

BIRLA CARBON



TCB/SET/040 / 2009

14th August 2009

Subject: Clarification on the Operating Results for 2nd 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 2nd quarter of this year ended on 30th June 2009


Our company has recorded net profit for 3 months period of Baht 200 million for company only in the Q2'2009 compared to Baht 250 million in Q2'2008 i.e. lower by registering a reduction of 20.1%. 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 50.5% from Baht 2,183 million to Baht 1,080 million due to reduction in sales volume and selling prices mainly because of difficult market and economic situation and recession in the auto industry.
2. During Q2'2008 we have received Exchange Gain of Baht 28.5 million whereas in Q2'2009 we have recorded Exchange loss of Baht 4.4 million due to appreciation of Thai Baht.
3. In 2008, the company received other income for the proceeds from liquidation of related company amount of 22 million as one time transaction.

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 decrease in the net profit of 2nd Quarter of 2009 as compared to previous year.

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


Pawan Jain
Chief Finance Officer



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