

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2008 (Unaudited)

Short-term loans from and amounts due to related parties

	Consolidated financial statements			Separate financial statements			
	30 June 2008	31 December 2007	30 June 2008	31 December 2007	30 June 2008	31 December 2007	
	Short-term loans from	Short-term loans from	Short-term loans from	Short-term loans from	Short-term loans from	Short-term loans from	
	Amounts due to	Amounts due to	Amounts due to	Amounts due to	Amounts due to	Amounts due to	
	Total	Total	Total	Total	Total	Total	
	<i>(in million Baht)</i>						
Subsidiaries (continued)							
Bang-Na Logistic Co., Ltd.	-	-	-	-	-	30	
Thai Beverage Logistics Co., Ltd.	-	-	198	199	-	-	
Thai Beverage Marketing Co., Ltd.	-	-	50	50	151	151	
Dhospasak Co., Ltd.	-	-	25	30	14	14	
International Beverage Holdings Ltd.	-	-	-	-	1	1	
Cosmos Brewery (Thailand) Co., Ltd.	-	-	132	134	3	180	
Beer Chang Co., Ltd.	-	-	97	98	1	1	
Archa Beer Co., Ltd.	-	-	55	55	35	35	
Total subsidiaries	-	-	4,237	4,282	65	2,105	
Other related companies							
The Southeast Insurance (2000) Co., Ltd.	122	19	-	5	-	-	
Fliza Athenee Hotel (Thailand) Co., Ltd.	17	10	-	-	-	-	
Southeast Capital Co., Ltd.	11	14	-	-	2	2	
T.C.C. Technology Co., Ltd.	11	11	-	10	7	7	
TCC Hotel Collection Co., Ltd.	5	10	-	-	1	1	
Others	8	5	-	-	-	-	
Total other related companies	174	69	-	15	10	10	
Total	174	174	4,237	4,297	75	2,115	

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Long-term loans from and amounts due to related parties

	Consolidated financial statements			Separate financial statements		
	30 June 2008	31 December 2007	30 June 2008	31 December 2007	31 December 2007	
	Long-term loans from	Long-term loans from	Long-term loans from	Long-term loans from	Long-term loans from	Total
	Amounts due to	Amounts due to	Amounts due to	Amounts due to	Amounts due to	Amounts due to
<i>Other related companies</i>	-	-	-	-	-	-
Southeast Capital Co., Ltd.	5	5	-	-	-	-
Total	<u>5</u>	<u>5</u>	<u>6,932</u>	<u>6,932</u>	<u>6,540</u>	<u>6,540</u>

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<i>Summary of loans from related parties</i>	Consolidated financial statements		Separate financial statements	
	30 June 2008	31 December 2007	30 June 2008	31 December 2007
	<i>(in million Baht)</i>			
Short-term loans	-	-	4,237	2,040
Long-term loans	-	-	6,932	6,540
Total loans from related parties	-	-	11,169	8,580

Movements during the six-month periods ended 30 June 2008 and 2007 of loans from related parties were as follows:

<i>Loans from related parties</i>	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in million Baht)</i>			
Short-term loans				
Subsidiaries				
At 1 January	-	-	2,040	12,984
Increase	-	-	2,888	1,226
Decrease	-	-	(691)	(4,748)
At 30 June	-	-	4,237	9,462
Other related parties				
At 1 January	-	4,615	-	-
Increase	-	-	-	-
Decrease	-	(3,082)	-	-
At 30 June	-	1,533	-	-
Total short-term loans from related parties				
At 1 January	-	4,615	2,040	12,984
Increase	-	-	2,888	1,226
Decrease	-	(3,082)	(691)	(4,748)
At 30 June	-	1,533	4,237	9,462
Long-term loans				
Subsidiaries				
At 1 January	-	-	6,540	4,372
Increase	-	-	784	1,048
Decrease	-	-	(392)	(36)
At 30 June	-	-	6,932	5,384

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Significant agreements with related parties

Supporting service agreements

The Company entered into the supporting service agreements with subsidiaries for the supporting service such as human resource, administration, accounting, finance, public relations, public coordination, technology, law, secretary and share register and internal audit for the period of one year from 1 January 2004 to 31 December 2004. Unless there are notifications to terminate the agreement within 30 days before the expiry date, this agreement continues to be in effect for the successive one year term. The subsidiaries are committed to pay a service fee at the rate of 0.5% of their principal revenue.

Up to date, supporting service fee rate was adjusted to 1% of the principal revenue. Service fee rate was adjusted for development of new product, experiment and quality test, analysis, research and marketing survey for new products and procurement of information.

Application service provisioning agreement

The Company entered into the application service provisioning agreement with T.C.C. Technology Co., Ltd., a related party, for the providing ongoing support and maintenance of the systems and infrastructure and is committed to pay system, hardware and software rental fee and service fee on monthly basis throughout the contract period for five years.

Procurement agreement

The Group entered into the procurement agreement with Pan International (Thailand) Company Limited, the Company's subsidiary, for necessary purchase and procurement services to the Group. The Group is committed to pay procurement fee at 1% of the value of goods and services purchased under such agreement.

Molasses purchase agreements

Thai Molasses Co., Ltd., the Company's subsidiary, entered into the molasses purchase agreements with various related companies in order to sell to other subsidiary companies within the Group. The term and condition as specified in the agreements is that the sellers would sell molasses to the buyers in specified quantity, price, quality, delivery and received, payments, responsibility, weight, sample analysis on molasses, and quality control, etc. These were mutually agreed by the parties.

Glass bottle purchase and sale agreement

Bang-Na Logistic Co., Ltd., the Company's subsidiary, entered into the glass bottle purchase and sale agreement with Berli Jucker Public Company Limited, a related party, to purchase various types of new glass bottles in order to sell to other subsidiaries within the Group for a period of two years and eight months, effective date from 1 May 2007 to 31 December 2009 under the price and condition stated in the contract.

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License agreements

- Three subsidiaries entered into license agreements with Beer Chang Co., Ltd., Archa Beer Co., Ltd., and Thai Beverage Brands Co., Ltd. the Company's subsidiaries, in order to receive the rights and obligations in drinking water, soda water, beer, draft beer and lager beer under the trade names of "CHANG", "ARCHA" and "FEDERBRAU". Subsidiaries are committed to pay fee at a rate of 2% based on net sale at price distributing at the factory (excluding VAT) after deducting the excise tax and health promotion fund.
- Sura Bangyikhan Co., Ltd., the Company's subsidiary, entered into license agreements with 12 subsidiaries to provide the rights to use trademark for white liquor and Chiang - Chun blended liquor as stipulated in the agreement. The trademark fee at Baht 0.50-1.50 per bottle based on contents of each type of bottles.

