

Thai Beverage Public Company Limited

Financial Statement And Dividend Announcement For The Six-Month Period Ended 30 June 2008

PART I INFORMATION REQUIRED FOR Q2 AND THE HALF-YEAR ANNOUNCEMENTS.

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

Thai Beverage Public Company Limited
Statements of Income
For the three-month periods (April - June) and six-month periods ended 30 June 2008 and 2007

	Consolidated financial statements For the three-month periods			(Unit : Thousand Baht) Consolidated financial statements For the six-month periods		
	2008	2007	+ / (-)	2008	2007	+ / (-)
Revenues from sales and services						
Revenue from sale of goods and rendering of services	24,342,505	23,146,197	5%	51,082,931	49,107,270	4%
Total revenues from sales and services	24,342,505	23,146,197	5%	51,082,931	49,107,270	4%
Cost of sales and services						
Cost of sales of goods and rendering of services	17,775,477	16,280,005	9%	37,083,028	34,589,938	7%
Total cost of sales and services	17,775,477	16,280,005	9%	37,083,028	34,589,938	7%
Gross profit	6,567,028	6,866,192	(4%)	13,999,903	14,517,332	(4%)
Selling and administrative expenses	3,161,352	3,097,026	2%	6,652,970	6,215,732	7%
Operating profit	3,405,676	3,769,166	(10%)	7,346,933	8,301,600	(11%)
Interest income	10,011	11,780	(15%)	12,343	19,514	(37%)
Other income	179,868	44,921	300%	226,542	158,745	43%
Earnings before financial costs and income tax	3,595,555	3,825,867	(6%)	7,585,818	8,479,859	(11%)
Interest expense	129,633	259,742	(50%)	289,304	556,703	(48%)
Income tax expense	1,076,642	1,184,145	(9%)	2,277,314	2,663,107	(14%)
Net profit	2,389,280	2,381,980	0%	5,019,200	5,260,049	(5%)
Attributable to:						
Equity holders of the Company	2,388,126	2,381,966	0%	5,018,951	5,259,997	(5%)
Minority interests	1,154	14	8143%	249	52	379%
Profit for the period	2,389,280	2,381,980	0%	5,019,200	5,260,049	(5%)
Basic earnings per share (Baht)	0.10	0.09	11%	0.20	0.21	(5%)
Diluted earnings per share (Baht)	0.10	0.09	11%	0.20	0.21	(5%)

a (ii)The following items (with appropriate breakdowns and explanations), if significant, must either be includes in the income statement or in the notes to the income statement for the current financial period reported on an the corresponding period of the immediately preceding financial year:-

NOTE :

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

	Consolidated financial statements			(Unit : Thousand Baht) Consolidated financial statements		
	For the three-month periods			For the six-month periods		
	2008	2007	+/(-)	2008	2007	+/(-)
Investment income	-	-	-	-	-	-
Other income including interest income	(188,974)	(56,701)	233%	(238,885)	(178,259)	34%
Interest in borrowings	129,633	259,742	(50%)	289,304	556,703	(48%)
Depreciation and amortization	1,268,786	1,235,826	3%	2,517,150	2,465,011	2%
Allowance for doubtful debts and bad debts written off	666	1,038	(36%)	1,372	2,368	(42%)
Write-off for stock obsolescence	50,442	3,506	1339%	58,415	35,768	63%
Impairment in value of investments	31	115	(73%)	31	115	(73%)
Foreign exchange (gain) / loss	(1,735)	57,634	(103%)	36,750	78,707	(53%)
Adjustments for under or overprovision of tax in respect of prior year	-	-	-	-	-	-
(Profit) or loss on sale of investments, properties, and / or plant and equipment	4,707	(9,154)	(151%)	(5,836)	(71,725)	(92%)
Exceptional items	-	-	-	-	-	-
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 June 2008 and 31 December 2007

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30-June-2008	31-Dec-2007	30-June-2008	31-Dec-2007
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Assets				
Current assets				
Cash and cash equivalents	1,884,789	2,188,992	11,930	9,168
Current investments	9,516	7,685	-	-
Trade accounts receivable	954,490	1,467,001	-	-
Short-term loans to and amounts due from related parties	14,532	4,371	2,866,074	3,916,012
Inventories	29,797,442	28,056,926	-	-
Other current assets	2,289,961	1,403,965	18,070	8,482
Total current assets	34,950,730	33,128,940	2,896,074	3,933,662
Non-current assets				
Investments in subsidiaries and associates	123,516	124,518	72,339,330	71,470,330
Other long-term investments	3,584	3,634	-	-
Long-term loans to and amounts due from related parties	52,011	1,172	6,757,830	9,418,244
Property, plant and equipment	41,682,276	43,215,908	66,674	71,001
Intangible assets	1,014,216	979,370	18,681	16,766
Other non-current assets	2,005,668	2,073,414	339,877	344,564
Total non-current assets	44,881,271	46,398,016	79,522,392	81,320,905
Total assets	79,832,001	79,526,956	82,418,466	85,254,567
Liabilities and equity				
Current liabilities				
Bank overdrafts and short-term loans from financial institutions	10,282,594	5,998,234	5,600,653	4,797,684
Trade accounts payable	2,451,384	2,249,329	-	-
Current portion of long-term guaranteed bonds	-	3,000,000	-	3,000,000
Current portion of long-term loans	2,775,000	1,755,000	2,775,000	1,755,000
Short-term loans from and amounts due to related parties	173,513	69,141	4,297,007	2,115,288
Other short-term loan	7,000	7,000	-	-
Income tax payable	2,212,835	2,773,848	109,853	146,249
Other current liabilities	3,545,012	3,196,279	100,204	161,543
Total current liabilities	21,447,338	19,048,831	12,882,717	11,975,764
Non-current liabilities				
Long-term loans from financial institutions	2,625,000	5,400,000	2,625,000	5,400,000
Long-term loans from and amounts due to related parties	4,898	-	6,931,900	6,540,500
Other non-current liabilities	118,401	125,312	-	118
Total non-current liabilities	2,748,299	5,525,312	9,556,900	11,940,618
Total liabilities	24,195,637	24,574,143	22,439,617	23,916,382
Equity				
Share capital				
Authorised share capital	29,000,000	29,000,000	29,000,000	29,000,000
Issued and paid-up share capital	25,110,025	25,110,025	25,110,025	25,110,025
Difference arising from common control transactions	(17,141,406)	(17,141,406)	-	-
Reserves				
Share premium	17,215,737	17,215,737	17,215,737	17,215,737
Currency translation changes	(236,903)	(208,076)	-	-
Fair value changes and revaluation surplus	4,388,935	4,388,935	-	-
Retained earnings/ (Deficit)				
Appropriated - legal reserve	2,900,000	2,900,000	2,900,000	2,900,000
Unappropriated/ (Deficit)	23,394,973	22,644,726	14,753,087	16,112,423
Total equity attributable to equity holders of the Company	55,631,361	54,909,941	59,978,849	61,338,185
Minority interests	5,003	42,872	-	-
Total equity	55,636,364	54,952,813	59,978,849	61,338,185
Total liabilities and equity	79,832,001	79,526,956	82,418,466	85,254,567

- (c) (ii) In relation to the aggregate amount of group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figure as at the end of the immediately preceding financial year.

