

# Thai Beverage Public Company Limited

Financial Statement For The Three-Month Period Ended 31 March 2010

## **PART I INFORMATION REQUIRED FOR THE THREE-MONTH PERIOD ENED 31 MARCH (Q1) 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 and its Subsidiaries  
 Statements of income  
 For the three-month periods ended 31 March 2010 and 2009 (Unaudited)

	(Unit : Thousand Baht)		
	Consolidated		
	financial statements		
	For the three-month periods ended 31 March		
	2010	2009	+ / (-)
<b>Revenues from sales and services</b>			
Revenue from sale of goods and rendering of services	30,014,859	27,647,448	8.6%
<b>Total revenues from sales and services</b>	<b>30,014,859</b>	<b>27,647,448</b>	8.6%
<b>Cost of sales and services</b>			
Cost of sales of goods and rendering of services	21,502,449	19,471,061	10.4%
<b>Total cost of sales and services</b>	<b>21,502,449</b>	<b>19,471,061</b>	10.4%
<b>Gross profit</b>	<b>8,512,410</b>	<b>8,176,387</b>	4.1%
Selling expenses	1,866,329	1,165,187	60.2%
Administrative expenses	2,800,497	2,312,406	21.1%
Management benefit expenses	109,342	95,541	14.4%
<b>Operating profit</b>	<b>3,736,242</b>	<b>4,603,253</b>	(18.8%)
Interest income	335	1,517	(77.9%)
Other income	69,192	59,748	15.8%
<b>Earnings before financial costs and income tax</b>	<b>3,805,769</b>	<b>4,664,518</b>	(18.4%)
Finance costs	72,898	182,590	(60.1%)
Income tax expense	1,222,237	1,448,943	(15.6%)
<b>Profit for the year</b>	<b>2,510,634</b>	<b>3,032,985</b>	(17.2%)
<b>Attributable to:</b>			
Equity holders of the Company	2,488,431	3,016,091	(17.5%)
Minority interests	22,203	16,894	31.4%
<b>Profit for the year</b>	<b>2,510,634</b>	<b>3,032,985</b>	(17%)
Basic earnings per share (Baht)	0.10	0.12	(16.7%)
Diluted earnings per share (Baht)	0.10	0.12	(16.7%)

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 :

	<b>(Unit : Thousand Baht)</b>		
	<b>Consolidated</b>		
	<b>financial statements</b>		
	<b>For the three-month periods ended 31 March</b>		
	<b>2010</b>	<b>2009</b>	<b>+ / (-)</b>
A Investment income	-	-	-
B Other income including interest income	(32,222)	(52,937)	(39%)
C Interest on borrowings	72,898	182,590	(60%)
D Depreciation and amortization	1,118,092	1,072,658	4%
E Allowance for doubtful debts and bad debts written off	975	1,014	(4%)
F Write-off for stock obsolescence	(3,824)	10,814	(135%)
G Impairment in value of investments	-	91	(100%)
H Foreign exchange (gain) / loss	22,820	6,364	259%
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	(37,077)	(8,328)	345%
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 2010 and 31 December 2009

	Consolidated		(Unit : Thousand Baht)	
	financial statements		Separate	
	31-Mar-2010	31-Dec-2009	31-Mar-2010	31-Dec-2009
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	1,550,469	2,590,213	703	128,663
Current investments	3,981	3,744	-	-
Trade accounts receivable	1,850,113	2,050,390	-	-
Short-term loans to and other receivables from related parties	71,995	503,888	1,630,918	2,995,033
Inventories	28,596,230	26,194,211	-	-
Other current assets	2,738,068	2,135,371	20,911	13,849
<b>Total current assets</b>	<b>34,810,856</b>	<b>33,477,817</b>	<b>1,652,532</b>	<b>3,137,545</b>
<b>Non-current assets</b>				
Investments in subsidiaries	-	-	80,093,787	80,091,287
Investments in associates	117,625	127,832	-	-
Other long-term investments	14,101	10,589	-	-
Long-term loans to and other receivables from related parties	52,042	51,909	2,867,408	3,466,308
Property, plant and equipment	37,322,065	37,746,083	60,402	62,939
Intangible assets	3,285,919	3,311,409	29,924	31,069
Leasehold rights	196,136	202,092	-	-
Other non-current assets	2,206,610	2,221,934	321,972	325,816
<b>Total non-current assets</b>	<b>43,194,498</b>	<b>43,671,848</b>	<b>83,373,493</b>	<b>83,977,419</b>
<b>Total assets</b>	<b>78,005,354</b>	<b>77,149,665</b>	<b>85,026,025</b>	<b>87,114,964</b>

