

Thai Beverage Public Company Limited

Quarterly Financial Statement and Dividend Announcement (For the Three-Month and Six-Month Periods Ended 30 June 2006)

PART I INFORMATION REQUIRED FOR HALF-YEAR ANNOUNCEMENTS

1. (a) 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 three-month and six-month periods ended 30 June 2006 and 2005

	(Unit : Thousand Baht)					
	Consolidated For the three-month period			Consolidated For the six-month period		
	2006	2005	+ / (-)	2006	2005	+ / (-)
Revenues from sales and services						
Revenue from sale of goods and rendering of services	23,900,276	22,655,633	5%	46,632,593	45,540,173	2%
Total revenues from sales and services	23,900,276	22,655,633	5%	46,632,593	45,540,173	2%
Cost of sales and services						
Cost of sales of goods and rendering of Services	17,163,293	15,667,844	10%	32,831,975	31,181,641	5%
Total cost of sales and services	17,163,293	15,667,844	10%	32,831,975	31,181,641	5%
Gross profit	6,736,983	6,987,789	(4%)	13,800,618	14,358,532	(4%)
Selling and administrative expenses	2,774,641	2,963,170	(6%)	5,805,345	5,788,480	0%
Operating profit	3,962,342	4,024,619	(2%)	7,995,273	8,570,052	(7%)
Interest income	21,197	15,006	41%	24,846	34,176	(27%)
Other income	29,823	58,084	(49%)	59,176	88,822	(33%)
Net operating profit	4,013,362	4,097,709	(2%)	8,079,295	8,693,050	(7%)
Share of profits from investments accounted for using the equity method	-	-		-	-	
Earnings before financial costs and income tax	4,013,362	4,097,709	(2%)	8,079,295	8,693,050	(7%)
Interest expenses	436,310	356,964	22%	876,178	733,364	19%
Income tax expenses	1,033,161	1,141,980	(10%)	2,094,539	2,596,446	(19%)
Net profit (loss)	2,543,891	2,598,765	(2%)	5,108,578	5,363,240	(5%)
Basic earnings per share (Baht)	0.11	0.12	(8%)	0.23	0.24	(4%)
Diluted earnings per share (Baht)	0.11	0.12	(8%)	0.23	0.24	(4%)

NOTE :

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

(Unit : Thousand Baht)

	Consolidated			Consolidated		
	For the three-month period			For the six-month period		
	2006	2005	+ / (-)	2006	2005	+ / (-)
Depreciation and amortization	1,175,302	1,082,328	9%	2,218,518	2,136,513	4%
Allowance for doubtful debts and bad debts written off	-	28,198	-100%	-	29,770	-100%
Write-off for stock obsolescence	9,433	28,031	-66%	26,267	34,817	-25%
Impairment in value of investments	-	-		-	-	
Foreign exchange (gain) / loss	24,461	(24,894)	-198%	59,962	(34,487)	-274%
Adjustments for under or overprovision of tax in respect of prior year	-	-		-	-	
(Profit) or loss on sale of investments, properties, and / or plant and equipment	854	8,513	-90%	1,544	4,986	-69%
Exceptional items Extraordinary items	-	-		-	-	
Investment income	-	-		-	-	