(ii) Aggregate amount of group's borrowings and debt securities

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

(Unit : Thousand Baht)

As at 30 June 2008				As at 31 December 2007			
Secured	Unsecured	Guaranteed	Guaranteed/ negative pledge	Secured	Unsecured	Guaranteed	Guaranteed/ negative pledge
-	12,477,057	580,537	-	-	5,098,987	899,247	4,755,000

- Amount repayable after one year

(Unit : Thousand Baht)

As at 30 June 2008				As at 31 December 2007			
Secured	Unsecured	Guaranteed	Guaranteed/ negative pledge	Secured	Unsecured	Guaranteed	Guaranteed/ negative pledge
-	2,625,000	-	-	-	5,400,000	-	-

- Details of any collateral

N/A

(d) 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 six-month periods ended 30 June 2008 and 2007 (Unaudited)

(Unit : Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Cash flows from operating activities				
Profit for the period	5,019,200	5,260,049	2,909,368	15,471,983
Adjustments for				
Depreciation and amortisation	2,492,150	2,440,011	15,248	14,515
Interest income	(12,343)	(19,514)	(281,946)	(363,054)
Interest expense	289,304	556,703	516,233	929,998
Unrealised (gain) loss on exchange rate	(6,290)	5,557	(12,115)	14,010
Doubtful debts expense	162	257	-	-
Amortisation of advance payments to a specialist	25,000	25,000	4,688	4,688
Reversal of an allowance for obsolete inventories	(212,386)	(17,973)	-	-
(Gain) loss on sale and disposal of property, plant and equipment and intangible assets	(5,836)	(71,725)	(162)	(63,870)
Gain on sale of investment	-	-	-	(6)
Dividends	-	-	(2,549,434)	(15,401,479)
Income tax expense	2,277,314	2,663,107	155,328	111,524
	9,866,275	10,841,472	757,208	718,309
Changes in operating assets and liabilities				
Trade accounts receivable	514,395	285,541	-	-
Amounts due from related parties	1,992	31,462	93,983	1,389,329
Inventories	(1,528,130)	(1,836,350)	-	-
Other current assets	(886,064)	(268,007)	(9,588)	5,594
Trade accounts payable	195,402	4,698	-	-
Amounts due to related parties	108,463	(133,532)	(19,084)	(4,496)
Other current liabilities	568,130	(322,984)	3,614	(151,632)
Other non-current liabilities	(6,911)	5,687	(118)	-
Income taxes paid	(2,838,327)	(2,331,397)	(191,724)	(136,282)
Net cash provided by operating activities	5,995,225	6,276,590	634,291	1,820,822
Cash flows from investing activities				
Interest received	12,600	19,761	297,865	366,581
Dividends received	-	-	2,549,434	6,600,156
Current investments	(1,831)	(34,984)	(869,000)	(6,844,982)
Loans to and amounts due from related parties	(50,839)	(14,175)	3,612,567	3,109,442
Investments in subsidiaries and associates	1,002	36,369	-	-
Purchase of investments in indirect subsidiaries	(81,050)	(21)	-	-
Decrease in long-term investments	50	58	-	8
Purchase of property, plant and equipment	(1,119,638)	(404,711)	(8,027)	(5,883)
Decrease in property, plant and equipment	37,894	876,808	865	819,000
Purchase of intangible assets	(16,967)	(11,293)	(4,523)	(10,319)
Decrease in intangible assets	1,629	5,556	-	-
Other non-current assets	42,746	104	-	(1,501)
Net cash provided by (used in) investing activities	(1,174,404)	473,472	5,579,181	4,032,502

Cash flows from financing activities				
Interest paid	(356,853)	(602,362)	(578,475)	(994,059)
Dividends paid to equity holders of the company	(4,268,704)	(2,762,103)	(4,268,704)	(2,762,103)
Dividend paid to the minority interests	-	(219)	-	-
Bank overdrafts and short-term loans from financial institutions	4,284,360	266,266	802,969	870,441
Repayment of short-term guaranteed bonds	-	(2,200,000)	-	(2,200,000)
Repayment of long-term guaranteed bonds	(3,000,000)	-	(3,000,000)	-
Loans to related parties	-	(3,081,719)	2,588,500	(2,510,250)
Proceeds from long-term loans from financial institutions	-	4,500,000	-	4,500,000
Repayment of long-term loans from financial institutions	(1,755,000)	(2,750,000)	(1,755,000)	(2,750,000)
Net cash used in financing activities	(5,096,197)	(6,630,137)	(6,210,710)	(5,845,971)
Net increase (decrease) in cash and cash equivalents	(275,376)	119,925	2,762	7,353
Cash and cash equivalents at beginning of period	2,188,992	1,919,577	9,168	15,623
Effect of exchange rate changes on balances held in foreign currencies	(28,827)	(56,440)	-	-
Cash and cash equivalents at end of period	1,884,789	1,983,062	11,930	22,976

d (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Thai Beverage Public Company Limited and its Subsidiaries
Statements of changes in equity
For the six-month periods ended 30 June 2008 and 2007 (Unaudited)

(Unit : Thousand Baht)

