



Thai Optical Group PLC.

Opportunity Day

9 June 2010

Esplanade, Ratchadaphisek



Agendas

- o Investment Project of the Subsidiary company (TOC) in Expanding Production capacity on Prescription Lenses and Prescription glazing.*
- o Project in Joint-Venture with Foreign strategic Partners.
- o Goal to double the Company's present income.
- o TOG' s present situation.



Project in Expanding Production capacity

- o Investment Value **of** 320 M.TH.B. within 2 years.
- o To invest in automatic Freeform machineries and glazing machineries to provide good services with accuracy and expedite delivery to value added products.
- o To support the growth in 4 times of its Partner's business expansion (Specsavers).
- o To support the increase in demand of the European and others markets.



TOG & Specsavers

Year

Relationship

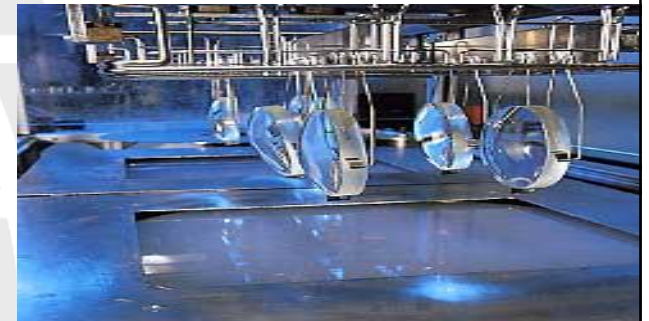
Specsavers' Development

1984		Started retail franchise business in England.
1988		Completed expanding 100 branches.
1993	Started business with TOG.	Completed expanding 200 branches.
1997		Expanding business in Netherlands.
2000		Completed expanded 400 branches.
2004-2005		Expanding business in Sweden, Denmark and Norway.
2006-2007		Expanding business in Spain, Australia and New Zealand.
2008-2009	Specsavers hold 25% of TOG's shares	Completed expanding 1,400 branches.



Business Relationship between TOG and Specsavers

- § Finished Lens Business.
- § Prescription Lens or Rx Lens Business.
- § Prescription Freeform Lens Technology Business.
- § Prescription Glazing Services Business.





Targeting Order

TOG targets **additional orders expansion**
from Specsavers in 2011

- Ø Prescription Lenses of 1 Mill. Pieces/ Year.
- Ø Prescription Lenses in Freeform technology of
1 Mill. Pieces / Year.
- Ø Prescription Glazing Services of 1 Mill. Frames / Year.



Investing Requirement

	Mill. THB.
Freeform Technology Lens Production Lines	195
Prescription Glazing Lines	117
Utility, Computer systems and Others	8
Total	320



Exclusive additional income from Specsavers

Unit : Mill. THB.

Products & Services	2010	2011	2012
Prescription Lens	37	160	187
Prescription Lens of Freeform Technology	54	262	310
Prescription Glazing Services	10	49	59
Total	101	471	656

656 Mill. THB in 2012 equal to 70% of targeted additional income from investment.



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Project in **Joint-Venture** with Foreign Strategic Partners.

Increasing distribution channel by establishing Prescription Lens Laboratory in other countries.

- ü Laboratories purchase semi-finished lenses from TOG.
- ü Laboratories receive RX Lens's order from optical retail shops.
- ü Producing lenses comply with Rx Lens' order.
- ü Marketing under "Excelite" brand.



Goal in establishing Laboratories

<i>Country</i>	<i>Established Year</i>	<i>Value of Investment</i>
Malaysia	2010	1.0 Mill.USD.
Singapore	2010	1.5 Mill.USD.
Vietnam	2011	2.0 Mill.USD.
Philippines	2011	2.0 Mill.USD.
Taiwan	2012	2.0-2.5 Mill.USD.
Turkey	2012	2.0-2.5 Mill.USD.



Yearly income from laboratory

Description	Amount (Mill. THB.)
Tier 1 –Sales income from Lenses distribution to laboratory.	
Semi finished lenses	19
Finished lenses	21
Tier 1 Total	40
Tier 2 – Income from Laboratory	
Prescription Lenses	75
Wholesale Finished lenses	45
Tier 2 Total	120
Total TOG's income per 1 Laboratory (Comply with investment proportion.)	80-100



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o TOG's present situation.

Growth in 5 years

The growth of double present income

ü 60% Growth -> additional income from the investment in TOC.

