

Thai Beverage Public Company Limited

Financial Statement and Dividend Announcement for the Three-Month period Ended 31 March 2007

PART I INFORMATION REQUIRED FOR THE PERIOD 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 ended 31 March 2007 and 2006

	(Unit : Thousand Baht)		
	Consolidated		
	financial statements		
	For the three-month periods		
	2007	2006	+ / (-)
Revenues from sales and services			
Revenue from sale of goods and rendering of services	25,961,073	23,299,000	11%
Total revenues from sales and services	25,961,073	23,299,000	11%
Cost of sales and services			
Cost of sales of goods and rendering of services	18,309,933	16,069,126	14%
Total cost of sales and services	18,309,933	16,069,126	14%
Gross profit	7,651,140	7,229,874	6%
Selling and administrative expenses	3,097,671	3,142,045	(1%)
Net foreign exchange loss	21,072	30,946	(32%)
Operating profit	4,532,397	4,056,883	12%
Interest income	7,734	4,968	56%
Other income	113,824	24,112	372%
Net operating profit	4,653,955	4,085,963	14%
Share of profits from investments accounted for using the equity method	-	-	
Earnings before financial costs and income tax	4,653,955	4,085,963	14%
Interest expenses	296,961	474,757	(37%)
Income tax expenses	1,478,963	1,068,480	38%
Net profit	2,878,031	2,542,726	13%
Basic earnings per share (Baht)	0.11	0.12	(8%)
Diluted earnings per share (Baht)	0.11	0.12	(8%)

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 :

		(Unit : Thousand Baht)		
		Consolidated		
		financial statements		
		For the three-month periods		
		2007	2006	+ / (-)
A	Investment income	-	-	-
B	Other income including interest income	(121,558)	(29,080)	318%
C	Interest in borrowings	296,961	474,757	(37%)
D	Depreciation and amortization	1,236,156	1,100,593	12%
E	Allowance for doubtful debts and bad debts written off	1,330	1,379	(4%)
F	Write-off for stock obsolescence	32,262	26,506	22%
G	Impairment in value of investments	-	-	-
H	Foreign exchange (gain) / loss	21,072	30,946	(32%)
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	(17,649)	66,784	(126%)
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 31 March 2007 and 31 December 2006

	Consolidated financial statements		Separate financial statements	
	31-Mar-2007 (Unaudited but reviewed)	31-Dec-2006 (Audited)	31-Mar-2007 (Unaudited but reviewed)	31-Dec-2006 (Restated)
(Unit : Thousand Baht)				
Assets				
Current assets				
Cash and cash equivalents	2,453,468	1,919,577	44,265	15,623
Current investments	4,372	4,359	-	-
Trade accounts receivable	969,937	1,317,930	-	-
Short-term loans to and amounts due from related companies	35,445	64,335	11,362,009	16,536,017
Inventories	29,263,455	28,315,158	-	-
Other current assets	2,062,146	1,914,238	7,102	16,989
Total current assets	34,788,823	33,535,597	11,413,376	16,568,629
Non-current assets				
Investments in subsidiaries and associates	131,432	135,490	70,099,712	63,594,730
Other long-term investments	3,679	3,754	-	-
Amounts due from related parties	13,566	-	-	-
Property, plant and equipment	47,851,589	49,532,724	85,873	845,926
Intangible assets	346,691	354,845	21,461	12,353
Other non-current assets	2,003,538	2,017,102	354,786	357,129
Total non-current assets	50,350,495	52,043,915	70,561,832	64,810,138
Total assets	85,139,318	85,579,512	81,975,208	81,378,767
Liabilities and shareholders' equity				
Current liabilities				
Bank overdrafts and short-term loans from financial institutions	3,520,071	6,753,305	500,000	3,029,559
Trade accounts payable	2,410,304	2,275,671	-	-
Short-term guaranteed bonds	-	2,200,000	-	2,200,000
Current portion of long-term guaranteed bonds	5,300,000	2,300,000	5,300,000	2,300,000
Current portion of long-term loans	1,500,000	1,500,000	1,500,000	1,500,000
Short-term loans from and amounts due to related parties	1,628,290	4,837,787	18,872,430	17,457,029
Income tax payable	3,558,024	2,180,870	63,380	47,792
Other current liabilities	3,862,176	4,103,315	155,432	394,209
Total current liabilities	21,778,865	26,150,948	26,391,242	26,928,589
Non-current liabilities				
Long-term guaranteed bonds	-	3,000,000	-	3,000,000
Long-term loans from financial institutions	7,880,000	3,755,000	7,880,000	3,755,000
Amounts due to related parties	401	-	-	-
Other non-current liabilities	126,369	120,008	-	-
Total non-current liabilities	8,006,770	6,875,008	7,880,000	6,755,000
Total liabilities	29,785,635	33,025,956	34,271,242	33,683,589
Shareholders' 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	(17,141,406)	(17,141,406)	-	-
Reserves				
Share premium	17,215,737	17,215,737	17,215,737	17,215,737
Currency translation changes	(97,412)	(19,508)	-	-
Fair value changes and revaluation surplus	6,451,742	6,586,263	-	134,521
Retained earnings				
Appropriated - legal reserve	1,700,000	1,700,000	1,700,000	1,700,000
Unappropriated	22,114,997	19,102,445	3,678,204	3,534,895
Total shareholders' equity	55,353,683	52,553,556	47,703,966	47,695,178
Total liabilities and shareholders' equity	85,139,318	85,579,512	81,975,208	81,378,767