Thai Beverage Public Company Limited and its Subsidiaries

Balance sheets

As at 31 March 2010 and 31 December 2009

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31-Mar-2010	31-Dec-2009 00-Jan-00	31-Mar-2010	31-Dec-2009
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b>Liabilities and equity</b>				
<b>Current liabilities</b>				
Bank overdrafts and short-term loans				
from financial institutions	4,312,999	5,718,476	1,856,778	3,100,000
Trade accounts payable	3,643,577	3,139,840	-	-
Current portion of long-term loans				
from financial institutions	3,990,000	3,765,000	3,990,000	3,765,000
Short-term loans from and	-	-	-	-
other payables to related parties	81,191	153,591	6,287,637	7,390,688
Short-term loans from other party	400	2,200	-	-
Income tax payable	3,337,808	2,222,224	63,560	24,746
Other current liabilities	2,949,106	3,088,996	107,704	159,410
<b>Total current liabilities</b>	<b>18,315,081</b>	<b>18,090,327</b>	<b>12,305,679</b>	<b>14,439,844</b>
<b>Non-current liabilities</b>				
Long-term loans from and other payables to related parties	649	897	11,178,100	9,742,700
Long-term loans from financial institutions	1,000,000	2,500,000	1,000,000	2,500,000
Other non-current liabilities	112,704	114,860	-	-
<b>Total non-current liabilities</b>	<b>1,113,353</b>	<b>2,615,757</b>	<b>12,178,100</b>	<b>12,242,700</b>
<b>Total liabilities</b>	<b>19,428,434</b>	<b>20,706,084</b>	<b>24,483,779</b>	<b>26,682,544</b>
<b>Equity</b>				
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	(19,732,233)	(19,732,233)	-	-
Premium on ordinary shares	17,215,737	17,215,737	17,215,737	17,215,737
Fair value changes and revaluation differences on assets	4,262,883	4,262,883	-	-
Currency translation differences	(1,708,688)	(1,331,393)	-	-
Retained earnings				
Appropriated - legal reserve	2,900,000	2,900,000	2,900,000	2,900,000
Unappropriated	30,274,298	27,785,867	15,316,484	15,206,658
<b>Total equity attributable to equity holders of the Company</b>	<b>58,322,022</b>	<b>56,210,886</b>	<b>60,542,246</b>	<b>60,432,420</b>
Minority interests	254,898	232,695	-	-
<b>Total equity</b>	<b>58,576,920</b>	<b>56,443,581</b>	<b>60,542,246</b>	<b>60,432,420</b>
<b>Total liabilities and equity</b>	<b>78,005,354</b>	<b>77,149,665</b>	<b>85,026,025</b>	<b>87,114,964</b>

(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 figures 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)

<b>As at 31 March 2010</b>			<b>As at 31 December 2009</b>		
Letter of Comfort	Unsecured	Guaranteed	Letter of Comfort	Unsecured	Guaranteed
157,749	7,788,063	357,187	162,804	8,665,002	655,670

- Amount repayable after one year

(Unit : Thousand Baht)

<b>As at 31 March 2010</b>			<b>As at 31 December 2009</b>		
Secured	Unsecured	Guaranteed	Secured	Unsecured	Guaranteed
-	1,000,000	-	-	2,500,000	-

- 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 year.

Thai Beverage Public Company Limited and its Subsidiaries

Statements of cash flows

For the three-month periods ended 31 March 2010 and 2009 (Unaudited)

	(Unit : Thousand Baht)			
	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
<b>Cash flows from operating activities</b>				
Profit for the period	2,510,634	3,032,985	109,826	140,334
<i>Adjustments for</i>				
Depreciation and amortisation	1,105,592	1,060,158	9,456	9,085
Interest income	(335)	(1,517)	(62,432)	(99,487)
Finance costs	72,898	182,590	263,730	300,892
Unrealised (gain) loss on exchange	(7,664)	1,529	(4)	-
(Reversal of) bad and doubtful debts expense	(2,879)	1,071	-	-
Amortisation of advance payments to a specialist	12,500	12,500	2,344	2,344
Reversal of allowance for obsolete inventories	(38,319)	(86,802)	-	-
(Gain) loss on disposal and write-off of property, plant and equipment and intangible assets	(37,077)	(8,328)	-	32
Income tax expense	1,222,237	1,448,943	62,305	62,665
	<b>4,837,587</b>	<b>5,643,129</b>	<b>385,225</b>	<b>415,865</b>
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	201,525	(37,582)	-	-
Other receivables from related parties	432,015	6,780	6,027	(51,146)
Inventories	(2,363,700)	(1,610,036)	-	-
Other current assets	(602,637)	(374,373)	(7,065)	(4,926)
Trade accounts payable	511,802	(319,756)	-	-
Other payables to related parties	(71,981)	(55,040)	(16,614)	(55,803)
Other current liabilities	(79,165)	115,894	(45,439)	(39,530)
Other non-current liabilities	(2,150)	(7,061)	-	-
Income tax paid	(106,653)	(95,430)	(23,491)	(20,705)
<b>Net cash provided by operating activities</b>	<b>2,756,643</b>	<b>3,266,525</b>	<b>298,643</b>	<b>243,755</b>