Commitments with related parties

	Consolidated financial statements		Separate financial statements	
	30 June 2008	31 December 2007	30 June 2008	31 December 2007
	<i>(in million Baht)</i>			
<i>Non-cancellable operating lease commitments</i>				
Within one year	164	131	21	22
After one year but within five years	264	228	35	32
After five years	16	17	-	-
Total	444	376	56	54
<i>Other commitments</i>				
Application service provisioning agreement	122	142	122	142
Brewing supervision agreement	30	30	-	-
Molasses purchase agreements	34	-	-	-
Other agreements	6	4	8	17
Total	192	176	130	159

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6 Other investments

	Consolidated financial statements		Separate financial statements	
	30 June 2008	31 December 2007	30 June 2008	31 December 2007
	<i>(in million Baht)</i>			
<i>Current investments</i>				
Short-term deposits at financial institutions	9	8	-	-
<i>Other long term investments</i>				
Other non marketable equity securities	8	8	-	-
Less allowance for decline in value of investments	(4)	(4)	-	-
Net	4	4	-	-
Total	13	12	-	-

7 Trade accounts receivable

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2008	31 December 2007	30 June 2008	31 December 2007
		<i>(in million Baht)</i>			
Related parties	5	15	14	-	-
Other parties		1,095	1,608	-	-
		1,110	1,622	-	-
Less allowance for doubtful accounts		(155)	(155)	-	-
Total		955	1,467	-	-

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Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	30 June 2008	31 December 2007	30 June 2008	31 December 2007
	<i>(in million Baht)</i>			
Related parties				
Within credit terms	8	10	-	-
Overdue:				
Less than 3 months	7	4	-	-
	<u>15</u>	<u>14</u>	<u>-</u>	<u>-</u>
Other parties				
Within credit terms	717	979	-	-
Overdue:				
Less than 3 months	192	353	-	-
3-6 months	23	64	-	-
6-12 months	10	72	-	-
Over 12 months	153	140	-	-
	<u>1,095</u>	<u>1,608</u>	<u>-</u>	<u>-</u>
Less allowance for doubtful accounts	(155)	(155)	-	-
Net	<u>940</u>	<u>1,453</u>	<u>-</u>	<u>-</u>
Total	<u><u>955</u></u>	<u><u>1,467</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

The normal credit term granted by the Group ranges from 7 days to 180 days.

8 Investments in subsidiaries and associates

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in million Baht)</i>			
At 1 January	124	135	71,470	63,595
Acquisitions	-	-	869	6,845
Translation differences on consolidation	(1)	(36)	-	-
At 30 June	<u>123</u>	<u>99</u>	<u>72,339</u>	<u>70,440</u>

The consolidated financial statements of the Company for the six-month period ended 30 June 2008 include the financial statements of two subsidiary companies as follows: United Products Co., Ltd. and S P M Foods and Beverages Co., Ltd., which the financial statements were prepared by their management and which have not been reviewed by the auditors. The total assets of these subsidiary companies represent 0.94% of the consolidated assets as at 30 June 2008 and their revenues represent 1.22% of the consolidated revenues for the six-month period then ended.

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Investments in subsidiaries and associates as at 30 June 2008 and 31 December 2007 were as follows:

	Ownership interest		Paid-up capital		Consolidated financial statements			
	30 June 2008	31 December 2007	30 June 2008	31 December 2007	30 June 2008	31 December 2007	30 June 2008	31 December 2007
	(%)		(in million Baht)					
<i>Associates</i>								
<i>Held by subsidiaries of indirect subsidiaries</i>								
Liquorland Limited	49.49	49.49	69	69	18	18	123	124
Inver House Polska Limited	44.00	44.00	8	8	4	4	-	-
Inver House Distribution SA	50.02	50.02	2	2	1	1	-	-
Total			79	79	23	23	123	124

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Separate financial statements

	Ownership interest (%)		Paid-up capital		Cost method		Dividend income	
	30 June 2008	31 December 2007	30 June 2008	31 December 2007	30 June 2008	31 December 2007	30 June 2008	30 June 2007
<i>Direct subsidiaries</i>								
Beer Thai (1991) PCL	100.00	100.00	5,550	5,550	12,500	12,500	117	1,870
Beer Thip Brewery (1991) Co., Ltd.	100.00	100.00	6,600	6,600	12,500	12,500	462	1,617
Sangsom Co., Ltd.	100.00	100.00	7,500	7,500	7,500	7,500	-	750
Poengfuanant Co., Ltd.	100.00	100.00	900	900	900	900	32	253
Mongkolsamai Co., Ltd.	100.00	100.00	700	700	700	700	21	-
Thanapakdi Co., Ltd.	100.00	100.00	700	700	700	700	17	36
Kanchanasingkom Co., Ltd.	100.00	100.00	700	700	700	700	17	85
Sura Bangyikhan Co., Ltd.	100.00	100.00	4,000	4,000	4,000	4,000	180	228
Athimart Co., Ltd.	100.00	100.00	900	900	900	900	63	237
S.S. Karnsura Co., Ltd.	100.00	100.00	800	800	800	800	72	326
Kankwan Co., Ltd.	100.00	100.00	800	800	800	800	40	244
Theperunothai Co., Ltd.	100.00	100.00	700	700	700	700	63	134
Red Bull Distillery (1988) Co., Ltd.	100.00	100.00	5,000	5,000	5,000	5,000	125	-
United Winery and Distillery Co., Ltd.	100.00	100.00	1,800	1,800	1,800	1,800	27	52
Sinathurakij Co., Ltd.	100.00	100.00	900	900	889	889	54	104
Natechai Co., Ltd.	100.00	100.00	800	800	800	800	8	101
Luckchai Liquor Trading Co., Ltd.	100.00	100.00	800	800	766	766	-	70
Sura Piset Thupparat Co., Ltd.	100.00	100.00	500	500	510	510	-	-
Thai Alcohol PCL	100.00	100.00	800	800	1,374	1,374	-	357
Pomthip Co., Ltd.	100.00	100.00	10	10	10	10	27	190
Pomkit Co., Ltd.	100.00	100.00	10	10	10	10	51	281
Pomkung Co., Ltd.	100.00	100.00	10	10	10	10	34	173
Pomchok Co., Ltd.	100.00	100.00	10	10	10	10	57	359
Pomcharoen Co., Ltd.	100.00	100.00	10	10	10	10	17	16
Pomburepa Co., Ltd.	100.00	100.00	10	10	10	10	36	255
Nuam Yuk Co., Ltd.	100.00	100.00	10	10	10	10	112	631
Nuam Kijjaksarn Co., Ltd.	100.00	100.00	10	10	10	10	133	1,077
Nuam Palang Co., Ltd.	100.00	100.00	10	10	10	10	61	257

