

# Thai Beverage Public Company Limited

Financial statement for the nine-month period ended 30 September 2010

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

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

Thai Beverage Public Company Limited and its Subsidiaries							
Statements of income							
For the three-month periods ended 30 September 2010 and 2009 (Unaudited)							
and for the nine-month periods ended 30 September 2010 and 2009 (Unaudited)							
	(Unit : Thousand Baht)			(Unit : Thousand Baht)			
	Consolidated			Consolidated			
	financial statements			financial statements			
	For the three-month periods			For the nine-month periods			
	ended 30 September			ended 30 September			
	2010	2009	+ / (-)	2010	2009	+ / (-)	
<b>Revenues from sales and services</b>							
Revenue from sale of goods and rendering of services	27,273,452	21,556,345	27%	86,680,150	75,903,771	14%	
<b>Total revenues from sales and services</b>	<b>27,273,452</b>	<b>21,556,345</b>	27%	<b>86,680,150</b>	<b>75,903,771</b>	14%	
<b>Cost of sales and services</b>							
Cost of sales of goods and rendering of services	19,994,114	14,920,261	34%	62,753,781	53,028,992	18%	
<b>Total cost of sales and services</b>	<b>19,994,114</b>	<b>14,920,261</b>	34%	<b>62,753,781</b>	<b>53,028,992</b>	18%	
<b>Gross profit</b>	<b>7,279,338</b>	<b>6,636,084</b>	10%	<b>23,926,369</b>	<b>22,874,779</b>	5%	
Selling expenses	1,503,918	1,099,217	37%	5,262,259	3,673,742	43%	
Administrative expenses	2,702,196	2,601,163	4%	8,101,378	7,341,747	10%	
Management benefit expenses	49,011	43,492	13%	243,557	211,634	15%	
<b>Operating profit</b>	<b>3,024,213</b>	<b>2,892,212</b>	5%	<b>10,319,175</b>	<b>11,647,656</b>	(11%)	
Interest income	3,327	225	1379%	7,307	11,889	(39%)	
Other income	22,261	90,803	(75%)	172,368	189,763	(9%)	
<b>Earnings before financial costs and income tax</b>	<b>3,049,801</b>	<b>2,983,240</b>	2%	<b>10,498,850</b>	<b>11,849,308</b>	(11%)	
Finance costs	63,956	120,320	(47%)	197,541	440,500	(55%)	
Income tax expense	726,887	962,058	(24%)	2,934,047	3,693,808	(21%)	
<b>Profit for the period</b>	<b>2,258,958</b>	<b>1,900,862</b>	19%	<b>7,367,262</b>	<b>7,715,000</b>	(5%)	
<b>Profit attributable to:</b>							
Equity holders of the Company	2,234,181	1,880,113	19%	7,288,696	7,652,824	(5%)	
Minority interests	24,777	20,749	19%	78,566	62,176	26%	
<b>Profit for the period</b>	<b>2,258,958</b>	<b>1,900,862</b>	19%	<b>7,367,262</b>	<b>7,715,000</b>	(5%)	
Basic earnings per share (Baht)	0.09	0.07	29%	0.29	0.30	(3%)	
Diluted earnings per share (Baht)	0.09	0.07	29%	0.29	0.30	(3%)	

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:-

<b>NOTE :</b>									
Net profit is arrived at after charging / (Crediting) the following :									
					<b>(Unit : Thousand Baht)</b>				
					<b>Consolidated</b>			<b>(Unit : Thousand Baht)</b>	
					<b>financial statements</b>			<b>Consolidated</b>	
					<b>For the three-month periods</b>			<b>financial statements</b>	
					<b>2010</b>	<b>2009</b>		<b>2010</b>	<b>2009</b>
						<b>Restated</b>			<b>Restated</b>
A	Investment income				-	-	-	-	-
B	Other income including interest income				(12,874)	(58,425)	(78%)	(93,541)	(134,411) (30%)
C	Interest on borrowings				63,956	120,320	(47%)	197,541	440,500 (55%)
D	Depreciation and amortization				1,143,346	1,109,879	3%	3,397,771	3,281,917 4%
E	Allowance for doubtful debts and bad debts written off				833	793	5%	2,479	2,526 (2%)
F	Write-off for stock obsolescence				11,174	52,170	(79%)	(4,127)	45,326 (109%)
G	Impairment in value of investments				-	-	-	-	91 (100%)
H	Foreign exchange (gain) / loss				60,692	(9,463)	(741%)	159,573	(28,427) (661%)
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				(6,782)	(23,140)	(71%)	(79,719)	(38,814) 105%
K	Exceptional items				-	-	-	-	-
L	Extraordinary items				-	-	-	-	-

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

Thai Beverage Public Company Limited and its Subsidiaries

Balance sheets

As at 30 September 2010 and 31 December 2009

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 Sep 2010	31-Dec-2009	30 Sep 2010	31-Dec-2009
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	1,484,004	2,590,213	22,903	128,663
Current investments	3,988	3,744	-	-
Trade accounts receivable	2,063,886	2,050,390	-	-
Short-term loans to and other receivables				
from related parties	31,865	503,888	3,057,193	2,995,033
Inventories	28,909,847	26,194,211	-	-
Other current assets	2,249,745	2,135,371	19,092	13,849
<b>Total current assets</b>	<b>34,743,335</b>	<b>33,477,817</b>	<b>3,099,188</b>	<b>3,137,545</b>
<b>Non-current assets</b>				
Investments in subsidiaries	-	-	80,093,787	80,091,287
Investments in associates	116,080	127,832	-	-
Other long-term investments	14,078	10,589	-	-
Long-term loans to and				
other receivables from related parties	43,698	51,909	2,923,582	3,466,308
Property, plant and equipment	36,853,511	37,742,744	49,407	62,939
Intangible assets	3,270,203	3,314,748	25,759	31,069
Leasehold rights	186,194	202,092	-	-
Other non-current assets	2,070,403	2,221,934	317,284	325,816
<b>Total non-current assets</b>	<b>42,554,167</b>	<b>43,671,848</b>	<b>83,409,819</b>	<b>83,977,419</b>
<b>Total assets</b>	<b>77,297,502</b>	<b>77,149,665</b>	<b>86,509,007</b>	<b>87,114,964</b>

