

Thai Carbon Black Public Company Limited
and its subsidiaries
Report and consolidated interim financial statements
For the three-month period ended 31 March 2009

Review Report of Independent Auditor

To the Shareholders of Thai Carbon Black Public Company Limited

I have reviewed the accompanying consolidated balance sheet of Thai Carbon Black Public Company Limited and its subsidiaries as at 31 March 2009, the related consolidated statements of income, changes in shareholders' equity and cash flows for the three-month periods ended 31 March 2009 and 2008, and the separate financial statements of Thai Carbon Black Public Company Limited for the same periods. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. My responsibility is to report on these financial statements based on my reviews. The consolidated interim financial statements include the financial statements of an overseas subsidiary which were reviewed by other auditor. The financial statements for the three-month periods ended 31 March 2009 of that subsidiary showed total assets of Baht 1,033 million (31 December 2008: Baht 1,047 million), total revenues for the three-month periods ended 31 March 2009 of Baht 95 million (31 March 2008: Baht 137 million) and net loss for the three-month periods ended 31 March 2009 of Baht 23 million and (31 March 2008: net income for the three-month periods of Baht 14 million). The review report of the other auditor has been furnished to me, and my report, insofar as it relates to the amounts included in the consolidated financial statements in respect of that subsidiary, is based solely on the report of that auditor.

I conducted my reviews in accordance with the auditing standard applicable to review engagements. This standard requires that I plan and perform the reviews to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. I have not performed an audit and, accordingly, I do not express an audit opinion.

Based on my and the report of the other auditor, nothing has come to my attention that causes me to believe that the accompanying financial statements are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

I have previously audited the consolidated financial statements of Thai Carbon Black Public Company Limited and its subsidiaries, and the separate financial statements of Thai Carbon Black Public Company Limited for the year ended 31 December 2008 in accordance with generally accepted auditing standards and expressed an unqualified opinion on those

statements, based on my audit and the other auditor's report, under my report dated 25 February 2009. The consolidated and separate balance sheets as at 31 December 2008, as presented herein for comparative purposes, formed an integral part of the financial statements which I audited and reported on. I have not performed any other audit procedures subsequent to the date of that report.

Narong Puntawong
Certified Public Accountant (Thailand) No. 3315

Ernst & Young Office Limited
Bangkok: 14 May 2009

Thai Carbon Black Public Company Limited and its subsidiaries

Balance sheets

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements			
	31 March 2009	31 December 2008	31 March 2009	31 December 2008		
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)		
Assets						
Current assets						
	Cash and cash equivalents	474,924	311,096	427,751	238,769	
	Trade accounts receivable					
	Related parties	2, 3	36,988	29,179	36,988	43,470
	Unrelated parties	3	737,536	1,178,674	679,562	1,115,615
	Total trade accounts receivable		774,524	1,207,853	716,550	1,159,085
	Inventories - net	4	1,760,607	1,540,793	1,693,903	1,464,922
	Other current assets					
	Advances for purchases of raw materials		59,240	-	59,240	-
	Input tax refundable		63,116	100,463	56,845	98,760
	Others		53,370	73,182	35,145	54,883
	Total other current assets		175,726	173,645	151,230	153,643
	Total current assets		3,185,781	3,233,387	2,989,434	3,016,419
Non-current assets						
	Investments in subsidiaries	5	-	-	671,865	671,865
	Investments in associates	6	1,926,559	1,861,224	706,768	706,768
	Other long-term investments	7	386,958	386,958	489,160	489,160
	Advances for purchases of machinery and equipment		91,820	88,101	91,820	88,101
	Property, plant and equipment - net	8	2,852,898	2,851,439	2,117,279	2,108,856
	Intangible assets - net		9,862	10,548	9,780	10,441
	Other non-current assets		13,152	13,581	949	1,409
	Total non-current assets		5,281,249	5,211,851	4,087,621	4,076,600
	Total assets		8,467,030	8,445,238	7,077,055	7,093,019

The accompanying notes are an integral part of the financial statements.