	Consolidated financial statements									
	Issued and paid-up share capital	Difference arising from common control transactions	Reserves		Retained earnings		Total equity attributable to equity holders of the Company	Minority interests	Total equity	
			Share premium	Currency translation changes	Fair value changes and revaluation surpluses	Appropriated to legal reserve				Unappropriated
Balance at 1 January 2007	25,110,025	(17,141,406)	17,215,737	(19,508)	6,586,263	1,700,000	19,102,445	52,553,556	506	52,554,062
Net surplus on property revaluation	-	-	-	-	(134,521)	-	134,521	-	-	-
Translation loss relating to financial statements of foreign operations	-	-	-	(56,440)	-	-	-	(56,440)	-	(56,440)
Net expense recognised directly in equity	-	-	-	(56,440)	(134,521)	-	134,521	(56,440)	-	(56,440)
Profit for the period	-	-	-	-	-	-	5,259,997	5,259,997	52	5,260,049
Total recognised income and expense	-	-	-	(56,440)	(134,521)	-	5,394,518	5,203,557	52	5,203,609
Effects of change to percentage of holding	-	-	-	-	-	-	-	-	(21)	(21)
Dividends	-	-	-	-	-	-	(2,762,103)	(2,762,103)	(219)	(2,762,322)
Balance at 30 June 2007	25,110,025	(17,141,406)	17,215,737	(75,948)	6,451,742	1,700,000	21,734,860	54,995,010	318	54,995,328
Balance at 1 January 2008	25,110,025	(17,141,406)	17,215,737	(208,076)	4,388,935	2,900,000	22,644,726	54,909,941	42,872	54,952,813
Translation loss relating to financial statements of foreign operations	-	-	-	(28,827)	-	-	-	(28,827)	-	(28,827)
Profit for the period	-	-	-	-	-	-	5,018,951	5,018,951	249	5,019,200
Total recognised income and expense	-	-	-	(28,827)	-	-	5,018,951	4,990,124	249	4,990,373
Effects of change to percentage of holding	-	-	-	-	-	-	-	-	(38,118)	(38,118)
Dividends	-	-	-	-	-	-	(4,268,704)	(4,268,704)	-	(4,268,704)
Balance at 30 June 2008	25,110,025	(17,141,406)	17,215,737	(236,903)	4,388,935	2,900,000	23,394,973	55,631,361	5,003	55,636,364

Thai Beverage Public Company Limited and its Subsidiaries
 Statements of changes in shareholders' equity
 For the six-month periods ended 30 June 2008 and 2007 (Unaudited)

(Unit : Thousand
 Baht)

	Separate financial statements					Total equity attributable to equity holders of the Company
	Issued and paid-up share capital	Reserves	Fair value changes and revaluation surpluses	Retained earnings		
		Share premium		Appropriated to legal reserve	Unappropriated	
Balance at 1 January 2007	25,110,025	17,215,737	134,521	1,700,000	3,534,895	47,695,178
Net surplus on property revaluation	-	-	(134,521)	-	134,521	-
Profit for the period	-	-	-	-	15,471,983	15,471,983
Total recognised income and expense	-	-	(134,521)	-	15,606,504	15,471,983
Dividends	-	-	-	-	(2,762,103)	(2,762,103)
Balance at 30 June 2007	25,110,025	17,215,737	-	1,700,000	16,379,296	60,405,058
Balance at 1 January 2008	25,110,025	17,215,737	-	2,900,000	16,112,423	61,338,185
Profit for the period	-	-	-	-	2,909,368	2,909,368
Dividends	-	-	-	-	(4,268,704)	(4,268,704)
Balance at 30 June 2008	25,110,025	17,215,737	-	2,900,000	14,753,087	59,978,849

(d) (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

N/A

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have been reviewed by the company's auditor in accordance with 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 and 2 of the attached financial report.

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

Accounting policies and methods of computation applied in the interim financial statements for the three-month and six-month periods ended 30 June 2008 are consistent with those applied in the financial statements for the year ended 31 December 2007 except for the change in accounting policy discussed in Item 5.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The following change of accounting policy by the 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. 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..

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-

	(Unit : Baht)					
	Consolidated financial statements			Consolidated financial statements		
	For the three-month periods			For the six-month periods		
	(Apr - June)		Changes	(Jan - June)		Changes
	2008	2007	+ / (-)	2008	2007	+ / (-)
Earning per ordinary share of the group based on net profit attributable to shareholders:-						
(a) based on the weighted average number of ordinary shares on issue	0.10	0.09	11%	0.20	0.21	(5%)
(b) On a fully diluted basis	0.10	0.09	11%	0.20	0.21	(5%)

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-

	(Unit : Baht)					
	Consolidated financial statements			Separate financial statements		
	30 June	31 December	Changes	30 June	31 December	Changes
	2008	2007	+ / (-)	2008	2007	+ / (-)
Net asset value per ordinary share based on weighted average number of issued share capital	2.22	2.19	1%	2.39	2.44	(2%)

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 second quarter and the six-month period ended 30 June 2008

From the first quarter 2008 onwards, the reporting of business segments has been rearranged to add a new segment, non-alcoholic beverages, which consists of energy drinks, ready-to-drink coffee, soda water and drinking water. The Company has expanded the non-alcoholic beverage business by acquiring

assets from a Thai company who engaged in the production and sales of energy drink and ready-to-drink coffee, and commenced this business in the first quarter 2008. The soda water and drinking water business will no longer be presented with the beer business but will be presented under non-alcoholic beverages. ThaiBev's business segments will now consist of Beer, Spirits, Non-alcoholic Beverages and Industrial Alcohol. Due to the small turnover of soda water and drinking water in the previous periods, the segmental information for the same period of 2007 was not restated to compare with that of 2008.

From 15 January 2008 onwards, all alcoholic drinks will be charged 1.5% of excise tax by laws to subsidize the Thai Public Broadcasting Service (TPBS). Currently, the company has paid excise tax, municipal tax which is 10% of excise tax, Health Promotion Fund contribution, which is 2% of excise tax and the latest one, TPBS tax which is 1.5% of excise tax. The Company has already increased the sales price of products to cover the TPBS tax.

Since 1 January 2008, the company has changed its accounting policy regarding goodwill to comply with Thai Accounting Standard (TAS) 43 (revised 2007) "Business Combination," which is effective for accounting periods beginning on or after 1 January 2008. In the previous periods, goodwill arising from a business combinations was accounted for at cost less accumulated amortization over the estimated useful life. Currently, goodwill is measured at "cost less any accumulated loss after doing an impairment test." There was no impairment loss in the carrying value of goodwill as at 30 June 2008. The financial statements for the year 2007 have not been affected by this change in accounting policy.

Group

In second quarter, ended 30 June 2008, total sales revenue of the Company was Baht 24,343 million, an increase of 5.2% or Baht 1,197 million, from Baht 23,146 million in the corresponding quarter of last year, mainly due to higher sales revenue from the spirits business of about 13.5%.

Gross profit was Baht 6,568 million, a decrease of Baht 298 million, or 4.3%, mainly due to a decrease in sales revenue and a lower gross margin from the beer business.

Earnings before interest, tax, depreciation and amortization (EBITDA) was Baht 4,853 million, a decrease of Baht 197 million, or 3.9%, mainly due to a decrease in the beer business sales and gross profit and an increase in idle costs.

Net profit was Baht 2,389 million, an increase of Baht 7 million, or 0.3%.

