

Ref. PDI/BK-BS-041/2009

15th May 2009

To: President
The Stock Exchange of Thailand

Re: Clarification on the Company's performance in the first quarter of 2009

Attached please find a copy each of Thai and English version of the reviewed, company only and consolidated, interim financial statements of Padaeng Industry Public Company Limited for the quarter ended 31st March 2009 for the SET's information.

For the first quarter of 2009, Padaeng Industry Public Company Limited announces a consolidated net loss of 170 MB as compared to a net loss of 37 MB in Q1 2008. Net loss per share is 0.75 Baht compared to a net loss per share of 0.16 Baht in Q1 2008.

The total revenue from sales and services for Q1 2009 amounted to 1,306 MB as compared to 2,294 MB for the same quarter last year, a 43% decrease.

As the business of the Company is much more cyclical than seasonal, the comparison of the results of Q1 2009 and Q1 2008 is only marginally relevant. The world price for zinc averaged 1,172USD/t during Q1 2009 compared with 2,430USD/t during Q1 2008. This factor alone accounts for halving of the total revenue from sales and services. The net loss in Q1 2009 increased compared to the same quarter last year. The turmoil in the world commodities caused the recent collapse of the sulphuric acid price and a high volatility of the zinc price. The first effect led to a firm loss of 40 MB in this quarter and the second to a temporary loss on zinc inventory valuation of 100 MB.

Yours truly,

- Signature -

(Dr. Surin Tanticharoenkiat)
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