- (b) (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.

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

(Unit : Thousand Baht)

As at 31 March 2007				As at 31 December 2006			
Secured	Unsecured	Guaranteed	Guaranteed/ negative pledge	Secured	Unsecured	Guaranteed	Guaranteed/ negative pledge
-	2,975,622	545,972	6,800,000	-	5,241,500	1,516,420	6,000,000

- Amount repayable after one year

(Unit : Thousand Baht)

As at 31 March 2007				As at 31 December 2006			
Secured	Unsecured	Guaranteed	Guaranteed/ negative pledge	Secured	Unsecured	Guaranteed	Guaranteed/ negative pledge
-	4,500,000	-	3,380,000	-	-	-	6,755,000

- Details of any collateral

N/A

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

Thai Beverage Public Company Limited and its Subsidiaries
Statements of cash flows
For the three-month periods ended 31 March 2007 and 2006

(Unit : Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Cash flows from operating activities				
Net profit	2,878,031	2,542,726	8,788	1,270,216
Adjustments for :				
Depreciation and amortisation	1,223,656	1,088,093	7,187	5,195
Interest income	(7,734)	(4,968)	(201,312)	(187,492)
Interest expense	296,961	474,757	481,013	651,657
Amortisation of advance payments to a specialist	12,500	12,500	2,344	2,344
Reversal of an allowance for obsolete inventories	(44,879)	(20,449)	-	-
(Gain) loss on sale and disposal of property, plant and equipment	(17,649)	66,784	(63,908)	(2)
Unrealised (gain) loss on exchange rate	(3,770)	2,176	932	-
Dividends	-	-	-	(1,251,750)
Income tax expense	1,478,963	1,068,480	82,916	9,920
	<u>5,816,079</u>	<u>5,230,099</u>	<u>317,960</u>	<u>500,088</u>
Changes in operating assets and liabilities				
Trade accounts receivable	348,068	681,164	-	-
Amounts due from related parties	10,429	88,030	1,312,318	914,049
Inventories	(903,418)	(741,310)	-	-
Other current assets	(147,594)	510,531	9,886	(35,896)
Trade accounts payable	135,495	535,239	-	-
Amounts due to related parties	(119,753)	31,836	(11,448)	(4,144)
Other current liabilities	(106,993)	(1,304,528)	(113,508)	(64,744)
Other non-current liabilities	6,361	(1,132)	-	-
Advance payments to a specialist	-	(2,000,000)	-	(375,000)
Income taxes paid	(101,809)	(30,524)	(67,328)	(9,920)
Net cash provided by operating activities	<u>4,936,865</u>	<u>2,999,405</u>	<u>1,447,880</u>	<u>924,433</u>
Cash flows from investing activities				
Interest received	7,804	5,184	222,952	180,977
Current investments	(14)	6,279	-	-
Short-term loans to related parties	-	40,850	3,835,050	(2,246,200)
Investments in subsidiaries and associates	4,058	3,921	(6,504,981)	-
Increase in share capital in subsidiaries before business restructuring	-	27,040	-	-
Sale of long-term investments	75	137	-	-
Purchase of property, plant and equipment	(334,062)	(645,492)	(569)	(35,646)
Sale of property, plant and equipment	828,477	37,788	819,000	54
Purchase of intangible assets	(11,134)	(872)	(10,319)	(326)
Other non-current assets	1,064	(36,568)	-	(91)
Net cash provided by (used in) investing activities	<u>496,268</u>	<u>(561,733)</u>	<u>(1,638,867)</u>	<u>(2,101,232)</u>