Unit :Million Baht

Q2_2008

	Beer	% to Sales	Spirits	% to Sales	Non-alcoholic beverages	% to Sales	Alcohol	% to Sales	Eliminate	% to Sales	Total	% to Sales
Sales	9,402	100.0	14,273	100.0	221	100.0	267	100.0	180	100.0	24,343	100.0
Cost of sales	7,804	83.0	9,391	65.8	164	74.2	244	91.4	172	95.6	17,775	73.0
Gross profit	1,598	17.0	4,882	34.2	57	25.8	23	8.6	8	4.4	6,568	27.0
Selling and administrative expenses	1,364	14.5	1,644	11.5	89	40.3	59	22.1	6	3.3	3,162	13.0
Operating profit	234	2.5	3,238	22.7	(32)	(14.5)	(36)	(13.5)	2	1.1	3,406	14.0
Other income/ Interest income	54	0.6	151	1.1	2	0.9	1	0.4	(18)	(10.0)	190	0.8
EBIT	288	3.1	3,389	23.7	(30)	(13.6)	(35)	(13.1)	(16)	(8.9)	3,596	14.8
Interest expenses	38	0.4	85	0.6	13	5.9	4	1.5	(10)	(5.6)	130	0.5
Income tax	133	1.4	959	6.7	(16)	(7.2)	1	0.4	-	-	1,077	4.4
Net Profit (Loss)	117	1.2	2,345	16.4	(27)	(12.2)	(40)	(15.0)	(6)	(3.3)	2,389	9.8
Depreciation &Amortization	533	5.7	598	4.2	78	35.3	48	18.0	-	-	1,257	5.2
EBITDA	821	8.7	3,987	27.9	48	21.7	13	4.9	(16)	(8.9)	4,853	19.9

Q2_2007

	Beer	% to Sales	Spirits	% to Sales	Non-alcoholic beverages	% to Sales	Alcohol	% to Sales	Eliminate	% to Sales	Total	% to Sales
Sales	10,722	100.0	12,574	100.0	-	-	131	100.0	(281)	100.0	23,146	100.0
Cost of sales	8,310	77.5	8,127	64.6	-	-	135	103.1	(292)	103.9	16,280	70.3
Gross profit	2,412	22.5	4,447	35.4	-	-	(4)	(3.1)	11	(3.9)	6,866	29.7
Selling and administrative expenses	1,474	13.7	1,595	12.7	-	-	31	23.7	(3)	1.1	3,097	13.4
Operating profit	938	8.7	2,852	22.7	-	-	(35)	(26.7)	14	(5.0)	3,769	16.3
Other income/ Interest income	11	0.1	39	0.3	-	-	13	9.9	(6)	2.1	57	0.2
EBIT	949	8.9	2,891	23.0	-	-	(22)	(16.8)	8	(2.8)	3,826	16.5
Interest expenses	69	0.6	183	1.5	-	-	9	6.9	(1)	0.4	260	1.1
Income tax	707	6.6	477	3.8	-	-	-	-	-	-	1,184	5.1
Net Profit (Loss)	173	1.6	2,231	17.7	-	-	(31)	(23.7)	9	(3.2)	2,382	10.3
Depreciation &Amortization	583	5.4	593	4.7	-	-	48	36.6	-	-	1,224	5.3
EBITDA	1,532	14.3	3,484	27.7	-	-	26	19.8	8	(2.8)	5,050	21.8

Increase(Decrease)

	Beer	%	Spirits	%	Non-alcoholic beverages	%	Alcohol	%	Eliminate	%	Total	%
Sales	(1,320)	(12.3)	1,699	13.5	221	-	136	103.8	461	164.1	1,197	5.2
Cost of sales	(506)	(6.1)	1,264	15.6	164	-	109	80.7	464	158.9	1,495	9.2
Gross profit	(814)	(33.7)	435	9.8	57	-	27	675.0	(3)	(27.3)	(298)	(4.3)
Selling and administrative expenses	(110)	(7.5)	49	3.1	89	-	28	90.3	9	300.0	65	2.1
Operating profit	(704)	(75.1)	386	13.5	(32)	-	(1)	(2.9)	(12)	(85.7)	(363)	(9.6)
Other income/ Interest income	43	390.9	112	287.2	2	-	(12)	(92.3)	(12)	(200.0)	133	233.3
EBIT	(661)	(69.7)	498	17.2	(30)	-	(13)	(59.1)	(24)	(300.0)	(230)	(6.0)
Interest expenses	(31)	(44.9)	(98)	(53.6)	13	-	(5)	(55.6)	(9)	(900.0)	(130)	(50.0)
Income tax	(574)	(81.2)	482	101.0	(16)	-	1	-	-	-	(107)	(9.0)
Net Profit (Loss)	(56)	(32.4)	114	5.1	(27)	-	(9)	(29.0)	(15)	(166.7)	7	0.3
Depreciation &Amortization	(50)	(8.6)	5	0.8	78	-	-	-	-	-	33	2.7
EBITDA	(711)	(46.4)	503	14.4	48	-	(13)	(50.0)	(24)	(300.0)	(197)	(3.9)

Beer Business

Sales revenue was Baht 9,402 million, a decrease of Baht 1,320 million, or 12.3%, mainly due to a decrease of beer sales volumes although the Company has raised its sales price to cover the new TPBS tax. The total sales volume of beer was 191.7 million litres, a decrease of 11.1% over the same quarter in 2007. In Q2/08, low alcohol beer demand decreased when compared to Q2/07, with sales volume at 31.9 million litres, or 16.6% of total beer sales volume, while in Q2/07 low alcohol beer sales volume was 68.7 million litres, or 31.8% of total beer sales volume.

Gross profit of Baht 1,598 million, a decrease of Baht 814 million, or 33.7%, This was mainly due to a decrease of total beer sales volume and higher cost of materials; malt, rice and fuel.

EBITDA of Baht 821 million decreased by Baht 711 million, or 46.4%, mainly due to a decrease of sales revenue and gross profit and an increase of idle cost and staff cost. The free promotional beer volumes as a percentage of total domestic sales volume decreased from 8.2% on average in quarter two of 2007 to 7.2% in quarter two of 2008.

Net Profit of Baht 117 million decreased by Baht 56 million, or 32.4%. This was mainly due to the decrease of sales and the higher cost of materials, although with a decrease of interest expenses.

Spirits Business

Sales revenue was Baht 14,273 million, an increase of Baht 1,699 million or 13.5% mainly due to an increase in the sales price to cover excise tax rises during the year 2007 and January 2008. This helped compensate for a decrease of total spirits sales volume. Total sales volume of spirits was 105.0 million litres, which was derived from white spirits sales volume of 74.5 million litres, down 5.8%, and brown spirits sales volume of 30.5 million litres, up 1.0%. The Company was able to raise the selling price of its leading white spirits Ruang Khao & Pai-thong brands, in May 2008.

The selling price in Baht for one crate increased is illustrated here.

	Increase per crate (Baht)	
	Full Bottle (12 bottles per crate)	Half Bottle (24 bottles per crate)
Ruang Khao & Pai-thong	67.29 (9.8 % Avg.)	67.29 (9.2 % Avg.)