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	Separate financial statements						Dividend income for six months ended 30 June 2007
	Ownership interest 30 June 2008	31 December 2007	30 June 2008	31 December 2007	30 June 2008	31 December 2007	
		(%)					
<i>Direct subsidiaries (continued)</i>							
Num Muang Co., Ltd.	100.00	100.00	10	10	10	10	400
Num Nakorn Co., Ltd.	100.00	100.00	10	10	10	10	168
Num Tharakij Co., Ltd.	100.00	100.00	10	10	10	10	306
Thipchaloethorn Co., Ltd.	100.00	100.00	1	1	3	3	214
Kritayabun Co., Ltd.	100.00	100.00	5	5	27	27	241
Surathip Co., Ltd.	100.00	100.00	1	1	7	7	649
Sunthornpirom Co., Ltd.	100.00	100.00	5	5	25	25	951
Pivomsurang Co., Ltd.	100.00	100.00	5	5	24	24	654
Bionic Hungus Co., Ltd.	100.00	100.00	690	350	694	354	-
Wangyvet Beverage (2008) Co., Ltd. (Formerly: Maharas Agri Co., Ltd.)	100.00	100.00	200	2	200	2	-
Thai Molasses Co., Ltd.	99.72	99.72	40	40	35	35	76
Additive Food Co., Ltd.	100.00	100.00	1	1	32	32	36
Pan International (Thailand) Co., Ltd.	100.00	100.00	1	1	34	34	65
Charum Business S2 Co., Ltd.	100.00	100.00	122	122	84	84	-
Thai Cooperage Co., Ltd.	100.00	100.00	300	300	296	296	31
Bang-Na Logistic Co., Ltd.	100.00	100.00	123	123	134	134	53
Thai Beverage Logistics Co., Ltd.	100.00	100.00	262	12	262	12	64
Thai Beverage Marketing Co., Ltd.	100.00	100.00	300	300	300	300	100
Dhanasindhi Co., Ltd.	100.00	100.00	20	20	24	24	20
Dhospaak Co., Ltd.	100.00	100.00	25	25	61	61	20
International Beverage Holdings Ltd.	100.00	100.00	6,841	6,760	6,841	6,760	-
Cosmos Brewery (Thailand) Co., Ltd.	100.00	100.00	1,667	1,667	4,212	4,212	1,427
Thai Beverage Brands Co., Ltd. (Formerly: T.C.C. Cosmo Corp., Ltd.)	100.00	100.00	5	5	39	39	3
Beer Chang Co., Ltd.	100.00	100.00	1	1	4,301	4,301	190
Archua beer Co., Ltd.	100.00	100.00	1	1	130	130	30
Sura Piset Phatra Lanna Co., Ltd.	100.00	100.00	600	600	615	615	-
Total			51,786	50,917	72,339	71,470	15,401

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9 Property, plant and equipment

Acquisitions and disposals of property, plant and equipment during the six-month periods ended 30 June 2008 and 2007 were as follows:

	Consolidated financial statements			
	2008		2007	
	Acquisitions - at cost	Disposals - net book value	Acquisitions - at cost	Disposals - net book value
	<i>(in million Baht)</i>			
Land	55	-	24	(546)
Land improvement	-	(1)	1	-
Buildings and improvements	127	(1)	9	(1)
Machinery and equipment	324	(10)	64	(9)
Furniture, fixtures and office equipment	27	-	30	-
Vehicles	68	(2)	7	(4)
Construction in progress	366	-	491	(210)
Total	967	(14)	626	(770)

	Separate financial statements			
	2008		2007	
	Acquisitions - at cost	Disposals - net book value	Acquisitions - at cost	Disposals - net book value
	<i>(in million Baht)</i>			
Land	-	-	-	(545)
Furniture, fixtures and office equipment	7	-	1	-
Vehicles	2	(1)	-	-
Construction in progress	-	-	-	(210)
Total	9	(1)	1	(755)

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10 Interest-bearing liabilities

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2008	31 December 2007	30 June 2008	31 December 2007
<i>(in million Baht)</i>					
Current					
Bank overdrafts					
Secured		581	899	-	-
Unsecured		12	101	1	-
Short-term loans from financial institutions					
Unsecured		9,690	4,998	5,600	4,798
Bank overdraft and short-term loans from financial institutions		<u>10,283</u>	<u>5,998</u>	<u>5,601</u>	<u>4,798</u>
Current portion of long-term guaranteed bonds					
Guaranteed / Negative pledge		-	3,000	-	3,000
Current portion of long-term loans					
Guaranteed / Negative pledge		-	1,755	-	1,755
Unsecured		2,775	-	2,775	-
Short-term loans from related parties					
Unsecured	5	-	-	4,237	2,040
		<u>13,058</u>	<u>10,753</u>	<u>12,613</u>	<u>11,593</u>
Non-current					
Long-term loans from financial institutions					
Unsecured		2,625	5,400	2,625	5,400
Long-term loans from related parties					
Unsecured	5	-	-	6,932	6,540
		<u>2,625</u>	<u>5,400</u>	<u>9,557</u>	<u>11,940</u>
Total		<u>15,683</u>	<u>16,153</u>	<u>22,170</u>	<u>23,533</u>

The periods to maturity of interest-bearing liabilities as at 30 June 2008 and 31 December 2007 were as follows:

	Consolidated financial statements		Separate financial statements	
	30 June 2008	31 December 2007	30 June 2008	31 December 2007
<i>(in million Baht)</i>				
Within one year	13,058	10,753	12,613	11,593
After one year but within five years	2,625	5,400	9,557	11,940
Total	<u>15,683</u>	<u>16,153</u>	<u>22,170</u>	<u>23,533</u>

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As at 30 June 2008 the Group had unutilised credit facilities totalling Baht 18,174 million (31 December 2007: Baht 24,724 million).

The principal features of the borrowings were as follows:

- (a) Bank overdrafts are repayable on demand as at 30 June 2008, the Group has a total overdraft facilities amounting to Baht 3,946 million (31 December 2007: Baht 3,714 million) which is partially guaranteed by five subsidiaries.
- (b) Short-term loans from financial institutions as at 30 June 2008, the Group has short-term loan facilities from several financial institutions totalling Baht 24,510 million (31 December 2007: Baht 25,010 million) with money market rate quoted by bank. The Group utilised those facilities in term of promissory notes issued by the Group to several domestic financial institutions totalling Baht 9,690 million (31 December 2007: Baht 3,000 million).

In 2007, the Company issued and offered short-term bill of exchange amounting to Baht 5,000 million to two financial institutions, the said bills represents short-term bill of exchange offered to and exchanged among institutional investors and/or substantial high net worth investors as prescribed in accordance with Notifications of the Securities and Exchange Commission. The Company repaid the short-term bill of exchange at maturity during November 2007 and January 2008. The Company fully repaid the short-term bill of exchange in January 2008 and there was no outstanding balance as at 30 June 2008 (31 December 2007: Baht 2,000 million).

- (c) Long-term loan and its current portion as at 31 December 2006 were loan agreements with eight financial institutions to obtain long-term borrowings totalling Baht 26,600 million. Of this, the principal of Baht 23,600 million has a grace period of 2 years and is to be repaid in 36 monthly installments, Baht 654.22 million each for the first 35 installments and Baht 702.2 million for the last installment, from 28 April 2008 to 31 March 2011 with interest at the fixed rates of 5.75% and 6% per annum for the first and the second years, respectively, and MLR-1.5% to MLR-1.75% per annum from the third year onwards, payable monthly, commencing in March 2006. The remaining principal of Baht 3,000 million is to be repaid in eight quarterly installments, Baht 375 million each, from 28 June 2006 to 28 March 2008 with a fixed interest rate of 5.70% per annum, payable quarterly, commencing in June 2006.

The borrowings are fully co-guaranteed by four subsidiaries with a negative pledge made by 17 subsidiaries whereby these subsidiaries agree not to sell, transfer, mortgage, pledge, encumber or grant any preferential right in relation to their land, buildings, plant and machinery.

In 2006 and 2007, the Company partially repaid long-term loans amounting to Baht 22,220 million with accrued interest to seven financial institutions and the interest rate in the second year decrease from 6% to 5% per annum. Subsequently, in March 2008, the Company fully prepaid the remaining long-term loans of Baht 1,380 million with accrued interest to the financial institutions. The fully co-guarantee by four subsidiaries and the negative pledge made by 17 subsidiaries were terminated in March 2008.