Thai Beverage Public Company Limited and its Subsidiaries

Balance sheets

As at 30 September 2010 and 31 December 2009

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 Sep 2010	31-Dec-2009	30 Sep 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	11,067,059	5,718,476	9,500,000	3,100,000
Trade accounts payable	3,389,799	3,139,840	-	-
Current portion of long-term loans				
from financial institutions	3,190,000	3,765,000	3,190,000	3,765,000
Short-term loans from and	-	-	-	-
other payables to related parties	166,157	153,591	3,439,579	7,390,688
Short-term loans from other party	-	2,200	-	-
Income tax payable	1,243,515	2,222,224	69,279	24,746
Other current liabilities	3,150,799	3,088,996	341,241	159,410
<b>Total current liabilities</b>	<b>22,207,329</b>	<b>18,090,327</b>	<b>16,540,099</b>	<b>14,439,844</b>
<b>Non-current liabilities</b>				
Long-term loans from and other payables to related parties	402	897	9,130,300	9,742,700
Long-term loans from financial institutions	-	2,500,000	-	2,500,000
Other non-current liabilities	108,073	114,860	-	-
<b>Total non-current liabilities</b>	<b>108,475</b>	<b>2,615,757</b>	<b>9,130,300</b>	<b>12,242,700</b>
<b>Total liabilities</b>	<b>22,315,804</b>	<b>20,706,084</b>	<b>25,670,399</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	(19,732,321)	(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	(1,806,038)	(1,331,393)	-	-
Retained earnings				
Appropriated - legal reserve	2,900,000	2,900,000	2,900,000	2,900,000
Unappropriated	26,788,255	27,785,867	15,612,846	15,206,658
<b>Total equity attributable to equity holders of the Company</b>	<b>54,738,541</b>	<b>56,210,886</b>	<b>60,838,608</b>	<b>60,432,420</b>
Minority interests	243,157	232,695	-	-
<b>Total equity</b>	<b>54,981,698</b>	<b>56,443,581</b>	<b>60,838,608</b>	<b>60,432,420</b>
<b>Total liabilities and equity</b>	<b>77,297,502</b>	<b>77,149,665</b>	<b>86,509,007</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 30 September 2010</b>			<b>As at 31 December 2009</b>		
Letter of Comfort	Unsecured	Guaranteed	Letter of Comfort	Unsecured	Guaranteed
95,225	13,774,378	387,456	162,804	8,665,002	655,670

- Amount repayable after one year

(Unit : Thousand Baht)

<b>As at 30 September 2010</b>			<b>As at 31 December 2009</b>		
Secured	Unsecured	Guaranteed	Secured	Unsecured	Guaranteed
-	-	-	-	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 nine-month periods ended 30 September 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	7,367,262	7,715,000	8,692,496	8,524,786
<i>Adjustments for</i>				
Depreciation and amortisation	3,360,271	3,244,417	28,523	27,646
Interest income	(7,307)	(11,889)	(188,122)	(270,136)
Finance costs	197,541	440,500	725,046	847,089
Unrealised (gain) loss on exchange	2,188	(5,434)	(23)	-
Bad debts and (reversal of) doubtful debts expense	(1,993)	2,621	-	-
Amortisation of advance payments to a specialist	37,500	37,500	7,031	7,031
Write-off and (reversal of) allowance for obsolete inventories	(93,840)	(148,119)	-	-
Write-off and (gain) loss on disposal of property, plant and equipment and intangible assets	(79,719)	(38,814)	(14)	(2,901)
Dividends	-	-	(8,289,512)	(8,237,579)
Income tax expense	2,934,047	3,693,808	199,775	148,094
	<b>13,715,950</b>	<b>14,929,590</b>	<b>1,175,200</b>	<b>1,044,030</b>
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	(12,669)	(152,337)	-	-
Other receivables from related parties	479,991	26,027	101,269	96,356
Inventories	(2,621,796)	1,180,709	-	-
Other current assets	(115,386)	(521,697)	(5,243)	(28,597)
Trade accounts payable	248,725	(605,113)	-	-
Other payables to related parties	13,226	(68,420)	(38,060)	(39,492)
Other current liabilities	(17,343)	874,853	182,685	361,664
Other non-current liabilities	(7,063)	(6,974)	-	-
Income tax paid	(3,912,756)	(4,121,538)	(155,242)	(286,014)
<b>Net cash provided by operating activities</b>	<b>7,770,879</b>	<b>11,535,100</b>	<b>1,260,609</b>	<b>1,147,947</b>

**Cash flows from investing activities**

Interest received	7,313	12,052	189,919	273,802
Dividends received	-	-	8,289,512	8,237,579
(Increase) decrease in current investments	(244)	3,871	-	-
Loans to related parties	-	-	377,500	2,076,100
Investments in subsidiaries	-	-	(2,500)	(2,197,901)
Investment in indirect subsidiaries	(1,196)	(11,115)	-	-
(Increase) decrease in other long-term investments	(3,660)	91	-	-
Purchase of property, plant and equipment	(2,478,813)	(1,432,257)	(14,960)	(13,697)
Sale of property, plant and equipment	92,307	76,990	19	4,765
Purchase of intangible assets	(20,624)	(19,721)	(1,613)	(3,939)
(Increase) decrease in other non-current assets	114,031	(146,263)	1,501	1,501
<b>Net cash provided by (used in) investing activities</b>	<b>(2,290,886)</b>	<b>(1,516,352)</b>	<b>8,839,378</b>	<b>8,378,210</b>

**Cash flows from financing activities**

Interest paid	(191,897)	(430,442)	(733,739)	(834,606)
Dividends paid to equity holders of the Company	(8,286,308)	(8,286,308)	(8,286,308)	(8,286,308)
Dividends paid to minority interests	(67,453)	(78,318)	-	-
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	5,348,583	2,530,804	6,400,000	755,199
Increase (decrease) in loans from related parties	-	-	(4,510,700)	2,739,800
Repayment of short-term loans from other party	(2,200)	(3,000)	-	-
Repayment of long-term loans from financial institutions	(3,075,000)	(3,900,000)	(3,075,000)	(3,900,000)
<b>Net cash used in financing activities</b>	<b>(6,274,275)</b>	<b>(10,167,264)</b>	<b>(10,205,747)</b>	<b>(9,525,915)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(794,282)</b>	<b>(148,516)</b>	<b>(105,760)</b>	<b>242</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	(311,927)	158,042	-	-
<b>Cash and cash equivalents at end of period</b>	<b>1,484,004</b>	<b>1,930,498</b>	<b>22,903</b>	<b>4,206</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 nine-month periods ended 30 September 2010 and 2009 (Unaudited)**

