

27<sup>th</sup> January, 2009

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 269.25 million in the reviewed financial statements for the quarter ended 31 December 2008, being an increase in net profit of Baht 54.14 million or 25.17% 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:

**Total Revenues:**

The company recorded total consolidated revenues of Baht 1552.41 million, being a decline over the corresponding quarter of previous year by Baht 134.34 million or 7.96%.

The company's standalone revenue also recorded a decrease of Baht 134.24 million, being a decline of 15.5%.

The decline in sales revenue is mainly due to a drop in sales volumes of both Thailand and Turkey, during the quarter, particularly in the months of November and December. There is also a decline in the revenue from sale of chips, as compared with the corresponding quarter of the previous year. The decline in sales volumes is on account of aggressive destocking in the entire value chain as fallout of the global economic and credit crisis post October, 2008. However, the impact of decline in sales volumes has been partly offset by higher average sales realization per unit and also due to revenue from the sale of the new product - Extrusion laminated film, in PTL. Further, the sales volumes in its subsidiary Polyplex (Americas) Inc. during the quarter have increased as compared with the corresponding quarter of the previous year.

**Total Cost:**

The company incurred total consolidated expenses (cost of sales and selling and administrative expenses) of Baht 1,243.19 million being a decrease over the corresponding quarter of previous year by Baht 204 million or 14.1%.

The total expenses for the company standalone have also decreased by Baht 171.28 million or 22.5% over the corresponding quarter of previous year.

One of the main reasons for the decrease in cost, apart from lower production volumes, has been lower PTA and MEG prices.

The total consolidated expenses as a % to total revenue have decreased from 84.67% in Q3 2007-08 to 78.88% in Q3 2008-09 and that of standalone have also declined from 85.5% to 78.47% mainly due to sharper decrease in costs as compared to the decrease in revenues.

The consolidated net financial charges during the quarter were Bt 56.9 million, an increase of Bt. 16.76 million as compared with Q3 2007-08. The standalone financial charges were Bt 18 million, as increase of Bt 3.5 million as compared with Q3 2007-08 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. 7 million for company standalone in Q3 2007-08, there is an exchange gain of Baht 1.3 million in Q3 2008-09 and on a consolidated basis, as against an exchange loss of Bt 7.4 million in Q3 2007-08, there is an exchange gain of Bt 11.9 million during Q3 2008-09. There has been a loss on the Euro and USD loans restatement due to marginal appreciation of Euro and USD against Thai baht during the quarter. This loss has been more than offset by the gain on Euro and USD debtors, resulting in a net exchange gain of Bt. 1.3 million in PTL.

Please be informed accordingly.

Yours sincerely,

(Mr. Rohit Kumar Vashistha)  
Director