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In 2007, the Company entered into a long-term loan agreement with a financial institution in the amount of Baht 4,500 million which is to be repaid monthly in 12 installments, Baht 375 million each, commencing in February 2009. Interest is payable monthly at 5.60% per annum for the first year and 5.75% per annum afterwards. Subsequently, the Company has been granted the reduction of interest rate to be 4.50% per annum for the first year and 4.75% per annum afterwards. In addition, the Company entered into a long-term loan agreement with a financial institution in the amount of Baht 900 million which is to be repaid in 2009. The interest is payable monthly at 3.9625% per annum.

11 Trade accounts payable

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2008	31 December 2007	30 June 2008	31 December 2007
		<i>(in million Baht)</i>			
Related parties	5	712	680	-	-
Other parties		1,739	1,569	-	-
Total		2,451	2,249	-	-

12 Segment information

Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segments, is based on the Group's management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

In preparing segmental information, those liabilities and related interest expense that are not specifically attributable to a particular segment are allocated on a percentage of net assets basis. Management believes this to be a fair indication of the actual use of the liabilities.

Inter-segment transactions are eliminated on consolidation.

Business segments

The Group comprises the following main business segments:

<i>Beer</i>	Production and sales of branded beer products (mostly outside the group);
<i>Spirits</i>	Production and sales of branded spirits products (mostly outside the group);
<i>Non-alcoholic beverages</i>	Production and sales of branded soda, water, energy drinks and fruit drinks products (mostly outside the group); and
<i>Alcohol</i>	Production and sales of alcohol (mostly outside the group)

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For the three-month and six-month periods ended 30 June 2008 (Unaudited)

Geographical segments

Operating units of the Group are mainly located in Thailand. Portions of product produced from these units are exported directly or indirectly through foreign subsidiaries to external customers. Certain operating units of subsidiaries are located in foreign countries.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

Thai Beverage Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and six-month periods ended 30 June 2008 (Unaudited)

Business segment results

Revenue and results, based on business segments, in the consolidated financial statements for the three-month periods ended 30 June 2008 and 2007 were as follows:

	Beer		Spirits		Non-alcoholic beverages			Alcohol		Elimination		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	
Revenue from sales	9,402	10,722	14,273	12,574	221	-	267	131	180	(281)	24,343	23,146	
Interest income	5	7	15	5	-	-	-	1	(10)	(1)	10	12	
Other income	49	4	136	34	2	-	1	12	(8)	(5)	180	45	
Total revenues	9,456	10,733	14,424	12,613	223	-	268	144	162	(287)	24,533	23,203	
Cost of sales	7,804	8,510	9,391	8,127	164	-	244	135	172	(292)	17,775	16,280	
Selling and administrative expenses	1,364	1,474	1,644	1,595	89	-	59	31	6	(3)	3,162	3,097	
Total expenses	9,168	9,784	11,035	9,722	253	-	303	166	178	(295)	20,937	19,377	
Profit (loss) before interest and income tax expenses	288	949	3,389	2,891	(30)	-	(35)	(22)	(16)	8	3,596	3,826	
Interest expense	38	69	85	183	13	-	4	9	(10)	(1)	130	260	
Income tax expense	133	707	959	477	(16)	-	1	-	-	-	1,077	1,184	
Profit (loss) for the period	117	173	2,345	2,231	(27)	-	(40)	(31)	(6)	9	2,389	2,382	

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2008 (Unaudited)

Business segments capital expenditure, depreciation and amortisation for the three-month periods ended 30 June 2008 and 2007 were as follows:

	Beer		Spirits		Non-alcoholic beverages		Alcohol		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Capital expenditure										
- Property, plant and equipment	28	64	172	206	3	-	2	22	205	292
- Intangible assets	1	-	55	-	-	-	-	-	56	-
Depreciation	532	582	590	581	78	-	48	48	1,248	1,211
Amortisation	1	1	8	12	-	-	-	-	9	13

Thai Beverage Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and six-month periods ended 30 June 2008 (Unaudited)

Business segment results

Revenue and results, based on business segments, in the consolidated financial statements for the six-month periods ended 30 June 2008 and 2007 were as follows:

	Beer		Spirits		Non-alcoholic beverages		Alcohol		Elimination		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Revenue from sales	21,272	23,086	28,719	26,162	365	-	757	350	(30)	(491)	51,083	49,107
Interest income	6	12	25	10	-	-	-	1	(19)	(3)	12	20
Other income	55	50	178	103	5	-	2	15	(13)	(9)	227	159
Total revenues	21,333	23,148	28,922	26,275	370	-	759	366	(62)	(503)	51,322	49,286
Cost of sales	17,096	17,864	19,048	16,936	293	-	678	321	(32)	(531)	37,083	34,590
Selling and administrative expenses	2,876	2,913	3,516	3,248	159	-	89	63	13	(8)	6,653	6,216
Total expenses	19,972	20,777	22,564	20,184	452	-	767	384	(19)	(539)	43,736	40,806
Profit (loss) before interest and income tax expenses	1,361	2,371	6,358	6,091	(82)	-	(8)	(18)	(43)	36	7,586	8,480
Interest expense	82	141	191	400	26	-	10	19	(19)	(3)	290	557
Income tax expense	400	1,181	1,902	1,481	(27)	-	2	1	-	-	2,277	2,663
Profit (loss) for the period	879	1,049	4,265	4,210	(81)	-	(20)	(38)	(24)	39	5,019	5,260

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2008 (Unaudited)

Business segments capital expenditure, depreciation and amortisation for the six-month periods ended 30 June 2008 and 2007 were as follows:

	Beer		Spirits		Non-alcoholic beverages		Alcohol		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Capital expenditure										
- Property, plant and equipment	96	122	429	475	423	-	19	29	967	626
- Intangible assets	2	3	56	8	2	-	-	-	60	11
Depreciation	1,062	1,159	1,175	1,159	143	-	95	97	2,475	2,415
Amortisation	2	2	15	23	-	-	-	-	17	25

(in million Baht)

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2008 (Unaudited)

Business segments financial position

Business segment assets and liabilities as at 30 June 2008 and 31 December 2007 were as follows:

	Beer		Spirits		Non-alcoholic beverages <i>(in million Baht)</i>		Alcohol		Total	
	30 June 2008	31 December 2007	30 June 2008	31 December 2007	30 June 2008	31 December 2007	30 June 2008	31 December 2007	30 June 2008	31 December 2007
Inventories	3,704	3,588	25,611	23,988	344	-	138	481	29,797	28,057
Property, plant and equipment	15,773	17,910	22,212	23,137	1,603	-	2,094	2,169	41,682	43,216
Other assets	2,201	1,817	5,546	5,921	153	-	453	516	8,353	8,254
Total Assets	21,678	23,315	53,369	53,046	2,100	-	2,685	3,166	79,832	79,527
Total debts	4,992	4,444	9,942	11,048	320	-	436	668	15,690	16,160
Other liabilities	3,173	4,065	5,129	4,307	162	-	42	42	8,506	8,414
Total liabilities	8,165	8,509	15,071	15,355	482	-	478	710	24,196	24,574

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2008 (Unaudited)

Geographic segments

The segment financial information of the Group based on geographical segments in the consolidated financial statements for six-month periods ended 30 June were as follows:

	Consolidated financial statements			
	Revenue		Property, plant and equipment	
	30 June 2008	30 June 2007	30 June 2008	31 December 2007
	<i>(in million Baht)</i>			
Thailand	49,609	47,425	40,107	41,613
Overseas	1,713	1,861	1,575	1,603
Total	51,322	49,286	41,682	43,216