Thai Carbon Black Public Company Limited and its subsidiaries

Balance sheets (continued)

(Unit: Thousand Baht)

	<u>Note</u>	Consolidated financial statements		Separate financial statements	
		31 March 2009	31 December 2008	31 March 2009	31 December 2008
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	9	380,044	373,176	-	-
Trade accounts payable					
Related parties	2	32,238	33,523	108,464	95,253
Unrelated parties		165,498	190,262	62,320	83,251
Total trade accounts payable		197,736	223,785	170,784	178,504
Current portion of long-term loans	10	70,095	68,801	-	-
Liabilities from derivative financial instruments -					
energy swap contracts	14	8,341	139,283	8,341	139,283
Other current liabilities					
Corporate income tax payable		66,102	66,102	66,102	66,102
Payable for purchase of machinery and equipment		115,228	121,770	115,228	121,770
Accrued expenses		154,039	104,827	153,515	97,607
Others		35,417	32,224	21,424	19,879
Total other current liabilities		370,786	324,923	356,269	305,358
Total current liabilities		1,027,002	1,129,968	535,394	623,145
Non-current liabilities					
Long-term loans, net of current portion	10	39,850	39,156	-	-
Provision for employee retirement benefits		83,270	85,924	83,270	85,924
Total non-current liabilities		123,120	125,080	83,270	85,924
Total liabilities		1,150,122	1,255,048	618,664	709,069

The accompanying notes are an integral part of the financial statements.

Thai Carbon Black Public Company Limited and its subsidiaries

Balance sheets (continued)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2009	31 December 2008	31 March 2009	31 December 2008
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity				
Share capital				
Registered, issued and fully paid up				
300,000,000 ordinary shares of Baht 1 each	300,000	300,000	300,000	300,000
Share premium	930,000	930,000	930,000	930,000
Translation adjustments				
Subsidiary companies	26,731	19,689	-	-
Associated companies	6 (281,272)	(270,989)	-	-
Retained earnings				
Appropriated - statutory reserve	30,000	30,000	30,000	30,000
Unappropriated	6,292,164	6,160,725	5,198,391	5,123,950
Equity attributable to				
the company's shareholders	7,297,623	7,169,425	6,458,391	6,383,950
Minority interest	19,285	20,765	-	-
Total shareholders' equity	7,316,908	7,190,190	6,458,391	6,383,950
Total liabilities and shareholders' equity	8,467,030	8,445,238	7,077,055	7,093,019
	-	-	-	-

The accompanying notes are an integral part of the financial statements.

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Directors
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(Unaudited but reviewed)

Thai Carbon Black Public Company Limited and its subsidiaries

Income statements

For the three-month periods ended 31 March 2009 and 2008

(Unit: Thousand Baht except basic earnings per share in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
Revenues					
Sales		1,110,934	2,167,700	1,092,588	2,101,107
Other income					
Interest income		2,319	6,739	2,313	6,678
Gains on exchange		-	-	512	-
Others		3,512	4,556	3,354	4,278
Total other income		5,831	11,295	6,179	10,956
Total revenues		1,116,765	2,178,995	1,098,767	2,112,063
Expenses					
Cost of sales		955,066	1,712,063	941,546	1,661,621
Selling expenses		48,061	68,001	45,408	65,563
Administrative expenses		50,091	43,727	33,923	34,083
Management benefit expenses		4,029	3,691	3,329	2,744
Loss on exchange		303	9,362	-	27,229
Total expenses		1,057,550	1,836,844	1,024,206	1,791,240
Income before share of income from investment in associates					
Share of income from investment in associates	6	59,215	342,151	74,561	320,823
		75,618	94,848	-	-
Income before finance cost and corporate income tax					
Finance cost		134,833	436,999	74,561	320,823
		(5,799)	(7,937)	(120)	(730)
Income before corporate income tax		129,034	429,062	74,441	320,093
Corporate income tax	11	-	(55,248)	-	(55,247)
Net income for the period		129,034	373,814	74,441	264,846
		-	-	-	-
Net income (loss) attributable to:					
Equity holders of the parent		131,439	372,190	74,441	264,846
Minority interests of the subsidiaries		(2,405)	1,624		
		129,034	373,814		
Basic earnings per share					
Net income attributable to equity holders of the parent		0.44	1.24	0.25	0.88

