

**Interfood Shareholding Company**

Lot 13, Tam Phuoc IZ,  
 Bien Hoa City, Dong Nai  
 No : 943/CV-IFS-2013

**SOCIALIST REPUBLIC OF VIETNAM**

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*Bien Hoa, 14th November 2013*

**To : State Securities Commission**

*(Re: Explanatory for Separated business results of 3rd quarter 2013)*

First we would like to thank for your support recently.

We would like to provide the result of consolidation income statement for the 3rd quarter of year 2013 as following:

Descriptions	Quarter 3 - 2013	%	Quarter 3 - 2012	%	Variance	%
	Thousand VND		Thousand VND		Thousand VND	
Gross sales	215,167,495		183,936,311		31,231,184	17%
Less deductions:	5,978,510		5,170,552		807,958	16%
Net sales	209,188,985	100%	178,765,759	100%	30,423,226	17%
Cost of sales	162,179,858	78%	142,564,208	80%	19,615,650	14%
Gross profit	47,009,127	22%	36,201,552	20%	10,807,575	30%
Income from financial activities	762,829	0.4%	800,155	0%	(37,326)	-5%
Expenses for financial activities	2,207,987	1%	2,026,481	1%	181,506	9%
<i>Including: interest expense</i>	2,078,489	1%	2,026,490	1%	51,999	3%
Selling expenses	102,188,880	49%	42,714,592	24%	59,474,288	139%
General and administration expenses	7,241,254	3%	6,965,860	4%	275,394	4%
Operating profit (loss)	(63,866,165)	-31%	(14,705,227)	-8%	(49,160,938)	334%
Other income	573,346	0%	967,649	1%	(394,303)	-41%
Other expenses	9,668,218	5%	1,572,705	1%	8,095,513	515%
Profit (loss) before tax	(72,961,037)	-35%	(15,310,283)	-9%	(57,650,754)	377%
CIT for the current year	-	0%	(2,540,279)	-1%	2,540,279	
Deferred CIT	-	0%	-	0%	-	0%
Profit(loss) after tax	(72,961,037)	-35%	(12,770,004)	-7%	(60,191,033)	471%

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

Net sales in 3rd Quarter 2013 increased by 17% compared to the same period in 2012, caused by the company in the second quarter was the best preparation for the year 2013 sales program, such as: fully prepared goods, to ensure the best quality and variety of product design, supplement for main product meet the needs of customers. In addition, the company had at competitive prices policy, increasing TVC program, open new sale channel which contributing to strong sales in the second quarter of year 2013.

Cost of goods sold in 3rd Quarter of 2013 increased by 14% compared to the same period last year and decreased to 78% of net sales compared to 80% last year. This is the result of efforts to reduce production costs of companies such as: reduce of empty can from main supplier due to increase of production volume, reduce cost of husk boiler and the wastewater treatment systems's operation, and efficient use of raw materials.

Financial revenue in the 3rd Quarter 2013 decreased 5% compared to the same period last year. The reason is during the last month of 3rd Quarter there was a increasing of the exchange rate of the State bank, causing the Company had to reevaluate several related accounts, causing the increase of the foreign exchange rates differences.

Financial expenses in the 3rd Quarter 2013 significal increased 9% over the same period last year and took 1% of net sale, due to the impact of the changing in the exchange rate. Besides, the loan interest expenses still kept at 1% per net sale due to the Company is still maintaining the inter-company off-shore loans with interest rates about 1.9% per annual.

In the 3rd Quarter 2013, the company continues promoting the promotion, TVC advertising and supporting programs for distributors and sales staff, for the purposes of sales growth for the new year, which puts the cost of sales to the next level, accounting for 49% of revenue and 139% increase over the same period last year.

3rd Quarter 2013, general and administration expenses increased 4% compared to the same period in 2012 and kept at 3% net sale, caused the company to have to expand the operation such as restructure for human resources, or the increase of outsource such as office renting fee and other facilities.

Other income in this period is only relating to the income of several disposal material.

Other expenses increased due to in this quarter, company have to pay for the tax arrears and penalties for tax inspection for period of 2010 and 2011 fiscal year.

Above are some explanation for operating results of 3rd Quarter 2013.

Thanks and best regards!

**ON BEHALF OF THE COMPANY**

*Signed and sealed*

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