

## 12. Financial Condition and Results of Operations

*You should read the management's discussion and analysis of financial condition and results of operations together with the financial statements and the notes to financial statements, which are located in the appendices of this prospectus. Unless otherwise stated, the Company has based the discussion below upon the consolidated financial results as reported in Thai Baht under Thai GAAP standards. The financial results will be reported for the years ended 2005, 2006, 2007, and for the six-month periods ended June 30, 2007 and 2008. You should also read the information in "Significant accounting policies" section in detail, and also read the notes to financial statements, which contain a summary of significant accounting policies, where the Company may need to make decisions and judgements in reporting certain items based on estimations, in order to be in compliance with generally accepted accounting principles, and these items may materially affect the financials and operational performance of the Company. The management's discussion and analysis of financial condition and results of operations includes forward looking statements which reflect the management view on the future operational performance, where the actual results might be different from managements' views in the forward looking statements, due to various factors stated in "Risk Factors" section and other sections in the prospectus.*

### 12.1 Financial Statements

#### 12.1.1 Reclassification of the Financial Statements

Since the third quarter of 2007, the Company has prepared the operating performance reporting according to the reclassification of business segments in order to make the reporting clearer. Most entries of related business segments arisen within the Company will not be separately displayed, but will be included in the operating performance of main business segments comprising segment of beer, drinking water and soda water, segment of liquor, segment of non-alcoholic beverages and segment of industrial alcohol (ThaiBev has sold all shares of Thai Alcohol Plc. which operated the business of production and distribution of industrial alcohol in September 2008). The information classified according to business segments of the same period in 2006 has been restated for comparison with 2007.

In addition, in the first quarter of 2008, the Company adjusted the operating performance reporting by adding non-alcoholic beverage segment which currently includes energy drinks, ready-to-drink coffee, soda water, drinking water and other non-alcoholic beverages as well as food and Japanese restaurant business. As a result, such adjustment will include the operating performance of soda water and drinking water, which was formerly included in brewery business segment, in the non-alcoholic beverage business segment. However, the Company did not make any adjustment in the same period in 2007 for comparison with 2008 due to the insignificant sales volume of soda water and drinking water. Currently, the Company's main business segments are beer, spirits and non-alcoholic beverage businesses. The Company has expanded its business to cover non-alcoholic beverage business by acquiring assets of domestic companies which engage in the production and distribution of energy drinks and ready-to-drink coffee, and purchasing shares of S.P.M. Foods and Beverages Co. In addition, in September 2008, ThaiBev purchased shares of Oishi Group Plc. in the amount of 43.9% of the total paid-up shares of Oishi Group Plc. However, in September 2008, the Company sold all shares of Thai Alcohol Plc. to Damrongfah Co.<sup>(1)</sup> in the amount of 160.0 million shares, representing 100% of its total paid-up shares. As a result of the above acquisitions and disposition, the Company currently operates 3 main business segments, which are beer, spirits, and non-alcoholic beverages.

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(1) Damrongfah Co. is an investment holding company, where Mr. Charoen Sirivadhanabhakdi and his spouse hold all shares directly and indirectly.

### **12.1.2 Summary of the Audit Report of Certified Public Accountant**

KPMG Phoomchai Audit Ltd. (by Mr. Nirand Lilamethwat, Certified Public Accountant, Registration No. 2316) has audited the financial statements in accordance with Thai GAAP for the balance sheet as of December 31, 2005, 2006, and 2007 and the income statement, the statement of change in shareholders' equity and the statement of cash flows for the year ended December 31 2005, 2006, and 2007 for ThaiBev and its subsidiaries, both for the consolidated and separate financial statements. The auditor has audited the financial statements in accordance with Thai GAAP and has found that the financial statements were presented fairly, in all material respects.

In addition, the auditor (Ms. Nittaya Chetchotiros, Certified Public Accountant, Registration No. 4439) has reviewed the balance sheet as of June 30, 2007 and 2008 and the income statement, the statement of change in shareholders' equity and the statement of cash flows for the six-month periods ended June 30, 2007 and 2008 for ThaiBev and its subsidiaries, both for the consolidated financial statements and separate financial statements. The auditor has reviewed the financial statements in accordance with Thai GAAP and has found that the financial statements were presented fairly, in all material respects.

**Selected Consolidated Financial Data for the Past 3 Fiscal Years and for the Six-Month Period Ended June 30, 2008**

**Balance Sheet**

Assets  (Unit: Baht million)	As of December 31,						As of June 30,	
	2005	% of Total Assets	2006 (Restated)	% of Total Assets	2007	% of Total Assets	2008	% of Total Assets
<b>Current Assets</b>								
Cash and cash equivalents	3,398.0	3.9	1,919.6	2.2	2,189.0	2.8	1,884.8	2.4
Current investments	10.0	0.0	4.4	0.0	7.7	0.0	9.5	0.0
Trade accounts receivables	1,463.7	1.7	1,317.9	1.5	1,467.0	1.8	954.5	1.2
Short-term loan to and amounts due from related parties	157.7	0.2	51.0	0.1	4.4	0.0	14.5	0.0
Inventories	28,747.0	33.0	28,315.2	33.1	28,056.9	35.3	29,797.4	37.3
Other current assets	2,573.0	3.0	1,914.2	2.2	1,404.0	1.8	2,290.0	2.9
<b>Total current assets</b>	<b>36,349.3</b>	<b>41.7</b>	<b>33,522.2</b>	<b>39.2</b>	<b>33,128.9</b>	<b>41.7</b>	<b>34,950.7</b>	<b>43.8</b>
<b>Non-current assets</b>								
Investments in subsidiaries and associates	128.8	0.1	135.5	0.2	124.5	0.2	123.5	0.2
Other long-term investments	4.5	0.0	3.8	0.0	3.6	0.0	3.6	0.0
Property, plant, and equipment	50,027.8	57.4	49,428.0	57.8	43,215.9	54.3	41,682.3	52.2
Intangible assets	513.7	0.6	354.9	0.4	979.4	1.2	1,014.2	1.3
Other non-current assets	112.9	0.1	2,135.1	2.5	2,074.6	2.6	2,057.7	2.6
<b>Total non-current assets</b>	<b>50,787.7</b>	<b>58.3</b>	<b>52,057.3</b>	<b>60.8</b>	<b>46,398.0</b>	<b>58.3</b>	<b>44,881.3</b>	<b>56.2</b>
<b>Total assets</b>	<b>87,137.0</b>	<b>100.0</b>	<b>85,579.5</b>	<b>100.0</b>	<b>79,527.0</b>	<b>100.0</b>	<b>79,832.0</b>	<b>100.0</b>

**Balance Sheet (Cont'd)**

Liabilities  (Unit: Baht million)	As of December 31,						As of June 30,	
	2005	% of Total Assets	2006 (Restated)	% of Total Assets	2007	% of Total Assets	2008	% of Total Assets
<b>Current liabilities</b>								
Bank overdrafts and short-term loans from financial institutions	40,158.6	46.1	6,753.3	7.9	5,998.2	7.5	10,282.6	12.9
Trade accounts payable	1,691.1	1.9	2,275.7	2.7	2,249.3	2.8	2,451.4	3.1
Short-term guaranteed bonds	-	-	2,200.0	2.6	0.0	0.0	-	-
Current portion of long-term guaranteed bonds	-	-	2,300.0	2.7	3,000.0	3.8	-	-
Current portion of long-term loans	1,086.6	1.2	1,500.0	1.8	1,755.0	2.2	2,775.0	3.5
Short-term loans from and amount due to related parties	4,164.9	4.8	4,837.0	5.7	69.1	0.1	173.5	0.2
Income tax payable	2,529.0	2.9	2,180.9	2.5	2,773.8	3.5	2,212.8	2.8
Other current liabilities	5,598.0	6.4	4,103.3	4.8	3,203.3	4.0	3,552.0	4.4
<b>Total current liabilities</b>	<b>55,228.2</b>	<b>63.4</b>	<b>26,150.2</b>	<b>30.6</b>	<b>19,048.8</b>	<b>24.0</b>	<b>21,447.3</b>	<b>26.9</b>
<b>Non-current liabilities</b>								
Long-term guaranteed bonds	-	-	3,000.0	3.5	0.0	0.0	-	-
Long-term loans from financial institutions	-	-	3,755.0	4.4	5,400.0	6.8	2,625.0	3.3
Other non-current liabilities	194.4	0.2	120.0	0.1	125.3	0.2	123.3	0.2
<b>Total non-current liabilities</b>	<b>194.4</b>	<b>0.2</b>	<b>6,875.0</b>	<b>8.0</b>	<b>5,525.3</b>	<b>6.9</b>	<b>2,748.3</b>	<b>3.4</b>
<b>Total liabilities</b>	<b>55,422.5</b>	<b>63.6</b>	<b>33,026.0</b>	<b>38.6</b>	<b>24,574.1</b>	<b>30.9</b>	<b>24,195.6</b>	<b>30.3</b>

**Balance Sheet (Cont'd)**

Shareholders' equity  (Unit: Baht million)	As of December 31,						As of June 30,	
	2005	% of Total Assets	2006 (Restated)	% of Total Assets	2007	% of Total Assets	2008	% of Total Assets
<b>Equity</b>								
<i>Share capital</i>								
Authorized share capital, Par 1 Baht	29,000.0		29,000.0		29,000.0		29,000.0	
<i>Issued and paid-up share capital</i>								
Common Stock, Par 1 Baht, fully paid-up	22,000.0	25.2	25,110.0	29.3	25,110.0	31.6	25,110.0	31.5
Share premium	-	-	17,215.7	20.1	17,215.7	21.6	17,215.7	21.6
Fair value changes and revaluation surplus	6,584.7	7.6	6,586.3	7.7	4,388.9	5.5	4,388.9	5.5
Currency translation changes	(5.3)	(0.0)	(19.5)	(0.0)	(208.1)	(0.3)	(236.9)	(0.3)
Difference arising from common control transactions	(15,630.8)	(17.9)	(17,141.4)	(20.0)	(17,141.4)	(21.6)	(17,141.4)	(21.5)
Retained Earnings								
Appropriated – Legal reserves	1,110.0	1.3	1,700.0	2.0	2,900.0	3.6	2,900.0	3.6
Unappropriated	17,655.9	20.3	19,102.4	22.3	22,644.7	28.5	23,395.0	29.3
Total equity attributable to equity holders of the Company	31,714.5	36.4	52,553.6	61.4	54,909.9	69.0	55,631.4	69.7
Minority interests	-	-	-	-	42.9	0.1	5.0	0.0
<b>Total equity</b>	<b>31,714.5</b>	<b>36.4</b>	<b>52,553.6</b>	<b>61.4</b>	<b>54,952.8</b>	<b>69.1</b>	<b>55,636.4</b>	<b>69.7</b>
<b>Total liabilities and equity</b>	<b>87,137.0</b>	<b>100.0</b>	<b>85,579.5</b>	<b>100.0</b>	<b>79,527.0</b>	<b>100.0</b>	<b>79,832.0</b>	<b>100.0</b>

## Income Statement

Income Statement  (Unit: Baht million)	For the Year Ended December 31,						For the Six-Month Period Ended June 30,			
	2005	% of Total Revenue	2006 (Restated)	% of Total Revenue	2007	% of Total Revenue	2007	% of Total Revenue	2008	% of Total Revenue
<b>Revenue</b>										
Revenue from sales	94,903.4	99.7	97,797.9	99.8	100,540.9	99.7	49,107.3	99.6	51,082.9	99.5
Interest income	71.5	0.1	56.5	0.1	40.8	0.0	19.5	0.0	12.3	0.0
Other income	215.3	0.2	101.6	0.1	257.2	0.3	158.7	0.3	226.5	0.4
<b>Total Revenue</b>	<b>95,190.2</b>	<b>100.0</b>	<b>97,956.0</b>	<b>100.0</b>	<b>100,838.9</b>	<b>100.0</b>	<b>49,285.5</b>	<b>100.0</b>	<b>51,321.8</b>	<b>100.0</b>
<b>Expenses</b>										
Cost of sales	65,187.7	68.5	69,325.1	70.8	70,872.6	70.3	34,589.9	70.2	37,083.0	72.3
Selling and administrative expenses	13,180.3	13.8	12,684.6	12.9	13,689.4	13.6	6,215.7	12.6	6,653.0	13.0
<b>Total expenses</b>	<b>78,368.0</b>	<b>82.3</b>	<b>82,009.7</b>	<b>83.7</b>	<b>84,562.0</b>	<b>83.9</b>	<b>40,805.7</b>	<b>82.8</b>	<b>43,736.0</b>	<b>85.2</b>
Earnings before interest and tax	16,822.2	17.7	15,946.3	16.3	16,276.9	16.1	8,479.9	17.2	7,585.8	14.8
Interest expense	1,741.8	1.8	1,568.7	1.6	1,047.3	1.0	556.7	1.1	289.3	0.6
Income tax expense	4,743.2	5.0	4,322.9	4.4	4,846.6	4.8	2,663.1	5.4	2,277.3	4.4
<b>Net profit before minority interests</b>	<b>10,337.3</b>	<b>10.9</b>	<b>10,054.8</b>	<b>10.3</b>	<b>10,383.1</b>	<b>10.3</b>	<b>5,260.0</b>	<b>10.7</b>	<b>5,019.2</b>	<b>9.8</b>
Minority interests	-	-	-	-	-	-	0.1	0.0	0.2	0.0
<b>Net profit</b>	<b>10,337.3</b>	<b>10.9</b>	<b>10,054.8</b>	<b>10.3</b>	<b>10,383.1</b>	<b>10.3</b>	<b>5,260.0</b>	<b>10.7</b>	<b>5,019.0</b>	<b>9.8</b>
<b>Basic earnings per share (Baht)</b>	<b>0.47</b>		<b>0.42</b>		<b>0.41</b>		<b>0.21</b>		<b>0.20</b>	
<b>Weighted average shares outstanding</b>	<b>22,000.0</b>		<b>25,110.0</b>		<b>25,110.0</b>		<b>25,110.0</b>		<b>25,110.0</b>	

**Statements of Cash Flows**

Statements of Cash Flows  (Unit: Baht million)	For the Year Ended December 31,			Six-Month Period Ended June 30,	
	2005	2006 (Restated)	2007	2007	2008
<b>Cash flows from operating activities</b>					
Net income	10,337.3	10,054.8	10,383.1	5,260.0	5,019.2
<b>Adjustments for</b>					
Depreciation and Amortization	4,432.1	4,652.0	4,974.7	2,440.0	2,492.2
Amortization of advance payment to a specialist	70.8	50.0	50.0	25.0	25.0
Reversal of an allowance for obsolete inventories	-	-	-	(18.0)	(212.4)
Allowance for obsolete inventories	179.2	355.0	145.5	-	-
Share of profits from investments accounted for using the equity method	(22.0)	(23.7)	(28.6)	-	-
Allowance for declining in value in investments	(1.1)	-	-	-	-
(Gain) loss on sale of investment	3.5	0.7	-	-	-
Allowance for impairment loss on equipment	0.9	-	58.8	-	-
(Gain) loss on sales and disposal of property, plant, and equipment and intangible assets	80.0	3.2	(70.1)	(71.7)	(5.8)
Unrealized (Gain) loss on exchange rate	15.9	11.7	5.8	5.6	(6.3)
Doubtful debt expense	-	-	-	0.3	0.2
Interest income	(71.5)	(56.5)	(40.8)	(19.5)	(12.3)
Interest expense	1,741.8	1,568.7	1,047.3	556.7	289.3
Income tax expense	4,743.2	4,322.9	4,846.6	2,663.1	2,277.3
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>	<b>21,510.0</b>	<b>20,938.7</b>	<b>21,372.2</b>	<b>10,841.5</b>	<b>9,866.3</b>

**Statements of Cash Flows (Cont'd)**

Statements of Cash Flows  (Unit: Baht million)	For the Year Ended December 31,			Six-Month Period Ended June 30,	
	2005	2006 (Restated)	2007	2007	2008
<b>Changes in operating assets and liabilities</b>					
(Increase) Decrease in trade accounts receivable	209.7	143.3	(95.3)	285.5	514.4
(Increase) Decrease in amounts due from related parties	5,031.7	36.0	57.8	31.5	2.0
(Increase) Decrease in inventories	4,538.6	76.9	240.3	(1,836.4)	(1,528.1)
(Increase) Decrease in other current assets	963.1	657.2	543.2	(268.0)	(886.1)
Increase (Decrease) in trade accounts payable	(320.1)	583.2	(52.7)	4.7	195.4
Increase (Decrease) in amounts due to related parties	(229.3)	45.3	(152.5)	(133.5)	108.5
Increase (Decrease) in other current liabilities	2,053.4	(1,444.6)	(1,220.7)	(323.0)	568.1
Increase (Decrease) in other non-current liabilities	(25.7)	(2.8)	4.8	5.7	(6.9)
<b>Cash generated from the operations</b>	<b>33,731.5</b>	<b>21,033.4</b>	<b>20,697.1</b>	<b>8,607.9</b>	<b>8,833.6</b>
Advance payments to a specialist	-	(2,000.0)	-	-	-
Income taxes paid	(5,164.8)	(4,671.0)	(4,253.6)	(2,331.4)	(2,838.3)
<b>Net cash provided by (used in) operating activities</b>	<b>28,566.7</b>	<b>14,362.4</b>	<b>16,443.5</b>	<b>6,276.6</b>	<b>5,995.2</b>



**Statements of Cash Flows (Cont'd)**

Statements of Cash Flows  (Unit: Baht million)	For the Year Ended December 31,			Six-Month Period Ended June 30,	
	2005	2006 (Restated)	2007	2007	2008
<b>Cash flows from investing activities</b>					
Interest received	69.5	58.1	40.9	19.8	12.6
Dividend received	23.4	17.0	-	-	-
(Increase) Decrease in current investments	(8.5)	5.6	(3.3)	(35.0)	(1.8)
(Increase) Decrease in short-term loans to related parties	376.8	40.9	-	(14.2)	(50.8)
Investments in subsidiaries and associates	-	-	39.6	36.4	1.0
Purchase of investments in indirect subsidiaries	-	-	(253.9)	(0.0)	(81.1)
Consideration paid to shareholders of subsidiaries for common control transactions	(9,646.0)	(1,505.2)	-	-	-
Decrease in long-term investments	1,111.4	0.0	0.1	0.1	0.1
Increase in share capital in subsidiaries before business restructuring	46.6	27.0	-	-	-
Purchase of property, plant, and equipment	(7,302.0)	(4,231.9)	(1,454.6)	(404.7)	(1,119.6)
Sales of property, plant, and equipment	581.0	51.9	933.3	876.8	37.9
Purchase of intangible assets	(73.6)	(12.5)	(26.9)	(11.3)	(17.0)
Decrease in intangible assets	-	0.0	11.2	5.6	1.6
Decrease (Increase) in other non-current assets	9.6	(24.8)	(1.2)	0.1	42.7
<b>Net Cash provided by (used in) investing activities</b>	<b>(14,811.7)</b>	<b>(5,574.0)</b>	<b>(714.7)</b>	<b>473.5</b>	<b>(1,174.4)</b>

**Statements of Cash Flows (Cont'd)**

Statements of Cash Flows  (Unit: Baht million)	For the Year Ended December 31,			Six-Month Period Ended June 30,	
	2005	2006 (Restated)	2007	2007	2008
<b>Cash flows from financing activities</b>					
Interest paid	(1,741.8)	(1,420.5)	(1,139.4)	(602.4)	(356.9)
Increase (Decrease) in bank overdrafts and short-term loans from financial institutions	(5,224.0)	(33,405.3)	(1,140.9)	266.3	4,284.4
Increase (Decrease) in short-term loans from related parties	(514.8)	629.7	(4,615.2)	(3,081.7)	-
Proceeds from issuance of short-term guaranteed bonds	-	4,700.0	-	-	-
Repayment of short-term guaranteed bonds	-	(2,500.0)	(2,200.0)	(2,200.0)	-
Proceeds from issuance of long-term guaranteed bonds	-	5,300.0	-	-	-
Repayment of long-term guaranteed bonds	-	-	(2,300.0)	-	(3,000.0)
Proceeds from long-term loan from financial institutions	-	26,600.0	5,400.0	4,500.0	-
Repayment of long-term loans from financial institutions	(1,320.0)	(22,431.6)	(3,500.0)	(2,750.0)	(1,755.0)
Proceeds from issuance of shares	-	20,325.8	-	-	-
Dividend paid	(2,640.0)	(8,042.1)	(5,775.3)	(2,762.1)	(4,268.7)
<b>Net cash provided by (used in) financing activities</b>	<b>(11,440.6)</b>	<b>(10,244.1)</b>	<b>(15,270.8)</b>	<b>(6,630.1)</b>	<b>(5,096.2)</b>
Effect of exchange rate changes on balances held in foreign currencies	(23.0)	(22.7)	(188.6)	(56.4)	(28.8)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>2,291.4</b>	<b>(1,478.4)</b>	<b>269.4</b>	<b>63.5</b>	<b>(304.2)</b>
Cash and cash equivalents at beginning of the period	1,106.6	3,398.0	1,919.6	1,919.6	2,189.0
<b>Cash and cash equivalents at the end of the period</b>	<b>3,398.0</b>	<b>1,919.6</b>	<b>2,189.0</b>	<b>1,983.1</b>	<b>1,884.8</b>

**Key financial ratios**

	Unit	For the Year Ended December 31,			Six-Month Period Ended June 30,
		2005	2006 (Restated)	2007	2008
<b>Liquidity Ratio</b>					
Current ratio	x	0.7	1.3	1.7	1.6
Quick ratio	x	0.1	0.1	0.2	0.1
Operating cash flows ratio	x	0.5	0.4	0.7	0.6
Account receivables turnover	x	82.4	70.3	72.2	84.4
Account receivables days	Days	4.4	5.1	5.0	4.3
Inventory turnover	x	2.2	2.4	2.5	2.6
Inventory days	Days	164.3	148.2	143.2	140.4
Account payable turnover	x	37.4	35.0	31.3	31.6
Account payable days	Days	9.6	10.3	11.5	11.4
Cash Cycle	Days	159.0	143.0	136.7	133.3
<b>Profitability Ratio</b>					
Gross profit margin	%	31.3	29.1	29.5	27.4
Operating profit margin	%	17.4	16.1	15.9	14.4
Other income margin	%	0.3	0.2	0.3	0.5
Operating cash flows margin	%	172.8	91.0	102.9	81.6
Net profit margin	%	10.9	10.3	10.3	9.8
Return on equity	%	31.8	23.9	19.3	18.2
<b>Efficiency Ratio</b>					
Return on assets	%	11.9	11.6	12.6	12.6
Return on fixed assets	%	30.6	29.2	33.0	35.3
Assets turnover	x	1.1	1.1	1.2	1.3
<b>Financial Policy Ratio</b>					
Debt to equity ratio	x	1.7	0.6	0.4	0.4
Interest coverage ratio (Cash basis)	x	20.4	13.1	20.8	31.5
Fixed-charge coverage ratio (Cash basis)	x	1.7	0.2	0.8	0.6
Dividend payout ratio	%	51.5	54.9	70.1	60.0

## 12.2 Management's discussion and Analysis of Financial Condition and Results of Operations

### Overview

According to Canadean, the Company is one of the leading producers of beer and spirits in Thailand by sales and production volume and is one of the largest brewers and distillers in Southeast Asia. In 2007, according to Canadean, the Company's beer brands had an aggregate market share of approximately 46.7% of Thai beer market based on sales volume. The Company also produces white spirits, Chinese herb spirits and locally-distilled brown spirits, including popular brands such as Sangsom, Hong Thong, Mekhong, and Mungkorn Thong. In 2005, the Company's spirits brands had an aggregate Thai market share of approximately 74.0% based on sales volume, according to Canadean. In 2005, 2006, 2007 and for the six-month period ended June 30, 2008, the Company had total revenues of Baht 95,190.2 million, Baht 97,956.0 million, Baht 100,838.9 million and Baht 51,321.8 million, respectively. In 2005, 2006, 2007 and for the six-month period ended June 30, 2008, the Company had revenue from sales of Baht 94,903.4 million, Baht 97,797.9 million, Baht 100,540.9 million and Baht 51,082.9 million, respectively. The earnings before interest and tax for the respective periods are Baht 16,822.2 million, Baht 15,946.3 million, Baht 16,276.9 million and Baht 7,585.8 million, respectively.

In 2005, 2006, 2007 and for the six-month period ended June 30, 2008, the revenue from sales of beer, drinking and soda water (before intersegment eliminations) was Baht 42,277.0 million, or 44.5% of the revenue from sales, Baht 46,103.2 million, or 47.1% of the revenue from sales, Baht 47,557.3 million, or 47.3% of the revenue from sales, and Baht 21,272.0 million (excluding drinking water and soda water), or 41.6% of the revenue from sales respectively, including revenue from sales of by-products from beer, drinking water and soda water business.

In 2005, 2006, 2007 and for the six-month period ended June 30, 2008, the revenue from sales of spirits (before intersegment eliminations) was Baht 52,811.0 million, or 55.6% of the revenue from sales, Baht 51,576.1 million, or 52.7% of the revenue from sales, Baht 52,940.2 million, or 52.7% of the revenue from sales, and Baht 28,718.5 million, or 56.2% of the revenue from sales, respectively, including revenue from sales of by-products from from the spirits business.

The Company generated substantially all of its revenue from sales of its products in Thailand. In addition to the beer, drinking water and soda water and spirits businesses, the Company generates revenue from the sale of industrial alcohol and from related businesses, the latter of which consists primarily of intersegment sales that the Company eliminated upon consolidation. In 2005, 2006, 2007 and for the six-month period ended June 30, 2008, the revenue from sales of industrial alcohol (before intersegment eliminations) was Baht 869.2 million, or 0.9% of the revenue from sales, and Baht 1,205.0 million, or 1.2% of the revenue from sales, Baht 966.0 million, or 1.0% of the revenue from sales and Baht 756.8 million, or 1.5% of the revenue from sales, respectively. For the six-month period ended June 30, 2008, the newly classified segment, non-alcoholic beverages (before intersegment eliminations) revenue from sales was Baht 364.9 million, or 0.7% of the revenue from sales. In 2005 and 2006, the revenue from sales from related businesses were Baht 6,633.0 million, or 7.0% of the revenue from sales, and Baht 7,155.1 million, or 7.3% of the revenue from sales, respectively.

In 2005, 2006, 2007 and for the six-month period ended June 30, 2008, the Company generated the revenue from domestic sales of 96.3%, 97.1%, 96.1% and 96.0% respectively of the total revenue from sales. The Company also exports its beer, spirits, non-alcoholic beverages and industrial alcohol products to more than 20 other countries.

## Factors Affecting The Company's Business and Financial Condition

A number of important factors have affected, and the Company expects that it will continue to affect, the business, financial condition, results of operations and prospects. These factors include changes in excise taxes, changes in consumer demand, capacity utilization, increased competition, pricing and increases in raw material and packaging costs.

### *Excise and Other Taxes*

The Company must pay excise taxes for the alcoholic beverages (spirits tax), municipal taxes, contribution to Health Promotion Fund, contribution to the Thai PBS and excise tax for soda water products. These payments had been recorded as cost of sales in the amount of Baht 47,065.0 million in 2005, Baht 49,143.0 million in 2006, Baht 50,558.1 million in 2007 and Baht 25,565.3 million in the six-month period ended June 30, 2008, represented 72.2%, 70.9%, 71.3% and 68.9% of the Company's cost of sales, respectively. The excise taxes for beer and spirits are calculated based on the greater of (A) a Baht per liter of pure alcohol quantity, and (B) a percentage of the greater of the ex-factory price announced by the Excise Department and the actual ex-factory price for the product. An increase in tax rates or a change in the tax calculation methodology may cause the Company to increase the price of its products, which may result in lower volume of consumption and, therefore, lower revenue from sales. In addition, the Company may have to wholly or partly bear the cost arising from the increased taxes. Each of these scenarios could adversely affect the business, financial condition, results of operations and prospects of the Company.

Changes of the tax rates of spirits to support the government's policy to control spirits consumption according to the resolution of the Thai cabinet on August 28, 2007 are as follows:

<u>Type of spirits</u>	<u>Previous tax rates</u>	<u>New tax rates</u>
White Spirit	25% of price	50% of price
	Baht 70 per liter of pure alcohol quantity	Baht 110 per liter of pure alcohol quantity
Mixed Spirit	50% of price	50% of price
	Baht 240 per liter of pure alcohol quantity	Baht 280 per liter of pure alcohol quantity
Brandy	40% of price	45% of price
	Baht 400 per liter of pure alcohol quantity	Baht 400 per liter of pure alcohol quantity

In addition, on January 14, 2008, the Thai government increased the spirits tax rate by 1.5% for all the type of alcoholic beverages to support the Thai PBS.

The adjustment on excise tax rate will increase the cost of sales of alcoholic beverages, such as Ruang Khao, NiyomThai, Pai-Thong, White Tiger, Chiang-Chun Chinese Herb Spirits, Chu Sib Neaw, Sua Dum, Hong Thong, Mungkorn Thong, and Blend 285. The Company must pass on this increase in cost of sales to the consumers through increase in prices of those brands. This will likely result in a decline in sales volume and shift in consumer preference from larger bottles to smaller bottles, from the higher price white spirits brand to the lower price ones. In addition, the consumers may change their preferences to the lower degree spirits. The aforementioned reasons may affect the business, financial condition, results of operations and prospects of the Company.

Additionally, in the case of future excise tax increases or the initiation of a new tax, the Company may either pass-through any future tax increases to the consumers by increasing the sales prices or, if necessary, absorb the additional costs. If the Company pass through any increases to consumers, the Company would have to increase the selling prices, which could adversely affect the demand for, and sales of, its products. Alternatively, if the Company do not pass through the tax increases to consumers, the cost of sales would increase, which would adversely affect profitability.

### ***Changes in Consumer Demand for the Alcoholic Beverage Products***

The Company's revenue and profitability remain substantially dependent upon the sales of its beer and spirits products and in particular, sales from eight key products: Chang Beer, Archa Beer, white spirits, Chinese herb spirits, Sangsom, Hong Thong, Mekhong and Blend 285, which accounted for approximately 95.6% and 96.0% of the Company's sales volume of its beer and spirits segments in 2006 and 2007, respectively. Accordingly, any factor adversely affecting the sale of these key products, individually or collectively, would have a material adverse effect on the business, financial condition, results of operations and prospects of the Company. For example, as a result of recent change in consumer preference towards beer with lower alcohol content, in recent years the Company has experienced a decline in sales volumes and revenue from sales of its high alcohol content Chang Beer compared to certain products of its competitors. This change has adversely affected revenues from beer products, which decreased 6.4% in the six-month period ended June 30, 2008, compared with the same period in 2007. In addition, production and sales of each of these key products could be rendered uneconomical by regulatory or competitive changes. Sales of these key products could also be adversely affected by other factors, including increases in spirits taxes, inability to procure raw materials supply, interruption of production or distribution, marketing or pricing strategy by one or more of the Company's competitors, changes in consumer preferences or other factors.

In addition, seasonal consumption cycles and changes in weather conditions can affect the results of operations. Major holidays and Thai festivals generally increase demand for the products, while the observance of Buddhist lent and the rainy season generally decrease demand of the products in Thailand. Consumption of the products has historically been strong from mid-October to April and weaker from May to September due to the rainy season and observance of Buddhist lent. A prolonged rainy season could adversely affect the sales volume, and the results of the operations for a particular period. The observance of Buddhist lent, which is from July to October each year, adversely affects the sales of spirits, while the beer sales during this period are generally stable. As a result, the profitability during this period is generally lower compared to the other periods due to lower spirits sales because the margins on sales of beer are lower than the margins on sale of spirits. In the fourth quarter, the sales volumes of beer and spirits generally increase due to the end of the observance of Buddhist lent. In particular, the sales volumes of brown spirits generally increase as brown spirits are a popular gift for end-of-the-year celebrations.

### ***Capacity Utilization***

The total designed capacity of the breweries and distilleries of the Company, as specified by the suppliers, is approximately 1,550.0 million litres per year and 819.0 million litres per year, respectively. In 2005, 2006, 2007 and for the six-month period ended June 30, 2008, the Company operated its breweries at approximately 83.9%, 91.2%, 87.6% and 58.8% average capacity utilizations, respectively. For its distilleries, the Company operated at approximately 56.8%, 59.1%, 50.3% and 52.5% average capacity utilizations, respectively.

The capacity utilization has had, and will continue to have, a significant impact on the profitability. Generally, operating the facilities at their maximum designed production capacities favorably affects the profitability because fixed and semi-variable operating costs, such as depreciation and labor costs, are spread over a larger sales base. If the Company continue to operate the distilleries at low utilization rates, the general and administrative expenses will increase as the Company record the costs attributable to the under-utilization as idle cost expense. Idle costs represent

the cost, including depreciation, of operating the production facilities at levels below normal capacity. The Company record idle costs separately for each production facility and, therefore, under-utilization of the larger production facilities, such as the Sangsom, Sura Bangyikhan and Red Bull distilleries and Kamphaengphet and Bang Ban breweries, will have a greater impact on the idle costs compared to under-utilization of the smaller production facilities.

### ***Competition***

The alcoholic beverage industry in Thailand is highly competitive and the Company competes for market share with other local and international producers and distributors through brand preferences, distribution capability, product availability, pricing, packaging, and customer service. The main competitor in the beer market is Boon Rawd Brewery Co. In the spirits market, the Company primarily compete with local community spirits producers in the white spirits market and with imported brands in the brown spirits market. Increased competition could require the Company to reduce prices, and increase capital and other expenditures, and may cause the Company to lose market share. For example, in response to increased competition in the beer and brown spirits market, the Company has launched several new products since the fourth quarter of 2005, including Blend 285, Blue whisky, Federbräu, Chang Light and Chang Draught in bottles and relaunched the Hong Thong brand. The launch of these new products has increased the marketing and other expenses in 2006 and 2007. Adverse actions by the competitors through their marketing, investment or pricing policies or new competitors entering the market could adversely affect the business, financial condition, results of operations and prospects of the Company. Conversely, the Company has also benefited from decreased competition, for example, in the white spirits market as a result of the withdrawal from the market of several community and regional producers of white spirits in 2005.

According to Canadean, the market share of the Company's beer products (by sale volume) in Thailand decreased from approximately 48.8% in 2006 to 46.7% in 2007. Such decrease results from increased consumption of the competitors' products due to the increase in product offering by the competitors, the more aggressive marketing effort, and the increasing consumer preference for beer with lower alcohol content. The Company believes that the trend toward lower alcohol content beer in Thailand will continue, and the Company also believe that the competition to capture this segment of the beer market in Thailand will intensify in the coming years. Accordingly, the Company launched its own brands of lower alcohol content beer, including Archa Beer, which is an economy segment beer, in July 2004. In March 2006, the Company launched Chang Light, a standard beer with 4.2% alcohol content, and in April 2008, the Company launched Federbräu, which has 4.7% alcohol content and is considered a premium beer.

### ***Pricing***

Pricing of the beer and spirits products also affects the results of operations. When determining the selling prices for the products, the Company considers many factors, each of which varies in importance from time to time, including general economic conditions, the level of excise taxes, which includes municipal taxes, Health Promotion Fund contributions and Thai PBS contributions, the prices of the competitors, types of products, the effects of inflation and costs of sales. The price that the Company advises the consumers for the products varies depending on location, type of distribution channel and other factors. Accordingly, changes in any of these factors or in the volumes purchased by different consumers may affect the revenues of the Company.

### ***Packaging Materials and Raw Materials***

Packaging material expenses accounted for 11.3%, 11.7%, 11.8% and 11.2% of the cost of sales. In 2005, 2006, 2007 and for the six-month period ended June 30, 2008, respectively. The raw material expenses accounted for 6.2%, 8.7%, 8.7% and 10.2% of the cost of sales in 2005, 2006, 2007 and for the six-month period ended June 30, 2008, respectively.

The Company purchases most of its packaging materials and raw materials, including molasses, malt, hops, electricity, bottles, labels, bottle caps, fuel oil and other packaging materials, from third party suppliers, which the Company seeks to purchase certain of these raw materials and packaging materials once a year in advance of production. However, changes in global supply and demand conditions substantially affect the price of these materials, and may also, along with weather conditions, government controls, exchange rates, currency controls and other factors, may affect the Company's cost of raw materials and packaging materials. A substantial increase in the prices of these materials would increase the Company's production costs, which would reduce its profit margins if the Company is unable to recover these additional production costs from its consumers. In addition, a sustained interruption in the supply or distribution of these materials to the Company may lead to a significant increase in its prices or may impede the Company's production process if the Company is unable to find suitable substitutes. The occurrence of any of these factors could increase the Company's production costs, which could have a material adverse effect on its business, financial condition, results of operations and prospects.