	<b>Consolidated financial statements</b>									
	Issued and paid-up share capital	Difference arising from common control transactions	<i>Premium on ordinary shares</i>	Fair value changes and revaluation differences	Currency translation differences	<u>Retained earnings</u>		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	-	-	-	-	235,097	-	-	235,097	-	235,097
<b>Income recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>81</b>	<b>235,097</b>	<b>-</b>	<b>-</b>	<b>235,178</b>	<b>-</b>	<b>235,178</b>
Profit for the period	-	-	-	-	-	-	7,652,824	7,652,824	62,176	7,715,000
<b>Total recognised income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>81</b>	<b>235,097</b>	<b>-</b>	<b>7,652,824</b>	<b>7,888,002</b>	<b>62,176</b>	<b>7,950,178</b>
Effects of change to percentage of holding	-	-	-	-	-	-	-	-	(3,874)	(3,874)
Consideration paid to equity holders of subsidiaries for common control transactions	-	(3,965)	-	-	-	-	-	(3,965)	-	(3,965)
Dividends	-	-	-	-	-	-	(8,286,308)	(8,286,308)	(78,318)	(8,364,626)
<b>Balance at 30 September 2009</b>	<b>25,110,025</b>	<b>(19,732,233)</b>	<b>17,215,737</b>	<b>4,262,883</b>	<b>(1,267,928)</b>	<b>2,900,000</b>	<b>24,872,278</b>	<b>53,360,762</b>	<b>218,245</b>	<b>53,579,007</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	-	-	-	-	(474,645)	-	-	(474,645)	-	(474,645)
<b>Expense recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(474,645)</b>	<b>-</b>	<b>-</b>	<b>(474,645)</b>	<b>-</b>	<b>(474,645)</b>
Profit for the period	-	-	-	-	-	-	7,288,696	7,288,696	78,566	7,367,262
<b>Total recognised income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(474,645)</b>	<b>-</b>	<b>7,288,696</b>	<b>6,814,051</b>	<b>78,566</b>	<b>6,892,617</b>
Effects of change to percentage of holding	-	-	-	-	-	-	-	-	(651)	(651)
Consideration paid to equity holders of subsidiaries for common control transactions	-	(88)	-	-	-	-	-	(88)	-	(88)
Dividends	-	-	-	-	-	-	(8,286,308)	(8,286,308)	(67,453)	(8,353,761)
<b>Balance at 30 September 2010</b>	<b>25,110,025</b>	<b>(19,732,321)</b>	<b>17,215,737</b>	<b>4,262,883</b>	<b>(1,806,038)</b>	<b>2,900,000</b>	<b>26,788,255</b>	<b>54,738,541</b>	<b>243,157</b>	<b>54,981,698</b>



Thai Beverage Public Company Limited and its Subsidiaries

Statements of changes in equity

For the nine-month periods ended 30 September 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	Premium on ordinary shares	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	-	-	-	8,524,786	8,524,786
Dividends	-	-	-	(8,286,308)	(8,286,308)
<b>Balance at 30 September 2009</b>	<b>25,110,025</b>	<b>17,215,737</b>	<b>2,900,000</b>	<b>15,088,162</b>	<b>60,313,924</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	-	-	-	8,692,496	8,692,496
Dividends	-	-	-	(8,286,308)	(8,286,308)
<b>Balance at 30 September 2010</b>	<b>25,110,025</b>	<b>17,215,737</b>	<b>2,900,000</b>	<b>15,612,846</b>	<b>60,838,608</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.

	<b>30 September 2010</b>	<b>31 December 2009</b>
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 of the attached financial report.*

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

*Accounting policies and methods of computation applied in the interim financial statements for the three-month and nine-month periods ended 30 September 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>Consolidated</b>		
	<b>financial statements</b>			<b>financial statements</b>		
	For the three-month periods			For the nine-month periods		
	(July- September)	2009	Changes + / (-)	(January- September)	2009	Changes + / (-)
	2010	2009	+ / (-)	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	0.09	0.07	29%	0.29	0.30	(3%)
(b) On a fully diluted basis	0.09	0.07	29%	0.29	0.30	(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)					
	<b>Consolidated financial statements</b>			<b>Separate financial statements</b>		
	<b>30 September</b>	<b>31 December</b>	Changes	<b>30 September</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	2.18	2.24	(3%)	2.42	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 third quarter and the nine-month period ended 30 September 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.

#### **Performance for the third quarter ended 30 September 2010**

##### **Group**

For the third quarter ended 30 September 2010, total sales revenue of the Company was Baht 27,273 million, an increase by Baht 5,716 million, or 26.5%, from Baht 21,557 million of the corresponding period of last year, due to an increase of sales revenue from the spirits business of 12.4%, the beer business of 70.7%, the non-alcoholic beverages business of 31.4% and the food business of 31.1%.

Gross profit was Baht 7,279 million, an increase by Baht 642 million, or 9.7%, due to higher gross profit in the spirits business of 2.8%, the beer business of 68.4%, the non-alcoholic beverages business of 4.2% and the food business of 14.6%

Earnings before interest, tax, depreciation and amortization (EBITDA) was Baht 4,181 million, an increase by Baht 101 million, or 2.5%, due to an increase in the spirits business of 0.1%, the food business of 16.7% and a decrease of loss in the beer business of 54.4% although there was a decrease of EBITDA in the non-alcoholic beverages business of 24.4%

Net profit was Baht 2,259 million, an increase by Baht 358 million, or 18.8 %, due to a higher net profit in the spirits business of 1.1% and a decrease of net loss in the beer business of 54.1% although there was a lower net profit in the non-alcoholic beverages business of 5.7% and in the food business of 11.4%

