



TCB/SET/017 / 2008

15th May 2008

Subject: Clarification on the Operating Results for 1st Quarter of 2008

Thai Carbon Black Public Company Limited

Attn : Directors and Manager
The Stock Exchange of Thailand

We are pleased to enclose herewith our reviewed financial statements for the 1st quarter of this year ended on 31st March 2008

Our company has recorded the net profit of Baht 373.8 million in the 1st quarter of 2008 compared to that of Baht 305.9 million in 2007 by registering a growth of 22.2%.

The main reasons for the increase in the net profit are as follows:

1. Improvement in performance of China subsidiary company, Liaoning Birla Carbon Co.,Ltd, which has recorded profit of Baht 12.5 million in the 1st quarter of 2008 against loss of Baht 21 million in the same quarter of last year.
2. Share of income from investments under equity method has been increased from Baht 65.6 million to Baht 94.8 million due to reduction in share of loss from investment under equity method in Alexandria Fiber Co.,Ltd since Company did not exercise its allotted rights to participate in the share offering of Alexandria Fiber Co.,Ltd. The company's direct shareholding was diluted from 27.5% to 14.4%. As a result, the company reclassifies investment in Alexandria Fiber Co.,Ltd from Associated company to related parties which is not reflected in consolidated financial statement performance.

The Company's financial position and core business remains healthy and the Company has comfortable cash flow position.

We do hope that the above reasons will sufficiently clarify for increase in the net profit of 1st Quarter of 2008 as compared to previous year.

Yours sincerely,
For Thai Carbon Black Public Co.,Ltd.

S. Srinivasan
Director & President



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