## Revenues

The total revenue from sales consists mainly of revenue from sales of beer, spirits, non-alcoholic beverage, industrial alcohol<sup>(1)</sup>, as well as interest income and other income.

The following table set forth the total revenue, and each type of revenue as a percentage of total revenue in the specified periods

	Revenue									
	Unit: Baht million except percentage data									
	For the Year Ended December 31,						For the Six-Month Period Ended June 30,			
	2005	%	2006 (Restated)	%	2007	%	2007	%	2008	%
	(Audited)						(Unaudited)			
Revenue from sales ...	94,903.4	99.7	97,797.9	99.8	100,540.9	99.7	49,107.3	99.6	51,082.9	99.5
Interest income .....	71.5	0.1	56.5	0.1	40.8	0.0	19.5	0.0	12.3	0.0
Other income .....	215.3	0.2	101.6	0.1	257.2	0.3	158.7	0.3	226.5	0.4
<b>Total income .....</b>	<b>95,190.2</b>	<b>100.0</b>	<b>97,956.0</b>	<b>100.0</b>	<b>100,838.9</b>	<b>100.0</b>	<b>49,285.5</b>	<b>100.0</b>	<b>51,321.8</b>	<b>100.0</b>

### Revenue from Sales

The revenue from sales for the Company arised from:

- Chang Beer (including Chang Export, Chang Light and Chang Draught), Archa Beer and other beer brands
- White spirits, Chinese herb spirits and fermented spirits; brown spirits, such as Sangsom, Hong Thong, Mekhong and Mungkorn Thong and other spirits brands;
- Non-alcoholic beverages such as energy drink, ready-to-drink coffee, soda water, drinking water and other food products
- Industrial alcohol, such as ethyl alcohol of 95 degrees and ethanol of 99.5 degrees<sup>(1)</sup>;
- By-products from beer, spirits and industrial alcohol operations; and
- A small amount of construction, advertising and media services.

### Interest Income

Interest income primarily consists of the interest received from deposits at commercial banks and investments.

### Other Income

The other operating income includes revenue relating to the sale of scrap and waste from the beer, spirits and industrial alcohol operations, profit on sale of fixed assets, gain from exchange rate<sup>(2)</sup>.

(1) ThaiBev has sold all the shares of Thai Alcohol Pcl. to Damrongfah Co. on September 30, 2008.

(2) The Company records the gain in exchange rate in other income, where the loss in exchange rate is recorded in selling and administrative expense

and net translation gains (losses) resulting from the translation of foreign currency denominated assets or liabilities into Baht for financial statement purposes.

## Expenses

The Company's expenses consist of cost of sales and selling and administrative expenses.

The following table sets forth the breakdown of the total cost expenses and each item as a percentage of the expenses for the periods indicated:

Expenses										
Unit: Baht million except percentage data										
For the Year Ended December 31,										
For Six-Month Period Ended June 30,										
	2005	%	2006 (Restated)	%	2007	%	2007	%	2008	%
	(Audited)						(Unaudited)			
Cost of sales										
Excise tax <sup>(1)</sup> .....	47,065.0	60.1	49,143.0	59.9	50,558.1	59.8	24,716.7	60.6	25,565.3	58.5
Packaging materials....	7,364.8	9.4	8,080.4	9.9	8,369.6	9.9	3,924.7	9.6	4,146.1	9.5
Raw materials .....	4,054.2	5.2	6,034.4	7.4	6,143.4	7.3	2,988.1	7.3	3,781.9	8.6
Others .....	12,665.8	16.2	7,150.7	8.7	6,864.2	8.1	3,491.7	8.6	3,621.6	8.3
Eliminations .....	(5,962.1)	(7.6)	(1,083.4)	(1.3)	(1,062.8)	(1.3)	(531.3)	(1.3)	(31.9)	(0.1)
Total cost of sales .....	65,187.7	83.2	69,325.1	84.5	70,872.6	83.8	34,589.9	84.8	37,083.0	84.8
Selling and administrative expenses.....	13,180.3	16.8	12,684.6	15.5	13,689.4	16.2	6,215.8	15.2	6,653.0	15.2
<b>Total Expenses</b>	<b>78,368.0</b>	<b>100.0</b>	<b>82,009.7</b>	<b>100.0</b>	<b>84,562.0</b>	<b>100.0</b>	<b>40,805.7</b>	<b>100.0</b>	<b>43,736.0</b>	<b>100.0</b>

Note: (1) Includes municipal taxes, Health Promotion fund contributions and Thai PBS contributions.

## Cost of Sales

The cost of sales consists of payments for excise taxes, packaging materials, raw materials and other costs, which consist principally of depreciation, direct labor costs and overhead.

*Excise Taxes* Excise taxes (including municipal taxes, contributions to the Health Promotion fund and Thai PBS contributions) consists of payments to the Excise Department for the production of beer and spirits. The excise taxes applied to alcoholic beverages are determined by the greater of (A) a Baht per liter calculation and (B) a percentage of the greater of the ex-factory price announced by the Excise Department and the actual ex-factory price for the product.

*Packaging Materials* The principal packaging materials includes glass bottles, polyethylene terephthalate ("PET") bottles, caps, cans, labels, cartons, trays and inserts.

*Raw Materials* The principal raw materials used in the beer, spirits and industrial alcohol production are malt, hops, molasses, rice, yeast, concentrate, diatomites and water. The Company purchases the raw materials for beer production primarily from foreign suppliers, while the raw materials for spirits production are purchased from domestic suppliers.

*Other* The cost of sales also includes:

- Depreciation expenses relating principally to the breweries, distilleries, industrial alcohol plant and related equipment. The Company allocate depreciation expenses attributable to

the production facilities between cost of sales and selling and general administrative expenses, based on the ratio of actual production volume to normal capacity.

- Direct labor consisting principally of the labor costs associated with the production of beer, drinking water and soda water, spirits and industrial alcohol products; and
- Overheads consisting principally of the indirect costs associated with the production of beer, drinking water and soda water, spirits and industrial alcohol products.

### **Selling and Administrative Expenses**

Selling and administrative expenses consist principally of marketing and public relations expenses, employee costs for non-production facility personnel, idle costs, depreciation on non-production facility assets, vehicle and travel expenses, and other selling and administrative expenses. Selling and general and administrative expenses include:

- employee costs for non-production facility personnel, such as salaries and bonuses;
- idle costs, which represents the cost (including depreciation) of operating the production facilities at levels below normal capacity.
- depreciation on the non-production facility assets;
- vehicle and travel expenses relating principally to product delivery and sales representatives' travel expenses; and
- other general and administrative expenses including other non-operational expenses.

### **Segmental Data**

Since 2005, the Company operates five business segments, which are beer, spirits, non-alcoholic beverages, industrial alcohol and related business. The Company recorded revenues and associated expenses according to these segments. However, the Company recently reclassified several of its business segments, whereby the related business is no longer a separate business group but its operating results will be allocated to other main business segments instead. In addition, the Company sold all shares in Thai Alcohol Plc., a company that produce and sale industrial alcohol. Such actions will have an impact on the presentation of the Company's operating results in certain business segments.

The following table sets forth the revenue from sales, cost of sales, and selling and administrative expenses by business segment, including appropriate intersegment eliminations for intersegment transactions, and the revenue from sales by geographic region for the periods indicated:

## Segment Data

Unit: Baht million

	For the Year Ended December 31,			For the Six-Month Period Ended June 30,		
	2005	2006 (Before Restatement)	2006 (Restated)	2007	2008	
<b>Selected Segment Data</b>						
<b>Revenue from sales</b>						
Beer, drinking water and soda water <sup>(1)</sup> .....	42,277.0	46,641.0	46,103.2	47,557.3	23,086.2	21,272.0
Spirits <sup>(2)</sup> .....	52,811.0	51,428.3	51,576.1	52,940.2	26,162.6	28,718.5
Non-alcoholic beverages <sup>(3)</sup> .....	-	-	-	-	-	364.9
Industrial Alcohol <sup>(4)</sup> .....	869.2	1,205.0	1,205.0	966.0	349.4	756.8
Related business <sup>(5)</sup> .....	6,633.0	7,155.1	-	-	-	-
Eliminations <sup>(6)</sup> .....	(7,686.8)	(8,631.6)	(1,086.4)	(922.5)	(490.9)	(29.3)
<b>Total</b> .....	<b>94,903.4</b>	<b>97,797.9</b>	<b>97,797.9</b>	<b>100,540.9</b>	<b>49,107.3</b>	<b>51,082.9</b>
<b>Cost of sales</b>						
Beer, drinking water and soda water <sup>(1)</sup> .....	32,548.7	35,609.0	35,943.8	37,040.2	17,864.2	17,095.4
Spirits <sup>(2)</sup> .....	32,061.5	33,002.2	33,469.5	33,923.4	16,936.4	19,048.0
Non-alcoholic beverages <sup>(3)</sup> .....	-	-	-	-	-	293.4
Industrial Alcohol <sup>(4)</sup> .....	471.3	995.2	995.2	971.8	320.6	678.1
Related business <sup>(5)</sup> .....	6,068.3	6,365.1	-	-	-	-
Eliminations <sup>(6)</sup> .....	(5,962.1)	(6,646.4)	(1,083.4)	(1,062.8)	(531.3)	(31.9)
<b>Total</b> .....	<b>65,187.7</b>	<b>69,325.1</b>	<b>69,325.1</b>	<b>70,872.6</b>	<b>34,589.9</b>	<b>37,083.0</b>
<b>Selling and administrative expenses</b>						
Beer, drinking water and soda water <sup>(1)</sup> .....	6,983.7	6,932.1	5,767.8	6,456.1	2,911.9	2,876.4
Spirits <sup>(2)</sup> .....	7,343.5	7,169.7	6,740.1	7,055.4	3,247.8	3,514.9
Non-alcoholic beverages <sup>(3)</sup> .....	-	-	-	-	-	158.9
Industrial Alcohol <sup>(4)</sup> .....	165.7	177.3	178.5	140.3	63.8	89.4
Related business <sup>(5)</sup> .....	461.6	454.3	-	-	-	-
Eliminations <sup>(6)</sup> .....	(1,774.3)	(2,048.9)	(1.8)	37.6	(7.8)	13.4
<b>Total</b> .....	<b>13,180.3</b>	<b>12,684.6</b>	<b>12,684.6</b>	<b>13,689.4</b>	<b>6,215.7</b>	<b>6,653.0</b>
<b>Geographic breakdown of revenue</b>						
Domestic .....	91,411.3	94,917.6	94,917.6	96,656.6	47,248.5	49,027.7
International .....	3,492.1	2,880.3	2,880.3	3,884.3	1,858.8	2,055.2
<b>Total</b> .....	<b>94,903.4</b>	<b>97,797.9</b>	<b>97,797.9</b>	<b>100,540.9</b>	<b>49,107.3</b>	<b>51,082.9</b>

- (1) Includes the sales of by-products to third parties and intersegment sales of bottles. In the first quarter of 2008, the Company has reclassified the segment reporting by separating drinking water and soda water and reclassified them into the non-alcoholic beverage business. Therefore, the reclassification effects the segment report of the first half of 2008 only without reclassifying the first half of 2007 and any previous years.
- (2) Includes sales of by-products to third parties and intersegment sales of molasses to Thai Alcohol Plc.
- (3) Since the first quarter of 2008, the Company has reclassified the segment data and has added the new business segment, the non-alcoholic beverages.
- (4) ThaiBev has sold all the shares of Thai Alcohol Plc. to Damrongfah Co. on September 30, 2008.

- (5) Includes principally intersegment revenues, including sales of new and used bottles, logistic service fees, sales of spare parts and procurement commission, sales of construction services and sales of advertising and media, and related expenses. Since the third quarter of 2007, the related businesses revenue, which is principally the intersegment revenue, will not be reported as a separate business segment, but will be distributed into the main business segments including the beer, drinking water, soda water, spirits and industrial alcohol business segments. For the purpose of comparison, the Company has restated the financial information of 2006 to be in the same classification as the year 2007.
- (6) Includes eliminations of intersegment sales, which are sales of bottles, spare parts, procurement commissions and logistic services with related businesses.

### **Critical Accounting Policies and Estimates**

The Company has prepared its Financial Statements in accordance with GAAP, and in the absence of any guidance under GAAP, the Company has used the most recent pronouncements of other accounting standard-setting organizations and international practice. Note 3 of Notes to the Financial Statements includes a summary of the significant accounting policies and methods the Company used in preparing these financial statements. The Company periodically evaluate the estimates and judgments the Company make when preparing the financial statements, including those related to inventories, property, plant and equipment and impairment of assets. The Company base the estimates and judgments on historical experience and on various factors the Company believe to be reasonable under the circumstances. However, the actual results may differ from these estimates. The Company believe that the following accounting policies are the most critical in the preparation of the financial statements because they involve the estimates of the effect of matters that are inherently uncertain.

#### ***Revenue Recognition***

The Company recognizes revenue from sales of products when the significant risks and rewards of ownership are transferred to the buyer and there is no significant uncertainty on recovery of the consideration due, associated costs, the probable return of goods or the continuing management involvement with the goods. The Company records revenue net of value added taxes or other sales taxes and trade discounts.

#### ***Inventories***

In the ordinary course of the business (in particular the spirits business), the Company hold significant amounts of inventory, which includes finished goods and maturing spirits. As a result, the cost formula the Company use to record the inventory can have a significant impact on the operating results. The Company record the inventory at the lower of cost and net realizable value. The Company determine the cost of the inventory on a weighted average cost basis.

The cost of finished goods and work-in-progress includes a share of overhead costs based on normal operation capacity. The Company record the cost of finished goods based on the weighted average method.

The Company determine the net realizable value of the inventories by estimating the selling price in the ordinary course of business, less the costs of completion and selling expenses. The Company perform periodic assessments to determine the existence of obsolete, slow-moving and non-saleable inventories, such as discontinued products, and make allowances for all deteriorated, damaged, obsolete and slow-moving inventories.

As of June 30, 2008, the carrying value of the total inventory, net of obsolete inventory, was Baht 29,797.4 million and consisted of finished goods, maturing goods, work-in-process, raw materials, packaging materials, and others. Finished goods comprised 45.6%, or Baht 13,580.0 million, maturing goods comprised 29.8%, or Baht 8,874.2 million, work-in-process comprised

12.8%, or Baht 3,822.1 million, raw materials, packaging materials and spare parts comprised 9.2%, or Baht 2,734.2 million, and others comprised 2.6%, or Baht 786.9 million, of total inventories.

The finished goods consist of legacy inventories of brown spirits (principally Mekhong and Mungkorn Thong) produced prior to the end of the concession period and beer, spirits and water products produced in the ordinary course of business. The legacy inventories of brown spirits comprised 21.8%, or Baht 2,965.9 million, of the total finished goods inventory as of June 30, 2008, comparing to Baht 3,614.6 million on December 31, 2007, Baht 5,111.3 million on December 31, 2006, Baht 8,514.3 million on December 31, 2005. The carrying value on the books of these legacy inventories is based on their fair value at the date of purchase. The Company expect to deplete the legacy inventories within the next 1-2 years for the Mekhong brand and 3-4 years for Mungkorn Thong brand.

### ***Property, Plant and Equipment***

The net carrying value of the property, plant and equipment as of June 30, 2008 totaled Baht 41,682.3 million. The accounting treatment of property, plant and equipment can have a significant impact on the financial statements because of the magnitude of the property, plant and equipment, associated depreciation charges, revaluation assumptions, and associated borrowing costs and investments.

*Revaluation.* The policy is to revalue the assets every three to five years, or when there are factors that might materially impact the value of the assets. In 2007, the Company revalued the assets and recognized a decrease of Baht 2,197.3 million from a surplus on property revaluation. Therefore, any significant revaluation of the assets in the future could increase or impair the value of the assets in future periods and impact the shareholders' equity.

*Depreciation and Amortization.* The choice of depreciation method reflects the judgment of how the Company benefit from a particular asset. The Company typically depreciate the assets, including the plant and equipment, based on the asset's book value (including revaluation if applicable) on a straight line basis over the estimated useful life of the asset.

The useful life is the amount of time the Company expect to productively employ an asset, which may be less than its physical life. The Company determine the estimated useful life based on wear and tear, obsolescence, technical standards and changes in market demand. The Company apply the following useful lives for the plant and equipment:

<b>Plant and Equipment</b>	<b>Years</b>
Land improvements.....	5 – 20
Buildings and structures.....	10 – 40
Building improvements.....	5 – 20
Machinery and equipment.....	4 – 40
Oak barrels.....	10 – 20
Furniture, fixtures and office equipment.....	3 – 10
Vehicles.....	3 – 10

The Company believe the depreciation policy is consistent with industry practice in Thailand and other beverage companies. Changes in the estimated useful lives of depreciable assets could have a significant effect on the reported results of operations.

*Subsequent Investments.* The Company make judgments as to whether subsequent investments made in respect of an existing item of plant and equipment should be capitalized or

expensed. The Company assess the recoverability of the carrying amount of property, plant and equipment if certain events or changes occur, such as a significant decrease in market value of the assets or a significant change in the business conditions. The policy is to capitalize only those items that the Company believe enhance the future economic benefits of the asset beyond its originally assessed standard of performance. In cases where an asset has been previously improved, the Company assess the enhancement of the future economic benefits of the asset by reference to the production output of the asset. The Company charge maintenance, repairs and betterments that do not enhance the value of or increase the life of the assets to operations as incurred

### ***Asset Impairment***

The Company review the assets for possible impairment at each balance sheet date and whenever events or circumstances indicate the carrying amount of an asset may not be recoverable or is impaired. The Company assess recoverability by estimating the greater of the asset's net selling price and value in use. For example, the Company estimate the recoverable amount of the work-in-progress and maturing goods the Company own in significant quantities and when the actual value differs from the estimates used, the Company may take impairment charges, which would adversely affect the operating results. In assessing value in use, the Company discount the estimated future cash flows to their present value using a pre-tax discount rate based upon historical results and current projections of profit before interest and income taxes. For an asset that does not generate cash flow and is independent of other assets, the Company determine the recoverable amount based on the present value of estimated future cash flows, discounted at the original effective interest rate.

The Company recognize an impairment loss in the statement of income when the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The Company reverse an impairment loss when there has been a change in the estimates used to determine the recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if the Company had not recognized any impairment loss. The Company recognized impairment losses of approximately Baht 162.9 million, Baht 363.3 million, Baht 153.1 million and Baht 212.2 million in the year 2005, 2006, 2007 and for the six-month period ended June 30, 2008, respectively.

### **Results of Operations**

The following table sets forth the breakdown of the statement of income and their corresponding percentages to the total revenue from sales for the periods indicated:

## Selected Segment Data

Unit: Percentage of Total Revenue

	For the Year Ended December 31,				For the Six-Month Period Ended June 30,	
	2005	2006 (Before Restatement)	2006 (Restated)	2007	2007	2008
<b>Profit and Loss Statement</b>						
Total revenue.....	100.0	100.0	100.0	100.0	100.0	100.0
Total revenue from sales.....						
Beer, drinking water and soda water.....	44.4	47.6	47.1	47.2	46.8	41.4
Spirits.....	55.5	52.5	52.7	52.5	53.1	56.0
Non-alcoholic beverages.....	-	-	-	-	-	0.7
Industrial alcohol <sup>(1)</sup> .....	0.9	1.2	1.2	1.0	0.7	1.5
Related businesses.....	7.0	7.3	-	-	-	-
Eliminations.....	(8.1)	(8.8)	(1.1)	(0.9)	(1.0)	(0.1)
<b>Total revenue from sales .....</b>	<b>99.7</b>	<b>99.8</b>	<b>99.8</b>	<b>99.7</b>	<b>99.6</b>	<b>99.5</b>
Interest income.....	0.1	0.1	0.1	0.0	0.0	0.0
Other income.....	0.2	0.1	0.1	0.3	0.3	0.4
Cost of sales.....						
Beer, drinking water and soda water.....	34.2	36.4	36.7	36.7	36.2	33.3
Excise tax.....	23.1	25.1	25.1	25.3	25.1	22.5
Packaging material.....	4.5	5.0	4.9	5.1	4.9	4.7
Raw material.....	2.7	2.7	2.7	2.6	2.6	2.7
Other.....	3.9	3.5	4.0	3.7	3.6	3.4
Spirits.....	33.7	33.7	34.2	33.6	34.4	37.1
Excise tax.....	26.3	24.5	25.0	24.8	25.0	27.3
Packaging material.....	3.3	3.4	3.4	3.2	3.0	3.2
Raw material.....	1.3	2.8	2.8	2.7	2.9	3.6
Other.....	2.8	3.0	3.0	2.9	3.4	3.1
Non-alcoholic beverages.....	-	-	-	-	-	0.6
Industrial alcohol <sup>(1)</sup> .....	0.5	1.0	1.0	1.0	0.7	1.3
Related businesses.....	6.4	6.5	-	-	-	-
Eliminations.....	(6.3)	(6.8)	(1.1)	(1.1)	(1.1)	(0.1)
<b>Total cost of sales .....</b>	<b>68.5</b>	<b>70.8</b>	<b>70.8</b>	<b>70.3</b>	<b>70.2</b>	<b>72.3</b>
Selling and administrative expenses.....	13.8	12.9	12.9	13.6	12.6	13.0
<b>EBIT .....</b>	<b>17.7</b>	<b>16.3</b>	<b>16.3</b>	<b>16.1</b>	<b>17.2</b>	<b>14.8</b>
Interest expense.....	1.8	1.6	1.6	1.0	1.1	0.6
Income tax.....	5.0	4.4	4.4	4.8	5.4	4.4
Net profit (loss) before minority interests	10.9	10.3	10.3	10.3	10.7	9.8
Minority interests.....	-	-	-	-	0.0	0.0
<b>Net profit (loss)</b>	<b>10.9</b>	<b>10.3</b>	<b>10.3</b>	<b>10.3</b>	<b>10.7</b>	<b>9.8</b>

(1) ThaiBev has sold all the shares in Thai Alcohol Plc. to Damrongfah Co. on September 30, 2008



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**Management Discussion and Analysis of Financial Condition and Results of Operations for six-month period ended June 30, 2008 and June 30, 2007****The Company**

**Total revenue** The total revenue for the Company increase 4.1% from Baht 49,285.5 million for the six-month period ended June 30, 2007 to Baht 51,321.8 million in the six-month period ended June 30, 2008.

*Revenue from sales* The revenue from sales for the Company increased 4.0% from Baht 49,107.3 million for the six-month period ended June 30, 2007 to Baht 51,082.9 million for the six-month period ended June 30, 2008, mainly due to the increase of the revenue from sales of spirits business of approximately 9.8%, the increase of the revenue from sales of the non-alcoholic beverages, and the revenue from sales of industrial alcohol. However, these increases were partially offset by the decline in revenue from sales of beer of approximately 7.9%. The domestic sales for the six-month period ended June 30, 2008 and the six-month period ended June 30, 2007 were 96.0% and 96.2%, respectively.

*Interest income* Interest income for the Company decreased from Baht 19.5 million for the six-month period ended June 30, 2007 to Baht 12.3 million for the six-month period ended June 30, 2008, mainly due to the decrease in deposits for the six-month period ended June 30, 2008.

*Other income* Other income for the Company increased from Baht 158.7 million for the six-month period ended June 30, 2007 to Baht 226.5 million for the six-month period ended June 30, 2008, mainly due to the reversal of an allowance for obsolete inventory for the six-month period ended June 30, 2008.

**Cost of sales** Cost of sales for the Company increased 7.2% from Baht 34,589.9 million for the six-month period ended June 30, 2007 to Baht 37,083.0 million for the six-month period ended June 30, 2008

*Excise tax* Excise tax (including municipal taxes, Health Promotion Fund contributions and contributions to Thai PBS) for the Company increased 3.4% from Baht 24,716.7 million for the six-month period ended June 30, 2007 to Baht 25,565.3 million for the six-month period ended June 30, 2008, mainly due to the increase in excise tax rate levied on spirits products on August 28, 2007 and the increased in tax rate to support the Thai PBS on January 14, 2008.

*Packaging materials* Packaging materials for the Company increased 5.6% from Baht 3,924.7 million for the six-month period ended June 30, 2007 to Baht 4,146.1 million for the six-month period ended June 30, 2008, mainly due the increase in the costs of boxes and glass bottles.

*Raw materials* Raw materials costs increased 26.6% from Baht 2,988.1 million for the six-month period ended June 30, 2007 to Baht 3,781.9 million for the six-month period ended June 30, 2008, mainly due to the increase in the raw materials costs, such as malts and rice.

*Others* Other cost of sales for the Company increased 3.7% from Baht 3,491.7 million for the six-month period ended June 30, 2007 to Baht 3,621.6 million for the six-month period ended June 30, 2008, mainly due to the increase in direct labor and manufacturing overhead expenses in beer business and spirits business

**Gross profit** Gross profit for the Company decreased 3.6% from Baht 14,517.3 million for the six-month period ended June 30, 2007 to Baht 13,999.9 million for the six-month period ended June 30, 2008, mainly due to the decrease in gross profit from the beer business.

**Selling and administrative expenses** Selling and administrative expenses for the Company increased 7.0% from Baht 6,215.7 million for the six-month period ended June 30, 2007 to Baht 6,653.0 million for the six-month period ended June 30, 2008, mainly due to the increase in marketing and public relation expenses of 23.9% from Baht 1,544.3 million for the six-month period ended June 30, 2007 to Baht 1,914.1 million for the six-month period ended June 30, 2008. Additionally, employee expense increased 6.6% from Baht 1,803.5 million to Baht 1,922.5 million during the same period and the idle costs increased 24.1% from Baht 874.5 million to Baht 1,084.9 million during the same period.

**Earnings before interest and tax (EBIT)** Earnings before interest and tax (EBIT) for the Company decreased 10.5% from Baht 8,479.9 million for the six-month period ended June 30, 2007 to Baht 7,585.8 million for the six-month period ended June 30, 2008, mainly due to the decrease in gross profit in the beer business, together with the increase in marketing and public relation expenses and idle costs.

**Eliminations** Eliminations of revenues between the related businesses decreased 94.0% from Baht 490.9 million for the six-month period ended June 30, 2007 to Baht 29.3 million for the six-month period ended June 30, 2008, mainly due to the decrease in the intersegment revenue from sales, which includes the sale and purchase of raw materials, and the increase in revenue from centralizing logistics, procurement and marketing.

Elimination of expenses between the related businesses decreased 94.0% from Baht 531.3 million for the six-month period ended June 30, 2007 to Baht 31.9 million for the six-month period ended June 30, 2008, mainly due to the decrease intersegment revenue from sales.

**Interest expense** Interest expense for the Company decreased 48.0% from Baht 556.7 million for the six-month period ended June 30, 2007 to Baht 289.3 million for the six-month period ended June 30, 2008, mainly due to the decrease in borrowing for the six-month period ended June 30, 2008, compared to the six-month period ended June 30, 2007.

**Income tax** Income tax for the Company decreased 14.5% from Baht 2,663.1 million for the six-month period ended June 30, 2007 to Baht 2,277.3 million for the six-month period ended June 30, 2008, mainly due to the decrease in earnings before interest and tax.

**Net profit** Net profit for the Company decreased 4.6% from Baht 5,260.0 million for the six-month period ended June 30, 2007 to Baht 5,019.0 million for the six-month period ended June 30, 2008, mainly due to the decrease in the gross profit from the beer business, increase in marketing and public relation expenses and increase in idle costs. This amount was partially offset by a decline in interest expense for the six-month period ended June 30, 2008, compared to the six-month period ended June 30, 2007.

### **Beer Business**

**Revenue from sales** Total revenue from sales decreased 7.9% from Baht 23,086.2 million for the six-month period ended June 30, 2007 to Baht 21,272.0 million for the six-month period ended June 30, 2008, mainly due to the decrease in beer sales volume by 7.1% from 464.0 million liters for the six-month period ended June 30, 2007 to 431.1 million liters for the six-month period ended June 30, 2008. This decrease was led by the fall of sales volume of low-alcohol content beer by 26.0 million liters, or 19.2%, to 109.1 million liters for the six-month period ended June 30, 2008.

**Cost of sales** Cost of sales decreased 4.3% from Baht 17,864.2 million for the six-month period ended June 30, 2007 to Baht 17,095.4 million for the six-month period ended June 30, 2008, mainly due to the decrease in beer sales volume.

**Excise tax** Excise tax expenses (including municipal taxes, Health Promotion Fund contributions and contributions to Thai PBS) for the beer business decreased by 6.8% from Baht 12,390.8 million for the six-month period ended June 30, 2007 to Baht 11,547.7 million for the six-month period ended June 30, 2008, which is in line with the decline in beer sales volume of 7.1% for the six-month period ended June 30, 2008 compared to the six-month period ended June 30, 2007.

**Packaging materials** Packaging materials expenses slightly decreased from Baht 2,438.3 million for the six-month period ended June 30, 2007 to Baht 2,437.4 million for the six-month period ended June 30, 2008, mainly due to the increase in the costs of packaging materials, although such increase was offset by the decline in sales volume of beer for the six-month period ended June 30, 2008 compared to the six-month period ended June 30, 2007, resulting in the packaging materials expenses to be approximately the same as previous year.

**Raw materials** Raw materials expenses increased 8.4% from Baht 1,275.2 million for the six-month period ended June 30, 2007 to Baht 1,382.7 million for the six-month period ended June 30, 2008, mainly due to the increase in costs of the main raw materials such as malt and rice, which increased by approximately 27.1% for the six-month period ended June 30, 2008.

**Others** Other expenses decreased by 1.8% from Baht 1,759.9 million for the six-month period ended June 30, 2007 to Baht 1,727.6 million for the six-month period ended June 30, 2008, mainly due to the decrease in sales volume of beer.

**Gross profit** Gross profit decreased by 20.0% from Baht 5,222.0 million for the six-month period ended June 30, 2007 to Baht 4,176.6 million for the six-month period ended June 30, 2008, mainly due to the decrease in beer sales volume, together with the increase in raw material costs.

**Selling and administrative expenses** Selling and administrative expenses decreased 1.2% from Baht 2,911.9 million for the six-month period ended June 30, 2007 to Baht 2,876.4 million for the six-month period ended June 30, 2008, mainly due to a decrease in traveling and depreciation expenses, and the reclassification of soda water and drinking water expenses from beer business to non-alcoholic beverages business. The decrease is partially offset by an increase in the marketing and public relation expenses for the six-month period ended June 30, 2008, compared to the six-month period ended June 30, 2007.

**Earnings before interest and tax (EBIT)** Earnings before interest and tax (EBIT) decreased 42.6% from Baht 2,371.0 million for the six-month period ended June 30, 2007 to Baht 1,361.2 million for the six-month period ended June 30, 2008, mainly due to the decrease in beer sales volume and the increase in raw material costs.

**Net profit** Net profit decreased 16.2% from Baht 1,048.7 million for the six-month period ended June 30, 2007 to Baht 879.0 million for the six-month period ended June 30, 2008, mainly due to the decrease in revenue from sales of beer, together with the increase in raw material costs, although partially offset by a decline in interest expense.

### Spirits Business

**Revenue from sales** Revenue from sales increased 9.8% from Baht 26,162.6 million for the six-month period ended June 30, 2007 to Baht 28,718.5 million for the six-month period ended June 30, 2008, mainly due to the increase in price of spirits.

**Revenue from sales of brown spirits** Revenue from sales of brown spirits increased 9.0% from Baht 12,189.1 million for the six-month period ended June 30, 2007 to Baht 13,284.8 million for the six-month period ended June 30, 2008, mainly due to the increase in price of brown spirits and the increase in brown spirits sales volume by 0.4% from 61.6 million liters for the

six-month period ended June 30, 2007 to 61.8 million liters for the six-month period ended June 30, 2008.

**Revenue from sales of white and Chinese herb spirits** Revenue from sales of white and Chinese herb spirits increased 9.8% from Baht 13,426.3 million for the six-month period ended June 30, 2007 to Baht 14,739.7 million for the six-month period ended June 30, 2008, mainly due to the increase in the price of white spirits during May 2008, which offset the 11.2% decline in white and herb spirits sales volume from 169.2 million liters for the six-month period ended June 30, 2007 to 150.4 million liters for the six-month period ended June 30, 2008.

**Cost of sales** Cost of sales increased 12.5% from Baht 16,936.4 million for the six-month period ended June 30, 2007 to Baht 19,048.0 million for the six-month period ended June 30, 2008

**Excise tax** Excise tax (including municipal taxes, Health Promotion Fund contributions and contributions to Thai PBS) increased 13.5% from Baht 12,325.9 million for the six-month period ended June 30, 2007 to Baht 13,992.3 million for the six-month period ended June 30, 2008, mainly due to the increase of excise tax rate in August 2007 and the additional taxes collected for contributions to the Thai PBS, which started since January 2008.

**Packaging materials** Packaging materials expenses increased 9.8% from Baht 1,486.4 million for the six-month period ended June 30, 2007 to Baht 1,632.0 million for the six-month period ended June 30, 2008, mainly due to the increase in the costs of boxes and glass bottles.

**Raw materials** Raw materials costs increased 27.1% from Baht 1,447.9 million for the six-month period ended June 30, 2007 to Baht 1,840.1 million for the six-month period ended June 30, 2008, mainly due to the increase in the usage of higher price raw materials.

**Others** Other expenses decreased by 5.5% from Baht 1,676.2 million for the six-month period ended June 30, 2007 to Baht 1,583.6 million for the six-month period ended June 30, 2008, mainly due to the decrease in depreciation expenses.

**Gross profit** Gross profit increased by 4.8% from Baht 9,226.2 million for the six-month period ended June 30, 2007 to Baht 9,670.5 million for the six-month period ended June 30, 2008, mainly due to the increase in price of spirits and sales volume of brown spirits, even though the cost of sales increased.

**Selling and administrative expenses** Selling and administrative expenses increased 8.2% from Baht 3,247.8 million for the six-month period ended June 30, 2007 to Baht 3,514.9 million for the six-month period ended June 30, 2008, mainly due to an increase in marketing and public relation expenses, an increase in idle costs of the spirits production facilities and an increase in employee expenses.

**Earnings before interest and tax (EBIT)** Earnings before interest and tax (EBIT) increased 4.4% from Baht 6,092.0 million for the six-month period ended June 30, 2007 to Baht 6,357.8 million for the six-month period ended June 30, 2008, mainly due to the increase in gross profit, although partially offset by an increase in idle costs, marketing and public relation expenses.

**Net profit** Net profit increased 1.3% from Baht 4,211.4 million for the six-month period ended June 30, 2007 to Baht 4,265.0 million for the six-month period ended June 30, 2008, mainly due to an increase in the price of spirits, an increase in brown spirits sales volume and also a decrease in interest expense for this business segment.

### **Non-alcoholic Beverages Business**

**Revenue from sales** Due to the addition of a new energy drinks and ready-to-drink coffee business in the first quarter of 2008, the company cannot compare the first six months of 2008 figures for this segment with the same period last year. For this business segment, the total revenue from sales in the first half 2008 was Baht 364.9 million, where the sales volume for energy drink, ready-to-drink coffee, drinking water and soda water were 2.9 million liters, 0.2 million liters, 5.6 million liters and 23.5 million liters respectively.

**Cost of sales** Cost of sales was Baht 293.4 million for the six-month period ended June 30, 2008, where the major portion of these costs are other expenses (which includes labor expenses, depreciation expenses, and other manufacturing overhead expenses), packaging materials, excise tax and raw materials, which were Baht 183.2 million, Baht 76.7 million, Baht 25.3 million and Baht 8.2 million, representing 62.4%, 26.1%, 8.6% and 2.8% of the total cost of sales, respectively

**Gross profit** Gross profit was 71.6 million for the six-month period ended June 30, 2008, where the major portion of revenue came from energy drink, ready-to-drink coffee, drinking water and soda water, respectively

**Selling and administrative expenses** Selling and administrative expenses were Baht 158.9 million for the six-month period ended June 30, 2008, where the major portion of the expenses came from idle costs of the soda and drinking water production facilities.

**Earnings before interest and tax (EBIT)** This business segment had a loss before interest and tax of Baht 81.9 million for the six-month period ended June 30, 2008.

