TCB/SET/024 / 2009

15th May 2009

Subject: Clarification on the Operating Results for 1st Quarter of 2009

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 2009.

Our company has recorded net profit of Baht 74 million for company only in the year 2009 compared to Baht 265 million in 2008 i.e. lower by registering a reduction of 72%. Our Company is no exception to the global economic recession set in last quarter of 2008 and felt its after effects and the economic recession is expected to continue for whole of this year. The demand in auto industry dropped by 40-50% starting from Q4’08 and major auto/tire companies have announced closure of their capacities and the demand is still very low and this is impacting company’s sales. The main reasons for the decrease in the net profit are as follows:

1. Sales has dropped substantially by 48% from Baht 2,101 million to Baht 1,093 million mainly because of market and economic situation and recession in the auto industry.

2. Operating Profit margin has also been reduced substantially due to very low selling prices mainly because of overall economic recession, low demand and recession in the auto industry.

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 2009 as compared to previous year.

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

Pawan Jain
Chief Finance Officer