**Cash flows from investing activities**

Interest received	220	1,608	67,920	98,265
Current investments	(236)	726	-	-
Loans to and other payables from related parties	(134)	(797)	1,951,500	590,600
Investments in subsidiaries	-	-	(2,500)	(30,000)
Investment in associates	10,208	(152)	-	-
Long-term investments	(3,512)	88	-	-
Purchase of property, plant and equipment	(827,228)	(387,561)	(10,201)	(9,990)
Decrease in property, plant and equipment	137,412	16,575	-	-
Purchase of intangible assets	(4,322)	(1,300)	(1,219)	(731)
(Increase) decrease in intangible assets	17,143	(206)	-	-
Leasehold rights	2,998	-	-	-
(Increase) decrease in other non-current assets	2,824	(14,184)	1,501	1,501
Proceeds from disposal of subsidiaries	-	(3,965)	-	-
<b>Net cash provided by (used in) investing activities</b>	<b>(664,627)</b>	<b>(389,168)</b>	<b>2,007,001</b>	<b>649,645</b>
<b>Cash flows from financing activities</b>				
Interest paid	(72,188)	(167,207)	(261,382)	(296,070)
Bank overdrafts and short-term loans from financial institutions	(1,405,477)	(1,455,377)	(1,243,222)	(1,559,326)
Loans from related parties	-	-	346,000	2,619,300
Repayment of short-term loans from other party	(1,800)	-	-	-
Repayment of long-term loans from financial institutions	(1,275,000)	(1,650,000)	(1,275,000)	(1,650,000)
<b>Net cash used in financing activities</b>	<b>(2,754,465)</b>	<b>(3,272,584)</b>	<b>(2,433,604)</b>	<b>(886,096)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(662,449)</b>	<b>(395,227)</b>	<b>(127,960)</b>	<b>7,304</b>
Cash and cash equivalents at beginning of period	2,590,213	1,920,972	128,663	3,964
Effect of exchange rate changes on balances held in foreign currencies	(377,295)	12,926	-	-
<b>Cash and cash equivalents at end of period</b>	<b>1,550,469</b>	<b>1,538,671</b>	<b>703</b>	<b>11,268</b>

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 capitalization issues and 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 three-month periods ended 31 March 2010 and 2009 (Unaudited)**

	<b>Consolidated financial statements</b>									
	Issued and paid-up share capital	Difference arising from common control transactions	Ordinary share premium	Fair value changes and revaluation differences	Currency translation differences	Retained earnings		Total equity attributable to equity holders of the Company	Minority interests	Total equity
Legal reserve						Unappropriated				
	<i>(in Baht)</i>									
<b>Balance at 1 January 2009</b>	<b>25,110,025</b>	<b>(19,728,268)</b>	<b>17,215,737</b>	<b>4,262,802</b>	<b>(1,503,025)</b>	<b>2,900,000</b>	<b>25,505,762</b>	<b>53,763,033</b>	<b>238,261</b>	<b>54,001,294</b>
Unrealised gains from change in fair value on an available for sale investment	-	-	-	81	-	-	-	81	-	81
Translation of financial statement differences	-	-	-	-	12,926	-	-	12,926	-	12,926
<b>Income recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>81</b>	<b>12,926</b>	<b>-</b>	<b>-</b>	<b>13,007</b>	<b>-</b>	<b>13,007</b>
Profit for the period	-	-	-	-	-	-	3,016,091	3,016,091	16,894	3,032,985
<b>Total recognised income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>81</b>	<b>12,926</b>	<b>-</b>	<b>3,016,091</b>	<b>3,029,098</b>	<b>16,894</b>	<b>3,045,992</b>
Consideration paid to equity holders of subsidiaries for common control transactions	-	(3,965)	-	-	-	-	-	(3,965)	-	(3,965)
<b>Balance at 31 March 2009</b>	<b>25,110,025</b>	<b>(19,732,233)</b>	<b>17,215,737</b>	<b>4,262,883</b>	<b>(1,490,099)</b>	<b>2,900,000</b>	<b>28,521,853</b>	<b>56,788,166</b>	<b>255,155</b>	<b>57,043,321</b>
<b>Balance at 1 January 2010</b>	<b>25,110,025</b>	<b>(19,732,233)</b>	<b>17,215,737</b>	<b>4,262,883</b>	<b>(1,331,393)</b>	<b>2,900,000</b>	<b>27,785,867</b>	<b>56,210,886</b>	<b>232,695</b>	<b>56,443,581</b>
Translation of financial statement differences	-	-	-	-	(377,295)	-	-	(377,295)	-	(377,295)
<b>Expenses recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(377,295)</b>	<b>-</b>	<b>-</b>	<b>(377,295)</b>	<b>-</b>	<b>(377,295)</b>
Profit for the period	-	-	-	-	-	-	2,488,431	2,488,431	22,203	2,510,634
<b>Balance at 31 March 2010</b>	<b>25,110,025</b>	<b>(19,732,233)</b>	<b>17,215,737</b>	<b>4,262,883</b>	<b>(1,708,688)</b>	<b>2,900,000</b>	<b>30,274,298</b>	<b>58,322,022</b>	<b>254,898</b>	<b>58,576,920</b>