Cash flows from financing activities

Interest paid	(421,056)	(424,711)	(606,612)	(586,758)
Bank overdrafts and short-term loans from financial institutions	(3,233,234)	(39,445,076)	(2,529,559)	(36,600,000)
Short-term loans to related parties	(3,092,048)	(172,944)	1,430,800	1,748,900
Proceeds from short-term guaranteed bonds	-	4,700,000	-	4,700,000
Repayment of short-term guaranteed bonds	(2,200,000)	-	(2,200,000)	-
Proceeds from long-term guaranteed bonds	-	5,300,000	-	5,300,000
Proceeds from long-term loans from financial institutions	4,500,000	26,600,000	4,500,000	26,600,000
Repayment of long-term loans from financial institutions	<u>(375,000)</u>	<u>(330,000)</u>	<u>(375,000)</u>	<u>-</u>
Net cash provided by (used in) financing activities	(4,821,338)	(3,772,731)	219,629	1,162,142
Currency translation changes	<u>(77,904)</u>	<u>(40,142)</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	533,891	(1,375,201)	28,642	(14,657)
Cash and cash equivalents at beginning of period	<u>1,919,577</u>	<u>3,397,994</u>	<u>15,623</u>	<u>18,563</u>
Cash and cash equivalents at end of period	<u>2,453,468</u>	<u>2,022,793</u>	<u>44,265</u>	<u>3,906</u>

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 period.

Thai Beverage Public Company Limited and its Subsidiaries
Statements of changes in shareholders' equity
For the three-month periods ended 31 March 2007 and 2006

(Unit : Thousand Baht)

	Consolidated financial statements							Total shareholders' equity
	Issued and paid-up share capital	Difference arising from common control transactions	Share premium	Reserve		Retained earnings		
				Currency translation changes	Fair value changes and revaluation surpluses	Legal reserve	Unappropriated	
Balance at 1 January 2006	22,000,000	(15,630,790)	-	(5,341)	6,584,735	1,110,000	17,655,899	31,714,503
Change in shareholders' equity for 2006								
Translation loss relating to financial statements of foreign operations	-	(15,539)	-	(24,603)	-	-	-	(40,142)
Net expense recognised directly in shareholders' equity	-	(15,539)	-	(24,603)	-	-	-	(40,142)
Net profit (loss)	-	(21,961)	-	-	-	-	2,564,687	2,542,726
Total recognised income and expense	-	(37,500)	-	(24,603)	-	-	2,564,687	2,502,584
Dividends	-	-	-	-	-	-	(5,280,000)	(5,280,000)
Consideration paid to shareholders of subsidiaries								
Increase in share capital in subsidiaries before business restructuring	-	27,040	-	-	-	-	-	27,040
Balance at 31 March 2006	22,000,000	(15,641,250)	-	(29,944)	6,584,735	1,110,000	14,940,586	28,964,127
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
Change in shareholders' equity for 2007								
Net surplus on property revaluation	-	-	-	-	(134,521)	-	134,521	-
Translation gain (loss) relating to financial statements of foreign operations	-	-	-	(77,904)	-	-	-	(77,904)
Net expense recognised directly in shareholders' equity	-	-	-	(77,904)	(134,521)	-	134,521	(77,904)
Net profit	-	-	-	-	-	-	2,878,031	2,878,031
Total recognised income and expense	-	-	-	(77,904)	(134,521)	-	3,012,552	2,800,127
Balance at 31 March 2007	25,110,025	(17,141,406)	17,215,737	(97,412)	6,451,742	1,700,000	22,114,997	55,353,683

Separate financial statements (restated)

