

**Interfood Shareholding Company**

Lot 13, Tam Phuoc IZ,  
 Bien Hoa City, Dong Nai  
 No :146/CV-IFS-2013

**SOCIALIST REPUBLIC OF VIETNAM**

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**Bien Hoa, 18<sup>th</sup> February 2013**

**To : Ho Chi Minh Stock Exchange**

**CC: State Securities Commission**

*(Re: Explanatory for Consolidated business results of 4th 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 4th quarter of year 2012 as following:

Descriptions	Quarter 4 -	Quarter 4 -	%	Quarter 4 -	Quarter 4	%	Variance	Variance	%
	2012	2012		2011	- 2011				
	USD	MVND		USD	MVND		USD	MVND	
Gross sales	10,490,466	<b>218,495</b>		9,691,008	<b>183,470</b>		799,458	35,025	8%
Less deductions:	(307,690)	<b>(6,409)</b>		(267,340)	<b>(5,061)</b>		(40,350)	(1,347)	15%
Net sales	10,182,776	<b>212,087</b>	100%	9,423,668	<b>178,409</b>	100%	759,108	33,678	8%
Cost of sales	(7,923,296)	<b>(165,026)</b>	-78%	(8,788,718)	<b>(166,388)</b>	-93%	865,422	1,362	-10%
Gross profit	2,259,480	<b>47,060</b>	22%	634,950	<b>12,021</b>	7%	1,624,530	35,040	256%
Income from financial activities	30,549	<b>636</b>	0.3%	105,139	<b>1,990</b>	1%	(74,590)	(1,354)	-71%
Expenses for financial activities	(133,528)	<b>(2,781)</b>	-1%	(203,418)	<b>(3,851)</b>	-2%	69,890	1,070	-34%
<i>Including: interest expense</i>	<i>(108,438)</i>	<i>(2,259)</i>	<i>-1%</i>	<i>(184,490)</i>	<i>(3,493)</i>	<i>-2%</i>	<i>76,052</i>	<i>1,234</i>	<i>-41%</i>
Selling expenses	(4,010,678)	<b>(83,534)</b>	-39%	(1,569,906)	<b>(29,721)</b>	-17%	(2,440,772)	(53,813)	155%
General and administration expenses	(446,334)	<b>(9,296)</b>	-4%	(513,945)	<b>(9,730)</b>	-5%	67,611	434	-13%
Operating profit (loss)	(2,300,511)	<b>(47,915)</b>	-23%	(1,563,180)	<b>(29,594)</b>	-17%	(737,331)	(18,321)	47%
Other income	631,501	<b>13,153</b>	6%	94,249	<b>1,784</b>	1%	537,252	11,369	570%
Other expenses	(2,529,133)	<b>(52,677)</b>	-25%	(452,139)	<b>(8,560)</b>	-5%	(2,076,994)	(44,117)	459%
Profit (loss) before tax	(4,198,143)	<b>(87,439)</b>	-41%	(1,921,070)	<b>(36,370)</b>	-20%	(2,277,073)	(51,069)	119%
CIT for the current year	(77,236)	<b>(1,609)</b>	-1%	-	-	0%	(77,236)	(1,609)	
Deferred CIT	(2,065,862)	<b>(43,028)</b>	-20%	(103,794)	<b>(1,965)</b>	-1%	(1,962,068)	(41,063)	1890%
Profit(loss) after tax	(6,341,241)	<b>(132,075)</b>	-62%	(2,024,864)	<b>(38,335)</b>	-21%	(4,316,377)	(93,741)	213%
Minority interest	61,523	<b>1,281</b>	1%	36,231	<b>686</b>	0%	25,292	595	70%
Net profit	(6,279,718)	<b>(130,794)</b>	-62%	(1,988,633)	<b>(37,649)</b>	-21%	(4,291,085)	(93,145)	216%

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

Net sales in 4th Quarter 2012 reached 10.18 million US dollar, up 8% compared to the same period in 2011, caused by the company in the fourth quarter was the best preparation for the Lunar New Year 2013 sales program, such as: fully prepared goods, to ensure the best quality and variety of product design models to best meet the needs of customers. In addition, the company had a competitive prices policy, contributing to strong sales in the fourth quarter.

Cost of goods sold in 4th Quarter of 2012 decreased 10% compared to the same period last year and decreased to 78% of net sales compared to 93% last year. This is the result of efforts to reduce production costs of companies such as changing the fuel source from oil to husk material, the official operation of wastewater treatment systems with lower cost, and efficient use of raw materials.

Financial revenue in the 4th Quarter 2012 decreased 71% compared to the same period last year. The reason is that in the 4th Quarter without fluctuations in foreign exchange rates, led to not incurred the revaluation of the exchange rate difference.

Financial expenses in the 4th Quarter 2012 decreased 34% 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 the 4th Quarter 2012, the company promoting the promotion, advertising and supporting programe for distributors and sales staff, for the purposes of sales growth for the last quarter and the next year, which puts the cost of sales to the next level, accounting for 39% of revenue and 155% increase over the same period last year.

4th Quarter 2012, general and administration expenses in 2012 decreased 13% compared to the same period in 2011 caused companies to reduce their cost some low-cost outsourcing services such as audit fees, consulting fees and services.

Other income in the quarter due primarily from the collection of compensation received from the former Chairman of Board for the tax due to be paid by the tax inspectorate's conclusion Dong Nai Tax Department for the years 2007-2008-2009 inspection period.

Other expenses increased primarily due to the impact from the account written off assets not used in accordance with the Resolution of the General Meeting of Shareholders December 2012

Deferred Coporate Income Tax expenses increased primarily due to the written off for the Deferred tax Assets not fully utilized in accordance with the Resolution of the General Meeting of Shareholders December 2012

Above are some explanation for operating results of 4th Quarter 2012.

Thanks and best regards!

**ONBEHALF OF THE COMPANY**

*(Signed and Sealed)*

**Michio Nagabayashi**  
**Chairman, General Director**