Thai Beverage Public Company Limited and its Subsidiaries  
 Statements of changes in equity  
 For the three-month periods ended 31 March 2010 and 2009 (Unaudited)

(Unit : Thousand Baht)

	<b>Separate financial statements</b>				Total equity attributable to equity holders of the Company
	Issued and paid-up share capital	Ordinary share premium	Retained earnings Legal reserve	Unappropriated	
<b>Balance at 1 January 2009</b>	<b>25,110,025</b>	<b>17,215,737</b>	<b>2,900,000</b>	<b>14,849,684</b>	<b>60,075,446</b>
Profit for the period	-	-	-	140,334	140,334
<b>Balance at 31 March 2009</b>	<b>25,110,025</b>	<b>17,215,737</b>	<b>2,900,000</b>	<b>14,990,018</b>	<b>60,215,780</b>
<b>Balance at 1 January 2010</b>	<b>25,110,025</b>	<b>17,215,737</b>	<b>2,900,000</b>	<b>15,206,658</b>	<b>60,432,420</b>
Profit for the period	-	-	-	109,826	109,826
<b>Balance at 31 March 2010</b>	<b>25,110,025</b>	<b>17,215,737</b>	<b>2,900,000</b>	<b>15,316,484</b>	<b>60,542,246</b>

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

(d) (iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	31-March-2010	31-December-2009
Total number of shares	25,110,025,000	25,110,025,000

(d) (iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

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 1-2 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 period ended 31 March 2010 are consistent with those applied in the financial statements for the year ended 31 December 2009.*

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.

N/A

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)		
	<b>Consolidated</b>		
	<b>financial statements</b>		
	For the three-month periods		
	(Jan - March)		Changes
	2010	2009	+ / (-)
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	0.10	0.12	(17%)
(b) On a fully diluted basis	0.10	0.12	(17%)

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)					
	<b>Consolidated financial statements</b>			<b>Separate financial statements</b>		
	<b>31 March</b>	<b>31 December</b>	Changes	<b>31 March</b>	<b>31 December</b>	Changes
	<b>2010</b>	<b>2009</b>	+ / (-)	<b>2010</b>	<b>2009</b>	+ / (-)
	<b>Restated</b>					
Net asset value per ordinary share based on weighted average number of issued share capital	2.32	2.24	4%	2.41	2.41	0%

Remark: Net asset value = Total equity attributable to equity holders of the company

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 first quarter ended 31 March 2010**

The Company acquired Yunnan Yulinquan Liquor Co.,Ltd., a white spirits distillery in People's Republic of China, in the fourth quarter of 2009 through an indirect subsidiary in Hong Kong at a total consideration of RMB 69 million. The operation of this company was included in the spirits business segment since the fourth quarter ended 31 December 2009 onwards.

#### **Group**

For the first quarter ended 31 March 2010, total sales revenue of the Company was Baht 30,015 million, an increase of 8.6% or Baht 2,367 million, from Baht 27,648 million of the corresponding period of last year, due to an increase of sales revenue from the beer business of 8.3%, the spirits business of 5.6%, the non-alcoholic beverages business of 42.3% and the food business of 16.2%.

Gross profit was Baht 8,513 million, an increase of Baht 337 million, or 4.1%, due to higher gross profit in the beer business of 0.3%, the spirits business of 1.5%, the non-alcoholic beverages business of 27.0% and the food business of 7.1%.

Earnings before interest, tax, depreciation and amortization (EBITDA) was Baht 4,912 million, a decrease of Baht 812 million, or 14.2%, due to a decrease in the beer business of 120.2%, the spirits business of 6.6% and the non-alcoholic beverages business of 16.4% although there was an increase in the food business of 35.5%.

Net profit was Baht 2,511 million, a decrease of Baht 522 million, or 17.2%, due to lower net profit in the beer business of 157.8%, the spirits business of 9.1% and the non-alcoholic beverages business of 11.7% although there was a higher net profit in the food business of 66.7%.

