TCB/SET/007 / 2009

2nd March 2009

Subject :  Clarification on the Operating Results for year 2008

Thai Carbon Black Public Company Limited

Attn :  Directors and Manager
       The Stock Exchange of Thailand

We are enclosing herewith our audited financial statements for year ended on 31st December 2008.

Our company has recorded net profit of Baht 185 million for company only in the year 2008 compared to Baht 1,083 million in 2007 by registering a reduction of 83%. Our company is no exception to the global recession set in last quarter of 2008 and felt its after effects. The demand in auto industry dropped by 40-50% starting from Q4’08 and major auto/tire companies have announced closure of their capacities. The main reasons for the decrease in the net profit are as follows:

1. The cost of sales has increased substantially by 56% from Baht 5,088 million to Baht 7,917 million due to continued very high raw material cost.

2. The company has finance cost of 16 million Baht comparing with 2.2 million Baht in last year because of high interest expense. At the same time Company’s interest income has gone down from Baht 37.9 million to Baht 15.4 million due to lower interest rates and reduction in surplus funds due to increased working capital requirements.

3. The company has recorded loss for diminution in value of inventories of raw material & FG of Baht 416 million as in Q4 the market price of raw material and FG inventory have been reduced substantially.

The Company’s financial position and core business remains healthy.

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

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

Pawan Jain
Chief Finance Officer