Unit :Million Baht

## Q3\_2010

	Spirits	% to Sales	Beer	% to Sales	Non-alcoholic beverages	% to Sales	Food	% to Sales	Eliminate	% to Sales	Total	% to Sales
Sales	16,715	100.0	7,794	100.0	1,698	100.0	1,093	100.0	(27)	100.0	27,273	100.0
Cost of sales	11,386	68.1	6,696	85.9	1,230	72.4	708	64.8	(26)	96.3	19,994	73.3
Gross profit	5,329	31.9	1,098	14.1	468	27.6	385	35.2	(1)	3.7	7,279	26.7
Selling expenses	406	2.4	898	11.5	159	9.4	47	4.3	(6)	22.2	1,504	5.5
Administrative expenses	1,523	9.1	743	9.5	190	11.2	300	27.4	(5)	18.5	2,751	10.1
Operating profit(loss)	3,400	20.3	(543)	(7.0)	119	7.0	38	3.5	10	(37.0)	3,024	11.1
Other income/ Interest income	25	0.1	5	0.1	2	0.1	4	0.4	(10)	37.0	26	0.1
EBIT(loss)	3,425	20.5	(538)	(6.9)	121	7.1	42	3.8	-	-	3,050	11.2
Finance costs	41	0.2	16	0.2	6	0.4	1	0.1	-	-	64	0.2
Income tax	1,011	6.0	(261)	(3.3)	(33)	(1.9)	10	0.9	-	-	727	2.7
Net Profit (loss)	2,373	14.2	(293)	(3.8)	148	8.7	31	2.8	-	-	2,259	8.3
Depreciation &Amortization	576	3.4	410	5.3	96	5.7	49	4.5	-	-	1,131	4.1
EBITDA(loss)	4,001	23.9	(128)	(1.6)	217	12.8	91	8.3	-	-	4,181	15.3

## Q3\_2009

	Spirits	% to Sales	Beer	% to Sales	Non-alcoholic beverages	% to Sales	Food	% to Sales	Eliminate	% to Sales	Total	% to Sales
Sales	14,866	100.0	4,565	100.0	1,292	100.0	834	100.0	-	-	21,557	100.0
Cost of sales	9,680	65.1	3,913	85.7	843	65.2	498	59.7	(14)	-	14,920	69.2
Gross profit	5,186	34.9	652	14.3	449	34.8	336	40.3	14	-	6,637	30.8
Selling expenses	340	2.3	633	13.9	97	7.5	33	4.0	(4)	-	1,099	5.1
Administrative expenses	1,463	9.8	783	17.2	169	13.1	269	32.3	(39)	-	2,645	12.3
Operating profit(loss)	3,383	22.8	(764)	(16.7)	183	14.2	34	4.1	57	-	2,893	13.4
Other income/ Interest income	48	0.3	82	1.8	13	1.0	4	0.5	(57)	-	90	0.4
EBIT(loss)	3,431	23.1	(682)	(14.9)	196	15.2	38	4.6	-	-	2,983	13.8
Finance costs	72	0.5	39	0.9	7	0.5	2	0.2	-	-	120	0.6
Income tax	1,011	6.8	(82)	(1.8)	32	2.5	1	0.1	-	-	962	4.5
Net Profit (loss)	2,348	15.8	(639)	(14.0)	157	12.2	35	4.2	-	-	1,901	8.8
Depreciation &Amortization	565	3.8	401	8.8	91	7.0	40	4.8	-	-	1,097	5.1
EBITDA(loss)	3,996	26.9	(281)	(6.2)	287	22.2	78	9.4	-	-	4,080	18.9

	Increase(Decrease)											
	Spirits	%	Beer	%	Non-alcoholic beverages	%	Food	%	Eliminate	%	Total	%
Sales	1,849	12.4	3,229	70.7	406	31.4	259	31.1	(27)	-	5,716	26.5
Cost of sales	1,706	17.6	2,783	71.1	387	45.9	210	42.2	(12)	(85.7)	5,074	34.0
Gross profit	143	2.8	446	68.4	19	4.2	49	14.6	(15)	(107.1)	642	9.7
Selling expenses	66	19.4	265	41.9	62	63.9	14	42.4	(2)	(50.0)	405	36.9
Administrative expenses	60	4.1	(40)	(5.1)	21	12.4	31	11.5	34	87.2	106	4.0
Operating profit(loss)	17	0.5	221	28.9	(64)	(35.0)	4	11.8	(47)	(82.5)	131	4.5
Other income/ Interest income	(23)	(47.9)	(77)	(93.9)	(11)	(84.6)	-	-	47	82.5	(64)	(71.1)
EBIT(loss)	(6)	(0.2)	144	21.1	(75)	(38.3)	4	10.5	-	-	67	2.2
Finance costs	(31)	(43.1)	(23)	(59.0)	(1)	(14.3)	(1)	(50.0)	-	-	(56)	(46.7)
Income tax	-	-	(179)	(218.3)	(65)	(203.1)	9	900.0	-	-	(235)	(24.4)
Net Profit (loss)	25	1.1	346	54.1	(9)	(5.7)	(4)	(11.4)	-	-	358	18.8
Depreciation &Amortization	11	1.9	9	2.2	5	5.5	9	22.5	-	-	34	3.1
EBITDA(loss)	5	0.1	153	54.4	(70)	(24.4)	13	16.7	-	-	101	2.5

### Spirits Business

For the third quarter ended 30 September 2010, sales revenue was Baht 16,715 million, an increase by Baht 1,849 million, or 12.4%, mainly due to an increase of sales volume. Total sales volume of spirits was 114.0 million litres, an increase of 7.5%.

Gross profit was Baht 5,329 million, an increase by Baht 143 million, or 2.8%, mainly due to the increase in sales although there was an increase in raw material cost.

EBITDA was Baht 4,001 million, an increase by Baht 5 million, or 0.1%, mainly due to the increase in gross profit.

Net profit was Baht 2,373 million, an increase by Baht 25 million, or 1.1%, mainly due to the increase in EBITDA and there was a decrease in interest expenses.

### Beer Business

For the third quarter ended 30 September 2010, sales revenue was Baht 7,794 million, an increase by Baht 3,229 million, or 70.7%, mainly due to an increase of sales volume. Total sales volume of beer was 137.0 million litres, an increase of 67.2%.

Gross profit was Baht 1,098 million, an increase by Baht 446 million, or 68.4%, mainly due to the increase in sales.

EBITDA showed a loss of Baht 128 million, a decrease by Baht 153 million, or 54.4%, mainly due to the increase in sales although there was an increase of sales promotion expenses.

Net loss was Baht 293 million, a decrease by Baht 346 million, or 54.1 %, mainly due to the decrease of EBITDA(loss) and there was a decrease of interest expenses.