Unit :Million Baht

**Q1\_2010**

	Beer	% to Sales	Spirits	% to Sales	Non-alcoholic beverages	% to Sales	Food	% to Sales	Eliminate	% to Sales	Total	% to Sales
Revenue from sales	8,585	100.0	18,970	100.0	1,580	100.0	904	100.0	(24)	100.0	30,015	100.0
Cost of sales	7,246	84.4	12,624	66.5	1,096	69.4	557	61.6	(21)	87.5	21,502	71.6
Gross profit	1,339	15.6	6,346	33.5	484	30.6	347	38.4	(3)	12.5	8,513	28.4
Selling and administrative expenses	1,828	21.3	2,277	12.0	397	25.1	290	32.1	(16)	66.7	4,776	15.9
Operating profit(loss)	(489)	(5.7)	4,069	21.4	87	5.5	57	6.3	13	(54.2)	3,737	12.5
Other income/ Interest income	12	0.1	63	0.3	4	0.3	3	0.3	(13)	54.2	69	0.2
EBIT(loss)	(477)	(5.6)	4,132	21.8	91	5.8	60	6.6	-	-	3,806	12.7
Finance costs	23	0.3	44	0.2	4	0.3	2	0.2	-	-	73	0.2
Income tax	(85)	(1.0)	1,308	6.9	(4)	(0.3)	3	0.3	-	-	1,222	4.1
Net Profit (loss)	(415)	(4.8)	2,780	14.7	91	5.8	55	6.1	-	-	2,511	8.4
Depreciation &Amortization	398	4.6	572	3.0	93	5.9	43	4.8	-	-	1,106	3.7
EBITDA(loss)	(79)	(0.9)	4,704	24.8	184	11.6	103	11.4	-	-	4,912	16.4

**Q1\_2009**

	Beer	% to Sales	Spirits	% to Sales	Non-alcoholic beverages	% to Sales	Food	% to Sales	Eliminate	% to Sales	Total	% to Sales
Revenue from sales	7,924	100.0	17,957	100.0	1,110	100.0	778	100.0	(121)	100.0	27,648	100.0
Cost of sales	6,589	83.2	11,705	65.2	729	65.7	454	58.4	(5)	4.1	19,472	70.4
Gross profit	1,335	16.8	6,252	34.8	381	34.3	324	41.6	(116)	95.9	8,176	29.6
Selling and administrative expenses	1,404	17.7	1,822	10.1	252	22.7	291	37.4	(196)	162.0	3,573	12.9
Operating profit(loss)	(69)	(0.9)	4,430	24.7	129	11.6	33	4.2	80	(66.1)	4,603	16.6
Other income/ Interest income	72	0.9	57	0.3	7	0.6	5	0.6	(80)	66.1	61	0.2
EBIT(loss)	3	0.0	4,487	25.0	136	12.3	38	4.9	-	-	4,664	16.9
Finance costs	68	0.9	100	0.6	11	1.0	3	0.4	-	-	182	0.7
Income tax	96	1.2	1,329	7.4	22	2.0	2	0.3	-	-	1,449	5.2
Net Profit (loss)	(161)	(2.0)	3,058	17.0	103	9.3	33	4.2	-	-	3,033	11.0
Depreciation &Amortization	389	4.9	549	3.1	84	7.6	38	4.9	-	-	1,060	3.8
EBITDA(loss)	392	4.9	5,036	28.0	220	19.8	76	9.8	-	-	5,724	20.7

**Increase(Decrease)**

	Beer	%	Spirits	%	Non-alcoholic beverages	%	Food	%	Eliminate	%	Total	%
Revenue from sales	661	8.3	1,013	5.6	470	42.3	126	16.2	97	80.2	2,367	8.6
Cost of sales	657	10.0	919	7.9	367	50.3	103	22.7	(16)	(320.0)	2,030	10.4
Gross profit	4	0.3	94	1.5	103	27.0	23	7.1	113	97.4	337	4.1
Selling and administrative expenses	424	30.2	455	25.0	145	57.5	(1)	(0.3)	180	91.8	1,203	33.7
Operating profit(loss)	(420)	(608.7)	(361)	(8.1)	(42)	(32.6)	24	72.7	(67)	(83.8)	(866)	(18.8)
Other income/ Interest income	(60)	(83.3)	6	10.5	(3)	(42.9)	(2)	(40.0)	67	83.8	8	13.1
EBIT(loss)	(480)	(16,000.0)	(355)	(7.9)	(45)	(33.1)	22	57.9	-	-	(858)	(18.4)
Finance costs	(45)	(66.2)	(56)	(56.0)	(7)	(63.6)	(1)	(33.3)	-	-	(109)	(59.9)
Income tax	(181)	(188.5)	(21)	(1.6)	(26)	(118.2)	1	50.0	-	-	(227)	(15.7)
Net Profit (loss)	(254)	(157.8)	(278)	(9.1)	(12)	(11.7)	22	66.7	-	-	(522)	(17.2)
Depreciation &Amortization	9	2.3	23	4.2	9	10.7	5	13.2	-	-	46	4.3
EBITDA(loss)	(471)	(120.2)	(332)	(6.6)	(36)	(16.4)	27	35.5	-	-	(812)	(14.2)

### Beer Business

For the first quarter ended 31 March 2010, sales revenue was Baht 8,585 million, an increase by Baht 661 million, or 8.3%, mainly due to an increase of the sales price to cover the excise tax rise in May 2009. Total sales volume of beer was 152.7 million litres, a decrease of 4.0%.

