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KHON KAEN SUGAR INDUSTRY PUBLIC CO.,LTD
503 K.S.L. TOWER 9 th FLOOR, SRIAYUDHYA,
RAJATHEVI, BANGKOK 10400

14 September 2011

SUBJECT EXPLANATION OF CHANGE IN NET PROFIT OF THIRD QUARTER 2011 FROM THE SAME PERIOD OF THE PREVIOUS YEAR OVER 20%

ATTENTION PRESIDENT, THE STOCK EXCHANGE OF THAILAND

Khon Kaen Sugar Industry Public Company Limited (the "Company") and its subsidiaries would like to inform third quarter 2011 (May 2011 - July 2011) financial performance. The company had net profit (after tax and minority) of THB 788.62 million. Comparing to the performance in third quarter 2010, the company had net profit at THB 93.15 million, the net profit increased by THB 695.47 million. The main reasons of the increase in third quarter 2011 were that:

(1) The Export Sugar Sale volume increased from 95,460 tons (third quarter 2010) to 208,370 tons (third quarter 2011).

(2) In third quarter 2010, The Company recorded the penalty from sugar future contracts in the amount of THB 111.36 million.

Yours faithfully,

Chamroon Chinthammit
President and Chief Executive Officer
Khon Kaen Sugar Industry Public Company Limited

Note:

According to the increases in selling price of the molasses (by-product of sugar production) from the past, resulted in the molasses business becoming significant in the operation, at fourth quarter 2010, the company changed the accounting policy for recording the cost of molasses in financial statement year end 2010, from previously stating the cost of molasses at average net realizable value, to the lower of cost or net realizable value, which was consistent with the policy of the main products (sugar). As a result, the company retrospectively restated third quarter 2010 financial statement (from net loss of THB 53.47 million to THB 93.15 million) as if the new accounting policy has been applied continuously.