(Unaudited but reviewed)

Thai Carbon Black Public Company Limited and its subsidiaries

Statements of cash flows

For the three-month periods ended 31 March 2009 and 2008

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Cash flows from operating activities				
Net income before tax	129,034	429,062	74,441	320,093
Adjustments to reconcile net income before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	67,236	59,094	46,532	41,231
Allowance for diminution in value of inventories (reversal)	(221,582)	(1,473)	(225,875)	-
Share of income from investments in associates	(75,618)	(94,848)	-	-
Gain on sales of equipment	-	(479)	-	(479)
Unrealised (gain) loss on exchange	(1,415)	13,725	(6,673)	33,235
Unrealised gain on energy swap contracts	(67,571)	(9,509)	(67,571)	(9,509)
Provision for employee retirement benefits	3,872	1,465	3,872	1,465
Interest income	(2,319)	(6,739)	(2,313)	(6,678)
Interest expenses	6,260	7,213	65	7
Income (loss) from operating activities before changes in operating assets and liabilities	(162,103)	397,511	(177,522)	379,365
Operating assets (increase) decrease				
Trade accounts receivable	433,079	(280,006)	442,381	(245,385)
Inventories	1,928	(165,603)	(3,107)	(229,993)
Other current assets	(2,082)	(69,522)	2,414	(62,074)
Other assets	489	1,157	460	923
Operating liabilities increase (decrease)				
Trade accounts payable	(22,488)	20,923	(4,160)	33,478
Other current liabilities	(17,415)	(9,635)	(9,193)	(3,895)
Payment for employee retirement benefits	(6,526)	(4,887)	(6,526)	(4,887)
Cash flows from (used in) operating activities	224,882	(110,062)	244,747	(132,468)
Cash paid for interest expenses	(6,260)	(8,871)	(65)	(7)
Net cash flows from (used in) operating activities	218,622	(118,933)	244,682	(132,475)

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Thai Carbon Black Public Company Limited and its subsidiaries

Statements of cash flows (continued)

For the three-month periods ended 31 March 2009 and 2008

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Cash flows from investing activities				
Increase in advances for purchase of machinery and equipment	(3,719)	(2,229)	(3,719)	(2,229)
Acquisition of property, plant and equipment	(54,304)	(67,590)	(54,294)	(65,727)
Proceeds from sales of equipment	-	479	-	479
Interest income	2,319	6,739	2,313	6,678
Net cash flows used in investing activities	<u>(55,704)</u>	<u>(62,601)</u>	<u>(55,700)</u>	<u>(60,799)</u>
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institutions	6,868	(23,443)	-	-
Net cash flows from (used in) financing activities	<u>6,868</u>	<u>(23,443)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in translation adjustment	<u>(5,958)</u>	<u>20,357</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	<u>163,828</u>	<u>(184,620)</u>	<u>188,982</u>	<u>(193,274)</u>
Cash and cash equivalents at beginning of period	311,096	1,185,190	238,769	1,122,475
Cash and cash equivalents at end of period	<u>474,924</u>	<u>1,000,570</u>	<u>427,751</u>	<u>929,201</u>
	-	-	-	-

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Thai Carbon Black Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the three -month periods ended 31 March 2009 and 2008

(Unit : Thousand Baht)