**Net profit** This business segment had a net loss of Baht 80.9 million, mainly due to the idle costs of the drinking water and soda water production facilities.

### **Industrial Alcohol Business**

**Revenue from sales** Revenue from sales increased 116.6% from Baht 349.4 million for the six-month period ended June 30, 2007 to Baht 756.8 million for the six-month period ended June 30, 2008, mainly due to the increase in sales volume of ethanol 99.5 degree by 73.7% from 14.2 million liters for the six-month period ended June 30, 2007 to 24.6 million liters for the six-month period ended June 30, 2008, while the average price decrease from Baht 21.25 per liters in 2007 to Baht 16.12 per liters in 2008. The sales volume of alcohol 95 increased 939.7% from 2.5 million liters for the six-month period ended June 30, 2007 to 25.9 million for the six-month period ended June 30, 2008, where most are exported, and the average price for 2008 was Baht 13.60 per liters, a decrease of 20.9% compared to the same period in 2007.

**Cost of sales** Cost of sales increased 111.5% from Baht 320.6 million for the six-month period ended June 30, 2007 to Baht 678.1 million for the six-month period ended June 30, 2008, mainly due to the increase in the sales volume of Industrial alcohol.

**Gross profit** Gross profit increased 173.0% from Baht 28.8 million for the six-month period ended June 30, 2007 to Baht 78.7 million for the six-month period ended June 30, 2008, mainly due to the increase in ethanol 99.5 degree and alcohol 95 sales volume.

**Selling and administrative expenses** Selling and administrative expenses increased 40.0% from Baht 63.8 million for the six-month period ended June 30, 2007 to Baht 89.4 million for the six-month period ended June 30, 2008, mainly due to the increase in idle costs for the six-month period ended June 30, 2008 compared to the six-month period ended June 30, 2007.

**Earnings before interest and tax (EBIT)** The loss before interest and tax for this business segment decreased 52.3% from Baht 18.5 million for the six-month period ended June 30, 2007 to Baht 8.8 million for the six-month period ended June 30, 2008, mainly due to the increase in the sales volume of ethanol 99.5 degree and alcohol 95, which is partially offset by the increase in idle costs.

**Net profit** The net loss for this business segment decreased 47.8% from Baht 39.0 million for the six-month period ended June 30, 2007 to Baht 20.4 million for the six-month period ended June 30, 2008, mainly due to the increase in idle costs, which cannot be fully offset by the increase in sales volume of both ethanol 99.5 degree and alcohol 95.

***Management Discussion and Analysis of Financial Condition and Results of Operations for the year ended December 31, 2007 and December 31, 2006***

The Company has reclassified the business segments in the third quarter of 2007 to increase the clarity of segmental reporting, whereby the “Related Businesses” will not be shown as a separate segment, but its operational results will be distributed into the main functions of beer, drinking water and soda water, spirits, and industrial alcohol businesses. Therefore, the financial statements of the year 2006 is restated in order to be comparable with the year 2007.

**The Company**

**Total revenue** The total revenue of the Company increased 2.9% from Baht 97,956.0 million in 2006 to 100,838.9 million in 2007, mainly due to the increase in revenue from sales of beer, drinking water and soda water, and spirits.

*Revenue from sales* The total revenue from sales increased 2.8% from Baht 97,797.9 million in 2006 to Baht 100,540.9 million in 2007, mainly due to the increase in revenue from sales of beer, drinking water and soda water by 3.2% and an increase in revenue from sales of spirits by 2.6%, which is partially offset by the 19.8% decrease in revenue from sales of the industrial alcohol business. The domestic sales for the year 2007 and 2006 were 96.2% and 97.1% of the total revenue from sales, respectively.

*Interest income* The interest income for the Company decreased from Baht 56.5 million in 2006 to Baht 40.8 million in 2007, mainly due to the decrease in deposits in the year 2007.

*Other income* The other income for the Company increased from Baht 101.6 million in 2006 to Baht 257.2 million in 2007, mainly due to the profit from sale of Thai Bev Tower Project, which recorded a profit from sales of Baht 131.9 million before the deduction of operating expenses, or the net profit from sales of Baht 63.9 million.

**Cost of sales** The cost of sales for the Company increased 2.2% from Baht 69,325.1 in 2006 to Baht 70,872.6 million in 2007.

*Excise tax* Excise tax (including municipal taxes and Health Promotion Fund contributions) for the Company increased 2.9% from Baht 49,143.0 million in 2006 to Baht 50,588.1 million in 2007, which is in line with the increase in beer sales volume by 3.7% in the year 2007 compared to 2006.

*Packaging materials* Packaging materials expenses for the Company increased 3.6% from Baht 8,080.4 million in 2006 to Baht 8,369.6 million in 2007, mainly due to the increase in sales volume of beer by 3.7% and the increase in sales volume of spirits by 8.2% in 2007 compared to 2006.

**Raw materials** Raw materials expenses for the Company increased 1.8% from Baht 6,034.4 million in 2006 to Baht 6,143.4 in 2007, mainly due to the increase in beer sales volume by 3.7% in 2007 compared to 2006.

**Others** Other expenses for the Company decreased 4.0% from Baht 7,150.7 million in 2006 to Baht 6,864.2 million in 2007 due to the decrease in manufacturing overhead expenses.

**Gross profit** Gross profit for the Company increased 4.2% from Baht 28,472.8 million in 2006 to Baht 29,668.3 million in 2007, mainly due to the increase in revenue from sales of beer, drinking water and soda water, and spirits.

**Selling and administrative expenses** Selling and administrative expenses for the Company increased 7.9% from Baht 12,684.6 million in 2006 to Baht 13,689.4 million in 2007, mainly due to the increase in marketing and public relation expenses by 5.3% and the increase in idle costs by 19.2% in 2007 compared to 2006 due to low utilization level of the spirits production facilities. In addition, the employee expenses also increased 13.1% from the previous year.

**Earnings before interest and tax (EBIT)** Earnings before interest and tax for the Company increased 2.1% from Baht 15,946.3 million in 2006 to Baht 16,276.9 million in 2007, mainly due to the increase in total revenue and the increase in gross profit of the spirits business.

**Eliminations** Eliminations of revenue between the related businesses decrease 15.1% from Baht 1,086.4 million in 2006 to Baht 922.5 million in 2007, mainly due to the the decrease in the intersegment revenue from sales, which includes the sales and purchase of raw materials and revenue from centralizing logistics, procurement and marketing.

Elimination of expenses between the related businesses decreased 1.9% from Baht 1,083.4 million for the six-month period ended June 30, 2007 to Baht 1,062.8 million for the six-month period ended June 30, 2008, mainly due to the decrease in intersegmental revenue from sales.

**Interest expense** Interest expense for the Company decreased 33.2% from Baht 1,568.7 million in 2006 to Baht 1,047.3 million in 2007, mainly due to the decrease in borrowing in 2007 compared to 2006.

**Income tax** Income tax for the Company increased 12.1% from Baht 4,322.9 million in 2006 to Baht 4,846.6 million in 2007, mainly due to the increase in earnings before interest and tax.

**Net profit** Net profit for the Company increased 3.3% from Baht 10,054.8 million in 2006 to Baht 10,383.1 million in 2007, mainly due to the increase in net profit from spirits by 11.0% from Baht 7,944.7 million in 2006 to Baht 8,814.8 million in 2007.

### **Beer, Drinking Water and Soda Water Business**

**Revenue from sales** Revenue from sales increased 3.2% from Baht 46,103.2 million in 2006 to Baht 47,557.3 million in 2007, mainly due to the increase in sales volume of beer by 3.7% from 923.0 million liters in 2006 to 956.8 million liters in 2007. The increase was mainly due to the increase in the sales volume of low-alcohol content beer by 206.9% from 101.9 million liters in 2006 to 312.6 million liters in 2007. The sales volume of soda water was at 10.6 million liters in 2007, a decrease of 15.5% and the sales volume for water was 43.8 million liters in 2007, an increase of 2.9%.

**Cost of Sales** Cost of sales increased 3.1% from Baht 35,943.8 million in 2006 to Baht 37,040.2 million in 2007, mainly due to the increased in sales volume of beer, drinking water and soda water.

**Excise Tax** Excise tax (including municipal taxes and Health Promotion fund contributions) for beer increased by 3.8% from Baht 24,615.2 million in 2006 to Baht 25,551.0 million in 2007, which is in line with the increase in sales volume of beer by 3.7% in 2007 compared to 2006.

**Packaging materials** Packaging materials expenses for beer, drinking water and soda water business increased 7.5% from 4,766.8 million in 2006 to Baht 5,124.9 million in 2007, mainly due to the increase in sales volume of beer by 3.7% in 2007 compared to 2006, and the increase in the costs of packaging materials.

**Raw materials** Raw materials expenses for beer, drinking water and soda water business decreased 1.6% from Baht 2,657.3 million in 2006 to Baht 2,614.4 million in 2007, mainly due to the decrease in the usage of key ingredients, such as malt and hops due to the increase in sales of low-alcohol beer, in 2007 and compared to 2006.

**Others** Other expenses for the beer water, and soda business decreased 4.0% from Baht 3,904.5 million in 2006 to Baht 3,749.9 million in 2007, mainly due to the decrease in manufacturing overhead by 13.6% from Baht 2,097.0 million in 2006 to Baht 1,812.3 million in 2007.

**Gross profit** Gross profit for this business segment increased 3.5% from Baht 10,159.4 million in 2006 to Baht 10,517.1 million in 2007, mainly due to the increase in the revenue from sales of beer, drinking water and soda water.

**Selling and administrative expenses** Selling and administrative expenses for this business segment increased 11.9% from Baht 5,767.8 million in 2006 to Baht 6,456.1 million in 2007, mainly due to the increase in idle costs of the beer production facilities by 142.6%, and the increase in marketing and public relation expense for beer, drinking water and soda water by 5.9% in 2007 compared to 2006. In addition, the employee expenses also increased by 12.9% and the transportation and traveling expenses increased by 10.0%.

**Earnings before interest and tax (EBIT)** Earnings before interest and tax decreased 6.5% from Baht 4,461.0 million in 2006 to Baht 4,172.2 million in 2007, mainly due to the increase in selling and administrative expenses.

**Net profit** Net profit for this business segment decreased 21.3% from Baht 2,163.0 million in 2006 to Baht 1,702.1 million in 2007, mainly due to the decrease in earnings before interest and tax, although partially offset by a decrease in interest expense.

### Spirits Business

**Revenue from sales** Revenue from sales increased 2.6% from Baht 51,576.1 million in 2006 to Baht 52,940.2 million in 2007.

**Revenue from sales of brown spirits** Revenue from sales of brown spirits increased 15.2% from Baht 20,984.8 million in 2006 to Baht 24,169.5 million in 2007, mainly due to the increase in sales volume of brown spirits by 8.2% from 108.0 million liters in 2006 to 116.9 million liters in 2007, coupled with an increase in prices of brown spirits, which adjusted up in May and August 2007.

**Revenue from sales of white spirits** Revenue from sales of white spirits decreased 5.7% from Baht 29,452.6 million in 2006 to Baht 27,769.5 million in 2007, mainly due to the decrease in the sales volume of white spirits by 10.3% from 367.5 million liters in 2006 to 329.5 million liters in 2007.



**Cost of sales** Cost of sales increased 1.4% from Baht 33,469.5 million in 2006 to Baht 33,923.4 million in 2007.

**Excise tax** Excise tax (including municipal taxes and Health Promotion fund contributions) for the spirits business increased 2.0% from Baht 24,527.8 million in 2006 to Baht 25,007.1 million in 2007, mainly due to the increase in excise tax rate in August 2007.

**Packaging materials** Packaging materials expenses decreased 2.1% from Baht 3,313.6 million in 2006 to Baht 3,244.7 million in 2007, mainly due to the decrease in sales volume of spirits by 6.1% in 2007 compared to 2006.

**Raw materials** Raw materials expenses decreased 0.9% from Baht 2,726.2 million to Baht 2,701.1 million in 2007, mainly due to the overall decrease in sales volume of spirits and the decrease in molasses price in 2007 compared to 2006.

**Others** Other expenses for the spirits business increased 2.4% from Baht 2,901.9 million in 2006 to Baht 2,970.5 million in 2007, mainly due to the increase in employee and depreciation expenses.

**Gross profit** Gross profit for the spirits business increased 5.0% from Baht 18,106.6 million in 2006 to Baht 19,016.8 million in 2007, mainly due to an increase in price of spirits, which led to an increase in the overall gross margin.

**Selling and administrative expenses** Selling and administrative expenses increased 4.7% from Baht 6,740.1 million in 2006 to Baht 7,055.4 million in 2007, mainly due to the increase in idle costs of the spirits production facilities, where the utilization rate decreased from 59.1% in 2006 to 50.3% in 2007. In addition, the marketing and public relation expenses and the employee expenses increased by 3.1% and 13.6%, respectively.

**Earnings before interest and tax (EBIT)** Earnings before interest and tax increased 6.3% from Baht 11,472.2 million in 2006 to Baht 12,198.0 million in 2007, mainly due to the increase in revenue from sales and gross profit from spirits, although partially offset by the increase in employee expenses and marketing and public relations expenses.

**Net profit** Net Profit increased 11.0% from Baht 7,944.7 million in 2006 to Baht 8,814.8 million in 2007 due to the increase in earnings before interest and tax, together with the decrease in interest expense.

### **Industrial Alcohol Business**

**Revenue from sales** Revenue from sales decreased 19.8% from Baht 1,205.0 million in 2006 to Baht 966.0 million in 2007, mainly due to the decrease in product pricing because of the excess supply in the market. The sales volume of ethanol 99.5 degree decreased 8.5% from 46.6 million liters in 2006 to 42.6 million liters in 2007 where the average price decreased from Baht 24.94 per liter in 2006 to Baht 16.63 per liter in 2007, which offset the increase in sales volume of alcohol 95 by 1,032.7% from 1.5 million liters in 2006 to 16.8 million liters in 2007, where most of the product is exported, while the average price decreased from Baht 24.60 per liter in 2006 to Baht 14.81 per liter in 2007.

**Cost of sales** Cost of sales for the industrial alcohol business decreased 2.4% from Baht 995.2 million in 2006 to Baht 971.8 million in 2007, mainly due to the decrease in the sales volume of ethanol 99.5 degree in 2007 compared to 2006.

**Gross profit** Gross loss from the industrial alcohol business was Baht 5.8 million in 2007 compared to the gross profit of Baht 209.8 million in 2006, mainly due to the decrease in sales volume and prices of ethanol, even though the price of molasses have decreased.

**Selling and administrative expenses** Selling and administrative expenses for this business segment decreased 21.4% from Baht 178.5 million in 2006 to Baht 140.3 million in 2007, mainly due to the decrease in idle costs as a result of high production utilization rate.

**Earnings before interest and tax (EBIT)** Earnings before interest and tax of this business segment decreased from Baht 38.0 million in 2006 to a loss before interest and tax of 127.3 million in 2007, mainly due to the decrease in gross profit, although partially offset by an increase in other income.

**Net profit** Net loss for this business segment increased from Baht 32.2 million in 2006 to Baht 168.0 million in 2007, mainly due to the decrease in gross margin, together with the increase in depreciation expenses.

### ***Management Discussion and Analysis of Financial Condition and Results of Operations for the year ended December 31, 2006 and December 31, 2005***

For comparison purpose, the Company classified the business segments in the year 2006 to be the same as those in 2005, where the related business transactions within the group is still shown as a separate segment under “Related businesses”. Therefore, the business segments include beer, drinking water and soda water business, spirits business, industrial alcohol business and related businesses.

#### **The Company**

**Total revenue** The total revenue of the Company increased 2.9% from Baht 95,190.2 million in 2005 to Baht 97,956.0 million in 2006, mainly due to the increase in revenue from sales of beer, drinking water and soda water, industrial alcohol and related businesses, although partially offset by the decrease in the revenue from sales of spirits.

*Revenue from sales* Revenue from sales increased 3.0% from Baht 94,903.4 million in 2005 to Baht 97,797.9 million in 2006, mainly due to the increase in revenue from sales of beer, drinking water and soda water, industrial alcohol and related businesses, although partially offset by the decrease in revenue from sales of spirits. The domestic sales for the year 2006 and 2005 were 97.1% and 96.3% of the Company’s total revenue from sales, respectively.

*Interest income* Interest income for the Company decreased from Baht 71.5 million in 2005 to Baht 56.5 million in 2006, mainly due to the decrease in bank deposit in 2006.

*Other income* Other income for the Company decreased from Baht 215.3 million in 2005 to Baht 101.6 million in 2006, mainly due to the decrease in gain from exchange rates since the Baht has depreciated against other currencies.

**Cost of sales** Cost of sales of the Company increased 6.3% from Baht 65,187.7 million in 2005 to Baht 69,325.1 million in 2006.

*Excise tax* Excise tax (including municipal taxes and Health Promotion Fund contributions) for the Company increased 3.3% from Baht 47,065.0 million in 2005 to Baht 48,632.1 million in 2006, which is in line with the 12.0% increase in sales volume of beer from 2005 to 2006, and the increase in the excise tax rate in September 2005 for all brown spirits, except for the compounded spirits.

**Packaging materials** Packaging materials expenses for the Company increased 11.6% from Baht 7,364.8 million in 2005 to Baht 8,221.5 million in 2006, mainly due to the increase in sales volume of beer by 12.0%, although partially offset by the decrease in the sales volume of spirits by 6.0% in the year 2006 compared to the year 2005.

**Raw materials** Raw materials expenses for the Company increased 49.2% from Baht 4,054.2 million in 2005 to Baht 6,047.7 million in 2006, mainly due to the the increase in sales volume of beer by 12.0%, and the increase in the price of molasses in the year 2006 compared to the year 2005.

**Others** Other cost of sales for the Company increased 3.2% from Baht 12,665.8 million in 2005 to Baht 13,070.2 million in 2006, mainly due to the increase in direct labor, manufacturing overhead, and depreciation expenses.

**Gross profit** Gross profit for the Company decreased 4.2% from Baht 29,715.7 million in 2005 to Baht 28,472.8 million in 2006, mainly due to the increase in excise tax, packaging materials, and raw materials expenses.

**Selling and administrative expenses** Selling and administrative expenses decreased 3.8% from Baht 13,180.3 million in 2005 to Baht 12,684.6 million in 2006, mainly due to the decrease in marketing and public relations expenses by 19.3% in the year 2006 compared to the year 2005, where the marketing and public expenses for beer, drinking water and soda water business decreased substantially from Baht 3,863.3 million in 2005 to Baht 3,016.0 million in 2006, whereas the marketing and public relation expenses for the spirits business increased from Baht 389.1 million in 2005 to Baht 508.7 million in 2006. The idle costs for the production facilities declined by 22.4% due to the increase in utilization rate of the industrial alcohol production facilities.

**Earnings before interest and tax (EBIT)** Earnings before interest and tax decreased 5.2% from baht 16,822.2 million in 2005 to Baht 15,946.3 million in 2006, mainly due to the decrease in sales volume of spirits, especially the Sangsom brand.

**Eliminations** The eliminations of revenues between the related businesses increased 12.3% from Baht 7,686.8 million in 2005 to Baht 8,631.6 million in 2006, mainly due to the increase in revenues from the related businesses.

The eliminations of expenses from the related businesses increased 11.5% from Baht 5,962.1 million in 2005 to Baht 6,646.4 million in 2006, which is in line with the increase in the eliminations of revenues from the related businesses.

**Interest expense** Interest expense for the Company decreased 9.9% from Baht 1,741.8 million in 2005 to Baht 1,568.7 million in 2006, mainly due to the decrease in borrowing in the year 2006 compared to the year 2005.

**Income tax** Income tax for the Company decreased 8.9% from Baht 4,743.2 million in 2005 to Baht 4,322.9 million in 2006, mainly due to the decrease in earnings before interest and tax.

**Net profit** Net profit for the Company decreased 2.7% from Baht 10,337.3 million in 2005 to Baht 10,054.8 million in 2006, mainly due to the decrease in net profit from spirits.

### **Beer, Drinking Water and Soda Water Business**

**Revenue from sales** Revenue from sales increased 10.3% from Baht 42,277.0 million in 2005 to Baht 46,641.0 million in 2006, where the sales volume of beer increased 12.0% from 824.2 million liters in 2005 to 923.0 million liters in 2006, mainly due to the higher demand for low alcohol content beer and the change in the Company's marketing strategy.

**Cost of sales** Cost of sales increased 9.4% from Baht 32,548.7 million in 2005 to Baht 35,609.0 million in 2006.

*Excise tax* Excise tax (including municipal taxes and Health Promotion Fund contributions) for beer increased 11.8% from Baht 22,014.3 million in 2005 to Baht 24,615.2 million in 2006, which is in line with the increase in sales volume of beer by 12.0% in the year 2006 compared to year 2005.

*Packaging materials* Packaging materials expenses increased 14.6% from Baht 4,267.5 million in 2005 to Baht 4,891.9 million in 2006, mainly due to the increase in sales volume of beer by 12.0% in 2006 compared to 2005.

*Raw materials* Raw materials expenses increased 4.0% from Baht 2,554.7 million in 2005 to Baht 2,657.3 million in 2006, mainly due to the increase in beer sales volume by 12.0% in 2006.

*Others* Other cost of sales decreased 7.2% from Baht 3,712.2 million in 2005 to Baht 3,444.6 million in 2006, mainly due to the transfer of Whisky products to the spirits business segment during 2005, where it was previously recorded in the beer, drinking water and soda water business segment in 2005.

**Gross profit** Gross profit increased 13.4% from Baht 9,728.3 million in 2005 to Baht 11,032.0 million in 2006, mainly due to the increase in revenue from sales of beer, drinking water and soda water, and the decrease in raw materials costs.

**Selling and administrative expenses** Selling and administrative expenses decreased 0.7% from Baht 6,983.7 million in 2005 to Baht 6,932.1 million in 2006 mainly due to the decrease in marketing and public relation expenses in the beer, drinking water and soda water business, although partially offset by an increase in logistic and traveling expenses.

**Earnings before interest and tax (EBIT)** Earnings before interest and tax (EBIT) increased 42.8% from Baht 2,919.5 million in 2005 to Baht 4,168.0 million in 2006, mainly due to the increase in the revenue from sales of beer, drinking water and soda water, and the increase in gross profit.

**Net profit** Net profit for this business segment increased 63.7% from Baht 1,202.6 million in 2005 to Baht 1,968.4 million in 2006, mainly due to the increase in earnings before interest and tax.

### Spirits Business

**Revenue from sales** Revenue from sales decreased 2.6% from Baht 52,811.0 million in 2005 to Baht 51,428.3 million in 2006.

*Revenue from sales of brown spirits* Revenue from sales of brown spirits decreased 10.5% from Baht 23,444.5 million in 2005 to Baht 20,984.8 million in 2006, mainly due to the decrease in sales volume of brown spirits by 19.1% in the year 2006 compared to the year 2005. In 2006, the sales volume for Sangsom brand, which is considered the most preferred brand by consumers in the brown spirits segment, decreased 47.7% when compared to the same period in 2005. The decrease in the sales volume of Sangsom brand was mainly due to the impact of the excise tax increase on September 7, 2005 and the price increase of Sangsom brand from Baht 150 per 700 milliliters bottle to Baht 190 per 700 milliliters bottle to be in line with the increase in cost of sales.

*Revenue from sales of white spirits* Revenue from sales of white spirits increased 1.2% from Baht 29,114.6 million in 2005 to Baht 29,452.6 million in 2006, mainly due to

the increase in the price of white spirits at the rate of Baht 5.5 per 625 milliliters bottle, effective since January 1, 2005. In the year 2005, the sales volume of white spirits in 625 milliliters bottle contributed 69.4% of the total white spirits sales volume. However, the sales volume of white spirits decreased 1.4% from 372.5 million liters in 2005 to Baht 367.4 million liters in 2006, mainly due to the increase in the price of white spirits.

**Cost of sales** Cost of sales increased 2.9% from Baht 32,061.5 million in 2005 to Baht 33,002.2 million in 2006.

**Excise tax** Excise tax (including municipal taxes and Health Promotion Fund contributions) decreased 4.1% from Baht 25,050.7 million in 2005 to Baht 24,016.9 million in 2006, mainly due to the decrease in sales volume of spirits in 2006, especially the decrease in the sales volume of brown spirits, which has a much higher excise tax rate than that of the white spirits. The sales volume for the brown spirits decreased 19.1% in the year 2006 compared to the year 2005, and the sales volume for white spirits decreased 1.4% from in the year 2006 compared to the year 2005. The Company previously paid excise tax at the rate of Baht 240 per liter prior to the increase on September 7, 2005, after which the Company must pay excise tax at the rate of Baht 400 per liter. This adjustment is applicable to all brown spirits, except the compounded spirits, such as the Mungkorn Thong brand. The Company is also paying the excise tax for white spirits at the rate of Baht 70 per liter.

**Packaging materials** Packaging materials expenses increased 7.5% from Baht 3,097.3 million in 2005 to Baht 3,329.6 million in 2006, mainly due to the increase in the use of new bottles, which has a higher cost compared to the used bottles for the white spirits.

**Raw materials** Raw materials expenses increased 119.4% from Baht 1,248.6 million in 2005 to Baht 2,739.3 million in 2006, mainly due to the significant increase in the price of molasses in the year 2006 compared to the year 2005.

**Others** Other cost of sales for the spirits business increased 9.4% from Baht 2,664.9 million in 2005 to Baht 2,916.4 million in 2006, mainly due to the increase in employee, depreciation and manufacturing overhead expenses.

**Gross profit** Gross profit decreased 11.2% from Baht 20,749.5 million in 2005 to Baht 18,426.1 million in 2006, mainly due to the decrease in revenue from sales of spirits and the increase in raw materials costs.

**Selling and administrative expenses** Selling and administrative expenses decreased 2.4% from Baht 7,343.5 million in 2005 to Baht 7,169.7 million in 2006, mainly due to the decrease in idle costs of the spirits production facilities, where the utilization rate increased from 56.8% in 2005 to 59.1% in 2006, which is partially offset by the increase in marketing and public relation expenses by 30.7% in 2006 compared to 2005.

**Earnings before interest and tax (EBIT)** Earnings before interest and tax (EBIT) decreased 15.9% from Baht 13,533.9 million in 2005 to Baht 11,380.0 million in 2006, mainly due to the decrease in revenue from sales and gross profit from spirits.

**Net profit** Net profit for spirits business decreased 11.9% from Baht 8,988.2 million in 2005 to Baht 7,915.8 million in 2006, mainly due to the decrease in earnings before interest and tax.

### **Industrial Alcohol Business**

**Revenue from sales** Revenue from sales increased 38.6% from Baht 869.2 million in 2005 to Baht 1,205.0 million in 2006, mainly due to the substantial increase in sales volume of ethanol 99.5 degree from 20.8 million liters in 2005 to 46.6 million liters in 2006. In addition, the

price of ethanol 99.5 degree increased continuously during the period between 2005 and 2006. However, the sales volume of alcohol 95 decreased 95.3% from 32.2 million liters in 2005 to 1.5 million liters in 2006

**Cost of sales** Cost of sales increased 111.1% from Baht 471.3 million in 2005 to Baht 995.2 million in 2006, mainly due to the increase in the raw materials costs, especially the price of molasses which increased substantially in the year 2006 compared to 2005 and the increase in production volume of ethanol 99.5 degree.

**Gross profit** Gross profit decreased 47.3% from Baht 397.8 million in 2005 to Baht 209.8 million in 2006, mainly due to the increase in production costs, which is substantially caused by the increase in the price of molasses in the year 2006 compared to 2005.

**Selling and administrative expenses** Selling and administrative expenses increased 7.0% from Baht 165.7 million in 2005 to Baht 177.3 million in 2006 mainly due to the increase in employee expenses.

**Earnings before interest and tax (EBIT)** Earnings before interest and tax decreased 84.8% from Baht 244.9 million in 2005 to Baht 37.3 million in 2006, mainly due to the decrease in the gross profit and the decrease in the sales volume of alcohol 95.

**Net profit** Net profit decreased from Baht 151.0 million in 2005 to Baht 21.7 million in 2006, mainly due to the decrease in gross profit, the decrease in the sales volume of alcohol 95 which cannot be fully offset by the increase in the sales volume of ethanol 99.5 degree

### **Related Businesses**

**Total revenue from related businesses** Total revenue from related businesses increased 7.9% from Baht 6,633.0 million in 2005 to Baht 7,155.1 million in 2006, mainly due to the increase in marketing revenue, such as advertising related to the world cup and partially from the sales of packaging materials.

**Cost of sales for related businesses** Cost of sales for related businesses increased 4.9% from Baht 6,068.3 million in 2005 to Baht 6,365.1 million in 2006, which is in line with the increase in revenue.

**Gross profit** Gross profits increased 39.9% from Baht 564.7 million in 2005 to Baht 790.0 million in 2006, mainly due to the increase in the revenue from related businesses in the year 2006 compared to the year 2005.

**Earnings before interest and tax (EBIT)** Earnings before interest and tax increased 201.2% from Baht 129.0 million in 2005 to Baht 388.4 million in 2006, mainly due to the increase in total revenue from related businesses and the increase in gross profit.

**Net profit** Net profit increased from a net loss of Baht 1.2 million in the year 2005 to a net profit of Baht 215.9 million in 2006, mainly due to the increase total revenue from sales .

## Liquidity and Capital Resources

In the past 3 years, the Company used cash primarily for investments, repayment of borrowing, payment of dividends and business restructuring, where the source of the Company's liquidity comes from operating cash flows and commercial borrowing.

### Net Cash Flows

The following table sets forth a condensed summary of the Company statement of cash flows for the periods indicated:

Selected Cash Flows Data					
Unit: Baht million					
	For the Year Ended December 31,			Six-Month Period Ended June 30,	
	2005	2006 (Restated)	2007	2007	2008
	(Audited)			(Unaudited)	
<b>Cash flows from operating activities .....</b>					
Cash flows from operating activities before changes in operating assets and liabilities .....	21,510.0	20,938.7	21,372.2	10,841.5	9,866.3
Changes in operating assets and liabilities.....	7,056.7	(6,576.4)	(4,928.6)	(4,564.9)	(3,871.1)
<b>Net cash provided by (used in) operating activities .....</b>	<b>28,566.7</b>	<b>14,362.4</b>	<b>16,443.5</b>	<b>6,276.6</b>	<b>5,995.2</b>
<b>Cash flows from investing activities .....</b>					
Consideration paid to shareholders of subsidiaries for common control transactions .....	(9,646.0)	(1,505.2)	-	-	-
Purchase of property, plant, and equipment .....	(7,302.0)	(4,231.9)	(1,454.6)	(404.7)	(1,119.6)
Cash provided by (used in) other investing activities .....	2,136.3	163.2	739.8	878.2	(54.8)
<b>Net Cash provided by (used in) investing activities .....</b>	<b>(14,811.7)</b>	<b>(5,574.0)</b>	<b>(714.7)</b>	<b>473.5</b>	<b>(1,174.4)</b>
<b>Cash flows from financing activities .....</b>					
Repayment of long-term loans from financial institutions .....	(1,320.0)	(22,431.6)	(3,500.0)	(2,750.0)	(1,755.0)
Increase (Decrease) in short-term loans from related parties.....	(514.8)	629.7	(4,615.2)	(3,081.7)	-
Increase (Decrease) in bank overdrafts and short-term loans from financial institutions .....	(5,224.0)	(33,405.3)	(1,140.9)	266.3	4,284.4
Proceeds from issuance of short-term guaranteed bonds...	-	4,700.0	-	-	-
Repayment of short-term guaranteed bonds .....	-	(2,500.0)	(2,200.0)	(2,200.0)	-
Proceeds from issuance of long-term guaranteed bonds	-	5,300.0	-	-	-
Repayment of long-term guaranteed bonds.....	-	-	(2,300.0)	-	(3,000.0)
Proceeds of long-term loans from financial institutions....	-	26,600.0	5,400.0	4,500.0	-
Proceeds from issuance of shares.....	-	20,325.8	-	-	-
Interest paid .....	(1,741.8)	(1,420.5)	(1,139.4)	(602.4)	(356.9)
Dividend paid.....	(2,640.0)	(8,042.1)	(5,775.3)	(2,762.3)	(4,268.7)
<b>Net cash provided by (used in) financing activities.....</b>	<b>(11,440.6)</b>	<b>(10,244.1)</b>	<b>(15,270.8)</b>	<b>(6,630.1)</b>	<b>(5,096.2)</b>
Effect of exchange rate changes on balances held in foreign currencies .....	(23.0)	(22.7)	(188.6)	(56.4)	(28.8)
<b>Net increase (decrease) in cash and cash equivalents .....</b>	<b>2,291.5</b>	<b>(1,478.4)</b>	<b>269.4</b>	<b>63.5</b>	<b>(304.2)</b>
Cash and cash equivalents at the end of the period .....	3,398.0	1,919.6	2,189.0	1,983.1	1,884.8

***Net cash provided by operating activities***

Net cash provided by (used in) operating activities includes funds generated from the Company's operating activities and net cash inflows or outflows from changes in operating assets and liabilities. In the year ended December 31, 2007, net cash provided by operating activities was Baht 16,443.5 million, consisting of net cash inflows from operations before changes in operating assets and liabilities of Baht 21,372.2 million, net cash outflows from changes in operating assets and liabilities of Baht 4,928.6 million. Net cash outflows from changes in operating assets and liabilities consisted primarily of decreases in other current liabilities, which is partially offset by the decreases in inventories. In addition, the Company's tax expense was Baht 4,253.6 million in the year 2007.

In the six-month period ended June 30, 2551, the Company's net cash provided by operating activities was Baht 5,995.2 million, consisting of net cash inflows from operations before changes in operating assets and liabilities of Baht 9,866.3 million and net cash outflows from changes in operating assets and liabilities of Baht 3,871.1 million. Net cash outflows from changes in operating assets and liabilities consisted primarily of decreases in accounts payable, increases in inventories which is partially offset by increase in other current liabilities. In addition, the Company's tax expense was Baht 2,838.3 million the six-month period ended June 30, 2551.

***Net cash used in investing activities***

Net cash used in investing activities includes funds paid for capital expenditures and net cash inflows or outflows from other investments.

In the year 2007, the Company's net cash used in investing activities was Baht 714.7 million, consisting principally of capital expenditures of Baht 1,454.6 million, mainly arising from the investments into the waste treatment system of the distilleries, the logistic projects, the water filtration system of breweries and the improvement of high-speed packaging line for the distilleries, which was partly offset by proceeds from sales of property, plant and equipment of Baht 933.3 million in 2007, mostly arising from the sale of land, building, and construction-in-progress of ThaiBev Tower Project to TCC Hotel Collection Co. amounting to Baht 819.0 million.

For six-month period ended June 30, 2008, the Company's net cash used in investing activities was Baht 1,174.4 million, consisting principally of capital expenditures of Baht 1,119.6 million, which principally included the investment in waste treatment systems at five of the Company's 5 distilleries for Baht 161.8 million and the purchase of property, plant, equipment and vehicle of the non-alcoholic beverages business for Baht 409.9 million.

***Net cash provided by (used in) financing activities***

Net cash provided by (used in) financing activities includes funds provided in connection with the reorganization, share issuances, and net cash inflows and outflows from borrowings and repayment of borrowings.

In 2007, the net cash used in financing activities was Baht 15,270.8 million, consisting of repayments of short terms loans of Baht 1,140.9 million, the repayment of the long-term loan from financial institution of Baht 3,500.0 million, the repayment of the short-term guaranteed bond of Baht 2,200.0 million, the repayment of long-term guaranteed bond of Baht 2,300.0 million and the dividend payment of Baht 5,775.3 million. These cash outflows were partially offset by the proceeds from long-term loans taken from financial institutions of Baht 5,400.0 million



For six-month period ended June 30, 2008, the Company's net cash used in financing activities was Baht 5,096.2 million, principally consisting of repayment of long-term guaranteed bond of Baht 3,000.0 million, the repayment of the long-term loan from financial institution of Baht 1,755.0 million, the interest expense of Baht 356.9 million and the dividend payment of Baht 4,268.7 million.

### **Indebtedness**

As of June 30, 2008, the Company's total liabilities was Baht 24,195.6 million which primarily consists of bank overdrafts and short-term loans from financial institutions of Baht 10,282.6 million and long-term loans from financial institutions of Baht 5,400.0 million.

