

Ref. PDI/BK-BS-014/2007

21 February 2007

To: President
The Stock Exchange of Thailand

Re: Clarification on the company's performance results in 2006

Enclosed are the copies of PDI's audited financial statements and consolidated financial statements for the year ended 31 December 2006 in both Thai and English version.

The Company achieved a net consolidated profit of Bt1,765m more than triple the profit of 2005 (Bt561m). Net Earnings per share are 7.81 Baht compared to 2.48 Baht in 2005.

The total revenue from sales and services amounted to Bt10,305m, an increase of Bt 4,154m (+68%).

The increase of the zinc price pushed the income of the company drastically upwards, even if the profit was partially limited by the locked-in forward sales price and the lower production.

The local market demand was surprisingly sustained in the first half but slowed down in Q3 to fall by 24% in Q4 amidst political uncertainty and a zinc price that impacted the end-users. On a year basis, the demand grew only by 2% compared to 2005. Sales of metal totaled 94,823 tons of metal, some 7,000 tons lower than in 2005 reflecting the reduction in exports (mainly of alloys). Despite the drop in Q4, domestic sales over the period actually increased by 4% compared to the previous year.

The income was also limited by a further reduction of import duty for zinc from 5.5% to 3.25% that, due to the soaring zinc price went almost unnoticed by the market.

Production of ingots was 96,469 tons, a 5% decrease year on year due to the combined low availability of concentrates on the market and the lower grade produced at the Mae Sot mine.

Please be informed accordingly.

Yours truly,

- Signature -

(Mr. Surin Tanticharoenkiat)
Board Secretary

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