

Thai Beverage Public Company Limited

Financial statement for the nine-month period ended 30 September 2008

PART I INFORMATION REQUIRED FOR Q3 AND NINE-MONTH PERIODS ANNOUNCEMENTS.

1. (a) (i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Thai Beverage Public Company Limited
Statements of Income

For the three-month periods (July - September) and nine-month periods ended 30 September 2008 and 2007

	Consolidated financial statements			(Unit : Thousand Baht) Consolidated financial statements		
	For the three-month periods			For the nine-month periods		
	2008	2007	+ / (-)	2008	2007	+ / (-)
Revenues from sales and services						
Revenue from sale of goods and rendering of services	22,650,133	23,282,523	(3%)	76,517,665	74,668,722	2%
Total revenues from sales and services	22,650,133	23,282,523	(3%)	76,517,665	74,668,722	2%
Cost of sales and services						
Cost of sales of goods and rendering of services	16,438,765	16,077,976	2%	55,335,878	52,150,282	6%
Total cost of sales and services	16,438,765	16,077,976	2%	55,335,878	52,150,282	6%
Gross profit	6,211,368	7,204,547	(14%)	21,181,787	22,518,440	(6%)
Selling and administrative expenses	3,320,790	3,868,189	(14%)	10,520,786	10,640,842	(1%)
Operating profit	2,890,578	3,336,358	(13%)	10,661,001	11,877,598	(10%)
Interest income	3,336	9,154	(64%)	22,393	30,152	(26%)
Other income	586,440	35,386	1557%	667,979	202,492	230%
Earnings before financial costs and income tax	3,480,354	3,380,898	3%	11,351,373	12,110,242	(6%)
Interest expense	173,430	261,030	(34%)	463,469	819,002	(43%)
Income tax expense	971,945	1,044,268	(7%)	3,252,116	3,721,527	(13%)
Net profit	2,334,979	2,075,600	12%	7,635,788	7,569,713	1%
Attributable to:						
Equity holders of the Company	2,238,082	1,993,658	12%	7,380,662	7,356,412	0%
Minority interests	96,897	81,942	18%	255,126	213,301	20%
Profit for the period	2,334,979	2,075,600	12%	7,635,788	7,569,713	1%
Basic earnings per share (Baht)	0.09	0.08	13%	0.29	0.29	-
Diluted earnings per share (Baht)	0.09	0.08	13%	0.29	0.29	-

- a (ii)The following items (with appropriate breakdowns and explanations), if significant, must either be includes in the income statement or in the notes to the income statement for the current financial period reported on an the corresponding period of the immediately preceding financial year:-

NOTE:

Net profit is arrived at after charging / (Crediting) the following :

	Consolidated financial statements			(Unit : Thousand Baht) Consolidated financial statements		
	For the three-month periods			For the nine-month periods		
	2008	2007	+ / (-)	2008	2007	+ / (-)
A Investment income	100	22,158	(100%)	100	22,158	(100%)
B Other income including interest income	(63,896)	(44,540)	43%	(164,493)	(232,644)	(29%)
C Interest in borrowings	173,430	261,030	(34%)	463,469	819,002	(43%)
D Depreciation and amortization	1,320,414	1,352,564	(2%)	3,978,886	3,963,103	-
E Allowance for doubtful debts and bad debts written off	(1,262)	25,313	(105%)	110	29,526	(100%)
F Write-off for stock obsolescence	(5,566)	15,895	(135%)	63,840	66,825	(4%)
G Impairment in value of investments	-	-	-	31	-	-
H Foreign exchange (gain) / loss	(33,707)	53,431	(163%)	2,845	131,790	(98%)
I Adjustments for under or overprovision of tax in respect of prior year	-	-	-	-	-	-
J (Profit) or loss on sale of investments, properties, and / or plant and equipment	(528,302)	4,200	(12679%)	(533,938)	(67,099)	696%
K Exceptional items	-	-	-	-	-	-
L Extraordinary items	-	-	-	-	-	-

- (b) (i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Thai Beverage Public Company Limited and its Subsidiaries
Balance sheets
As at 30 September 2008 and 31 December 2007

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30-Sep-2008	31-Dec-2007	30-Sep-2008	31-Dec-2007
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Assets				
Current assets				
Cash and cash equivalents	4,544,910	2,587,796	2,428,496	9,168
Current investments	9,627	114,185	-	-
Trade accounts receivable	1,186,008	1,956,547	-	-
Short-term loans to and amounts due				
from related parties	9,625	4,371	3,614,150	3,916,012
Inventories	32,266,488	28,277,663	-	-
Other current assets	2,353,441	1,428,373	15,208	8,482
Total current assets	40,370,099	34,368,935	6,057,854	3,933,662
Non-current assets				
Investments in subsidiaries and associates	113,482	124,518	74,018,339	71,470,330
Other long-term investments	10,893	5,633	-	-
Long-term loans to and amounts due				
from related parties	58,509	5,798	6,059,666	9,418,244
Property, plant and equipment	40,084,199	44,639,783	61,382	71,001
Intangible assets	1,135,805	1,129,073	17,919	16,766
Other non-current assets	2,067,034	2,132,229	337,870	344,564
Total non-current assets	43,469,922	48,037,034	80,495,176	81,320,905
Total assets	83,840,021	82,405,969	86,553,030	85,254,567
Liabilities and equity				
Current liabilities				
Bank overdrafts and short-term loans				
from financial institutions	15,134,474	5,998,234	8,880,309	4,797,684
Trade accounts payable	2,921,475	2,640,053	-	-
Current portion of long-term guaranteed bonds	-	3,000,000	-	3,000,000
Current portion of long-term loans	3,900,000	1,755,000	3,900,000	1,755,000
Short-term loans from and amounts due				
to related parties	63,675	69,686	2,736,301	2,115,288
Other short-term loan	7,000	7,000	-	-
Income tax payable	1,257,070	2,783,233	103,448	146,249
Liabilities from business combination				
under common control	3,053,785	-	3,053,785	-
Other current liabilities	2,981,435	3,497,752	415,391	161,543
Total current liabilities	29,318,914	19,750,958	19,089,234	11,975,764
Non-current liabilities				
Long-term loans from financial institutions	1,500,000	5,400,000	1,500,000	5,400,000
Long-term loans from and amounts due to related parties	4,388	270	5,902,100	6,540,500
Other non-current liabilities	125,267	160,106	-	118
Total non-current liabilities	1,629,655	5,560,376	7,402,100	11,940,618
Total liabilities	30,948,569	25,311,334	26,491,334	23,916,382
Equity				
Share capital				
Authorised share capital	29,000,000	29,000,000	29,000,000	29,000,000
Issued and paid-up share capital	25,110,025	25,110,025	25,110,025	25,110,025
Difference arising from common control transactions	(19,732,227)	(16,201,123)	-	-
Reserves				
Share premium	17,215,737	17,215,737	17,215,737	17,215,737
Currency translation changes	(660,402)	(208,076)	-	-
Fair value changes and revaluation surplus	4,262,802	4,388,935	-	-
Retained earnings/ (Deficit)				
Appropriated - legal reserve	2,900,000	2,900,000	2,900,000	2,900,000
Unappropriated/ (Deficit)	22,544,582	22,644,726	14,835,934	16,112,423
Total equity attributable to equity holders of the Company	51,640,517	55,850,224	60,061,696	61,338,185
Minority interests	1,250,935	1,244,411	-	-
Total equity	52,891,452	57,094,635	60,061,696	61,338,185
Total liabilities and equity	83,840,021	82,405,969	86,553,030	85,254,567

- (c) (ii) In relation to the aggregate amount of group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figure as at the end of the immediately preceding financial year.

