

Sahaviriya Steel Industries Public Company Limited,
its subsidiaries and its jointly controlled entity
Report and consolidated interim financial statements
For the three-month and nine-month periods ended
30 September 2010

Review report of Independent Auditor

To the Shareholders of Sahaviriya Steel Industries Public Company Limited

I have reviewed the accompanying consolidated balance sheet of Sahaviriya Steel Industries Public Company Limited, its subsidiaries and its jointly controlled entity as at 30 September 2010, the related consolidated statements of income for the three-month and nine-month periods ended 30 September 2010 and 2009, and the related consolidated statements of changes in shareholders' equity and cash flows for the nine-month periods ended 30 September 2010 and 2009, and the separate financial statements of Sahaviriya Steel Industries Public Company Limited for the same periods. These financial statements are the responsibility of the management of the Company, its subsidiaries and its jointly controlled entity as to their correctness and the completeness of the presentation. My responsibility is to issue a report on these financial statements based on my reviews.

I conducted my reviews in accordance with the auditing standard applicable to review engagements. This standard requires that I plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. I have not performed an audit and, accordingly, I do not express an audit opinion.

Based on my reviews, nothing has come to my attention that causes me to believe that the accompanying financial statements are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

Without qualifying the review conclusion in respect of the above financial statements, I draw attention to the matter as presented in Note 2 to the interim financial statements. During the three-month and nine-month periods ended 30 September 2010, the Company sold goods to related parties in the normal course of business totaling Baht 9,602 million and Baht 28,962 million, respectively, which comprises 83 percent and 78 percent, respectively, of the Company's total sales (2009: Baht 6,430 million and Baht 15,578 million, respectively, which comprised 70 percent and 66 percent, respectively, of the Company's total sales). As at 30 September 2010, the outstanding balances of those related parties amounted to Baht 2,610 million (31 December 2009: Baht 2,787 million) that were not yet due and included balances of one related company debtor totaling Baht 1,529 million (31 December 2009: Baht 1,688 million). The uncertainty regarding the current economic situation could adversely affect the debtor's ability to make payment in the future.

I have previously audited the consolidated financial statements of Sahaviriya Steel Industries Public Company Limited, its subsidiaries and its jointly controlled entity and the separate financial statements of Sahaviriya Steel Industries Public Company Limited for the year ended 31 December 2009 in accordance with generally accepted auditing standards and expressed an unqualified opinion on those statements, but under my report dated 19 February 2010 drew attention to the significant sales transactions and account receivable balances with related parties. The consolidated and separate balance sheets as at 31 December 2009, as presented herein for comparative purposes, formed an integral part of the financial statements which I audited and reported on. I have not performed any other audit procedures subsequent to the date of that report.

Thipawan Nananuwat
Certified Public Accountant (Thailand) No. 3459

Ernst & Young Office Limited
Bangkok: 4 November 2010