Gross profit of Baht 4,882 million reflected an increase of Baht 435 million or 9.8%. This was mainly due to an increase in the sales price, which helped to compensate for the decrease in the sales volume and the excise tax rises.

EBITDA of Baht 3,987 million increased by Baht 503 million or 14.4%, mainly due to an increase in sales revenue and gross profit which helped compensate for an increase in idle cost and staff cost. As a percentage of total domestic sales volume, promotional goods on average was 1.1% in quarter two of 2008 which was closed to quarter two of 2007.

Net Profit of Baht 2,345 million increased by Baht 114 million, or 5.1%, mainly due to the increase of sales, gross profit and a decrease of interest expenses.

Non-Alcoholic Beverages Business

Due to the addition of a new energy drinks and ready-to-drink coffee business in Q1 2008, the Company cannot compare Q2 2008 figures for this segment with the same period last year. Sales revenue was Baht 221 million. Sales volume of energy drink, ready-to-drink coffee, soda and drinking water was 2.5 million litres, 0.2 million litres, 2.6 million litres and 11.6 million litres respectively. Gross profit and EBITDA for the segment was Baht 57 million and Baht 48 million respectively. A Net Loss of Baht 27 million was mainly due to idle costs of soda and drinking water.

Industrial Alcohol Business

Sales revenue of Baht 267 million reflected an increase of Baht 136 million or 103.8%, mainly due to the increase of Ethanol and Alcohol 95 sales volume of the stocks carry over at beginning of the period. Sales volume of Ethanol was 7.4 million litres, which was an increase of 45.2%. The average sales price for ethanol was Baht 16.92 per litre, which decreased by 3.8% over the corresponding period in 2007. Sales volume of Alcohol 95 was 10.0 million litres, mostly from exports. The average sales price was Baht 13.71 per litre, which was 18.6% lower than the corresponding period in 2007.

Gross profit of Baht 23 million increased by Baht 27 million, or 675% over the same period in 2007, mainly due to an increase in the sales volume.

EBITDA of Baht 13 million decreased by Baht 13 million or 50%, mainly due to an increase in idle cost caused by lower production.

Net Loss was Baht 40 million, an increase of Baht 9 million, or 29%, mainly due to the increase of idle cost caused by lower production although there was a decrease of interest expenses.

Performance for the six-month period ended 30 June 2008

Group

For the first six months of 2008, total sales revenue of the company was Baht 51,083 million, an increase of 4.0%, or Baht 1,976 million, from Baht 49,107 million in the corresponding period of the previous year, mainly due to an increase of sales revenue from the spirits business of about 9.8%

Gross profit was Baht 14,000 million, a decrease of Baht 517 million, or 3.6%, mainly due to a lower gross margin in the beer business.

Earnings before interest, tax, depreciation and amortization (EBITDA) was Baht 10,078 million, a decrease of Baht 842 million, or 7.7%, mainly due to the decrease in sales revenue and gross profit from the beer business and an increase in marketing expense and idle cost.

Net profit was Baht 5,019 million, a decrease of Baht 241 million, or 4.6%, mainly due to lower gross profit in the beer business and the increase in marketing expenses and idle cost, although there was a decrease in interest expenses too.

Unit :Million Baht

6 mths YTD _ 2008

	Beer	% to Sales	Spirits	% to Sales	Non-alcoholic beverages	% to Sales	Alcohol	% to Sales	Eliminate	% to Sales	Total	% to Sales
Sales	21,272	100.0	28,719	100.0	365	100.0	757	100.0	(30)	100.0	51,083	100.0
Cost of sales	17,096	80.4	19,048	66.3	293	80.3	678	89.6	(32)	106.7	37,083	72.6
Gross profit	4,176	19.6	9,671	33.7	72	19.7	79	10.4	2	(6.7)	14,000	27.4
Selling and administrative expenses	2,876	13.5	3,516	12.2	159	43.6	89	11.8	13	(43.3)	6,653	13.0
Operating profit	1,300	6.1	6,155	21.4	(87)	(23.8)	(10)	(1.3)	(11)	36.7	7,347	14.4
Other income/												
Interest income	61	0.3	203	0.7	5	1.4	2	0.3	(32)	106.7	239	0.5
EBIT	1,361	6.4	6,358	22.1	(82)	(22.5)	(8)	(1.1)	(43)	143.3	7,586	14.9
Interest expenses	82	0.4	191	0.7	26	7.1	10	1.3	(19)	63.3	290	0.6
Income tax	400	1.9	1,902	6.6	(27)	(7.4)	2	0.3	-	-	2,277	4.5
Net Profit (Loss)	879	4.1	4,265	14.9	(81)	(22.2)	(20)	(2.6)	(24)	80.0	5,019	9.8
Depreciation &Amortization	1,064	5.0	1,190	4.1	143	39.2	95	12.5	-	-	2,492	4.9
EBITDA	2,425	11.4	7,548	26.3	61	16.7	87	11.5	(43)	143.3	10,078	19.7

6 mths YTD _ 2007

	Beer	% to Sales	Spirits	% to Sales	Non-alcoholic beverages	% to Sales	Alcohol	% to Sales	Eliminate	% to Sales	Total	% to Sales
Sales	23,086	100.0	26,162	100.0	-	-	350	100.0	(491)	100.0	49,107	100.0
Cost of sales	17,864	77.4	16,936	64.7	-	-	321	91.7	(531)	108.1	34,590	70.4
Gross profit	5,222	22.6	9,226	35.3	-	-	29	8.3	40	(8.1)	14,517	29.6
Selling and administrative expenses	2,913	12.6	3,248	12.4	-	-	63	18.0	(8)	1.6	6,216	12.7
Operating profit	2,309	10.0	5,978	22.8	-	-	(34)	(9.7)	48	(9.8)	8,301	16.9
Other income/												
Interest income	62	0.3	113	0.4	-	-	16	4.6	(12)	2.4	179	0.4
EBIT	2,371	10.3	6,091	23.3	-	-	(18)	(5.1)	36	(7.3)	8,480	17.3
Interest expenses	141	0.6	400	1.5	-	-	19	5.4	(3)	0.6	557	1.1
Income tax	1,181	5.1	1,481	5.7	-	-	1	0.3	-	-	2,663	5.4
Net Profit (Loss)	1,049	4.5	4,210	16.1	-	-	(38)	(10.9)	39	(7.9)	5,260	10.7
Depreciation &Amortization	1,161	5.0	1,182	4.5	-	-	97	27.7	-	-	2,440	5.0
EBITDA	3,532	15.3	7,273	27.8	-	-	79	22.6	36	(7.3)	10,920	22.2

Increase(Decrease)