The long-term loan and its current portion were borrowing from eight financial institutions totalling Baht 26,600 million. Of this amount, the principal of Baht 23,600 million has a grace period of 2 years and is to be repaid in 36 monthly installments of Baht 654.2 million for each of the first 35 installments and Baht 702.2 million for the last installment. The principal repayment will commence from April 28, 2008 to March 31, 2011 with interest at the fixed rates of 5.75% and 6.00% per annum for the first and the second years, respectively, and MLR-1.5% to MLR-1.75% per annum from the third year onward, payable monthly, commencing in March 2006. The remaining principal of Baht 3,000.0 million is to be repaid in eight quarterly installments of Baht 375.0 million each from June 28, 2006 to March 28, 2007 with a fixed interest rate of 5.70% per annum, payable quarterly, commencing in June 2006.

The borrowings are fully co-guaranteed by 4 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, ThaiBev partially repaid long-term loans amounting to Baht 22,220.0 million with accrued interest to seven financial institutions and the interest rate in the second year decrease from 6.00% to 5.00% per annum. Subsequently, in March 2008, ThaiBev fully prepaid the remaining long-term loans of Baht 1,380.0 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

In 2007, ThaiBev entered into a long-term loan agreement with a financial institution in the amount of Baht 4,500.0 million which is to be repaid monthly in 12 installments, Baht 375.0 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 900.0 million which is to be repaid in 2009. The interest is payable monthly at 3.9625% per annum.

On September 26, 2008, ThaiBev has issued a short-term bill of exchange with maturity less than 270 days and the notional amount of Baht 5,000 million, to the institutional and high net-worth investors for the purpose of expanding the Company's working capital and to diversify the source of fund to reduce the reliance on commercial banks. ThaiBev has structured the bill of exchange into 3 tranches. The first tranche has the aggregate amount of Baht 2,500 million and is due on March 31, 2009. The second tranche has the aggregate amount of Baht 1,500 million and is due on April 29, 2009. The third tranche has the aggregate amount of Baht 1,000 million and is due on 23 June 2009.

During the process of issuing the bill of exchange, ThaiBev has obtained a rating from TRIS Rating Co., who rated ThaiBev at AA- level on February 18, 2008.

Although the Company has no policy of fixing the debt to equity ratio, however, the Company has targeted the debt to equity ratio to be lower than one. The Company cannot guarantee

that the debt to equity ratio will not exceed the target, or the Company will not change the target ratio in the future.

### Financial Resources

As of June 30, 2008, the Company has cash, cash equivalents and short-term investment of Baht 1,894.3 million, comparing to Baht 2,196.7 million as of December 30, 2007.

As of June 30, 2008, the Company has working capital credit line of Baht 28,456.1 million, where the Company still has Baht 18,173.5 million in available credit line.

The Company believes that, after taking into account the present banking facilities and cash flows from the operations, the Company will have sufficient working capital available for the Company's present requirements. Although the Company's intend to fund a portion of the future development from existing cash resources and from cash flows from operations, the Company may seek additional debt funding to finance all or a portion of the planned capital expenditures or for other purposes. In addition, depending on the capital requirements, market conditions and other factors, the Company may raise additional funds through debt or equity offerings or the sale or other disposition of shares or assets.

### Capital Expenditures and Investments

The Company generally fund the capital expenditures using internally generated cash flows. The following table summarizes the historical capital expenditures for property, plant and equipment for the periods indicated:

	Historical Capital Expenditure				Unit: Baht million	
	For the Year Ended December 31,				Six-Month Period Ended June 30,	
	2005	2006 (Before restatement)	2006 (Restated)	2007	2007	2008
Beer, drinking water and soda water.....	6,395.4	1,350.5	1,357.5	361.0	121.5	95.8
Spirits .....	481.5	2,606.0	2,612.3	1,277.1	475.5	429.0
Non-alcoholic beverages.....	-	-	-	-	-	423.2
Industrial alcohol .....	254.3	67.8	68.7	58.6	28.9	19.2
Related Businesses .....	170.8	14.2	-	-	-	-
<b>Total.....</b>	<b>7,302.0</b>	<b>4,038.5</b>	<b>4,038.5</b>	<b>1,696.7</b>	<b>625.9</b>	<b>967.2</b>

In the six-month period ended June 30, 2008, the Company made investments totaling Baht 967.2 million, which mainly comprise the purchase of property, plant, and equipment of non-alcoholic beverages business amounting to Baht 409.9 million and the investment in waste treatment system project to produce biogas for Fuengfuanant Co., Athimart Co., S.S. Karnsura Co., Kankwan Co. and Nateechai Co. amounting to Baht 161.8 million. In the year 2007, the Company made investments totaling Baht 1,696.7 million, which primarily comprise installation of a water filtration system at the Company's breweries, improving the packaging line at Sangsom Distillery, the logistic project that aims to improve the merchandise distribution system and supply chain management and the waste treatment system project to produce biogas for distilleries.

The Company may also make investments in other companies to expand the business both within Thailand and outside Thailand. As part of these investments, The Company may purchase shares in companies controlled by the Principal Shareholders. The acquisition of any assets or shares from the Principal Shareholders, or from other parties related to the Company, would be subject to all applicable laws, including the requirements of the SET and the SGX-ST applicable to interested person transactions, which in general would require approval of the Audit Committee and the Board of Directors, and in certain cases, the Shareholders (excluding interested Shareholders).

The actual capital expenditures may differ from the amounts set out above due to various factors, including the future cash flows, results of operations and financial condition, changes in the Thai economy, the availability of other financing on terms acceptable to the Company, technical or other problems in obtaining or installing equipment, changes in the regulatory environment in Thailand, changes in the business plans and strategies and the extent to which the Company decide to enter into new lines of business. The Company may pursue any new expansion plans through internal development, acquisitions of existing operations, investments in other businesses, or joint ventures with third parties.

If the Company is unable to obtain sufficient funding or funding on terms acceptable to us for the planned capital expenditures or to otherwise fund these expenditures through other financing arrangements, including internal cash flows, the Company may have to forego, delay or postpone various planned capital expenditures.

### Contractual Obligations and Commitments

The following table summarizes the contractual cash obligations and commitments, excluding the debt repayment obligations, as of June 30, 2008:

	Payment Due by Period				Unit: Baht million <sup>(1)</sup>
	Total	Between July 1, 2008 to December 31, 2008	Between January 1, 2009 to December 31, 2009	Between January 1, 2010 to December 31, 2011	After January 1, 2012
Construction contracts	247.6	213.3	34.3	-	-
Raw material purchase contracts	4,143.3	2,198.3	965.4	954.2	25.4
Computer installment contracts	35.9	31.3	3.0	1.6	-
Land, building, vehicle and equipment lease contracts	657.8	169.0	236.3	212.8	39.7
Advertisement and sponsor contracts	773.3	124.2	257.4	391.7	-
Spirits concentration contracts	1,548.8	31.1	64.0	137.8	1,315.9
Beer experts consulting contract	29.5	0.7	1.4	2.9	24.5
Forward currency contracts	3,838.7	1,902.0	1,936.7	-	-
Others	455.1	115.4	278.8	60.9	-
<b>Total</b>	<b>11,730.0</b>	<b>4,785.3</b>	<b>3,777.3</b>	<b>1,761.9</b>	<b>1,405.5</b>

(1) In the table above, the figures above were calculated by using the following Baht equivalent exchange rates: US\$1.00: Baht 33.66, Australian dollar 1:Baht 32.52, Euro 1: Baht 57.27, Pound Sterling 1: Baht 67.26 and Singapore Dollar 1: Baht 24.85, which were the average selling rates as quoted by the Bank of Thailand as of June 30, 2008.

The amounts shown in the table above represent contractual obligations as of June 30, 2008 only. The actual expenditures for various items and periods may substantially exceed the amounts shown above due to commitments entered into in future periods and other factors.

### Calculation of Earnings Before Interest, Tax, Depreciation and Amortization (“EBITDA”)

The Company calculates the EBITDA by adding to net profit, income taxes, interest expense, depreciation, amortization, and subtracting the interest income. The Company has included information concerning EBITDA because The Company believes that this data is commonly used by investors to evaluate the ability of a company’s earnings from its business operations to satisfy its debt, capital expenditure and working capital requirements. The Company believes that EBITDA, while providing useful information, should not be considered in isolation or as a substitute for net profit as an indicator of operating performance, or as an alternative to cash flow as a measure of liquidity.

Calculation table of earnings before interest, tax, depreciation and amortization (EBITDA)

	Unit: Baht million				
	For the Year Ended December 31,			Six-Month Period Ended June 30,	
	2005	2006 (Restated)	2007	2007	2008
Net Profit.....	10,337.3	10,054.8	10,383.1	5,260.0	5,019.2
<b>Add back:</b> .....					
Income tax.....	4,743.2	4,322.9	4,846.6	2,663.1	2,277.3
Interest expense.....	1,741.8	1,568.7	1,047.3	556.7	289.3
Depreciation and amortization.....	4,432.1	4,652.0	4,974.7	2,440.0	2,492.2
<b>Subtract:</b> .....					
Interest income.....	(71.5)	(56.5)	(40.8)	(19.5)	(12.3)
<b>EBITDA</b> .....	<b>21,182.9</b>	<b>20,541.8</b>	<b>21,210.8</b>	<b>10,900.3</b>	<b>10,065.6</b>
<b>Add back:</b> .....					
Interest income.....	71.5	56.5	40.8	19.5	12.3
<b>Subtract:</b> .....					
Depreciation and amortization.....	(4,432.1)	(4,652.0)	(4,974.7)	(2,440.0)	(2,492.2)
<b>EBIT</b> .....	<b>16,822.2</b>	<b>15,946.3</b>	<b>16,276.9</b>	<b>8,479.9</b>	<b>7,585.8</b>

### Quantitative and Qualitative Disclosures about Market Risk

The Company’s business activities subject us to risks associated with changes in foreign exchange rates and, to a lesser extent, fluctuations in interest rates. To minimize the exposure to these risks, we, from time to time, enter into financial derivative transactions for periods and in amounts consistent with the underlying exposure to risk. The Company do not enter into derivative transactions for arbitrage or speculative purposes.

*Foreign Exchange Risk* The Company are exposed to fluctuations in the exchange rates of certain currencies against the Baht, the functional and reporting currency. In addition, while the revenues and operating costs are denominated principally in Baht, the capital expenditures are denominated in Baht and other currencies, principally the Euro, U.S. dollar, Pound Sterling and Australian dollar. The Company also purchase raw materials and packaging materials for the breweries, such as hops, malt, and labels from outside Thailand. The costs for these products are

denominated in other currencies, principally the Euro, Pound Sterling, Australian dollar and U.S. dollar.

The Company enter into forward currency contracts in respect of purchases of raw materials and equipment that are denominated in currencies other than the Baht. The Company account for these forward currency contracts in the balance sheet. The Company remeasure the foreign currency denominated assets and liabilities hedged by foreign currency contracts at exchange rates prevailing on the balance sheet date. The Company recognize foreign exchange differences arising on remeasurement in the statement of income. The Company enter into forward currency contracts in order to eliminate the risk of the fluctuation in exchange rate on the 12-months forward purchase order of raw materials denominated in foreign currency.

*Interest Rate Risk* The Company are exposed to interest rate risk primarily as a result of loans from financial institutions. In particular, the interest rate exposures are mainly due to changes in Baht market interest rates. The Company has borrowing in floating rate of Baht 922.6 million as of June 30, 2008, all of which are from foreign and domestic financial institutions.

*Commodity Price Risk* The Company are subject to market risks related to the volatility in the price of raw materials such as malt, hops and molasses. The financial results can be affected significantly by fluctuations in these prices, which depend on many factors, including demand for these raw materials, changes in the economy, worldwide production levels, worldwide inventory levels, disruptions in the supply chain and weather conditions.

The Company maintain inventories of malt, hops and molasses, the values of which are subject to wide fluctuations in market prices driven by world economic conditions, regional and global inventory levels and seasonal conditions. As of June 30, 2008, the Company held approximately 32,614.5 tons of malt, 126,275.5 kilogram alpha acid of hops and 163,757.8 tons of molasses.

## **Inflation**

According to the Bank of Thailand, Thailand's annual overall inflation rates as measured by the general consumer price index are approximately 2.3% in 2007, 7.5% – 8.8% in 2008, 5.0% – 7.5% in 2009. In recent years, inflation in Thailand has not had a significant impact on the results of operations.

### **12.3 Auditor's Compensation**

For the six-month period ended June 30, 2008, the Company paid the total compensation to KPMG Phoomchai Audit Ltd. for the total of Baht 26.8 million, consisting of only the audit fee. The Company did not have any other non-audit fee obligations to the auditor, the auditing firm, and any connected person to the auditor and the auditing firm.

### **12.4 Financial Statement for nine-month period ended September 30, 2008**

#### **12.4.1 Reclassification of the Financial Statements**

On 30 September 2008, the Company acquired 43.9% interest in Oishi Group Public Company Limited and its subsidiaries ("Oishi Group Plc."), from a company affiliated with the controlling shareholders of the Company, under a common ultimate controlling shareholder. As the same ultimate controlling shareholder controlled Oishi Group Plc. both before and after the acquisition, the consolidated financial statements have been prepared on the basis of a business combination involving an entity under common control.

The consolidated balance sheets have been prepared to present assets and liabilities of Oishi Group Plc. as if the acquisition had taken place at the beginning of 2007. Therefore, the consolidated financial statements for the year ended 31 December 2007 have been revised to include the assets, liabilities and operations of Oishi Group Plc. acquired during 2008. The assets and liabilities acquired have been stated at their carrying values, after adjusting for intercompany transactions and transactions with the ultimate controlling shareholder. The consolidated statements of income and cash flows include the results of operations and cash flows as if the businesses and operations of Oishi Group Plc. had been acquired at the beginning of 2007.

In addition, the Company has added a new business segment in the third quarter of 2008 for financial reporting purpose, where the Company has added the food business segment, which include revenues from Japanese food restaurant and Bakery. The Company has also restated the information for the same period in 2007 for comparison purpose with third quarter of 2008.

#### **12.4.2 Summary of the Audit Report of Certified Public Accountant**

KPMG Phoomchai Audit Ltd. (by Ms. Nittaya Chetchotiros, Certified Public Accountant, Registration No. 4439) has reviewed the balance sheet as of 30 September 2008 and the income statement, the statement of change in shareholders' equity and the statement of cash flows for the period ended 30 September 2007 and 2008 for Thai Beverage Plc. and its subsidiaries, both for the consolidated financial statements and separate financial statements. The auditor has reviewed the financial statements in accordance with Thai GAAP and has found that the financial statements were presented fairly, in all material respects.

### 12.4.3 Selected Consolidated Financial Data for the Past 3 Fiscal Years and the For the Nine-Months Periods Ended 30 September 2008

#### Balance Sheet

Assets  (Unit: Baht million)	As at 31 December						As at 30 September	
	2005	% of Total Assets	2006 (Restated)	% of Total Assets	2007 <sup>(1)</sup>	% of Total Assets	2008	% of Total Assets
<b>Current Assets</b>								
Cash and cash equivalents	3,398.0	3.9	1,919.6	2.2	2,587.8	3.1	4,544.9	5.4
Current investments	10.0	0.0	4.4	0.0	114.2	0.1	9.6	0.0
Trade accounts receivables	1,463.7	1.7	1,317.9	1.5	1,956.5	2.4	1,186.0	1.4
Short-term loan to and amounts due from related parties	157.7	0.2	51.0	0.1	4.4	0.0	9.6	0.0
Inventories	28,747.0	33.0	28,315.2	33.1	28,277.7	34.3	32,266.5	38.5
Other current assets	2,573.0	3.0	1,914.2	2.2	1,428.4	1.7	2,353.4	2.8
<b>Total current assets</b>	<b>36,349.3</b>	<b>41.7</b>	<b>33,522.2</b>	<b>39.2</b>	<b>34,368.9</b>	<b>41.7</b>	<b>40,370.1</b>	<b>48.2</b>
<b>Non-current assets</b>								
Investments in subsidiaries and associates	128.8	0.1	135.5	0.2	124.5	0.2	113.5	0.1
Other long-term investments	4.5	0.0	3.8	0.0	5.6	0.0	10.9	0.0
Property, plant, and equipment	50,027.8	57.4	49,428.0	57.8	44,639.8	54.2	40,084.2	47.8
Intangible assets	513.7	0.6	354.9	0.4	1,129.1	1.4	1,135.8	1.4
Other non-current assets	112.9	0.1	2,135.1	2.5	2,138.0	2.6	2,125.5	2.5
<b>Total non-current assets</b>	<b>50,787.7</b>	<b>58.3</b>	<b>52,057.3</b>	<b>60.8</b>	<b>48,037.0</b>	<b>58.3</b>	<b>43,469.9</b>	<b>51.8</b>
<b>Total assets</b>	<b>87,137.0</b>	<b>100.0</b>	<b>85,579.5</b>	<b>100.0</b>	<b>82,406.0</b>	<b>100.0</b>	<b>83,840.0</b>	<b>100.0</b>

(1) The Company has restated the balance sheet as at 31 December 2007 for comparison purpose with the balance sheet as at 30 September 2008, in accordance with section 12.4.1 Reclassification of the Financial Statements

**Balance Sheet (Cont'd)**

Liabilities  (Unit: Baht million)	As at 31 December						As at 30 September	
		% of Total Assets	2006 (Restated)	% of Total Assets	2007 <sup>(1)</sup>	% of Total Assets	2008	% of Total Assets
	2005						2008	
<b>Current liabilities</b>								
Bank overdrafts and short-term loans from financial institutions	40,158.6	46.1	6,753.3	7.9	5,998.2	7.3	15,134.5	18.1
Trade accounts payables	1,691.1	1.9	2,275.7	2.7	2,640.1	3.2	2,921.5	3.5
Short-term guaranteed bonds	-	-	2,200.0	2.6	-	-	-	-
Current portion of long-term guaranteed bonds	-	-	2,300.0	2.7	3,000.0	3.6	-	-
Current portion of long-term loans	1,086.6	1.2	1,500.0	1.8	1,755.0	2.1	3,900.0	4.7
Short-term loans from and amount due to related parties	4,164.9	4.8	4,837.0	5.7	69.7	0.1	63.7	0.1
Income tax payable	2,529.0	2.9	2,180.9	2.5	2,783.2	3.4	1,257.1	1.5
Liabilities from business combination under common control	-	-	-	-	-	-	3,053.8	3.6
Other current liabilities	5,598.0	6.4	4,103.3	4.8	3,504.8	4.3	2,988.4	3.6
<b>Total current liabilities</b>	<b>55,228.2</b>	<b>63.4</b>	<b>26,150.2</b>	<b>30.6</b>	<b>19,751.0</b>	<b>24.0</b>	<b>29,318.9</b>	<b>35.0</b>
<b>Non-current liabilities</b>								
Long-term guaranteed bonds	-	-	3,000.0	3.5	-	-	-	-
Long-term loans from financial institutions	-	-	3,755.0	4.4	5,400.0	6.6	1,500.0	1.8
Other non-current liabilities	194.4	0.2	120.8	0.1	160.4	0.2	129.7	0.2
<b>Total non-current liabilities</b>	<b>194.4</b>	<b>0.2</b>	<b>6,875.8</b>	<b>8.0</b>	<b>5,560.4</b>	<b>6.7</b>	<b>1,629.7</b>	<b>1.9</b>
<b>Total liabilities</b>	<b>55,422.5</b>	<b>63.6</b>	<b>33,026.0</b>	<b>38.6</b>	<b>25,311.3</b>	<b>30.7</b>	<b>30,948.6</b>	<b>36.9</b>

(1) The Company has restated the balance sheet as at 31 December 2007 for comparison purpose with the balance sheet as at 30 September 2008, in accordance with section 12.4.1 Reclassification of the Financial Statements



**Balance Sheet (Cont'd)**

Shareholders' equity  (Unit: Baht million)	As at 31 December						As at 30 September	
	2005	% of Total Assets	2006 (Restated)	% of Total Assets	2007 <sup>(1)</sup>	% of Total Assets	2008	% of Total Assets
<b>Equity</b>								
<i>Share capital</i>								
Authorized share capital, Par 1 Baht	29,000.0		29,000.0		29,000.0		29,000.0	
<i>Issued and paid-up share capital</i>								
Common Stock, Par 1 Baht, fully paid-up	22,000.0	25.2	25,110.0	29.3	25,110.0	30.5	25,110.0	29.9
Share premium	-	-	17,215.7	20.1	17,215.7	20.9	17,215.7	20.5
Fair value changes and revaluation surplus	6,584.7	7.6	6,586.3	7.7	4,388.9	5.3	4,262.8	5.1
Currency translation changes	(5.3)	(0.0)	(19.5)	(0.0)	(208.1)	(0.3)	(660.4)	(0.8)
Difference arising from common control transactions	(15,630.8)	(17.9)	(17,141.4)	(20.0)	(16,201.1)	(19.7)	(19,732.2)	(23.5)
<i>Retained earnings</i>								
Appropriated – Legal reserves	1,110.0	1.3	1,700.0	2.0	2,900.0	3.5	2,900.0	3.5
Unappropriated	17,655.9	20.3	19,102.4	22.3	22,644.7	27.5	22,544.6	26.9
Total equity attributable to equity holders of the Company	31,714.5	36.4	52,553.6	61.4	55,850.2	67.8	51,640.5	61.6
Minority interests	-	-	-	-	1,244.4	1.5	1,250.9	1.5
<b>Total equity</b>	<b>31,714.5</b>	<b>36.4</b>	<b>52,553.6</b>	<b>61.4</b>	<b>57,094.6</b>	<b>69.3</b>	<b>52,891.5</b>	<b>63.1</b>
<b>Total liabilities and equity</b>	<b>87,137.0</b>	<b>100.0</b>	<b>85,579.5</b>	<b>100.0</b>	<b>82,406.0</b>	<b>100.0</b>	<b>83,840.0</b>	<b>100.0</b>

(1) The Company has restated the balance sheet as at 31 December 2007 for comparison purpose with the balance sheet as at 30 September 2008, in accordance with section 12.4.1 Reclassification of the Financial Statements

## Income Statement

Income Statement (Unit: Baht million)	For the Year Ended 31 December						For the Nine-Month Period Ended 30 September			
	2005	% of Total Revenue	2006 (Restated)	% of Total Revenue	2007	% of Total Revenue	2007 <sup>(1)</sup>	% of Total Revenue	2008	% of Total Revenue
<b>Revenue</b>										
Revenue from sales	94,903.4	99.7	97,797.9	99.8	100,540.9	99.7	74,668.7	99.7	76,517.7	99.1
Interest income	71.5	0.1	56.5	0.1	40.8	0.0	30.2	0.0	22.4	0.0
Other income	215.3	0.2	101.6	0.1	257.2	0.3	202.5	0.3	668.0	0.9
<b>Total Revenue</b>	<b>95,190.2</b>	<b>100.0</b>	<b>97,956.0</b>	<b>100.0</b>	<b>100,838.9</b>	<b>100.0</b>	<b>74,901.4</b>	<b>100.0</b>	<b>77,208.0</b>	<b>100.0</b>
<b>Expenses</b>										
Cost of sales	65,187.7	68.5	69,325.1	70.8	70,872.6	70.3	52,150.3	69.6	55,335.9	71.7
Selling and administrative expenses	13,180.3	13.8	12,684.6	12.9	13,689.4	13.6	10,640.8	14.2	10,520.8	13.6
<b>Total expenses</b>	<b>78,368.0</b>	<b>82.3</b>	<b>82,009.7</b>	<b>83.7</b>	<b>84,562.0</b>	<b>83.9</b>	<b>62,791.1</b>	<b>83.8</b>	<b>65,856.7</b>	<b>85.3</b>
Earnings before interest and tax	16,822.2	17.7	15,946.3	16.3	16,276.9	16.1	12,110.2	16.2	11,351.4	14.7
Interest expense	1,741.8	1.8	1,568.7	1.6	1,047.3	1.0	819.0	1.1	463.5	0.6
Income tax expense	4,743.2	5.0	4,322.9	4.4	4,846.6	4.8	3,721.5	5.0	3,252.1	4.2
<b>Net profit before minority interests</b>	<b>10,337.3</b>	<b>10.9</b>	<b>10,054.8</b>	<b>10.3</b>	<b>10,383.1</b>	<b>10.3</b>	<b>7,569.7</b>	<b>10.1</b>	<b>7,635.8</b>	<b>9.9</b>
Minority interests	-	-	-	-	-	-	213.3	0.3	255.1	0.3
<b>Net profit</b>	<b>10,337.3</b>	<b>10.9</b>	<b>10,054.8</b>	<b>10.3</b>	<b>10,383.1</b>	<b>10.3</b>	<b>7,356.4</b>	<b>9.8</b>	<b>7,380.7</b>	<b>9.6</b>
<b>Basic earnings per share (Baht)</b>	<b>0.5</b>		<b>0.4</b>		<b>0.4</b>		<b>0.3</b>		<b>0.3</b>	
Weighted average shares outstanding	22,000.0		25,110.0		25,110.0		25,110.0		25,110.0	

- (1) The Company has restated its financial statements for the nine-month period ended 30 September 2007 for comparison purpose with its financial statements for the nine-month period ended 30 September 2008, in accordance with section 12.4.1 Reclassification of the Financial Statements

## Statements of Cash Flows

Income Statement  (Unit: Baht million)	For the Year Ended 31 December			For the Nine-Month Period Ended 30 September	
	2005	2006 (Restated)	2007	2007 <sup>(1)</sup>	2008
<b>Cash flows from operating activities</b>					
Net income	10,337.3	10,054.8	10,383.1	7,569.7	7,635.8
<b>Adjustments for:</b>					
Depreciation and Amortization					
Amortization of advance payment to a specialist	4,432.1	4,652.0	4,974.7	3,925.6	3,941.4
Reversal of an allowance for obsolete inventories	70.8	50.0	50.0	37.5	37.5
Allowance for obsolete inventories	-	-	-	-	(327.2)
Share of profits from investments accounted for using the equity method	179.2	355.0	145.5	175.8	-
Allowance for declining in value in investments	(22.0)	(23.7)	(28.6)	-	-
(Gain) loss on sale of investment	(1.1)	-	-	-	-
Allowance for impairment loss on equipment	3.5	0.7	-	-	(525.9)
(Gain) loss on sales and disposal of property, plant, and equipment and intangible assets	0.9	-	58.8	-	-
Unrealized (Gain) loss on exchange rate	80.0	3.2	(70.1)	(67.1)	(8.1)
Doubtful debt expense	15.9	11.7	5.8	18.2	(4.8)
Interest income	-	-	-	(22.8)	2.1
Interest expense	(71.5)	(56.5)	(40.8)	(30.2)	(22.4)
Income tax expense	1,741.8	1,568.7	1,047.3	819.0	463.5
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>	<b>4,743.2</b>	<b>4,322.9</b>	<b>4,846.6</b>	<b>3,721.5</b>	<b>3,252.1</b>
<b>Cash flows from operating activities</b>	<b>21,510.0</b>	<b>20,938.7</b>	<b>21,372.2</b>	<b>16,147.2</b>	<b>14,444.1</b>

- (1) The Company has restated its financial statements for the nine-month period ended 30 September 2007 for comparison purpose with its financial statements for the nine-month period ended 30 September 2008, in accordance with section 12.4.1 Reclassification of the Financial Statements

**Statements of Cash Flows (Cont'd)**

Income Statement  (Unit: Baht million)	For the Year Ended 31 December			For the Nine-Month Period Ended 30 September	
	2005	2006 (Restated)	2007	2007 <sup>(1)</sup>	2008
<b>Changes in operating assets and liabilities</b>					
(Increase) Decrease in trade accounts receivable	209.7	143.3	(95.3)	405.5	768.4
(Increase) Decrease in amounts due from related parties	5,031.7	36.0	57.8	34.0	(5.3)
(Increase) Decrease in inventories	4,538.6	76.9	240.3	(3,091.5)	(3,661.6)
(Increase) Decrease in other current assets	963.1	657.2	543.2	348.8	(925.3)
Increase (Decrease) in trade accounts payables	(320.1)	583.2	(52.7)	(306.5)	285.1
Increase (Decrease) in amounts due to related parties	(229.3)	45.3	(152.5)	(154.4)	(1.6)
Increase (Decrease) in other current liabilities	2,053.4	(1,444.6)	(1,220.7)	699.6	(237.7)
Increase (Decrease) in other non-current liabilities	(25.7)	(2.8)	4.8	(13.7)	(34.8)
<b>Cash generated from the operations</b>	<b>33,731.5</b>	<b>21,033.4</b>	<b>20,697.1</b>	<b>14,069.1</b>	<b>10,631.3</b>
Advance payments to a specialist	-	(2,000.0)	-	-	-
Income taxes paid	(5,164.8)	(4,671.0)	(4,253.6)	(4,206.8)	(4,778.3)
<b>Net cash provided by (used in) operating activities</b>	<b>28,566.7</b>	<b>14,362.4</b>	<b>16,443.5</b>	<b>9,862.4</b>	<b>5,853.0</b>

- (1) The Company has restated its financial statements for the nine-month period ended 30 September 2007 for comparison purpose with its financial statements for the nine-month period ended 30 September 2008, in accordance with section 12.4.1 Reclassification of the Financial Statements

**Statements of Cash Flows (Cont'd)**

Statements of Cash Flows  (Unit: Baht million)	For the Year Ended 31 December			Nine-Month Period Ended 30 September	
	2005	2006 (Restated)	2007	2007 <sup>(1)</sup>	2008
<b>Cash flows from investing activities</b>					
Interest received	69.5	58.1	40.9	30.5	22.5
Dividend received	23.4	17.0	-	-	-
(Increase) Decrease in current investments	(8.5)	5.6	(3.3)	(102.1)	104.6
(Increase) Decrease in short-term loans to related parties	376.8	40.9	-	(0.6)	296.2
Investments in subsidiaries and associates	-	-	39.6	36.0	11.0
Purchase of investments in indirect subsidiaries	-	-	(253.9)	(0.0)	(81.1)
Consideration paid to shareholders of subsidiaries for common control transactions	(9,646.0)	(1,505.2)	-	-	-
(Increase) Decrease in long-term investments	1,111.4	0.0	0.1	(110.3)	(5.3)
Increase in share capital in subsidiaries before business restructuring	46.6	27.0	-	-	-
Purchase of property, plant, and equipment	(7,302.0)	(4,231.9)	(1,454.6)	(770.2)	(1,767.4)
Sales of property, plant, and equipment	581.0	51.9	933.3	877.6	164.3
Purchase of intangible assets	(73.6)	(12.5)	(26.9)	(78.2)	(24.0)
Decrease in intangible assets	-	0.0	11.2	4.7	18.0
Decrease (Increase) in other non-current assets	9.6	(24.8)	(1.2)	(7.1)	27.7
Proceeds from the sales of subsidiaries	-	-	-	-	1,591.0
<b>Net Cash provided by (used in) investing activities</b>	<b>(14,811.7)</b>	<b>(5,574.0)</b>	<b>(714.7)</b>	<b>(119.8)</b>	<b>357.5</b>

(1) The Company has restated its financial statements for the nine-month period ended 30 September 2007 for comparison purpose with its financial statements for the nine-month period ended 30 September 2008, in accordance with section 12.4.1 Reclassification of the Financial Statements

**Statements of Cash Flows (Cont'd)**

Statements of Cash Flows  (Unit: Baht million)	For the Year Ended 31 December			Nine-Month Period Ended 30 September	
	2005	2006 (Restated)	2007	2007 <sup>(1)</sup>	2008
	<b>Cash flows from financing activities</b>				
Interest paid	(1,741.8)	(1,420.5)	(1,139.4)	(931.5)	(525.2)
Increase (Decrease) in bank overdrafts and short-term loans from financial institutions	(5,224.0)	(33,405.3)	(1,140.9)	5,558.1	9,136.2
Increase (Decrease) in short-term loans from related parties	(514.8)	629.7	(4,615.2)	(4,615.2)	-
Proceeds from issuance of short-term guaranteed bonds	-	4,700.0	-	-	-
Repayment of short-term guaranteed bonds	-	(2,500.0)	(2,200.0)	(2,200.0)	-
Proceeds from issuance of long-term guaranteed bonds	-	5,300.0	-	-	-
Repayment of long-term guaranteed bonds	-	-	(2,300.0)	(2,300.0)	(3,000.0)
Proceeds from long-term loan from financial institutions	-	26,600.0	5,400.0	4,500.0	-
Repayment of long-term loans from financial institutions	(1,320.0)	(22,431.6)	(3,500.0)	(3,125.0)	(1,755.0)
Proceeds from issuance of shares	-	20,325.8	-	-	-
Repayment of long-term guaranteed bonds	-	-	-	(97.5)	(375.0)
Dividend paid to minority shareholders	-	-	-	(0.5)	(0.1)
Dividend paid	(2,640.0)	(8,042.1)	(5,775.3)	(5,775.3)	(7,281.9)
<b>Net cash provided by (used in) financing activities</b>	<b>(11,440.6)</b>	<b>(10,244.1)</b>	<b>(15,270.8)</b>	<b>(8,986.9)</b>	<b>(3,801.0)</b>
Effect of exchange rate changes on balances held in foreign currencies	(23.0)	(22.7)	(188.6)	(39.5)	(452.3)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>2,291.4</b>	<b>(1,478.4)</b>	<b>269.4</b>	<b>716.1</b>	<b>1,957.1</b>
Cash and cash equivalents at beginning of the period	1,106.6	3,398.0	1,919.6	1,941.4	2,587.8
<b>Cash and cash equivalents at the end of the period</b>	<b>3,398.0</b>	<b>1,919.6</b>	<b>2,189.0</b>	<b>2,657.4</b>	<b>4,544.9</b>

- (1) The Company has restated its financial statements for the nine-month period ended 30 September 2007 for comparison purpose with its financial statements for the nine-month period ended 30 September 2008, in accordance with section 12.4.1 Reclassification of the Financial Statements

### Key financial ratios

	Unit	For the Year Ended 31 December			Nine-Month Period Ended 30 June
		2005	2006 (Restated)	2007	2008
<b>Liquidity Ratio</b>					
Current ratio	x	0.7	1.3	1.7	1.4
Quick ratio	x	0.1	0.1	0.2	0.2
Operating cash flows ratio	x	0.5	0.4	0.7	0.3
Account receivables turnover	x	82.4	70.3	72.2	64.9
Account receivables days	Days	4.4	5.1	5.0	5.5
Inventory turnover	x	2.2	2.4	2.5	2.4
Inventory days	Days	164.3	148.2	143.2	147.7
Account payable turnover	x	37.4	35.0	31.3	26.5
Account payable days	Days	9.6	10.3	11.5	13.6
Cash Cycle	Days	159.0	143.0	136.7	139.7
<b>Profitability Ratio</b>					
Gross profit margin	%	31.3	29.1	29.5	27.7
Operating profit margin	%	17.4	16.1	15.9	13.9
Othre income margin	%	0.3	0.2	0.3	0.9
Operating cash flows margin	%	172.8	91.0	102.9	54.9
Net profit margin	%	10.9	10.3	10.3	9.9
Return on equity	%	31.8	23.9	19.3	18.5
<b>Efficiency Ratio</b>					
Return on assets	%	11.9	11.6	12.6	12.2
Return on fixed assets	%	30.6	29.2	33.0	36.9
Assets turnover	x	1.1	1.1	1.2	1.2
<b>Financial Policy Ratio</b>					
Debt to equity ratio	x	1.7	0.6	0.4	0.6
Interest Coverage Ratio(Cash basis)	x	20.4	13.1	20.8	23.9
Fixed-charge coverage ratio (Cash basis)	x	1.7	0.2	0.8	0.4
Dividend payout ratio	%	51.1	54.9	70.1	60.0 <sup>(1)</sup>

<sup>(1)</sup> Calculated from the dividend announced for the first half of 2008 divided by the net profit before minority interests for the six-month period ended 30 June 2008

#### **12.4.4 Management's discussion and Analysis of Financial Condition and Results of Operations for nine-month period ended September 30, 2008**

##### **Overview**

For the nine-month period ended September 30, 2008, the Company had total revenues of Baht 77,208.0 million, the Company had revenue from sales of Baht 76,517.7 million. The earnings before interest and tax for the nine-month period ended September 30, 2008 is Baht 12,110.2 million, and the net profit of Baht 7,569.7 million.