ü 30% Growth -> Joint-Venture Project

ü 10% Growth -> The normal **business** growth



Targeted income in 5 years

Year	Income	Additional ratio
2009	100%	-
2012	160%	60%
2014	200%	100%



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In Q1/2010

o Relocate Production line of plastic lenses to the new building for improving production efficiency and reduce waste products.

ü The relocation has been completed in April, 2010. And, the production goal is to increase from 12 Mill pieces to 15 Mill pieces per year together with yield increasing to 95%.

In Q1/2010

o The unexpected accident of High Impact Resistant Lens machinery apart from the regularly Preventive Maintenance causing the delay in delivery.

ü Repaired and Changed machinery's part.

ü Increased in carefully and strictly Maintenance system.

ü Normal production started in the beginning of May, 2010.



In Q1/2010

o Status in the establishment of Joint Venture company in Singapore and Malaysia.

ü **Singapore:** Completed in new Company establishment with the installation of machinery on progress, and expected to operate production in July, 2010.

ü **Malaysia:**

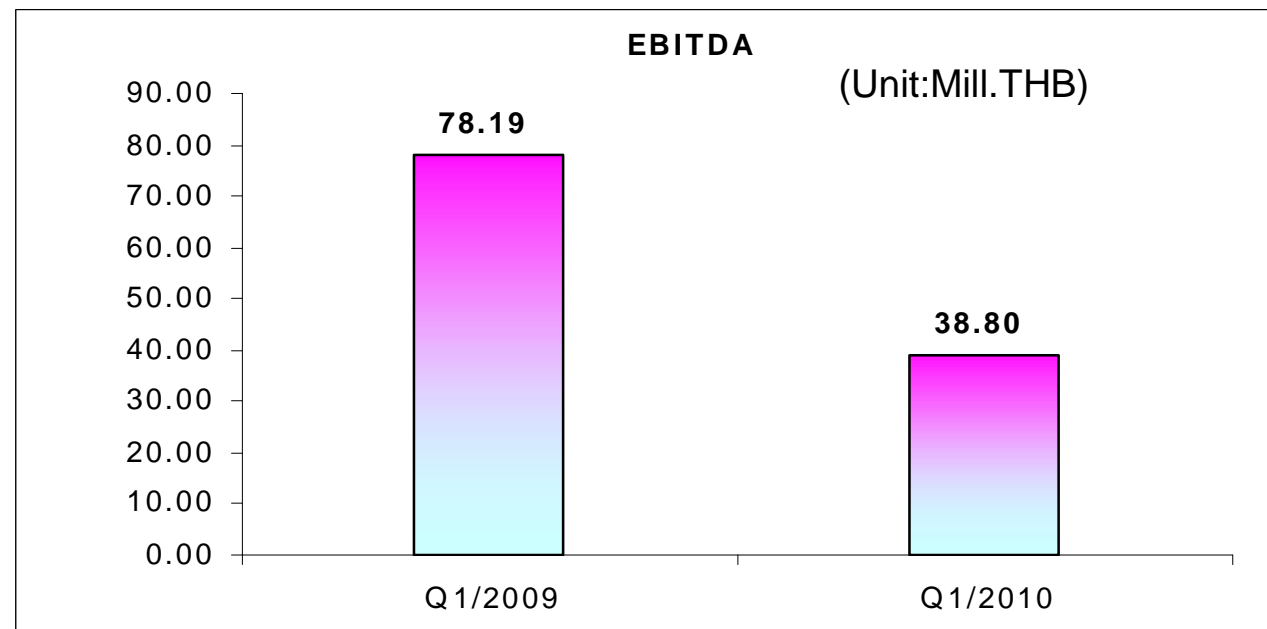
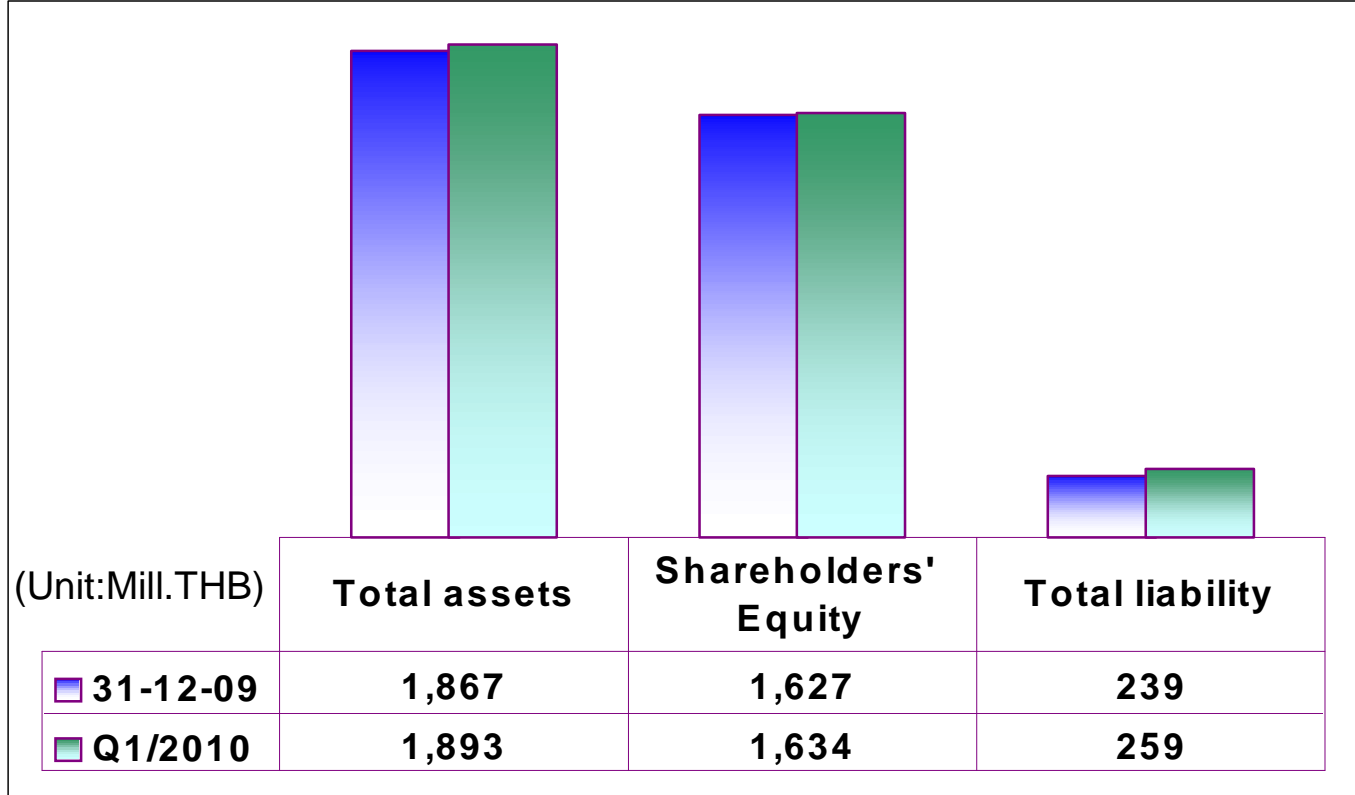
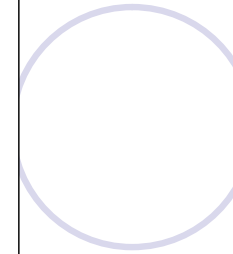
- Completed in new Company establishment and some part of the laboratory have proceeded in production.
- Under location improvement and installation of additional machinery which is expected to complete in June, 2010.¹⁹