	Beer	% Sales	Spirits	% Sales	Non-alcoholic beverages	% Sales	Alcohol	% Sales	Eliminate	% Sales	Total	% Sales
Sales	(1,814)	(7.9)	2,557	9.8	365	-	407	116.3	461	93.9	1,976	4.0
Cost of sales	(768)	(4.3)	2,112	12.5	293	-	357	111.2	499	94.0	2,493	7.2
Gross profit	(1,046)	(20.0)	445	4.8	72	-	50	172.4	(38)	(95.0)	(517)	(3.6)
Selling and administrative expenses	(37)	(1.3)	268	8.3	159	-	26	41.3	21	262.5	437	7.0
Operating profit	(1,009)	(43.7)	177	3.0	(87)	-	24	70.6	(59)	(122.9)	(954)	(11.5)
Other income/												
Interest income	(1)	(1.6)	90	79.6	5	-	(14)	(87.5)	(20)	(166.7)	60	33.5
EBIT	(1,010)	(42.6)	267	4.4	(82)	-	10	55.6	(79)	(219.4)	(894)	(10.5)
Interest expenses	(59)	(41.8)	(209)	(52.3)	26	-	(9)	(47.4)	(16)	(533.3)	(267)	(47.9)
Income tax	(781)	(66.1)	421	28.4	(27)	-	1	100.0	-	-	(386)	(14.5)
Net Profit (Loss)	(170)	(16.2)	55	1.3	(81)	-	18	47.4	(63)	(161.5)	(241)	(4.6)
Depreciation &Amortization	(97)	(8.4)	8	0.7	143	-	(2)	(2.1)	-	-	52	2.1
EBITDA	(1,107)	(31.3)	275	3.8	61	-	8	10.1	(79)	(219.4)	(842)	(7.7)

Beer Business

For the first six months of 2008, sales revenue was Baht 21,272 million, a decline of Baht 1,814 million, or 7.9%, mainly due to the decrease of beer sales volume. Total sales volume of beer was 431.1 million litres, a decrease of 7.1%. Low alcohol beer sales volume was 109.1 million litres, a decrease over the same period in 2007 of 26.0 million litres or 19.2%.

Gross profit of Baht 4,176 million decreased by Baht 1,046 million, or 20% over the first half of 2007, was mainly due to the decrease of sales volume and higher cost of materials.

EBITDA of Baht 2,425 million decreased by Baht 1,107 million, or 31.3%, mainly due to the decrease of gross profit and an increase in marketing expenses, idle cost and staff cost. Free beer volume for sales promotion as a percentage of total domestic sales volume increased from 6.7% by average in the first six months of 2007 to 7.6% in 2008.

Net Profit of Baht 879 million decreased by Baht 170 million or 16.2 % due to the decrease of sales, the higher cost of materials, the increase of marketing expenses and idle cost, although there was a decrease in interest expenses.

Spirits Business

Sales in the first six months of 2008 were Baht 28,719 million, higher than the same period in 2007 by Baht 2,557 million, or 9.8%, mainly due to the increase in the selling price of major spirits brands as mentioned above. The total sales volume of spirits was 212.2 million litres, a decrease of 8.1%. This is attributed to the white spirits' sales volume declining by 11.2% to 150.3 million litres, though brown spirits sales increased by 0.4% to 61.9 million litres.

Gross profit of Baht 9,671 million reflected an increase of Baht 445 million, or 4.8%, mainly due to the increase in the selling price.

EBITDA of Baht 7,548 million increased by Baht 275 million, or 3.8%, mainly due to the increase in gross profit which can compensate an increase of idle cost and staff cost. Free spirits volume used for sales promotion as a percentage of total domestic sales volume increased from 0.8% on average over the first six months of 2007, to 1.8% in 2008.

Net profit of Baht 4,265 million increased by Baht 55 million, or 1.3%. mainly due to the increase in gross profit and a decrease in interest expenses.

Non-Alcoholic Beverages Business

Due to the addition of a new energy drinks and ready-to-drink coffee business in Q1 2008, the company cannot compare the first six months of 2008 figures for this segment with the same period last year. Sales revenue was Baht 365 million. Sales volume of energy drink, ready-to-drink coffee, soda and drinking water were 2.9 million litres, 0.2 million litres, 5.6 million litres and 23.5 million litres respectively. Gross profit and EBITDA for the segment was Baht 72 million and Baht 61 million respectively. The segment had a Net Loss of Baht 81 million, mainly due to the idle costs of soda and drinking water.

Industrial Alcohol Business Segment

In the first six months of 2008, sales revenue of Baht 757 million reflected an increase of Baht 407 million, or 116.3%, mainly due to the increase of Ethanol sales. Sales volume of Ethanol was 24.6 million litres, an increase of 74.1% over the same period in the previous year, although the average sales

price decreased from Baht 21.25 per litre in the first six-month period of 2007 to Baht 16.12 per litre in 2008. Sales volume of Alcohol 95 was 25.9 million litres, an increase of 23.4 million litres, mostly from exports. The average sales price was Baht 13.60 per litre, which was 20.9% lower than the corresponding period in 2007

Gross profit of Baht 79 million increased by Baht 50 million, or 172.4%, mainly due to the increase in sales volume.

EBITDA of Baht 87 million increased by Baht 8 million, or 10.1%, mainly due to the increase of gross profit which helped compensate for the increase in idle costs caused by lower production in Q2'08 .

Net loss after depreciation, interest expenses and income tax was Baht 20 million, a decrease of Baht 18 million or 47.4%, mainly due to the increase of idle costs caused by lower production, although there was a decrease of interest expenses too.

Financial Position

Assets

Total assets as at end of June 2008 was Baht 79,832 million, an increase of Baht 305 million, or 0.4%, compared with the end of 2007. Current assets increased by Baht 1,822 million, mainly due to an increase in inventories. Non-current assets decreased by Baht 1,517 million, mainly due to depreciation of property, plant and equipments.

Liabilities

Total liabilities as at end of June 2008 was Baht 24,196 million, decreased by Baht 379 million, or 1.5%, compared with the end of 2007. This was mainly due to the repayment of loans and bonds.

The maturity of loans and bonds are as follows.

	Unit: Million Baht
Within June 2009	13,058
During July 2009 – Jan 2010	2,625
Total	15,683

Shareholders' Equity

Total shareholders' equity as at the end of June 2008 was Baht 55,636 million, an increase of Baht 684 million, or 1.2% compared with the end of 2007. This was mainly due to the increase of retained earnings.

Liquidity

Cash and cash equivalents, as at June 30, 2008, stood at Baht 1,885 million. The net decrease from the beginning of the period was Baht 304 million. Details of activities are as follows.