(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
Balance sheets

	Consolidated		The Company	
	30 June 2006 (Unaudited but reviewed)	31 December 2005 (Audited)	30 June 2006 (Unaudited but reviewed)	31 December 2005 (Audited)
(Unit : Thousand Baht)				
Assets				
Current assets				
Cash and cash equivalents	2,017,488	3,250,648	12,995	18,563
Current investments	4,292	10,000	-	-
Trade accounts receivable, net	290,096	400,602	-	-
Short-term loans to and amounts due from related companies	16,189	142,938	15,194,005	15,041,592
Inventories	26,291,751	25,963,795	-	-
Prepaid excise tax	928,594	1,553,548	-	-
Other current assets	1,255,987	1,006,219	84,415	9,557
Total current assets	30,804,397	32,327,750	15,291,415	15,069,712
Non-current assets				
Investments accounted for using the equity method	-	-	67,638,634	68,045,384
Other long-term investments, net	1,275	1,275	-	-
Property, plant and equipment, net	48,016,626	48,507,027	821,677	751,334
Intangible assets, net	135,023	262,433	12,165	8,272
Other non-current assets	2,052,442	112,894	357,190	68
Total non-current assets	50,205,366	48,883,629	68,829,666	68,805,058
Total assets	81,009,763	81,211,379	84,121,081	83,874,770
Liabilities and shareholders' equity				
Current liabilities				
Bank overdrafts and short-term loans from financial institutions	3,355,176	39,300,152	500,000	36,600,000
Trade accounts payable	2,306,494	1,504,617	-	-
Short-term guaranteed bonds	4,700,000	-	4,700,000	-
Current portion of long-term loans	1,926,600	1,086,600	1,500,000	-
Short-term loans from and amounts due to related parties	42,016	38,336	15,571,313	15,610,982
Current tax payable	2,052,820	2,516,301	-	97,050
Other current liabilities	5,136,377	5,204,982	475,530	186,751
Total current liabilities	19,519,483	49,650,988	22,746,843	52,494,783
Non-current liabilities				
Long-term guaranteed bonds	5,300,000	-	5,300,000	-
Long-term loans from financial institutions	8,875,000	-	8,875,000	-
Excess of share loss over investments in subsidiaries	-	-	5,509	677
Provisions	-	70,833	-	13,281
Other non-current liabilities	121,551	123,529	-	-
Total non-current liabilities	14,296,551	194,362	14,180,509	13,958
Total liabilities	33,816,034	49,845,350	36,927,352	52,508,741

Shareholders' equity

Share capital				
Authorized share capital	29,000,000	29,000,000	29,000,000	29,000,000
Issued and paid-up share capital	24,444,450	22,000,000	24,444,450	22,000,000
Share premium	13,585,416	-	13,585,416	-
Difference arising from common control transactions	(15,979,265)	(15,979,265)	(15,979,265)	(15,979,265)
Currency translation reserve	(36,085)	(5,341)	(36,085)	(5,341)
Far value and revaluation reserve	6,584,736	6,584,736	6,584,736	6,584,736
Retained earnings				
Legal reserve	1,110,000	1,110,000	1,110,000	1,110,000
Unappropriated	17,484,477	17,655,899	17,484,477	17,655,899
Total shareholders' equity	47,193,729	31,366,029	47,193,729	31,366,029
Total liabilities and shareholders' equity	81,009,763	81,211,379	84,121,081	83,874,770

(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 June 2006			As at 31 December 2005		
Secured	Unsecured	Guaranteed/ negative pledge	Secured	Unsecured	Guaranteed/ negative pledge
426,600	2,798,286	6,756,890	3,786,752	-	36,600,000

- Amount repayable after one year

(Unit : Thousand Baht)

As at 30 June 2006			As at 31 December 2005		
Secured	Unsecured	Guaranteed/ negative pledge	Secured	Unsecured	Guaranteed/ negative pledge
-	-	14,175,000	-	-	-

