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 2010**

The Company has recorded a net profit of Baht 983 Million for this quarter as against net loss Baht 119 Million in the same quarter of previous year, an increase of 928% or Baht 1,101 Million on account of following reasons:

1. Sales Revenues increased by 139% or Baht 1,598 Million due to higher sales volume by 62% and selling price by 49% on account of improved demand for viscose staple fibre.
2. Interest income increased by 32% or Baht 2 Million mainly due to increase in deposits.
3. Export incentive increased by 160% or Baht 18 Million due to higher export sales volume by 69% and higher export sales price by 54%.
4. Foreign exchange gain increased by 101% or Baht 13 Million due to unrealized gain on forward cover of foreign currency receipts at higher rate and strengthening of Baht against USD.
5. Cost of sales increased by 48% or Baht 615 Million mainly due to increase in sales volume by 62%. However overall cost of production per unit has reduced by 14% mainly due to reduction in cost of raw materials by 16% and reduction in all other production costs by 11%.
6. Selling expenses increased by 168% or Baht 51 Million mainly due to increase in sales volume by 62% and increase in outbound logistics cost following higher fuel prices and increased shipping freights.
7. The share of profit from investments accounted for under equity method recorded a net income of Baht 285 Million as against net gain of Baht 109 Million in the same quarter of previous year, which is higher by Baht 160% due to improvement in performance of the associated companies.
8. Corporate income tax increased by 66% or Baht 33 Million due to taxable income in this quarter as against loss in the same quarter of the previous year.

As per reasons mentioned above, the Company recorded net income per share of Baht 4.87 as against net loss per share of Baht 0.59 in the same quarter of previous year.
B. Balance Sheets as at 31 March 2010, compared to as at 30 September 2009

The major changes are as follows.

(1) Cash and cash equivalents increased by 15% or Baht 176 Million due to net cash inflow from operating activities.

(2) Current investments increased by 100% or Baht 455 Million due to investment of surplus funds generated due to operating cash flow and classification of the same separately as per maturity period.

(3) Trade account receivables from unrelated parties increased by 39% or Baht 233 Million due to higher sales.

(4) Amounts due from related parties decreased by 69% or Baht 6 Million due to receipt of accrued interest as per due date.

(5) Inventories increased by 43% or Baht 382 Million due to increase in finished goods quantity and valuation and increase in raw material inventories due to higher price and increased operations.

(6) Input tax refundable increased by 199% or Baht 34 Million due to higher volumes.

(7) Export incentive receivable increased by 94% or Baht 36 Million due to higher export sales.

(8) Interest receivables increased by 147% or Baht 2 Million due to increase in investment of surplus funds.

(9) Other current assets-others increased by 286% or Baht 46 Million due to increase in bonds in hand, advance to suppliers and unrealized gain of forward contracts.

(10) Bank overdrafts increased by 46% or Baht 3 Million due to temporary overdrafts outstanding at the end of period.

(11) The corporate income tax payable increased by 100% or Baht 165 Million due to higher taxable profits. There was no liability at year as there was no taxable profit.

(12) Other non-current liabilities decreased by 24% or Baht 4 Million due to withdrawal of funds by depositors.

The changes in assets and liabilities and net income for this quarter have resulted in increase of total shareholders’ equity by 12% or by Baht 1,795 Million as on 31 March 2010.

Please be informed accordingly.

Yours faithfully,
For THAI RAYON PUBLIC COMPANY LIMITED

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