(ii) Aggregate amount of group's borrowings and debt securities

- Amount repayable in one year or less, or on demand

(Unit : Thousand Baht)

As at 30 September 2008				As at 31 December 2007			
Letter of Comfort	Unsecured	Guaranteed	Guaranteed/ negative pledge	Secured	Unsecured	Guaranteed	Guaranteed/ negative pledge
221,537	18,300,636	512,301	-	-	5,098,987	899,247	4,755,000

- Amount repayable after one year

(Unit : Thousand Baht)

As at 30 September 2008				As at 31 December 2007			
Secured	Unsecured	Guaranteed	Guaranteed/ negative pledge	Secured	Unsecured	Guaranteed	Guaranteed/ negative pledge
-	1,500,000	-	-	-	5,400,000	-	-

- Details of any collateral

N/A

(d) A Cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Cash flows from investing activities				
Profit for the period	7,635,788	7,569,713	6,005,418	20,502,170
Adjustments for				
Depreciation and amortisation	3,941,386	3,925,603	23,158	21,897
Interest income	(22,393)	(30,152)	(399,468)	(558,459)
Interest expense	463,469	819,002	765,514	1,272,327
Unrealised (gain) loss on exchange rate	(4,787)	18,180	-	4,628
(Reversal of) bad debts and allowance for doubtful accounts	2,129	(22,844)	-	-
Amortisation of advance payments to a specialist	37,500	37,500	7,031	7,031
(Reversal of) allowance for obsolete inventories	(327,205)	175,793	-	-
Gain on sale and disposal of property, plant and equipment and intangible assets	(8,059)	(67,099)	(402)	(63,881)
Gain on sale of investment	(525,879)	-	(216,460)	(6)
Dividends	-	-	(5,431,439)	(20,290,213)
Income tax expense	3,252,116	3,721,527	267,404	174,958
	14,444,065	16,147,223	1,020,756	1,070,452
Changes in operating assets and liabilities				
Trade accounts receivable	768,382	405,540	-	-
Amounts due from related parties	(5,304)	34,024	121,661	1,391,370
Inventories	(3,661,620)	(3,091,465)	-	-
Other current assets	(925,254)	348,841	(6,727)	(35,739)
Other non-current assets	-	-	(336)	-
Trade accounts payable	285,130	(306,526)	-	-
Amounts due to related parties	(1,595)	(154,352)	(5,013)	7,729
Other current liabilities	(237,689)	699,579	319,618	199,040
Other non-current liabilities	(34,840)	(13,738)	(118)	-
Income taxes paid	(4,778,279)	(4,206,755)	(310,205)	(157,772)
Net cash provided by operating activities	5,852,996	9,862,371	1,139,636	2,475,080
Cash flows from investing activities				
Interest received	22,496	30,458	424,581	548,295
Dividends received	-	-	5,431,439	20,290,213
Current investments	104,559	(102,105)	-	-
Loans to and amounts due from related parties	296,157	(611)	3,513,666	(660,138)
Investments in subsidiaries and associates	11,037	36,010	(869,250)	(8,565,547)
Long-term investments	(5,260)	(110,320)	-	-
Purchase of property, plant and equipment	(1,767,440)	(770,162)	(10,245)	(2,161)
Decrease in property, plant and equipment	164,289	877,553	1,893	819,206
Purchase of intangible assets	(24,013)	(78,228)	(5,090)	(10,319)
Decrease of intangible assets	18,030	4,733	-	-
Other non-current assets	27,695	(7,144)	-	-
Purchase of investments in subsidiaries	(81,050)	(21)	-	(115)
Proceeds from sale of subsidiaries	1,590,953	-	1,590,953	8
Net cash provided by (used in) investing activities	357,453	(119,837)	10,077,947	12,419,442

Cash flows from financing activities

Interest paid	(525,229)	(931,532)	(838,173)	(1,452,991)
Dividends paid to equity holders of the Company	(7,281,907)	(5,775,306)	(7,281,907)	(5,775,306)
Dividends paid to minority interests	(113)	(465)	-	-
Dividends paid by subsidiary before business restructuring	(375,000)	(97,500)	-	-
Bank overdrafts and short-term loans from financial institutions	9,136,240	5,558,094	4,082,625	6,521,226
Repayment of short-term guaranteed bonds	-	(2,200,000)	-	(2,200,000)
Repayment of long-term guaranteed bonds	(3,000,000)	(2,300,000)	(3,000,000)	(2,300,000)
Loans from related parties	-	(4,615,232)	(5,800)	(11,075,200)
Proceeds from long-term loans from financial institutions	-	4,500,000	-	4,500,000
Repayment of long-term loans from financial institutions	(1,755,000)	(3,125,000)	(1,755,000)	(3,125,000)
Net cash used in financing activities	(3,801,009)	(8,986,941)	(8,798,255)	(14,907,271)
Net increase (decrease) in cash and cash equivalents	2,409,440	755,593	2,419,328	(12,749)
Cash and cash equivalents at beginning of period	2,587,796	1,941,381	9,168	15,623
Effect of exchange rate changes on balances held in foreign currencies	(452,326)	(39,528)	-	-
Cash and cash equivalents at end of period	4,544,910	2,657,446	2,428,496	2,874

d (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Thai Beverage Public Company Limited and its Subsidiaries
Statements of changes in equity
For the nine-month periods ended 30 September 2008 and 2007 (Unaudited)

(Unit : Thousand Baht)

	Consolidated financial statements									
	Issued and paid-up share capital	Difference arising from common control transactions	Reserves		Fair value changes and revaluation surpluses	Retained earnings		Total equity attributable to equity holders of the Company	Minority interests	Total equity
Share premium			Currency translation changes	Appropriated to legal reserve		Unappropriated				
Balance at 1 January 2007	25,110,025	(17,141,406)	17,215,737	(19,508)	6,586,263	1,700,000	19,102,445	52,553,556	506	52,554,062
Difference arising from common control transactions	-	795,570	-	-	-	-	-	795,570	1,016,618	1,812,188
Restated balance	25,110,025	(16,345,836)	17,215,737	(19,508)	6,586,263	1,700,000	19,102,445	53,349,126	1,017,124	54,366,250
Change in equity for the period										
Net surplus on property revaluation	-	-	-	-	(134,521)	-	134,521	-	-	-
Translation loss relating to financial statements of foreign operations	-	-	-	(39,528)	-	-	-	(39,528)	-	(39,528)
Net expense recognised directly in equity	-	-	-	(39,528)	(134,521)	-	134,521	(39,528)	-	(39,528)
Profit for the period	-	166,863	-	-	-	-	7,189,549	7,356,412	213,301	7,569,713
Total recognised income and expense	-	166,863	-	(39,528)	(134,521)	-	7,324,070	7,316,884	213,301	7,530,185
Effects of change to percentage of holding	-	-	-	-	-	-	-	-	(21)	(21)
Legal reserve	-	-	-	-	-	800,000	(800,000)	-	-	-
Dividends	-	-	-	-	-	-	(5,775,306)	(5,775,306)	(465)	(5,775,771)
Dividends paid by subsidiaries before business restructuring	-	(42,804)	-	-	-	-	-	(42,804)	(54,696)	(97,500)
Balance at 30 September 2007	25,110,025	(16,221,777)	17,215,737	(59,036)	6,451,742	2,500,000	19,851,209	54,847,900	1,175,243	56,023,143
Balance at 1 January 2008	25,110,025	(17,141,406)	17,215,737	(208,076)	4,388,935	2,900,000	22,644,726	54,909,941	42,872	54,952,813
Difference arising from common control transactions	-	940,283	-	-	-	-	-	940,283	1,201,539	2,141,822
Restated balance	25,110,025	(16,201,123)	17,215,737	(208,076)	4,388,935	2,900,000	22,644,726	55,850,224	1,244,411	57,094,635
Change in equity for the period										
Sale of subsidiary	-	-	-	-	(126,133)	-	-	(126,133)	-	(126,133)
Translation loss relating to financial statements of foreign operations	-	-	-	(452,326)	-	-	-	(452,326)	-	(452,326)
Net expense recognised directly in equity	-	-	-	(452,326)	(126,133)	-	-	(578,459)	-	(578,459)
Profit for the period	-	198,899	-	-	-	-	7,181,763	7,380,662	255,126	7,635,788
Total recognised income and expense	-	198,899	-	(452,326)	(126,133)	-	7,181,763	6,802,203	255,126	7,057,329
Effects of change to percentage of holding	-	-	-	-	-	-	-	-	(38,118)	(38,118)
Consideration paid to shareholder of subsidiary for common control transactions	-	(3,053,252)	-	-	-	-	-	(3,053,252)	-	(3,053,252)
Sale of subsidiary	-	(512,122)	-	-	-	-	-	(512,122)	-	(512,122)
Dividends	-	-	-	-	-	-	(7,281,907)	(7,281,907)	(113)	(7,282,020)
Dividends paid by subsidiaries before business restructuring	-	(164,629)	-	-	-	-	-	(164,629)	(210,371)	(375,000)
Balance at 30 September 2008	25,110,025	(19,732,227)	17,215,737	(660,402)	4,262,802	2,900,000	22,544,582	51,640,517	1,250,935	52,891,452