- 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

Statements of cash flows

For the six-month periods ended 30 June 2006 and 2005

	(Unit : Thousand Baht)			
	Consolidated		The Company	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Cash flows from operating activities				
Net profit	5,108,578	5,363,240	5,108,578	5,172,619
Adjustments for				
Depreciation and amortisation	2,218,518	2,136,513	11,124	1,116
Interest income	(24,846)	(34,176)	(424,918)	(271,503)
Interest expense	876,178	733,364	1,343,295	736,417
Provisions	25,000	-	4,688	-
Allowance for obsolete inventories	(35,450)	8,504	-	-
Loss on revaluation of equipment	1,900	-	-	-
Gain on disposal of property, plant and equipment	(1,544)	(4,061)	(2)	-
Unrealised gain on exchange rate	(1,813)	(420)	-	-
Gain on sales of investment	-	(925)	-	-
Allowance for declining in value of investments	-	(2,544)	-	-
Share of profits from investments accounted for using the equity method	-	-	(4,905,058)	(5,263,246)
Income tax expense	2,094,539	2,596,446	-	-
Profit provided by operating activities before changes in operating assets and liabilities	10,261,060	10,795,941	1,137,707	375,403
Changes in operating assets and liabilities				
Trade accounts receivable	110,492	232,163	-	-
Amounts due from related parties	85,899	3,977,747	950,465	253,370
Inventories	(292,506)	(580,878)	-	-
Prepaid excise tax	624,955	(1,522,810)	-	-
Other current assets	(251,373)	532,290	2,916	(2,534)
Trade accounts payable	802,774	(59,260)	-	-
Amounts due to related parties	3,680	(126,136)	(10,810)	(723)
Other current liabilities	(264,905)	1,240,301	89,413	48,159
Other non-current liabilities	(1,978)	3,884	-	-
	11,078,098	14,493,242	2,169,691	673,675
Advance payments to a specialist	(2,000,000)	-	(375,000)	-
Income tax paid	(2,558,020)	(2,991,307)	(174,824)	(39,078)
Net cash provided by operating activities	6,520,078	11,501,935	1,619,867	634,597
Cash flows from investing activities				
Interest received	26,388	33,747	423,740	239,697
Dividend received	-	-	5,285,896	5,235,676
Current investments	5,708	(830)	-	-
Short-term loans to related parties	40,850	31,152	(1,101,700)	(1,457,384)
Sale of long-term investments	-	1,111,362	-	-
Purchase of property, plant and equipment	(1,633,962)	(3,655,543)	(73,596)	(17,965)
Sale of property, plant and equipment	40,092	14,577	54	-
Purchase of intangible assets	(7,193)	(32,249)	(4,953)	(2,148)
Other non-current assets	(35,380)	9,086	(91)	(64)
Net cash provided by (used in) operating activities	(1,563,497)	(2,488,698)	4,529,350	3,997,812
Cash flows from financing activities				
Interest paid	(678,887)	(732,343)	(1,138,050)	(736,269)
Dividends paid	(5,280,000)	(2,640,000)	(5,280,000)	(2,640,000)
Bank overdrafts and short-term loans from financial institutions	(35,944,976)	(1,517,110)	(36,100,000)	473,168

Short-term guaranteed bonds	4,700,000	-	4,700,000	-
Short-term loans from related parties	-	(273,620)	(41,600)	(1,726,900)
Long-term guaranteed bonds	5,300,000	-	5,300,000	-
Proceeds from long-term loans from financial institutions	26,600,000	-	26,600,000	-
Repayment of long-term loans from financial institutions	(16,885,000)	(660,000)	(16,225,000)	-
Proceeds from issue of shares	16,029,866	-	16,029,866	-
Net cash provided by (used in) financing activities	(6,158,997)	(5,823,073)	(6,154,784)	(4,630,001)
Currency transaction reserve	(30,744)	(83)	-	-
Net increase (decrease) in cash and cash equivalents	(1,233,160)	3,190,081	(5,567)	2,408
Cash and cash equivalents at beginning of period	3,250,648	885,997	18,562	17,770
Cash and cash equivalents at end of period	2,017,488	4,076,078	12,995	20,178

(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 capitalisation 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

Statements of changes in shareholders' equity
For the six-month periods ended 30 June 2006 and
2005

(Unit : Thousand
Baht)

	Consolidated							
	Issued and paid-up share capital	Share premium	Difference arising from common control Transactions	Currency translation reserve	Fair value and revaluation reserve	Retained earnings		Total shareholders' equity
						Legal reserve	Unappropriate d	
Balance at 1 January 2005	22,000,000	-	(6,609,854)	(3)	6,699,300	2,500	11,270,620	33,362,563
Surplus on revaluation of assets	-	-	-	-	(134,834)	-	-	(134,834)
Unrealised loss on investment	-	-	-	-	(80)	-	-	(80)
Currency translation reserve	-	-	-	(83)	-	-	-	(83)
Legal reserve	-	-	-	-	-	597,500	(597,500)	-
Net profit	-	-	190,621	-	-	-	5,172,619	5,363,240
Dividends	-	-	-	-	-	-	(2,640,000)	(2,640,000)
Balance at 30 June 2005	22,000,000	-	(6,419,233)	(86)	6,564,386	600,000	13,205,739	35,950,806
Balance at 1 January 2006	22,000,000	-	(15,979,265)	(5,341)	6,584,736	1,110,000	17,655,899	31,366,029
Share capital increase	2,444,450	13,585,416	-	-	-	-	-	16,029,866
Currency translation reserve	-	-	-	(30,744)	-	-	-	(30,744)
Net profit	-	-	-	-	-	-	5,108,578	5,108,578
Dividends	-	-	-	-	-	-	(5,280,000)	(5,280,000)
Balance at 30 June 2006	24,444,450	13,585,416	(15,979,265)	(36,085)	6,584,736	1,110,000	17,484,477	47,193,729

(Unit : Thousand
Baht)

