Thai Rayon Public Company Limited ("the Company") would like to report on the operational result of the Company for the third quarter as per the details underneath.

A. **Income Statement for the quarter ended 30 June 2008**

The Company has recorded a net profit of Baht 655 Million for this quarter as against Baht 652 Million in the same quarter of previous year. The significant changes are as follows:

1) Sales Revenues increased by 9% or Baht 181 Million due to increase in sales volume by 2.5% and selling price by 6%.

2) The share of profit from investments accounted for under equity method recorded a net income of Baht 320 Million as against Baht 224 Million, which is higher by 43%. The increase in profits of the associate companies in this quarter is due to improvement in their operating performance.

3) Export incentive increased by 32% or Baht 6 Million due to higher export sales volume and sales price.

4) Interest income decreased by 37% or Baht 10 Million mainly due to decrease in interest rate and decrease in average deposits due to use of funds in project expansion.

5) Others income – others decreased by 78% or Baht 1 Million due to loss on sale/discard of fixed assets.

6) Foreign exchange gain is higher by 1885% or Baht 129 Million in this quarter due to weakening of Baht against US$.

7) Dividend income decreased by 95% or Baht 8 Million due to dividend not received from certain Investments.

8) Cost of sales increased by 28% or Baht 372 Million due to increase in sales volume by 2.5% and increase in raw material prices of Pulp, Sulphur & Caustic Soda.

9) Selling & Administrative expenses increased by 55% or Baht 50 Million due to increase in sales volume and increase in export freight rates due to increasing oil prices.

10) Interest expenses increased by 31% to Baht 0.45 Million as against Baht 0.34 Million in the same quarter of previous year due to increase in temporary borrowings for working capital.

11) Corporate Income tax decreased by 28% or Baht 34 Million due to lower profits.

As per reasons mentioned above, the earnings per share has increased to Baht 3.25 as against Baht 3.23 in the same quarter of previous year.
B. Balance Sheets as at 30 June 2008, compared to as at 30 September 2007

The major changes are as follows.

1) Cash and cash equivalents decreased by 59% or Baht 1,271 Million due to use of funds for on going expansion projects & investments.

2) Short-term investments have increased by 67% or Baht 365 Million due to investment of funds in short –term deposits.

3) Amount due from related parties decreased by 25% or Baht 3 Million due to decrease in sales revenue from such parties.

4) Advance against order to related party for purchasing decreased by 100% or Baht 87 Million due to adjustment of the same against receipt of goods.

5) Inventories increased by 73% or Baht 591 Million due to higher stores inventory for ongoing expansion activities and higher input price.

6) Input tax refundable increased by 333% or Baht 81 Million due to delay in receipt of refund and increase in input VAT due to increase in raw material prices and purchases for expansion projects.

7) Export incentive receivables increased by 40% or Baht 18 Million due to higher export sales revenues.

8) Interest receivables decreased by 35% or Baht 4 Million due to reduction in deposits of longer maturity periods.

9) Other current assets – others decreased by 49% or Baht 13 Million due to decrease in prepaid insurance premium and incentive bonds which has been used against payment of duties against import of material.

10) Property, plant and equipment - net increased by 86% or Baht 1,669 Million due to on going expansion projects for new lines of production.

11) Other long–term investments decreased by 25% or Baht 512 Million due to decrease in unrealized gain due to changes in fair value of investment classified as available for sale.

12) Bank overdrafts & short-term loan increased by 7959% or Baht 296 Million due to temporary requirement of funds for working capital.

13) Trade accounts payable - other parties increased by 77% or Baht 106 Million and Trade accounts payable - related parties increased by 14% or Baht 8 Million due to increase in purchases for expansion projects and increase in input prices.

14) Other current liabilities decreased by 50% or Baht 222 Million mainly due to decrease in corporate income - tax payable.

15) Other non-current liabilities increased by 32% or Baht 3 Million due to increased deposit of employees.

The changes in assets and liabilities and net profit for this quarter have improved the total shareholders’ equity by 9% or by Baht 1,242 Million as on 30 June 2008.

Please be informed accordingly.

Yours faithfully,
For THAI RAYON PUBLIC COMPANY LIMITED

P.M. Bajaj
President