

# 2002

the first full year of PTT's operation as a public company....  
A proof of professionalism

PTT's professionalism together with business acumen and experience prepared to cope with all kinds of circumstances were attested by the successful operation in the year 2002. They also reflected the strong determination of the firm to improve efficiency at international standard, a key mechanism in building competitiveness and effectiveness. Whilst, PTT has been strongly committed to taking part in social and environmental contribution programs. In addition, we have realized the importance of fairness, taken into considerations interests of stakeholders, a vital foundation of stability. Above all, we are striving toward business excellence to pursue leadership position in energy business at regional level with a sustainable growth in the years to come.



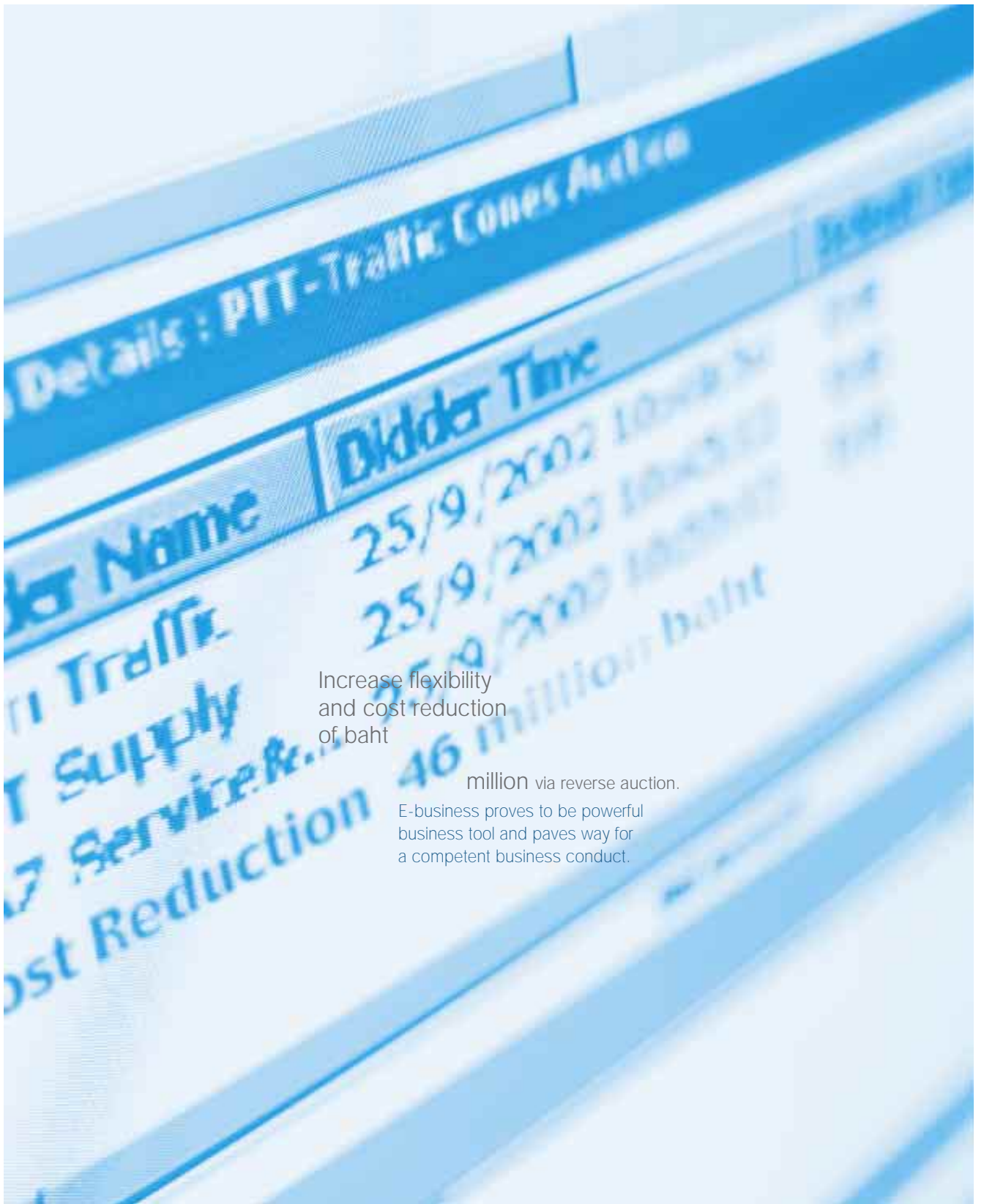
At PTT, our

4,342

professional and high  
calibre employees

are always determined to improve expertise  
in order to keep the company at the forefront  
in addition to gain greater competitiveness.