	The Company							
	Issued and paid-up share capital	Share premium	Difference arising from common control Transactions	Currency translation reserve	Fair value and revaluation reserve	Retained earnings		Total shareholders' equity
						Legal reserve	Unappropriate d	
Balance at 1 January 2005	22,000,000	-	(9,652,618)	(3)	6,699,300	2,500	11,270,620	30,319,799
Surplus on revaluation of assets	-	-	-	-	(134,834)	-	-	(134,834)
Unrealised loss on investment	-	-	-	-	(80)	-	-	(80)
Currency translation reserve	-	-	-	(83)	-	-	-	(83)
Legal reserve	-	-	-	-	-	597,500	(597,500)	-
Net profit	-	-	-	-	-	-	5,172,619	5,172,619
Dividends	-	-	-	-	-	-	(2,640,000)	(2,640,000)
Balance at 30 June 2005	22,000,000	-	(9,652,618)	(86)	6,564,386	600,000	13,205,739	32,717,421

Balance at 1 January 2006	22,000,000	-	(15,979,265)	(5,341)	6,584,736	1,110,000	17,655,899	31,366,029
Share capital increase	2,444,450	13,585,416	-	-	-	-	-	16,029,866
Currency translation reserve	-	-	-	(30,744)	-	-	-	(30,744)
Net profit	-	-	-	-	-	-	5,108,578	5,108,578
Dividends	-	-	-	-	-	-	(5,280,000)	(5,280,000)
Balance at 30 June 2006	24,444,450	13,585,416	(15,979,265)	(36,085)	6,584,736	1,110,000	17,484,477	47,193,729

(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 Thai generally accepted accounting principles.

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.

The Company has applied the same accounting policies and methods of computation as were adopted for the financial statements for the year ended 31 December 2005.

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:-

	Consolidated		+ / (-)	Consolidated		(Unit : Baht)
	For the three-month period			For the six-month period		
	2006	2005		2006	2005	
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%)	0.23	0.24	(4%)
(b) On a fully diluted basis	0.11	0.12	(8%)	0.23	0.24	(4%)

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 :-

	Consolidated		+ / (-)	The Company		+ / (-)
	31 December			31 December		
	30 June 2006	2005		30 June 2006	2005	
Net asset value per ordinary share based on weighted average number of issued share capital	2.10	1.43	47%	2.10	1.43	47%

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:-

- 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
- any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Management Discussion and Analysis

Operating results for Q2/06 and for the six-month period ended June 30,2006 compared with the same period of the year 2005.

Performance

Thai Beverage PLC.(The company) sales in Q2/06 was Baht 23,900.3 million while in Q1/06 was Baht 22,732.3 million. Total sales for the first six-month period of the year 2006 was Baht 46,632.6 million. Sales of Baht 23,900.3 million in Q2/06 increased from Q2/05 by Baht 1,244.6 million or 5.5% . Sales of Baht 46,632.6 million for the first six-month period of the year 2006 increased from the same period of the year 2005 by Baht 1,092.4 million or 2.4% .

Earning before interest ,tax,depreciation and amortization (EBITDA) in Q2/06 was Baht 5,188.7 million while in Q1/06 was Baht 5,109.1 million. Total EBITDA for the first six-month period of the year 2006 was Baht 10,297.8 million. EBITDA of Baht 5,188.7 million in Q2/06 increased from Q2/05

by Baht 8.7 million or 0.2%. EBITDA of Baht 10,297.8 million for the first six-month period of the year 2006 decreased from the same period of the year 2005 by Baht 531.8 million or 4.9% .

Net profit in Q2/06 was Baht 2,543.9 million while in Q1/06 was Baht 2,564.7 million.

Total net profit for the first six-month period of the year 2006 was Baht 5,108.6 million.

Net profit of Baht 2,543.9 million in Q2/06 decreased from Q2/05 by Baht 54.8 million or 2.1%. Net profit of Baht 5,108.6 million for the first six-month period of the year 2006 decreased from the same period of the year 2005 by Baht 254.6 million or 4.7%

	Unit: Million Baht			
	Year 2006	Year 2005	Inc.(Dec.)	%Inc.(Dec.)
Sales				
Q1	22,732.3	22,884.5	(152.2)	(0.7%)
Q2	23,900.3	22,655.7	1,244.6	5.5%
Total	46,632.6	45,540.2	1,092.4	2.4%
EBITDA				
Q1	5,109.1	5,649.6	(540.5)	(9.6%)
Q2	5,188.7	5,180.0	8.7	0.2%
Total	10,297.8	10,829.6	(531.8)	(4.9%)
Net Profit				
Q1	2,564.7	2,764.5	(199.8)	(7.2%)
Q2	2,543.9	2,598.7	(54.8)	(2.1%)
Total	5,108.6	5,363.2	(254.6)	(4.7%)

Q2/06 performance by business segment compared with Q2/05 are as follows.

