

**Interfood Shareholding Company**

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

**SOCIALIST REPUBLIC OF VIETNAM**

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*Bien Hoa, 12<sup>th</sup> November 2012*

**To : Ho Chi Minh Stock Exchange**

**CC: State Securities Commission**

*(Re: explanatory for business results of 3rd quarter 2012)*

First we would like to thank for your support recently.

We would like to provide the result of consolidation income statement for the second quarter of year 2012 as following:

Descriptions	Quarter 3 -	Quarter 3 -	%	Quarter 3 -	Quarter 3	%	Variance	Variance	%
	2012	2012		2011	- 2011				
	USD	MVND		USD	MVND		USD	MVND	
Gross sales	8,831,204	<b>183,936</b>		9,425,892	<b>178,451</b>		(594,688)	5,485	-6%
Less deductions:	(248,250)	<b>(5,171)</b>		(247,409)	<b>(4,684)</b>		(841)	(487)	0%
Net sales	8,582,954	<b>178,766</b>	100%	9,178,483	<b>173,767</b>	100%	(595,529)	4,999	-6%
Cost of sales	(6,685,084)	<b>(139,237)</b>	-78%	(7,548,514)	<b>(142,908)</b>	-82%	863,430	3,672	-11%
Gross profit	1,897,870	<b>39,529</b>	22%	1,629,969	<b>30,859</b>	18%	267,901	8,670	16%
Income from financial activities	1,648	<b>34</b>	0%	20,734	<b>393</b>	0%	(19,086)	(358)	-92%
Expenses for financial activities	(97,296)	<b>(2,026)</b>	-1%	(445,909)	<b>(8,442)</b>	-5%	348,613	6,415	-78%
<i>Including: interest expense</i>	<i>(97,296)</i>	<i>(2,026)</i>	<i>-1%</i>	<i>(387,702)</i>	<i>(7,340)</i>	<i>-4%</i>	<i>290,406</i>	<i>5,313</i>	<i>-75%</i>
Selling expenses	(2,050,825)	<b>(42,715)</b>	-24%	(1,588,069)	<b>(30,065)</b>	-17%	(462,756)	(12,649)	29%
General and administration expenses	(370,086)	<b>(7,708)</b>	-4%	(318,970)	<b>(6,039)</b>	-3%	(51,116)	(1,669)	16%
Operating profit (loss)	(618,689)	<b>(12,886)</b>	-7%	(686,245)	<b>(12,992)</b>	-7%	67,556	106	-10%
Other income	46,459	<b>968</b>	1%	18,353	<b>347</b>	0%	28,106	620	153%
Other expenses	(130,205)	<b>(2,712)</b>	-2%	(111,242)	<b>(2,106)</b>	-1%	(18,963)	(606)	17%
Profit (loss) before tax	(702,435)	<b>(14,630)</b>	-8%	(779,136)	<b>(14,751)</b>	-8%	76,701	120	-10%

We would like to explain several factors related to the results of consolidated operations as of the reporting period as follows:

In Q3-2012, net sales revenue reached 8.58 million, down 6% 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 11% and take part of 78% of total net sale comparing with 82% 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 92% 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 increased by 29% , accounting for 24% of sales compared with 29% 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 servirces 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**