**Efficiency boost to achieve excellence** Constant development is a vital key to enhancing the company's competitiveness. Our strong determination to improve efficiency has always resulted in a capability to overcome all obstacles in all circumstances. Such development projects cover a wide range of programs namely, business structure and system development, continuous human resources development for professionalism and flexibility. ►



Increase flexibility and cost reduction of baht million via reverse auction. E-business proves to be powerful business tool and paves way for a competent business conduct.

Technology has also been adopted to support work with an aim to cut cost and reduce time and procedure. Trainings have been designed for employees to prepare for changing environment. PTT has also recognized the importance of good corporate governance which promotes transparency, fair treatments and rationale believed to increase effectiveness and enable PTT to compete in a free market as well as become a leader of energy business in the region.



Sustaining leadership with largest market share of

29.0000 %

To strengthen business potential, PTT forms a key strategic partnership with 7-Eleven to open convenient stores in PTT service stations. The company also introduced the latest formula of premium gasoline, "PTT Alpha-X".

**Capability increase together with accelerate market expansion** Due to an intensified competition in the market, PTT has therefore continued to move forward and aimed at offering only superb products and services at highest standards to best serve the customers. As a result, PTT was able to stay at the top of the oil market afresh, acquiring the largest market share for ten consecutive years. As for the natural gas business, sale has significantly ►