	Unit: Million Baht			
	Q2/06	Q2/05	Inc.(Dec.)	%Inc.(Dec.)
Sales				
Beer, Soda & Drinking Water	11,970.3	10,664.7	1,305.6	12.2%
Spirits	12,071.8	12,030.4	41.4	0.3%
Industrial Alcohol	137.1	72.5	64.6	89.1%
Related Business	2,020.8	1,895.3	125.5	6.6%
Intersegment Elimination	(2,299.7)	(2,007.2)	(292.5)	
Total	23,900.3	22,655.7	1,244.6	5.5%
EBITDA				
Beer, Soda & Drinking Water	1,614.1	1,374.4	239.7	17.4%
Spirits	3,394.5	3,824.7	(430.2)	(11.2%)
Industrial Alcohol	13.6	11.9	1.7	14.3%
Related Business	191.5	38.4	153.1	398.7%
Intersegment Elimination	(25.0)	(69.4)	44.4	
Total	5,188.7	5,180.0	8.7	0.2%

Net Profit

Beer, Soda & Drinking Water	586.5	459.1	127.4	27.7%
Spirits	2,010.3	2,261.0	(250.7)	(11.1%)
Industrial Alcohol	(36.1)	(24.3)	(11.8)	48.6%
Related Business	7.3	(28.0)	35.3	126.1%
Intersegment Elimination	(24.1)	(69.1)	45.0	
Total	2,543.9	2,598.7	(54.8)	(2.1%)

Beer, Soda & Drinking Water Business Segment

Q2/06 sales of Baht 11,970.3 million increased from Q2/05 by Baht 1,305.6 million or 12.2% mainly due to beer sales volume of 235.9 million litres increased by 13.4% from growth of low alcohol beer sales volume of 13.0 million litres which was 5.5% to total beer sales volume in Q2/06. Sales volume of soda was 3.4 million litres and sales volume of drinking water was 10.4 million litres which decreased 9.9% and 4.3% respectively.

Q2/06 EBITDA of Baht 1,614.1 million increased by Baht 239.7 million or 17.4% mainly due to the increase in beer sales volume and the decrease in Marketing expense of Free goods for sales promotion. Free beer volume for sales promotion per sales volume decreased from 12.8% by average in Q2/05 to 7.7% in Q2/06. So, these covered higher Selling and Admin. Expense from Freight and Vehicle expenses.

Q2/06 Net Profit of Baht 586.5 million increased by Baht 127.4 million or 27.7% mainly due to the increase of EBITDA and the decrease of interest paid.

Spirits Business Segment

Q2/06 sales of Baht 12,071.8 million increased from Q2/05 by Baht 41.4 million or 0.3% mainly due to higher sales price of Brown spirits, Sangsom and Crown 99, compensated the decrease of sales volume. White spirits sales volume of 87.9 million litres decreased by 1.6% and Brown spirits sales volume of 22.9 million litres decreased by 20.3%. While sales volume of Sangsom and Crown 99 dropped but sales volume of Mekhong, Mungkorn Thong and Hong Thong was up. Hong Thong was new product which launched to market in April, 2006. Sales volume of Hong Thong in April, May and June of the year 2006 was 0.2, 0.5 and 0.7 million litres respectively.

Q2/06 EBITDA of Baht 3,394.5 million decreased by Baht 430.2 million or 11.2% mainly due to sales volume dropped and higher production costs from higher price of Molasses, fuel and electricity and the increase in Marketing expense of Free goods for sales promotion and higher Selling and Admin. Expense from Freight and Vehicle expenses. Free brown spirits volume for sales promotion per sales volume increased from 1.7% by average in Q2/05 to 2.3% in Q2/06.

Q2/06 Net Profit of Baht 2,010.3 million decreased by Baht 250.7 million or 11.1% mainly due to the decrease of EBITDA and the increase of interest paid.

