

20th May, 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 813.55 million in the audited financial statements for the year ended 31 March 2008, being an increase in net profit of Baht 471.71 million or 137.99% compared to the preceding 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 6,509.89 million, being an increase over the preceding year by Baht 1,701.57 million or 35.37% mainly due to increase in sales volumes and revenue from its subsidiaries in Turkey and USA. The company standalone recorded an increase in revenue of Baht 219.85 million, being an increase of 6.48%, which would have been much higher if not for the strong Baht appreciation against the USD. The company recorded total consolidated expenses (cost of sales and selling and administrative expenses) of Baht 5,592.91 million being an increase over the preceding year by Baht 1,212.66 million or 27.68% brought about by higher production volumes as well as the increase in raw material prices and higher selling & administrative costs incurred by subsidiaries. The total consolidated expenses as a % to total revenue has decreased from 91.08% in 2006-07 to 85.91% in 2007-08 mainly due to improved sales realizations, captive production of Polyester chips in Turkey and other cost saving measures like Natural gas for fuel in Thailand. The expenses for the company standalone have decreased by Baht 37.44 million, despite increase in production volumes and increase in raw material prices, 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 year were Bt 91.33 million, an increase of Bt. 10.52 million mainly due to increase in Long term borrowings during the year for expansion projects in PTL and the Turkey subsidiary.

The exchange losses for company standalone have gone up by Baht 19.3 million mainly due to unrealized restatement losses on the Long Term loans denominated in Euro, due to appreciation of Euro against the Baht. However, this loss has been partially offset by exchange gain on Long term loans denominated in USD and other 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 471.71 million in the consolidated profitability.

Please be informed accordingly.

Yours sincerely,

(Mr. Anurag Baheti)
Manager Finance & Accounts