13 Earnings per share

The calculation of basic earnings per share for the three-month and six-month periods ended 30 June 2008 and 2007 were based on the profit for the period attributable to equity holders of the Company and the number of ordinary shares outstanding during the period as follows:

<i>Three-month period ended 30 June</i>	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in million Baht / million shares)</i>			
Profit attributable to equity holders of the Company (basic)	2,388	2,382	2,734	15,463
Number of ordinary shares outstanding	25,110	25,110	25,110	25,110
Earnings per share (basic) (in Baht)	0.10	0.09	0.11	0.62

<i>Six-month period ended 30 June</i>	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in million Baht / million shares)</i>			
Profit attributable to equity holders of the Company (basic)	5,019	5,260	2,909	15,472
Number of ordinary shares outstanding	25,110	25,110	25,110	25,110
Earnings per share (basic) (in Baht)	0.20	0.21	0.12	0.62

14 Dividends

At the annual general meeting of the shareholders of the Company held on 28 April 2008, the shareholders approved the appropriation of dividends of Baht 0.29 per share, amounting to Baht 7,282 million. On 11 September 2007, the interim dividend were paid of Baht 0.12 per share, totalling Baht 3,013 million. The remaining dividend payment of Baht 0.17 per share, totalling Baht 4,269 million was paid on 26 May 2008.

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2008 (Unaudited)

At the annual general meeting of the shareholders of the Company held on 20 April 2007, the shareholders approved the appropriation of dividends of Baht 0.22 per share, totalling Baht 5,524 million. On 8 September 2006, the interim dividend were paid of Baht 0.11 per share, totalling Baht 2,762 million. The remaining dividend payment of Baht 0.11 per share, totalling Baht 2,762 million was paid on 16 May 2007.

15 Changes in accounting policy

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

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

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

The Group has, accordingly, changed its accounting policy for goodwill prospectively from 1 January 2008. The effect of the change in accounting policy on the Group's consolidated financial statements for the six-month period ended 30 June 2008 is to reduce the charge to the statement of income resulting from the amortisation of goodwill that would have been recognised under the previous accounting policy by approximately Baht 26.1 million, with a corresponding increase in reported profit for the period. Management has determined that there is no impairment in the carrying value of goodwill as at 30 June 2008.

16 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	30 June 2008	31 December 2007	30 June 2008	31 December 2007
	<i>(in million Baht)</i>			
<i>Capital commitments</i>				
<i>Contracted but not provided for</i>				
Land, buildings and other constructions	48	217	-	-
Machinery and equipment	199	218	-	-
Total	247	435	-	-
<i>Non-cancellable operating lease commitments</i>				
Within one year	126	165	9	9
After one year but within five years	88	157	11	14
Total	214	322	20	23

Thai Beverage Public Company Limited and its Subsidiaries
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For the three-month and six-month periods ended 30 June 2008 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	30 June 2008	31 December 2007	30 June 2008	31 December 2007
	<i>(in million Baht)</i>			
<i>Other commitments</i>				
Unused letters of credits	122	86	-	-
Goods and raw materials purchase agreements	3,828	4,386	-	-
Molasses purchase agreements	281	296	-	-
Computer system installation agreements	36	53	36	53
Advertising services and sponsorship agreements	773	154	-	-
Purchase forward contracts	3,593	5,036	-	-
Sale forward contracts	245	524	217	217
Bank guarantees	177	247	30	31
Other agreements	29	60	2	1
Total	9,084	10,842	285	302

- (a) During 2004, the Company and four subsidiaries entered into production and blending control agreements with a specialist for a period of 40 years from 1 August 2004 to 1 August 2044. Under the agreements, the Company and its subsidiaries are obliged to pay monthly service fees of Baht 4.3 million which are to be annually increased by 5% for the first 20 years from 1 August 2004 to 1 August 2024. Afterwards, the Company and its subsidiaries have to pay monthly service fees of Baht 250,000 until the expiration of the agreements. Service fee under the agreements totaled Baht 1,766.2 million. Subsequently, the addendums were made on 5 January 2006, under which the Company and its subsidiaries have to pay additional amount to this specialist amounting to Baht 2,000 million. Therefore, the total service fees under the agreements both outstanding and already paid by the Company and its subsidiaries amounted to Baht 3,766.2 million.

As at 30 June 2008 the remaining commitments to be paid, relating to these agreements, amounted to Baht 1,548.8 million.

- (b) During 2005, a subsidiary renewed a sponsorship agreement with Everton Football Club, in the United Kingdom, for a period of three years as from 1 June 2005 to 31 May 2008 in order to promote the Group's businesses globally. Under the agreement, the subsidiary is obliged to pay a minimum amount of GBP 0.5 million and a maximum amount of GBP 2.9 million per year, dependent on the performance of Everton football team in each year.

Subsequently, on 17 January 2008, the sponsorship agreement was extended to another period of three years as from 1 June 2008 to 31 May 2011. The subsidiary is obliged to pay a minimum amount of GBP 0.5 million and a maximum amount of GBP 3.5 million per year, dependent on the performance of Everton football team in each year.

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2008 (Unaudited)

17 Events after the balance sheet date

- (a) The Executive Board of Directors' Meeting held on 28 July 2008 unanimously passed the resolution of approval in principle of acquiring the additional 64,656 ordinary shares in United Products Co., Ltd. by Sura Piset Phatra Lanna Co., Ltd., the Company's subsidiary, from existing shareholders at Baht 130 per share, totaling Baht 8.4 million.
- (b) The Board of Directors' Meeting held on 14 August 2008 unanimously passed the resolution of approval for the interim dividend payment for the year 2008 of 25,110.03 million ordinary shares at Baht 0.12 per share, totaling Baht 3,013 million.

18 Reclassification of accounts

Certain accounts in the 2007 financial statements have been reclassified to conform to the presentation in the 2008 interim financial statements.

19 Significant differences between Thai GAAP and IFRS (unaudited/ unreviewed)

These consolidated financial statements have been prepared in accordance with generally accepted accounting principles in Thailand ("Thai GAAP"), which differ in certain significant respects from International Financial Reporting Standards ("IFRS"). The following disclosure provides a summary of certain significant differences between Thai GAAP and IFRS, as applicable to the consolidated financial statements of the Group, and a reconciliation of net profit and total shareholders' equity from Thai GAAP to IFRS. Neither the narrative summary nor the reconciliation should be construed as being exhaustive or presented fairly in all material respects and are provided for information purposes only.

(a) Deferred tax

There is no Thai accounting standard currently effective in relation to accounting for deferred taxes. Whilst not specifically addressed in Thai GAAP, provisions for income taxes of the Group are typically based on corporate income taxes currently payable in the period under the Revenue Code of Thailand. The Group does not, therefore, recognise deferred tax assets and liabilities for the current period.

Under IFRS, provision is made for deferred tax using a balance sheet approach, with deferred tax calculated on temporary differences, being the differences between the tax and the book values of assets and liabilities. The deferred tax charge or credit is the change in the period in deferred tax liabilities and assets. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be fully utilised.

(b) Employee benefits

There is currently no Thai accounting standard in relation to accounting for employee benefits, including termination, retirement and post-retirement benefits. The Group's primary obligations in respect of employee benefits are contributions on behalf of employees to provident funds and the payment of statutory severance benefits on retirement and terminating employment involuntarily. Severance termination and retirement benefits vary according to various factors, including the employee's service life and salary. Whilst not specifically addressed in Thai GAAP, contributions are charged as an expense as incurred.