	Unit: Million Baht
Net cash provided by operating activities	5,995
Net cash used in investing activities	(1,174)
Net cash used in financing activities	(5,096)
Net decrease in cash and cash equivalents in period	(275)
Adjustment from financial statement translation	(29)
Cash and cash equivalents at beginning of period	2,189

Cash and cash equivalents at end of period 1,885

Net cash provided by operating activities of Baht 5,995 million was mainly derived from net income of Baht 5,019 million and non-cash items from depreciation and amortization of Baht 2,492 million but deducted by built up inventories of Baht 1,528 million.

Net cash used in investing activities of Baht 1,174 million was mainly due to investment activities in property, plant and equipments.

Net cash used in financing activities of Baht 5,096 million was mainly due to repayments of bonds and loans and the dividend paid.

Financial Ratios

	Jun.30,08	Dec.31,07
Current Ratio (times)	1.63	1.74
Total Debt to Equity Ratio (times)	0.43	0.45
Net asset value per share (Baht)	2.22	2.19

	Jan. - June.08	Jan. - Dec.07
Accounts Receivable Turnover (days)	4	5
Inventory Turnover (days)		
Beer/water Business		
Finished Goods	19	15
Raw Material	7	4
Spirits Business		
Finished Goods (Excl. Legacy Stocks)	72	79
Raw Materials	13	12

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

N/A

10. Commentary to accompany the interim announcement regarding significant trends or competitive conditions in the industry and any know factors or events that may affect the group in the next reporting period or over next 12 months.

Business in Thailand

The whole country continued to be impacted by the global economic downturn in the first half of 2008. The Bank of Thailand noted some improvements over last year but with weak sentiment across the board. In Q2/2008, the government commenced a series of initiatives to alleviate the impact of the cost of living. These may help to improve the situation in the second half, but much still depends on how severe external conditions become. Thailand does seem at this time to have not suffered quite as much as some in the region. The Private Consumption Index (PCI) in the second quarter rose by 6.5% compared to the same period in the previous year and the Private Investment Index (PII) increased 4.2% year on year.

Headline inflation rose 8.9% and core inflation rose 3.6% in June and stood at 7.5% and 2.8% respectively for the whole of Q2/2008. This may have a longer term effect on discretionary spending down the road. Rising prices for energy had some effect on ThaiBev costs in the second quarter. The Consumer Price Index hit 8.9 in June, almost double the 4.3 in January 2008, indicating that prices may yet have a dragging effect on consumer spending.

Many investors may be surprised to learn that farm incomes, production and prices declined in June 2008 compared with the previous month. One reason is the seasonality of agriculture. However, ThaiBev should point out that farmers are rarely the beneficiary of price increases in agricultural products, such as rice, which is an important raw material for ThaiBev, and yet they continually face increases in their household expenditure.

Politically, while there is a democratically-elected government in power that has calmed some of the fears of continued military rule evident in 2007, the stability that most investors desire remains tremulous as dissatisfaction from some elements has possibly become a distraction to the government's efforts to focus on the economy.

The government added a 1.5% surcharge to excise tax in January to help subsidize the Thai Public Broadcasting Service, or TPBS. While the rise was not onerous, the Company has a policy of passing on all tax increases to the public and immediately raised the price of all alcoholic beverage products.

Beer Business

The Company successfully launched its new premium beer, Federbräu, commencing with a soft introduction to dealers in May 2008. Federbräu is aiming to compete with Heineken in a small but lucrative market segment in its first foray into the premium beer world. After the soft launch in May, billboards were put up around Bangkok and major cities in June and other media ads appeared in July.

Targeting a specific segment of society that is fun-loving and yet conscious of positioning, the beer is being sold only at specially-chosen pubs, clubs and 5-star hotel bars. The brand is positioned as a premium beer for young people who enjoy life. In line with the company policy of premiumisation, Federbräu is handled exclusively by a hand-picked premium marketing and sales team.

Investors should still be aware that the launch of a new product in any new segment will take at least 12-18 months to show any results.

While the launch of Federbräu has excited the Company as a way of improving the beer segment's margins over time, ThaiBev continued to be affected by low consumer demand in the present as low alcohol beer sales volumes declined to reflect the increasingly difficult economic situation. Nevertheless, beer sales revenue declined 7.9% in the first half compared to the first half of 2007 and management is focusing on improving this situation. Free beer, which is a sales promotion tool, rose to 7.6% of total beer volume, up slightly from 6.7% in the first half of 2007. However, Q2/2008 free beer volume was just 7.2%, compared to 8.2% in Q2/2007.

While raw materials rose somewhat in the first half of 2008, the Company is still keeping its costs under control through a system of long-term contracts with diverse global suppliers.

Spirits Business

ThaiBev managed to raise revenues from the spirits business in the first half by 9.8%, and 13.5% in Q2/2008 alone. This was largely due to an increase in the price to dealers on a crate of two leading brands of white spirits, thereby managing to compensate for the decline in white spirits sales volumes of 11.2% in the first half of this year compared to the first half of last year.

The second quarter showed a 5.8% decline in white spirits, compared to a 15.9% decline in the first quarter, indicating that while the economic overhang is still affecting sales, it is looking slightly better. The Company is seeing more consumers having to switch from large bottles of white spirits to half bottles.

Interestingly, whilst brown spirits sales volumes flattened out somewhat at 0.4% growth, much of the growth here came from the Company's two best-selling brown spirits. We attribute this to the different economic segment that consumes brown spirits, and especially the popularity of our leading brands, still being relatively unaffected, or less affected, by the economy than their rural cousins.

Investors should still be aware that the coming third quarter of the year is a notoriously difficult period for ThaiBev rural sales for seasonal reasons. It is typical for many Thais, and especially rural villagers, to forswear alcohol for a period during the monsoon's Buddhist Lent, which coincides with our third quarter.

Non-alcohol Business

Still a new segment to ThaiBev, the non-alcohol business is expected to be a small but positively growing business line in future. While there are no comparative numbers to show what is happening compared with last year, total sales revenue in Q2/2008 was Baht 221 million, compared with Baht 144 million in Q1 and sales volume of the energy drink, Wrangyer, was 2.5 million litres, up from 0.4 million litres in Q1. That company's ready-to-drink coffee sold 0.2 million litres in Q2 compared to 0.04 million litres in Q1.

Industrial Alcohol Business

Sales of industrial alcohol increased in the first half by 116.3%, but the industry is still unsure of government support. Industrial alcohol businesses that do not also own sugar cane fields and sugar mills are facing an uncertain future as acquiring the raw materials from sugar mills becomes increasingly difficult now that many have turned from being suppliers to competitors. The sales increase shows that the consumer is turning more and more toward alternative fuels, but falling prices make it difficult to judge who will benefit in the industry.