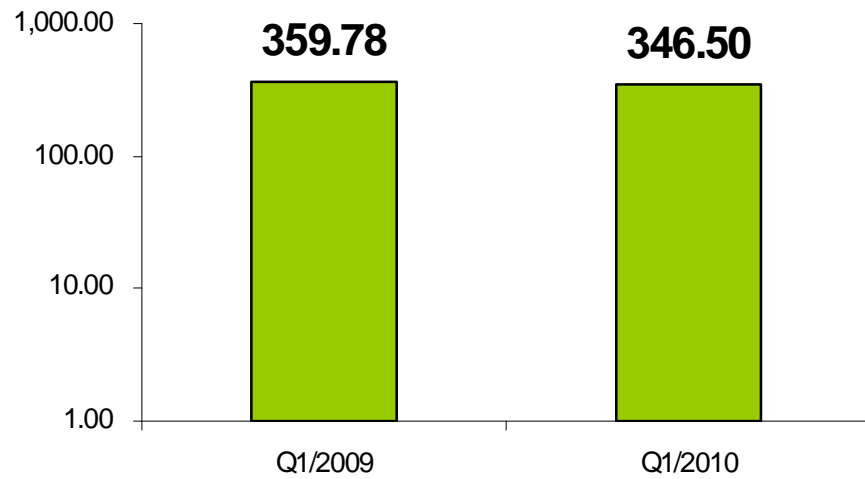
Important factor in 2010

o Depreciation in Euro currency exchange rate

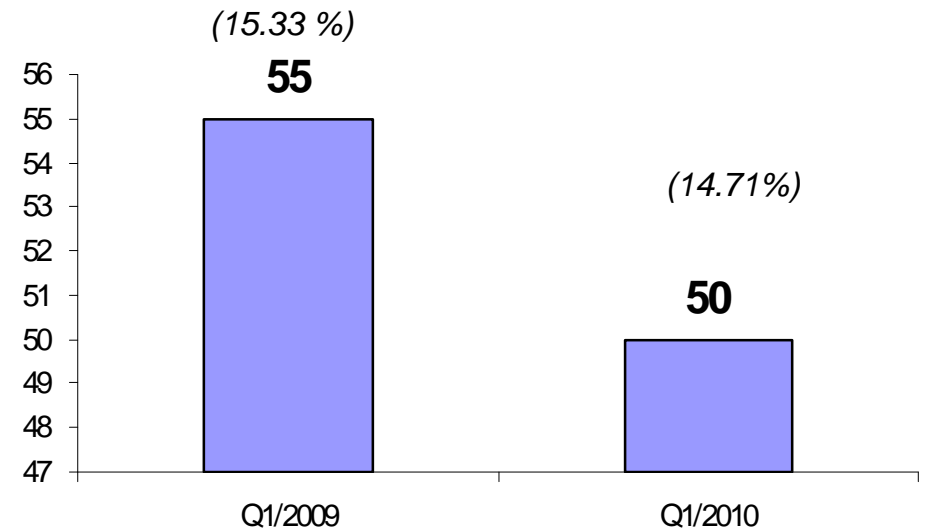
- ü TOG's revenue ratio of Euro = 10%
- ü Not much effect to TOG's business
- ü TOG have made Forward Contract to protect risk in 6-12 months.