### Non-Alcoholic Beverages Business

For the third quarter ended 30 September 2010, sales revenue was Baht 1,698 million, an increase by Baht 406 million, or 31.4%, mainly due to an 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 55.5 million litres, an increase of 26.8%. Energy drinks generated sales volume of 1.6 million litres, a decrease of 24.6%. Soda and drinking water generated sales volume of 4.7 million litres and 24.6 million litres respectively, an increase of 57.6% and 90.7% respectively.

Gross profit was Baht 468 million, an increase by Baht 19 million, or 4.2%, mainly due to the increase of Oishi beverage sales. The lower margin was mainly due to product mix of Oishi beverages sales and an increase in raw material cost.

EBITDA was Baht 217 million, a decrease by Baht 70 million, or 24.4%, mainly due to an increase in marketing expenses.

Net profit was Baht 148 million, a decrease by Baht 9 million, or 5.7%, mainly due to the decrease in EBITDA although there was a decrease in interest expenses.

### **Food Business**

For the third quarter ended 30 September 2010, sales revenue was Baht 1,093 million, an increase by Baht 259 million, or 31.1%, mainly due to an increase in the number of branches and the sales price.

Gross profit was Baht 385 million, an increase by Baht 49 million, or 14.6%, mainly due to the increase in sales although food costs increased in accordance with the variety of foods available.

EBITDA was Baht 91 million, an increase by Baht 13 million, or 16.7%, mainly due to the increase in gross profit although there was an increase in branch rental fees and advertising expenses.

Net profit was Baht 31 million, a decrease by Baht 4 million, or 11.4% mainly due to an increase in depreciation and used up tax benefits although there was an increase in EBITDA.

## **Performance for the nine-month period ended 30 September 2010**

### **Group**

For the nine months of 2010, total sales revenue of the Company was Baht 86,680 million, an increase by Baht 10,776 million, or 14.2%, from Baht 75,904 million of the corresponding period of last year, due to an increase of sales revenue from the spirits business of 8.1%, the beer business of 22.4%, the non-alcoholic beverages business of 41.1% and the food business of 23.3%

Gross profit was Baht 23,926 million, an increase by Baht 1,051 million, or 4.6%, due to a higher gross profit in the spirits business of 0.7%, the beer business of 16.7%, the non-alcoholic beverages business of 12.6% and the food business of 10.2%.

Earnings before interest, tax, depreciation and amortization (EBITDA) was Baht 13,859 million, a decrease by Baht 1,234 million or 8.2%, due to a decrease of EBITDA in the spirits business of 3.4%, the beer business of 353.1%, the non-alcoholic beverages business of 29.4% although there was an increase of EBITDA in the food business of 24.5%.

Net profit was Baht 7,367 million, a decrease by Baht 348 million, or 4.5%, due to a lower net profit in the spirits business of 3.4% and the non-alcoholic beverages business of 36.5% although there was a lower net loss in the beer business of 6.8% and a higher net profit in the food business of 27.2%.

Unit :Million Baht

9 mthYTD\_ 2010

	Spirits	% to Sales	Beer	% to Sales	Non-alcoholic beverages	% to Sales	Food	% to Sales	Eliminate	% to Sales	Total	% to Sales
Revenue from sales	53,632	100.0	25,089	100.0	5,093	100.0	2,949	100.0	(83)	100.0	86,680	100.0
Cost of sales	35,971	67.1	21,377	85.2	3,601	70.7	1,870	63.4	(65)	78.3	62,754	72.4
Gross profit	17,661	32.9	3,712	14.8	1,492	29.3	1,079	36.6	(18)	21.7	23,926	27.6
Selling expenses	1,462	2.7	3,121	12.4	619	12.2	98	3.3	(38)	45.8	5,262	6.1
Administrative expenses	4,638	8.6	2,259	9.0	607	11.9	855	29.0	(14)	16.9	8,345	9.6
Operating profit(loss)	11,561	21.6	(1,668)	(6.6)	266	5.2	126	4.3	34	(41.0)	10,319	11.9
Other income/ Interest income	136	0.3	48	0.2	19	0.4	11	0.4	(34)	41.0	180	0.2
EBIT(loss)	11,697	21.8	(1,620)	(6.5)	285	5.6	137	4.6	-	-	10,499	12.1
Finance costs	124	0.2	55	0.2	16	0.3	3	0.1	-	-	198	0.2
Income tax	3,497	6.5	(558)	(2.2)	(22)	(0.4)	17	0.6	-	-	2,934	3.4
Net Profit (loss)	8,076	15.1	(1,117)	(4.5)	291	5.7	117	4.0	-	-	7,367	8.5
Depreciation &Amortization	1,724	3.2	1,210	4.8	289	5.7	137	4.6	-	-	3,360	3.9
EBITDA(loss)	13,421	25.0	(410)	(1.6)	574	11.3	274	9.3	-	-	13,859	16.0

9 mthYTD\_ 2009

	Spirits	% to Sales	Beer	% to Sales	Non-alcoholic beverages	% to Sales	Food	% to Sales	Eliminate	% to Sales	Total	% to Sales
Revenue from sales	49,595	100.0	20,490	100.0	3,610	100.0	2,392	100.0	(183)	100.0	75,904	100.0
Cost of sales	32,049	64.6	17,308	84.5	2,285	63.3	1,413	59.1	(26)	14.2	53,029	69.9
Gross profit	17,546	35.4	3,182	15.5	1,325	36.7	979	40.9	(157)	85.8	22,875	30.1
Selling expenses	1,229	2.5	2,176	10.6	351	9.7	95	4.0	(177)	96.7	3,674	4.8
Administrative expenses	4,208	8.5	2,288	11.2	448	12.4	793	33.2	(184)	100.5	7,553	10.0
Operating profit(loss)	12,109	24.4	(1,282)	(6.3)	526	14.6	91	3.8	204	(111.5)	11,648	15.3
Other income/ Interest income	109	0.2	258	1.3	23	0.6	15	0.6	(204)	111.5	201	0.3
EBIT(loss)	12,218	24.6	(1,024)	(5.0)	549	15.2	106	4.4	-	-	11,849	15.6
Finance costs	253	0.5	153	0.7	26	0.7	8	0.3	-	-	440	0.6
Income tax	3,601	7.3	22	0.1	65	1.8	6	0.3	-	-	3,694	4.9
Net Profit (loss)	8,364	16.9	(1,199)	(5.9)	458	12.7	92	3.8	-	-	7,715	10.2
Depreciation &Amortization	1,680	3.4	1,186	5.8	264	7.3	114	4.8	-	-	3,244	4.3
EBITDA(loss)	13,898	28.0	162	0.8	813	22.5	220	9.2	-	-	15,093	19.9