Industrial Alcohol Business Segment

Q2/06 sales of Baht 137.1 million increased from Q2/05 by Baht 64.6 million or 89.1% mainly due to the increase of Ethanol sales volume about 5.1 million litres to compensate with the decrease of Alcohol 95 sales volume about 4.9 million litres. And the sales price of Ethanol increased from Baht 12.77 per litre in Q2/05 to Baht 24.79 per litre in Q2/06.

Q2/06 EBITDA of Baht 13.6 million increased by Baht 1.7 million or 14.3% mainly due to the increase of Ethanol sales amount to compensate the higher price of Molasses and fuel.

Q2/06 Net Loss of Baht 36.1 million increased by Baht 11.8 million or 48.6% mainly due to the increase of interest paid.

Related Business Segment

Q2/06 sales of Baht 2,020.8 million increased from Q2/05 by Baht 125.5 million or 6.6% mainly due to income from the commercial during live broadcast of FIFA world cup 2006.

Q2/06 EBITDA of Baht 191.5 million increased by Baht 153.1 million or 398.7% mainly due to income from the commercial during live broadcast of FIFA world cup 2006 and effective cost control to compensate higher Selling and Admin. Expense from Employee Expense.

Q2/06 Net Profit of Baht 7.3 million increased by Baht 35.3 million or 126.1% mainly due to the increase of EBITDA which compensated the increase of amortization of acquisition cost of FIFA world cup 2006 live broadcast rights and the increase of interest paid.

Performance of the first six-month period of the year 2006 by business segment compared with the same period of the year 2005 are as follows.

	Unit: Million Baht			
	Jan.-Jun.06	Jan.-Jun.05	Inc.(Dec.)	%Inc.(Dec.)
Sales				
Beer, Soda & Drinking Water	22,761.1	21,203.9	1,557.2	7.3%
Spirits	24,106.1	24,349.6	(243.5)	(1.0%)
Industrial Alcohol	213.0	273.0	(60.0)	(22.0%)
Related Business	3,641.8	3,551.7	90.1	2.5%
Intersegment Elim.	(4,089.4)	(3,838.0)	(251.4)	
Total	46,632.6	45,540.2	1,092.4	2.4%
EBITDA				
Beer, Soda & Drinking Water	3,149.0	2,445.9	703.1	28.7%
Spirits	6,950.1	8,153.1	(1,203.0)	(14.8%)
Industrial Alcohol	10.9	111.1	(100.2)	(90.2%)
Related Business	217.5	121.8	95.7	78.6%
Intersegment Elim.	(29.7)	(2.3)	(27.4)	
Total	10,297.8	10,829.6	(531.8)	(4.9%)
Net Profit				
Beer, Soda & Drinking Water	1,109.5	651.3	458.2	70.4%
Spirits	4,138.4	4,697.0	(558.6)	(11.9%)
Industrial Alcohol	(82.9)	13.1	(96.0)	(732.8%)
Related Business	(28.3)	3.6	(31.9)	(886.1%)
Intersegment Elim.	(28.1)	(1.8)	(26.3)	
Total	5,108.6	5,363.2	(254.6)	(4.7%)

Beer, Soda & Drinking Water Business Segment

The first six-month period of the year 2006 sales of Baht 22,761.1 million increased from the year 2005 by Baht 1,557.2 million or 7.3% mainly due to beer sales volume of 445.8 million litres increased by

7.8%. Sales volume of soda was 7.3 million litres and sales volume of drinking water was 21.2 million litres which decreased 11.9% and 3.8% respectively.

EBITDA of Baht 3,149.0 million increased by Baht 703.1 million or 28.7% mainly due to the increase in beer sales volume and the decrease in Marketing expense of Free goods for sales promotion. Free beer volume for sales promotion per sales volume decreased from 12.1% by average in the first six-month period of the year 2005 to 8.3% in the year 2006. So, these covered higher Selling and Admin. Expense from Freight and Vehicle expenses.

Net Profit of Baht 1,109.5 million increased by Baht 458.2 million or 70.4% mainly due to the increase of EBITDA and the decrease of interest paid.

