26 May 2015

Sub:  Explanation of the Company’s performance for the year ended 31 March 2015

To:  President
      The Stock Exchange of Thailand

Encl:  1 set of report and consolidated financial statements for the year ended 31 March 2015

Thai Rayon Public Company Limited ("the Company") would like to explain its consolidated financial statements for the year ended 31 March 2015 in comparison with for the year ended 31 March 2014. The details of financial statements are set out in the attached note.

1. **Consolidated income statements for the year ended 31 March 2015 in comparison with for the year ended 31st March 2014**

   The Company has recorded net loss for the year ended 31 March 2015 of Baht 1,357 Million compared to net loss of Baht 967 Million of last year, an increase of Baht 390 Million or 40%. The significant changes are as follows:

   1) Sales revenues increased by 23% or Baht 2,690 Million mainly due to increase in sales revenue of the Company on account of more sales volume compared to last year which was affected due to plant stoppage.

   2) The Company recorded gains on exchange of Baht 44 Million compared to losses on exchange of Baht 24 Million in last year, and increase by 280% or Baht 68 Million, mainly due to foreign exchange gain in the Company during the period compared to loss in the previous year.

   3) Cost of sales increased by 21% or Baht 2,416 Million due to increase in the Company’s operation of more production as compared to last year which was affected due to plant stoppage.

   4) Unallocated production overhead cost incurred during plant shutdown decreased by 100% or Baht 240 Million as the plant operated at normal level during this year.

   5) Administrative expenses decreased by 26% or Baht 135 Million mainly due to lower administrative expenses of the subsidiary.

   6) Impairment loss on investment increased by 123% or Baht 120 Million due to impairment loss provided during the year for Birla Lao Pulp & Plantations Co., Ltd. (BLPP) of Baht 148 Million and for Alexandria Fiber Company S.A.E.(AFCO) of Baht 69 Million as compared to Baht 97 Million of last year in the Company.

   7) Share of income (loss) from investments in associated companies under equity method decreased by 297% or Baht 639 Million compared to last year due to poor performance of associates.
8) Finance cost increased by 48% or Baht 37 Million due to interest on loans taken by subsidiary company which is included on consolidation of subsidiary’s financial statements and increase in finance cost of the Company due to increase in borrowings.

9) Gains (losses) on change in value of available-for-sale investments increased by 346% or Baht 161 Million due to change in market value of the investment and weakening of Baht against US Dollar.

10) Actuarial gains (losses) increased by 263% or Baht 5 Million due to change in actuarial valuation of benefits on account of change in assumptions.

11) Income tax effect increased by 371% or Baht 33 Million due to increase in gain on change in value of available-for-sale investment.

12) Exchange differences on translation of financial statements in foreign currency decreased by 311% or Baht 1,022 Million due to weakening of Baht against currencies of associated companies.

13) Excess of cost of investment in subsidiary over the carrying amount of the interest acquired decreased by 100% or Baht 9 Million due to the reversal of loss from associates accounted in previous years.

As per reasons mentioned above, the loss per share for the year ended 31 March 2015 is Baht 6.73 compared to loss per share of Baht 4.80 of last year.

2. **Statements of financial position as of 31 March 2015 in comparison with as of 31 March 2014**

   The major changes are as below:

1) Cash and cash equivalents decreased by 38% or Baht 174 Million due to lower deposits with bank as on 31 March 2015.

2) Current investments increased by 55% or Baht 456 Million due to higher sales during the year.

3) Other current assets increased by 218% or Baht 118 Million mainly due to higher VAT receivable.

4) Other long term investments increased by 24% or Baht 399 Million due to investment in preference share of Aditya Group AB, Sweden (Baht 260 Million) and unrealized gain from change in fair value of investment (Baht 208 Million) and impairment provision in Alexandria Fiber Company S.A.E. (ACFO).

5) Intangible assets decreased by 60% or Baht 5 Million due to amortization.

6) Deferred tax assets increased by 87% or Baht 140 Million mainly due to deferred tax on unrealized loss on foreign exchange forward contracts and loss for the current year.

7) Short-term loans from financial institutions increased by 60% or Baht 1,551 Million due to higher short term loans taken by the Company.
8) Trade and other payables decreased by 25% or Baht 305 Million due to decrease in payables of subsidiary company.

9) Other current liabilities decreased by 33% or Baht 29 Million due to decrease in forward contract liabilities and less advance from customers.

10) Long-term loan increased by 76% or Baht 328 Million due to additional loan taken by the subsidiary during the year.

11) Deferred tax liabilities increased by 27% or Baht 56 Million mainly due to increase in deferred tax from unrealized gain on available for sale of investment.

12) Other components of shareholders’ equity decreased by 182% or Baht 529 Million due to translation gain on financial statements of associated companies due to weakening of Baht against currencies of associated companies.

Shareholders’ equity as of 31 March 2015 amounted to Baht 17,236 Million, decrease by 10% or Baht 2,003 Million compared to as of 31 March 2014. This is due to loss for the current year.

Please be informed accordingly.

Yours faithfully,

For THAI RAYON PUBLIC COMPANY LIMITED

Mr. Pramod K Khandelwal
VP (Finance & Commercial)

CC: Listed Company Department
The Securities and Exchange Commission