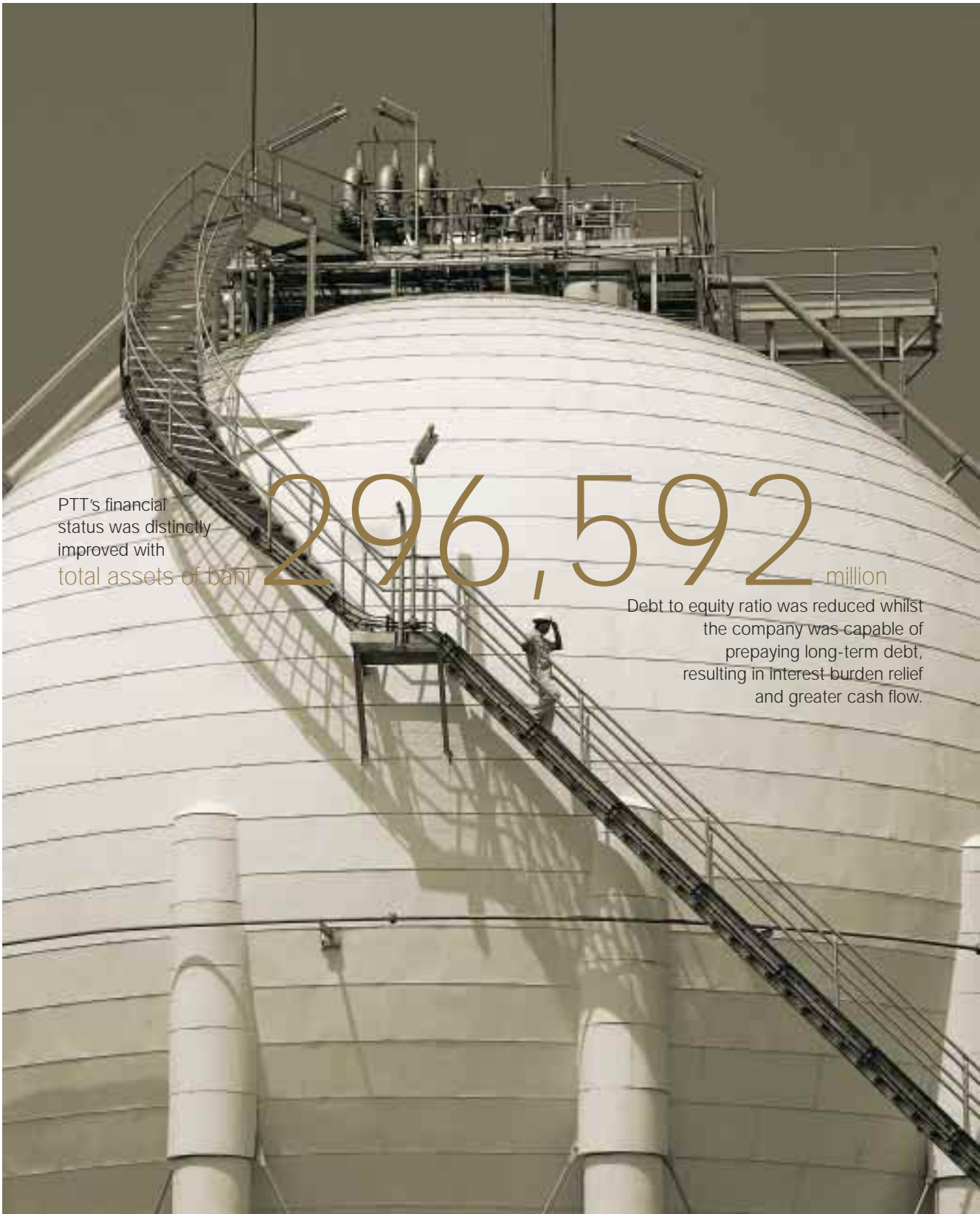
Total natural gas sales rose to

# 2,475

MMSCFD,

with constant promotion of  
usage in industry.

grown to respond to the higher demand from both power and industrial sectors. Particularly, gas usage for cogeneration system to generate electricity and steam, a technology enabling to use gas at its highest efficiency and minimize harm to environment, has gained more popularity in the industry. Consequently, there are 12 industrial plants using gas for cogeneration system. In 2002, the total sales of gas stood at 2,475 MMSCFD, a rise of 8% over the previous year.



PTT's financial status was distinctly improved with total assets of baht

296,592 million

Debt to equity ratio was reduced whilst the company was capable of prepaying long-term debt, resulting in interest burden relief and greater cash flow.

**Strong financial performance** PTT has realized that growth with stability is based on prudent and rigorous financial management that ensures satisfactory return to shareholders, customers and stakeholders. After one year of corporatization, PTT's financial standings have been distinctly improved as shown by the total assets of Baht 296, 592 million and debt to equity ratio which was down from 3.10 to 2.05: 1 at the end of 2002. Besides, an amount of repayment and prepayment of long-term debt stood at Baht 24,068 million. Concurrently, PTT plans to invest in various projects to accommodate ►



PTT invests in high return projects with strategic economic potential as well as value-added projects.

Major projects include the

3<sup>rd</sup>

offshore natural gas pipeline having transmission capacity of 1,750 MMSCFD, the fifth natural gas separation plant with processing capacity of 530 MMSCFD and the gas pipeline from Sainoi-North/South Bangkok Power Plant with transmission capacity of 400 MMSCFD.

with a rising energy demand in the future. Major projects encompass the investment in natural gas business to serve the requirement of all sectors including the usage in both industrial and transportation sectors as well as new gas applications. With regard to oil business, PTT is committed to developing the quality of products, service stations as well as supplementary services for maximum satisfactions of consumers.



Undertaking research and development of high quality and environment friendly products e.g Autofresh, another proud product at world-class standard, which helps reduce pollution problem by

**Technology in harmony with environment** PTT takes pride in its distinguished R & D for high quality and environment friendly products, an unwavering priority for business undertaking. The research has been undertaken by PTT Research and Technology Institute having full command of works at international standard. Up until present, the institute has offered notable products to the society e.g. PTT Alpha-X, unleaded gasoline, high performance lubricants, NGV, gasohol and others. Meanwhile, PTT has a firm policy to promote continuous improvement of ►



Rendering richness to the motherland, beginning in 1994, PTT has now completed reforestation of

**1,012,551** rai in 410 FPT

under the Reforestation Project in honor of His Majesty the King, the project that creates love of forest among Thais.

living standard of communities as well as giving back to the public. We are fully aware that healthy communities and environment are truly a foundation of business success. Various programs in response to social policy have thus been organized i.e. the Reforestation Project to honor of His Majesty the King, Community Enterprise Institute, Youth Camp and Educational support programs, etc.