Consolidated financial statements

	Equity attribute to the parent's shareholders						Minority interest		Total
	Issued and fully paid -up share capital		Translation adjustment		Retained earnings		equity attributable to the parent's shareholders	to minority shareholders of subsidiaries	
	Share premium	Subsidiary companies	Associated companies	Appropriated	Unappropriated	shareholders	subsidiaries		
Balance as at 31 December 2007 (Audited)	300,000	930,000	(44,855)	(247,309)	30,000	5,980,897	6,948,733	43,119	6,991,852
Income and expenses recognised directly in equity :									
Translation adjustment	-	-	(8,271)	(21,511)	-	-	(29,782)	(1,062)	(30,844)
Net income for the period	-	-	-	-	-	372,190	372,190	1,624	373,814
Balance as at 31 March 2008	<u>300,000</u>	<u>930,000</u>	<u>(53,126)</u>	<u>(268,820)</u>	<u>30,000</u>	<u>6,353,087</u>	<u>7,291,141</u>	<u>43,681</u>	<u>7,334,822</u>
Balance as at 31 December 2008 (Audited)	300,000	930,000	19,689	(270,989)	30,000	6,160,725	7,169,425	20,765	7,190,190
Income and expenses recognised directly in equity :									
Translation adjustment	-	-	7,042	(10,283)	-	-	(3,241)	925	(2,316)
Net income (loss) for the period	-	-	-	-	-	131,439	131,439	(2,405)	129,034
Balance as at 31 March 2009	<u>300,000</u>	<u>930,000</u>	<u>26,731</u>	<u>(281,272)</u>	<u>30,000</u>	<u>6,292,164</u>	<u>7,297,623</u>	<u>19,285</u>	<u>7,316,908</u>

The accompanying notes are an integral part of the financial statements

(Unaudited but reviewed)

Thai Carbon Black Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

For the three-month periods ended 31 March 2009 and 2008

(Unit: Thousand Baht)

Separate financial statements

	Issued and fully paid-up		Retained earnings		Total
	share capital	Share premium	Appropriated	Unappropriated	
Balance as at 31 December 2007 (Audited)	300,000	930,000	30,000	5,208,808	6,468,808
Net income for the period	-	-	-	264,846	264,846
Balance as at 31 March 2008	<u>300,000</u>	<u>930,000</u>	<u>30,000</u>	<u>5,473,654</u>	<u>6,733,654</u>
Balance as at 31 December 2008 (Audited)	300,000	930,000	30,000	5,123,950	6,383,950
Net income for the period	-	-	-	74,441	74,441
Balance as at 31 March 2009	<u>300,000</u>	<u>930,000</u>	<u>30,000</u>	<u>5,198,391</u>	<u>6,458,391</u>

The accompanying notes are an integral part of the financial statements.

Thai Carbon Black Public Company Limited and its subsidiaries
Notes to consolidated interim financial statements
For the three-month periods ended 31 March 2009

1. General information

1.1 Corporate information

Thai Carbon Black Public Company Limited is a public company incorporated and domiciled in Thailand. It is principally engaged in the manufacture and distribution of carbon black for sales to both local and overseas markets. The Company has a registered address at 44 Moo 1, Ayuthaya-Angthong Highway, Tambol Posa, Amphur Muang, Angthong while its head office is located at 888/122,128 Mahatun Plaza Building, Ploenchit Road, Lumpini, Patumwan, Bangkok.

1.2 Economic crisis

The financial crisis experienced by the United States of America over the past year has had far reaching adverse effect on the global economy as evidenced by sharp falls in share prices worldwide, tight squeeze on credit including interbank lending, failures of large financial institutions and reduced consumer confidence. The crisis has affected substantially business and financial plans of Thailand enterprises and asset value. Despite efforts made by governments of many countries to contain the crisis, it remains uncertain as to when the global economy will return to its normalcy. These financial statements have been prepared on the bases of facts currently known to the Company, and on estimates and assumptions currently considered appropriate. However, they could be adversely affected by an array of future events.

1.3 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 41 (revised 2007) "Interim financial statements", with the Company choosing to present condensed interim financial statements. However, the Company has presented the balance sheets, and the income statements, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language interim financial statements.

1.4 Basis of interim consolidation

These consolidated interim financial statements include the financial statements of Thai Carbon Black Public Company Limited and its subsidiaries and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2008, with no changes in the shareholding structure of the subsidiary companies during the period.

1.5 Accounting standards (revised version) which are effective for the current year

The Federation of Accounting Professions has issued Notification No. 86/2551 mandating the use of the following new accounting standards.

