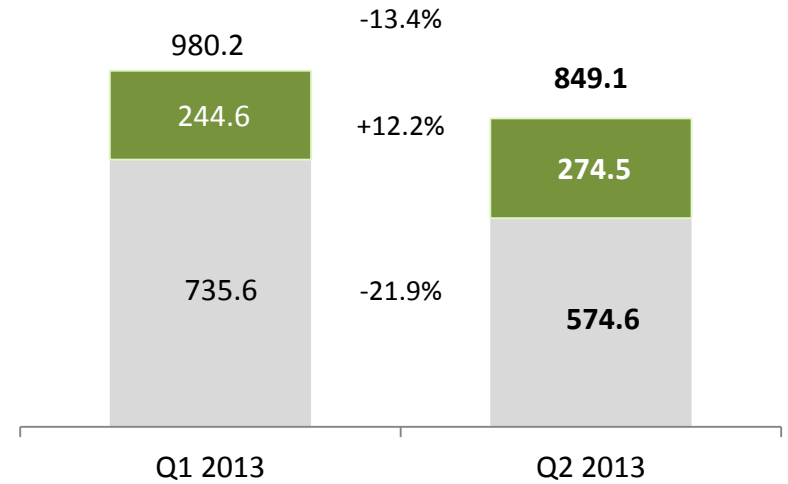
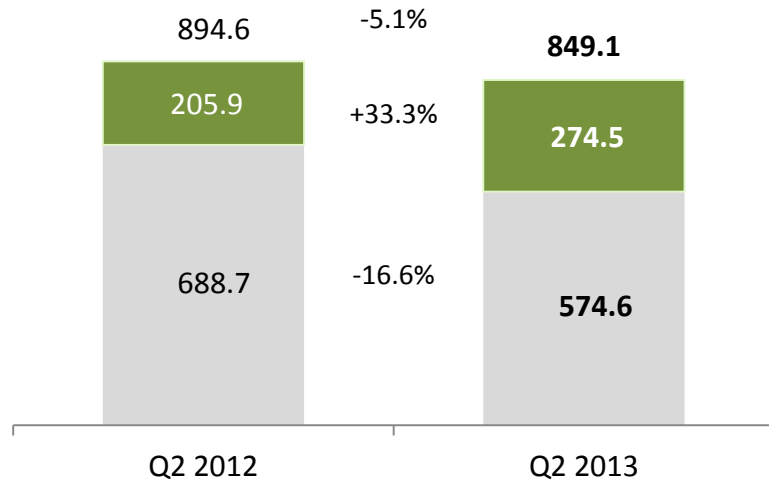


In MT'000

■ Consumer Pack ■ Bulk

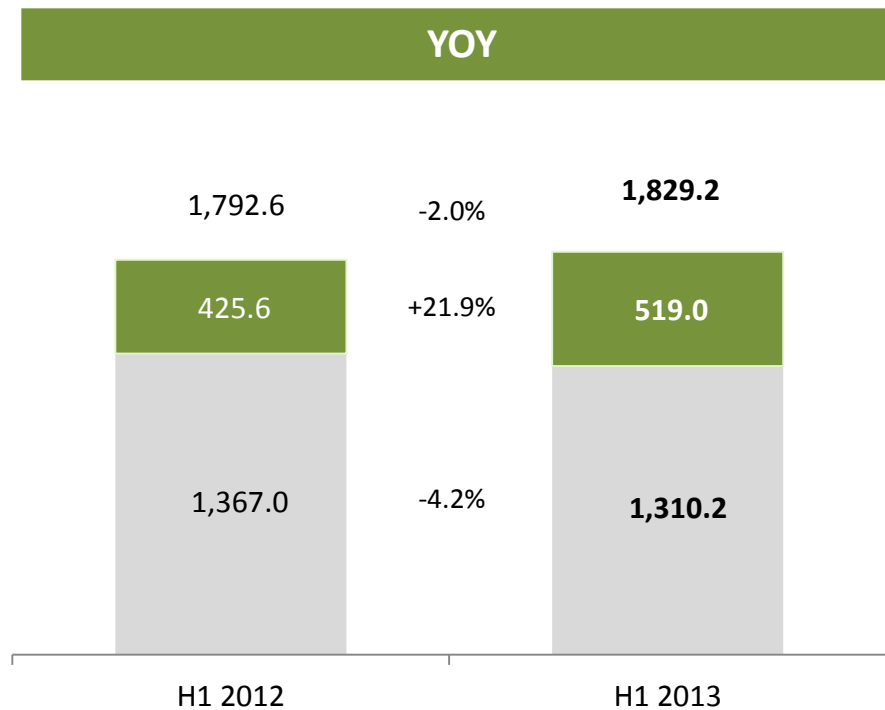
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QOQ



Segmental contribution	Q2 2012	Q2 2013	Change %	Q1 2013	Q2 2013	Change %
Bulk	77.0%	67.7%	-9.3%	75.0%	67.7%	-7.3%
Consumer Pack	23.0%	32.3%	9.3%	25.0%	32.3%	7.3%

