TCB/SET/050 / 2008

13 November 2008

Subject: Clarification on the Operating Results for 3rd 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 3rd quarter of year ended 30th September 2008.

Our company has recorded net profit for the three-month period of Baht 242.3 million in 3rd quarter of 2008 compared to Baht 308.9 million in 3rd quarter of 2007. There is a dip in the Profitability by 21.6%.

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

1. The cost of sales value has increased substantially in the 3rd quarter of 2008 by 78.6% from Baht 1208.8 million to Baht 2158.8 million whereas Sales has gone up by only 50.2% from 1697.3 million to Baht 2548.7 million. The main reason for increase in Cost of Sales is due to increase in Raw Material price due to surge in the Crude oil market.

2. In the 3rd quarter of 2008, the company has recorded interest expense of Baht 7.5 million against interest expense of Baht 0.2 million in year 2007 while interest income of Baht 1.3 million in Q3/2008 is reduced substantially against interest income of Baht 10.0 million of Q3/2007, mainly due to taking of Short Term loans to meet increase in Working Capital requirements due to high raw material cost.

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 3rd Quarter of 2008 as compared to previous year.

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

Pawan Jain
CFO