TAS 36 (revised 2007)	Impairment of Assets
TAS 54 (revised 2007)	Non-current Assets Held for Sale and Discontinued Operations

These accounting standards become effective for the financial statements for fiscal years beginning on or after 1 January 2009. The management has assessed the effect of these standards and believes that they will not have any significant impact on the financial statements for the current period.

1.6 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2008.

2. Related party transactions

During the periods, the Company and its subsidiaries had significant business transactions with related parties. Such transactions which are summarized below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unaudited but reviewed)

(Unit: Million Baht)

Pricing policy	For the three-month periods ended 31 March				
	Consolidated		Separate		
	financial statements		financial statements		
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	
<u>Transactions with subsidiary company</u>					
(eliminated from the consolidated financial statements)					
Purchase of goods	With reference to market price	-	-	76.2	70.1
<u>Transactions with related parties</u>					
Other expenses	By mutual agreement	4.5	5.9	4.5	5.9
Share of production cost - steam power and electric power	With reference to market price	78.9	94.4	78.9	94.4

The balances of the accounts as at 31 March 2009 and 31 December 2008 between the Company and those related companies are as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	(Audited)		(Audited)	
<u>Trade accounts receivable - related parties</u>				
Subsidiary company				
Liaoning Birla Carbon Co., Ltd.	-	-	-	14.3
Related companies				
Alexandria Carbon Black S.A.E	-	0.5	-	0.5
Thai Rayon Public Co., Ltd.	37.0	28.6	37.0	28.6
Total trade accounts receivable - related parties	37.0	29.1	37.0	43.4
<u>Trade accounts payable - related parties</u>				
Subsidiary company				
Liaoning Birla Carbon Co., Ltd.	-	-	76.2	61.7
Associated and related companies				
Aditya Birla Chemicals (Thailand) Ltd.	0.1	0.4	0.1	0.4
Alexandria Carbon Black S.A.E.	31.3	32.3	31.3	32.3
Thai Rayon Public Co., Ltd.	0.8	0.8	0.8	0.8
Total trade accounts payable - related parties	32.2	33.5	108.4	95.2

Guarantees of subsidiary company's credit facilities

Liaoning Birla Carbon Co., Ltd. entered into credit facility agreements with two commercial banks in China. The facilities with one commercial bank have been guaranteed by the Company up to maximum limits of USD 1.5 million for the long-term loan facility and USD 3.6 million for the short-term loan facility.

Guarantees of related company's credit facilities

Alexandria Fiber Co., S.A.E. entered into credit facility agreements with two overseas financial institutions to obtain various types of credit facilities, with respective maximum credit lines of USD 36.6 million and USD 8.0 million. These facilities have been guaranteed by the Company in the amount proportionate to its shareholding, or equivalent to USD 4.6 million.

3. Trade accounts receivable

As at the balance sheet date, most of the trade accounts receivable were within the credit terms. However, the receivable amounting to Baht 3 million had been overdue for more than 6 months.

4. Allowance for diminution in value of inventory

Movements in the allowance for diminution in value of inventory account during the three-month period ended 31 March 2009 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 31 December 2008	423,764	416,276
Add: Allowance made during the period	44,939	40,646
Less: Decrease due to sales or consumption during the period	(266,521)	(266,521)
Balance as at 31 March 2009	202,182	190,401

5. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	Paid-up capital		Shareholding percentage		Cost	
	31 March	31 December	31 March	31 December	31 March	31 December
	2009	2008	2009	2008	2009	2008
			Percent	Percent		(Audited)
Liaoning Birla Carbon Co., Ltd.	Renminbi 157 Million	Renminbi 157 Million	88.54	88.54	662,469	662,469
Birla Carbon Mexico, S.A DE C.V.	Mexico Pesos 3.2 Million	Mexico Pesos 3.2 Million	98.00	98.00	9,396	9,396
Total					671,865	671,865

During the three-month periods ended 31 March 2009 and 2008, the Company received no dividend income from its investments in subsidiaries.