Gross profit was Baht 1,339 million, an increase by Baht 4 million or 0.3%, mainly due to the increases in sales.

EBITDA showed a loss of Baht 79 million, compared with a Baht 392 million gain in the corresponding period of last year, which changed by Baht 471 million or 120.2% was mainly due to an increase of sales promotional expenses.

Net loss was Baht 415 million, an increase by Baht 254 million or 157.8 %, mainly due to the decrease of EBITDA although there was a decrease of interest expenses.

### Spirits Business

For the first quarter ended 31 March 2010, sales revenue was Baht 18,970 million, an increase by Baht 1,013 million or 5.6%, mainly due to an increase of sales price to cover the excise tax rise in May 2009 and an increase of sales volume. Total sales volume of spirits was 127.2 million litres, an increase of 1.2%.

Gross profit was Baht 6,346 million, an increase by Baht 94 million or 1.5%, mainly due to the increase in sales although there was an increase in raw material cost.

EBITDA was Baht 4,704 million, a decrease by Baht 332 million or 6.6%, mainly due to the increase in sales promotion expenses and donation expenses.

Net profit was Baht 2,780 million, a decrease by Baht 278 million or 9.1%, mainly due to the decrease in EBITDA although there was a decrease in interest expenses.

### **Non-Alcoholic Beverages Business**

For the first quarter ended 31 March 2010, sales revenue was Baht 1,580 million, an increase by Baht 470 million or 42.3%, mainly due to the increase of Oishi's beverages sales. Total sales volume of Oishi beverages, which consist of green tea, black tea, and other non-alcoholic beverages, was 50.4 million litres, an increase of 39.8%. Energy drinks generated sales volume of 1.9 million litres, a decrease of 8.8%. Soda and drinking water generated sales volume of 6.4 million litres and 18.5 million litres, the increase of 101.9% and 53.3% respectively.

Gross profit was Baht 484 million, an increase by Baht 103 million or 27.0%, mainly due to the increase of Oishi beverage sales. The lower margin was mainly due to the product mix of Oishi beverages sales.

EBITDA was Baht 184 million, a decrease by Baht 36 million or 16.4%, mainly due to the increase in advertising expenses and marketing expenses.

Net profit was Baht 91 million, a decrease by Baht 12 million or 11.7%, mainly due to the decrease in EBITDA although there was a decrease in interest expenses.

### **Food Business**

For the first quarter ended 31 March 2010, sales revenue was Baht 904 million, an increase by Baht 126 million or 16.2%, mainly due to an increase in the number of branches and the sales price.

Gross profit was Baht 347 million, an increase by Baht 23 million or 7.1%, mainly due to higher sales although food costs increased in accordance with the variety of foods available.

EBITDA was Baht 103 million, an increase by Baht 27 million or 35.5%, mainly due to the increase in gross profit although branch rental fees increased.

Net profit was Baht 55 million, an increase by Baht 22 million or 66.7% mainly due to the increase in EBITDA.

## **Financial Position**

### **Assets**

Total assets as at the end of March 2010 was Baht 78,005 million, an increase by Baht 855 million or 1.1%, compared with the end of 2009. Current assets increased by Baht 1,333 million, mainly due to an increase in inventories. Non-current assets decreased by Baht 477 million, mainly due to depreciation of property, plant and equipment.

### **Liabilities**

Total liabilities as at the end of March 2010 was Baht 19,428 million, a decrease of Baht 1,278 million, or 6.2%, compared with the end of 2009. This was mainly due to repayment of loans.

The maturity of interest-bearing loans was as follows.

	Unit: Million Baht
Within March 2011	8,303
Within May 2011	1,000
Total	9,303

### **Shareholders' Equity**

Total shareholders' equity as at the end of March 2010 was Baht 58,577 million, an increase of Baht 2,133 million, or 3.8% compared with the end of 2009. This was mainly due to an increase in net retained earnings; profit for the period.

### Liquidity

Cash and cash equivalents as at 31 March 2010 was Baht 1,550 million. The net decrease from the beginning of the period was Baht 1,040 million. Details of activities were as follows.

	Unit: Million Baht
Net cash provided by operating activities	2,757
Net cash used in investing activities	(665)
Net cash used in financing activities	(2,755)
Net decrease in cash and cash equivalents in period	(663)
Adjustment from financial statement translation	(377)
Cash and cash equivalents at beginning of period	2,590
Cash and cash equivalents at end of period	1,550

Net cash provided by operating activities of Baht 2,757 million was mainly derived from net income of Baht 2,511 million, non-cash items from depreciation and amortization of Baht 1,106 million and working capital and others, which decreased by Baht 860 million.