Business Overseas

International Beverage Holdings Limited USA (IBHL USA), launched the new look Mekhong spirit in Los Angeles to considerable applause and media coverage. Management expects Chang to be available in major cities on both East and West coasts of the USA by the end of the year.

Inver House continued to reap awards throughout 2008, with its key malt whiskies, Balblair and Old Pulteney now becoming media favorites. Most recently, the company won 11 medals at the International Spirits Challenge 2008, not long after the distillers' recent 13 medals at the Scotch Whisky Masters Awards and 15 awards at the International Wine & Spirits Competition. ThaiBev views that such awards not only provide good PR for the brands and the companies, but also impress on consumers the positioning and product quality they are looking for in single malt whiskies.

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

(a) Current Financial Period Reported On

Any dividend declared for current financial period reported on?

Yes.

The company board of director has approved interim dividend payment on the meeting held on August 14, 2008 as follows:

	Per share Baht	Total Value Baht	pay out ratio	Book Closure	Payable date
Interim dividend 2008	0.12	3,013,203,000	60.03%	29 Aug 08	11 Sep 08

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Yes.

The company board of director has approved interim dividend payment on the meeting held on August 14, 2007 as follow:

	Per share Baht	Total Value Baht	pay out ratio	Book Closure	Payable date
Interim dividend 2007	0.12	3,013,203,000	57.29%	29 Aug 07	11 Sep 07

(c) Dividend is before tax.

Tax rate 10%

Country where the dividend is derived. "Thailand"

(d) The date the dividend is payable . "September 11, 2008"

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 (April - June) and six-month period ended 30 June 2008 are as follows:

Thai Beverage Public Company Limited

Unaudited but reviewed results for the three-month period (April-June) ended 30 June 2008

Interested persons transactions for the three-month period (April-June) ended 30 June 2008

	Aggregate value of all interested persons transactions during the three-month period (April-June) ended 30 June 2008 under review (excluding transactions less than S\$100,000* and transactions conducted under Shareholders' Mandate) Baht '000	Aggregate value of all interested persons transactions conducted under the mandate (excluding transactions less than S\$100,000*) Baht '000
A Revenue from sales and service income		
1 Terragro Fertilizer Co., Ltd.	4,182.20	
2 Pisetkij Co., Ltd.	-	4,357.38
3 PS Recycle Co., Ltd.	-	20,773.22
4 Oishi Trading Co., Ltd.	4,770.51	-
B Other income		
1 Pisetkij Co., Ltd.	-	2,547.86
C Cost of sales		
1 PS Recycle Co., Ltd.	-	254,970.26
2 Dhipaya Sugar (1999) Co., Ltd.	-	8,038.50
3 Southeast Capital Co., Ltd.	-	2,541.77
4 Thai Beverage Can Co., Ltd.	-	285,304.12
5 Berli Jucker Public Co., Ltd.	-	804,073.32
6 The Southeast Insurance (2000) Co., Ltd.	-	31,898.36
7 The Utaradit Sugar Industry Co., Ltd.	-	2,886.01
8 New Noble Property and Loan Fund	-	3,415.55
9 Siam Food Products Public Co., Ltd.	4,692.00	-
D Other expenses		
1 Bang-Na Glass Co., Ltd.	-	5,510.99
2 Southeast Capital Co., Ltd.	-	26,246.85
3 T.C.C. Technology Co., Ltd.	-	17,792.56
4 The Southeast Insurance (2000) Co., Ltd.	-	9,682.05
5 Plaza Athenee Hotel (Thailand) Co., Ltd.	-	14,864.08
6 North Park Golf and Sport Club Co., Ltd.	-	4,180.38
7 TCC Hotel Collection Co., Ltd.	4,684.64	-
8 T.C.C. International Limited	8,093.38	-
9 Best Fortune Property and Loan Fund	7,734.10	-

* Exchange rate Baht 24.00 per 1 SGD.

Thai Beverage Public Company Limited

Unaudited but reviewed results for the six month period ended 30 June 2008

Interested persons transactions for the six month period ended 30 June 2008

	Aggregate value of all interested persons transactions during the six month period ended 30 June, 2008 under review (excluding transactions less than S\$100,000* and transactions conducted under Shareholders' Mandate) Baht '000	Aggregate value of all interested persons transactions conducted under the mandate (excluding transactions less than S\$100,000*) Baht '000
A Revenue from sales and service income		
1 Terragro Fertilizer Co., Ltd.	9,931.95	-
2 Pisetkij Co., Ltd.	-	9,930.23
3 PS Recycle Co., Ltd.	-	45,080.96
4 Oishi Trading Co., Ltd.	9,704.97	-
B Other income		
1 Pisetkij Co., Ltd.	-	4,767.87
C Cost of sales		
1 PS Recycle Co., Ltd.	-	538,397.47
2 The Maewang Sugar Industry Co., Ltd.	-	8,683.08
3 The Suphanburi Sugar Industry Co., Ltd.	-	31,446.06
4 Dhipaya Sugar (1999) Co., Ltd.	-	13,225.13
5 Southeast Capital Co., Ltd.	-	5,066.40
6 T.C.C. Technology Co., Ltd.	-	3,117.52
7 Thai Beverage Can Co., Ltd.	-	555,203.78
8 Berli Jucker Public Co., Ltd.	-	1,425,264.15
9 The Southeast Insurance (2000) Co., Ltd.	-	62,482.14
10 The Southeast Life Insurance Co., Ltd.	-	2,771.29
11 The Utaradit Sugar Industry Co., Ltd.	-	14,837.23
12 New Noble Property and Loan Fund	-	6,831.09
13 T.C.C. Ningbo Best Spirits Co., Ltd.	3,516.67	-
14 Siam Food Products Public Co., Ltd.	6,288.00	-
D Other expenses		
1 Bang-Na Glass Co., Ltd.	-	8,297.86
2 Southeast Capital Co., Ltd.	-	53,517.53
3 T.C.C. Technology Co., Ltd.	-	31,703.29
4 The Southeast Insurance (2000) Co., Ltd.	-	16,497.05
5 The Southeast Life Insurance Co., Ltd.	-	2,639.59
6 Plaza Athenee Hotel (Thailand) Co., Ltd.	-	23,256.39
7 Regent Gold Property Fund	-	3,175.59
8 North Park Golf and Sport Club Co., Ltd.	-	6,103.54
9 TCC Hotel Collection Co.,Ltd.	8,791.66	-
10 Best Wishes Co., Ltd	2,602.53	-
11 T.C.C. International Limited	10,829.81	-
12 Best Fortune Property and Loan Fund	15,453.40	-
E Sales of assets		
1 Terragro Fertilizer Co., Ltd.	4,468.12	-

* Exchange rate Baht 24.00 per 1 SGD.