(Unaudited but reviewed)

6. Investments in associates

6.1 Details of investments in associates:

(Unit: Thousand Baht)

Consolidated financial statements								
Company's name	Shareholding percentage		Cost		Carrying amounts based on equity method		Share of income from investments in associated companies for the three-month periods ended 31 March	
	31 March 2009	31 December 2008	31 March 2009	31 December 2008	31 March 2009	31 December 2008	2009	2008
	Percent	Percent		(Audited)		(Audited)		
P.T. Indo Liberty Textiles	40.00	40.00	196,948	196,948	628,114	619,571	8,543	5,733
Aditya Birla Chemicals (Thailand) Ltd.	29.99	29.99	509,820	509,820	1,579,717	1,512,642	67,075	89,115
Less: Translation adjustment			-	-	(281,272)	(270,989)	-	-
Total			706,768	706,768	1,926,559	1,861,224	75,618	94,848

(Unit: Thousand Baht)

Separate financial statements				
Company's name	Shareholding percentage		Cost	
	31 March 2009	31 December 2008	31 March 2009	31 December 2008
	Percent	Percent		(Audited)
P.T. Indo Liberty Textiles	40.00	40.00	196,948	196,948
Aditya Birla Chemicals (Thailand) Ltd.	29.99	29.99	509,820	509,820
Total			706,768	706,768

(Unaudited but reviewed)

6.2 Summarised financial information of associates

(Unit: Million Baht)

Company's name	Paid-up capital as at		Total assets as at		Total liabilities as at		Total revenues for the three-month periods ended		Net income for the three-month periods ended	
	31 March	31 December	31 March	31 December	31 March	31 December	31 March		31 March	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
P.T. Indo Liberty Textiles	Indonesian Rupiah 42.5 million	Indonesian Rupiah 42.5 million	1,180	1,007	355	181	329	446	20	14
Aditya Birla Chemicals (Thailand) Ltd.	Baht 1,700 million	Baht 1,700 million	7,045	7,860	1,749	2,806	2,062	2,503	230	298

Share of income from one associate (P.T. Indo Liberty Textiles) was determined based on the financial statements prepared by those company's management. However, the management believes that there would be no material difference if those financial statement had been reviewed by their auditor.

During the three-month periods ended 31 March 2009 and 2008, the Company received no dividend income from its investments in associates.

(Unaudited but reviewed)

7. Other long-term investments

(Unit: Thousand Baht)

Company's name	Shareholding percentage		Consolidated financial statements		Separate financial statements	
	31 March 2009	31 December 2008	31 March 2009	31 December 2008	31 March 2009	31 December 2008
	Percent	Percent	(Audited)		(Audited)	
Alexandria Fiber S.A.E	14.40	14.40	163,754	163,754	265,956	265,956
Thai Acrylic Fiber Co., Ltd.	15.98	15.98	223,204	223,204	223,204	223,204
			<u>386,958</u>	<u>386,958</u>	<u>489,160</u>	<u>489,160</u>

8. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 2009 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2009	2,851,439	2,108,856
Acquisitions during period - at cost	54,304	54,294
Depreciation for period	(66,549)	(45,871)
Translation adjustment	13,704	-
Net book value as at 31 March 2009	<u>2,852,898</u>	<u>2,117,279</u>

9. Short-term loans from financial institutions

Short-term bank loans of the subsidiary amounting to Baht 128 million are guaranteed by the Company.

10. Long-term loans

As at 31 March 2009, Liaoning Birla Carbon Co., Ltd. had long-term loans, denominated in US dollars, obtained from two commercial banks. The first loan, with an outstanding balance of USD 2.6 million, bears a SIBOR+1.25% interest rate and the second loan, with an outstanding balance of USD 0.5 million, bears a LIBOR+0.75% interest rate. The loans are repayable in semiannual installments until 2010. The second loan is guaranteed by the Company.

11. Corporate income tax

Interim corporate income is calculated on net income of non-promoted activities for the period, after adding back expenses and deducting income which are disallowable for tax computation purposes, using the estimated effective tax rate for the year.