Thai Beverage Public Company Limited and its Subsidiaries
 Statements of changes in shareholders' equity
 For the nine-month periods ended 30 September 2008 and 2007 (Unaudited)

(Unit : Thousand Baht)

	Separate financial statements					Total equity attributable to equity holders of the Company
	Issued and paid-up share capital	Reserves		Retained earnings		
		Share premium	Fair value changes and revaluation surpluses	Appropriated to legal reserve	Unappropriated	
Balance at 1 January 2007	25,110,025	17,215,737	134,521	1,700,000	3,534,895	47,695,178
Net surplus on property revaluation	-	-	(134,521)	-	134,521	-
Profit for the period	-	-	-	-	20,502,170	20,502,170
Total recognised income and expense	-	-	(134,521)	-	20,636,691	20,502,170
Legal reserve	-	-	-	800,000	(800,000)	-
Dividends	-	-	-	-	(5,775,306)	(5,775,306)
Balance at 30 September 2007	25,110,025	17,215,737	-	2,500,000	17,596,280	62,422,042
Balance at 1 January 2008	25,110,025	17,215,737	-	2,900,000	16,112,423	61,338,185
Net surplus on property revaluation	-	-	-	-	-	-
Profit for the period	-	-	-	-	6,005,418	6,005,418
Dividends	-	-	-	-	(7,281,907)	(7,281,907)
Balance at 30 September 2008	25,110,025	17,215,737	-	2,900,000	14,835,934	60,061,696

(d) (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

N/A

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have been reviewed by the company's auditor in accordance with Thailand generally accepted accounting principles auditing standards.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Please see page 1 and 2 of the attached financial report.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Accounting policies and methods of computation applied in the interim financial statements for the three-month and nine-month periods ended 30 September 2008 are consistent with those applied in the financial statements for the year ended 31 December 2007 except for the change in accounting policy discussed in Item 5.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The following change of accounting policy by the Group has no effect on the separate financial statements of the Company.

Until 31 December 2007, the Group accounted for goodwill arising from a business combination at cost less accumulated amortisation. Amortisation was charged to the statement of income over the estimated useful life of 20 years.

During 2007, the Federation of Accounting Professions issued Thai Accounting Standard (TAS) 43 (revised 2007) "Business Combinations" which is effective for annual accounting periods beginning on or after 1 January 2008. TAS 43 (revised 2007) requires that the acquirer shall, at the acquisition date, recognise goodwill acquired in a business combination as an asset at cost. After initial recognition, goodwill shall be measured at cost less any accumulated impairment losses.

The Group has, accordingly, changed its accounting policy for goodwill prospectively from 1 January 2008. The effect of the change in accounting policy on the Group's consolidated financial statements for the nine-month period ended 30 September 2008 is to reduce the charge to the statement of income resulting from the amortisation of goodwill that would have been recognised under the previous accounting policy by approximately Baht 41 million, with a corresponding increase in reported profit for the period. Management has determined that there is no impairment in the carrying value of goodwill as at 30 September 2008.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-

(Unit : Baht)

	Consolidated financial statements			Consolidated financial statements		
	For the three-month periods			For the nine-month periods		
	(July- September)		Changes	(Jan- September)		Changes
	2008	2007	+/-	2008	2007	+/-
Earning per ordinary share of the group based on net profit attributable to shareholders:-						
(a) based on the weighted average number of ordinary shares on issue	0.09	0.08	13%	0.29	0.29	0%
(b) On a fully diluted basis	0.09	0.08	13%	0.29	0.29	0%

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-

(Unit : Baht)

	Consolidated financial statements			Separate financial statements		
	30 September	31 December	Changes	30 September	31 December	Changes
	2008	2007	+/-	2008	2007	+/-
Net asset value per ordinary share based on weighted average number of issued share capital	2.11	2.27	(7%)	2.39	2.44	(2%)

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) Any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors: and
- (b) Any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Thai Beverage Public Company Limited

Management Discussion and Analysis

Performance for the third quarter and the nine-month period ended 30 September 2008

On 30 September 2008, the Company acquired 43.9% interest of Oishi Group Public Company Limited (Oishi), a Thai company currently listed on the Stock Exchange of Thailand and sold all its shares of Thai Alcohol Public Company Limited (Thai Alcohol). Oishi is principally engaged in the Japanese restaurant business and the manufacture and distribution of food and beverages. As the same ultimate controlling shareholder of the company controlled Oishi both before and after the acquisition, the business combination has been accounted for in a manner similar to a pooling of interests and the assets, liabilities and contingent liabilities of Oishi acquired by the Company have been accounted for at book value. The Company has included the assets, liabilities, revenues and expenses of Oishi in the consolidated financial statements for the period ended 30 September 2008. The difference between the consideration paid by the Company and the carrying amounts of the net identifiable assets of Oishi at the date of the combination was accounted for under balance sheet item of difference arising from common control transactions. Oishi operations will be reported separately in two business segments, new segment of food and current segment of non-alcoholic beverages. The consolidated financial statements for the same period of 2007 have been restated for comparison with 2008. Revenues and expenses of Thai Alcohol are still included in the consolidated financial statements for the period ended 30 September 2008.

The Company has expanded the non-alcoholic beverages business by acquiring assets from a Thai company who engaged in the production and sales of energy drink and ready-to-drink coffee, and commenced this business in the first quarter 2008. The soda water and drinking water business will no longer be presented with the beer business but will be presented under non-alcoholic beverages business. Due to the small turnover of soda water and drinking water in the previous periods, the segmental information for the same period of 2007 was not restated to compare with that of 2008. Currently, Thaibev's business segments consist of Beer, Spirits, Non-alcoholic beverages, Food and Industrial Alcohol.

From 15 January 2008 onwards, all alcoholic drinks will be charged 1.5% of excise tax by laws to subsidize the Thai Public Broadcasting Service (TPBS). Currently, the company has paid excise tax, municipal tax which is 10% of excise tax, Health Promotion Fund contribution, which is 2% of excise tax and the latest one, TPBS tax which is 1.5% of excise tax. The Company has already increased the sales price of products to cover the TPBS tax

Since 1 January 2008, the company has changed its accounting policy regarding goodwill to comply with Thai Accounting Standard (TAS) 43 (revised 2007) "Business Combination," which is effective for accounting periods beginning on or after 1 January 2008. In the previous periods, goodwill arising from a business combinations was accounted for at cost less accumulated amortization over the estimated useful life. Currently, goodwill is measured at "cost less any accumulated loss after doing an impairment test." There was no impairment loss in the carrying value of goodwill as at 30 September 2008. The financial statements for the year 2007 have not been affected by this change in accounting policy.

Performance for the third quarter ended 30 September 2008

Group

In third quarter, ended 30 September 2008, total sales revenue of the Company was Baht 22,650 million, a decrease of 2.7% or Baht 633 million, from Baht 23,283 million in the corresponding quarter of last year, due to lower sales revenue from beer business about 32.2% and industrial alcohol business about 11.7% although higher sales revenue from spirits business about 19.6%, non alcoholic beverages business about 82.6% and food business about 32.4%.

