

Interfood Shareholding Company

Lot 13, Tam Phuoc IZ,
 Bien Hoa City, Dong Nai
 No :/CV-IFS_2012

SOCIALIST REPUBLIC OF VIETNAM

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Bien Hoa, 12th November 2012

To : Ho Chi Minh Stock Exchange

CC: State Securities Commission

(Re: explanatory for business results of 3rd Quarter 3012)

First we would like to thank for your support recently.

We would like to report the result of income statement for the Quarter 3 of year 2012 as following:

	Quarter 3 - 2012		Quarter 3 - 2011		Variance	
	USD	%	USD	%	USD	%
Gross sales	8,831,204		9,450,534		(619,330)	-7%
Less deductions:	(248,250)		(247,409)		(841)	0%
Net sales	8,582,954	100%	9,203,125	100%	(620,172)	-7%
Cost of sales	(6,844,834)	-80%	(7,778,889)	-85%	934,055	-12%
Gross profit	1,738,119	20%	1,424,236	15%	313,883	22%
Income from financial activities	38,417	0%	43,418	0%	(5,000)	-12%
Expenses for financial activities	(97,296)	-1%	(442,335)	-5%	345,038	-78%
<i>Including: interest expense</i>	<i>(97,296)</i>	<i>-1%</i>	<i>(387,702)</i>	<i>-4%</i>	<i>290,406</i>	<i>-75%</i>
Selling expenses	(2,050,825)	-24%	(1,546,757)	-17%	(504,068)	33%
General and administration expenses	(334,447)	-4%	(274,656)	-3%	(59,791)	22%
Operating loss	(706,032)	-8%	(796,094)	-9%	90,062	-11%
Other income	46,459	1%	18,352	0%	28,107	153%
Other expenses	(75,509)	-1%	(58,984)	-1%	(16,525)	28%
Profit (loss) before tax	(735,082)	-9%	(836,726)	-9%	101,644	-12%

We would like to explain several factors related to the results of separated business operations of the Company at the reporting period as follows:

Q3 net sales revenue in 2012 reached 8.58 million, down 7% compared to the same period in 2011, this lower sales due to the direct impact from the economic situation in general, when consumer tend to spend more essential products. On the other hand, along with the tendency to reduce the volume accumulated at the outlet by the shortage of cash flow of customers, leading to Q3 sales decreased significantly compared with the first quarter of the year and the same period last year.

Cost of goods sold of 3rd quarter 2012 was reduced 12% and take part of 80% of total net sale comparing with 85% of last same period. This was the impact of saving cost of from official operation of husk boiler with lower fuel cost, running new waste water treatment system to reduce the manufacturing cost and implementation of production efficiency and saving.

Financial income in quarter 3 - 2012 reduced by 12% comparing with last same period, reasons from there was no fluctuation of foreign exchange rate in this period.

Financial expenses in the quarter 3 - 2012 decreased 78% over the same period last year and took 1% of net sale, due to the company is still maintaining the inter-company off-shore loans with interest rates about 1.7% per annual replaced for the loan financed by local bank with higher interest.

In quarter 3 of year 2012, selling cost was accounting for 24% of sales compared with 17% same period last year. The reason: wage costs, sales commissions for the sales team still increased, transport costs remained high, on the other hand the Company has increased promotions and adverting activities to increase of sales volume.

General and administration expenses in Q3-2012 increased 16% over the same period in 2011 mainly caused by increased of salary expenses for administration group, office rental and supplies and other services also increase

Other income in the quarter 3-2012 increased compared with last year period mainly due to the collection of money from disposal of raw and packaging materials.

Above are some explanation for operating results of quarter 3 -2012. Board of Directors and the entire company are still in the effort to push the sale volume to achieve the business result as per planning in 2012.

Thanks and best regards!

ONBEHALF OF THE COMPANY

(Signed and Sealed)

Michio Nagabayashi
Chairman, General Director