Thai Beverage Public Company Limited and its Subsidiaries
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Under IFRS, employee benefits are accounted for in accordance with IAS No. 19 *Employee Benefits*. Accordingly, termination benefits are recognised as a liability and an expense when, and only when, the enterprise is demonstrably committed to either terminate the employment of an employee or group of employees before the normal retirement date or provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

Retirement benefits are recognised as a liability, being the net total of the present value of the obligation at the balance sheet date less the fair value of any plan assets and recognised as an expense the net total of current service costs, interest costs, past service costs and any actuarial gains and losses.

(e) *Financial Instruments*

Thai GAAP has certain disclosure requirements for financial instruments, but only limited guidance on the recognition and measurement of financial instruments. The Group has decided not to recognise derivative financial instruments on the balance sheet. However, foreign currency assets and liabilities hedged by these contracts are translated into Thai Baht at exchange rates prevailing on the balance sheet date.

Under IFRS, derivative financial instruments are recognised on the balance sheet as either an asset or a liability initially at cost, which is the fair value of consideration given (in the case of an asset) or received (in the case of a liability). Transaction costs are included in the initial measurement. Subsequent to initial recognition, derivative financial instruments are stated at fair value. Movements in fair values are recognised in the consolidated statement of income.

(d) *Investment in property*

In accordance with Thai GAAP, owned land held to earn rentals is classified as part of property, plant and equipment. This land is carried at a revalued amount less any subsequent accumulated impairment losses. Movements on the revaluation surplus are reflected in equity.

Under IFRS, owned property held to earn rentals is classified as part of investment property. This is covered by IAS No. 40 *Investment Property*. IAS No. 40 allows enterprises to choose either a fair value model or a cost model to measure investment property.

In accordance with the fair value model, an enterprise should measure all of its investment property at its fair value. A gain or loss arising from a change in the fair value of investment property should be included in net profit or loss for the period in which it arises.

In accordance with the cost model, land and buildings held as investment property should be measured at cost less any accumulated impairment losses.

For the purposes of disclosure under IFRS, the Group has adopted the cost model for investment property consisting of both land and buildings. For Thai GAAP, the land has been revalued while the buildings have not.

Thai Beverage Public Company Limited and its Subsidiaries
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(e) Business combination (Goodwill)

Until 31 December 2007, Thai GAAP requires goodwill acquired in business combination to be systematically amortised over its estimated useful life, although its useful life should not exceed 20 years from initial recognition.

During 2007, Thai GAAP on goodwill was revised in accordance with IFRS which is effective for accounting period beginning on or after 1 January 2008.

Under the newly revised Thai GAAP, acquired goodwill is measured after initial recognition at cost less any accumulated impairment losses. Therefore, goodwill is not amortised and must be tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

	Consolidated net profit	
	Six-month period ended 30 June 2008	Six-month period ended 30 June 2007
	<i>(in million Baht)</i>	
As reported in these consolidated financial statements under Thai GAAP	5,019	5,260
<i>Add (less) : Thai GAAP/IFRS differences (net of tax effect)</i>		
(a) Deferred tax	7	168
(b) Employee benefits	(36)	(35)
(c) Financial instruments	79	14
(d) Business combination (Goodwill)	-	15
Under IFRS	5,069	5,422

	Consolidated total shareholders' equity	
	30 June 2008	31 December 2007
	<i>(in million Baht)</i>	
As reported in these consolidated financial statements under Thai GAAP	55,636	54,953
<i>Add (less) : Thai GAAP/IFRS differences (net of tax effect)</i>		
(a) Deferred tax	(628)	(636)
(b) Employee benefits	(617)	(581)
(c) Financial instruments	91	12
(d) Investment in property	(47)	(47)
(e) Business combination (Goodwill)	102	102
Under IFRS	54,537	53,803

**Thai Beverage Public Company Limited
and its Subsidiaries**

Annual financial statements
and
Audit report of Certified Public Accountant

For the years ended
31 December 2007 and 2006



KPMG Phoomchai Audit Ltd.
Empira Tower, 50th-51st Floors
195 South Sathorn Road
Bangkok 10120, Thailand

บริษัท เคพีเอ็มซี ภูเก็ต สอบบัญชี จำกัด
ชั้น 50-51 เซ็นทรัลพลาซ่า
195 ถนนสาทรใต้
กรุงเทพฯ 10120

Tel: 66 (2) 677 2000
Fax: 66 (2) 677 2222
www.kpmg.co.th

Audit report of Certified Public Accountant

To the shareholders of Thai Beverage Public Company Limited

I have audited the accompanying consolidated and separate balance sheets as at 31 December 2007 and 2006, and the related statements of income, changes in shareholders' equity and cash flows for the years then ended of Thai Beverage Public Company Limited and its subsidiaries, and of Thai Beverage Public Company Limited, respectively. The Company's management is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial positions as at 31 December 2007 and 2006 and the results of operations and cash flows for the years then ended of Thai Beverage Public Company Limited and its subsidiaries, and of Thai Beverage Public Company Limited, respectively, in accordance with generally accepted accounting principles.

As described in note 29 to the financial statements, the Company's financial statements for the year ended 31 December 2006 have been restated for the effects of the change in accounting policy for investments in subsidiaries and associates from the equity method of accounting to the cost method, and are now termed 'separate' financial statements.

Disclosure of significant differences between generally accepted accounting principles in Thailand and International Financial Reporting Standards is not a required part of the basic financial statements under generally accepted accounting principles in Thailand, but it is presented in Note 36 to the notes to financial statements for information purposes only. I have not audited or reviewed such information and therefore do not express any audit opinion or review report thereon.

(Nirand Lilamethwat)
Certified Public Accountant
Registration No. 2316

KPMG Phoomchai Audit Ltd.
Bangkok
27 February 2008

Thai Beverage Public Company Limited and its Subsidiaries

Balance sheets

As at 31 December 2007 and 2006

Assets	Note	Consolidated financial statements		Separate financial statements	
		2007	2006	2007	2006 (Restated)
<i>(in Baht)</i>					
Current assets					
Cash and cash equivalents	6	2,188,991,774	1,919,576,970	9,168,240	15,622,582
Current investments	7	7,685,085	4,358,600	-	-
Trade accounts receivable	5, 8	1,467,001,317	1,317,930,493	-	-
Short-term loans to and amounts due from related parties	5	4,371,057	50,951,648	3,916,012,461	11,035,118,471
Inventories	9	28,056,925,651	28,315,158,270	-	-
Other current assets	10	1,403,965,020	1,914,238,542	8,481,487	16,988,878
Total current assets		33,128,939,904	33,522,214,523	3,933,662,188	11,067,729,931
Non-current assets					
Investments in subsidiaries and associates	11	124,518,368	135,490,042	71,470,329,894	63,594,730,188
Other long-term investments	7	3,633,579	3,753,619	-	-
Long-term loans to and amounts due from related parties	5	1,172,250	13,563,000	9,411,471,969	5,500,898,900
Property, plant and equipment	12	43,216,507,663	49,428,039,362	71,600,623	845,926,385
Intangible assets	13	978,770,498	354,876,536	16,165,989	12,353,346
Other non-current assets	14	2,073,413,637	2,121,574,962	351,336,250	357,128,650
Total non-current assets		46,398,015,995	52,057,297,521	81,320,904,725	70,311,037,469
Total assets		79,526,955,899	85,579,512,044	85,254,566,913	81,378,767,400

The accompanying notes are an integral part of these financial statements.