In MT'000

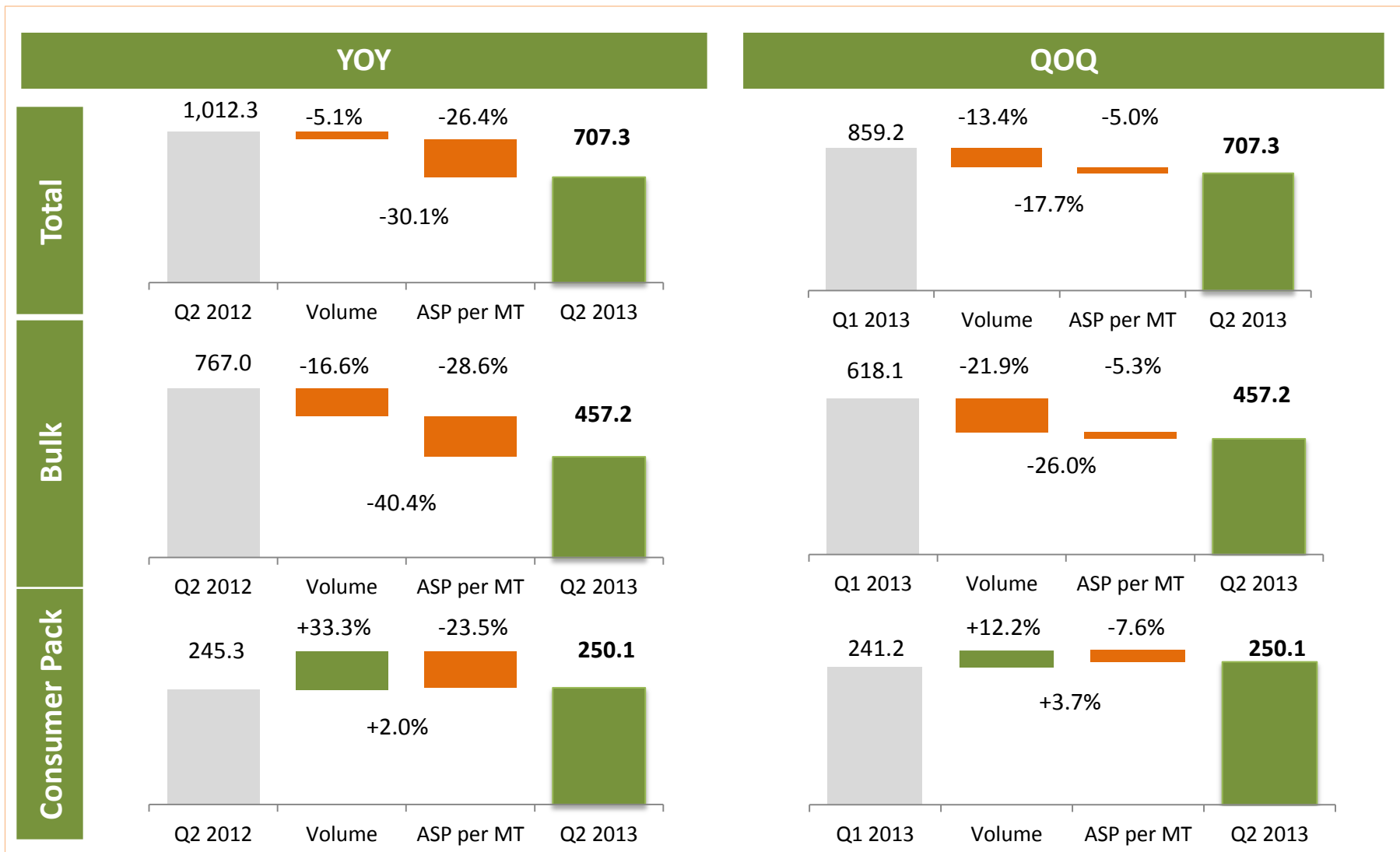


Segmental contribution	H1 2012	H1 2013	Change %
Bulk	76.3%	71.6%	-4.7%
Consumer Pack	23.7%	28.4%	4.7%