	Issued and paid-up share capital	Difference arising from common control transactions	Share premium	Reserve		Retained earnings		Total shareholders' equity
				Currency translation changes	Fair value changes and revaluation surpluses	Legal reserve	Unappropriated	
Balance at 1 January 2006	22,000,000	(15,979,265)	-	(5,341)	6,584,735	1,110,000	17,655,899	31,366,028
Change in accounting policies		15,979,265		5,341	(6,450,214)	-	(14,494,368)	(4,959,976)
Restated balance	22,000,000	-	-	-	134,521	1,110,000	3,161,531	26,406,052
Changes in shareholders' equity for 2006								
Net profit	-	-	-	-	-	-	1,270,216	1,270,216
Dividends	-	-	-	-	-	-	(5,280,000)	(5,280,000)
Balance at 31 March 2006	22,000,000	-	-	-	134,521	1,110,000	(848,253)	22,396,268
 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
Change in accounting policies		17,141,406	-	19,508	(6,451,742)	-	(15,567,550)	(4,858,378)
Restated balance	25,110,025	-	17,215,737	-	134,521	1,700,000	3,534,895	47,695,178
Change in shareholders' equity for 2007								
Net surplus on property revaluation	-	-	-	-	(134,521)	-	134,521	-
Net expense recognised directly in shareholders' equity	-	-	-	-	(134,521)	-	134,521	-
Net profit	-	-	-	-	-	-	8,788	8,788
Total recognised income and expense	-	-	-	-	(134,521)	-	143,309	8,788
Balance at 31 March 2007	25,110,025	-	17,215,737	-	-	1,700,000	3,678,204	47,703,966

(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 generally accepted 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 are consistent with those applied in the financial statements for the year ended 31 December 2006, except for the change in the accounting policy for investments in subsidiary companies and associates, which is not classified as a "held for sale" investment, in the financial statements of the Company.

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 Company has no effect on the consolidated financial statements of the Group.

Until 31 December 2006, the Company accounted for its investments in subsidiary companies and associates in its separate financial statements using the equity method.

On 11 October 2006, the Federation of Accounting Professions (FAP) announced that the Thai Accounting Standard No. 44 (TAS No. 44) "Consolidated Financial Statements and Accounting for Investments in Subsidiaries" is to be revised. FAP announcement No. 26/2006 requires a parent company which has investments in a subsidiary company, or an associate company, which is not classified as a "held for sale" investment, to record such investment in accordance with either the cost method or with the recognition and measurement basis for financial instruments (when an announcement is made), instead of the equity method currently used.

Starting from 1 January 2007, the Company has, accordingly, changed its accounting policy for its investments in subsidiary companies and associate companies in its financial statements from the equity method to the cost method. The change in accounting policy has been applied retrospectively and the Company's 2006 separate financial statements, which are included in the Company's 2007 interim financial statements for comparative purposes, have been restated accordingly.

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		
	For the three-month periods		Changes
	2007	2006	+ / (-)
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	0.11	0.12	(8.3%)
(b) On a fully diluted basis	0.11	0.12	(8.3%)

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		
	31 March 2007	31 December 2006	Changes + / (-)	31 March 2007	31 December 2006	Changes + / (-)
Net asset value per ordinary share based on weighted average number of issued share capital	2.20	2.21	(0.5%)	1.90	2.01	(5.5%)

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

The Company has included the assets, liabilities, and operations of Pacific Spirits (UK) Limited and Best Spirits Company Limited, which it acquired at the end of October 2006, in the consolidated financial statements for quarter one, ended 31 March 2007. The consolidated financial statements for the same period of 2006 have been restated for comparison with quarter one, 2007.

Group

For quarter one, ended 31 March 2007, total sales revenue of the Company was Baht 25,961 million, increased 11.4% or Baht 2,662 million from Baht 23,299 million in the corresponding quarter of the previous year, mainly due to higher sales revenue from the beer/water business of about 16.2% and higher sales revenue from the spirits business of about 7.6%.

Gross profit was Baht 7,651 million, an increase of Baht 421 million or 5.8%, mainly due to the increase in the sales revenue from the beer/water business.

Earnings before interest, tax, depreciation and amortization (EBITDA) was Baht 5,877 million, an increase of Baht 703 million or 13.6%, mainly due to the increase in the beer/water business sales volume and gross profit while promotional goods for sales promotion of the beer/water business decreased to 5.4% of total beer sales volume.

Net profit was Baht 2,878 million, up by Baht 335 million or 13.2% mainly due to the increase of beer sales, the decrease in marketing expenses and the decrease in interest expense caused by the reduction in the Company's debt when it repaid short-term loans using the May 2006 IPO proceeds.

