Thai Rayon Public Company Limited ("the Company") would like to report on the operational result of the Company for the third quarter as of 30 June 2010 as per the details underneath.

A. **Income Statement for the quarter ended 30 June 2010**

The Company has recorded a net profit of Baht 748 Million for this quarter as against Baht 411 Million in the same quarter of previous year, an increase of 82% or Baht 337 Million on account of following reasons:

1. Sales Revenues increased by 56% or Baht 955 Million due to higher sales volume by 17% and selling price by 35% on account of improved demand for viscose staple fibre.
2. Interest income increased by 112% or Baht 5 Million mainly due to increase in deposits.
3. Export incentive decreased by 94% or Baht 16 Million due to reduction in incentive rate from 1st April 2010.
4. Foreign exchange gain is Baht 17 Million against exchange loss of Baht 18 Million in the same quarter of previous year, higher by 199% due to covering of foreign exchange by forward covers despite strengthening of Baht against US$.
5. Dividend income increased by 100% or Baht 4 Million derived from investment in group companies.
6. Other income decreased by 27% or Baht 0.7 Million due to certain liabilities written back in the pervious year.
7. Cost of sales increased by 36% or Baht 523 Million mainly due to increase in sales volume by 17%. However overall cost of production per unit has increased by 18% mainly due to rise in cost of raw materials by 27% and reduction in all other production costs by 0.5%.
8. Selling expenses increased by 120% or Baht 46 Million mainly due to increase in overall sales volume by 17% and export sales by 33% and increase in outbound logistics cost following increased shipping freights.
9. Administrative expenses decreased by 23% or Baht 8 Million due to re-classification of manpower expenses between factory OH and admin expenses and certain expenses were lower compared to previous year.
(10) Financial cost increased by 26% or Baht 0.1 Million due to increase in temporary borrowings for working capital.

(11) Corporate income tax increased by 100% or Baht 109 Million due to higher taxable profits.

As per reasons mentioned above, the Company’s earnings per share has increased to Baht 3.71 from Baht 2.04 in the same quarter of previous year.

B. Balance Sheets as at 30 June 2010, compared to as at 30 September 2009

The major changes are as follows.

(1) Cash and cash equivalents increased by 87% or Baht 991 Million due to net cash inflow from operating activities.

(2) Current investments increased by 100% or Baht 247 Million due to investment of surplus funds generated from operating cash flow and classification of the same separately as per maturity period.

(3) Trade account receivables from unrelated parties increased by 21% or Baht 126 Million due to higher sales.

(4) Amounts due from related parties decreased by 26% or Baht 2 Million due to receipt of accrued interest as per due date.

(5) Inventories increased by 69% or Baht 617 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 166% or Baht 28 Million due to higher volumes and increased prices.

(7) Export incentive receivable increased by 24% or Baht 9 Million due to higher export sales.

(8) Interest receivables increased by 158% or Baht 2 Million due to increase in investment of surplus funds.

(9) Other current assets-others increased by 241% or Baht 39 Million due to increase in bonds in hand, unrealized gain on foreign exchange forward covers and other advances.

(10) Intangible assets - net decreased by 22% or Baht 3 Million due to amortization as per amortization period.

(11) Bank overdrafts decreased by 100% or Baht 6 Million due to no outstanding balance at period end.

(12) Corporate income tax payable increased by 100% or Baht 108 Million due to higher taxable profits. There was no liability at year end as there was no taxable profit.

(13) Other current liabilities increased by 117% or Baht 17 Million due to higher amount of advances from customers against orders.

(14) Other non-current liabilities decreased by 28% or Baht 5 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 15% or by Baht 2,265 Million as of 30 June 2010.

Please be informed accordingly.

Yours faithfully,
For THAI RAYON PUBLIC COMPANY LIMITED

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