Selling income

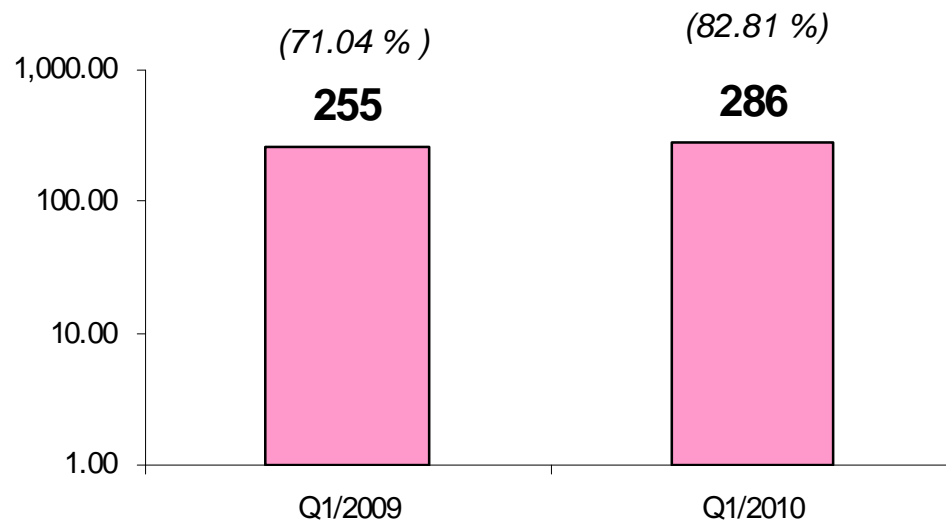


Selling expenses

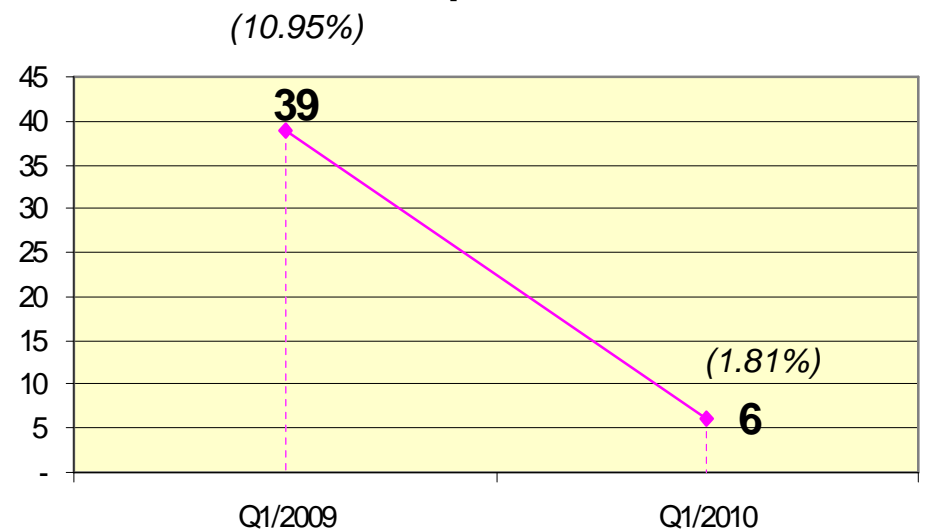


