



MILL 003/2011

February 28, 2011

Subject : Explanation of changes over than 20 percent for financial statement ended December 31, 2010

Attention : The President of the Stock Exchange of Thailand

Millcon Steel Industries Public Company Limited (the Company) would like to explain the causes and reasons for operations' performance in the consolidated financial statement ended December 31, 2010. The net profit for the current period of 117.05 MB changed more than 20 percent compare to the same period of previous year 2009. The main causes are as follows:

1. In year 2010, the revenue from the sale of goods was 9,782.21 MB increased from 10,032.03 MB comparing to the same quarter of 2009 decreased by 249.82 MB, or decreased by 2.49 percent due to sales decreased.
2. In year 2010, the company had cost of sales 9,354.62 MB decreased from 9,637.38 MB comparing to the same quarter of 2009 decreased by 282.76 MB, or decreased by 2.93 percent.
3. In year 2010 The Company had total expenses 170.39 MB increased from 165.51 MB comparing to the same quarter of 2009 decreased by 4.89 MB, or increased by 0.03 percent.
4. In year 2010, the company's Financial Costs was 190.63 MB which increased from 164.07 MB, or increased by 26.53 MB, or increased by 16.19 percent due to the increasing of short-term loans from financial institutions and investment in "Green Mill Project" and partly from Correction of accounting error 16.60 MB see note 2.
5. In year 2010, the company's others income was 54.96 MB decreased from 153.30 MB comparing to the same quarter of 2009 decreased by 98.34 MB. In 2009 the Company was gain from short-term investment In quarter 3/2010.
6. In as at 31 December 2010, the company's total assets were 9,056.21 MB increased from 6,732.71 MB, increase by 2,323.50 MB or 34.51 percent due to increase in assets of Green Mill Project.
7. In as at 31 December 2010, the company had total liabilities 5,607.98 MB increased from 4,323.91 MB, or increased by 1,284.07 MB ,or 29.97 percent due to increase in loans from financial institutions and investment in "Green Mill Project"

8. In as at 31 December 2010, the company had total equity 3,448.23 MB increased from 2,408.80 MB, or increased by 1,039.43 MB, or 43.15 percent due to money receive of paid up common share, preferred shares and net profit in year ended 2010.

Please be inform accordingly,

Yours sincerely,

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(Mrs. Pirom Sawpayon)

Director