Unit :Million Baht

3 mths YTD _ 2007

	Beer /Water	% to Sales	Spirits	% to Sales	Alcohol	% to Sales	Related	% to Sales	Eliminate	% to Sales	Total	% to Sales
Sales	12,556	100.0	13,559	100.0	219	100.0	1,739	100.0	(2,112)	100.0	25,961	100.0
Cost of sales	9,600	76.5	8,765	64.6	186	84.9	1,483	85.3	(1,724)	81.6	18,310	70.5
Gross profit	2,956	23.5	4,794	35.4	33	15.1	256	14.7	(388)	18.4	7,651	29.5
Selling and administrative expenses	1,655	13.2	1,745	12.9	32	14.6	116	6.7	(429)	20.3	3,119	12.0
Operating profit	1,301	10.4	3,049	22.5	1	0.5	140	8.1	41	(1.9)	4,532	17.5
Other income/ Interest income	49	0.4	71	0.5	3	1.4	11	0.6	(12)	0.6	122	0.5
EBIT	1,350	10.8	3,120	23.0	4	1.8	151	8.7	29	(1.4)	4,654	17.9
Interest expenses	71	0.6	214	1.6	8	3.7	6	0.3	(2)	0.1	297	1.1
Income tax	671	5.3	744	5.5	2	0.9	62	3.6	-	-	1,479	5.7
Net Profit	608	4.8	2,162	15.9	(6)	(2.7)	83	4.8	31	(1.5)	2,878	11.1
Depreciation	568	4.5	592	4.4	49	22.4	14	0.8	-	-	1,223	4.7
EBITDA	1,918	15.3	3,712	27.4	53	24.2	165	9.5	29	(1.4)	5,877	22.6

3 mths YTD _ 2006

	Beer /Water	% to Sales	Spirits	% to Sales	Alcohol	% to Sales	Related	% to Sales	Eliminate	% to Sales	Total	% to Sales
Sales	10,805	100.0	12,600	100.0	76	100.0	1,608	100.0	(1,790)	100.0	23,299	100.0
Cost of sales	8,187	75.8	7,752	61.5	53	69.7	1,448	90.0	(1,371)	76.6	16,069	69.0
Gross profit	2,618	24.2	4,848	38.5	23	30.3	160	10.0	(419)	23.4	7,230	31.0
Selling and administrative expenses	1,595	14.8	1,813	14.4	56	73.7	131	8.1	(422)	23.6	3,173	13.6
Operating profit	1,023	9.5	3,035	24.1	(33)	(43.4)	29	1.8	3	(0.2)	4,057	17.4
Other income/ Interest income	12	0.1	25	0.2	-	-	9	0.6	(17)	0.9	29	0.1
EBIT	1,035	9.6	3,060	24.3	(33)	(43.4)	38	2.4	(14)	0.8	4,086	17.5
Interest expenses	92	0.9	355	2.8	14	18.4	15	0.9	(1)	0.1	475	2.0
Income tax	454	4.2	594	4.7	-	-	20	1.2	-	-	1,068	4.6
Net Profit	489	4.5	2,111	16.8	(47)	(61.8)	3	0.2	(13)	0.7	2,543	10.9
Depreciation	468	4.3	566	4.5	30	39.5	24	1.5	-	-	1,088	4.7
EBITDA	1,503	13.9	3,626	28.8	(3)	(3.9)	62	3.9	(14)	0.8	5,174	22.2

	Increase(Decrease)											
	Beer /Water	%	Spirits	%	Alcohol	%	Related	%	Eliminate	%	Total	%
Sales	1,751	16.2	959	7.6	143	188.2	131	8.1	(322)	(18.0)	2,662	11.4
Cost of sales	1,413	17.3	1,013	13.1	133	250.9	35	2.4	(353)	(25.7)	2,241	13.9
Gross profit	338	12.9	(54)	(1.1)	10	43.5	96	60.0	31	7.4	421	5.8
Selling and administrative expenses	60	3.8	(68)	(3.8)	(24)	(42.9)	(15)	(11.5)	(7)	(1.7)	(54)	(1.7)
Operating profit	278	27.2	14	0.5	34	103.0	111	382.8	38	1,266.7	475	11.7
Other income/ Interest income	37	308.3	46	184.0	3	-	2	22.2	5	29.4	93	320.7
EBIT	315	30.4	60	2.0	37	112.1	113	297.4	43	307.1	568	13.9
Interest expenses	(21)	(22.8)	(141)	(39.7)	(6)	(42.9)	(9)	(60.0)	(1)	(100.0)	(178)	(37.5)
Income tax	217	47.8	150	25.3	2	-	42	210.0	-	-	411	38.5
Net Profit	119	24.3	51	2.4	41	87.2	80	2,666.7	44	338.5	335	13.2
Depreciation	100	21.4	26	4.6	19	63.3	(10)	(41.7)	-	-	135	12.4
EBITDA	415	27.6	86	2.4	56	1,866.7	103	166.1	43	307.1	703	13.6

The Beer, Soda & Drinking Water Business

Sales revenue was Baht 12,556 million, an increase of Baht 1,751 million or 16.2%, mainly due to the increase of low alcohol beer sales volumes. Total sales volume of beer rose 17.2% to 248.3 million litres. Low alcohol beer sales volume was 66.4 million litres, which increased from 2006 by 63.5 million litres. The sales volume of soda was 3.8 million litres and the sales volume of drinking water was 10.6 million litres, a decline of 4% and 1.8% respectively.