Gross profit was Baht 6,211 million, a decrease of Baht 994 million, or 13.8%, due to a decrease in gross profit from beer business about 54.1% although increases in gross profit from spirits

business about 5.9%, non alcoholic beverages business about 25.1%, food business about 25.0% and industrial alcohol business about 172.7%.

Earnings before interest, tax, depreciation and amortization (EBITDA) was Baht 4,788 million, an increase of Baht 68 million, or 1.4%, due to increases in spirits business about 10.6%, non-alcoholic beverages business about 14.5% and industrial alcohol business about 2,232.0% which covered decreases in beer business about 60.3% and food business about 15.3%.

Net profit was Baht 2,335 million, an increase of Baht 259 million, or 12.5% due to increases in spirits business about 11.9% and industrial alcohol business about 497.6% which covered decreases in beer business about 121.5%, non-alcoholic beverages business about 88.4% and food business about 16.7%.

Q3 _ 2008(Jul-Sep)

	Beer	% to Sales	Spirits	% to Sales	Non-alcoholic beverages	% to Sales	Food	% to Sales	Alcohol	% to Sales	Eliminate	% to Sales	Total	% to Sales
Sales	7,468	100.0	13,545	100.0	1,061	100.0	679	100.0	136	100.0	(239)	100.0	22,650	100.0
Cost of sales	6,357	85.1	8,959	66.1	837	78.9	399	58.8	128	94.1	(241)	100.8	16,439	72.6
Gross profit	1,111	14.9	4,586	33.9	224	21.1	280	41.2	8	5.9	2	(0.8)	6,211	27.4
Selling and administrative expenses	1,126	15.1	1,747	12.9	190	17.9	232	34.2	48	35.3	(22)	9.2	3,321	14.7
Operating profit	(15)	(0.2)	2,839	21.0	34	3.2	48	7.1	(40)	(29.4)	24	(10.0)	2,890	12.8
Other income/														
Interest income	8	0.1	57	0.4	6	0.6	4	0.6	527	387.5	(12)	5.0	590	2.6
EBIT	(7)	(0.1)	2,896	21.4	40	3.8	52	7.7	487	358.1	12	(5.0)	3,480	15.4
Interest expenses	66	0.9	105	0.8	12	1.1	-	-	-	-	(10)	4.2	173	0.8
Income tax	(24)	(0.3)	819	6.0	18	1.7	2	0.3	157	115.4	-	-	972	4.3
Net Profit	(49)	(0.7)	1,972	14.6	10	0.9	50	7.4	330	242.6	22	(9.2)	2,335	10.3
Depreciation & Amortization	542	7.3	587	4.3	102	9.6	31	4.6	46	33.8	-	-	1,308	5.8
EBITDA	535	7.2	3,483	25.7	142	13.4	83	12.2	533	391.9	12	(5.0)	4,788	21.1

Q3 2007(Jul-Sep)

	Beer	% to Sales	Spirits	% to Sales	Non-alcoholic beverages	% to Sales	Food	% to Sales	Alcohol	% to Sales	Eliminate	% to Sales	Total	% to Sales
Sales	11,013	100.0	11,328	100.0	581	100.0	513	100.0	154	100.0	(306)	100.0	23,283	100.0
Cost of sales	8,593	78.0	6,996	61.8	402	69.2	289	56.3	165	107.1	(367)	119.9	16,078	69.1
Gross profit	2,420	22.0	4,332	38.2	179	30.8	224	43.7	(11)	(7.1)	61	(19.9)	7,205	30.9
Selling and administrative expenses	1,706	15.5	1,809	16.0	92	15.8	166	32.4	62	40.3	33	(10.8)	3,868	16.6
Operating profit	714	6.5	2,523	22.3	87	15.0	58	11.3	(73)	(47.4)	28	(9.2)	3,337	14.3
Other income/														
Interest income	31	0.3	11	0.1	-	-	4	0.8	-	-	(2)	0.7	44	0.2
EBIT	745	6.8	2,534	22.4	87	15.0	62	12.1	(73)	(47.4)	26	(8.5)	3,381	14.5
Interest expenses	65	0.6	182	1.6	1	0.2	-	-	10	6.5	3	(1.0)	261	1.1
Income tax	452	4.1	590	5.2	-	-	2	0.4	-	-	-	-	1,044	4.5
Net Profit	228	2.1	1,762	15.6	86	14.8	60	11.7	(83)	(53.9)	23	(7.5)	2,076	8.9
Depreciation & Amortization	604	5.5	614	5.4	37	6.4	36	7.0	48	31.2	-	-	1,339	5.8
EBITDA	1,349	12.2	3,148	27.8	124	21.3	98	19.1	(25)	(16.2)	26	(8.5)	4,720	20.3

Increase(Decrease)Q3(Jul-Sep)

	Beer	%	Spirits	%	Non-alcoholic beverages	%	Food	%	Alcohol	%	Eliminate	%	Total	%
Sales	(3,545)	(32.2)	2,217	19.6	480	82.6	166	32.4	(18)	(11.7)	67	21.9	(633)	(2.7)
Cost of sales	(2,236)	(26.0)	1,963	28.1	435	108.2	110	38.1	(37)	(22.4)	126	34.3	361	2.2
Gross profit	(1,309)	(54.1)	254	5.9	45	25.1	56	25.0	19	172.7	(59)	(96.7)	(994)	(13.8)
Selling and administrative expenses	(580)	(34.0)	(62)	(3.4)	98	106.5	66	39.8	(14)	(22.6)	(55)	(166.7)	(547)	(14.1)
Operating profit	(729)	(102.1)	316	12.5	(53)	(60.9)	(10)	(17.2)	33	45.2	(4)	(14.3)	(447)	(13.4)
Other income/														
Interest income	(23)	(74.2)	46	418.2	6	-	-	-	527	-	(10)	(500.0)	546	1,240.9
EBIT	(752)	(100.9)	362	14.3	(47)	(54.0)	(10)	(16.1)	560	767.1	(14)	(53.8)	99	2.9
Interest expenses	1	1.5	(77)	(42.3)	11	1,100.0	-	-	(10)	(100.0)	(13)	(433.3)	(88)	(33.7)
Income tax	(476)	(105.3)	229	38.8	18	-	-	-	157	-	-	-	(72)	(6.9)
Net Profit	(277)	(121.5)	210	11.9	(76)	(88.4)	(10)	(16.7)	413	497.6	(1)	(4.3)	259	12.5
Depreciation & Amortization	(62)	(10.3)	(27)	(4.4)	65	175.7	(5)	(13.9)	(2)	(4.2)	-	-	(31)	(2.3)
EBITDA	(814)	(60.3)	335	10.6	18	14.5	(15)	(15.3)	558	2,232.0	(14)	(53.8)	68	1.4

Beer Business

Sales revenue was Baht 7,468 million, a decrease of Baht 3,545 million, or 32.2%, mainly due to a decrease of beer sales volumes while the Company has raised its sales price to cover the new TPBS tax. The total sales volume of beer was 146.6 million litres, a decrease of 33.8% over the same quarter in 2007. Low alcohol beer sales volume at 26.5 million litres, or 18.1% of total beer

sales volume dropped from Q3 2007 sales volume which was 78.0 million litres, or 35.2% of total beer sales volume.

Gross profit of Baht 1,111 million decreased by Baht 1,309 million, or 54.1%, This was mainly due to a decrease of total beer sales volume and higher cost of materials; malt, rice, fuel and packaging materials.

EBITDA of Baht 535 million decreased by Baht 814 million, or 60.3%, mainly due to a decrease of sales revenue and gross profit although there was a decrease of sales promotional expenses.

Net loss of Baht 49 million was mainly due to the decrease of sales and the higher cost of materials.

Spirits Business

Sales revenue was Baht 13,545 million, an increase of Baht 2,217 million or 19.6% mainly due to an increase in the sales price during the year 2008 and an increase of total spirits sales volume. Total sales volume of spirits increased 2.1% to 99.1 million litres, which was derived from white spirits sales volume of 73.0 million litres, down 1.4%, and brown spirits sales volume of 26.1 million litres, up 13.4%. The Company was able to raise the selling price of its leading white spirits Ruang Khao & Pai-thong brands, in May 2008.