Spirits Business Segment

The first six-month period of the year 2006 sales of Baht 24,106.1 million decreased from the year 2005 by Baht 243.5 million or 1.0% mainly due to the decrease of Brown spirits sales volume. Brown spirits sales volume of 44.4 million litres decreased by 23.4%. While sales volume of Sangsom dropped but sales volume of Mekhong and Mungkorn Thong was up. White spirits sales volume of 186.2 million litres increased by 3.1% but not covered the decrease of Brown spirits sales volume.

EBITDA of Baht 6,950.1 million decreased by Baht 1,203.0 million or 14.8% mainly due to Brown spirits sales volume dropped and higher production costs from higher price of Molasses, fuel and electricity and the increase in Marketing expense of Free goods for sales promotion and higher Selling and Admin. Expense from Freight and Vehicle expense. Free brown spirits volume for sales promotion per sales volume increased from 1.3% by average in the first six-month period of the year 2005 to 2.9% in the year 2006.

Net Profit of Baht 4,138.4 million decreased by Baht 558.6 million or 11.9% mainly due to the decrease of EBITDA and the increase of interest paid.

Industrial Alcohol Business Segment

The first six-month period of the year 2006 sales of Baht 213.0 million decreased from the year 2005 by Baht 60.0 million or 22.0% mainly due to the decrease of Alcohol 95 sales volume about 18.4 million litres which not compensated with the increase of Ethanol sales from sales volume increased by 7.4 million litres and average sales price increased from Baht 12.77 per litre to Baht 22.64 per litre in the year 2006.

EBITDA of Baht 10.9 million decreased by Baht 100.2 million or 90.2% mainly due to the decrease of Alcohol 95 sales volume and the higher price of Molasses and fuel and burden of fixed cost from idle capacity.

Net Loss for the first six-month period of the year 2006 was Baht 82.9 million while net gain for the same period of the year 2005 was Baht 13.1 million or changed 732.8% mainly due to the decrease of EBITDA and the increase of interest paid.

Related Business Segment

The first six-month period of the year 2006 sales of Baht 3,641.8 million increased from the year 2005 by Baht 90.1 million or 2.5% mainly due to income from the commercial during live broadcast of FIFA world cup 2006 in Q2.

EBITDA of Baht 217.5 million increased by Baht 95.7 million or 78.6% mainly due to income from the commercial during live broadcast of FIFA world cup 2006 and effective cost control to compensate higher Selling and Admin.Expense from Employee Expenses.

Net Loss for the first six-month period of the year 2006 was Baht 28.3 million but net gain for the same period of the year 2005 was Baht 3.6 million or changed 886.1% mainly due to the increase of amortization of acquisition cost of FIFA world cup 2006 live broadcast rights and the increase of interest paid.

Financial Position

Assets

Total assets as at end of June 2006 was Baht 81,009.8 million decreased by Baht 201.6 million or 0.2% compared with the end of the year 2005. Current assets decreased by Baht 1,523.3 million mainly due to the decrease in cash and cash equivalents, trade accounts receivable and prepaid Excise tax while inventory increased mainly due to the increase of inventory in Beer business, Industrial Alcohol business and related business but the decrease in Spirits business. Non-current assets increased by Baht 1,321.7 million mainly due to advance payment of royalty to spirits expert.

Liabilities

Total liabilities as at end of June 2006 was Baht 33,816.0 million decreased by Baht 16,029.3 million or 32.2%. Current liabilities decreased by Baht 30,131.5 million mainly due to re-payment of short-term loans to Financial institutions by cash received from May 2006 IPO. Non-current liabilities increased by Baht 14,102.2 million mainly due to re-financing short term loans to long term loans and bonds.

The maturity of long-term loans and bonds are as follows.

	Unit: Million Baht
Within June 30,2007	6,626.6
Between July 1,2007 – June 30,2008	8,387.7
Between July 1,2008 – March 31,2009	5,787.3
Total	20,801.6

Shareholders' Equity

Total shareholders' equity as at end of June 2006 was Baht 47,193.7 million increased by Baht 15,827.7 million or 50.5% mainly due to the increase of share capital from IPO amts.Baht 2,444.5 million and premium on common shares after IPO expense amts.Baht 13,585.4 million . Net profit was Baht 5,108.6 million. Dividend paid was Baht 5,280.0 million.

Liquidity

Cash and cash equivalents as at June 30,2006 was Baht 2,017.5 million.Net decrease from the beginning of the period was Baht 1,233.1 million. Details of activities are as follows.