	Increase(Decrease)											
	Spirits	%	Beer	%	Non-alcoholic beverages	%	Food	%	Eliminate	%	Total	%
Revenue from sales	4,037	8.1	4,599	22.4	1,483	41.1	557	23.3	100	54.6	10,776	14.2
Cost of sales	3,922	12.2	4,069	23.5	1,316	57.6	457	32.3	(39)	(150.0)	9,725	18.3
Gross profit	115	0.7	530	16.7	167	12.6	100	10.2	139	88.5	1,051	4.6
Selling expenses	233	19.0	945	43.4	268	76.4	3	3.2	139	78.5	1,588	43.2
Administrative expenses	430	10.2	(29)	(1.3)	159	35.5	62	7.8	170	92.4	792	10.5
Operating profit(loss)	(548)	(4.5)	(386)	(30.1)	(260)	(49.4)	35	38.5	(170)	(83.3)	(1,329)	(11.4)
Other income/ Interest income	27	24.8	(210)	(81.4)	(4)	(17.4)	(4)	(26.7)	170	83.3	(21)	(10.4)
EBIT(loss)	(521)	(4.3)	(596)	(58.2)	(264)	(48.1)	31	29.2	-	-	(1,350)	(11.4)
Finance costs	(129)	(51.0)	(98)	(64.1)	(10)	(38.5)	(5)	(62.5)	-	-	(242)	(55.0)
Income tax	(104)	(2.9)	(580)	(2,636.4)	(87)	(133.8)	11	183.3	-	-	(760)	(20.6)
Net Profit (loss)	(288)	(3.4)	82	6.8	(167)	(36.5)	25	27.2	-	-	(348)	(4.5)
Depreciation &Amortization	44	2.6	24	2.0	25	9.5	23	20.2	-	-	116	3.6
EBITDA(loss)	(477)	(3.4)	(572)	(353.1)	(239)	(29.4)	54	24.5	-	-	(1,234)	(8.2)

### Spirits Business

For the nine months of 2010, sales revenue was Baht 53,632 million, an increase by Baht 4,037 million, or 8.1%, 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 362.1 million litres, an increase of 3.2%.

Gross profit was Baht 17,661 million, an increase by Baht 115 million, or 0.7%, mainly due to the increase in sales although there was an increase in raw material cost.

EBITDA was Baht 13,421 million, a decrease by Baht 477 million, or 3.4%, mainly due to an increase in donation expenses and product protection expenses.

Net profit was Baht 8,076 million, a decrease by Baht 288 million, or 3.4%, mainly due to the decrease in EBITDA although there was a decrease in interest expenses.

### Beer Business

For the nine months of 2010, sales revenue was Baht 25,089 million, an increase by Baht 4,599 million, or 22.4%, mainly due to an increase of the sales price to cover the excise tax rise in May 2009 and an increase of sales volume. Total sales volume of beer was 445.1 million litres, an increase of 11.6%.

Gross profit was Baht 3,712 million, an increase by Baht 530 million, or 16.7%, mainly due to the increase in sales.

EBITDA showed a loss of Baht 410 million, compared with a profit of Baht 162 million in the corresponding period of last year, which changed by Baht 572 million, or 353.1%, mainly due to an increase of sales promotion expenses.

Net loss was Baht 1,117 million, a decrease by Baht 82 million or 6.8%, mainly due to an income tax impacts and there was a decrease of interest expenses.

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

For the nine months of 2010, sales revenue was Baht 5,093 million, an increase by Baht 1,483 million, or 41.1%, 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 164.3 million litres, an increase of 36.1%. Energy drinks generated sales volume of 6.0 million litres, a decrease of 7.7%. Soda and drinking water generated sales volume of 17.0 million litres and 66.1 million litres respectively, an increase of 89.5% and 79.1% respectively.

Gross profit was Baht 1,492 million, an increase by Baht 167 million, or 12.6%, mainly due to the increase of Oishi beverages sales. The lower margin was mainly due to product mix of Oishi beverages sales and an increase in raw material cost.

EBITDA was Baht 574 million, a decrease by Baht 239 million, or 29.4%, mainly due to the increase in advertising expenses and marketing expenses.

Net profit was Baht 291 million, a decrease by Baht 167 million, or 36.5%, mainly due to the decrease in EBITDA although there was a decrease in interest expenses.

### **Food Business**

For the nine months of 2010, sales revenue was Baht 2,949 million, an increase by Baht 557 million, or 23.3%, mainly due to an increase in the number of branches and the sales price.

Gross profit was Baht 1,079 million, an increase by Baht 100 million, or 10.2%, mainly due to the increase in sales although food costs increased in accordance with the variety of foods available.

EBITDA was Baht 274 million, an increase by Baht 54 million, or 24.5%, mainly due to the increase in gross profit although branch rental fees increased.

Net profit was Baht 117 million, an increase by Baht 25 million, or 27.2%. mainly due to the increase in EBITDA and a decrease in interest expenses.

## **Financial Position**

### **Assets**

Total assets as at the end of September 2010 was Baht 77,298 million, an increase by Baht 148 million, or 0.2%, compared with the end of 2009. Current assets increased by Baht 1,266 million, mainly due to an increase in inventories. Non-current assets decreased by Baht 1,118 million, mainly due to depreciation of property, plant and equipment.

### **Liabilities**

Total liabilities as at the end of September 2010 was Baht 22,316 million, an increase by Baht 1,610 million, or 7.8%, compared with the end of 2009. This was mainly due to an increase in short-term loans from financial institutions.

The maturity of interest-bearing loans was as follows.

	Unit: Million Baht
Within September 2011	14,257
Total	14,257

### Shareholders' Equity

Total shareholders' equity as at the end of September 2010 was Baht 54,982 million, a decrease of Baht 1,462 million, or 2.6% compared with the end of 2009. This was mainly due to a decrease in net retained earning which comprised of profit for the period and dividend payment.

### Liquidity

Cash and cash equivalents, as at September 30, 2010, was Baht 1,484 million. The net decrease from the beginning of the period was Baht 1,106 million. Details of activities were as follows.