Gross profit of Baht 4,586 million reflected an increase of Baht 254 million or 5.9%. This was mainly due to an increase in the sales price.

EBITDA of Baht 3,483 million increased by Baht 335 million or 10.6%, mainly due to an increase in sales revenue and gross profit which helped compensate for an increase in idle cost and staff cost.

Net profit of Baht 1,972 million increased by Baht 210 million, or 11.9%, mainly due to the increase of sales, gross profit and a decrease of interest expenses.

Non-Alcoholic Beverages Business

From the third quarter 2008 onwards, the Company has added green tea drink and other non-alcoholic beverages of Oishi in non-alcoholic beverages business in addition to energy drinks, ready-to-drink coffee, soda and drinking water. Q3 2007 figures for comparison consisted of green tea drink and other non-alcoholic beverage of Oishi but did not include energy drinks and ready-to-drink which commenced the business in the first quarter of 2008 and did not include soda and drinking water which started include in non-alcoholic beverage business since 2008 and did not restate 2007 figures from beer business due to small number. Sales revenue was Baht 1,061 million. Gross profit and EBITDA for the segment was Baht 224 million and Baht 142 million respectively. Net profit was Baht 10 million.

Food Business

From the third quarter 2008 onwards, the Company has presented Japanese restaurant and bakery of Oishi in food business with 2007 figures for comparison. Sales revenue of Baht 679 million reflected an increase of Baht 166 million or 32.4%, mainly due to more branches opened in 2008 can generate more revenue.

Gross profit of Baht 280 million increased by Baht 56 million, or 25.0%, mainly due to higher sales.

EBITDA of Baht 83 million decreased by Baht 15 million or 15.3%, mainly due to higher staff costs.

Net profit of Baht 50 million decreased by Baht 10 million or 16.7%, mainly due to lower EBITDA per above mentioned.

Industrial Alcohol Business

Sales revenue of Baht 136 million reflected a decrease of Baht 18 million or 11.7%, mainly due to the decrease of Ethanol sales volume. Sales volume of Ethanol was 2.5 million litres, which was a decrease of 72.6%. The average sales price for Ethanol was Baht 20.03 per litre, which increased by 26.7% over the corresponding period in 2007. Sales volume of Alcohol 95 was 5.3 million litres, mostly from exports. The average export sales price was Baht 16.38 per litre, which was 5.5% higher than the same period in 2007.

Gross profit of Baht 8 million increased by Baht 19 million, or 172.7% over the same period in 2007, mainly due to higher margin from an increase in the sales price.

EBITDA of Baht 533 million increased by Baht 558 million or 2,232%, mainly due to gain from the disposal of all issued shares capital of Thai Alcohol Public Company Limited.

Net profit was Baht 330 million, an increase of Baht 413 million, or 497.6%, mainly due to higher EBITDA per above mentioned and a decrease of interest expenses.

Performance for the nine-month period ended 30 September 2008

Group

For the nine months of 2008, total sales revenue of the company was Baht 76,518 million, an increase of 2.5%, or Baht 1,849 million, from Baht 74,669 million in the corresponding period of the previous year, due to increases of sales revenue from spirits business about 12.7%, non-alcoholic beverages business about 55.3%, food business about 31.2% and industrial alcohol about 77.5% although a decrease of sales revenue from beer business about 15.7%.

Gross profit was Baht 21,182 million, a decrease of Baht 1,337 million, or 5.9%, due to a lower gross profit in beer business about 30.8% although higher gross profit in spirits business about 5.1%, non-alcoholic beverages business about 28.9%, food business about 29.0% and industrial alcohol about 383.3%.

Earnings before interest, tax, depreciation and amortization (EBITDA) was Baht 15,292 million, a decrease of Baht 743 million, or 4.6%, due to a decrease in beer business about 39.4% while there are increases in spirits business about 5.8%, non-alcoholic beverages business about 18.5%, food business about 10.0% and industrial alcohol about 1,090.4%.

Net profit was Baht 7,636 million, an increase of Baht 66 million, or 0.9%, due to increases in spirits business about 4.4%, food business about 50.0% and industrial alcohol about 354.1% which covered decreases in beer business about 35.0% and non-alcoholic beverages business about 56.2%.

Unit :Million Baht

9 mths YTD 2008

	Beer	% to Sales	Spirits	% to Sales	Non-alcoholic beverages	% to Sales	Food	% to Sales	Alcohol	% to Sales	Eliminate	% to Sales	Total	% to Sales
Sales	28,740	100.0	42,263	100.0	2,970	100.0	1,930	100.0	893	100.0	(278)	100.0	76,518	100.0
Cost of sales	23,452	81.6	28,007	66.3	2,234	75.2	1,120	58.0	806	90.3	(283)	101.8	55,336	72.3
Gross profit	5,288	18.4	14,256	33.7	736	24.8	810	42.0	87	9.7	5	(1.8)	21,182	27.7
Selling and administrative expenses	3,974	13.8	5,136	12.2	593	20.0	689	35.7	138	15.5	(9)	3.2	10,521	13.7
Operating profit	1,314	4.6	9,120	21.6	143	4.8	121	6.3	(51)	(5.7)	14	(5.0)	10,661	13.9
Other income/														
Interest income	40	0.1	134	0.3	15	0.5	16	0.8	529	59.2	(44)	15.8	690	0.9
EBIT	1,354	4.7	9,254	21.9	158	5.3	137	7.1	478	53.5	(30)	10.8	11,351	14.8
Interest expenses	148	0.5	296	0.7	39	1.3	-	-	9	1.0	(29)	10.4	463	0.6
Income tax	376	1.3	2,721	6.4	(9)	(0.3)	5	0.3	159	17.8	-	-	3,252	4.2
Net Profit	830	2.9	6,237	14.8	128	4.3	132	6.8	310	34.7	(1)	0.4	7,636	10.0
Depreciation &Amortization	1,605	5.6	1,777	4.2	323	10.9	95	4.9	141	15.8	-	-	3,941	5.2
EBITDA	2,959	10.3	11,031	26.1	481	16.2	232	12.0	619	69.3	(30)	10.8	15,292	20.0

9 mths YTD 2007

	Beer	% to Sales	Spirits	% to Sales	Non-alcoholic beverages	% to Sales	Food	% to Sales	Alcohol	% to Sales	Eliminate	% to Sales	Total	% to Sales
Sales	34,099	100.0	37,491	100.0	1,912	100.0	1,471	100.0	503	100.0	(807)	100.0	74,669	100.0
Cost of sales	26,457	77.6	23,932	63.8	1,341	70.1	843	57.3	485	96.4	(908)	112.5	52,150	69.8
Gross profit	7,642	22.4	13,559	36.2	571	29.9	628	42.7	18	3.6	101	(12.5)	22,519	30.2
Selling and administrative expenses	4,618	13.5	5,057	13.5	284	14.9	531	36.1	126	25.0	25	(3.1)	10,641	14.3
Operating profit	3,024	8.9	8,502	22.7	287	15.0	97	6.6	(108)	(21.5)	76	(9.4)	11,878	15.9
Other income/														
Interest income	93	0.3	124	0.3	3	0.2	11	0.7	15	3.0	(14)	1.7	232	0.3
EBIT	3,117	9.1	8,626	23.0	290	15.2	108	7.3	(93)	(18.5)	62	(7.7)	12,110	16.2
Interest expenses	207	0.6	582	1.6	2	0.1	-	-	28	5.6	-	-	819	1.1
Income tax	1,633	4.8	2,071	5.5	(4)	(0.2)	20	1.4	1	0.2	-	-	3,721	5.0
Net Profit	1,277	3.7	5,973	15.9	292	15.3	88	6.0	(122)	(24.3)	62	(7.7)	7,570	10.1
Depreciation &Amortization	1,765	5.2	1,796	4.8	116	6.1	103	7.0	145	28.8	-	-	3,925	5.3
EBITDA	4,882	14.3	10,422	27.8	406	21.2	211	14.3	52	10.3	62	(7.7)	16,035	21.5