Revenue – Total – Q2 2013



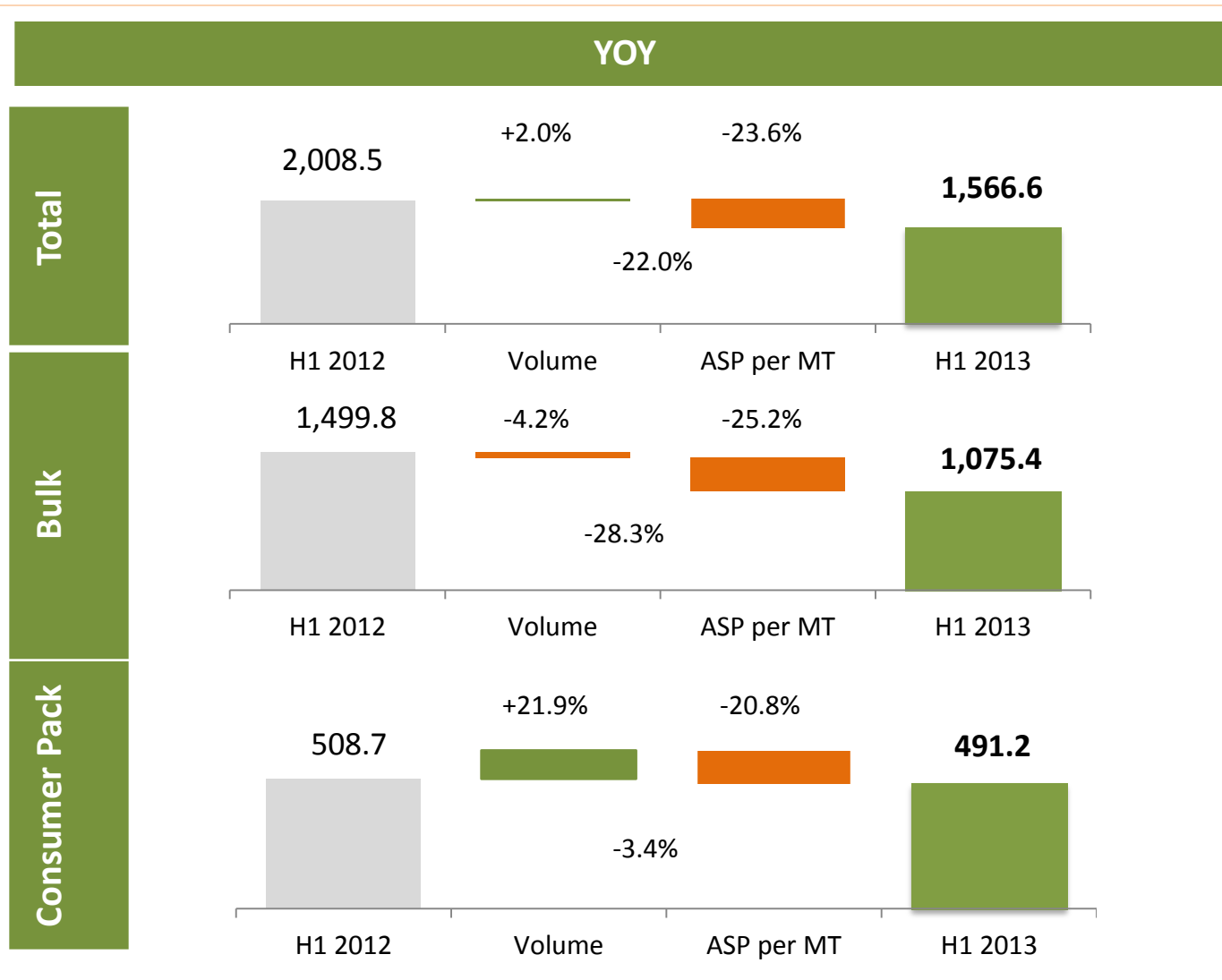
In US\$ million, unless stated otherwise