	Unit: Million Baht
Net cash provided by operating activities	7,771
Net cash used in investing activities	(2,291)
Net cash used in financing activities	(6,274)
Net decrease in cash and cash equivalents in period	(794)
Adjustment from financial statement translation	(312)
Cash and cash equivalents at beginning of period	2,590
Cash and cash equivalents at end of period	1,484

Net cash provided by operating activities of Baht 7,771 million was mainly derived from net income of Baht 7,367 million and non-cash items from depreciation and amortization of Baht 3,360 million and working capital and others decreased by Baht 2,956 million.

Net cash used in investing activities of Baht 2,291 million was mainly due to purchase of property, plant and equipments.

Net cash used in financing activities of Baht 6,274 million was mainly due to repayment of loans and dividend payment.

### Financial Ratios

	Sep.30, 10	Dec.31, 09
Current Ratio (times)	1.56	1.85
Total Debt to Equity Ratio (times)	0.41	0.37
Net asset value per share (Baht)	2.18	2.24
	Jan. – Sep.10	Jan. - Dec.09
Accounts Receivable Turnover (days)	6	6
Inventory Turnover (days)		
Spirits Business		
Finished Goods (Excl. Legacy Stocks)	57	59
Beer Business		
Finished Goods	25	40

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 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 period and the next 12 months.

In the first nine months of 2010, the Thai economy was mainly affected by domestic factors. In January and February, the economy continued to improve following the recovery of global economy at the end of 2009. However, the rising political tension in mid-March diminished consumer confidence and less people tended to dine at restaurants and bars due to concerns about the uncertain political situation and curfew enforcement. The decreasing consumption and spending in the tourism sector also contracted the market despite two positive elements i.e. Songkran holidays and World Cup in the same quarter. Nevertheless, when the political situation subsided towards the end of the second quarter, consumption and spending began to recover.

The overall economy in the third quarter of 2010 was stable and continued to expand. Revenues from agricultural sector continued to grow while private consumption and investment saw growth at the rate slower than that in the first half of the year. They both were key factors that boosted the expansion and stabilized the Thai economy in this quarter.

Private consumption index (PCI) in Q3 2010 improved to 135.5 or 5% increase year-on-year. Consumer Price Index (CPI) in September 2010 increased to 108.49 or 3.0% increase year-on-year. In addition, Consumer Confidence Index (CCI) in September 2010 continued to improve for the fifth consecutive month to 81.5, which is the highest figure since January 2007. This is because consumers began to see the improvement in the current domestic situations, especially the increasing political stability, which should encourage further recovery of the Thai economy, despite concerns on the appreciating Baht. The improving consumer confidence also signals that consumption should soon recover.

Thai Beverage's business also performed well in Q3 in line with the improving market sentiments. The increase of consumer confidence was eminent as spending began to climb up, especially on food and beverage consumption.

Source:

1. *Press Release on Economic and Monetary Conditions for September and the third Quarter of 2010 by Bank of Thailand*
2. *Summary of September 2010's consumer confidence survey by the Center for Economic and Business Forecasting, the University of the Thai Chamber of Commerce*
3. *Consumer Price Index Report September 2010 by the Ministry of Commerce*

### **Beer Business**

The overall atmosphere of the beer market in Thailand started to see the sign of recovery in third quarter of 2010. The political and economic situations were stable, and the World Cup 2010 event during June- July 2010 helped revive the beer market.

For ThaiBev, beer sales revenue increased by 22.4% in the first nine months of 2010, from an increase of sales price to cover the excise tax rise (May 2009) and an increase in sales volume in the third quarter of 2010.

The World Cup season supported the on-premise consumption at the end of the second quarter and third quarter. Also, when comparing YoY, the third quarter 2010 sales volume increased significantly partly because of the low base in 2009, when the Company destocked beer volume in agents' inventory. The improvement in sales volume in the third quarter of 2010 led to an increase in the first nine months of 2010 volume of 11.6% YoY.

The Company still continued to invest in marketing and promotion expenses to create brand awareness. There are more marketing activities through sports and music channels. Chang Beer was the main sponsor of 12 teams in Thailand Football Leagues, as well as the main sponsor of

the World Cup broadcast in Thailand. These campaigns helped create brand loyalty. Even though the Company's beer segment still saw a net loss, the Company slowly reduced marketing and sales promotion expenses in the third quarter 2010, leading to a slight improvement in bottom line.

### **Spirits Business**

Over the first nine months of 2010, ThaiBev's spirits business saw an improvement in both sales revenue and sales volume, which increased by 8.1% and 3.2%, respectively. ThaiBev's two best-selling brown spirits, Hong Thong and Blend 285, were the main contributors of sales volume increase.

However, higher molasses cost had direct impact on the Company's profitability in spirits segment. Since the Company had secured the molasses supply required for the entire 2010 production, the impact is likely to remain at the same rate at least until the end of 2010.

### **Non-alcohol Business**

Oishi beverages, soda, and drinking water were continued to drive sales growth of non-alcoholic business. The first nine months of 2010 saw sales revenue surged by 41.1%, with a dramatic increase in sales volume of drinking water and soda of 79.1% and 89.5%, respectively, when compared year on year. The increase in sales volume resulted from marketing activities to promote brands as well as strong distribution network.

### **Food Business**

For the first nine months of 2010, Oishi food business sales revenue increased 23.3% year on year, driven by sales from both existing and new outlets. Oishi opened 17 new stores, in line with the Company's plan to open a total of 25 stores in 2010.

### **International Business**

ThaiBev's international operations continued to gain momentum from strong growth in 3Q10 with the first nine months results showing continual dramatic growth in sales of 47% over last year, and the increase in profitability of 71% across all regions.

- ASEAN performance was driven by Chang Beer sales increasing by 73% with continuing market support behind the brand.
- USA performance continued to improve with sales growth of 277% as we continued to build stronger presence in both Asian and mainstream channels. Chang Beer continues to grow strongly with 52% growth YoY as penetration into on-premise and off-premise channels improved, backed by an increase in marketing activities namely, performances by Thailand's superstar entertainers, Bird Thongchai in the first half to Nuvo and Da Endorphine in the third quarter of 2010. Inver House's Scotch whisky brands, Speyburn continued to outperform our expectation.
- IBHL UK and the rest of the world performed strongly with sales growth of 24% driven by Chang Beer. In the UK alone, the sales growth was 27% compared YoY, with continued support in national stores such as TESCO and leveraging Everton Football sponsorships. Whisky sales also continued to grow, especially in Eastern European countries and Russia.
- Yunnan Yulinquan Liquor Co. Ltd (YLQ) operations in China showed strong sales growth of 30% YoY for the first nine months of 2010. Also, YLQ continued to see an improvement in profitability and margin from focusing on mid to high tier brands.