12. Segment information

The Company's and its subsidiaries' business operations involve one principle segment i.e. manufacture and distribution of carbon black, which is carried on both in Thailand and overseas. The financial information of the Company and its subsidiary companies regarding geographic segment are as follows:

(Unit: Million Baht)

The consolidated financial statements
for the three-month periods ended 31 March

	Domestic segment		Overseas segment		Elimination of inter-segment revenues		Consolidated financial statements	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	Revenue from external customers	1,093	2,101	18	67	-	-	1,111
Inter-segment revenues	-	-	76	70	(76)	(70)	-	-
Total revenues	<u>1,093</u>	<u>2,101</u>	<u>94</u>	<u>137</u>	<u>(76)</u>	<u>(70)</u>	<u>1,111</u>	<u>2,168</u>
Segment income	151	439	5	17			156	456
Unallocated income and expenses:								
Other income							6	11
Share of income of associates							76	95
Selling expenses							(48)	(68)
Administrative expenses							(51)	(44)
Management benefit expenses							(4)	(4)
Loss on exchange							-	(9)
Financial cost							(6)	(8)
Corporate income tax							-	(55)
Net income for the period							<u>129</u>	<u>374</u>

Transfer price between business segments are as set out in Note 2 to the financial statements.

(Unaudited but reviewed)

The financial information by segment in the consolidated balance sheets are as follows:

	(Unit: Million Baht)							
	Domestic segment		Overseas segment		Elimination of inter-segment revenues		Consolidated financial statements	
	31 March	31 December	31 March	31 December	31 March	31 December	31 March	31 December
	2009	2008	2009	2008	2009	2008	2009	2008
		(Audited)		(Audited)		(Audited)		(Audited)
Property, plant and equipment - net	2,117	2,109	736	743	-	-	2,853	2,852
Unallocated assets	5,799	5,769	301	308	(486)	(484)	5,614	5,593
Total assets	<u>7,916</u>	<u>7,878</u>	<u>1,037</u>	<u>1,051</u>	<u>(486)</u>	<u>(484)</u>	<u>8,467</u>	<u>8,445</u>

13. Commitments and contingent liabilities

13.1 Capital commitments

As at 31 March 2009, the Company had capital commitments of approximately Baht 349 million relating to purchases of machinery and equipment.

13.2 License agreement

In 1987, the Company entered into a license agreement with an overseas licensor, who agreed to provide the Company with technical know-how for the production and manufacture of carbon black. In return, the Company agreed to pay the licensor a license fee, to be calculated at a percentage of sales.

13.3 Bank guarantees

As at 31 March 2009, there were outstanding letters of guarantee approximately Baht 13 million (31 December 2008: Baht 13 million) issued by the banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business.

14. Financial instruments

Foreign currency risk

The Company is exposed to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. The Company seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

Forward exchange contracts outstanding at 31 March 2009 are summarised below.

<u>Foreign currency</u>	<u>Bought amount</u> (Million)	<u>Contract exchange rate</u>
US dollar	7.3	34.5230 – 35.9850

Raw material price risk

The Company is exposed to risk form fluctuations in prices of raw materials. In managing the risk, the Company has entered into short-term energy swap contracts with reputable counterparties. During the period, the Company recognised gain from the energy swap contracts totaling Baht 68 million. At the balance sheet date, the Company held outstanding energy swap contracts as follows:

<u>Type of contract</u>	<u>Quantity</u>	<u>Due date</u>	<u>Fixed price agreed to be settled by the Company</u>
Buy Gulf Coast 3% No. 6 fuel oil	271,100 barrels	April – December 2009	USD 31.50 – 50.95 /barrel

15. Subsequent event

At the 2009 Annual General Meeting of the shareholders held on 29 April 2009, it was resolved that the Company pay dividend for the year 2008 of baht 0.45 per share. This dividend will be paid in May 2009, from the earnings of the promoted operations. Thus, the Company will pay dividend totaling Baht 135 million.

16. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of directors on 14 May 2009.