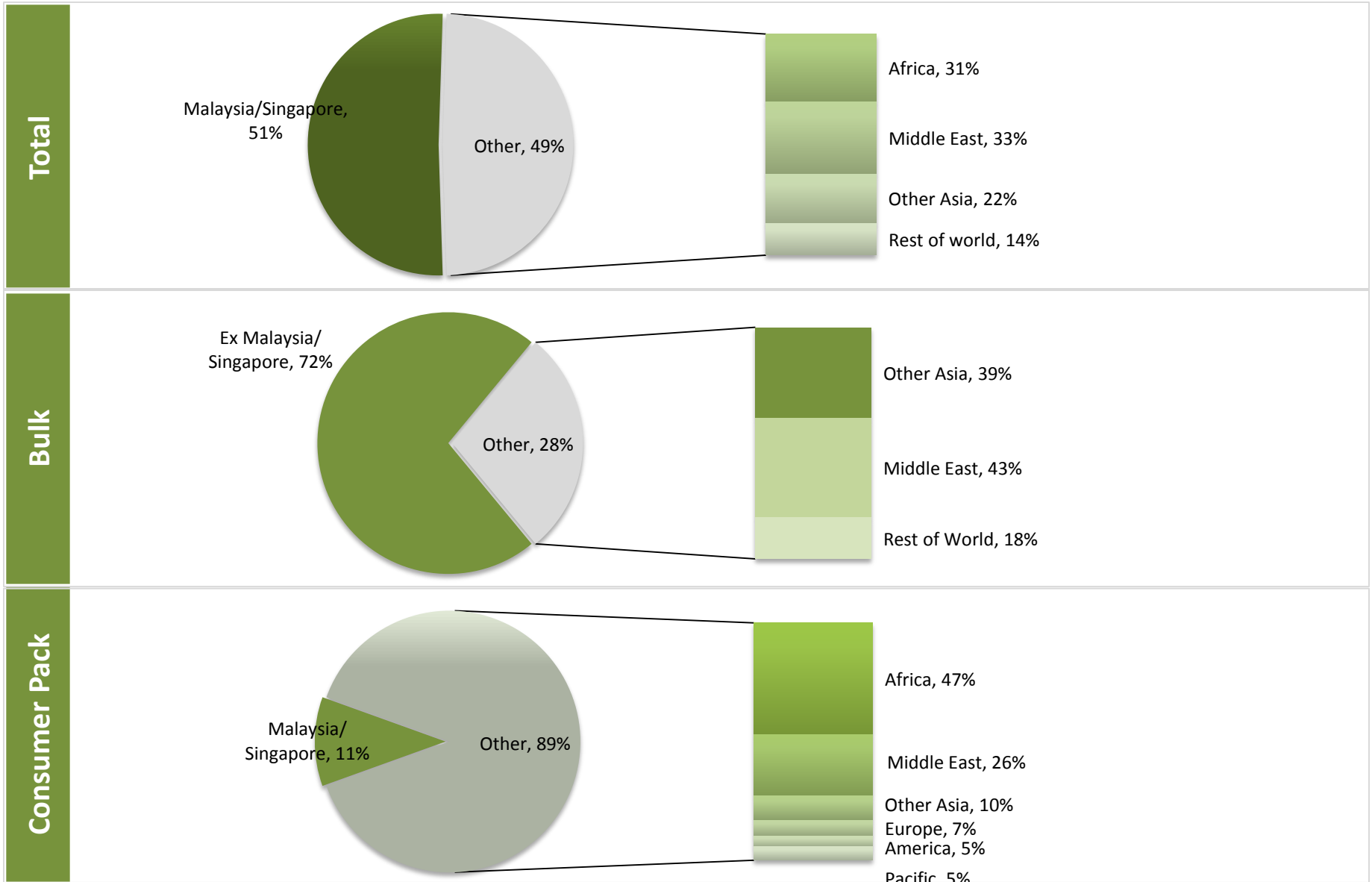
Revenue – Total – H1 2013



In US\$ million, unless stated otherwise



Sales revenue: Geographical spread – Q2 2013

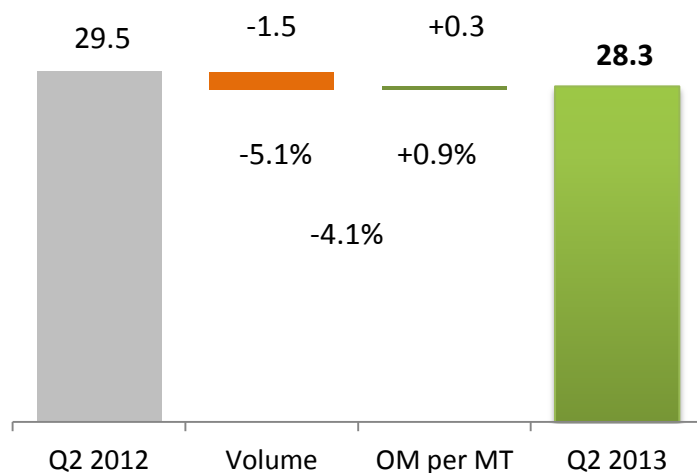


Operating margin – Total – Q2 2013

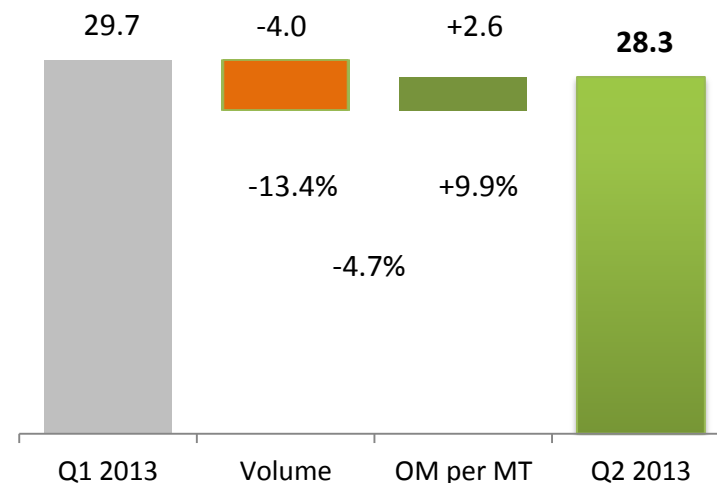


In US\$ million, unless stated otherwise

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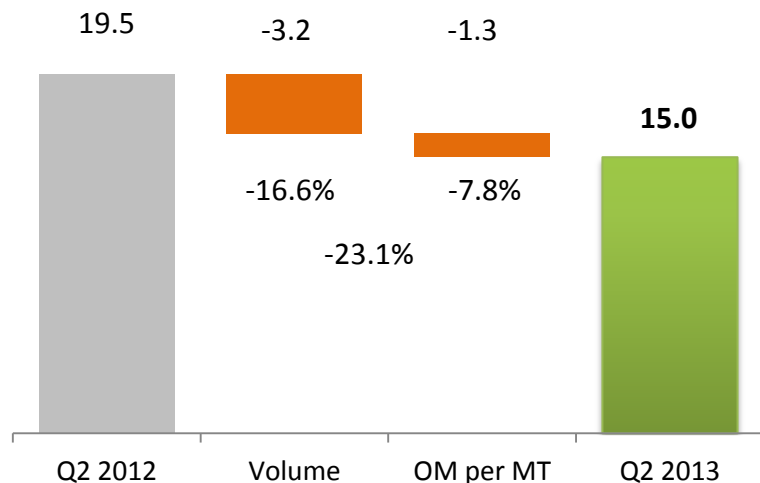
Total	Q2 2012	Q2 2013	Change %	Q1 2013	Q2 2013	Change %
Sales volume (MT'000)	894.6	849.1	-5.1%	980.2	849.1	-13.4%
OM per MT (US\$)	33.0	33.3	0.9%	30.3	33.3	9.9%
Operating margin	29.5	28.3	-4.1%	29.7	28.3	-4.7%