Gross profit was Baht 2,956 million, an increase of Baht 338 million, or 12.9%. This was mainly due to the increase of sales volume.

EBITDA of Baht 1,918 million increased by Baht 415 million, or 27.6%, mainly due to the increase of sales and gross profit and the decrease in marketing expenses caused by free promotional goods. The free promotional beer volume as a percentage of total sales volume decreased from 8.9% on average in quarter one of 2006 to 5.4% in quarter one of 2007.

Net Profit of Baht 608 million increased by Baht 119 million or 24.3% in Q1/2007 compared with Q1/2006. This was mainly due to the increase of sales, the decrease of the marketing expenses and the decrease of interest expense.

The Spirits Business

Sales revenue was Baht 13,559 million, an increase of Baht 959 million or 7.6% mainly due to an increase in the sales volume of brown spirits. The Company's sales were severely affected in 2006 by the increase on excise tax on certain types of brown spirits in September 2005. To overcome this problem, the Company re-launched a brand called Hong Thong in April 2006 and launched a new brown spirit called Blend 285 in October 2006. Both are well-accepted by consumers and have become significant contributors to the recovery of the brown spirits business.

Total sales volume of spirits was 124.2 million litres, which is derived from white spirits sales volume of 90.2 million litres, down 8.4% and brown spirits sales volume of 34.0 million litres, up 21.2%.

Gross profit of Baht 4,794 million in Q1/2007, showed a decrease of Baht 54 million, or 1.1%. This was mainly due to the decrease of white spirits sales volume, which has a higher margin than brown spirits and could not be compensated by the increase in the brown spirits sales volume.

EBITDA of Baht 3,712 million increased by Baht 86 million or 2.4%, mainly due to the decrease of promotional goods' volume. As a percentage of total sales volume, promotional goods decreased from 1.5% by average in quarter one of 2006 to 0.6% in quarter one of 2007.

Net Profit of Baht 2,162 million increased by Baht 51 million, or 2.4%, mainly due to the decrease of promotional goods and interest expense.

Industrial Alcohol Business Segment

Sales revenue of Baht 219 million reflected an increase of Baht 143 million or 188.2%, mainly due to the increase of Ethanol sales volume, which helped to compensate for the decrease of Alcohol 95 sales volume. Sales volume of Ethanol was 9 million litres, an increase of 201.2% and the average sales price was Baht 23.32 per litre, which increased by 22.7% over 2006.

Gross profit of Baht 33 million increased by Baht 10 million, or 43.5%, mainly due to the increase of sales.

EBITDA of Baht 53 million increased by Baht 56 million or 1,866.7%, mainly due to the decrease in idle costs.

Net Loss was Baht 6 million, down by Baht 41 million, or 87.2%, mainly due to the decrease of idle costs and the decrease of interest expense.

Related Business Segment

Sales revenue was Baht 1,739 million, an increase of Baht 131 million or 8.1%, mainly due to the increase of inter-segment supply of packaging materials.

Gross profit of Baht 256 million, showed an increase of Baht 96 million, or 60.0%, mainly due to cost control.

EBITDA of Baht 165 million increased by Baht 103 million, or 166.1%, chiefly due to the increase of the gross profit margin.

Net Profit was Baht 83 million increased by Baht 80 million or 2,666.7%, mainly due to the increase of the gross profit and the decrease of interest expense.

Financial Position

Assets

Total assets as at the end of March 2007 was Baht 85,139 million, a decrease of Baht 440 million, or 0.5%, compared with the end of 2006. Current assets increased by Baht 1,253 million, mainly due to the increase in cash and cash equivalents and inventories. Non-current assets decreased by Baht 1,693 million, mainly due to the sale of land and a building, called the ThaiBev Tower project, and depreciation of property, plant and equipment.