Net cash used in investing activities of Baht 665 million was mainly due to purchase of property, plant and equipments.

Net cash used in financing activities of Baht 2,755 million was mainly due to repayment of loans.

### Financial Ratios

	Mar.31, 10	Dec.31, 09
Current Ratio (times)	1.90	1.85
Total Debt to Equity Ratio (times)	0.33	0.37
Net asset value per share (Baht)	2.32	2.24
	Jan. – Mar.10	Jan. - Dec.09
Accounts Receivable Turnover (days)	6	6
Inventory Turnover (days)		
Beer Business		
Finished Goods	29	40
Spirits Business		
Finished Goods (Excl. Legacy Stocks)	53	59

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 announcement regarding significant trends or competitive conditions in the industry and any known factors or events that may affect the group in the next reporting period or over the next 12 months.

The economic conditions in the first quarter of 2010 for both expenditures and productions have improved when compared to previous quarter (4Q09). Private consumption and private investment continued to improve, especially investment in export-oriented industries. Also, export and production sectors have substantially expanded. Meanwhile, the number of foreign tourists declined due to the concern over domestic political situation.

The Office of National Economic and Social Development Board reported that Thai economy for 2010 is expected to grow by 3.5-4.5%, depending on the magnitude of global economic recovery. Meanwhile, the sustainability of global economic recovery remains uncertain especially in the second half of the year as the volatility in global economy and financial market is expected to prevail. The headline inflation is forecasted to be 3.0-4.0% this year.

The Consumer Price Index (CPI) continued to grow in the first quarter of 2010. In March 2010, it was 107.13 which is a 3.4% increase when comparing year-on-year (YoY). The Private Consumption Index (PCI) in the first quarter of 2010 improved YoY. It was 133.6, an increase of 7.7% YoY comparison. The Consumer Confidence Index (CCI) in March 2010 declined to 77.3 due to the concern on economy that might have been affected from the Thai political tension.

It should be noted that even though all economic indicators in the first quarter of 2010 showed signs positive recovery but the market outlook was not as positive as the economic indicators indicate. This was due to the so-called red shirt group marched in Bangkok to protest against the current government since March 12th. Trades, referring to our distributing agents, had no confidence in stocking-up for Songkran festival.

Source:

1. Press Release on Economic and Monetary Conditions for March and the First Quarter of 2010 by Bank of Thailand
2. Summary of March 2010's consumer confidence survey by the Center for Economic and Business Forecasting, the University of the Thai Chamber of Commerce
3. Thai Economic Performance in Q4 and Outlook for 2010 by the Office of the National Economic and Social Development Board

#### Beer Business

The political protest in various parts of Bangkok and the outlying areas during the first quarter of 2010 has had a direct impact to the overall beer industry. Most people refrained from leaving their homes and going out especially to on-premise places. The industry was expecting a recovery and a turnaround

in beer growth, however, as a result of the above mentioned event, this has hampered the growth of beer industry.

For ThaiBev, beer sales revenue in the 1Q10 increased by 8.3% attributed mainly from an increase in sales price in order to compensate for the excise tax increased that kicked-in May 2009. The Chang Beer re-branding that took place in 4Q09 had also boosted the beer volume in the first quarter. More importantly, this slower the pace or decelerated the volume decline when compared YoY. However, the political uncertainty in Thailand had been a key factor for the beer business which led to the decline in volume of 4.0% compared to double digit decline experienced in 2009.

In order to maintain brand awareness of ThaiBev's beer and the sales momentum, the Company will continue to invest in marketing and promotion expenses. The Company believes brand investment is essential and a necessary tool for obtaining the market share in the future.

### Spirits Business

ThaiBev overall spirits business continued to grow in the 1Q10, however, at a slower rate in term of volume. Bear in mind that we had just come off from a high volume base in 2009 as distributing agents over stock spirits products in anticipation of excise tax increased in early 2009. Our top selling brown spirits such as Hong Thong and Blend 285 still enjoyed high volume growth due to their strong popularity among local drinkers. However, the concern over the political unrest has hampered consumer confidence in March 2010 as they are reluctant to go out coupled with spending cautious. If the political problem in Thailand continues to linker, it could negatively impact the overall industry in 2010.

### Non-alcohol Business

ThaiBev's non-alcohol revenue segment is predominately led by Oishi products. The increase in sales was mainly from Oishi's beverages especially from the on-going lucky draw promotional campaigns that have been running for three years which proof to be very effective and successful. Oishi has now launched an on-line game for the purpose of building brand awareness and strengthen its brand equity.