Operating margin – Bulk – Q2 2013

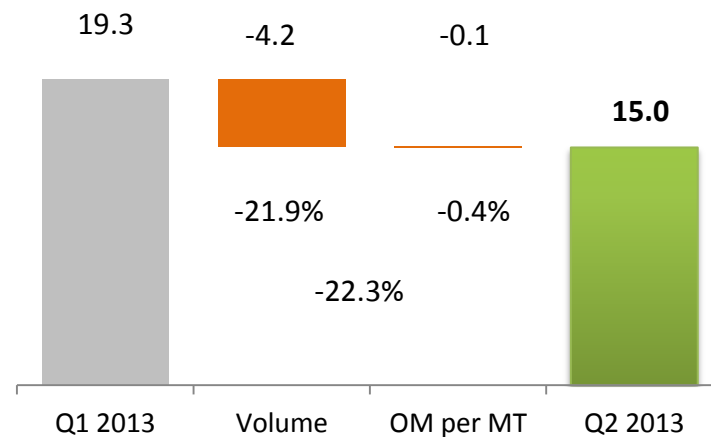


In US\$ million, unless stated otherwise

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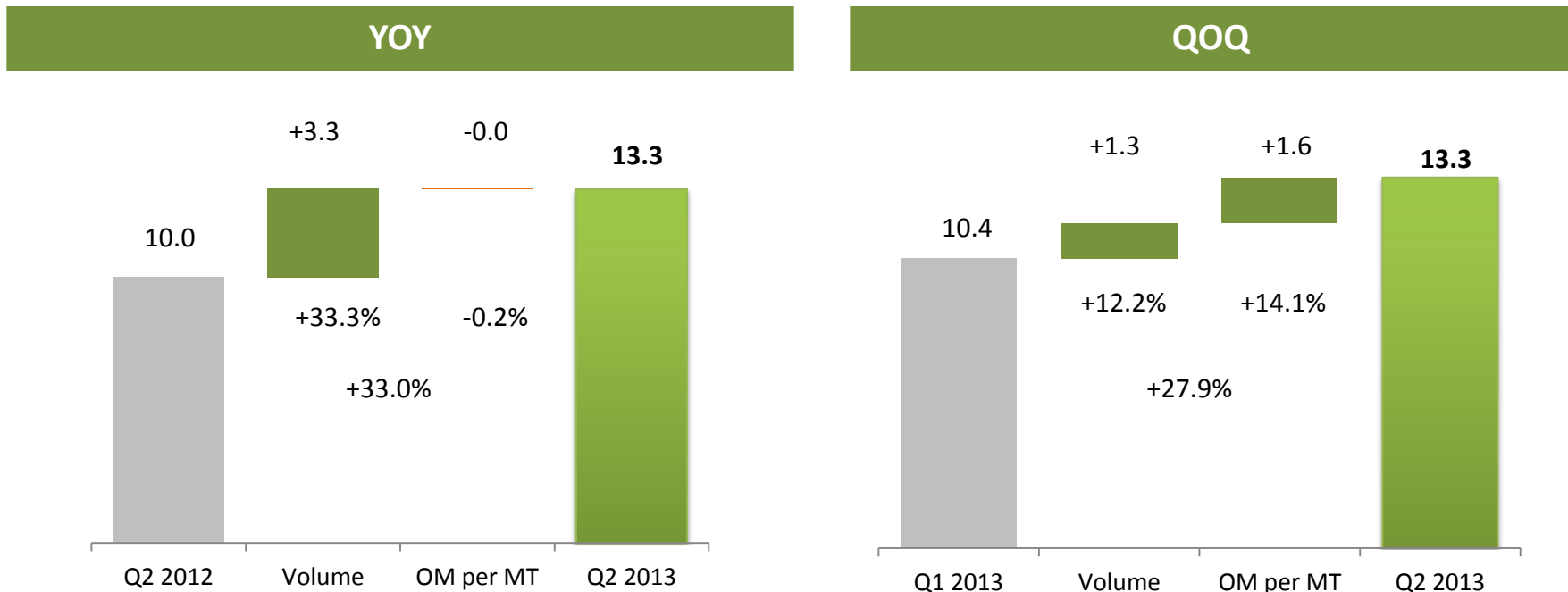


BULK	Q2 2012	Q2 2013	Change %	Q1 2013	Q2 2013	Change %
Sales volume (MT'000)	688.7	574.6	-16.6%	735.6	574.6	-21.9%
OM per MT (US\$)	28.3	26.1	-7.8%	26.2	26.1	-0.4%
Operating margin	19.5	15.0	-23.1%	19.3	15.0	-22.3%