	Unit: Million Baht
Net cash provided by operating activities	6,520.1
Net cash used in investing activities	(1,563.5)
Net cash provided by financing activities	(6,159.0)
Adjustment from financial statement translation	(30.7)
Net decrease in cash and cash equivalents in period	(1,233.1)
Cash and cash equivalents at beginning of period	3,250.6
Cash and cash equivalents at end of period	2,017.5

Net cash provided by operating activities of Baht 6,520.1 million was mainly derived from Net income of Baht 5,108.6 million and adjusted with non cash items such as depreciation and amortization of Baht 2,218.5 million while working capital increased by Baht 817.9 million but advance payment to a specialist of Baht 2,000.0 million.

Net cash used in investing activities of Baht 1,563.5 million was mainly due to the investment activities in property, plant and equipment of Baht 1,634.0 million.

Net cash provided by financing activities of Baht 6,159.0 million was mainly due to dividend paid of Baht 5,280.0 million and the decrease in bank overdrafts and short-term loans from Financial institutions of Baht 35,945.0 million by repayment with money from IPO of Baht 16,029.9 million and re-financing short term loans to long-term loans and bonds of Baht 19,715.0 million.

Financial Ratios

	Jun.30,06	Dec.31,05
Current Ratio (time)	1.58	0.65
Total Debt to Equity Ratio(time)	0.72	1.59
Net assets value per share (Baht)	2.10	1.43

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 known factors or events that may affect the group in the next reporting periods and the next 12 months

New product launches in the light beer market

The first half of 2006 was exciting for the beer market as we saw many new products launches in the beer market. Every key player launched a new brand under the newly introduced “light beer” segment of the market which is rapidly gaining popularity and enlarging the beer consumer base as new demographic group of younger consumers, including women, become first time beer drinkers. We launched our Chang Light and Chang Draught at the end of March 2006 while Boon Rawd Brewery launched Singha Light and San Miguel launched San Mig Light in the first quarter of 2006. In addition to its original two brands, Red Horse and Blue Ice, San Miguel also launched a new brand, San Miguel Pale Pilsen, in the Thai market in first quarter of 2006.

Although our beer business continued to deliver a strong second quarter of 2006 with over 13.4% organic growth in sales volume following the successful recovery of our beer sales volume in the first quarter and ended the first six months with a 7.8% year-on-year growth, we expect that pending the outcome of the current political and economic situations in Thailand, the beer market may soften somewhat in the second half and that the overall market volume growth of 5-6% from that of 2005 levels as expected by many industry analysts is more probable.

Rainy season and observance of Buddhist Lent may slow down our sales volume in third quarter

Seasonal consumption cycles and changes in weather conditions can affect our results of operations. Consumption of our products is historically weaker from July to September due to the rainy season and observance of Buddhist Lent, which begins on July 11 and ends on October 7 this year. As a result, a prolonged rainy season could adversely affect our sales volume and the results of our operations.

Regulatory changes to curb alcohol consumption is still pending

We are subject to restrictions on advertising our beer and spirits products. Most recently in 2005, the Government enacted regulations restricting the retail sale of alcoholic drinks to the hours of 11 a.m. to 2 p.m. and 5 p.m. to midnight. We believe the Government is considering various proposals, including a proposal that would increase the minimum drinking age and prohibit advertising of alcoholic products at any time. Although the Government has not given any clear signals regarding the timing at which such regulations will be passed and enforced, any future law that restricts our business, such as increasing the minimum drinking age or restricting the ways in which we advertise or the times we can advertise, could have a material adverse effect on our business, financial condition, results of operations and prospects.

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

(a) The company board of director has approved interim dividend payment on the meeting held on August 10, 2006 as follow:

- First half 2006 (Jan-June) Net Profit Baht 5,108,577,900.-
- Interim dividend pay out ratio = 54.07 % amount = Baht 2,762,102,750 .-

(b)

- Total existing issue ordinary share 25,110,025,000.-

Interim dividend Baht 0.11 per share

- Previous corresponding period

Year end dividend Baht 0.24 per share for full year 2005 result.

Total dividend payment Baht 5,280,000,000.- which declared on March 27, 2006 and payment on April 26,2006

(c) Dividend is before tax

Tax rate 10%

Country where the dividend is derive: "Thailand"

(d) The date the dividend is payable. "September 8, 2006"

- (e) The date on which Registrable transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Book closure date is August 28, 2006 12.00 pm (Bangkok Thailand Time)