Thai Rayon Public Company Limited ("the Company") would like to report on the operational result of the Company for the second quarter ended 31st March 2011 as per the details underneath.

A. **Income Statement for the quarter ended 31st March 2011**

The Company has recorded a net profit of Baht 1,214 Million for this quarter as against net profit of Baht 983 Million in the same quarter of previous year, an increase of 24% or Baht 232 Million on account of following reasons.

1. Sales revenues increased by 33% or Baht 900 Million due to increase in sales volume by 6% and selling price by 25% on account of improved demand for viscose staple fibre.
2. Interest income increased by 209% or Baht 16 Million mainly due to increase in interest rate and increase in surplus funds due to higher profits.
3. Export incentive reduced by 95% or Baht 28 Million mainly due to reduction in export incentive rate from 1.88% to 0.07%.
4. Others income increased by 21% or Baht 0.2 Million due to gain on disposal of fixed assets.
5. Cost of sales increased by 24% or Baht 456 Million due to increase in sales volume by 6% and increase in cost of production per unit by 12% mainly due to increase in raw materials cost by 18%.
6. Finance cost increased by 1460% or Baht 1 Million mainly due to short-term borrowing.
7. Corporate income tax increased by 180% or Baht 151 Million due to higher taxable profits on expiry of one of the BOI promoted certificates and provision of tax on BOI promoted line based on available balance tax benefit at estimated effective tax rate.

As per reasons mentioned above, the Company recorded net income per share of Baht 6.02 compared to Baht 4.87 in the same quarter of previous year.
B. **Balance Sheets as at 31st March 2011 compared to as at 31st December 2010**

The major changes are as follows.

1. Cash & cash equivalents increased by 53% or Baht 1,395 Million due to higher surplus funds.
2. Trade accounts receivables – Related parties increased by 48% or Baht 242 Million due to increased sales and higher sales prices.
3. Input tax refundable decreased by 81% or Baht 58 Million due to timely receipt of input tax.
4. Export incentive receivable decreased by 90% or Baht 19 Million mainly due to lower export incentive rate.
5. Interest receivables increased by 23% or Baht 1 Million due to increase in investment.
6. Dividend receivable increased by 100% or Baht 75 Million due to accrual of dividend as per dividend declaration by associated company.
7. Other current assets-others decreased by 53% or Baht 51 Million due to lower unrealized gain on forward contracts due to the strengthening of US Dollar against Thai Baht on that time.
8. Short-term loans from financial institutions increased by 35% or Baht 96 Million due to discounting of export bills from banks.
9. Trade accounts payable to unrelated parties increased by 44% or Baht 128 Million due to increase in transit materials and increase in prices and trade accounts payable to related parties decreased by 44% or Baht 113 Million due to lower material in transit and lower amount outstanding as on balance sheet date.
10. Amounts due to related parties increased by 71% or Baht 0.1 Million due to amount remained outstanding as on balance sheet date.
11. Corporate income tax payable increased by 119% or Baht 187 Million due to higher taxable profits on expiry of one of the BOI promoted certificates.
12. Other current liabilities-others increased by 55% or Baht 9 Million mainly due to increase in advances received from customers.

The changes in assets and liabilities and net income for this quarter have resulted in increase by 9% of the total shareholders’ equity or Baht 1,592 Million as on 31st March 2011.

Please be informed accordingly.

Yours faithfully,
For THAI RAYON PUBLIC COMPANY LIMITED

(Mr. Prasan Kumar Sipani)
Joint President (Finance & Commercial)