Operating margin – Consumer Pack – Q2 2013



In US\$ million, unless stated otherwise



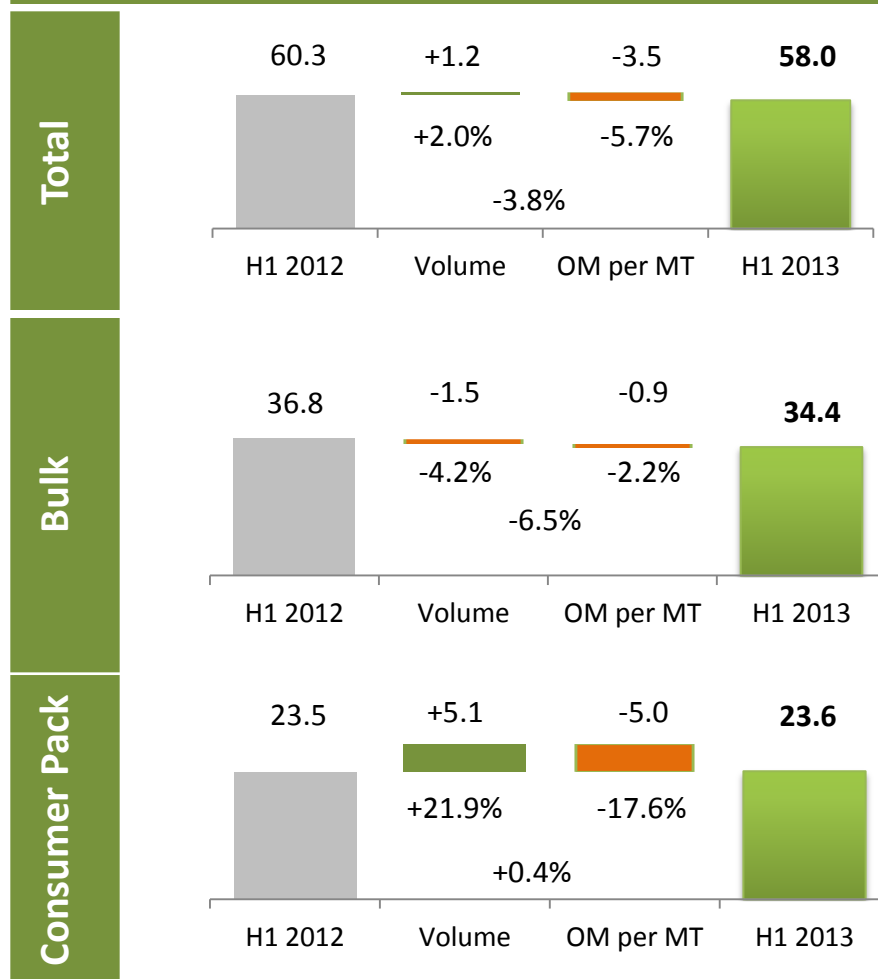
CONSUMER PACK	Q2 2012	Q2 2013	Change %	Q1 2013	Q2 2013	Change %
Sales volume (MT'000)	205.9	274.5	33.3%	244.6	274.5	12.2%
OM per MT (US\$)	48.6	48.5	-0.2%	42.5	48.5	14.1%
Operating margin	10.0	13.3	33.0%	10.4	13.3	27.9%

Operating margin – Total – H1 2013



In US\$ million, unless stated otherwise

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Total	H1 2012	H1 2013	Change %
Sales volume (MT'000)	1,792.6	1,829.2	2.0%
OM per MT (US\$)	33.6	31.7	-5.7%
Operating margin	60.3	58.0	-3.8%

BULK	H1 2012	H1 2013	Change %
Sales volume (MT'000)	1,367.0	1,310.2	-4.2%
OM per MT (US\$)	26.9	26.3	-2.2%
Operating margin	36.8	34.4	-6.5%

CONSUMER PACK	H1 2012	H1 2013	Change %
Sales volume (MT'000)	425.6	519.0	21.9%
OM per MT (US\$)	55.2	45.5	-17.6%
Operating margin	23.5	23.6	0.4%