The Company's segmental revenue for the nine-month period ended September 30, 2008 are as follows: The sales revenue from beer was Baht 28,740.0 million (excluding drinking water and soda water), representing 37.6% of the total sales revenue, including revenue from sales of by-products from beer business. The sales revenue from spirits was Baht 42,262.8 million, representing 55.2% of the total sales revenue, including revenue from sales of by-products from spirits business. The sales revenue from non-alcoholic beverages was Baht 2,969.5 million, representing 3.9% of the total sales revenue. The sales revenue from industrial alcohol was Baht 893.8 million, representing 1.2% of the total sales revenue and the sales of food was Baht 1,929.8 million, representing 2.5% of the total sales revenue.

For the nine-month period ended September 30, 2008, the Company generated the revenue from domestic sales of 96.2% of the total revenue from sales.

##### **Recent Developments**

In 2007, the Company has acquired the majority of the shares in the United Products Co. and S.P.M Foods and Beverages Co. The total amount paid for the shares is approximately Baht 285.62 million, where Baht 283.37 million is paid for United Products Co. shares, Baht 80,000 is paid for S.P.M Foods and Beverages Co. shares, and Baht 2.17 million is paid for advisory fee to Sicco Advisory Co. and KPMG Phoomchai Business Advisory Co.

In the case of the acquisition of shares in United Products Co., the net asset value of United Products Co. was Baht 173.5 million, therefore, the Company has recorded a goodwill amounting to Baht 112.04 million, which is the difference between the total amount paid for the shares and the net asset value. In the case of the acquisition of shares of S.P.M Foods and Beverages Co., the net asset value of S.P.M Foods and Beverages Co. was negative Baht 547.31 million, therefore, the Company has recorded a goodwill of Baht 547.39 million, which is the difference between the total amount paid for the shares and the net asset value.

The aforementioned transactions have been reviewed and approved by the Board of Directors, which includes the Audit Committee.

On September 30, 2008, ThaiBev sold all ordinary shares of Thai Alcohol Plc. to Damrongfah<sup>(2)</sup> for the total amount of 160.0 million shares, representing 100.0% of the total issued and paid-up shares of Thai Alcohol Plc. The total amount in consideration paid to ThaiBev was Baht 1,591.0 million, which is considered a fair market value according to the IFA opinion given by PrimePartners Corporate Finance Pte. Ltd., which is a certified independent financial advisor under the regulation of the Stock Exchange of Singapore.

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(2) Damrongfah Co. is a holding company, where Mr. Charoen Sirivadhanabhakdi and his spouse hold all shares directly and indirectly.



In addition, on September 30, 2008, ThaiBev purchased ordinary shares of Oishi Group Plc. from Yodkij Business Co.<sup>(3)</sup> for the amount of 82,314,537 shares, which is approximately 43.9% of the total issued and paid-up shares of Oishi Group Plc. at a price of Baht 37.00 per share, which is considered a fair market value according to the IFA opinion given by PrimePartners Corporate Finance Pte. Ltd. and Sicco Advisory Co. Ltd. The total value of the transaction is approximately Baht 3,045.6 million (excluding commission and VAT. If included, the total amount would be Baht 3,053.6 million). ThaiBev has paid for the shares in full amount, where Baht 1,591.0 million came from the sales of Thai Alcohol Plc. shares (as stated above), approximately Baht 1,000 million came from borrowing from financial institutions and the rest is paid with the ThaiBev's internal cash flows. After the purchase of the shares, according to the Notification of the SEC No. GorJor 53/2545 about rules, conditions and procedures for the Acquisition of Securities for Business Takeover (including amendments), regarding the mandatory tender offer, ThaiBev, who has purchased the shares which cause the shareholding to pass 25% of the total number of shares issued by Oishi Group Plc., is obligated to conduct a tender offer for all securities of Oishi Group Plc. On October 9, 2008, ThaiBev has submitted the tender offer form (Form 247-4) to the SEC and shareholders of Oishi Group Plc. to make a tender offer for the remaining shares of Oishi Group Plc., amounting to Baht 3,891.9 million at the tender offer price of Baht 37.00 per share. On 14 November 2008, ThaiBev has closed the tender offer process of Oishi Group Plc.'s shares. As a result of the tender offer, ThaiBev now holds 168.6 million shares of Oishi Group Plc.. Representing 89.9% of the total issued and paid-up shares of Oishi Group Plc. The Company has paid the total of Baht 3,129.9 million for the tendered shares, which was financed by borrowings from financial institutions.

The acquisition of Oishi Group Plc. has increased the portion of revenue from non-alcoholic beverage segment, and made the Company one of the leaders in green tea market in Thailand.

In addition, the proposed acquisition will be synergistic in terms of economies of scale and optimization of the Company's resources, particularly in the following areas:

*1. Sales and Distribution Network:* Following the proposed acquisition, the Company intends to undertake an operational review to explore how to leverage on its extensive distribution network in Thailand to improve Oishi Group Plc.'s distribution systems and increase market reach for Oishi Group Plc.'s products. In addition, the Company will also explore opportunities to distribute Oishi Group Plc. products at retail outlets that currently sell its alcoholic beverages.

*2. Resources Sharing:* Following the proposed acquisition, the Company expects to undertake an operational review to explore opportunities to maximize benefits from the sharing of existing resources and operational functions. Both companies will work together to develop strategies on future synergistic plans, such as opportunities to centralize procurement for greater bargaining power, conduct collective training, sharing expertise on management information systems, and financing for future investments.

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(3) Yodkij Business Co. is a holding company, where Mr. Charoen Sirivadhanabhakdi and his spouse hold all shares directly and indirectly.

The following table set forth the revenue structure of Oishi Group Plc.

	Revenue by Segment				
	For the Year Ended 31 December			Nine-Months Periods Ended 30 June	
	2007	2006	2007	2007	2008
Food and Bakery.....					
Food.....	1,460.3	1,699.0	1,956.9	1,410.2	1,863.1
Bakery.....	121.5	103.3	81.9	60.4	66.8
<b>Total Revenue from Food and Bakery</b>	<b>1,581.8</b>	<b>1,802.3</b>	<b>2,038.8</b>	<b>1,470.6</b>	<b>1,929.9</b>
Beverage					
Oishi Green Tea.....	3,049.0	1,939.6	2,409.9	1,791.1	2,204.2
Seiki.....	-	13.4	47.9	44.0	10.7
AMINO OK.....	35.7	195.2	88.6	77.2	36.0
Coffio.....	-	-	-	-	111.4
<b>Total Revenue from Beverage.....</b>	<b>3,084.7</b>	<b>2,148.1</b>	<b>2,546.4</b>	<b>1,912.3</b>	<b>2,362.3</b>
<b>Total Revenue from Oishi Group Plc.....</b>	<b>4,666.5</b>	<b>3,950.4</b>	<b>4,585.2</b>	<b>3,382.9</b>	<b>4,292.2</b>

The revenue from food business derives from:

- Japanese buffet restaurant, which includes Oishi Grand, Oishi Buffet, Oishi Express and Shabushi
- A La Carte Japanese food restaurants, which includes Oishi Ramen, Log Home, OK Suki and B-B-Q
- Kiosk Outlet, which includes Sushi Bar
- Bakery Outlet, which includes In-and-Out

The revenue from beverage business derives from:

- Ready-to-Drink Green Tea, which includes Oishi Green Tea
- Fruity Drink, which includes AMINO OK
- Orange juice, which includes Seiki
- Ready-to-Drink Coffee, which includes Coffio

The following table set forth the sales volume of beverages under Oishi Group Plc., which divided into Green Tea, Fruity Juice, and Ready-to-Drink Coffee

Unit: Million Liters

	For the Year Ended 31 December			Nine-Months Periods Ended 30 June	
	2007	2006	2007	2007	2008
Beverages.....					
Oishi Green Tea .....	123.0	83.5	104.2	77.9	95.0
Seiki .....	-	0.4	1.5	1.4	0.4
AMINO OK.....	1.5	8.0	3.7	3.2	1.5
Ready-to-Drink Coffee "Coffio" .....	-	-	-	-	1.5
<b>Total Sales Volume</b>	<b>124.4</b>	<b>91.9</b>	<b>109.4</b>	<b>82.5</b>	<b>98.4</b>

## Revenues

The total revenue from sales consists mainly of revenue from sales of beer, spirits, non-alcoholic beverage, food, industrial alcohol<sup>(1)</sup>, as well as interest income and other income.

The following table set forth the total revenue, and each type of revenue as a percentage of total revenue in the specified periods

	Revenue									
	Unit: Baht million except percentage data									
	For the Year Ended December 31,						For the Nine-Month Period Ended September 30,			
	2005	%	2006 (Restated)	%	2007	%	2007 <sup>(1)</sup>	%	2008	%
	(Audited)						(Unaudited)			
Revenue from sales ...	94,903.4	99.7	97,797.9	99.8	100,540.9	99.7	74,668.7	99.7	76,517.7	99.1
Interest income .....	71.5	0.1	56.5	0.1	40.8	0.0	30.2	0.0	22.4	0.0
Other income.....	215.3	0.2	101.6	0.1	257.2	0.3	202.5	0.3	668.0	0.9
<b>Total income .....</b>	<b>95,190.2</b>	<b>100.0</b>	<b>97,956.0</b>	<b>100.0</b>	<b>100,838.9</b>	<b>100.0</b>	<b>74,901.4</b>	<b>100.0</b>	<b>77,208.0</b>	<b>100.0</b>

Note: (1) The Company has restated its financial statements for the nine-month period ended 30 September 2007 for comparison purpose with its financial statements for the nine-month period ended 30 September 2008, in accordance with section 12.4.1 Reclassification of the Financial Statements

## Expenses

The Company's expenses consist of cost of sales and selling and administrative expenses.

The following table sets forth the breakdown of the expenses and each item as a percentage of the total expenses for the periods indicated:

(1) ThaiBev has sold all the shares of Thai Alcohol Pcl. to Damrongfah Co. on September 30, 2008.

Expenses										
Unit: Baht million except percentage data										
	For the Year Ended December 31,						For Nine-Month Period Ended September 30,			
	2005	%	2006 (Restated)	%	2007	%	2007 <sup>(1)</sup>	%	2008	%
	(Audited)						(Unaudited)			
Cost of sales										
Excise tax <sup>2</sup> .....	47,065.0	60.1	49,143.0	59.9	50,558.1	59.8	35,081.6	55.9	35,465.6	53.9
Packaging materials....	7,364.8	9.4	8,080.4	9.9	8,369.6	9.9	7,027.2	11.2	7,647.9	11.6
Raw materials .....	4,054.2	5.2	6,034.4	7.4	6,143.4	7.3	5,476.7	8.7	6,732.0	10.2
Others .....	12,665.8	16.2	7,715.0	8.7	6,864.2	8.1	5,472.9	8.7	5,773.8	8.8
Eliminations .....	(5,962.1)	(7.6)	(1,083.4)	(1.3)	(1,062.8)	(1.3)	(908.1)	(1.4)	(283.5)	(0.4)
Total cost of sales .....	65,187.7	83.2	69,325.1	84.5	70,872.6	83.8	52,150.3	83.1	55,335.9	84.0
Selling and administrative expenses.....	13,180.3	16.8	12,684.6	15.5	13,689.4	16.2	10,640.8	16.9	10,520.8	16.0
<b>Total Expenses</b>	<b>78,368.0</b>	<b>100.0</b>	<b>82,009.7</b>	<b>100.0</b>	<b>84,562.0</b>	<b>100.0</b>	<b>62,791.1</b>	<b>100.0</b>	<b>65,856.7</b>	<b>100.0</b>

Note: (1) The Company has restated its financial statements for the nine-month period ended 30 September 2007 for comparison purpose with its financial statements for the nine-month period ended 30 September 2008, in accordance with section 12.4.1 Reclassification of the Financial Statements

(2) Includes municipal taxes, Health Promotion fund contributions and Thai PBS contributions.

## Segmental Data

Since 2005, the Company operates six business segments, which are beer, spirits, non-alcoholic beverages, food, industrial alcohol and related business. The Company recorded revenues and associated expenses according to these segments. However, the Company recently reclassified several of its business segments, whereby the related business is no longer a separate business group but its operating results will be allocated to other main business segments instead. In addition, the Company sold all shares in Thai Alcohol Plc., a company that produce and sale industrial alcohol and the acquisition of Oishi Group Plc. Such actions will have an impact on the presentation of the Company's operating results in certain business segments.

The following table sets forth the revenue from sales, cost of sales, and selling and administrative expenses by business segment, including appropriate intersegment eliminations for intersegment transactions, and the revenue from sales by geographic region for the periods indicated:

## Segment Data

Unit: Baht million

	For the Year Ended December 31,			For the Nine-Month Period Ended September 30,		
	2005	2006 (Before Restatement)	2006 (Restated)	2007	2007 <sup>(8)</sup>	2008
<b>Selected Segment Data</b>						
<b>Revenue from sales</b> .....						
Beer, drinking water and soda water <sup>(1)</sup> .....	42,277.0	46,641.0	46,103.2	47,557.3	34,099.4	28,740.0
Spirits <sup>(2)</sup> .....	52,811.0	51,428.3	51,576.1	52,940.2	37,491.4	42,262.8
Non-alcoholic beverages <sup>(3)</sup> .....	-	-	-	-	1,912.3	2,969.5
Food <sup>(4)</sup> .....	-	-	-	-	1,470.6	1,929.8
Industrial Alcohol <sup>(5)</sup> .....	869.2	1,205.0	1,205.0	966.0	502.3	893.8
Related business <sup>(6)</sup> .....	6,633.0	7,155.1	-	-	-	-
Eliminations <sup>(7)</sup> .....	(7,686.8)	(8,631.6)	(1,086.4)	(922.5)	(807.4)	(278.2)
<b>Total</b> .....	<b>94,903.4</b>	<b>97,797.9</b>	<b>97,797.9</b>	<b>100,540.9</b>	<b>74,668.7</b>	<b>76,517.7</b>
<b>Cost of sales</b> .....						
Beer, drinking water and soda water <sup>(1)</sup> .....	32,548.7	35,609.0	35,943.8	37,040.2	26,456.8	23,451.9
Spirits <sup>(2)</sup> .....	32,061.5	33,002.2	33,469.5	33,923.4	23,932.1	28,007.4
Non-alcoholic beverages <sup>(3)</sup> .....	-	-	-	-	1,341.3	2,234.1
Food <sup>(4)</sup> .....	-	-	-	-	843.4	1,119.6
Industrial Alcohol <sup>(5)</sup> .....	471.3	995.2	995.2	971.8	484.9	806.3
Related business <sup>(6)</sup> .....	6,068.3	6,365.1	-	-	-	-
Eliminations <sup>(7)</sup> .....	(5,962.1)	(6,646.4)	(1,083.4)	(1,062.8)	(908.1)	(283.5)
<b>Total</b> .....	<b>65,187.7</b>	<b>69,325.1</b>	<b>69,325.1</b>	<b>70,872.6</b>	<b>52,150.3</b>	<b>55,335.9</b>
<b>Selling and administrative expenses</b> .....						
Beer, drinking water and soda water <sup>(1)</sup> .....	6,983.7	6,932.1	5,767.8	6,456.1	4,618.3	3,973.9
Spirits <sup>(2)</sup> .....	7,343.5	7,169.7	6,740.1	7,055.4	5,057.1	5,135.6
Non-alcoholic beverages <sup>(3)</sup> .....	-	-	-	-	284.4	592.7
Food <sup>(4)</sup> .....	-	-	-	-	530.4	688.9
Industrial Alcohol <sup>(5)</sup> .....	165.7	177.3	178.5	140.3	126.0	138.5
Related business <sup>(6)</sup> .....	461.6	454.3	-	-	-	-
Eliminations <sup>(7)</sup> .....	(1,774.3)	(2,048.9)	(1.8)	37.6	24.5	(8.9)
<b>Total</b> .....	<b>13,180.3</b>	<b>12,684.6</b>	<b>12,684.6</b>	<b>13,689.4</b>	<b>10,640.8</b>	<b>10,520.8</b>
<b>Geographic breakdown of revenue</b> .....						
Domestic.....	91,411.3	94,917.6	94,917.6	96,656.6	72,098.6	73,618.3
International.....	3,492.1	2,880.3	2,880.3	3,884.3	2,570.2	2,899.3
<b>Total</b> .....	<b>94,903.4</b>	<b>97,797.9</b>	<b>97,797.9</b>	<b>100,540.9</b>	<b>74,668.7</b>	<b>76,517.7</b>

(1) Includes the sales of by-products to third parties and intersegment sales of bottles. In the first quarter of 2008, the Company has reclassified the segment reporting by separating drinking water and soda water and reclassified them into the non-alcoholic beverage business. Therefore, the reclassification effects the segment report of the 9 months of 2008 only without reclassifying the 9 months of 2007 or any previous years.

- (2) Includes sales of by-products to third parties and intersegment sales of molasses to Thai Alcohol Plc.
- (3) Since the first quarter of 2008, the Company has reclassified the segment data and has added the new business segment, the non-alcoholic beverages.
- (4) Since the third quarter of 2008, the Company has reclassified the segment data and has added the new business segment, the food business.
- (5) ThaiBev has sold all the shares of Thai Alcohol Plc. to Damrongfah Co. on September 30, 2008.
- (6) Includes principally intersegment revenues, including sales of new and used bottles, logistic service fees, sales of spare parts and procurement commission, sales of construction services and sales of advertising and media, and related expenses. Since the third quarter of 2007, the related businesses revenue, which is principally the intersegment revenue, will not be reported as a separate business segment, but will be distributed into the main business segments including the beer, drinking water, soda water, spirits and industrial alcohol business segments. For the purpose of comparison, the Company has restated the financial information of 2006 to be in the same classification as the year 2007.
- (7) Includes eliminations of intersegment sales, which are sales of bottles, spare parts, procurement commissions and logistic services with related businesses.
- (8) The Company has restated its financial statements for the nine-month period ended 30 September 2007 for comparison purpose with its financial statements for the nine-month period ended 30 September 2008, in accordance with section 12.4.1 Reclassification of the Financial Statements

## Results of Operations

The following table sets forth the breakdown of the statement of income and their corresponding percentages to the total revenue from sales for the periods indicated:

	Selected Segment Data					
	For the Year Ended December 31,				For the Nine-Month Period Ended September 30,	
	2005	2006 (Before Restatement)	2006 (Restated)	2007	2007 <sup>(3)</sup>	2008
<b>Unit: Percentage of Total Revenue</b>						
<b>Profit and Loss Statement</b>						
Total revenue.....	100.0	100.0	100.0	100.0	100.0	100.0
Total revenue from sales .....						
Beer, drinking water and soda water .....	44.4	47.6	47.1	47.2	45.5	37.2
Spirits .....	55.5	52.5	52.7	52.5	50.1	54.7
Non-alcoholic beverages.....	-	-	-	-	2.6	3.8
Food <sup>(1)</sup> .....	-	-	-	-	2.0	2.5
Industrial alcohol <sup>(2)</sup> .....	0.9	1.2	1.2	1.0	0.7	1.2
Related businesses.....	7.0	7.3	-	-	-	-
Eliminations.....	(8.1)	(8.8)	(1.1)	(0.9)	(1.1)	(0.4)
<b>Total revenue from sales .....</b>	<b>99.7</b>	<b>99.8</b>	<b>99.8</b>	<b>99.7</b>	<b>99.7</b>	<b>99.1</b>
Interest income.....	0.1	0.1	0.1	0.0	0.0	0.0
Other income .....	0.2	0.1	0.1	0.3	0.3	0.9
Cost of sales.....						
Beer, drinking water and soda water.....	34.2	36.4	36.7	36.7	35.3	30.4
Excise tax .....	23.1	25.1	25.1	25.3	24.5	20.1
Packaging material.....	4.5	5.0	4.9	5.1	4.9	4.7
Raw material.....	2.7	2.7	2.7	2.6	2.5	2.5
Other.....	3.9	3.5	4.0	3.7	3.4	3.1
Spirits.....	33.7	33.7	34.2	33.6	32.0	36.3
Excise tax .....	26.3	24.5	25.0	24.8	22.4	25.8
Packaging material.....	3.3	3.4	3.4	3.2	3.4	3.8
Raw material.....	1.3	2.8	2.8	2.7	3.0	3.6
Other.....	2.8	3.0	3.0	2.9	3.1	3.1
Non-alcoholic beverages.....	-	-	-	-	1.8	2.9
Food <sup>(1)</sup> .....	-	-	-	-	1.1	1.5
Industrial alcohol <sup>(2)</sup> .....	0.5	1.0	1.0	1.0	0.6	1.0

## Selected Segment Data

Unit: Percentage of Total Revenue

	For the Year Ended December 31,			For the Nine-Month Period Ended September 30,		
	2005	2006 (Before Restatement)	2006 (Restated)	2007	2007 <sup>(3)</sup>	2008
Related businesses.....	6.4	6.5	-	-	-	-
Eliminations.....	(6.3)	(6.8)	(1.1)	(1.1)	(1.2)	(0.4)
<b>Total cost of sales .....</b>	<b>68.5</b>	<b>70.8</b>	<b>70.8</b>	<b>70.3</b>	<b>69.6</b>	<b>71.7</b>
Selling and administrative expenses .....	13.8	12.9	12.9	13.6	14.2	13.6
<b>EBIT.....</b>	<b>17.7</b>	<b>16.3</b>	<b>16.3</b>	<b>16.1</b>	<b>16.2</b>	<b>14.7</b>
Interest expense .....	1.8	1.6	1.6	1.0	1.1	0.6
Income tax .....	5.0	4.4	4.4	4.8	5.0	4.2
Net profit (loss) before minority interests	10.9	10.3	10.3	10.3	10.1	9.9
Minority interests .....	-	-	-	-	0.3	0.3
<b>Net profit (loss)</b>	<b>10.9</b>	<b>10.3</b>	<b>10.3</b>	<b>10.3</b>	<b>9.8</b>	<b>9.6</b>

- (1) Since the third quarter of 2008, the Company has reclassified the segment data and has added the new business segment, the food business.
- (2) ThaiBev has sold all the shares in Thai Alcohol Plc. to Damrongfah Co. on September 30, 2008
- (3) The Company has restated its financial statements for the nine-month period ended 30 September 2007 for comparison purpose with its financial statements for the nine-month period ended 30 September 2008, in accordance with section 12.4.1 Reclassification of the Financial Statements

### ***Management Discussion and Analysis of Financial Condition and Results of Operations for nine-month period ended September 30, 2008 and September 30, 2007***

#### **The Company**

**Total revenue** The total revenue for the Company increase 3.1% from Baht 74,901.4 million for the nine-month period ended September 30, 2007 to Baht 77,208.0 million for the nine-month period ended September 30, 2008.

**Revenue from sales** The revenue from sales for the Company increased 2.5% from Baht 74,668.7 million for the nine-month period ended September 30, 2007 to Baht 76,517.7 million for the nine-month period ended September 30, 2008, mainly due to the increase of the revenue from sales of spirits business of approximately 12.7%, the increase of the revenue from sales of the non-alcoholic beverages, the increase of the revenue from sales of food, and the revenue from sales of industrial alcohol. However, these increases were partially offset by the decline in revenue from sales of beer of approximately 15.7%. The domestic sales for the nine-month period ended September 30, 2007 and for the nine-month period ended September 30, 2008 were 96.6% and 96.2%, respectively.

**Interest income** Interest income for the Company decreased from Baht 30.2 million for the nine-month period ended September 30, 2007 to Baht 22.4 million for the nine-month period ended September 30, 2008, mainly due to the decrease in deposits for the nine-month period ended September 30, 2008.



**Other income** Other income for the Company increased from Baht 202.5 million for the nine-month period ended September 30, 2007 to Baht 668.0 million for the nine-month period ended September 30, 2008, mainly due to profit from the sales of Thai Alcohol Plc., which amount to Baht 525.8 million during the nine-month period ended September 30, 2008

**Cost of sales** Cost of sales for the Company increased 6.1% from Baht 52,150.3 million for the for the nine-month period ended September 30, 2007 to Baht 55,335.9 million for the nine-month period ended September 30, 2008

**Excise tax** Excise tax (including municipal taxes, Health Promotion Fund contributions and contributions to Thai PBS) for the Company increased 1.1% from Baht 35,081.6 million for the nine-month period ended September 30, 2007 to Baht 35,465.6 million for the nine-month period ended September 30, 2008, mainly due to the increase in excise tax rate levied on spirits products on August 28, 2007 and the increased in tax to support the Thai PBS on January 14, 2008.

**Packaging materials** Packaging materials for the Company increased 8.8% from Baht 7,027.2 million for the nine-month period ended September 30, 2007 to Baht 7,647.9 million for the nine-month period ended September 30, 2008, mainly due the increase in the costs of boxes and glass bottles.

**Raw materials** Raw materials costs increased 22.9% from Baht 5,476.7 million for the nine-month period ended September 30, 2007 to Baht 6,732.0 million for the nine-month period ended September 30, 2008, mainly due to the increase in the raw materials costs, such as malts and rice.

**Others** Other cost of sales for the Company increased 5.5% from Baht 5,472.9 million for the nine-month period ended September 30, 2007 to Baht 5,773.8 million for the nine-month period ended September 30, 2008, mainly due to the increase in direct labor and manufacturing overhead expenses.

**Gross profit** Gross profit for the Company decreased 5.9% from Baht 22,518.4 million for the nine-month period ended September 30, 2007 to Baht 21,181.8 million for the nine-month period ended September 30, 2008, mainly due to the decrease in gross profit from the beer business.

**Selling and administrative expenses** Selling and administrative expenses for the Company decreased 1.1% from Baht 10,640.8 million for the nine-month period ended September 30, 2007 to Baht 10,520.8 million for the nine-month period ended September 30, 2008, mainly due to the lower amount of obsolete inventories than previously expected, causing a reversal in allowance for obsolete inventory, resulting in a decrease of Baht 480.8 million of selling and administrative expense for the nine-month period ended September 30, 2008 comparing to the nine-month period ended September 30, 2007 , and the decrease in loss from exchange rate by 97.8% from Baht 131.8 million for the nine-month period ended September 30, 2007 to Baht 2.8 million for the nine-month period ended September 30, 2008. These decreases offset the increase in idle costs and employee expenses.

**Earnings before interest and tax (EBIT)** Earnings before interest and tax (EBIT) for the Company decreased 6.3% from Baht 12,110.2 million for the nine-month period ended September 30, 2007 to Baht 11,351.4 million for the nine-month period ended September 30, 2008, mainly due to the decrease in gross profit in the beer business.

**Eliminations** Eliminations of revenues between the related businesses decreased 65.5% from Baht 807.4 million for the nine-month period ended September 30, 2007 to Baht 278.2 million for the nine-month period ended September 30, 2008, mainly due to the decrease in the intersegment revenue from sales , which includes the sale and purchase of raw materials, and the increase in revenue from centralizing logistics, procurement and marketing.

Elimination of expenses between the related businesses decreased 68.8% from Baht 908.1 million for the nine-month period ended September 30, 2007 to Baht 283.5 million for the nine-month period ended September 30, 2008, mainly due to the decrease intersegment revenue from sales .

**Interest expense** Interest expense for the Company decreased 43.4% from Baht 819.0 million for the nine-month period ended September 30, 2007 to Baht 463.5 million for the nine-month period ended September 30, 2008, mainly due to the decrease in borrowing for the nine-month period ended September 30, 2008, compared to the nine-month period ended September 30, 2007.

**Income tax** Income tax for the Company decreased 12.6% from Baht 3,721.5 million for the nine-month period ended September 30, 2007 to Baht 3,252.1 million for the nine-month period ended September 30, 2008, mainly due to the decrease in earnings before interest and tax.

**Net profit** Net profit for the Company increased 0.9% from Baht 7,569.7 million for the nine-month period ended September 30, 2007 to Baht 7,635.8 million for the nine-month period ended September 30, 2008, mainly due to the decrease in interest expenses.

### Beer Business

**Revenue from sales** Total revenue from sales decreased 15.7% from Baht 34,099.4 million for the nine-month period ended September 30, 2007 to Baht 28,740.0 million for the nine-month period ended September 30, 2008, mainly due to the decrease in beer sales volume by 15.7% from 685.5 million liters for the nine-month period ended September 30, 2007 to 577.8 million liters for the nine-month period ended September 30, 2008. This decrease was led by the fall of sales volume of low-alcohol content beer by 77.5 million liters, or 36.4%, to 135.5 million liters for the nine-month period ended September 30, 2008.

**Cost of sales** Cost of sales decreased 11.4% from Baht 26,456.8 million for the nine-month period ended September 30, 2007 to Baht 23,451.9 million for the nine-month period ended September 30, 2008, mainly due to the decrease in beer sales volume.

**Excise tax** Excise tax expenses (including municipal taxes, Health Promotion Fund contributions and contributions to Thai PBS) for the beer business decreased by 15.4% from Baht 18,314.1 million for the nine-month period ended September 30, 2007 to Baht 15,488.9 million for the nine-month period ended September 30, 2008, which is in line with the decline in beer sales volume of 15.7% for the nine-month period ended September 30, 2008 compared to September 30, 2007.

**Packaging materials** Packaging materials expenses decreased by 1.1% from Baht 3,680.2 million for the nine-month period ended September 30, 2007 to Baht 3,640.4 million for the nine-month period ended September 30, 2008, mainly due to the increase in the costs of packaging materials, although such increase was offset by the decline in sales volume of beer for the nine-month period ended September 30, 2008 compared to the nine-month period ended September 30, 2007, resulting in the packaging materials expenses to be approximately the same as previous year.

**Raw materials** Raw materials expenses slightly decreased from Baht 1,895.8 million for the nine-month period ended September 30, 2007 to Baht 1,895.7 million for the nine-month period ended September 30, 2008, mainly due to the decrease in sales volume of beer, which was partially offset by the increase in costs of the main raw materials such as malt and rice for the nine-month period ended September 30, 2008

**Others** Other expenses decreased by 5.4% from Baht 2,566.7 million for the nine-month period ended September 30, 2007 to Baht 2,426.9 million for the nine-month period ended September 30, 2008, mainly due to the decrease in sales volume of beer.

**Gross profit** Gross profit decreased by 30.8% from Baht 7,642.6 million for for the nine-month period ended September 30, 2007 to Baht 5,288.1 million for the nine-month period ended September 30, 2008, mainly due to the decrease in beer sales volume and the decrease in gross profit margin from 22.4% for the nine-month period ended September 30, 2007 to 18.4% for the nine-month period ended September 30, 2008, due to the increase in raw material costs.

**Selling and administrative expenses** Selling and administrative expenses decreased 14.0% from Baht 4,618.3 million for the nine-month period ended September 30, 2007 to Baht 3,973.9 million for the nine-month period ended September 30, 2008, mainly due to a decrease the marketing and public relation expenses for the nine-month period ended September 30, 2008, compared to the nine-month period ended September 30, 2008.

**Earnings before interest and tax (EBIT)** Earnings before interest and tax (EBIT) decreased 56.6% from Baht 3,116.5 million for the nine-month period ended September 30, 2007 to Baht 1,353.7 million for the nine-month period ended September 30, 2008, mainly due to the decrease in beer sales volume and the increase in raw material costs.

**Net profit** Net profit decreased 35.1% from Baht 1,277.3 million for the nine-month period ended September 30, 2007 to Baht 829.4 million for the nine-month period ended September 30, 2008, mainly due to the decrease in revenue from sales of beer, together with the increase in raw material costs, although partially offset by a decline in interest expense.

### **Spirits Business**

**Revenue from sales** Revenue from sales increased 12.7% from Baht 37,491.4 million for the nine-month period ended September 30, 2007 to Baht 42,262.8 million for the nine-month period ended September 30, 2008, mainly due to the increase in price of spirits.

*Revenue from sales of brown spirits* Revenue from sales of brown spirits increased 11.0% from Baht 17,084.5 million for the nine-month period ended September 30, 2007 to Baht 18,970.8 million for the nine-month period ended September 30, 2008, mainly due to the increase in price of brown spirits and the increase in brown spirits sales volume by 4.0% from 84.6 million liters for the nine-month period ended September 30, 2007 to 88.0 million liters for the nine-month period ended September 30, 2008.

*Revenue from sales of white and Chinese herb spirits* Revenue from sales of white and Chinese herb spirits increased 14.3% from Baht 19,539.3 million for the nine-month period ended September 30, 2007 to Baht 22,331.4 million for the nine-month period ended September 30, 2008, mainly due to the increase in the price of white spirits during May 2008, which offset the 8.2% decline in white and herb spirits sales volume from 243.2 million liters for the nine-month period ended September 30, 2007 to 223.3 million liters for the nine-month period ended September 30, 2008.

**Cost of sales** Cost of sales increased 17.0% from Baht 23,932.1 million for the nine-month period ended September 30, 2007 to Baht 28,007.4 million for the nine-month period ended September 30, 2008

*Excise tax* Excise tax (including municipal taxes, Health Promotion Fund contributions and contributions to Thai PBS) increased 18.7% from Baht 16,767.5 million for the nine-month period ended September 30, 2007 to Baht 19,895.9 million for the nine-month period ended September 30, 2008, mainly due to the increase of excise tax rate in August 2007 and the additional taxes collected for contributions to the Thai PBS, which started since January 2008.

*Packaging materials* Packaging materials expenses increased 13.3% from Baht 2,576.2 million for the nine-month period ended September 30, 2007 to Baht 2,917.7 million for the

nine-month period ended September 30, 2008, mainly due to the increase in the costs of boxes and glass bottles.

**Raw materials** Raw materials costs increased 24.6% from Baht 2,233.1 million for the nine-month period ended September 30, 2007 to Baht 2,783.4 million for the nine-month period ended September 30, 2008, mainly due to the increase in the usage of higher price raw materials.

**Others** Other expenses increased by 2.3% from Baht 2,355.2 million for the nine-month period ended September 30, 2007 to Baht 2,410.4 million for the nine-month period ended September 30, 2008, mainly due to the increase in labor and manufacturing overhead expenses.

**Gross profit** Gross profit increased by 5.1% from Baht 13,559.4 million for the nine-month period ended September 30, 2007 to Baht 14,255.4 million for the nine-month period ended September 30, 2008, mainly due to the increase in price of spirits and sales volume of brown spirits, even though the cost of sales increased.

**Selling and administrative expenses** Selling and administrative expenses increased 1.6% from Baht 5,057.1 million for the nine-month period ended September 30, 2007 to Baht 5,135.6 million for the nine-month period ended September 30, 2008, mainly due to an increase in marketing and public relation expenses, an increase in idle costs of the spirits production facilities and an increase in employee expenses.

**Earnings before interest and tax (EBIT)** Earnings before interest and tax (EBIT) increased 7.3% from Baht 8,625.9 million for the nine-month period ended September 30, 2007 to Baht 9,254.2 million for the nine-month period ended September 30, 2008, mainly due to the increase in gross profit, although partially offset by an increase in idle costs, marketing and public relation expenses.

**Net profit** Net profit increased 4.4% from Baht 5,972.9 million for the nine-month period ended September 30, 2007 to Baht 6,236.6 million for the nine-month period ended September 30, 2008, mainly due to an increase in the price of spirits, an increase in brown spirits sales volume and also a decrease in interest expense for this business segment.

### **Non-alcoholic Beverages Business**

**Revenue from sales** Revenue from sales increased 55.3% from Baht 1,912.3 million for the nine-month period ended September 30, 2007 to Baht 2,969.5 million for the nine-month period ended September 30, 2008, mainly due to the increase in sales of Oishi products, which increased by 19.3% from 82.5 million liters for the nine-month period ended September 30, 2007 to 98.4 million liters for the nine-month period ended September 30, 2008 and the introduction of energy drinks and ready-to-drink coffee, resulting from the acquisition of assets of Wrangyer Beverage Co. Ltd. in January 2008.

**Cost of sales** Cost of sales increased 66.6% from Baht 1,341.3 million for the nine-month period ended September 30, 2007 to Baht 2,234.1 million for the nine-month period ended September 30, 2008, mainly due to the increased in sales of Oishi products and the introduction of energy drinks and ready-to-drink coffee in January 2008

**Gross profit** Gross profit increased by 28.8% from Baht 571.0 million for the nine-month period ended September 30, 2007 to Baht 735.4 million for the nine-month period ended September 30, 2008, while the gross profit margin decrease from 29.9% for the nine-month period ended September 30, 2007 to 24.8% for the nine-month period ended September 30, 2008 mainly due to the increase in raw material and manufacturing overhead expenses together with the increase in product offering, which are the energy drinks, ready-to-drink coffee, drinking water and soda water, causing a change in gross profit margin.