Thai Beverage Public Company Limited and its Subsidiaries

Balance sheets

As at 31 December 2007 and 2006

Liabilities and shareholders' equity	Note	Consolidated financial statements		Separate financial statements	
		2007	2006	2007	2006 (Restated)
<i>(in Baht)</i>					
Current liabilities					
Bank overdrafts and short-term					
loans from financial institutions	15	5,998,233,815	6,753,305,295	4,797,684,522	3,029,559,266
Trade accounts payable	16	2,249,329,022	2,275,670,644	-	-
Short-term guaranteed bonds	15	-	2,200,000,000	-	2,200,000,000
Current portion of long-term					
guaranteed bonds	15	3,000,000,000	2,300,000,000	3,000,000,000	2,300,000,000
Current portion of long-term loans	15	1,755,000,000	1,500,000,000	1,755,000,000	1,500,000,000
Short-term loans from and amounts					
due to related parties	5, 15	69,141,215	4,837,042,378	2,115,288,548	13,084,828,757
Income tax payable		2,773,848,081	2,180,870,323	146,248,940	47,791,738
Other current liabilities	17	3,203,278,986	4,103,314,358	161,542,579	394,209,562
Total current liabilities		19,048,831,119	26,150,202,998	11,975,764,589	22,556,389,323
Non-current liabilities					
Long-term guaranteed bonds	15	-	3,000,000,000	-	3,000,000,000
Long-term loans from financial					
institutions	15	5,400,000,000	3,755,000,000	5,400,000,000	3,755,000,000
Long-term loans from related parties	5, 15	-	-	6,540,500,000	4,372,200,000
Other non-current liabilities		168,184,325	120,753,208	117,900	-
Total non-current liabilities		5,568,184,325	6,875,753,208	11,940,617,900	11,127,200,000
Total liabilities		24,617,015,444	33,025,956,206	23,916,382,489	33,683,589,323

The accompanying notes are an integral part of these financial statements.

Thai Beverage Public Company Limited and its Subsidiaries

Balance sheets

As at 31 December 2007 and 2006

Liabilities and shareholders' equity	Note	Consolidated financial statements		Separate financial statements	
		2007	2006	2007	2006 (Restated)
<i>(in Baht)</i>					
Shareholders' equity					
Share capital	18				
Authorised share capital		<u>29,000,000,000</u>	<u>29,000,000,000</u>	<u>29,000,000,000</u>	<u>29,000,000,000</u>
Issued and paid-up share capital		25,110,025,000	25,110,025,000	25,110,025,000	25,110,025,000
Difference arising from common control transactions		(17,141,406,365)	(17,141,406,365)	-	-
Reserves	19				
Share premium		17,215,736,603	17,215,736,603	17,215,736,603	17,215,736,603
Currency translation changes		(208,076,374)	(19,508,334)	-	-
Fair value changes and revaluation surpluses		4,388,935,374	6,586,263,579	-	134,521,429
Retained earnings					
Appropriated - legal reserve	19	2,900,000,000	1,700,000,000	2,900,000,000	1,700,000,000
Unappropriated		<u>22,644,726,217</u>	<u>19,102,445,355</u>	<u>16,112,422,821</u>	<u>3,534,895,045</u>
Total shareholders' equity		<u>54,909,940,455</u>	<u>52,553,555,838</u>	<u>61,338,184,424</u>	<u>47,695,178,077</u>
Total liabilities and shareholders' equity		<u>79,526,955,899</u>	<u>85,579,512,044</u>	<u>85,254,566,913</u>	<u>81,378,767,400</u>

The accompanying notes are an integral part of these financial statements.

Thai Beverage Public Company Limited and its Subsidiaries

Statements of income

For the years ended 31 December 2007 and 2006

		Consolidated financial statements		Separate financial statements	
	Note	2007	2006	2007	2006 (Restated)
		(in Baht)			
Revenues	5				
Revenue from sales		100,540,895,079	97,797,921,895	-	-
Interest income		40,834,243	56,452,361	775,352,387	858,621,337
Management fees		-	-	2,577,305,358	3,432,470,973
Dividends		-	-	18,985,153,408	8,055,408,868
Other income	21	228,524,668	77,938,829	89,527,428	4,873,832
Share of profits from investments accounted for using the equity method		28,641,891	23,684,083	-	-
Total revenues		100,838,895,881	97,955,997,168	22,427,338,581	12,351,375,010
Expenses	5				
Cost of sales		70,872,565,833	69,325,121,958	-	-
Selling and administrative expenses	22	13,689,414,856	12,684,556,582	1,154,217,891	943,322,290
Total expenses		84,561,980,689	82,009,678,540	1,154,217,891	943,322,290
Profit before interest and income tax expenses		16,276,915,192	15,946,318,628	21,273,120,690	11,408,052,720
Interest expense	24	1,047,277,561	1,568,651,172	1,577,560,366	2,253,267,473
Income tax expense	25	4,846,572,448	4,322,890,312	277,248,227	149,318,355
Net profit		10,383,065,183	10,054,777,144	19,418,312,097	9,005,466,892
Basic earnings per share	26	0.41	0.42	0.77	0.38

The accompanying notes are an integral part of these financial statements.

Thai Beverage Public Company Limited and its Subsidiaries

Statements of changes in shareholders' equity

For the years ended 31 December 2007 and 2006

	Consolidated financial statements							Total shareholders' equity	
	Note	Issued and paid-up share capital	Difference arising from common control transactions	Reserves			Retained earnings		
				Share premium	Currency translation changes	Fair value changes and revaluation surpluses			Appropriated to legal reserve
Balance at 1 January 2006		22,000,000,000	(15,630,789,676)	-	(5,341,471)	6,584,735,444	1,110,000,000	17,655,899,296	31,714,503,595
Change in shareholders' equity for 2006									
Net surplus on property revaluation		-	-	-	-	1,528,135	-	-	1,528,135
Translation loss relating to financial statements of foreign operations		-	(8,543,855)	-	(14,166,863)	-	-	-	(22,710,718)
Net expense recognised directly in shareholder's equity		-	(8,543,855)	-	(14,166,863)	1,528,135	-	-	(21,182,583)
Net profit		-	(23,871,663)	-	-	-	-	10,078,648,807	10,054,777,144
Total recognised income and expense		-	(32,415,518)	-	(14,166,863)	1,528,135	-	10,078,648,807	10,093,594,561
Legal reserve		-	-	-	-	-	590,000,000	(590,000,000)	-
Dividends	28	-	-	-	-	-	-	(8,042,102,750)	(8,042,102,750)
Consideration paid to shareholders of subsidiaries for the common control transactions		-	(1,505,240,976)	-	-	-	-	-	(1,505,240,976)
Increase in share capital in subsidiaries before business restructuring		-	27,039,805	-	-	-	-	-	27,039,805
Issue of ordinary shares	18	3,110,025,000	-	17,215,736,603	-	-	-	-	20,325,761,603
Balance at 31 December 2006		25,110,025,000	(17,141,406,365)	17,215,736,603	(19,508,334)	6,586,263,579	1,700,000,000	19,102,445,355	52,553,565,838

The accompanying notes are an integral part of these financial statements.