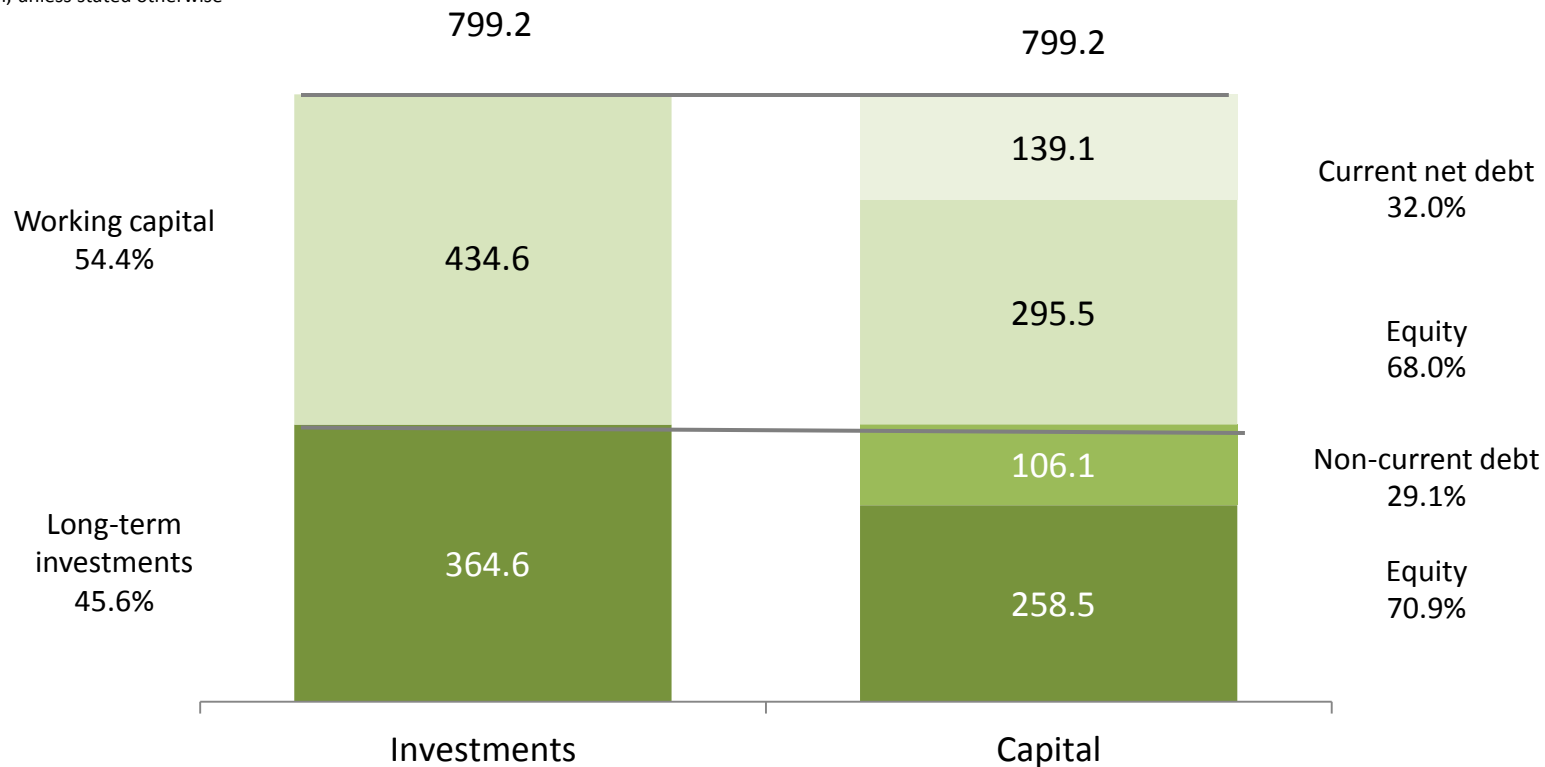
Balance sheet – Summary



In US\$ million

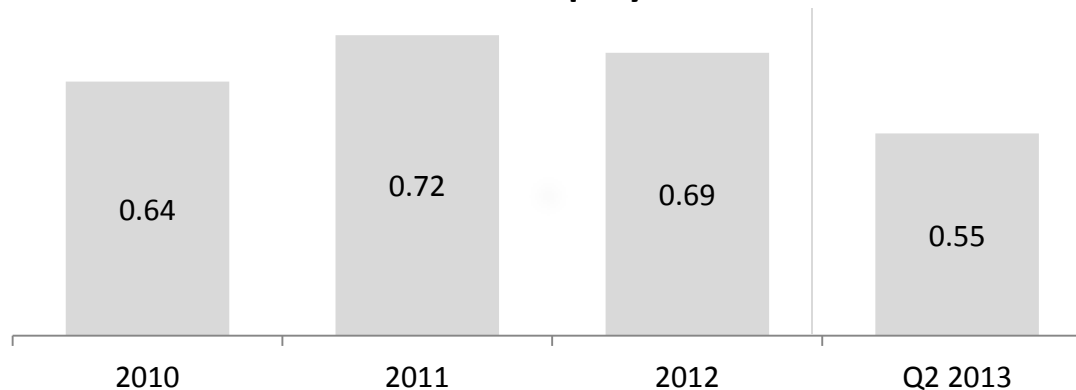
	30-Jun-13	31-Mar-13	Change	31-Dec-12	Change
Property, plant and equipment	345.2	342.7	2.5	338.7	6.5
Other long term investments	19.4	20.5	(1.1)	18.0	1.4
Long term investments	364.6	363.2	1.4	356.7	7.9
Inventories	265.6	231.3	34.3	243.4	22.2
Trade receivables	352.7	478.1	(125.4)	444.0	(91.3)
Trade payables	(187.8)	(204.0)	16.2	(243.5)	55.7
Others	4.1	64.5	(60.4)	94.2	(90.1)
Working capital	434.6	569.9	(135.3)	538.1	(103.5)
Total investment	799.2	933.1	(133.9)	894.8	(95.6)
Equity	554.0	562.1	(8.1)	559.9	(5.9)
Net debt	245.2	371.0	(125.8)	334.9	(89.7)
Total capital	799.2	933.1	(133.9)	894.8	(95.6)

In US\$ million, unless stated otherwise



Debt / Equity Ratio	Actual	Objective
Long-term investments (LT Debt/Equity)	0.41x	<1.00x
Working capital (ST Debt / Equity)	0.47x	<2.00x
Total (Net debt / Equity)	0.44x	<1.50x

Gross debt to equity



In US\$ million

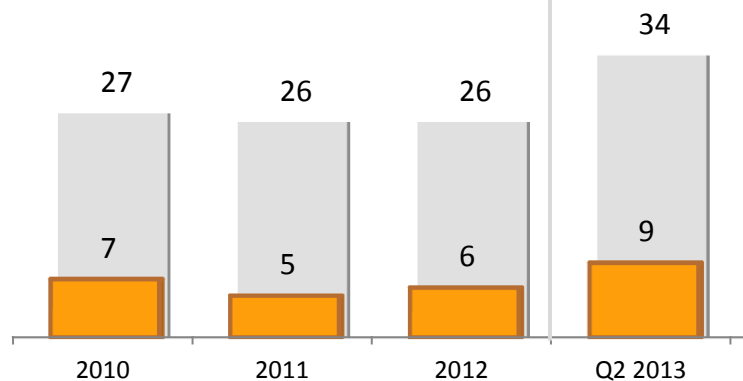
Gross Debt	304.5
Less: Cash	(59.3)
Net Debt	245.2
Equity	554.0
Gross Debt / Equity	0.55
Net Debt / Equity	0.44

