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

A. **Income Statement for the quarter ended 31 March 2009**

The Company has recorded a net loss of Baht 119 Million for this quarter as against net profit Baht 615 Million in the same quarter of previous year, a decrease of 119% or Baht 734 Million on account of following reasons:

1. Sales Revenues decreased by 48% or Baht 1,075 Million due to decrease in sales volume by 14% & selling price by 40% on account of slow down in world economy in general and textile value chain in particular.

2. Interest income decreased by 74% or Baht 17 Million mainly due to decrease in interest rate and available surplus funds due to use of funds in our on going expansion projects and lower cash flow generation from operations.

3. Export incentive decreased by 51% or Baht 11 Million due to lower export sales and value.

4. Foreign exchange gain is Baht 13 Million against exchange loss of Baht 168 Million in the same quarter of previous year, higher by 108% due to weakening of Baht against US$.

5. Other income reduced to Baht 1 Million compared to Baht 4 Million in the same quarter of previous year, a decrease of 76% as there was no sale of Fixed Assets in this quarter.

6. The share of profit from investments accounted for under equity method recorded a net income of Baht 109 Million as against Baht 238 Million, which is lower by 54%. The decrease in profits of the associated companies in this quarter is on account of global economic slowdown.

7. Cost of sales decreased by 14% or Baht 205 Million mainly due to decrease in sales volume by 14%.

8. Selling expenses decreased by 57% or Baht 41 Million due to decrease in sales volume and decrease in outbound logistics cost following lower fuel prices and reduced shipping freights.

9. Interest expenses decreased to Baht 0.1 Million as against Baht 0.8 Million in the same quarter of previous year, lower by 85% due to decrease in short term borrowings.

10. Corporate income tax decreased by 59% or Baht 73 Million due to lower taxable profit.
As per reasons mentioned above, the Company incurred net loss per share of Baht 0.59 as against net earnings per share of Baht 3.05 in the same quarter of previous year.

B. **Balance Sheets as at 31 March 2009, compared to as at 30 September 2008**

The major changes are as follows:

(1) Cash & cash equivalents increased by 28% or Baht 124 Million mainly due to classification of current investments under cash & cash equivalents on account of less maturity period.

(2) Current investments decreased by 100% or Baht 310 Million due to classification of the same under cash and cash equivalent on account of less maturity period.

(3) Trade account receivables decreased by 32% or Baht 161 Million due to unrelated parties and also decreased by 26% or Baht 127 Million to related parties due to lower sales.

(4) Amounts due from related parties decreased by 52% or Baht 5 Million due to receipt of dues.

(5) Inventories decreased by 31% or Baht 418 Million due to reduction in inventory and lower level of operations.

(6) Input tax refundable reduced by 73% or Baht 68 Million due to lower level of operations and receipt of pending VAT refund.

(7) Export incentive receivable reduced by 42% or Baht 17 Million due to lower export volume and value.

(8) Interest receivables decreased by 85% or Baht 6 Million due to lower interest rate and reduced surplus funds invested.

(9) Dividend receivable decreased by 100% or Baht 9 Million as no dividend income is accrued during this quarter.

(10) Bank overdrafts decreased by 84% or Baht 6 Million due to use of own funds for working capital.

(11) Trade accounts payable to unrelated parties decreased by 29% or Baht 124 Million and Trade accounts payable to related parties decreased by 35% or Baht 22 Million due to decrease in payable for raw materials.

(12) Other current liabilities decreased by 60% or Baht 156 Million mainly due to decrease in corporate income tax payable & decrease in accrued expenses.

The changes in assets and liabilities and net loss for this quarter have caused the reduction in the total shareholders’ equity by 8% or by Baht 1,248 Million as on 31st March 2009.

Please be informed accordingly.

Yours faithfully,
For THAI RAYON PUBLIC COMPANY LIMITED

(Mr. P.K. Sipani)
Joint President (Finance & Commercial)