

Ref. PDI/BK-BS-077/2008

14 August 2008

To: President
The Stock Exchange of Thailand

Re.: Clarification on Company's performance in the second quarter and first-half of 2008

Attached are copies of Thai and English versions of the unaudited interim financial statements (both consolidated and on the company only) of Padaeng Industry Public Company Limited for the second quarter and six-month period ended 30 June 2008 together with clarifications on the company's performance during the said periods for information of SET as follows:

From the Company's consolidated statement of income for the second quarter of 2008, there was a net profit of 177 MTHB or a net profit of 0.78 THB/share compared to net profit of 290 MTHB or a net profit of 1.28 THB/share in the same period of year 2007. Total revenues from sales and services were 2,311 MTHB which decreased by 864 MTHB from the same quarter of last year.

From the Company's consolidated statement of income for the first six months of 2008, there was a net profit of 140 MTHB or a net profit of 0.62 THB/share compared to net profit of 604 MTHB or a net profit of 2.67 THB/share in the same period of year 2007. Total revenues from sales and services was 4,605 MTHB which decreased from the same period of last year by 1,994 MTHB

The Company's total sales volume for the first half of the year increased by 0.4% to 52,192 tons as compared to the same period of 2007. The local demand improved from the same period of last year by 9% and export sales were reduced accordingly.

The average zinc price has decreased since last year from an average of USD3,560 per ton in the first half of 2007 to an average of USD2,272 per ton in the first half of 2008, a 36% decrease.

The Company result is mainly affected by the lower world zinc price in 2008 and the lower usage of Mae Sod materials due to the limited mining in the first half of the year.

Please be informed accordingly.

Yours truly,

- Signature -

(Dr. Surin Tanticharoenkiat)
Company Secretary.

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