

September 28, 2009

Subject : Clarification of Operating Results Varied By More Than 20% for
the Year 2008/2009

To : President
The Stock Exchange of Thailand

City Steel Public Company Limited would like to clarify the operating results of the Company and its subsidiaries for the year ended July 31, 2009, which decreased by more than 20% compared to those of last year. In the year 2008/2009, the Group's net profits was THB 80.43 million, dropped from last year that had net profits of THB 101.26 million by THB 20.83 million or 20.57%. The decline in net profits primarily attributed to a decrease in gross profit margin.

The world economic crisis and political uncertainty in the country caused adverse impacts to overall country economies including a reduction in industrial expansion and private investment. As a result, the Group had to reduce products selling prices in order to stimulate demands for the Group's products during the economic recession, which consequently caused a decrease in the Group's net profits.

Please be informed accordingly.

Miss Suputra Phongratanadechachai
Chief Financial Officer