Net debt to equity

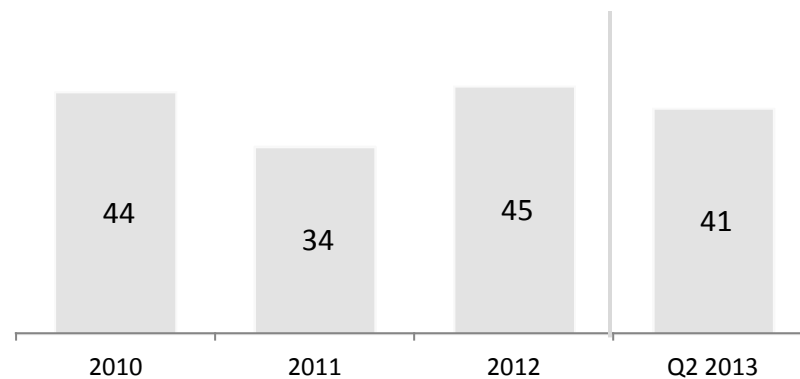
Objective: Keep below 1.5
(based on weighted average of 1:1 for Long-term investments and 2:1 for Working capital)



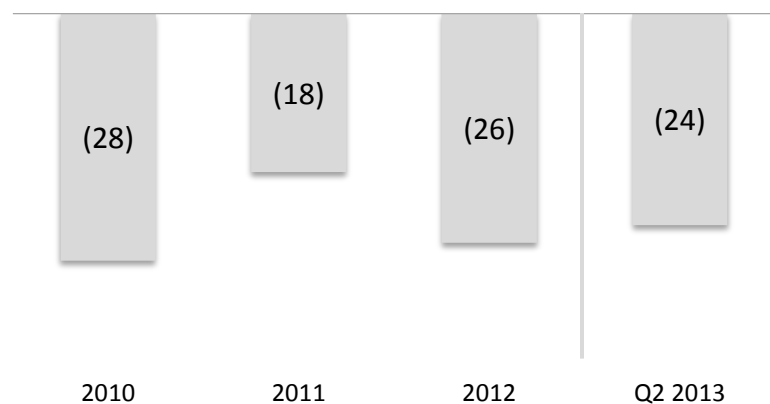
Inventory days



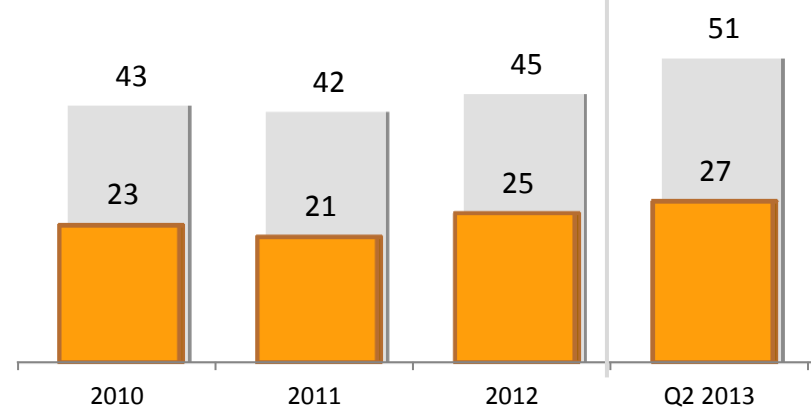
Trade receivable days



Trade payable days



Cycle time



In US\$ million

	Q2 2013	H1 2013
Operating cash flows before working capital changes	11.5	27.6
Changes in operating assets and liabilities	137.2	100.2
Net interest and income tax payment	(5.5)	(7.7)
Net cash flows from operating activities	143.2	120.1
Net cash flows used in financing activities	(148.7)	(84.3)
Net cash flows used in investing activities	(14.7)	(27.5)
Net change in cash and cash equivalents	(20.2)	8.3
Cash and cash equivalents - Opening	76.7	48.6
Effect of changes in exchange rate	(0.4)	(0.7)
Cash and cash equivalents - Closing	56.1	56.1

In US\$ million, unless stated otherwise

Current net debt coverage

Working capital	434.6
Current net debt	245.2
Current net debt/Working capital	56.4%

Working capital includes US\$192.6 million Readily Marketable Inventories (“RMI”) (73% of total inventories) and US\$352.7 million of trade receivables.

Non current-debt repayment schedule

Year 2	40.2
Year 3	36.7
Year 4	21.6
Year 5	5.5
More than 5 years	2.1
Total	106.1

Trade finance facilities utilisation

		Utilised %
Facility	1,047.8	
Utilised	165.5	15.8%
Unutilised Facility Amount	882.3	
Cash and Cash equivalents	59.3	
Total liquidity	941.6	

Interest coverage

4 quarters ended 30 Jun 2013

EBITDA	47.6
Net interest	7.6
Net interest coverage	6.3x

Thank you

Any questions, contact:

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