Thai Beverage Public Company Limited and its Subsidiaries
Statements of changes in shareholders' equity
For the years ended 31 December 2007 and 2006

	Consolidated financial statements						Total shareholders' equity
	Reserves			Retained earnings			
Note	Issued and paid-up share capital	Difference arising from common control transactions	Currency translation changes	Fair value changes and revaluation surpluses	Appropriated to legal reserve	Unappropriated	
				(in Baht)			
Balance at 1 January 2007	25,110,025,000	(17,141,406,365)	(19,508,334)	6,586,263,579	1,700,000,000	19,102,445,355	52,553,555,838
Change in shareholders' equity for 2007							
Net surplus on property revaluation	-	-	-	(2,197,328,205)	-	134,521,429	(2,062,806,776)
Translation loss relating to financial statements of foreign operations	-	-	(188,568,040)	-	-	-	(188,568,040)
Net expense recognised directly in shareholder's equity	-	-	(188,568,040)	(2,197,328,205)	-	134,521,429	(2,251,374,816)
Net profit	-	-	-	-	-	10,383,065,183	10,383,065,183
Total recognised income and expense	-	-	(188,568,040)	(2,197,328,205)	-	10,517,586,612	8,131,690,367
Legal reserve	-	-	-	-	1,200,000,000	(1,200,000,000)	-
Dividends	-	-	-	-	-	(5,775,305,750)	(5,775,305,750)
Balance at 31 December 2007	25,110,025,000	(17,141,406,365)	(208,076,374)	4,388,935,374	2,900,000,000	32,644,726,217	54,909,940,455

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The accompanying notes are an integral part of these financial statements.

Thai Beverage Public Company Limited and its Subsidiaries
Statements of changes in shareholders' equity
For the years ended 31 December 2007 and 2006

	Separate financial statements (Restated)							Total shareholders' equity
	Reserves			Retained earnings				
	Issued and paid-up share capital	Difference arising from common control transactions	Share premium	Currency translation changes	Fair value changes and revaluation surpluses	Appropriated to legal reserve	Unappropriated	
Balance at 1 January 2006	22,000,000,000	(15,979,264,833)	-	(5,341,471)	6,584,735,444	1,110,000,000	17,655,899,298	31,366,028,438
Changes in accounting policy	-	15,979,264,833	-	5,341,471	(6,450,214,015)	-	(14,494,368,395)	(4,959,976,106)
Restated balance	22,000,000,000	-	-	-	134,521,429	1,110,000,000	3,161,530,903	26,406,052,332
Changes in shareholders' equity for 2006	-	-	-	-	-	-	9,005,466,892	9,005,466,892
Net profit	-	-	-	-	-	590,000,000	(590,000,000)	-
Legal reserve	-	-	-	-	-	-	(8,042,102,750)	(8,042,102,750)
Dividends	-	-	-	-	-	-	-	-
Issue of ordinary shares	3,110,025,000	-	17,215,736,603	-	-	-	-	20,325,761,603
Balance at 31 December 2006	25,110,025,000	-	17,215,736,603	-	134,521,429	1,700,000,000	3,534,895,045	47,695,178,077

The accompanying notes are an integral part of these financial statements.

Thai Beverage Public Company Limited and its Subsidiaries

Statements of changes in shareholders' equity

For the years ended 31 December 2007 and 2006

		Separate financial statements (Restated)							
		Reserves			Retained earnings				
	Note	Issued and paid-up share capital	Difference arising from common control transactions	Share premium	Currency translation changes	Fair value changes and revaluation surpluses	Appropriated to legal reserve	Unappropriated	Total shareholders' equity
<i>(in Baht)</i>									
Balance at 1 January 2007		25,110,025,000	(17,141,406,365)	17,215,736,603	(19,508,334)	6,586,263,579	1,700,000,000	19,102,445,355	52,553,555,838
Change in accounting policy	29	-	17,141,406,365	-	19,508,334	(6,451,742,150)	-	(15,567,550,310)	(4,858,377,761)
Restated balance		25,110,025,000	-	17,215,736,603	-	134,521,429	1,700,000,000	3,534,895,045	47,695,178,077
Change in shareholders' equity for 2007		-	-	-	-	(134,521,429)	-	134,521,429	-
Net surplus on property revaluation		-	-	-	-	(134,521,429)	-	19,418,312,097	19,418,312,097
Net profit		-	-	-	-	-	-	19,552,833,526	19,418,312,097
Total recognised income and expense		-	-	-	-	(134,521,429)	-	(1,200,000,000)	-
Legal reserve		-	-	-	-	-	1,200,000,000	-	-
Dividends	28	-	-	-	-	-	-	(5,775,305,750)	(5,775,305,750)
Balance at 31 December 2007		25,110,025,000	-	17,215,736,603	-	-	2,900,000,000	16,112,422,821	61,338,184,424

The accompanying notes are an integral part of these financial statements.

Thai Beverage Public Company Limited and its Subsidiaries

Statements of cash flows

For the years ended 31 December 2007 and 2006

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2007	2006	2007	2006
					(Restated)
		(in Baht)			
<i>Cash flows from operating activities</i>					
Net profit		10,383,065,183	10,054,777,144	19,418,312,097	9,005,466,892
<i>Adjustments for</i>					
Depreciation and amortisation		4,974,695,900	4,651,978,462	28,966,567	24,071,862
Interest income		(40,834,243)	(56,452,361)	(775,352,387)	(858,621,337)
Interest expense		1,047,277,561	1,568,651,172	1,577,560,366	2,253,267,473
Unrealised loss on exchange rate		5,841,586	11,720,775	1,164,320	16,321,434
Amortisation of advance payments to a specialist		50,000,000	50,000,000	9,375,000	9,375,000
Allowance for obsolete inventories		145,536,197	354,960,794	-	-
Allowance for impairment loss on property		58,768,300	-	-	-
(Gain) loss on sale and disposal of property, plant and equipment and intangible assets		(70,105,694)	3,190,891	(63,880,601)	50,309
Gain on sale of investment		-	708,828	(6,044)	-
Dividends		-	-	(18,985,153,408)	(8,055,408,868)
Share of profits from investments accounted for using the equity method		(28,641,891)	(23,684,083)	-	-
Income tax expense		4,846,572,448	4,322,890,312	277,248,227	149,318,355
		<u>21,372,175,347</u>	<u>20,938,741,934</u>	<u>1,488,234,137</u>	<u>2,543,841,120</u>
<i>Changes in operating assets and liabilities</i>					
Trade accounts receivable		(95,274,423)	143,293,100	-	-
Amounts due from related parties		57,800,991	35,968,778	1,293,629,337	(354,909,409)
Inventories		240,314,893	76,897,733	-	-
Other current assets		543,222,112	657,219,479	8,507,390	(7,432,139)
Trade accounts payable		(52,736,803)	583,226,076	-	-
Amounts due to related parties		(152,525,782)	45,335,778	16,230,422	5,885,734
Other current liabilities		(1,220,696,777)	(1,444,554,668)	(139,223,931)	78,444,379
Other non-current liabilities		4,841,922	(2,775,617)	117,900	-
Advance payments to a specialist		-	(2,000,000,000)	-	(375,000,000)
Income taxes paid		(4,253,594,691)	(4,671,000,532)	(178,791,025)	(198,576,232)
Net cash provided by operating activities		<u>16,443,526,789</u>	<u>14,362,352,061</u>	<u>2,488,704,230</u>	<u>1,692,253,453</u>

The accompanying notes are an integral part of these financial statements.