As for other non-alcohol beverages, there is an on-going new promotional campaign consisting of TV commercial of Chang drinking water along with Chang soda water's and are well received. Volume sales of both products have improved significantly YoY. The company also continued to build brand for Power Plus (electrolytes drinks) that was launched and promoted last year, as well as Wrangyer energy drink the brand that was also recently refreshed. These campaigns are in line with our planned strategic direction to expand into non-alcohol beverage business. ThaiBev will continue put emphasis on non-alcohol segment by further investing in order to enhance its future revenues.

### Food Business

The food business continued to grow as expected. Japanese food is still the most popular foreign cuisine in Thailand. Five outlets, out of 30 targeted this year by Oishi group, have already opened for business in the 1Q10. The first quarter profit of food business had a double digit growth; most contribution coming mainly from newer stores.

### International Business

Despite the continual global economic downturn, ThaiBev International operations sales grew 34.6% with a dramatic increase in profit contribution of 67% driven by growth across almost all markets with strong contributions from growth in ASEAN and UK.

- ASEAN performance was driven by Chang Beer sales increasing by 81% with continued marketing support behind the brand and a more focused strategy.
- USA performance continues to improve with a dramatic increase of 450% in sales year on year, sales growth was driven by activation of programs behind Chang Beer in Southern California, New York, and Boston markets leading up to the sponsorship of Bird Concert in Los Angeles, and New York City at the end of May. Additionally, we are beginning to sell in successfully the Inver House portfolio of Scotch Whiskies leveraging the company's distribution network.
- In the UK market, IBHL UK's sales have grown 17%, driven by strong Scotch Whisky sales as well as the new launch of Caorunn Gin and Speyburn Bradan Orach being listed within premium UK multiple retailers.

IBHL, the international arm of ThaiBev, continues to integrate Yunnan Yulinquan Liquor Co. Ltd (YLQ) into its operations, with sales slow in the first quarter of 2010 after a strong fourth quarter in 2009. Emphasis has been placed on streamlining the portfolio, emphasis on core brands and segments, and increasing the distribution coverage in Yunnan province. Planning has begun on the expansion of the YLQ facilities to triple the capacity in the next few years.

Overall, IBHL has had a strong start to 2010 despite the economic downturn with continued emphasis on supporting on the ground activities behind Chang Beer in our key markets, expanding the distribution coverage for beer and whisky products in the USA, and continued emphasis on building our Scotch Whisky brands around the world.

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

Not Applicable

13. Interested person transaction

The details of the aggregate value of interested person transactions of the company for the three-month period ended 31 March 2010 are as follows:

Thai Beverage Public Company Limited			
Unaudited but reviewed results for the three-month period (Jan-Mar) ended 31 March 2010			
Interested persons transactions for the three-month period (Jan-Mar) ended 31 March 2010			
		Aggregate value of all interested persons transactions during the three-month period (Jan-Mar) ended 31 March 2010 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
<b>A</b>	<b>Revenue from sales and service income</b>		
1	Pisetkij Co., Ltd.	-	8,862.75
2	PS Recycle Co., Ltd.	-	25,399.67
3	Thai Alcohol Public Co., Ltd.	170,635.34	-
<b>B</b>	<b>Other income</b>		
1	Berli Jucker Public Co., Ltd.	-	3,290.25
<b>C</b>	<b>Cost of sales</b>		
1	PS Recycle Co., Ltd.	-	128,736.49
2	The Maewang Sugar Industry Co., Ltd.	-	42,005.31
3	The Suphanburi Sugar Industry Co., Ltd.	-	67,432.42
4	Dhipaya Sugar (1999) Co., Ltd.	-	4,541.92
5	Southeast Capital Co., Ltd.	-	2,476.53
6	Thai Beverage Can Co., Ltd.	-	238,565.35
7	Berli Jucker Public Co., Ltd.	-	1,021,630.33
8	The Southeast Insurance Co., Ltd.	-	30,031.13
9	The Utaradit Sugar Industry Co., Ltd.	-	57,886.28
10	New Noble Property and Loan Fund	-	3,765.68
11	Plantheon Trading Co., Ltd.	787,650.64	-
<b>D</b>	<b>Other expenses</b>		
1	Bang-Na Glass Co., Ltd.	-	4,059.24
2	Southeast Capital Co., Ltd.	-	33,050.52
3	T.C.C. Technology Co., Ltd.	-	15,528.00
4	Berli Jucker Public Co., Ltd.	-	2,717.73
5	The Southeast Insurance Co., Ltd.	-	8,061.04
6	Plaza Athenee Hotel (Thailand) Co., Ltd.	-	13,062.72
7	North Park Golf And Sports Club Co., Ltd.	-	2,896.88
8	TCC Hotel Collection Co., Ltd.	5,207.78	-
9	Best Fortune Property and Loan Fund	8,510.70	-
10	Thippatana Arcade Co., Ltd.	2,368.54	-
11	TCC PD 11 Co., Ltd.	3,024.00	-
12	Plantheon Trading Co., Ltd.	5,476.22	-