**Selling and administrative expenses** Selling and administrative expenses increased 108.4% from Baht 284.4 million for the nine-month period ended September 30, 2007 to Baht 592.7 million for the nine-month period ended September 30, 2008, mainly due to the increase in marketing and public relation expenses, and the reclassification of idle costs of the drinking water and soda water production facilities to the non-alcoholic beverage segment, where it is previously recorded in the beer, drinking water and soda water business segment.

**Earnings before interest and tax (EBIT)** Earnings before interest and tax (EBIT) decreased 45.5% from Baht 290.6 million for the nine-month period ended September 30, 2007 to Baht 158.4 million for the nine-month period ended September 30, 2008, mainly due to the increase in selling and administrative expenses.

**Net profit** Net profit decreased 56.1% from Baht 292.5 million for the nine-month period ended September 30, 2007 to Baht 128.4 million for the nine-month period ended September 30, 2008, mainly due to an increase in selling and administrative expense and interest expense.

### **Food Business**

**Revenue from sales** Revenue from sales increased 31.2% from Baht 1,470.6 million for the nine-month period ended September 30, 2007 to Baht 1,929.8 million for the nine-month period ended September 30, 2008, mainly due to the increase in branches of restaurants by 13 branches and the sales promotion of the food business.

**Cost of sales** Cost of sales increased 32.8% from Baht 843.4 million for the nine-month period ended September 30, 2007 to Baht 1,119.6 million for the nine-month period ended September 30, 2008, mainly due to the increase in raw material expenses.

**Gross profit** Gross profit increased by 29.2% from Baht 627.3 million for the nine-month period ended September 30, 2007 to Baht 810.2 million for the nine-month period ended September 30, 2008, mainly due to the increase in sales revenue, eventhough the gross profit declined slightly from 42.7% for the nine-month period ended September 30, 2007 to 42.0% for the nine-month period ended September 30, 2008.

**Selling and administrative expenses** Selling and administrative expenses increased 29.9% from Baht 530.4 million for the nine-month period ended September 30, 2007 to Baht 688.9 million for the nine-month period ended September 30, 2008, mainly due to the increase in marketing and public relation and employee expenses for the nine-month period ended September 30, 2008 compared to the nine-month period ended September 30, 2007.

**Earnings before interest and tax (EBIT)** Earnings before interest and tax (EBIT) increased 26.9% from Baht 108.0 million for the nine-month period ended September 30, 2007 to Baht 137.0 million for the nine-month period ended September 30, 2008, mainly due to the increase in gross profit

**Net profit** Net profit increased 51.0% from Baht 87.6 million for the nine-month period ended September 30, 2007 to Baht 132.3 million for the nine-month period ended September 30, 2008, mainly due to an increase in earnings before interest and tax.

### **Industrial Alcohol Business**

**Revenue from sales** Revenue from sales increased 77.9% from Baht 502.3 million for the nine-month period ended September 30, 2007 to Baht 893.8 million for the nine-month period ended September 30, 2008, mainly due to the increase in sales volume of alcohol 95 increased 952.3% from 3.0 million liters for the nine-month period ended September 30, 2007 to 31.2 million for the nine-month period ended September 30, 2008, where most are exported, and the average price for the

nine-month period ended September 30, 2007 was Baht 14.04 per liters, a decrease of 13.3% compared to the same period in 2007.

**Cost of sales** Cost of sales increased 66.3% from Baht 484.9 million for the nine-month period ended September 30, 2007 to Baht 806.3 million for the nine-month period ended September 30, 2008, mainly due to the increase in the sales volume of alcohol 95.

**Gross profit** Gross profit increased 401.2% from Baht 17.5 million for the nine-month period ended September 30, 2007 to Baht 87.5 million for the nine-month period ended September 30, 2008, mainly due to the increase in alcohol 95 sales volume and the increase in gross profit margin from 3.5% for the nine-month period ended September 30, 2007 to 9.8% for the nine-month period ended September 30, 2008.

**Selling and administrative expenses** Selling and administrative expenses increased 9.9% from Baht 126.0 million for the nine-month period ended September 30, 2007 to Baht 138.5 million for the nine-month period ended September 30, 2008, mainly due to the increase in idle costs for the nine-month period ended September 30, 2008 compared to the nine-month period ended September 30, 2007

**Earnings before interest and tax (EBIT)** the earnings before interest and tax (EBIT) increased to Baht 478.1 million for the nine-month period ended September 30, 2008 from the loss before interest and tax of Baht 92.9 million for the nine-month period ended September 30, 2007, mainly due to the increase in the sales volume of alcohol 95 and the increase in other revenue caused by the gain from sales of Thai Alcohol Plc. Of Baht 525.8 million, which is partially offset by the increase in idle costs.

**Net profit** The net profit increased to Baht 309.9 million for the nine-month period ended September 30, 2008 from the net loss of 122.6 million for the nine-month period ended September 30, 2007, mainly due to the increase in sales volume of alcohol 95 and the increase in other revenue caused by the gain from sales of Thai Alcohol Plc. of Baht 525.8 million.

## Liquidity and Capital Resources

In the past 3 years, the Company used cash primarily for investments, repayment of borrowing, payment of dividends and business restructuring, where the source of the Company's liquidity comes from operating cash flows and commercial borrowing.

### Net Cash Flows

The following table sets forth a condensed summary of the Company statement of cash flows for the periods indicated:

Selected Cash Flows Data					
Unit: Baht million					
	For the Year Ended December 31,			Nine-Month Period Ended September 30,	
	2005	2006 (Restated) (Audited)	2007	2007 <sup>(1)</sup> (Unaudited)	2008
<b>Cash flows from operating activities .....</b>					
Cash flows from operating activities before changes in operating assets and liabilities .....	21,510.0	20,938.7	21,372.2	16,147.2	14,444.1
Changes in operating assets and liabilities .....	7,056.7	(6,576.4)	(4,928.6)	(6,284.9)	(8,591.1)
<b>Net cash provided by (used in) operating activities .....</b>	<b>28,756.6</b>	<b>14,362.4</b>	<b>16,443.5</b>	<b>9,862.4</b>	<b>5,853.0</b>
<b>Cash flows from investing activities .....</b>					
Consideration paid to shareholders of subsidiaries for common control transactions .....	(9,646.0)	(1,505.2)	-	-	-
Purchase of property, plant, and equipment .....	(7,302.0)	(4,231.9)	(1,454.6)	(770.2)	(1,767.4)
Cash provided by (used in) other investing activities.....	2,136.3	163.2	739.8	650.3	2,124.9
<b>Net Cash provided by (used in) investing activities .....</b>	<b>(14,811.7)</b>	<b>(5,574.0)</b>	<b>(714.7)</b>	<b>(119.8)</b>	<b>357.5</b>
<b>Cash flows from financing activities .....</b>					
Repayment of long-term loans from financial institutions .....	(1,320.0)	(22,431.6)	(3,500.0)	(3,125.0)	(1,755.0)
Increase (Decrease) in short-term loans from related parties .....	(514.8)	629.7	(4,615.2)	(4,615.2)	-
Increase (Decrease) in bank overdrafts and short-term loans from financial institutions .....	(5,224.0)	(33,405.3)	(1,140.9)	5,558.1	9,136.2
Proceeds from issuance of short-term guaranteed bonds ...	-	4,700.0	-	-	-
Repayment of short-term guaranteed bonds.....	-	(2,500.0)	(2,200.0)	(2,200.0)	-
Proceeds from issuance of long-term guaranteed bonds	-	5,300.0	-	-	-
Repayment of long-term guaranteed bonds.....	-	-	(2,300.0)	(2,300.0)	(3,000.0)
Proceeds of long-term loans from financial institutions.....	-	26,600.0	5,400.0	4,500.0	-

## Selected Cash Flows Data

	Unit: Baht million				
	For the Year Ended December 31,			Nine-Month Period Ended September 30,	
	2005	2006 (Restated) (Audited)	2007	2007 <sup>(1)</sup> (Unaudited)	2008
Proceeds from issuance of shares.....	-	20,325.8	-	-	-
Interest paid.....	(1,741.8)	(1,420.5)	(1,139.4)	(931.5)	(525.2)
Dividend paid <sup>(2)</sup> .....	(2,640.0)	(8,042.1)	(5,775.3)	(5,873.3)	(7,657.0)
<b>Net cash provided by (used in) financing activities .....</b>	<b>(11,440.6)</b>	<b>(10,244.1)</b>	<b>(15,270.8)</b>	<b>(8,986.9)</b>	<b>(3,801.0)</b>
Effect of exchange rate changes on balances held in foreign currencies.....	(23.0)	(22.7)	(188.6)	(39.5)	(452.3)
Net increase (decrease) in cash and cash equivalents .....	2,291.5	(1,478.4)	269.4	716.1	1,957.1
Cash and cash equivalents at the end of the period .....	3,398.0	1,919.6	2,189.0	2,657.4	4,544.9

(1) The Company has restated its financial statements for the nine-month period ended 30 September 2007 for comparison purpose with its financial statements for the nine-month period ended 30 September 2008, in accordance with section 12.4.1 Reclassification of the Financial Statements.

(2) Includes both dividend paid to the company shareholders, dividend paid to minority shareholders, and the dividend paid by subsidiaries before business restructuring.

**Net cash provided by (used in) operating activities**

In the nine-month period ended September 30, 2551, the Company's net cash provided by operating activities was Baht 5,853.0 million, consisting of net cash inflows from operations before changes in operating assets and liabilities of Baht 14,444.1 million and net cash outflows from changes in operating assets and liabilities of Baht 8,591.1 million. Net cash outflows from changes in operating assets and liabilities consisted primarily of increases in inventories and increase in other current assets, which is partially offset by decreases in accounts receivables.

**Net cash provided by (used in) investing activities**

For nine-month period ended September 30, 2008, the Company's net cash provided by investing activities was Baht 357.5 million, consisting principally of capital expenditures of Baht 1,767.4 million, which principally included the investment in waste treatment systems at five of the Company's distilleries, which are Fuengfuanant Co., Athimart Co., S.S. Karnsura Co., Kankwan Co. and Nateechai Co., for Baht 286.1 million and the purchase of property, plant, equipment and vehicle of the non-alcoholic beverages business for Baht 418.0 million. However, these cash outflows are offset by the inflow from the sales of Thai Alcohol Plc. for Baht 1,591.0 million.

**Net cash provided by (used in) financing activities**

For the nine-month period ended September 30, 2008, the Company's net cash used in financing activities was Baht 3,801.0 million, principally consisting of repayment of long-term guaranteed bond of Baht 3,000.0 million, the repayment of the long-term loan from financial institution of Baht 1,755.0 million and the dividend payment of Baht 7,657.0 million, which is partially offset by the cash received from overdraft and short-term loan from financial institution of Baht 9,136.2 million.



## **Indebtedness**

As of September 30, 2008, the Company's total liabilities was Baht 30,948.6 million which primarily consists of bank overdrafts and short-term loans from financial institutions of Baht 15,134.5 million and long-term loans from financial institutions of Baht 5,400.0 million.

On September 26, 2008, ThaiBev has issued a short-term bill of exchange with maturity less than 270 days and the notional amount of Baht 5,000 million, to the institutional and high net-worth investors for the purpose of expanding the Company's working capital and to diversify the source of fund to reduce the reliance on commercial banks. ThaiBev has structured the bill of exchange into 3 tranches. The first tranche has the aggregate amount of Baht 2,500 million and is due on March 31, 2009. The second tranche has the aggregate amount of Baht 1,500 million and is due on April 29, 2009. The third tranche has the aggregate amount of Baht 1,000 million and is due on 23 June 2009

In addition, on November 18, 2008, the Company has borrowed from a financial institution for the purpose of conducting the tender offer of Oishi Group Plc., for the amount of Baht 3,190.0 million, which has a maturity of 2 years (with a grace period of 1 year). The principal is to be paid back on a monthly basis, starting on the 13<sup>th</sup> month for the amount of Baht 300.0 million per month for a period of 10 months, and the remaining principal of Baht 190 million will be paid at maturity. The interest rate is 5.00% per annum.

Although the Company has no policy of fixing the debt to equity ratio, however, the Company has targeted the debt to equity ratio to be lower than 1.0. The Company cannot guarantee that the debt to equity ratio will not exceed the target, or the Company will not change the target ratio in the future.

## ***Financial Resources***

As of September 30, 2008, the Company has cash, cash equivalents and short-term investment of Baht 4,554.5 million, comparing to Baht 2,702.0 million as of December 30, 2007.

As of September 30, 2008, the Company has working capital credit line of Baht 33,566.5 million, where the Company still has Baht 18,312.4 million in available credit line.

The Company intend to fund a portion of the future development from existing cash resources and from cash flows from operations, the Company may seek additional debt funding to finance all or a portion of the planned capital expenditures or for other purposes. In addition, depending on the capital requirements, market conditions and other factors, the Company may raise additional funds through debt or equity offerings or the sale or other disposition of shares or assets.

## Capital Expenditures and Investments

The Company generally fund the capital expenditures using internally generated cash flows. The following table summarizes the historical capital expenditures for property, plant and equipment for the periods indicated:

	Historical Capital Expenditure				Unit: Baht million	
	For the Year Ended December 31,				Nine-Month Period Ended September 30,	
	2005	2006 (Before restatement)	2006 (Restated)	2007	2007 <sup>(1)</sup>	2008
Beer, drinking water and soda water.....	6,395.4	1,350.5	1,357.5	.3610	269.8	220.0
Spirits .....	481.5	2,606.0	.2,6123	.1,2771	637.2	639.0
Non-alcoholic beverages.....	-	-	-	-	16.2	540.7
Food.....	-	-	-	-	77.1	124.9
Industrial alcohol .....	254.3	67.8	68.7	58.6	37.4	27.5
Related Businesses .....	170.8	14.2	-	-	-	-
<b>Total.....</b>	<b>7,302.0</b>	<b>4,038.5</b>	<b>4,038.5</b>	<b>4,038.5</b>	<b>1,037.7</b>	<b>1,552.1</b>

(1) The Company has restated its financial statements for the nine-month period ended 30 September 2007 for comparison purpose with its financial statements for the nine-month period ended 30 September 2008, in accordance with section 12.4.1 Reclassification of the Financial Statements.

In the nine-month period ended September 30, 2008, the Company made investments totaling Baht 1,552.1 million, which mainly comprise the purchase of property, plant, and equipment of non-alcoholic beverages business amounting to Baht 540.7 million and the investment in waste treatment system project to produce biogas for Fuengfuanant Co., Athimart Co., S.S. Karnsura Co., Kankwan Co. and Nateechai Co. amounting to Baht 278.2 million.

The Company may also make investments in other companies to expand the business both within Thailand and outside Thailand. As part of these investments, The Company may purchase shares in companies controlled by the Principal Shareholders. The acquisition of any assets or shares from the Principal Shareholders, or from other parties related to the Company, would be subject to all applicable laws, including the requirements of the SET and the SGX-ST applicable to interested person transactions, which in general would require approval of the Audit Committee and the Board of Directors, and in certain cases, the Shareholders (excluding interested Shareholders).

The actual capital expenditures may differ from the amounts set out above due to various factors, including the future cash flows, results of operations and financial condition, changes in the Thai economy, the availability of other financing on terms acceptable to the Company, technical or other problems in obtaining or installing equipment, changes in the regulatory environment in Thailand, changes in the business plans and strategies and the extent to which the Company decide to enter into new lines of business. The Company may pursue any new expansion plans through internal development, acquisitions of existing operations, investments in other businesses, or joint ventures with third parties.

If the Company is unable to obtain sufficient funding or funding on terms acceptable to us for the planned capital expenditures or to otherwise fund these expenditures through other financing arrangements, including internal cash flows, the Company may have to forego, delay or postpone various planned capital expenditures.

## Contractual Obligations and Commitments

The following table summarizes the contractual cash obligations and commitments, excluding the debt repayment obligations, as of September 30, 2008:

	Payment Due by Period				
	Total	Between 1 October 2551 to 31 December 2551	Between January 1, 2009 to December 31, 2009	Between January 1, 2010 to December 31, 2011	After January 1, 2012
Construction contracts	263.4	166.8	96.4	0.1	0.1
Raw material purchase contracts	3,425.1	875.9	1,572.5	675.6	301.1
Computer installment contracts	29.4	22.6	-	6.8	-
Land, building, vehicle and equipment lease contracts	874.2	119.4	344.1	315.5	95.2
Advertisement and sponsor contracts	696.7	100.3	235.9	360.5	-
Spirits concentration contracts	1,533.3	15.6	64.0	137.8	1,315.9
Beer experts consulting contract	29.2	0.4	1.4	2.9	24.5
Forward currency contracts	3,462.2	882.8	2,579.4	-	-
Others	560.6	43.9	371.1	111.2	34.4
<b>Total</b>	<b>10,874.1</b>	<b>2,227.7</b>	<b>5,264.8</b>	<b>1,610.4</b>	<b>1,771.2</b>

(1) In the table above, the figures above were calculated by using the following Baht equivalent exchange rates: US\$1.00: Baht 34.18, Australian dollar 1:Baht 27.51, Euro 1: Baht 49.27, Pound Sterling 1: Baht 61.81, Singapore Dollar 1: Baht 24.00, 1 Denmark Krone: Baht 6.61 and 1 Hongkong Dollar: Baht 4.42 which were the average selling rates as quoted by the Bank of Thailand as of September 30, 2008

The amounts shown in the table above represent contractual obligations as of September 30, 2008 only. The actual expenditures for various items and periods may substantially exceed the amounts shown above due to commitments entered into in future periods and other factors.

### Calculation of Earnings Before Interest, Tax, Depreciation and Amortization (“EBITDA”)

The Company calculates the EBITDA by adding to net profit, income taxes, interest expense, depreciation, amortization, and subtracting the interest income. The Company has included information concerning EBITDA because The Company believes that this data is commonly used by investors to evaluate the ability of a company’s earnings from its business operations to satisfy its debt, capital expenditure and working capital requirements. The Company believes that EBITDA, while providing useful information, should not be considered in isolation or as a substitute for net profit as an indicator of operating performance, or as an alternative to cash flow as a measure of liquidity.

#### Calculation table of earnings before interest, tax, depreciation and amortization (EBITDA)

	Unit: Baht million				
	For the Year Ended December 31,			Nine-Month Period Ended September 30,	
	2005	2006 (Restated)	2007	2007 <sup>(1)</sup>	2008
Net Profit.....	10,337.3	10,054.8	10,383.1	7,569.7	7,635.8
<b>Add back:</b> .....					
Income tax .....	4,743.2	4,322.9	4,846.6	3,721.5	3,252.1
Interest expense .....	1,741.8	1,568.7	1,047.3	819.0	463.5
Depreciation and amortization .....	4,432.1	4,652.0	4,974.7	3,925.6	3,941.4
<b>Subtract:</b> .....					
Interest income .....	(71.5)	(56.5)	(40.8)	(30.2)	(22.4)
<b>EBITDA</b> .....	<b>21,182.9</b>	<b>20,541.8</b>	<b>21,210.8</b>	<b>16,005.7</b>	<b>15,270.4</b>
<b>Add back :</b>					
Interest income .....	71.5	56.5	40.8	30.2	22.4
<b>Subtract:</b> .....					
Depreciation and amortization .....	(4,432.1)	(4,652.0)	(4,974.7)	(3,925.6)	(3,941.4)
<b>EBIT</b> .....	<b>16,822.2</b>	<b>15,946.3</b>	<b>16,276.9</b>	<b>12,110.2</b>	<b>11,351.4</b>

- (1) The Company has restated its financial statements for the nine-month period ended 30 September 2007 for comparison purpose with its financial statements for the nine-month period ended 30 September 2008, in accordance with section 12.4.1 Reclassification of the Financial Statements.

## 13. Relevant Information

### 13.1 Agreements

Agreements that substantially relate to the Company's businesses, are as follow:

#### 13.1.1 *Employment Agreement with Dr. Pisanu Vichiensanth*

The Company entered into a long-term employment agreement with Dr. Pisanu Vichiensanth, who is the Managing Director of Beer Thai Plc., and Management Committee and Risk Management Committee of ThaiBev. This employment agreement remains effective until Dr. Pisanu reaches 72 years of age, or as long as he is physically able to work. Dr. Pisanu developed the formulae for Chang Beer and Archa Beer. Under the agreement, Dr. Pisanu has agreed not to:

- work for any person or juristic person whose business is identical to the Company's businesses for an unlimited time following the end of his engagement under the agreement; and
- disclose the production formulae, know-how and any confidential information relating to the work performed under the agreement.

Dr. Pisanu is also the head of beer concentrate production department and is responsible for the production process of Chang Beer and Archa Beer and for producing and fermenting yeast.

#### 13.1.2 *Employment Agreements with Mrs. Prachuabsuk Kanchanalakshana and Mr. Dechapongsa Kanchanalakshana*

The Company entered into long-term employment agreements with Mrs. Prachuabsuk Kanchanalakshana and Mr. Dechapongsa Kanchanalakshana, for a term of 40 years, which will be expired on July 31, 2044. Under the agreements, Mrs. Prachuabsuk Kanchanalakshana and Mr. Dechapongsa Kanchanalakshana have agreed not to:

- produce and flavor/mix spirits concentrate, brown spirits or any type of spirits for any other person, other than the Company;
- disclose the production formulae, production processes, know-how and any confidential information relating to the work performed under the agreements, except to the designated employees of the Company, for the duration of these agreements and for 10 years following the termination of the agreements; or
- terminate these agreements unless for personal health reasons or force majeure.

Mrs. Prachuabsuk Kanchanalakshana and Mr. Dechapongsa Kanchanalakshana are the heads of the spirits concentrate production department and are responsible for the production and mixing process of brown sprits and the process of ensuring that the quality of spirits is sufficient for distribution.

Under these employment agreements, the Company agreed to procure an aggregate of 80 million shares for Mrs. Prachuabsuk Kanchanalakshana and Mr. Dechapongsa Kanchanalakshana to purchase at par value of Baht 1 each. The Company has also agreed to pay them remuneration on a monthly basis throughout the term of the agreements. (please see additional information in the remarks of the Company's financial statement.)

Pursuant to an amendment to these employment agreements on December 30, 2005, which amended the scope of the original employment agreements to include the production, mixing and

development of compounded spirits, In January 2006, (i) Mrs. Prachuabsuk Kanchanalakshana and Mr. Dechapongsa Kanchanalakshana sold 80 million shares in ThaiBev to other minority shareholders, and (ii) the Company made a prepayment of Baht 2,000.0 million (US\$48.7 million) in aggregate to Mrs. Prachuabsuk Kanchanalakshana and Mr. Dechapongsa Kanchanalakshana for services related to the production, mixing and development of compounded spirits under these agreements. Although Mrs. Prachuabsuk Kanjanaluck and Mr. Dechapongsa Kanchanalakshana are liable for damages of, not exceeding Baht 2,000.0 million for any intentional breach of these employment agreements and their non-performance of their duties under the agreements, the Company may only have a contractual right to claim damages from them and the Company cannot assure that the Company would be able to collect any damages if a breach were to occur.

### ***13.1.3 Carlsberg Trademark Agreement***

The primary trade mark for the Company's beer, drinking water and soda is the double elephant design with a fountain ("Double Elephant Trademark"), which was registered in Thailand and various countries (as appears in the picture below in section 13.1.3), whilst Carlsberg A/S registered an elephant design with the English words elephant "Elephant Beer Trademark" On August 31, 2005, Beer Chang Co. entered into an agreement with Carlsberg, under which both parties have agreed to terms and conditions for the use of their respective marks.

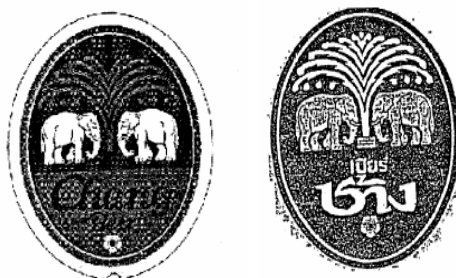
#### ***Rights of Beer Chang Co.***

- An exclusive right to use and register the Double Elephant Trademark worldwide. However, Beer Chang Co. has agreed not to register the Double Elephant Trademark or use the word "elephant" or any other name or trademark similar to the Double Elephant Trademark in relation to beverage products marketed in Norway, Sweden, Finland and Iceland until August 31, 2010. Under the agreement, Beer Chang Co. has agreed not to register the Double Elephant Trademark or use the word "elephant" or any other name or trademark similar to the double elephant design in relation to beverage products marketed in Denmark indefinitely.
- The right to use the Thai word "Beer Chang" and the English words "Chang" or "Chang Beer," including the English word "Chang" with any local language translation of beer. Under the agreement, Beer Chang Co. has agreed not to use the English word "Elephant" or any local language translation or transliteration of "Elephant," except for in the Chinese language in which it can be translated as "Thai Elephant Beer."

#### ***Rights of Carlsberg***

- An exclusive right to use and register its Elephant Beer Trademark worldwide.
- The right to use the English word "Elephant" or "Elephant Beer," including local language translation of "Elephant Beer." Under the agreement, Carlsberg has agreed not to use the Thai language word "Chang" or "Beer Chang."

### *Double Elephant Trademarks*



### *Elephant Beer Trademarks*



#### **13.1.4 Glass Bottle Purchase Agreement**

Bang-Na Logistic Co. (currently, Thai Beverage Recycle Co.) and Berli Jucker Plc. entered into the glass bottle purchase agreement dated May 24, 2007 (the “Glass Bottle Purchase Agreement”). Bang-Na Logistic Co. agreed to purchase various sizes of glass bottles for beer, drinking water, soda and spirits products from Berli Jucker Plc. (the Principal Shareholder is the major shareholder). The parties agree to calculate the aggregate daily average weight applicable to the type per annum and at the prices stated in the agreement. The agreement will be expired on December 31, 2009. If Bang-Na Logistic Co. purchases the type of new glass bottle in excess of the aggregate daily average weight applicable to the type of new glass bottles, Berli Jucker Plc. will give a 1% price discount on the aggregate price of all types of new glass bottles purchased exceeding the amount stated in the agreement. In addition, Bang-Na Logistic Co. may purchase glass bottles in any size other than those specified in the agreement. In this regard, Berli Jucker Plc. shall have the right to calculate the price of those glass bottles in accordance with the specified term.

Bang-Na Logistic Co. and Berli Jucker Plc. determined the purchase prices (and the discount) of the various types of glass bottles at arm’s length basis and commercial terms with reference to, among other things, standard price rates applicable to unrelated third parties for the supply of the same type of new glass bottles at the time of the agreement and at the price directors confirmed that these purchase prices were lower than the purchases prices quoted by unrelated third parties at the time of the Glass Bottle Purchase Agreement.

Under the Glass Bottle Purchase Agreement, the purchase prices of the glass bottles can be adjusted if there are changes in production costs, such as fuel cost, labor cost and exchange rate of Baht

against USD, which has a direct effect on the production costs of glass bottles. Adjustments must be re-negotiated and mutually agreed between Bang-Na Logistic Co. and Berli Jucker Plc. If the price adjustment cannot be made, each party shall have the right to terminate the Glass Bottle Purchase Agreement upon 30 days' written notice.

The agreement shall be terminate in the following case:

- A party is in breach of the agreement (such as, breach of representations or non-agreement on the adjusted price or breach of any provision)
- The parties mutually agree to terminate the agreement.
- A party exercises the right to terminate the agreement due to force majeure

## 13.2 Details of the Transfer of Shares

All duties, fees and expenses specified herein are subject to changes from time to time.

### 13.2.1 From SGX-ST to SET

#### 13.2.1.1 In the case that CDP holds shares in ThaiBev in scrip form

If an investor wishes to switch trading from the SGX-ST to the SET, the investor is required to comply with the procedures set out as follows:

(1) The investor shall contact its Singapore broker in order to withdraw share certificate for transfer from CDP's name to the investor's name. The Singapore broker will then submit a Request for Withdrawal of Securities Form as prescribed by CDP, together with the relevant supporting documents and fees, to CDP;

(2) CDP will instruct its custodian, who keeps CDP's shares in ThaiBev in its custody (the "Custodian"), to deliver the share certificate registered in the name of CDP to CDP.

(3) Once CDP received the share certificate from its Custodian, CDP will notify the investor to attend personally at CDP's office to endorse the share certificate as the transferee.

(4) CDP will deliver the endorsed share certificate together with the relevant supporting documents to its Custodian who will submit the relevant documents to the TSD for registration of the transfer of shares and issuance of new share certificate.

(5) TSD will issue the new share certificate in investor's name and TSD will deliver it to the Custodian who will deliver to the investor.

(6) Upon receipt of confirmation from the Custodian, CDP will debit the shares from the investor's account.

It would take approximately 16 business days in Thailand and Singapore to complete the transfer procedures as aforementioned.



### **13.2.1.2 In the case that CDP holds shares in ThaiBev in scripless system**

If an investor wishes to switch trading from the SGX-ST to the SET, the investor is required to comply with the procedures set out as follows:

(1) The investor shall contact its Singapore broker in order to transfer shares to the investor's account opened with Thai broker. The Singapore broker will then complete a Request for Transfer of Securities Out of CDP's Account form as prescribed by CDP, together with the relevant supporting documents and fees.

(2) The investor shall contact its Thai broker in order to prepare for receiving shares from the CDP's account opened with its Custodian.

(3) CDP will instruct the Custodian to deliver shares from the CDP's account opened with the Custodian to the investor's account opened with Thai broker.

(4) Upon receipt of confirmation from the Custodian, CDP will debit the shares from the investor's account.

It would take approximately 3 business days in Thailand and Singapore to complete the transfer procedures as aforementioned.

### **13.2.2 From SET to SGX-ST**

#### **13.2.2.1 In the case that CDP holds shares in ThaiBev in scrip form**

If the investor wishes to switch trading from the SET to the SGX-ST, the investor is required to comply with the procedures set out as follows:

(1) The investor shall contact its Singapore broker in order to deposit share certificate for transfer from the investor's name to CDP's name. The Singapore broker will then submit a Request for Deposit of Securities Form as prescribed by CDP, together with the relevant supporting documents and fees, to CDP.

In the case that the investor is Thai national, before the investor transfers shares to CDP, the Custodian shall check the foreign room availability. If there is no foreign room availability, the transfer cannot be proceeded.

(2) CDP will deliver the endorsed share certificate together with the relevant supporting documents to its Custodian who will submit the relevant documents to the TSD for registration of the transfer of shares and issuance of new share certificate.

(3) TSD will issue the new share certificate in CDP's name which will be collected by the Custodian at TSD.

(4) Upon receipt of confirmation from the Custodian, CDP will credit the shares into the investor's account.

It would take approximately 14 business days in Thailand and Singapore to complete the transfer procedures as aforementioned.

### **13.2.2.2 In the case that CDP holds shares in ThaiBev in scripless system**

If the investor wishes to switch trading from the SET to the SGX-ST, the investor is required to comply with the procedures set out as follows:

(1) The investor shall contact its Thai broker in order to transfer shares to CDP's account opened with the Custodian.

In the case that the investor is Thai national, before the investor transfers shares to CDP, the Thai broker shall check the foreign room availability. If there is no foreign room availability, the transfer cannot be proceeded.

(2) The investor shall contact its Singapore broker in order to prepare for receiving shares from the investor's account opened with Thai broker. The Singapore broker will then complete a Request for Transfer of Securities into CDP's Account form as prescribed by CDP, together with the relevant payment;

(3) Thai broker will transfer shares from the investor's account opened with Thai broker to CDP's account opened with the Custodian.

(4) Upon receipt of confirmation from the Custodian, CDP will credit the shares into the investor's account in Singapore

It would take approximately 3 business days in Thailand and Singapore to complete the transfer procedures as aforementioned.

### **13.3 Reporting Requirement of the Investors**

On the basis that CDP merely acts as the clearing house for the shares traded on the SGX-ST and the Depository Agent as a holder of securities accounts maintained with CDP, when CDP or the Depository Agent acquires or disposes of any multiple of 5% of total issued shares of ThaiBev, it would not be required to file an acquisition or disposition report to the SEC pursuant to Section 246 of the Securities and Exchange Act.

However, if an investor acquires or disposes of any beneficial interest in the shares of ThaiBev through CDP or a Depository Agent, either singly or in combination with his/her existing shares, and if, as a result of such holding, the investor would increase or decrease his/her beneficial interest in the shares of ThaiBev through CDP or the Depository Agent or the aggregate number of shares held by the investor by any multiple of 5% of the total issued shares of ThaiBev, the investor will be required to file an acquisition or disposition report to the SEC on the next 3 business day in Thailand in accordance with the requirement of Section 246 of the Securities and Exchange Act.

In determining when the above reporting requirement is triggered, the investor will be required to aggregate the shares of ThaiBev held by the investor and any beneficial interest in the shares of ThaiBev with those of his/her "related persons" (as such term is defined in Section 258 of the Securities and Exchange Act).

### **13.4 Tender Offer Requirements**

This section will only apply after shares of ThaiBev are listed on the SET. On the basis that CDP merely acts as the clearing house for the shares traded on the SGX-ST and the Depository Agent as a holder of securities accounts maintained with CDP, when CDP or the Depository Agent acquires or holds the shares of ThaiBev in aggregate of 25% , 50%, 75% or more of the total issued shares of ThaiBev, it will not be required to make a tender offer for all of the shares and equity-linked securities of ThaiBev pursuant to Section 247 of the Securities and Exchange Act.

However, if an investor acquires or holds the shares of ThaiBev and/or any beneficial interest in the shares of ThaiBev through CDP or a Depository Agent, and if, as a result of such acquisition or holding, the investor would hold both the shares of ThaiBev and the beneficial interest in the shares of ThaiBev through CDP or the Depository Agent in aggregate 25%, 50%, 75% or more of the total issued shares of ThaiBev, the investor will be required to make a tender offer for all of the shares and equity linked securities of ThaiBev in accordance with the requirement of Section 247 of the Securities and Exchange Act.

In determining when the tender offer requirement is triggered, the investor will be required to aggregate the shares of ThaiBev held the investor and any beneficial interest in the shares of ThaiBev with those of his/her “related persons” (as such term is defined in Section 258 of the Securities and Exchange Act).

### **13.5 Summary of the rules concerning reporting requirements on acquisition or disposition of securities of ThaiBev and take-over rules under the Securities and Exchange Act and the Singapore Code**

The shares of ThaiBev are currently listed on the SGX-ST and ThaiBev intends to list its shares on the SET following this public offering. To provide additional information to investors in making decisions to invest in shares of ThaiBev and for further compliance by investors, tThaiBev set out below a summary of the rules concerning the report requirements on the acquisition or disposition of the shares of ThaiBev and take-over rules under the Securities and Exchange Act and the laws of Singapore (the “Singapore Code”). However, this summary is not and shall not be relied on as a legal advice or any other advice to investors an/or shareholders of tThaiBev. In addition, certain requirements under the take-over rules under the Securities and Exchange Act are more stringent in certain aspects than the equivalent requirements under the Singapore Code, e.g. the trigger point to make a mandatory tender offer, and investors would be required to comply with the take-over rules under the Securities and Exchange Act which are more stringent.

#### **13.5.1 Reporting requirements on acquisition or disposition of securities of ThaiBev**

The reporting requirements on the acquisition or disposition of shares under the Singapore Code apply to companies incorporated under the laws of Singapore only. Since ThaiBev was incorporated under the laws of Thailand, investors and the shareholders of ThaiBev, other than the directors of ThaiBev, would not be subject to the reporting requirements on the acquisition or disposition of shares under the Singapore Code.

#### **13.5.2 Take-over Rules**

##### **(1) Trigger points**

If (a) a person (and any persons acting in concert) (such person and the persons acting in concert herein referred to as the “concert parties”) purchases or, by any other action, acquires 30% or more of the total voting shares of ThaiBev, or (b) where the concert parties hold between 30% and 50% of the voting shares of ThaiBev, the concert parties acquire additional shares carrying more than 1% of the voting rights in ThaiBev within any particular 6-month period, such person is obliged to make a mandatory offer to acquire all the shares of ThaiBev, unless a waiver from the Securities Industry Council is obtained. Under the Singapore Code, a parent company, subsidiary company and affiliate company of the person acquiring the shares of ThaiBev will be presumed to be the concert parties with such person.

(2) Offering condition

If a person is obliged to make a mandatory offer, the offer can be made subject to the condition that he and his concert parties own or control more than 50% of the issued shares of ThaiBev after the tender offer period, otherwise he shall be entitled to revoke the tender offer.