IBHL performance for the first nine month continued to build from 1H10, with strong 3Q10 sales growth of 43% YoY, as all regions continued to grow strongly behind our Chang Beer and Scotch whisky brands.

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

(a) Current Financial Period Reported On

Any dividend declared for current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

No.

(c) Dividend is before tax.

N/A

(d) The date the dividend is payable .

N/A

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

N/A

13. Interested person transaction

The details of the aggregate value of interested person transactions of the company for the three-month period (July - September) and nine-month period (Jan- September) ended 30 September 2010 are as follows:

Thai Beverage Public Company Limited		
Unaudited but reviewed results for the three-month period (Jul-Sep) ended 30 September 2010		
Interested persons transactions for the three-month period (Jul-Sep) ended 30 September 2010		
	Aggregate value of all interested persons transactions during the three-month period (Jul-Sep) ended 30 September 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.	11,466.84
2	PS Recycle Co., Ltd.	24,253.12
3	The Utaradit Sugar Industry Co., Ltd.	13,654.26
<b>B</b>	<b>Cost of sales</b>	
1	PS Recycle Co., Ltd.	73,044.44
2	The Suphanburi Sugar Industry Co., Ltd.	3,100.51
3	Dhipaya Sugar (1999) Co., Ltd.	3,898.43
4	Thai Beverage Can Co., Ltd.	232,181.27
5	Berli Jucker PLC	871,983.13
6	The Southeast Insurance Co., Ltd.	35,663.77
7	New Noble Property and Loan Fund	3,765.68
8	Siam Food Products PLC	3,485.28
9	Plantheon Trading Co., Ltd. **	23,422.24
<b>C</b>	<b>Other expenses</b>	
1	Bang-Na Glass Co., Ltd.	3,642.48
2	Southeast Capital Co., Ltd.	34,776.59
3	T.C.C. Technology Co., Ltd.	16,670.39
4	The Southeast Insurance Co., Ltd.	7,769.70
5	Plaza Athenee Hotel (Thailand) Co., Ltd.	5,523.75
6	North Park Golf And Sports Club Co., Ltd.	2,730.13
7	TCC Hotel Collection Co.,Ltd.	9,922.27
8	Best Fortune Property and Loan Fund	8,524.36
9	Thippatana Arcade Co., Ltd.	3,609.68
10	TCC PD 11 Co., Ltd.	3,024.00
11	Plantheon Trading Co., Ltd. **	3,448.98
	* Exchange rate Baht 23.32 per 1 SGD.	
	** The list of Mandated Interested Persons has been extended to include this company by the approval of the 2010 Annual General Meeting of Shareholders of the Company since 29 April 2010	

Thai Beverage Public Company Limited		
Unaudited but reviewed results for the nine-month period (Jan-Sep) ended 30 September 2010		
Interested persons transactions for the nine-month period (Jan-Sep) ended 30 Sep 2010		
	Aggregate value of all interested persons transactions during the nine-month period (Jan-Sep) ended 30 September 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 Revenue from sales and service income</b>		
1 Pisetkij Co., Ltd.	-	30,022.10
2 PS Recycle Co., Ltd.	-	73,541.67
3 The Utaradit Sugar Industry Co., Ltd.	-	13,741.21
4 TCC Hotel Collection Co., Ltd.	2,449.57	-
5 Thai Alcohol PLC **	170,635.34	-
<b>B Other income</b>		
1 Pisetkij Co., Ltd.	-	6,092.52
2 T.C.C. Technology Co., Ltd.	-	3,110.96
<b>C Cost of sales</b>		
1 PS Recycle Co., Ltd.	-	310,377.67
2 The Maewang Sugar Industry Co., Ltd.	-	62,397.99
3 The Suphanburi Sugar Industry Co., Ltd.	-	87,356.46
4 Dhipaya Sugar (1999) Co., Ltd.	-	12,339.88
5 Southeast Capital Co., Ltd.	-	6,720.48
6 T.C.C. Technology Co., Ltd.	-	5,067.20
7 Thai Beverage Can Co., Ltd.	-	763,075.58
8 Berli Jucker PLC	-	2,849,304.73
9 The Southeast Insurance Co., Ltd.	-	95,740.56
10 The Southeast Life Insurance Co., Ltd.	-	4,056.36
11 The Utaradit Sugar Industry Co., Ltd.	-	67,231.68
12 New Noble Property and Loan Fund	-	11,297.03
13 Siam Food Products PLC	3,485.28	-
14 Plantheon Trading Co., Ltd. **	838,737.56	119,879.55
<b>D Other expenses</b>		
1 Bang-Na Glass Co., Ltd.	-	11,555.15
2 Southeast Capital Co., Ltd.	-	101,638.58
3 T.C.C. Technology Co., Ltd.	-	47,583.16
4 Berli Jucker PLC	-	6,789.88
5 The Southeast Insurance Co., Ltd.	-	23,663.70
6 The Southeast Life Insurance Co., Ltd.	-	6,678.28
7 Plaza Athenee Hotel (Thailand) Co., Ltd.	-	24,347.65
8 Surasate Co., Ltd.	4,299.55	-
9 North Park Golf And Sports Club Co., Ltd.	-	11,972.77
10 TCC Hotel Collection Co., Ltd.	20,564.17	-
11 Dynamic Assets Property and Loan Fund	3,879.05	-
12 Best Wishes Co Ltd	2,853.99	-
13 Best Fortune Property and Loan Fund	25,545.76	-
14 Thippatana Arcade Co., Ltd.	8,184.83	-
15 TCC PD 11 Co., Ltd.	9,072.00	-
16 Sea Food Beer Garden Co., Ltd.	3,681.22	-
17 Plantheon Trading Co., Ltd. **	8,743.89	12,201.24
<b>E Purchase of assets</b>		
1 Berli Jucker PLC	9,976.84	-

\* Exchange rate Baht 23.32 per 1 SGD.

\*\* The list of Mandated Interested Persons has been extended to include this company by the approval of the 2010 Annual General Meeting of Shareholders of the Company since 29 April 2010