Increase(Decrease)

	Beer	%	Spirits	%	Non-alcoholic beverages	%	Food	%	Alcohol	%	Eliminate	%	Total	%
Sales	(5,359)	(15.7)	4,772	12.7	1,058	55.3	459	31.2	390	77.5	529	65.6	1,849	2.5
Cost of sales	(3,005)	(11.4)	4,075	17.0	893	66.6	277	32.9	321	66.2	625	68.8	3,186	6.1
Gross profit	(2,354)	(30.8)	697	5.1	165	28.9	182	29.0	69	383.3	(96)	(95.0)	(1,337)	(5.9)
Selling and administrative expenses	(644)	(13.9)	79	1.6	309	108.8	158	29.8	12	9.5	(34)	(136.0)	(120)	(1.1)
Operating profit	(1,710)	(56.5)	618	7.3	(144)	(50.2)	24	24.7	57	52.8	(62)	(81.6)	(1,217)	(10.2)
Other income/														
Interest income	(53)	(57.0)	10	8.1	12	400.0	5	45.5	514	3,426.7	(30)	(214.3)	458	197.4
EBIT	(1,763)	(56.6)	628	7.3	(132)	(45.5)	29	26.9	571	614.0	(92)	(148.4)	(759)	(6.3)
Interest expenses	(59)	(28.5)	(286)	(49.1)	37	1,850.0	-	-	(19)	(67.9)	(29)	-	(356)	(43.5)
Income tax	(1,257)	(77.0)	650	31.4	(5)	(125.0)	(15)	(75.0)	158	15,800.0	-	-	(469)	(12.6)
Net Profit	(447)	(35.0)	264	4.4	(164)	(56.2)	44	50.0	432	354.1	(63)	(101.6)	66	0.9
Depreciation &Amortization	(160)	(9.1)	(19)	(1.1)	207	178.4	(8)	(7.8)	(4)	(2.8)	-	-	16	0.4
EBITDA	(1,923)	(39.4)	609	5.8	75	18.5	21	10.0	567	1,090.4	(92)	(148.4)	(743)	(4.6)

Beer Business

For the nine months of 2008, sales revenue was Baht 28,740 million, a decrease of Baht 5,359 million, or 15.7%, mainly due to the decrease of beer sales volume. Total sales volume of beer was

577.8 million litres, a decrease of 15.7%. Low alcohol beer sales volume was 135.7 million litres, a decrease over the same period in 2007 of 77.4 million litres or 36.3%.

Gross profit of Baht 5,288 million decreased by Baht 2,354 million or 30.8%, mainly due to the decrease of sales volume and higher cost of raw materials and packaging materials.

EBITDA of Baht 2,959 million decreased by Baht 1,923 million or 39.4%, mainly due to the decrease of gross profit although there was a decrease of sales promotion expenses.

Net Profit of Baht 830 million decreased by Baht 447 million or 35.0 %, mainly due to the decrease of sales, the higher cost of materials although there was a decrease in interest expenses.

Spirits Business

Sales revenue in the nine months of 2008 was Baht 42,263 million, higher than the same period in 2007 by Baht 4,772 million, or 12.7%, mainly due to the increase in the selling price of major spirits brands as mentioned above. The total sales volume of spirits was 311.3 million litres, a decrease of 5.1%. This is attributed to the white spirits' sales volume declining by 8.2% to 223.3 million litres, though brown spirits sales volume increased by 4.0% to 88.0 million litres.

Gross profit of Baht 14,256 million reflected an increase of Baht 697 million, or 5.1%, mainly due to the increase in the selling price.

EBITDA of Baht 11,031 million increased by Baht 609 million, or 5.8%, mainly due to the increase in gross profit which can compensate an increase of idle cost and staff cost.

Net profit of Baht 6,237 million increased by Baht 264 million, or 4.4%. mainly due to the increase in gross profit and a decrease in interest expenses.

Non-Alcoholic Beverages Business

Sales revenue in the nine months of 2008 was Baht 2,970 million. Gross profit and EBITDA was Baht 736 million and Baht 481 million respectively. Net profit was Baht 128 million.

Food Business

Sales revenue in the nine months of 2008 was Baht 1,930 million which reflected an increase of Baht 459 million or 31.2%, mainly due to more number of branches and sales promotion.

Gross profit of Baht 810 million increased by Baht 182 million or 29.0%, mainly due to more sales.

EBITDA of Baht 232 million increased by Baht 21 million or 10.0%, mainly due to more sales while higher staff costs and sales promotion.

Net profit of Baht 132 million increased by Baht 44 million, or 50.0%. mainly due to higher EBITDA per above mentioned.

Industrial Alcohol Business Segment

For the nine months of 2008, sales revenue of Baht 893 million reflected an increase of Baht 390 million, or 77.5%, mainly due to the increase of Alcohol 95 sales. Sales volume of Alcohol 95 was

31.2 million litres, an increase of 28.2 million litres, mostly from exports. The average sales price was Baht 14.09 per litre, which was 20.0% lower than the corresponding period in 2007. Sales volume of Ethanol was 27.1 million litres, an increase of 17.1% over the same period in the previous year, although the average sales price decreased from Baht 19.14 per litre in the nine month period of 2007 to Baht 16.48 per litre in 2008.

Gross profit of Baht 87 million increased by Baht 69 million, or 383.3%, mainly due to the increase in sales volume.

EBITDA of Baht 619 million increased by Baht 567 million, or 1,090.4%, mainly due to gain from the disposal of issued shares capital of Thai Alcohol Public Company Limited.

Net profit was Baht 310 million, an increase of Baht 432 million or 354.1%, mainly due to the other income per above mentioned and a decrease of interest expenses.

Financial Position

Assets

Total assets as at end of September 2008 was Baht 83,840 million, an increase of Baht 1,434 million, or 1.7%, compared with the end of 2007. Current assets increased by Baht 6,001 million, mainly due to an increase in inventories. Non-current assets decreased by Baht 4,567 million, mainly due to depreciation of property, plant and equipments.

Liabilities

Total liabilities as at end of September 2008 was Baht 30,949 million, increased by Baht 5,637 million, or 22.3%, compared with the end of 2007. This was mainly due to the issuance of short term bills of exchange amount of Baht 5,000 million.

The maturity of loans and bonds are as follows.

	Unit: Million Baht
Within September 2009	19,034
During October 2009 – Jan 2010	1,500
Total	20,534

Shareholders' Equity

Total shareholders' equity as at the end of September 2008 was Baht 51,641 million, a decrease of Baht 4,210 million, or 7.5% compared with the end of 2007. This was mainly due to the increase of retained earnings cannot cover the increase of difference arising from common control transactions.

Liquidity

Cash and cash equivalents, as at September 30, 2008, was Baht 4,545 million. The net increase from the beginning of the period was Baht 1,957 million. Details of activities are as follows.

	Unit: Million Baht
Net cash provided by operating activities	5,853
Net cash provided by investing activities	357
Net cash used in financing activities	(3,801)
Net increase in cash and cash equivalents in period	2,409

Adjustment from financial statement translation	(452)
Cash and cash equivalents at beginning of period	2,588
Cash and cash equivalents at end of period	4,545

Net cash provided by operating activities of Baht 5,853 million was mainly derived from net income of Baht 7,636 million and non-cash items from depreciation and amortization of Baht 3,941 million but deducted by increased inventories of Baht 3,662 million.

Net cash provided by investing activities of Baht 357 million was mainly due to proceeds from sale of Thai Alcohol Public Company Limited shares which offset with investment activities in property, plant and equipments.

Net cash used in financing activities of Baht 3,801 million was mainly due to dividend paid which offset with increased loans from issuance of short term bill of exchange.