Liabilities

Total liabilities as at end of March 2007 was Baht 29,785 million decreased by Baht 3,240 million, or 9.8%, compared with the end of 2006. This was mainly due to the repayment of bonds.

The maturity of loans and bonds are as follows.

	Unit: Million Baht
Within Mar 2008	11,843
During Apr 2008 – Mar 2009	4,130
During Apr 2009 – Jan 2010	3,750
Total	19,723

Shareholders' Equity

Total shareholders' equity as at the end of March 2007 was Baht 55,354 million, an increase of Baht 2,800 million, or 5.3% compared with the end of 2006, mainly due to the increase in retained earnings.

Liquidity

Cash and cash equivalents as at March 31, 2007, was Baht 2,453 million. The net increase from the beginning of the period was Baht 533 million. Details of activities are as follows.

	Unit: Million Baht
Net cash provided by operating activities	4,937
Net cash provided by investing activities	496
Net cash used in financing activities	(4,822)
Adjustment from financial statement translation	(78)
Net increase in cash and cash equivalents in period	533
Cash and cash equivalents at beginning of period	1,920
Cash and cash equivalents at end of period	2,453

Net cash provided by operating activities of Baht 4,937 million was mainly derived from net income of Baht 2,878 million and adjusted with non cash items, such as depreciation and amortization, of Baht 1,224 million.

Net cash provided by investing activities of Baht 496 million was mainly due to the proceeds from the sale of land and a building, called the ThaiBev Tower project.

Net cash used in financing activities of Baht 4,821 million was mainly due to the decrease in bank overdrafts and short-term loans from financial institutions and the repayment of bonds.

Financial Ratios

	Mar.31, 07	Dec.31, 06
Current Ratio (times)	1.60	1.28
Total Debt to Equity Ratio (times)	0.54	0.63
Net asset value per share (Baht)	2.20	2.21

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. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any know factors or events that may affect the group in the next reporting period and the next 12 months.

Business in Thailand

Explosions in Bangkok on New Year's Eve reduced the consumption of alcoholic drinks generally at on-premise outlets in January, particularly among late-night outlets frequented by young consumers. This situation gradually improved through February and March, though business at such outlets has yet to return to the level enjoyed prior to the incidents. As late-night outlets are a minor part of ThaiBev's business, the Company has not been negatively impacted. On the contrary, the situation has enhanced in-home consumption, which is the mainstay of the Company's business.

The Cabinet has endorsed the Alcohol Control Act proposed by the Ministry of Public Health and passed it to the parliament for further consideration. Until the bill is passed, the Company does not have a clear picture of the new regulations and thus cannot comment on the potential impact on our business.

The level of competition in both the beer and spirits markets has not changed significantly from the fourth quarter last year. Most of the beer and spirits distribution companies resumed TV advertising, but more discretely, in the form of trade promotions rather than consumer promotions, so as not to adversely influence the members of parliament who are in the process of considering the Alcohol Control Act.

Beer Business

ThaiBev's beer business performed well in the first quarter, maintaining the growth seen last year and achieving 17.2 per cent higher sales over the same period in 2006.

Last year, the Company decided to focus marketing efforts on its lower alcohol beers, Archa, Chang Draught and Chang Light. This strategy is now starting to bear fruit. They have been well received by young drinkers who prefer lighter, less bitter and easier-to-drink beers over traditionally high strength beers. Despite good volume growth, free promotional beer volumes continued to decline, becoming 25 per cent lower in Q1/2007 than the first quarter of 2006.

Spirit Business

The spirits market continued to be difficult during the first quarter of 2007. Last year, white spirits declined marginally, but brown spirits declined around 25 per cent following an excise tax increase in September 2005. During the first quarter 2007, white spirits were still marginally down on last year, but brown spirit sales recovered well. Hong Tong and Blend 285, launched in 2006, outperformed sales targets and helped the Company regain its position in the brown spirits business. Total spirits sales, both white and brown, declined just 1.8 per cent from sales during the same period last year.

As part of the Company's promotional activities to the trade, free promotional spirits are provided, but to a much smaller extent than beer. The level of spirits' free goods during first quarter this year was, similarly to beer, lower than the previous year. In Q1/2007, the Company gave 700,000 litres of free goods, which was 85 per cent lower than the same period last year. The implication is that the profitability of spirits improved in the first quarter.

