

24th October, 2008

Subject: Clarification of change in the operating results in excess of 20% in financial statement

To: Managing Director
The Stock Exchange of Thailand

The company's consolidated operating results showed a net profit of Baht 344.38 million in the reviewed financial statements for the quarter ended 30 September 2008, being an increase in net profit of Baht 129.28 million or 60.1% compared to the corresponding quarter of previous year, or a change in excess of 20%.

The company will accordingly like to clarify the reasons for this change as follows:

The company recorded total consolidated revenues of Baht 2,199.92 million, being an increase over the corresponding quarter of previous year by Baht 584.23 million or 36.16% mainly due to increase in sales revenues on account of higher sales volumes and improved sales realizations. The improved sales revenues is due to increase in capacities in Thailand and in Turkey and also due to higher proportion of value added products in the sales portfolio, with the start up of Extrusion Coating line in Thailand in April'08 and the second Metallized film line in Turkey and Thailand, in May'08, which improved the average sales realization per unit. The company's standalone revenue recorded an increase of Baht 141.95 million, being an increase of 15.39%, mainly on account of increase in sales volumes and also due to significant exchange fluctuation gains. The company recorded total consolidated expenses (cost of sales and selling and administrative expenses) of Baht 1,777.81 million being an increase over the corresponding quarter of previous year by Baht 386.89 million or 27.82% brought about by higher production volumes as well as higher selling & administrative costs incurred by the company and its subsidiaries. The total consolidated expenses as a % to total revenue have decreased from 86.09% in Q2 2007-08 to 80.81% in Q2 2008-09 mainly due to improved sales realizations. During the quarter, there was a sharp decline in the company's raw material prices due to global crude oil price decline. Since the selling price adjustment generally happens with a certain time lag, the company's margins improved significantly and enhanced the profits for the quarter. The total expenses for the company standalone have increased by only Baht 7.2 million, despite increase in production volumes, mainly due to lower power and fuel expenses, lower packing material costs and lower plant maintenance costs due to better efficiency of the plant.

The consolidated net financial charges during the quarter were Bt 66.36 million, an increase of Bt. 59.55 million mainly due to increase in Long term borrowings during second half of the year 2007-08 for expansion projects in PTL and the Turkey subsidiary.

As against an exchange loss of Bt. 28.48 million for company standalone in Q2 2007-08, there is an exchange gain of Baht 52.45 million in Q2 2008-09 mainly due to unrealized gains on restatement of the Long Term loans denominated in Euro, due to depreciation of Euro against the Baht by 7-8% during the quarter and also due to some realized gains on export debtors due to strengthening of the USD against the baht. However, this gain has been partially offset by unrealized exchange losses on Long term loans denominated in USD loss and some losses on Euro denominated Accounts Receivables.

The combined net result of the above factors of increased productivity and sales volumes, reduced expenses as a % to sales have resulted in a net increase of Baht 129.28 million or 60.1% growth in the consolidated profitability.

Please be informed accordingly.

Yours sincerely,

(Mr.Rohit Kumar Vashistha)
Director