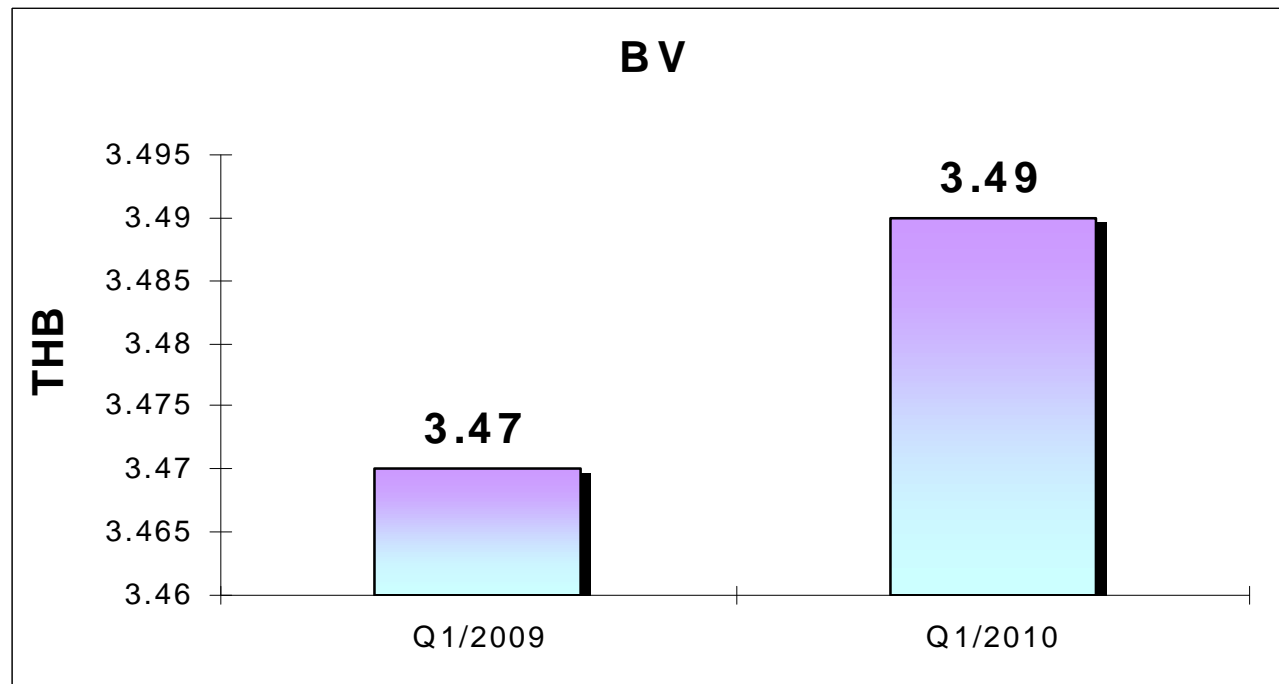
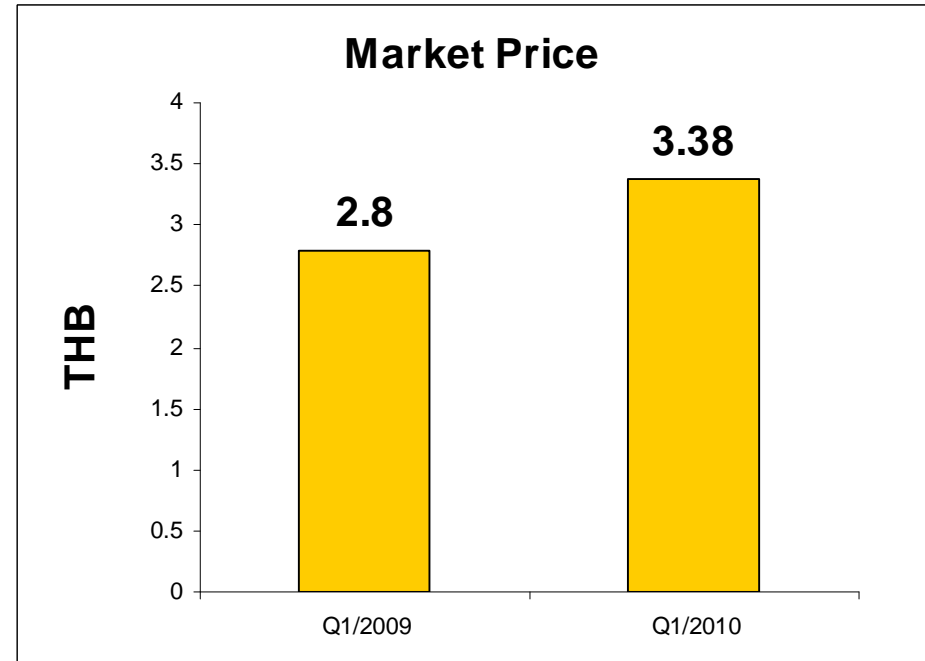
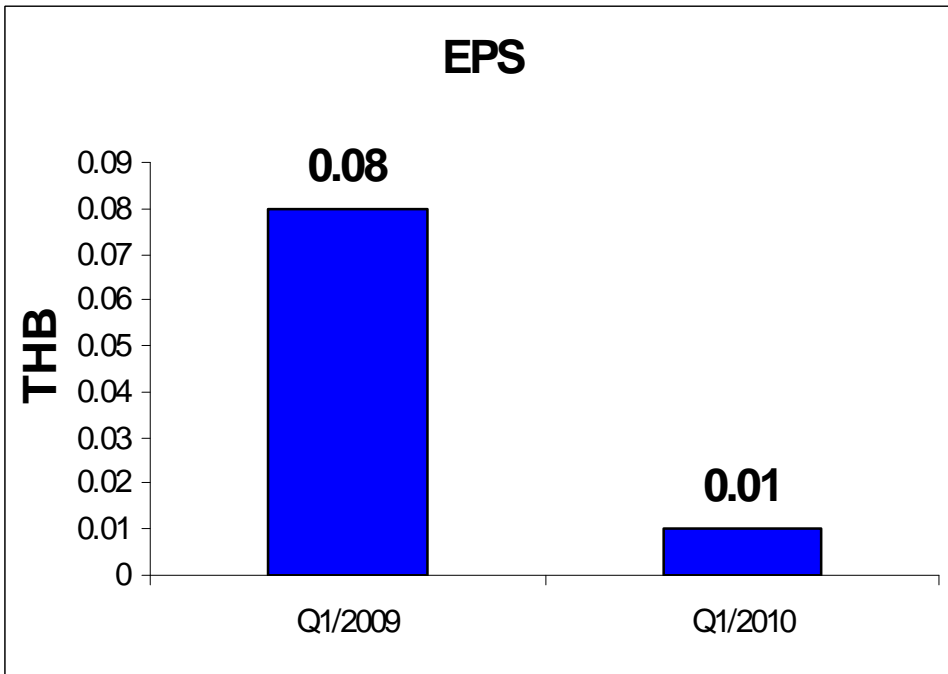
(Unit : Mill.THB)