Industrial Alcohol Business

The previous government announced it would stop importing 95 octane gasoline as of January 2007. Had this happened, it would have enhanced the demand for gasohol and industrial alcohol. However, the new government decided to postpone the import ban, which has turned the market around. Oil companies continue to import 95 octane gasoline and slow down the promotion of gasohol. The industrial alcohol business turned from being a sellers' to a buyers' market overnight. Pricing pressure from the major oil companies has put industrial alcohol producers in a difficult position, forced to operate under lower margins. This was exacerbated by a decline in demand for industrial alcohol. Thai Alcohol Plc. (a ThaiBev subsidiary) is the only company in Thailand with an industrial alcohol export license. It is therefore able to focus more on the export market and expects to continue to do so in future.

Sales of industrial alcohol during the first quarter 2007 was 9 million litres, 6 million litres higher than sales during the same period last year. It should be noted that last year we decided to stop production for several months due to low alcohol prices and high molasses costs. The period was spent conducting full maintenance on machinery and equipment.

Related Businesses

In 2007, we continue to invest in our glass bottle recycle terminal project. Three glass bottle recycle terminals are in the design phase. These terminals will help increase our efficiency in recycling used glass bottles, which will result in a reduction of packaging costs and support environmental conservation.

Business Overseas

IBHL (International Beverage Holding Limited) acquired Pacific Spirits (UK) in the last quarter of 2006. The integration of Inver House into IBHL is progressing according to plan and has begun to show promising results on the back of strong sales performance by Inver House Distillers.

On 29 March 2007, IBHL submitted a conditional bid of Rmb 980m for 100 per cent of Anhui Gujing Group Limited (AGGL) to the Bozhou State-Owned Assets Supervision and Administration Commission (the "Bozhou SASAC"). AGGL is a state-owned enterprise in China and engaged in distilling, hotels, real estate, finance and other businesses. It operates its distillery business through its subsidiary, Anhui Gujing Distillery Co., Ltd ("ADGC"), which is listed on the Shenzhen Stock Exchange.

On 3 April 2007, IBHL was informed by Bozhou SASAC that it had been selected to negotiate the final terms of the acquisition. If IBHL successfully completes the acquisition, it is ThaiBev's intention to retain only the distillery and liquor-related businesses of the AGGL group and to dispose of the other businesses to T.C.C. International Limited.

IBHL is in the process of setting up operations in the UK and USA to directly manage the sales of Chang beer in these countries. Initial results are anticipated in the second quarter of 2007.

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 three-month period ended 31 March 2007 are as follows:

Thai Beverage Public Company Limited

Unaudited but reviewed results for the three month period ended 31 March 2007

Interested persons transactions for the three month period ended 31 March 2007

	Aggregate value of all interested persons transactions during the three month period ended 31 March, 2007 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.	-	5,205.66
2 PS Recycle Co., Ltd.	-	17,758.33
3 Oishi Trading Co., Ltd.	3,910.89	-
B Other income		
1 Pisetkij Co., Ltd.	-	4,660.20
C Cost of sales		
1 PS Recycle Co., Ltd.	-	334,612.10
2 The Mae Wang Sugar Industry Co., Ltd.	-	12,076.62
3 The Suphanburi Sugar Industry Co., Ltd.	-	35,057.10
4 Dhipaya Sugar (1999) Co., Ltd.	-	3,127.67
5 T.C.C. Technology Co., Ltd.	-	7,620.87
6 Thai Beverage Can Co., Ltd.	-	261,830.76
7 Berli Jucker PCL.	-	547,282.20
8 Southeast Assurance (2000) Co., Ltd.	-	20,623.06
9 Uttaradit Sugar Industry Co., Ltd.	-	14,364.31
10 New Noble Property And Loan Fund	-	3,552.90
11 Dynamic Assets Property and Loan Fund	-	12,702.00
D Interest expenses		
1 Great Oriole Limited	28,668.29	-
E Other expenses		
1 South East Capital Co., Ltd.	-	28,044.14
2 T.C.C. Technology Co., Ltd.	-	8,449.78
3 Southeast Assurance (2000) Co., Ltd.	-	5,723.92
4 Plaza Athenee Hotel (Thailand) Co., Ltd.	-	8,937.04
5 TCC Hotel Collection Co.,Ltd. (**)	-	6,528.49
F Sales of assets		
1 TCC Hotel Collection Co.,Ltd. (**)	819,000.00	-
G Purchase of assets		
1 Siam Realty Co., Ltd.	-	30,655.00

* Exchange rate Baht 24.00 per 1 SGD.

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