(3) Squeeze out

If an offer, whether mandatory or voluntary, is accepted by 90% or more of the shares which are the subject of the offer, then the offeror is entitled to compulsorily acquire the remaining shares of ThaiBev at the same price. In addition, if the offeror has acquired 90% or more of the issued share of ThaiBev, the remaining shareholders of ThaiBev will be entitled to require the offeror to acquire the shares of ThaiBev held by them.

(4) Partial tender offer

The Securities Industry Council's consent is required for any partial offer. The Securities Industry Council will normally grant a consent to a partial offer for not more than 30% of the voting rights of ThaiBev. Where a partial offer is for more than 30% of the voting rights of ThaiBev, the Securities Industry Council will normally not grant a consent to such partial tender offer.

### 13.6 Voting CDP shareholders

Although CDP is the named holder of the shares of ThaiBev in the shareholders' register of ThaiBev, the shareholders who invest in the shares of ThaiBev through CDP are entitled to vote at the meeting of shareholders of ThaiBev through CDP. In this regard, CDP will distribute a depositors voting instruction form, which contains the agenda of the relevant meeting, to all CDP shareholders. CDP shareholders are required to fill out the depositors voting instruction form, including their votes for each of the agenda of the meeting, and return such form to the CDP within the time and date prior to the meeting as specified by CDP. CDP shall vote at the meeting on behalf of the CDP shareholders who have returned the completed depositors voting instruction form to CDP.

Since CDP is the named holder of the shares of ThaiBev in the shareholders' register of ThaiBev, CDP shareholders can still sell and buy the shares of ThaiBev held through CDP after the shareholders' register of ThaiBev is closed. In this regard, CDP shareholders who acquire the shares through CDP would be entitled to vote at the meeting of shareholders, provided that such acquiring CDP shareholders hold the shares of ThaiBev through CDP for a period of not less than 3 market days prior to the last day that CDP shareholders may return the depositors voting instruction form to CDP.

**THAI BEVERAGE PUBLIC COMPANY LIMITED**

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**PART 3**  
**INFORMATION RELATING TO THE OFFERING**

## PART 3

### Information relating to the Offering

#### 1. Details of the Offered Securities

##### 1.1 Description of the Offered Securities

Offeror	:	Siriwana Company Limited (as a shareholder of ThaiBev)
Type of offered securities	:	Existing ordinary shares of ThaiBev (“ <b>Ordinary Shares</b> ”)
Number of offered securities	:	80,000,000 shares, representing 0.32 per cent. of the total issued and paid-up share capital of ThaiBev
Par value	:	Baht 1 per share
Offering Price	:	Baht 4.69 per share (“ <b>Offering Price</b> ”)
Total value of offered shares	:	Baht 375,200,000

After the Offering, Siriwana Company Limited’s holding in ThaiBev will be reduced to 8.43 per cent. of the total issued and paid-up share capital of ThaiBev

##### 1.2 Offering Structure

The offering by Siriwana Company Limited is a public offering of Ordinary Shares to domestic investors, including General subscribers and Institutional investors, through the Lead Underwriters as set out in Clause 5.2.

The Offering shall be made at the discretion of the Lead Underwriters and the Lead Underwriters reserve the rights to alter method of allocation of the Offering as set out in Clause 5.6, taking into account factors such as demands for the shares from each type of investors. The Lead Underwriters will take such actions to ensure the success of the Offering.

With respect to each type of investors, the Lead Underwriters defined each type of investors as follows:

“**General subscribers**” means Thai individuals or foreign individuals who are residing in Thailand and/or Thai juristic person who are not classified as the Institutional investors defined below but are the customers, parties with business relationship or the patrons of the Lead Underwriters, as set out in Clause 5.2 or those that the Lead Underwriters believe that they are potential customers, parties with business relationship or the patrons of the Lead Underwriters. General subscribers also means Institutional subscriber who wishes to use the right of the General subscribers in subscribing the Offering Shares and has informed and been agreed in advance by the Lead Underwriters. General subscribers may subscribe for the Offering Shares according to the method set out in Clause 5.7.1 and the Lead Underwriters will use their discretion in allotting the shares in according to the method set out in Clause 5.6.1.

**“Institutional investors”** means institutional investors that are one of the entities listed below. The Lead Underwriters added several types of entity to the list provided by the Notification of the Securities and Exchange Commission No. GorJor. 32/2549 re: Submission and exemption for submission of the registration statement dated November 15, 2006 (as amended).

- (1) Commercial banks;
- (2) Finance companies;
- (3) Securities companies, for their own property or for the management of private funds, or for the management of investment projects established under the Act on the Undertaking of Finance Business, Securities Business and Credit Foncier Business;
- (4) Credit foncier companies;
- (5) Insurance companies;
- (6) Government agencies or state enterprises under the law governing budgetary procedures or other juristic persons established under specific laws;
- (7) Bank of Thailand;
- (8) International financial institutions;
- (9) The Financial Institutions Development Fund;
- (10) Government Pension Fund;
- (11) Provident funds;
- (12) Mutual funds;
- (13) Social Securities Fund
- (14) Juristic person whose shareholders are those with similar characteristics to investors listed in (1) to (13) above or whose Institutional investors hold more than 75% of the total voting shares
- (15) Foreign investors with similar characteristics to investors listed in paragraphs (1) to (14) as applicable
- (16) Private fund which is managed by assets management companies for Institutional investors as defined in this section

**The Offering will not be allocated to retail subscribers or general public.**

**1.3 Other Rights, Benefits or Conditions**

The holders of 80,000,000 Ordinary Shares of ThaiBev shall have the same rights and benefits as holders of the existing issued and paid-up ordinary shares of ThaiBev.

**1.4 Secondary Market**

The ordinary shares of ThaiBev has been registered and listed on the SGX-ST since May 30, 2006. As of 22 October 2008, ThaiBev filed a listing application with the SET and such application is currently in the reviewing process.

In addition, Siriwana Company Limited, as an existing shareholder of ThaiBev, has planed to make this offering before ThaiBev received the SET's decision whether or not to list the Ordinary Shares of ThaiBev on the SET. Therefore, there is a risk that the SET may not grant permission to ThaiBev to list its Ordinary Shares on the SET. However, SCB Securities Co., Ltd. and Phatra Securities Public Company Limited, as financial advisors to ThaiBev, are of the opinion that ThaiBev possesses all qualifications as required by the SET Regulations Re: Listing of Ordinary Shares or Preferred Shares as Listed Securities, 2001 dated January 22, 2001 (as amended), to register and list its shares on the SET.

**1.5 Other Rules & Regulations**

ThaiBev has complied with the requirement of the Notification of the Board of Governors of the SET Re: Prohibiting Management or Shareholders and Related Persons from Selling Shares and Securities within the Specified Time Period, 2001 dated January 22, 2001 (as amended). As a result, there is no restriction on selling of shares for management, existing shareholders and their related parties who collectively hold more than 55% of ThaiBev shares.

**2. Transfer Restriction**

ThaiBev's ordinary shares can be transferred without restriction unless such share transfer would result in the situation where aliens hold ordinary shares amounting to more than 49 per cent. of the total issued and paid-up ordinary shares of ThaiBev.

**3. Determination of the Offering Price**

The Offering Price was derived from the market comparable method and the price of ThaiBev's ordinary shares as traded on the SGX-ST. Siriwana Company Limited and the Lead Underwriters agreed on the Offering Price of Baht 4.69, which equaled to the price to earnings ratio based on 2007 earnings of 11.3. However, before making an investment, investors should be aware and take into consideration the fact that such price to earnings ratio is calculated based on historical earnings without consideration of the current and future earning of ThaiBev.

**4. Price of the Ordinary Shares in the Secondary Market**

The ordinary shares of ThaiBev were first traded on the SGX-ST on May 30, 2006. The prices of ThaiBev's ordinary shares in Baht, shown in the table below, are calculated by using the exchange rate of Baht 23.45 per Singapore dollar, which is the average of the average buying exchange rate and the average selling exchange rate as announced by the Bank of Thailand as of December 1, 2008.



Year	Month	Average Price*		High		Low		Averaged Daily Trading Value	
		(SGD)	(Baht)	(SGD)	(Baht)	(SGD)	(Baht)	(Million SGD)	(Million Baht)
2007	November	0.256	6.003	0.265	6.214	0.250	5.863	2.026	47.510
2007	December	0.251	5.886	0.255	5.980	0.245	5.745	2.152	50.464
2008	January	0.247	5.792	0.255	5.980	0.230	5.394	2.774	65.050
2008	February	0.249	5.839	0.260	6.097	0.240	5.628	1.661	38.950
2008	March	0.258	6.050	0.265	6.214	0.245	5.745	1.240	29.078
2008	April	0.269	6.308	0.280	6.566	0.265	6.214	1.826	42.820
2008	May	0.260	6.097	0.280	6.566	0.255	5.980	2.017	47.299
2008	June	0.254	5.956	0.265	6.214	0.240	5.628	1.355	31.775
2008	July	0.227	5.323	0.245	5.745	0.215	5.042	1.144	26.827
2008	August	0.220	5.159	0.225	5.276	0.210	4.925	1.220	28.609
2008	September	0.224	5.253	0.235	5.511	0.210	4.925	2.905	68.122
2008	October	0.219	5.136	0.230	5.394	0.195	4.573	2.228	52.247
2008	November	0.200	4.684	0.220	5.159	0.185	4.338	1.470	34.478

Source: SGX-ST

\* Average price is calculated by using sum of the daily closing price divided by the number of trading days in that particular month

## 5. Subscription, Sale and Allotment

In the event of problems, obstacles or any other factors, the Lead Underwriters reserves the right to alter the instruction relating to the subscription and allocation of shares according to terms and conditions stated in this prospectus. Such action will be taken to ensure the fair convenience of all investors and for the success of this Offering.

### 5.1 Offering Method

This Offering will be made through the Lead Underwriters as set out in Clause 5.2.

### 5.2 The Lead Underwriters

#### SCB Securities Co., Ltd.

Sindhorn Bldg., Tower 3, 20<sup>th</sup>, 25<sup>th</sup>-26<sup>th</sup> and 28<sup>th</sup> Floor,  
130-132 Wireless Road, Lumpini, Pathumwan, Bangkok 10330

Tel: 0- 2686-2000, Fax: 0-2263-3801

#### Phatra Securities Public Company Limited

6<sup>th</sup>, 8<sup>th</sup>-11<sup>th</sup> Floor, Muang Thai-Phatra Office Tower 1  
252/6 Ratchadaphisek Road, Huaykwang, Bangkok 10310

Tel: 0-2305-9000, Fax: 0-2693-2537

## 5.3 Underwriting Conditions and Remuneration

### 5.3.1 Underwriting Conditions

Siriwana Company Limited has appointed the Lead Underwriters as referred in Clause 5.2 to be the arrangers to sell the Ordinary Shares of ThaiBev to General subscribers and Institutional investors amounting to 80,000,000 shares according to the allocation and price set out in Clause 1 above. The underwriting of such shares will be on a firm underwriting basis pursuant to the conditions specified in the Underwriting Agreement.

The Lead Underwriters may revoke the Offering upon the occurrence of one of the circumstances specified in the Underwriting Agreement, which include the following circumstances:

- (a) If the Company and/or Siriwana Company Limited is unable to comply with any condition prescribed in the Underwriting Agreement to be entered into with the Lead Underwriters; or
- (b) If the Lead Underwriters do not obtain the legal opinion in respect of this Offering
- (c) If there occurs an event of force majeure, material change in finance, economics or politics domestically or internationally, or any material change in Thai Beverage Plc.'s business or operations which may affect this underwriting; or
- (d) If the Underwriting Agreement is terminated

The terms and conditions of the termination of the Offering set out above will follow the terms and conditions to be stipulated in the Underwriting Agreement.

However, if the Lead Underwriters are unable to comply with terms and conditions as stated in the Underwriting Agreement, Siriwana Company Limited may choose to terminate the Offering.

### 5.3.2 Remuneration

Siriwana Company Limited has agreed to pay remuneration for the underwriting service to the Lead Underwriters, as referred in Clauses 5.2, in the aggregate amount of Baht 7,504,000 million (excluding VAT). Such payment will be made according to procedures agreed by the Lead Underwriters and Siriwana Company Limited as set out in the Underwriting Agreement.

### 5.3.3 Estimate proceeds that Siriwana Company Limited will receive

The proceed which Siriwana Company Limited will receive after deduction of the underwriting remuneration (excluding VAT)

80,000,000 Ordinary Shares at the Offering Price of Baht 4.69	Baht	375,200,000
Less: underwriting remuneration	Baht	<u>7,504,000</u>
Proceeds which the Siriwana Company Limited will receive	Baht	<u>367,696,000</u>
Proceeds (per share) which the Siriwana Company Limited will receive	Baht	4.60

#### 5.4 Estimated Expenses in the Offering (excluding VAT)

Registration statement filing fee	Baht	300,160
Underwriting fee	Baht	7,504,000
Printing costs of prospectus, subscription forms, approximately	Baht	110,000
Advisory fee <sup>(1)</sup>	Baht	5,000,000
Other expenses <sup>(2)</sup>	Baht	<u>100,000</u>
Total Expense	Baht	<u>13,014,160</u>

Remarks:

- (1) Advisory fee including legal fee  
(2) Other expenses including advertising costs and other costs relating to the Offering

#### 5.5 Procedures in Obtaining Prospectus and Subscription Form

Investors can request the prospectus and the subscription form at the Lead Underwriters' office as set out in Clause 5.2 during the business hour from the effective date of the prospectus to the end of the subscription period.

Alternatively, investors may download the prospectus which contains information not different from the prospectus filed with the Office of the SEC, in order to study the information regarding ThaiBev and the Offering prior to the subscription at [www.sec.or.th](http://www.sec.or.th).

#### 5.6 Allotment of Shares

The allotment of shares in the Offering is divided into 2 tranches, which are (1) General subscribers and (2) Institutional investors through the Lead Underwriters as set out in Clause 1.2. In addition, the allotment of shares by the Lead Underwriters shall be made in accordance with the following conditions:

- (1) The Lead Underwriters will not allot the offering shares to themselves, their executives, major shareholders, controlling persons, parents companies, subsidiaries, related persons or mutual funds that the Lead Underwriters are prohibited to allocate the Offering Shares to, except for the allotment of the unsubscribed shares pursuant to the Notification of the Securities and Exchange Commission No. KorThor. 14/2546 Re: Rules, Conditions and Procedures for Securities Allotment dated July 11, 2003 (as amended).
- (2) The number of shares to be allotted to foreign investors, when aggregated with the number of shares currently held by foreign shareholders, shall not exceed the foreign shareholding limit, as set out in the articles of association

of ThaiBev of 49 per cent. of the total issued and paid-up ordinary shares of ThaiBev.

- (3) The Lead Underwriters may alter the amount of shares to be allotted to each type of investors, eg. the Lead Underwriters may increase the amount of shares allotted to the General subscribers if the Lead Underwriters considers that the shares offered to Institutional investors will not fully subscribed for, and vice versa. Such action will be taken to ensure the success of the Offering.
- (4) After the close of the subscription period for each type of investors, the Lead Underwriters may extend the subscription period or alter the number of shares allotted to certain type of investor. For example, the Lead Underwriters may increase the amount of shares allotted to the General subscribers if these two groups oversubscribed the Offering Share, while the Institutional investors undersubscribed for such shares. The Lead Underwriters reserve the rights to use their sole discretion to undertake such action, given that the action does not violate related rules and regulations and notification is given to investors through relevant media.

#### 5.6.1 Allotment of Ordinary Shares to General subscribers

The allotment of shares to General subscribers shall be made at the discretion of each of the Lead Underwriters, as set out in Clause 5.2. Each of the Lead Underwriters shall be entitled to determine the General subscribers to whom the shares will be allotted, determine the amount of shares to be allotted to each General subscriber or decline to allot any shares to any General subscriber, provided that the minimum allotment to each General subscriber shall be 500 shares and any additional allotment shall be made in a multiple of 100 shares.

If the shares to be offered to General subscribers are fully subscribed for, each of the Lead Underwriters reserve the rights to close the subscription before the end of the subscription period.

#### 5.6.2 Allotment of Ordinary Shares to Institutional investors

The allotment of shares to the Institutional investors shall be made at the discretion of the Lead Underwriters, as set out in Clause 5.2. The Lead Underwriters shall be entitled to determine the Institutional investors to whom the shares will be allotted, the amount of shares to be allotted to each Institutional investor or decline to allot any shares to any Institutional investor, provided that the minimum allotment to each Institutional investor shall be 100 shares and any additional allotment shall be made in a multiple of 100 shares.

If the shares to be offered to Institutional investors are fully subscribed for, the Lead Underwriters reserve the rights to close the subscription before the end of the subscription period.

## 5.7 Date, Method and Settlement of Subscription

### 5.7.1 General subscribers

The General subscribers must comply with the following procedures:

- (a) The subscribers must subscribe for a minimum of 500 shares and additional shares in a multiple of 100 shares. A subscription form must be completed and signed. In the event that a subscriber is a juristic person, the subscription form must be signed by authorized signatory(ies) of such juristic person and affixed with corporate seal (if any) and enclosed with the following documents:
- **For a Thai individual:** A certified copy of his or her valid identification card, or in the case where there is no identification card, a certified copy of a house registration or other official document with the 13-digit identification number. (If the subscriber is a juvenile, the guardian's consent, certified copies of valid identification card of the guardian (father/mother) and the house registration of the juvenile's residence must be enclosed).
  - **For a foreign individual:** A certified copy of his or her valid passport or valid alien certificate and certified true copy of evidence which show that such person lives in Thailand, in one time or in total, for at least 180 days in a calendar year.
  - **For a Thai juristic person:** A certified copy of the affidavit issued by the Ministry of Commerce of no more than 12 months prior to the date of the subscription, signed by authorized signatory(ies) of such juristic person and affixed with corporate seal (if any), together with a certified copy of identification card; alien certificate or passport (as the case may be) of the authorized signatory(ies).
- (b) Except otherwise informed by the Lead Underwriters, subscription can be made at the offices of the Lead Underwriters as specified in Clause 5.2 from 8.30am to 5.30pm on December 4, 2008 and December 8, 2008 and from 8.30am to 12.00pm on December 9, 2008.
- (c) The subscriber must make one single subscription payment in full on the date of subscription as follows:
- **If the subscription is made from 8.30am to 5.30pm on December 4, 2008 and 8.30am to 12.00pm on December 8, 2008,** one single subscription payment in full must be made by (i) one cheque, draft or cashier's cheque to be cleared at the clearing house on the next business day and must be dated no later than December 8, 2008 or (ii) money transfer or money transfer through the Automatic Transfer System (ATS).
  - **If the subscription is made from 12.01pm to 5.30pm on December 8, 2008 and 8.30am to 12.00pm on December 9, 2008,** one single subscription payment in full must be made only by money transfer.

If the subscription payment is made by cheque, draft or cashier's cheque, such cheque, draft or cashier's cheque must be crossed and payable to the subscription account to be specified by each of the Lead Underwriters and the subscriber's first name, last name, address and telephone number must be written on the back of such cheque, draft or cashier's cheque. If the subscription payment is made by money transfer, the transfer shall be made to the subscription account to be specified by each of the Lead Underwriters.

- (d) The subscription form under Clause 5.7.1 (a) together with the subscription payment or the evidence showing that the subscription payment has been made or subscription money has been transferred in accordance with Clause 5.7.1 (c) must be sent to each of the Lead Underwriters at the place specified in Clause 5.2 from 8.30am to 5.30pm on December 4, 2008 and December 8, 2008 and from 8.30am to 12.00pm on December 9, 2008. The officer in charge will sign on a receipt as evidence that the subscriber has subscribed for such shares.
- (e) The subscriber who has made the subscription and complied with Clause 5.7.1 (d) may not revoke the subscription or demand a refund of the subscription payment. However, each of the Lead Underwriters, as specified in Clause 5.2, is entitled to decline or revoke any subscription which fails to comply with the procedures set out in Clause 5.7.1 (a) – (d).

#### 5.7.2 Institutional investors

Institutional investors must comply with the following procedures:

- (a) The subscribers must subscribe for a minimum of 100 shares and additional shares in a multiple of 100 shares. A subscription form must be completed, signed and affixed with corporate seal (if any).
- (b) Except otherwise informed by the Lead Underwriters, subscription can be made at the offices of the Lead Underwriters as specified in Clause 5.2 from 8.30am to 5.30pm on December 4, 2008 and from 8.30am to 12.00pm on December 8, 2008
- (c) The subscriber must make a single subscription payment in full on the date of subscription by (i) one cheque, draft or cashier's cheque to be cleared at one clearing house. Such cheque, draft or cashier's cheque must be dated no later than December 8, 2008 and must be crossed and payable to the subscription account to be specified by the Lead Underwriters or (ii) if the subscription payment is made by money transfer, the transfer shall be made to the subscription account to be specified by each of the Lead Underwriters.
- (d) The subscription form under Clause 5.7.2 (a), together with the subscription payment or the evidence showing that the subscription payment has been made or subscription money has been transferred under Clause 5.7.2 (c) must be sent to the Lead Underwriters at the place specified in Clause 5.2 from 8.30am to 5.30pm on December 4, 2008 and from 8.30am to 12.00pm on December 8, 2008.
- (e) The subscriber who has made the subscription and complied with Clause 5.7.2 (d) may not revoke the subscription or demand a refund of the subscription payment. However, the Lead Underwriters are entitled to decline or revoke any subscription which fails to comply with the procedures set out in Clause 5.7.2 (a) – (d).

### 5.8 **Allotment in case of over-subscription**

#### 5.8.1 General subscribers

If the shares are over-subscribed by General subscribers, the allotment of shares to such subscribers shall be made at the discretion of the Lead Underwriters, as

specified in Clause 5.2, according to the methods specified in Clause 5.6.1. The subscriber who does not receive the shares or receive fewer shares than originally subscribed for will receive his/her money back according to Clause 5.9.

#### 5.8.2 Institutional investors

If the shares are over-subscribed by Institutional investors, the allotment of shares to such subscribers shall be made at the discretion of the Lead Underwriters, as specified in Clause 5.2, according to the methods specified in Clause 5.6.2. The subscriber who does not receive the shares or receive fewer shares than originally subscribed for will receive its money back according to Clause 5.9.

### 5.9 **Refund of subscription payment**

#### 5.9.1 If shares are not allotted to the subscriber

The Lead Underwriters, as specified in Clause 5.2, shall refund, without interest and/or compensation for damages, the amount equal to the subscription payment to each of their respective subscriber, whom the shares are not allotted. The refund shall be made within 14 days after the last day of the subscription period in accordance with the method specified in the subscription form, i.e. transfer subscription amount to the subscriber's bank account through the Automatic Transfer System or write a crossed cheque payable to the subscribers and deliver it by registered mail to the address as specified in the subscription form, provided that the subscriber shall be responsible for any clearing fees.

If the refunded amount is not returned to such subscriber within 14 days after the last day of such subscription period, such subscriber shall be entitled to interest on the outstanding refunded amount at the rate of 7.50 per cent. per annum, calculated from the date following the lapse of 14 days after the last day of the subscription period until the date on which the subscriber receives the refunded amount. There shall be no interest accrued on the date which the subscriber receives the refunded amount. However, in any case, if a refund is made by delivery of a cheque in the amount of the refunded amount by a registered mail to the address specified in the subscription form, it shall be deemed that the relevant subscriber has received the refunded amount and the subscriber shall have no right to claim for any interest and/or compensation for damages.

#### 5.9.2 If shares are allotted to subscriber in the amount less than what originally subscribed for

The Lead Underwriters, as specified in Clause 5.2, shall refund, without interest and/or compensation for damages, the amount equal to the subscription payment in respect of the shares not allotted to their respective subscriber. The refund shall be made within 14 days after the last day of the subscription period in accordance with the method specified in the subscription form, i.e. transfer subscription money to the subscriber's bank account through the Automatic Transfer System or write a crossed cheque payable to the subscribers and deliver it by registered mail to the address as specified in the subscription form, provided that the subscriber shall be responsible for any clearing fees.

If the refunded amount is not returned to the subscriber, whom the shares are not fully allotted, within 14 days after the last day of such subscription period, such subscriber shall be entitled to interest on the outstanding refunded amount at the rate of 7.50 per cent. per annum, calculated from the date following the lapse of 14 days after the last

day of the subscription period until the date on which the subscriber receives the refunded amount. There shall be no interest accrued on the date which the subscriber receives the refunded amount. However, in any case, if a refund is made by delivery of a cheque in the amount of the refunded amount by a registered mail to the address specified in the subscription form, it shall be deemed that the relevant subscriber has received the refunded amount and the subscriber shall have no right to claim for any interest and/or compensation for damages.

**5.9.3 If shares are not allotted to the subscriber due to uncleared cheque or breach of subscription terms**

The Lead Underwriters, as specified in Clause 5.2, shall return the cheque to the relevant subscriber who subscribed for the shares through them but the shares are not allotted to such subscriber because the cheque could not be cleared or such subscriber was in breach of the subscription terms. The relevant subscriber must pick up the cheque from the Lead Underwriters, as specified in Clause 5.2, at which the subscription was made within 30 days after the last day of the subscription period. Otherwise, the Lead Underwriters, as specified in Clause 5.2, will send the cheque to the corresponding address as stated on the subscription form. However, in any case, if a refund is made by delivery of a cheque in the amount of the refunded amount by a registered mail to the address specified in the subscription form, it shall be deemed that the relevant subscriber has received the refunded amount and the subscriber shall have no right to claim for any interest and/or compensation for damages.

**5.10 Delivery of Shares**

Thailand Securities Depository Company Limited (“TSD”) has agreed to be the share Registrar for ThaiBev. The subscribers may use the services of the TSD in order to have the shares allotted to them kept in the Scripless System, which would cause them to be able to trade those shares on the SET immediately upon the SET’s approval of the listing of those shares of ThaiBev. Alternatively, subscribers who wish to obtain share certificates will not be able to trade until they receive the share certificates.

Even though ThaiBev’s shares is registered and traded on the SGX-ST, with TSD acting as a registrar, investors who buy the Offering Shares may sell them later on the SGX-ST only when such investors strictly follow the procedures set out in part 2 section 13.2.2 regarding the transfer of shares from the SET to the SGX-ST.

In this offering, subscribers may proceed with any of the following options:

- 5.10.1 In the case where subscribers wish to obtain a share certificate in their name (Script System), the TSD will send a share certificate representing the number of shares allotted to them by registered mail to the address specified in the subscription form within 15 business days after the end of subscription period. In this case, the subscribers may not sell the shares allotted to them on the SET until they have received a share certificate, which may be later than the commencement of trading of ThaiBev’s shares on the SET.
- 5.10.2 In the case where subscribers do not wish to obtain a share certificate, but wish to use the services of the Scripless System of the TSD and to have their ordinary shares deposited in an account of a securities company at which they have maintained a securities trading account, ThaiBev shall arrange for the TSD to issue the share certificates representing the number of shares allotted to them in the name of “Thailand Securities Depository Company Limited for



Depositors.” The TSD will, within seven business days after the end of the subscription period, accordingly record the amount of ThaiBev’s shares deposited by that securities company, while that securities company will, at the same time, record the amount of ThaiBev’s shares deposited by the subscribers. In this case, subscribers to whom are allotted the Ordinary Shares will be able to sell their shares on the SET immediately upon the SET’s approval of the trading of ThaiBev’s shares on the SET.

In the case that a subscriber would like to proceed with this Clause 5.10.2, the name of the subscriber must be identical to the name of the owner of the securities trading account at a securities company in which the subscriber wishes to deposit the shares; otherwise, ThaiBev reserves the right to, instead, issue a share certificate to such subscriber in accordance with Clause 5.10.1.

- 5.10.3 In the case where subscribers do not wish to obtain a share certificate, but wish to use the service of Scripless System of the TSD and to deposit their shares in the account of ThaiBev, Member No. 600, the TSD will keep those shares in ThaiBev’s account, Member No. 600, within seven business days after the end of the subscription period and the TSD will issue evidence of such deposit of shares to the subscribers within 15 business days after the end of the subscription period. In this case, the subscribers who are allotted shares will be able to sell their shares on the SET immediately upon the SET’s approval of the trading of ThaiBev’s shares on the SET. Subscribers who wish to withdraw their shares from the account of ThaiBev, Member No. 600, may contact the TSD. Please note that the fees specified by the TSD for the withdrawal of shares from the account of ThaiBev may apply.

If the subscriber did not specify the delivery method on the subscription form, ThaiBev reserves the right to deliver the Offering Shares as specified in Clause 5.10.1.

**THAI BEVERAGE PUBLIC COMPANY LIMITED**

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**PART 4**

**CERTIFICATION OF ACCURACY OF INFORMATION**

## PART 4

## CERTIFICATION OF ACCURACY OF INFORMATION

## 1. Certification Granted by the Selling Shareholder

## Certification Granted by the Selling Shareholder: Siriwana Company Limited

I, in my capacity as an authorized signatory of the juristic person, have carefully reviewed the information contained in this prospectus and hereby certify that the said information is accurate, complete and true, is not misleading and does not omit any material information which is required to be disclosed

As evidence that all documents are the same set of documents that I have reviewed and there is no reasonable ground to suspect that the said information is inaccurate, incomplete, false, misleading or that it omits any substantial matters which are required to be reported, I assigned Mr. Chukiet Tangpongprush or Mr. Mahin Kraivixien to initial all pages hereof. If any pages do not have the initials of Mr. Chukiet Tangpongprush or Mr. Mahin Kraivixien indicated, it shall be deemed that I have not reviewed the aforesaid information.

Name	Position	Signature
Mr. Charoen Sirivadhanabhakdi	Chairman	-Mr. Charoen Sirivadhanabhakdi-
Khunying Wanna Sirivadhanabhakdi	Vice Chairman	-Khunying Wanna Sirivadhanabhakdi-
Mr. Chaoyut Pilun-Owad	Director	-Mr. Chaoyut Pilun-Owad-
Ms. Atinant Bijananda	Director	-Ms. Atinant Bijananda-
Ms. Thapanee Techajareonvikul	Director	-Ms. Thapanee Techajareonvikul-
Mr. Panot Sirivadhanabhakdi	Director	-Mr. Panot Sirivadhanabhakdi-
Mr. Sumate Tanutantivong	Director	-Mr. Sumate Tanutantivong-
Mr. Kosit Srisetthapunt	Director	-Mr. Kosit Srisetthapunt-
Mr. Chotiphat Bijananda	Director	-Mr. Chotiphat Bijananda-
Mr. Visilp Vongvanichvathana	Director	-Mr. Visilp Vongvanichvathana-
Mr. Surapong Pornsirikul	Director	-Mr. Surapong Pornsirikul-

<b>Name</b>	<b>Position</b>	<b>Signature</b>
<b>Attorney-in-fact</b>		
Mr. Chukiet Tangpongprush	Director/ Senior Vice President	<i>-Mr. Chukiet Tangpongprush-</i>
Mr. Mahin Kraivixien	Vice President – Office of Legal Affairs	<i>-Mr. Mahin Kraivixien-</i>

## PART 4

### CERTIFICATION OF ACCURACY OF INFORMATION

#### 2. Certification Granted by the Company

I, in my capacity as an executive director of the Company or chief financial officer, having carefully reviewed the information contained in this prospectus, hereby certify that the said information is accurate, complete and true, is not misleading and does not omit any material information which is required to be disclosed and false or that:

- (1) The financial statements and financial information forming a part hereof contain accurate and complete material information in respect of the financial condition, results of operations and cash flows of the Company and its subsidiaries;
- (2) I am responsible for arranging for an effective disclosure system to assure that the Company properly and completely discloses the material information of the Company and its subsidiaries, and shall be responsible for monitoring to ensure compliance with such system;
- (3) I am responsible for arranging for an effective internal controls and monitoring them to ensure compliance with such system, and I have reported the information as of December 31, 2008 relating to the internal control, including the deficiency and material change of the internal control that may affect preparation of financial reports of the Company and its subsidiaries, to the auditor and Audit Committee.

As evidence that all documents are the same set of documents that I have reviewed and there is no reasonable ground to suspect that the said information is inaccurate, incomplete, false, misleading or that it omits any substantial matters which are required to be reported,

I assigned Mr. Chukiet Tangpongprush or Mr. Mahin Kraivixien to initial all pages hereof. If any pages do not have the initials of Mr. Chukiet Tangpongprush or Mr. Mahin Kraivixien indicated, it shall be deemed that I have not reviewed the aforesaid information.

Name	Position	Signature
Mr. Charoen Sirivadhanabhakdi	Chairman / Executive Chairman	-Mr. Charoen Sirivadhanabhakdi-
Khunying Wanna Sirivadhanabhakdi	Vice-Chairman / First Executive Vice-Chairman	-Khunying Wanna Sirivadhanabhakdi-
Mr. Narong Srisa-an	Vice-Chairman / Second Executive Vice-Chairman	-Mr. Narong Srisa-an-
Mr. Komen Tantiwiwatthanaphan	Vice-Chairman Directors / Third Executive Vice- Chairman	-Mr. Komen Tantiwiwatthanaphan-
Mr. Puchchong Chandhanakij	Director / Fifth Executive Vice- Chairman	-Mr. Puchchong Chandhanakij-
Mr. Thapana Sirivadhanabhakdi	Director / President	-Mr. Thapana Sirivadhanabhakdi-
Ms. Kanoknart Rangsithienchai	Director / Executive VicePresident	-Ms. Kanoknart Rangsithienchai-

<b>Name</b>	<b>Position</b>	<b>Signature</b>
Mr. Chukiet Tangpongprush	Director / Senior Vice President	-Mr. Chukiet Tangpongprush-
Mr. Ueychai Tantha-Obhas	Director / Senior Vice President	-Mr. Ueychai Tantha-Obhas-
Mr. Sithichai Chaikriangkrai	Director / Senior Vice President	-Mr. Sithichai Chaikriangkrai-
Dr. Pisanu Vichiensanth	Director / Senior Vice President	-Dr. Pisanu Vichiensanth-

<b>Name</b>	<b>Position</b>	<b>Signature</b>
<b>Attorney-in-fact</b>		
Mr. Chukiet Tangpongprush	Director/Senior Vice President	-Mr. Chukiet Tangpongprush-
Mr. Mahin Kraivixien	Vice President Office of Legal Affairs	-Mr. Mahin Kraivixien-

## PART 4

## CERTIFICATION OF ACCURACY OF INFORMATION

## 2. Certification Granted by the Company

I, in my capacity a director of the Company, have carefully reviewed the information contained in this Information Memorandum and found no reasonable ground to suspect that the said information is inaccurate, incomplete, false, misleading or that it omits any material information which is required to be reported.

As evidence that all documents are the same set of documents that I have reviewed and there is no reasonable ground to suspect that the said information is inaccurate, incomplete, false, misleading or that it omits any substantial matters which are required to be reported, I assigned Mr. Chukiet Tangpongprush or Mr. Mahin Kraivixien to initial all pages hereof. If any pages do not have the initials of Mr. Chukiet Tangpongprush or Mr. Mahin Kraivixien indicated, it shall be deemed that I have not reviewed the aforesaid information.

<b>Name</b>	<b>Position</b>	<b>Signature</b>
Mr. Vivat Tejapaibul	Director	-Mr. Vivat Tejapaibul-
Mr. Sakthip Krairiksh	Independent Director	-Mr. Sakthip Krairiksh-
Mr. Staporn Kavitanon	Audit Committee Chairman Independent Director	-Mr. Staporn Kavitanon-
Prof. Kanung Luchai	Independent Director / Audit Committee Member	-Prof. Kanung Luchai-
Mr. Manu Leopairote	Independent Director / Audit Committee Member	-Mr. Manu Leopairote-
Mr. Ng Tat Pun	Independent Director / Audit Committee Member	-Mr. Ng Tat Pun-
Mr. Michael Lau Hwai Keong	Independent Director	-Mr. Michael Lau Hwai Keong-
Prof. Pornchai Matangkasombut	Independent Director	-Prof. Pornchai Matangkasombut-
Gen. Dr. Choo-Chat Kambhu Na Ayudhya	Independent Director	-Gen. Dr. Choo-Chat Kambhu Na Ayudhya-
Mr. Panote Sirivadhanabhakdi	Director	-Mr. Panote Sirivadhanabhakdi-

<b>Name</b>	<b>Position</b>	<b>Signature</b>
<b>Attorney-in-fact</b>		
Mr. Chukiet Tangpongprush	Director/Senior Vice President	<i>-Mr. Chukiet Tangpongprush-</i>
Mr. Mahin Kraivixien	Vice President Office of Legal Affairs	<i>-Mr. Mahin Kraivixien-</i>



**PART 4****CERTIFICATION OF ACCURACY OF INFORMATION****3. Certification Granted by the Financial Advisor**

I, in my capacity as a financial advisor of the Selling Shareholder, have certified that I:

(1) have carefully reviewed, as a financial advisor, the information contained in this prospectus and there is no reasonable ground to suspect that the said information is inaccurate, incomplete, false, misleading or that it omits any material information which is required to be reported; and

(2) have considered the policy and operating plan of the company, and viewed that the assumption has been reasonably prepared and provided the investors sufficient information relating to affect to the company.