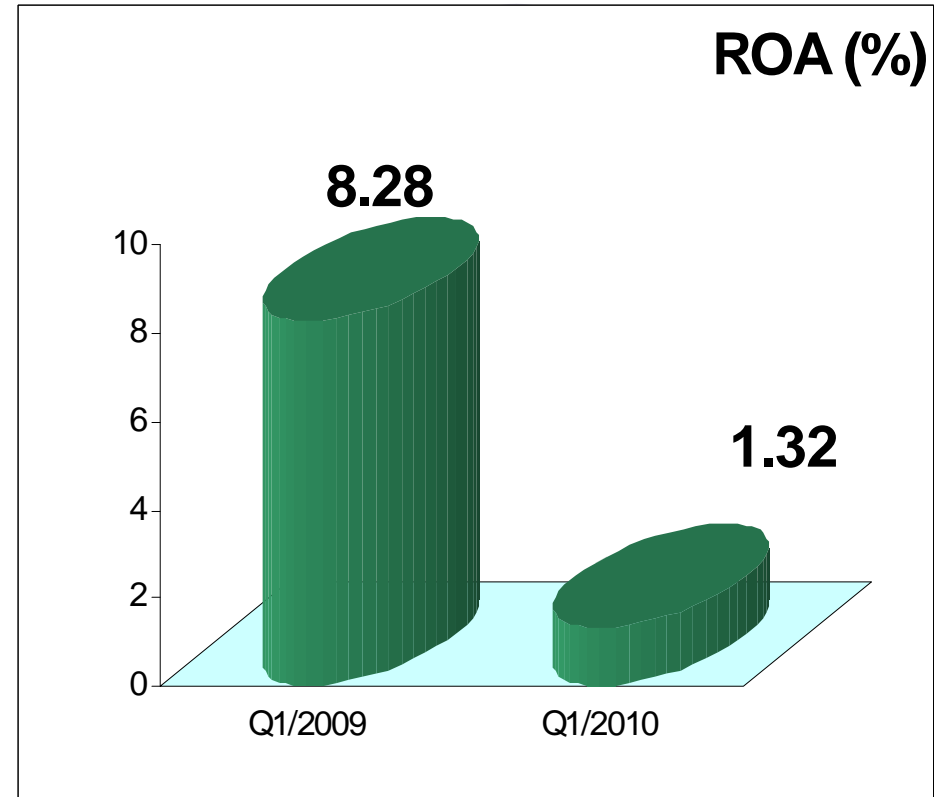
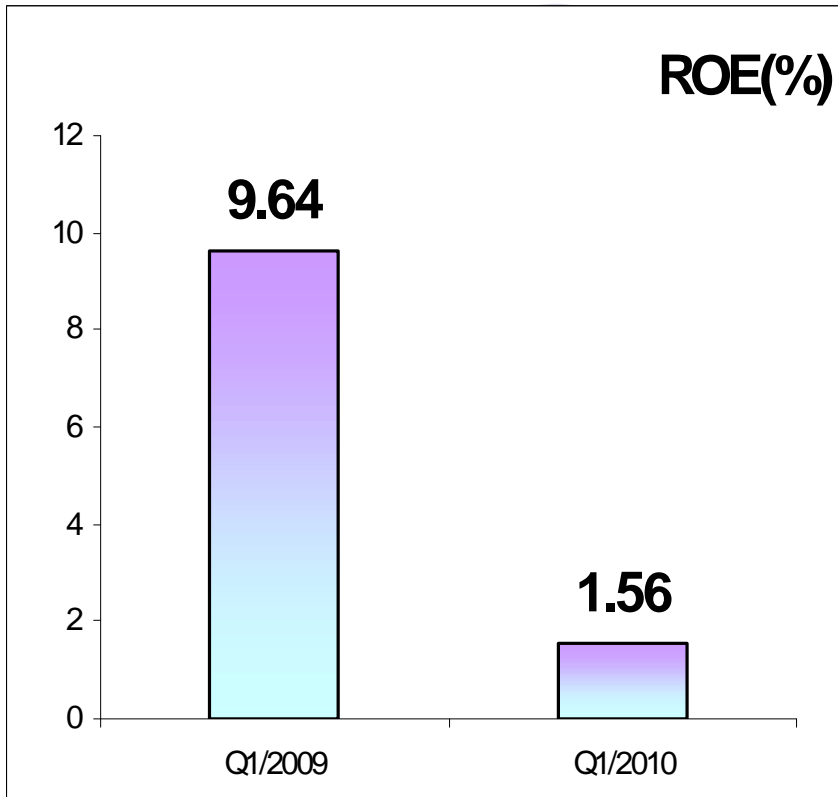
Cost of Sales



Net profit







∅ Production Line Relocation

∅ Breakdown in machinery



Question & Answer



www.thaiopticalgroup.com





Thai Optical Group PLC.

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Thank You

Very Much