Financial Ratios

	Sep.30,08	Dec.31,07
Current Ratio (times)	1.38	1.74
Total Debt to Equity Ratio(times)	0.59	0.44
Net asset value per share (Baht)	2.06	2.22
	Jan. – Sep.08	Jan. - Dec.07
Accounts Receivable Turnover (days)	6	6
Inventory Turnover (days)		
Beer Business		
Finished Goods	35	15
Spirits Business		
Finished Goods (Excl. Legacy Stocks)	78	79

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

N/A

10. Commentary to accompany the interim announcement regarding significant trends or competitive conditions in the industry and any know factors or events that may affect the group in the next reporting period or over next 12 months.

Business in Thailand

Thai Beverage Plc's sales are seasonal, with the highest sales occurring in holiday periods, especially in the fourth quarter of each year with the New Year pushing some sales into January as well as the period of the Thai New Year in April and other festive holidays. The third quarter of every year is a consistently low season for the Company. It is the monsoon season with rain affecting consumers' willingness to venture out in the evenings and is also a religious period when many consumers, especially in rural areas, cease drinking temporarily. The third quarter of 2008 was also negatively influenced by the economy, as consumers were affected by higher

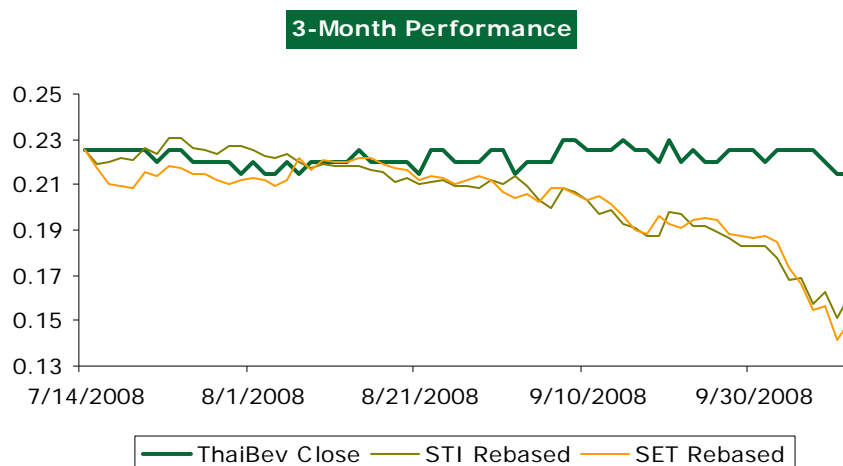
commodity prices affecting their willingness and ability to purchase discretionary items such as alcoholic beverages. This is reflected in the Consumer Confidence Index (CCI) falling from 16.7 in January 2008 to 11.5 in September 2008 after reaching a low of 7.8 in August 2008. A factor in the rising prices affecting consumers is inflation; the Bank of Thailand estimates that core inflation in 2008 will reach approximately 1.3 - 2.3, with headline inflation reaching 2.8 to 4.0.¹

The Consumer Price Index (CPI)² rose throughout the year to hit 123 in October. As most of Thai Beverage's consumers are low income, we note that the Low Income Consumer Price Index (LICPI)³ for all commodities rose from 120.6 in January 2008 to 127.7 in September 2008, while for food and beverages it rose from 128.6 in January to 146.8 in September 2008. The Rural Consumer Price Index for all commodities rose from 130 in January 2008 to 139.8 in September 2008.

With regard to the drop in spirits sales in late 2007 due to a rise in the government's tax of white spirits that August, the Company saw a period of sales decline immediately following the tax rise. However, over time this was expected to improve and the third quarter sales volumes appear to confirm this as volumes were down only 1.4% in the third quarter of 2008. Beer sales revenue fell over 15% over the first nine months we believe beer is mostly drunk on-premise and has been one of the discretionary items forgone by social drinkers and the 20-30 year-old age group during the economic downturn.

Investors should remain aware that while management is concerned about the decline in beer sales, and working to correct the problem, most of the company sales remain with off-premise and at-home consumption, and largely in the spirits segment.

Politically, Thailand has not been able to restore much confidence, and sentiment among investors is still low. However, ThaiBev's stock price has held up well as regional markets have dropped and it remains a relative safe haven for many fund managers. ThaiBev is not directly affected by politics, but is affected by the effect of politics on the economy.



Source: www.shareinvestor.com

¹ <http://www.bot.or.th/English/MonetaryPolicy/Inflation/Download/Pages/2008.aspx>

² Source: Bureau of Trade and Economic Indices of the Ministry of Commerce http://www.price.moc.go.th/price_e/

³ Ibid

The Company announced on 22 October 2008 that it would dual list its shares in Thailand while maintaining its listing in Singapore. The intention is to make 80 million shares available on the Thai stock market. This will provide local investors with an opportunity to own shares in one of Thailand's largest companies. The Securities Exchange Commission of Thailand is currently examining the application and a decision is expected within a month of the application date.

The acquisition of 43.9% of Thailand's leading green tea producer, Oishi, in September 2008 strengthens the non-alcohol division of ThaiBev's portfolio. The acquisition has triggered a legal obligation to make a tender offer for all shares. At this stage, the offer has been made but not finalized as of the time of writing, so the Company cannot comment at this time on the final portion of Oishi that it may hold.

Beer Business

Locally, the Company launched its new premium beer, Federbräu, in May 2008. Federbräu is aiming to compete with Heineken in a small but profitable segment. Investors should still be aware that the launch of a new product in any new segment will take at least 24 months to show any results.

Beer sales revenue declined 32.21% in the third quarter compared to the third quarter of 2007. Over the first nine months, this represents a decline of 15.7%. We believe this is largely due to the fact that beer is mostly drunk on-premise, even in rural areas, as opposed to white spirits, which are mostly drunk off-premise. As the economy has worsened, people are going out less. Lighter alcohol beers are mainly consumed by younger people, aged 20-30 years. As this demographic group has less income than the older generation, they have found it necessary to cut down on such discretionary expenditure.

Spirits Business

ThaiBev managed to raise sales revenues from the spirits business in the first nine months by 12.7% and 19.6% in Q3/2008. This was largely due to an increase in the sales price in 2008 and an increase in total spirits volume.

Looking at earlier results, investors will remember that the second quarter showed a 5.8% decline in white spirits volumes, compared to a 15.9% decline in the first quarter, and that decline, compared to the same quarter in 2007, is just 1.4% in the third quarter of 2008. This may indicate that consumers are beginning to become accustomed to the higher prices resulting from the tax increase imposed in August 2007. The Company also imposed a price rise to dealers in May 2008 that has helped revenues to rise this year.

For many consumers, the quality and reputation of our white spirits brands far outweighs the lower cost of illegal spirits and the severe health risk they entail. The Company is still seeing some consumers prefer half bottles of white spirits however, due to poor rural economic conditions.

Conversely, brown spirits are the Company's aspirational drink and are more often drunk by urban consumers who have not yet felt the economic downturn as severely as rural consumers. Sales volumes over the first nine months rose by 4% compared to the first nine months of 2007 and by 13.4% in the third quarter alone when compared to the same period in the previous year. Much of the growth may be attributed to the Company's two best-selling brown spirits, Blend

285 and Hong Thong. We attribute this in part to the different economic segment that consumes brown spirits, and especially due to the popularity of our leading brands.

Non-alcohol Business

The non-alcoholic business is still in its infancy at ThaiBev, but is expected to become an important growth segment over time. Due to the huge volumes built up in beer over 13 years and in spirits over 30 years, non-alcohol will take some time to become a significant part of the portfolio. The Company invested in non-alcohol because it is a growing segment of the drinks industry in Thailand and because there are synergies in terms of distribution and management experience at ThaiBev. As this segment did not exist in 2007, comparative numbers are not available. Soft drinks are not affected in the same way as alcoholic beverages are by the Lent period in the third quarter.

Food Business

With its acquisition of Oishi, ThaiBev acquired Oishi's restaurant and bakery business as part of the group. It has never been ThaiBev's intention to operate in areas outside its core drinks focus; however, Oishi's food business is still a profitable acquisition and will serve as an outlet for other ThaiBev products such as drinks. The sales revenue of this business grew 32.4% in Q3/2008 compared with Q3/2007 and 31.2% in the first nine months of this year compared to the same period last year. The net profit increase of 50% over the first nine months is an indication that the acquisition is of incremental benefit to the Company.

Industrial Alcohol Business

The Company sold all its shares in Thai Alcohol on September 30. However, in Q3/2008, sales revenue fell 11.7% due to a continued decline in ethanol volumes, which were down 72.6%. Although exports of Alcohol 95 helped sales due to higher prices in Q3 2008 compared to Q3 2007, ThaiBev believes that divesting this company will allow it to focus more on its core drinks business.

Business Overseas

In the USA, Mekhong is now available through distributors in nine states encompassing the West of the country. The brand has also been launched in New York and Boston and will soon be available in Chicago, Atlanta and the state of Florida. Chang beer sales have been growing on a progressive basis. Chang is now available in 2,179 Thai and Fusion restaurants around the USA, which represents 68% of our target in the states where Chang is distributed. The brand is beginning to make inroads into some of the major supermarket chains, which are important retailers of beer in western USA.

11. If a decision regarding dividend has been made:-

(a) Current Financial Period Reported On

Any dividend declared for current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Dividend is before tax.

N/A

(d) The date the dividend is payable .

N/A

12. If no dividend has been declared/recommended, a statement to that effect.

N/A

13. Interested person transaction

The details of the aggregate value of interested person transactions of the company for the three-month period (July - September) and nine-month period ended 30 September 2008 are as follows:

Thai Beverage Public Company Limited

Unaudited but reviewed results for the nine month period ended 30 September 2008

Interested persons transactions for the nine month period ended 30 September 2008

	Aggregate value of all interested persons transactions during the nine month period ended 30 September, 2008 under review (excluding transactions less than S\$100,000* and transactions conducted under Shareholders' Mandate) Baht '000	Aggregate value of all interested persons transactions conducted under the mandate (excluding transactions less than S\$100,000*) Baht '000
A Revenue from sales and service income		
1 Terragro Fertilizer Co., Ltd.	12,072.57	-
2 Pisetkij Co., Ltd.	-	13,861.49
3 PS Recycle Co., Ltd.	-	63,109.57
4 TCC Hotel Collection Co.,Ltd. (**)	2,528.26	-
5 O.G.T. Co., Ltd.	316,321.38	-
B Other income		
1 Pisetkij Co., Ltd.	-	7,428.83
2 Dumrongfah Co., Ltd.	525,788.85	-
C Cost of sales		
1 PS Recycle Co., Ltd.	-	722,902.69
2 The Maewang Sugar Industry Co., Ltd.	-	21,396.59
3 The Suphanburi Sugar Industry Co., Ltd.	-	45,250.10
4 Dhipaya Sugar (1999) Co., Ltd.	-	19,103.55
5 Southeast Capital Co., Ltd.	-	7,765.89
6 T.C.C. Technology Co., Ltd.	-	4,894.78
7 Thai Beverage Can Co., Ltd.	-	873,567.79
8 Berli Jucker Public Co., Ltd.	-	2,225,280.10
9 The Southeast Insurance Co., Ltd. (***)	-	97,189.16
10 The Southeast Life Insurance Co., Ltd.	-	3,971.46
11 The Utaradit Sugar Industry Co., Ltd.	-	21,829.68
12 New Noble Property and Loan Fund	-	10,246.64
13 North Park Golf And Sport Club Co., Ltd.	-	2,653.35
14 T.C.C. Ningbo Best Spirits Co., Ltd.	5,325.32	-
15 Siam Food Products Public Co., Ltd.	12,487.00	-
D Other expenses		
1 Bang-Na Glass Co., Ltd.	-	11,588.91
2 Southeast Capital Co., Ltd.	-	81,810.42
3 T.C.C. Technology Co., Ltd.	-	42,928.66
4 Berli Jucker PCL.	-	5,289.26
5 The Southeast Insurance Co., Ltd. (***)	-	27,401.43
6 The Southeast Life Insurance Co., Ltd.	-	3,865.62
7 Plaza Athenee Hotel (Thailand) Co., Ltd.	-	33,305.16
8 Regent Gold Property Fund	-	4,823.48
9 BJC Healthcare Co.,Ltd.	-	3,522.20
10 North Park Golf and Sport Club Co., Ltd.	-	7,994.06
11 TCC Hotel Collection Co.,Ltd. (**)	10,888.01	-
12 Dynamic Assets Property and Loan Fund	3,444.50	-
13 Best Wishes Co., Ltd	3,965.28	-
14 T.C.C. International Limited	17,395.63	-
15 Best Fortune Property and Loan Fund	23,174.48	-
16 TCC PD 11 Co., Ltd.	7,506.00	-
E Sales of assets		
1 Terragro Fertilizer Co., Ltd.	4,468.12	-

* Exchange rate Baht 24.00 per 1 SGD.

** Formerly : Queen's Park Hotel Group Co., Ltd.

*** Formerly : The Southeast Insurance (2000) Co., Ltd.

Remark : Oishi Group PLC used to be a related company. Since we acquired Oishi Group PLC on September 30, 2008 and consolidated it in our financial accounts in the Quarter ended September 2008, this company is no longer a related company, but has become a direct subsidiary of Thai Beverage PLC.

Thai Beverage Public Company Limited

Unaudited but reviewed results for the three-month period (July-September) ended 30 September 2008

Interested persons transactions for the three-month period (July-September) ended 30 September 2008

	Aggregate value of all interested persons transactions during the three-month period (July- September) ended 30 June 2008 under review (excluding transactions less than S\$100,000* and transactions conducted under Shareholders' Mandate) Baht '000	Aggregate value of all interested persons transactions conducted under the mandate (excluding transactions less than S\$100,000*) Baht '000
A Revenue from sales and service income		
1 Pisetkij Co., Ltd.	-	3,931.26
2 PS Recycle Co., Ltd.	-	18,028.60
3 O.G.T. Co., Ltd.	101,354.92	-
B Other income		
1 Pisetkij Co., Ltd.	-	2,660.96
2 Dumrongfah Co., Ltd.	525,788.85	-
C Cost of sales		
1 PS Recycle Co., Ltd.	-	184,505.21
2 The Maewang Sugar Industry Co., Ltd.	-	12,713.51
3 The Suphanburi Sugar Industry Co., Ltd.	-	13,804.04
4 Dhipaya Sugar (1999) Co., Ltd.	-	5,878.43
5 Southeast Capital Co., Ltd.	-	2,699.49
6 Thai Beverage Can Co., Ltd.	-	318,364.01
7 Berli Jucker Public Co., Ltd.	-	800,015.95
8 The Southeast Insurance Co., Ltd. (***)	-	34,707.03
9 The Utaradit Sugar Industry Co., Ltd.	-	6,992.44
10 New Noble Property and Loan Fund	-	3,415.55
11 Siam Food Products Public Co., Ltd.	6,192.00	-
D Other expenses		
1 Bang-Na Glass Co., Ltd.	-	3,291.05
2 Southeast Capital Co., Ltd.	-	27,738.96
3 T.C.C. Technology Co., Ltd.	-	11,097.38
4 Berli Jucker PCL.	-	5,289.26
5 The Southeast Insurance Co., Ltd. (***)	-	8,391.49
6 Plaza Athenee Hotel (Thailand) Co., Ltd.	-	10,048.77
7 T.C.C. International Limited	6,565.83	-
8 Best Fortune Property and Loan Fund	7,721.08	-
9 TCC PD 11 Co., Ltd.	2,502.00	-

* Exchange rate Baht 24.00 per 1 SGD.

*** Formerly : The Southeast Insurance (2000) Co., Ltd.

Remark : Oishi Group PLC used to be a related company. Since we acquired Oishi Group PLC on September 30, 2008 and consolidated it in our financial accounts in the Quarter ended September 2008, this company is no longer a related company, but has become a direct subsidiary of Thai Beverage PLC.