**SCB Securities Company Limited**

<b>Name</b>	<b>Position</b>	<b>Signature</b>
Mr. Yokporn Tantisawetrat	Chairman of the Board of Directors	-Mr. Yokporn Tantisawetrat-
Mr. Boonchai Sriprachaya-Anunt	Chief Executive Officer	-Mr. Boonchai Sriprachaya-Anunt-

**PART 4**

**CERTIFICATION OF ACCURACY OF INFORMATION**

**3. Certification Granted by the Financial Advisor**

I, in my capacity as a financial advisor of the Selling Shareholder, have certified that I:

(1) have carefully reviewed, as a financial advisor, the information contained in this prospectus and there is no reasonable ground to suspect that the said information is inaccurate, incomplete, false, misleading or that it omits any material information which is required to be reported; and

(2) have considered the policy and operating plan of the company, and viewed that the assumption has been reasonably prepared and provided the investors sufficient information relating to affect to the company.

**Phatra Securities Public Company Limited**

<b>Name</b>	<b>Position</b>	<b>Signature</b>
Mr. Suvit Mapaisansin	Chief Executive Officer	-Mr. Suvit Mapaisansin-
Mr. Norachet Sangruji	Executive Director	-Mr. Norachet Sangruji-

**THAI BEVERAGE PUBLIC COMPANY LIMITED**

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**ENCLOSURE 1**

**DETAILS OF THE COMPANY'S EXECUTIVES AND CONTROLLING PERSONS**

## Details of ThaiBev's Executive and Controlling Persons

## Enclosure 1

(1) Details of educational qualifications, number of shares held and work experience of executive and controlling persons

Name/Position	Age (Year)	Educational Qualifications	Number of Shares held (As of Sep. 11, 2008) and Percentage of Shareholding Stake <sup>(1)</sup>	Family Relationship Among Executives	Work Experience (Past 5 Years)		
					Period	Position	Name of Department/Company/Type of Business
1. Mr. Charoen Sirivadhanabhakdi	64	<ul style="list-style-type: none"> <li>- Honorary Doctoral Degree of Agricultural Business Administration, Maejo Institute of Agricultural Technology</li> <li>- Honorary Doctoral Degree of Industrial Technology, Chandrakasem Rajabhat University</li> <li>- Director Accreditation Program (DAP), 2004</li> <li>- Thai Institute of Directors (IOD)</li> </ul>	6,313,000,000  25.14%	<ul style="list-style-type: none"> <li>● Spouse of Khunying Wanna Sirivadhanabhakdi</li> <li>● Father of Mr. Thapana Sirivadhanabhakdi and Mr. Panote Sirivadhanabhakdi</li> </ul>	2003-Present	Chairman	ThaiBev
						Executive Chairman	
					2004-Present	Chairman	BeerThai Plc.
					2004-Present	Chairman	Red Bull Co.
					Present	Director	Beer Chang Co., Ltd.
					Present	Director	Thai Beverage Marketing Co., Ltd.
					Present	Chairman	Nateechai Co., Ltd.
					Present	Chairman	United Winery Co.
					Present	Chairman	Simathurakij Co., Ltd.
					Present	Chairman	Luckchai Liquor Trading Co., Ltd.
					Present	Chairman	IBHL
Present	Director	International Beverage Holdings (UK) Limited					
Present	Director	Blairmhor Limited					
1972-Present	Executive Chairman	TCC Group					

(1) Including shares held by spouse and a minor child of such person

Name/Position	Age (Year)	Educational Qualifications	Number of Shares held (As of Sep. 11, 2008) and Percentage of Shareholding Stake <sup>(1)</sup>	Family Relationship Among Executives	Work Experience (Past 5 Years)		
					Period	Position	Name of Department/Company/Type of Business
					Present	Director	C.S. Assets Incorporated
					Present	Director	Chang Beverages Pte. Limited
					Present	Director	Fanstar International Limited
					Present	Director	Fortune Associates Ltd.
					Present	Director	Glad Crown Co. Limited
					Present	Director	Greatrend Corporation
					Present	Director	MM Capital Co., Limited
					Present	Director	MM Investment Co., Limited
					Present	Director	Pacific Sea International Holdings Limited
					Present	Director	Sparkgain Company Ltd.
					Present	Director	Success International Limited
					Present	Director	Tower Top Worldwide Limited
					Present	Chairman	United Development Ltd.
					Present	Chairman	T.C.C. Holding Co., Ltd.
					Present	Chairman	Siriwana Co., Ltd.
					Present	Chairman	Golden Wealth Co., Ltd.
					Present	Chairman	Cristalla Co., Ltd.
					Present	Chairman	Commercial Solutions Co., Ltd.

Name/Position	Age (Year)	Educational Qualifications	Number of Shares held (As of Sep. 11, 2008) and Percentage of Shareholding Stake <sup>(1)</sup>	Family Relationship Among Executives	Work Experience (Past 5 Years)		
					Period	Position	Name of Department/Company/Type of Business
					Present	Chairman	Queen's Park Hotel Co., Ltd.
					1997-Present	Chairman	Southeast Group Co., Ltd.
					Present	Chairman	Charoen Wannakij Co., Ltd.
					Present	Chairman	Songvard Riverside Co., Ltd.
					2003-Present	Chairman	TCC Capital Land Co., Ltd.
					2002-Present	Chairman	TCC Land Co., Ltd.
					Present	Chairman	TCC Land International (Thailand) Co., Ltd.
					Present	Chairman	TCC Hotel Collection Co., Ltd.
					Present	Chairman	TCC Hotels Management Co., Ltd.
					Present	Chairman	North Park Golf and Sports Club Co., Ltd.
					Present	Chairman	Plantheon Co., Ltd.
					Present	Chairman	Plaza Athenee Co., Ltd.
					Present	Chairman	Plaza Athenee Hotel (Thailand) Co., Ltd.
					Present	Chairman	Lan Chang Development Co., Ltd.
					Present	Chairman	Sahapanyphant (2002) Co., Ltd.
					Present	Chairman	Asiatic House Co., Ltd.
					Present	Chairman	MM Capital Co., Limited
					Present	Chairman	I Laundry Service Co., Ltd.

Name/Position	Age (Year)	Educational Qualifications	Number of Shares held (As of Sep. 11, 2008) and Percentage of Shareholding Stake <sup>(1)</sup>	Family Relationship Among Executives	Work Experience (Past 5 Years)		
					Period	Position	Name of Department/Company/Type of Business
					2001-Present	Chairman	Berli Jucker Plc.
2. Khunying Wanna Sirivadhana-bhakdi Vice Chairman 1st Executive Vice Chairman Authorized Director	65	- Honorary Doctoral Degree of Bio-technology Ramkhamhaeng University - Honorary Doctoral Degree of Agricultural Business Administration, Maejo University - Honorary Doctoral Degree of Business Administration, Chiangmai University - Director Accreditation Program (DAP), 2004 Thai Institute of Directors (IOD)	6,313,000,000 25.14%	● Spouse of Mr. Charoen Sirivadhana-bhakdi ● Mother of Mr. Thapana Sirivadhana-bhakdi and Mr. Panote Sirivadhana-bhakdi	2003-Present 2004-Present 2004-Present 1972-Present Present Present Present Present Present Present Present Present Present Present Present	Chairman 1st Executive Vice Chairman Chairman Chairman Executive Vice Chairman Director Director Chairman Director Chairman Chairman Chairman Director Director Director Director Director	ThaiBev BeerThip Co. Sangsom Co. TCC Group International Beverage Holdings (UK) Limited Beer Chang Co., Ltd. Kanchanasingkorn Co., Ltd. Thai Beverage Marketing Co., Ltd. Thanapakdi Co., Ltd. Fuengfuanant Co., Ltd. Mongkolsamai Co., Ltd. Vidhayathan Co., Ltd. IBHL Blairmhor Limited Chang Beverages Pte. Limited Fortune Associates Ltd.

Name/Position	Age (Year)	Educational Qualifications	Number of Shares held (As of Sep. 11, 2008) and Percentage of Shareholding Stake <sup>(1)</sup>	Family Relationship Among Executives	Work Experience (Past 5 Years)		
					Period	Position	Name of Department/Company/Type of Business
					Present	Director	Glad Crown Co. Limited
					Present	Director	Greatrend Corporation
					Present	Director	MM Capital Co., Limited
					Present	Director	MM Investment Co., Limited
					Present	Director	Pacific Sea International Holdings Limited
					Present	Director	Sparkgain Company Ltd.
					Present	Director	Success International Limited
					Present	Director	Tower Top Worldwide Limited
					Present	Director	United Development Ltd.
					Present	Director	W.S. Investments Incorporated
					Present	Vice Chairman	TCC Holding Co., Ltd.
					Present	Vice Chairman	Siriwana Co., Ltd.
					Present	Vice Chairman	Golden Wealth Co., Ltd.
					Present	Vice Chairman	Cristalla Co., Ltd.
					Present	Vice Chairman	Queen's Park Hotel Co., Ltd.
					Present	Vice Chairman	Commercial Solutions Co., Ltd.
					Present	Vice Chairman	Southeast Group Co., Ltd.
					Present	Vice Chairman	Charoen Wannakij Co., Ltd.



Name/Position	Age (Year)	Educational Qualifications	Number of Shares held (As of Sep. 11, 2008) and Percentage of Shareholding Stake <sup>(1)</sup>	Family Relationship Among Executives	Work Experience (Past 5 Years)		
					Period	Position	Name of Department/Company/Type of Business
					Present	Vice Chairman	Songvad Riverside Co., Ltd.
					2003-Present	Vice Chairman	TCC Capital Land Co., Ltd.
					Present	Vice Chairman	TCC Land Co., Ltd.
					Present	Vice Chairman	TCC Land International (Thailand) Co., Ltd.
					Present	Vice Chairman	TCC Hotel Collection Co., Ltd.
					Present	Vice Chairman	TCC Hotels Management Co., Ltd.
					Present	Vice Chairman	North Park Golf and Sports Club Co., Ltd.
					Present	Vice Chairman	Planteon Co., Ltd.
					Present	Vice Chairman	Plaza Athenee Co., Ltd.
					Present	Vice Chairman	Plaza Athenee Hotel (Thailand) Co., Ltd.
					Present	Vice Chairman	Lan Chang Development Co., Ltd.
					Present	Vice Chairman	Sahapanyphant (2002) Co., Ltd.
					Present	Vice Chairman	Asiatic House Co., Ltd.
					Present	Vice Chairman	MM Capital Co., Limited
					Present	Vice Chairman	I Laundry Service Co., Ltd.
					2001-Present	Vice Chairman	Berli Jucker Plc.

Name/Position	Age (Year)	Educational Qualifications	Number of Shares held (As of Sep. 11, 2008) and Percentage of Shareholding Stake <sup>(1)</sup>	Family Relationship Among Executives	Work Experience (Past 5 Years)		
					Period	Position	Name of Department/Company/Type of Business
3. Mr. Narong Srisa-an	80	Honorary Master of Economics	1	None	2003 – Present	Vice Chairman and 2nd	ThaiBev
Vice Chairman		Thammasart University	0.00%			Executive Vice Chairman	
2nd Executive Vice Chairman		Director Accreditation Program (DAP), 2004			Present	Executive Chairman	BeerThai Plc.
Authorized Director		Thai Institute of Directors (IOD)			Present	Chairman	Advance Agro Plc.
					Present	Executive Director	Comlink Co., Ltd.
					Present	Director	Thanakorn Vegetable Oil Product Co., Ltd.
					2004 – Present	Chairman	Sura Bangyikhan Co., Ltd.
					1988 – Present	Independent Director	True Corporation Plc.
					Present	Chairman	Kankwan Co., Ltd.
					Present	Chairman	Charun Business 52 Co., Ltd.
					Present	Chairman	Thai Cooperage Co., Ltd.
					Present	Chairman	Theparunothai Co., Ltd.
					Present	Chairman	Thai Molasses Co., Ltd.
					Present	Chairman	Thai Alcohol Plc.
					Present	Chairman	Dhanasindhi Co., Ltd.
					Present	Chairman	Thai Beverage Recycle Co., Ltd.
					Present	Chairman	Thai Beverage Energy Co., Ltd.
					Present	Chairman	Pan International Co.

Name/Position	Age (Year)	Educational Qualifications	Number of Shares held (As of Sep. 11, 2008) and Percentage of Shareholding Stake <sup>(1)</sup>	Family Relationship Among Executives	Work Experience (Past 5 Years)		
					Period	Position	Name of Department/Company/Type of Business
					Present	Chairman	Wrangyer Beverage (2008) Co., Ltd.
					Present	Chairman	Athimart Co., Ltd.
					Present	Chairman	Feed Addition Co., Ltd.
					Present	Chairman	S.S. Karnsura Co., Ltd.
					Present	Director	IBHL
					Present	Chairman	Cosmos Co.
					Present	Chairman	Peeda Pramote Co., Ltd.
					Present	Director	Yasoob Sakon Co., Ltd.
					Present	Director	Thai Beverage Can Co., Ltd.
					Present	Chairman and Executive	Oishi Group Plc.
						Director	
					Present	Director	Oishi Ramen Co., Ltd.
					Present	Director	Oishi Trading Co., Ltd.
					Present	Director	International Beverage Holdings (UK) Limited
					Present	Director	Blairmhor Limited
4. Mr. Komen Tantiwaththanaphan Vice Chairman 3rd Executive Vice Chairman	88	- High School Certificate, China - Director Accreditation Program (DAP) 56/2006 Thai Institute of Directors (IOD)	34,068,668 0.14%	None	2003 – Present  2004-Present	Vice Chairman and 3rd Executive Vice Chairman  Vice Chairman	ThaiBev  Sangsom Co., Ltd.

Name/Position	Age (Year)	Educational Qualifications	Number of Shares held (As of Sep. 11, 2008) and Percentage of Shareholding Stake <sup>(1)</sup>	Family Relationship Among Executives	Work Experience (Past 5 Years)		
					Period	Position	Name of Department/Company/Type of Business
Authorized Director					Present	Director	Surathip Co., Ltd.
					Present	Director	Kanchanasing Korn Co., Ltd.
					Present	Director	Thanapakdi Co., Ltd.
					Present	Director	Fuengfuanant Co., Ltd.
					Present	Director	Mongkolsamai Co., Ltd.
					Present	Director	Poon Puem Karnsura Co., Ltd.
					Present	Director	Trakarnkiat Co., Ltd.
					Present	Chairman	Sura Piset Thipharat Co., Ltd.
					Present	Chairman	United Products Co., Ltd.
5. Mr. Puchchong Chandhanakij  5th Executive Vice Chairman  Authorized Director	61	- M.S. Accounting  California State University, Long Beach, C.A. USA.  - Director Accreditation Program (DAP) , 2004  2004/ Thai Institute of Directors (IOD)	1  0.00%	None	2003-Present	Director and 5th Executive Vice  Chairman	ThaiBev
					2004-Present	Vice Chairman and Executive  Vice Chairman	BeerThip Co.
					2004-Present	Vice Chairman	Sura Bangyikhan Co., Ltd.
					Present	Director	Kankwan Co., Ltd.
					Present	Director	Theparunothai Co., Ltd.
					Present	Director	Num Kijjakarn Co., Ltd.
					Present	Director	Num Palang Co., Ltd.

Name/Position	Age (Year)	Educational Qualifications	Number of Shares held (As of Sep. 11, 2008) and Percentage of Shareholding Stake <sup>(1)</sup>	Family Relationship Among Executives	Work Experience (Past 5 Years)		
					Period	Position	Name of Department/Company/Type of Business
					Present	Director	Muangkij Co., Ltd.
					Present	Director	Athimart Co., Ltd.
					Present	Director	S.S. Karnsura Co., Ltd.
6. Mr. Staporn Kavitanon  Independent Director and  Audit Committee Chairman	68	- Bachelor of Arts in Economics Thammasart University  - Master of Arts in Economics Vanderbilt University, U.S.A.  - Director Accreditation Program (DAP), 2004 Thai Institute of Directors (IOD)	None	None	2004-Present	Independent Director and Audit Committee Chairman	ThaiBev
					2004-Present	Independent Director and Audit Committee Chairman	BeerThai Plc.
					2001-Present	Audit Committee Chairman	Berli Jucker Plc.
					Present	Director	Dhospaak Co., Ltd.
					Present	Director	T.C.C. Technology Co., Ltd.
					Present	Director	Siam Food Products Plc.
7. Prof. Kanung Luchai  Independent Director and Audit  Committee Member	84	- Bachelor of Laws, Thammasart University  - B.A.Hons., LL.B., Cambridge University, United Kingdom  - Honorary Doctorate Degree of Law Chulalongkorn University  - Honorary Doctorate Degree of Law Thammasart University	None	None	2004-Present	Independent Director and Audit Committee Member	ThaiBev
					Present	Independent Director and Audit Committee Member	BeerThai Plc.
					Present	Director	Kanung & Partners Law Offices Co., Ltd.
					Present	Director and Audit Committee Member	Bangkok Bank Plc.

Name/Position	Age (Year)	Educational Qualifications	Number of Shares held (As of Sep. 11, 2008) and Percentage of Shareholding Stake <sup>(1)</sup>	Family Relationship Among Executives	Work Experience (Past 5 Years)		
					Period	Position	Name of Department/Company/Type of Business
		<ul style="list-style-type: none"> <li>- Honorary Doctorate Degree of Management Technology, Suranaree University of Technology</li> <li>- Director Accreditation Program (DAP), 2003</li> <li>- Audit Committee Program (ACP), 2001</li> <li>- Effective Audit Committee &amp; Best Practice, 2003</li> <li>Thai Institute of Directors (IOD)</li> </ul>			Present	Director	Thailand Iron Works Plc.
8. Mr. Manu Leopaiprote  Independent Director and  Audit Committee Member	65	<ul style="list-style-type: none"> <li>- B.Sc. (Econ) (Hons), Thammasart University</li> <li>- M.Sc. (Econ), University of Kentucky, U.S.A.</li> <li>- National Defence College of Thailand, Class 34</li> <li>- Director Accreditation Program (DAP), 2003</li> <li>- The Role of Chairman (RCM), 2001</li> <li>Thai Institute of Directors (IOD)</li> </ul>	None	None	2004-Present	Independent Director and  Audit Committee Member	ThaiBev
					Present	Independent Director and  Audit Committee Member	BeerThai Plc.
					Present	Chairman	Thaioil Power Co., Ltd.
					Present	Chairman	Neighboring Countries Economic Development  Cooperation Agency
					Present	Director	PTT Chemical Plc.
9. Mr. Ng Tat Pun  Independent Director and Audit  Committee Member	64	<ul style="list-style-type: none"> <li>- Bachelor of Arts (Economics and History) University of Singapore</li> <li>- Director Accreditation Program (DAP)</li> <li>Thai Institute of Directors (IOD)</li> </ul>	None	None	Present	Independent Director and  Audit Committee Member	ThaiBev
					2003-Present	Independent Director, Chairman,  Chairman of Nomination	SP Chemical Ltd.

Name/Position	Age (Year)	Educational Qualifications	Number of Shares held (As of Sep. 11, 2008) and Percentage of Shareholding Stake <sup>(1)</sup>	Family Relationship Among Executives	Work Experience (Past 5 Years)		
					Period	Position	Name of Department/Company/Type of Business
					2002-Present	Committee, and Audit Committee Member Independent Director, Chairman of Audit Committee, and Member of Nomination Committee	Engro Corporation Ltd.
10. Mr. Michael Lau Hwai Keong Independent Director	48	- Bachelor of Business Administration (First Class Honors) National University of Singapore - Chartered Financial Analyst Institute of Chartered Financial Analysis - Director Accreditation Program (DAP) Thai Institute of Directors (IOD)	None	None	Present 2004-Present 2000-2004	Independent Director Managing Director and Advisory Services Executive Vice President, International	ThaiBev Octagon Advisors Pte. Ltd. United Overseas Bank Ltd.
11. Prof. Pornchai Matangkasombut Independent Director	68	- Bachelor Degree, Doctor of Medicine (M.D.) and Doctor of Philosophy (Ph. D.) University of Wisconsin - Director Accreditation Program (DAP) 56/2006 Thai Institute of Directors (IOD)	None	None	Present 1999-2007 2004-Present	Independent Director President Chairman of University Council	ThaiBev Mahidol University Bansomdejchaopraya Rajabhat University

Name/Position	Age (Year)	Educational Qualifications	Number of Shares held (As of Sep. 11, 2008) and Percentage of Shareholding Stake <sup>(1)</sup>	Family Relationship Among Executives	Work Experience (Past 5 Years)		
					Period	Position	Name of Department/Company/Type of Business
12. Mr. Sakthip Krairiksh  Independent Director	61	- Bachelor of Political Science Boston University, U.S.A. - Honorary Doctorate Degree, Soka University, Japan - Director Accreditation Program (DAP), 2004  Thai Institute of Directors (IOD)	None	None	Present  Present Present 1992-Present  2006-Present	Independent  Director Advisor Executive Director  Chairman of University Council	ThaiBev  Natural Park Plc. International Engineering Plc. Prince Mahidol Award Foundation under the Royal Patronage Rajamangala University of Technology Krungthep
13. Gen. Dr. Choo-Chat Kambhu Na Ayudhya  Independent Director	65	- Diplom Der Medizin Westf, Wilhelms Universitat zu Munster  - Doktor Der Medizin Georg-August Universitat zu Göttingen - Director Accreditation Program (DAP) 2004 Thai Institute of Directors (IOD) - Certificate of Proficiency in General Surgery - Diploma, National Defense College  (Vor Por Ror Aor 399) - Diploma, Army War College (34)	None	None	Present  2006-Present  2005-Present	Independent Director  Director Director	ThaiBev  Singha Paratech Plc. G Steel Plc.



Name/Position	Age (Year)	Educational Qualifications	Number of Shares held (As of Sep. 11, 2008) and Percentage of Shareholding Stake <sup>(1)</sup>	Family Relationship Among Executives	Work Experience (Past 5 Years)		
					Period	Position	Name of Department/Company/Type of Business
14. Mr. Vivat Tejapaibul  Authorized Director	63	<ul style="list-style-type: none"> <li>- Bachelor of Laws, Thammasart University</li> <li>- Master Degree, Fairleigh Dickinson University, New Jersey, U.S.A.</li> <li>- Director Accreditation Program (DAP), 2004</li> <li>- Thai Institute of Directors (IOD)</li> </ul>	<p>291,541,500</p> <p>1.16%</p>	None	2003-Present	Director	ThaiBev
					Present	Director	U-tain Capital Co., Ltd.
					Present	Director	Offshore Enterprises Co.
					1991-Present	Director	BGD (Thailand) Co., Ltd.
					Present	Director	Kankwan Co., Ltd.
					Present	Director	Theparunothai Co., Ltd.
					Present	Director	Piromsurang Co., Ltd.
					Present	Director	Sura Bangyikhan Co., Ltd.
					Present	Director	Athimart Co., Ltd.
					Present	Director	S.S. Karnsura Co., Ltd.
15. Mr. Panote Sirivadhanabhakdi  Authorized Director	31	<ul style="list-style-type: none"> <li>- Bachelor of Science in Manufacturing Engineering Boston University, U.S.A.</li> <li>- Master of Science in Analysis, Design and Management of Information System</li> <li>- London School of Economics and Political Science</li> </ul>	<p>107,000,000</p> <p>0.43%</p>	<ul style="list-style-type: none"> <li>● Son of Mr. Charoen and Khunying Wanna Sirivadhanabhakdi</li> <li>● Brother of Mr.</li> </ul>	Present	Director	ThaiBev
					Present	Director	BeerThip Co.
					Present	Director	Sura Bangyikhan Co., Ltd.
					Present	Director	Athimart Co., Ltd.
					Present	Director	S.S. Karnsura Co., Ltd.

Name/Position	Age (Year)	Educational Qualifications	Number of Shares held (As of Sep. 11, 2008) and Percentage of Shareholding Stake <sup>(1)</sup>	Family Relationship Among Executives	Work Experience (Past 5 Years)		
					Period	Position	Name of Department/Company/Type of Business
		Industrial Engineering and Economics Massachusetts University, U.S.A.		Thapana Sirivadha- nabhakdi	Present	Director	Kankwan Co., Ltd.
		Director Accreditation Program (DAP), 2004, Finance for Non-Finance Director (FN), 2004, Director Certification Program (DCP), 2004, Thai Institute of Directors (IOD)			Present	Director	Theparunothai Co., Ltd.
					Present	Director	Krittayabun Co., Ltd.
					Present	Director	Beer Chang Co., Ltd.
					Present	Director	InterBev (Singapore) Limited
					Present	Director	Best Spirits Company Limited
					Present	Director	International Beverage Holdings (UK) Limited
					Present	Director	Blairmhor Limited
					Present	Director	Blairmhor Distillers Limited
					Present	Director	Inver House Distillers Limited
					Present	Director, Executive Director	Berli Jucker Plc.
					Present	Director	Lan Chang Development Co., Ltd.
					Present	Director	TCC Hotels Group Co. Limited
					Present	Director	Eastern Seaboard Industrial Estate (Rayong) Co., Ltd.
					Present	Director	Siam Food Products Plc.
					Present	Director	Plantheon Co., Ltd.
					Present	Director	Siriwana Co., Ltd.

Name/Position	Age (Year)	Educational Qualifications	Number of Shares held (As of Sep. 11, 2008) and Percentage of Shareholding Stake <sup>(1)</sup>	Family Relationship Among Executives	Work Experience (Past 5 Years)		
					Period	Position	Name of Department/Company/Type of Business
					Present	Director	Cristalla Co., Ltd.
					Present	Director	Terragro Fertilizer Co., Ltd.
					Present	Director	Terragro Development Co., Ltd.
					Present	Director	Terragro Technology Co., Ltd.
					Present	Director	Southeast Group Co., Ltd.
					Present	Director	T.C.C. Technology Co., Ltd.
					Present	Director	Adelfos Co., Ltd.
					Present	Director	Univenture Plc.
					Present	Director	SHS Worldwide Assets Limited
					Present	Director	The Chonburi Sugar Industry Co., Ltd.
					Present	Director	The Suphanburi Sugar Industry Co., Ltd.
					Present	Director	The Utaradit Sugar Industry Co., Ltd.
					Present	Director	The Maewang Sugar Industry Co., Ltd.
					Present	Director	The Sukhothai Sugar Industry Co., Ltd.
					Present	Director	TCC Holding Co., Ltd.
					Present	Director	TCC World Co., Ltd.
					Present	Director	TCC Land Co., Ltd.
					Present	Director	TCC Land Development Co., Ltd.

Name/Position	Age (Year)	Educational Qualifications	Number of Shares held (As of Sep. 11, 2008) and Percentage of Shareholding Stake <sup>(1)</sup>	Family Relationship Among Executives	Work Experience (Past 5 Years)		
					Period	Position	Name of Department/Company/Type of Business
					Present	Director	TCC Land Industrial and Logistics Co., Ltd.
					Present	Director	TCC Land Retail Co., Ltd.
					Present	Director	TCC Property Development Co., Ltd.
					Present	Director	Cha-am Resort Town Co., Ltd.
					Present	Director	Sukhothai Bio Energy Co., Ltd.
					Present	Director	Cristalla Co., Ltd.
					Present	Director	Cristalla Engineering Co., Ltd.
					Present	Director	Golden Wealth Co., Ltd.
					Present	Director	Paksong Capital Co., Ltd.
					Present	Director	Lastica Co., Ltd.
					Present	Director	Kampengpeth Bio Energy Co., Ltd.
					Present	Director	Rivesrside Master Plan Co., Ltd.
					Present	Director	North East Agro (2008) Co., Ltd.
					Present	Director	Lan Chang Rice Co., Ltd.
					Present	Director	Norm Co., Ltd.
					Present	Director	Pathombhakdi Co., Ltd.
					Present	Director	Natura (2008) Co., Ltd.
					Present	Director	Thai Alcohol Plc.

Name/Position	Age (Year)	Educational Qualifications	Number of Shares held (As of Sep. 11, 2008) and Percentage of Shareholding Stake <sup>(1)</sup>	Family Relationship Among Executives	Work Experience (Past 5 Years)		
					Period	Position	Name of Department/Company/Type of Business
					Present	Director	TCC Land Commercial Co. Ltd.
					Present	Director	Sport and Recreations Enterprise Co., Ltd.
					Present	Director	BJC International Co.
16. Mr. Thapana Sirivadhanabhakdi  President  Authorized Director	33	- Bachelor of Business Administration (Finance) Boston University, U.S.A.  - Master of Science Administration in Finance Economics, Boston University, U.S.A.  - Director Accreditation Program (DAP), 2004 Thai Institute of Directors (IOD)	107,000,000  0.43%	● Son of Mr. Charoen and Khunying  Wanna Sirivadhana- bhakdi  ● Brother of Mr. Panote Sirivadhana- bhakdi	2003-Present   2004-Present  2001-Present  Present  Present  Present  Present  Present  Present  Present  Present	Director  President  Vice Chairman  Executive Director  Director  Director  Director  Director  Director  Director  Director  Director  Director  Director  Director	ThaiBev   Red Bull Co.  Berli Jucker Plc.  Beer Chang Co., Ltd.  Thai Beverage Brands Co., Ltd.  Charun Business 52 Co., Ltd.  Thai Cooperage Co., Ltd.  Dhospaak Co., Ltd.  Thai Beverage Marketing Co., Ltd.  Thai Molasses Co., Ltd.  Dhanasindhi Co., Ltd.  Nateechai Co., Ltd.  Thai Beverage Recycle Co., Ltd.  Pomkit Co., Ltd.

Name/Position	Age (Year)	Educational Qualifications	Number of Shares held (As of Sep. 11, 2008) and Percentage of Shareholding Stake <sup>(1)</sup>	Family Relationship Among Executives	Work Experience (Past 5 Years)		
					Period	Position	Name of Department/Company/Type of Business
					Present	Director	Pomthip Co., Ltd.
					Present	Director	Thai Beverage Energy Co., Ltd.
					Present	Director	Pan International Co.
					Present	Director	Wrangyer Beverage (2008) Co., Ltd.
					Present	Director	United Winery Co.
					Present	Director	Thai Beverage Logistics Co., Ltd.
					Present	Director	Simathurakij Co., Ltd.
					Present	Director	BeerThai Plc.
					Present	Director	Luckchai Liquor Trading Co., Ltd.
					Present	Director	Feed Addition Co., Ltd.
					Present	Director	IBHL
					Present	Director	InterBev (Singapore) Limited
					Present	Director	Cosmos Co.
					Present	Director	InterBev Malaysia Sdn.Bhd.
					Present	Director	Blairmhor Limited
					Present	Director	Blairmhor Distillers Limited
					Present	Director	Inver House Distillers Limited
					Present	Director	International Beverage Holdings (UK) Limited

Name/Position	Age (Year)	Educational Qualifications	Number of Shares held (As of Sep. 11, 2008) and Percentage of Shareholding Stake <sup>(1)</sup>	Family Relationship Among Executives	Work Experience (Past 5 Years)		
					Period	Position	Name of Department/Company/Type of Business
					Present	Director	Univenture Plc.
					Present	Director	Adelfos Co., Ltd.
					Present	Director	T.C.C. Technology Co., Ltd.
					Present	Director	Chula United Co., Ltd.
					Present	Vice Chairman	Oishi Group Plc.
					Present	Director	Oishi Trading Co., Ltd.
					Present	Director	Oishi Ramen Co., Ltd.
					Present	Director	Pisetkij Co., Ltd.
					Present	Director	Siam Food Products Plc.
					Present	Director	South-East Insurance Co., Ltd.
					Present	Director	South-East Assurance Co., Ltd.
					Present	Director	Achanay Capital Co., Ltd.
					Present	Director	MM Capital Co., Limited
					Present	Director	Chang International Limited
					Present	Director	Interbev Co., Ltd.
					Present	Director	International Beverages Co., Ltd.
					Present	Director	SHY Worldwide Assets Limited
					Present	Director	United Synergy Limited

Name/Position	Age (Year)	Educational Qualifications	Number of Shares held (As of Sep. 11, 2008) and Percentage of Shareholding Stake <sup>(1)</sup>	Family Relationship Among Executives	Work Experience (Past 5 Years)		
					Period	Position	Name of Department/Company/Type of Business
					Present	Director	Pathombhakdi Co., Ltd.
17. Ms. Kanoknart Rangsihienchai  Director and Executive Vice President  Authorized Director	62	- B.B.A.-Accounting, Thammasart University  - Director Accreditation Program (DAP), 2004  Thai Institute of Directors (IOD)	1  0.00%	None	2003-Present	Director and Executive  Vice President	ThaiBev
					2004-Present	Director and Executive  Vice President	BeerThai Plc.
					2004-Present	Vice Chairman	Sangsom Co., Ltd.
					Present	Vice Chairman	Kanchanasingkom Co., Ltd.
					Present	Vice Chairman	Charun Business 52 Co., Ltd.
					Present	Vice Chairman	Thai Cooperage Co., Ltd.
					Present	Director	Thai Beverage Marketing Co., Ltd.
					Present	Vice Chairman	Thai Molasses Co., Ltd.
					Present	Vice Chairman	Thanapakdi Co., Ltd.
					Present	Vice Chairman	Dhanasindhi Co., Ltd.
					Present	Director	Num Nakorn Co., Ltd.
					Present	Director	Num Muang Co., Ltd.
					Present	Vice Chairman	Thai Beverage Recycle Co., Ltd.
					Present	Vice Chairman	Thai Beverage Energy Co., Ltd.
					Present	Vice Chairman	Pan International Co.



Name/Position	Age (Year)	Educational Qualifications	Number of Shares held (As of Sep. 11, 2008) and Percentage of Shareholding Stake <sup>(1)</sup>	Family Relationship Among Executives	Work Experience (Past 5 Years)		
					Period	Position	Name of Department/Company/Type of Business
					Present	Vice Chairman	Fuengfuanant Co., Ltd.
					Present	Vice Chairman	Mongkolsamai Co., Ltd.
					Present	Vice Chairman	Wrangyer Beverage (2008) Co., Ltd.
					Present	Director	Thai Thum Distillery Co., Ltd.
					Present	Vice Chairman	Sura Piset Thipharat Co., Ltd.
					Present	Director	Sura Piset Pattharalanna Co., Ltd.
					Present	Director	Sura Piset Sahasan Co., Ltd.
					Present	Director	Sura Piset Samphan Co., Ltd.
					Present	Vice Chairman	Feed Addition Co., Ltd.
					Present	Director	Beer Chang Co., Ltd.
					Present	Director	Thai Beverage Brands Co., Ltd.
					Present	Director	Cosmos Co.
					Present	Director	Tien Chai Trading Co., Ltd.
					Present	Director	Fondue Restaurant Co., Ltd.
					Present	Vice Chairman	S P M Foods and Beverages Co., Ltd.
18. Mr. Sithichai Chaikriangkrai	54	- B.B.A.-Accounting (First Class Honors)	1	None	2003-Present	Director and Senior Vice	ThaiBev
Senior Vice President		Thammasart University	0.00%			President	
Authorized Director		- Diploma in Computer Management			2004-Present	Director and Vice President	BeerThip Co.

Name/Position	Age (Year)	Educational Qualifications	Number of Shares held (As of Sep. 11, 2008) and Percentage of Shareholding Stake <sup>(1)</sup>	Family Relationship Among Executives	Work Experience (Past 5 Years)		
					Period	Position	Name of Department/Company/Type of Business
		Chulalongkorn University			2001-Present	Director and Executive Director	Berli Jucker Plc.
		- Director Certification Program (DCP), 2003			Present	Director	Charun Business 52 Co., Ltd.
		Thai Institute of Directors (IOD)			Present	Director	Thai Cooperage Co., Ltd.
		- Mini MBA Leadership Program, Kasetsart University			Present	Director	Dhospaak Co., Ltd.
					Present	Director	Thai Beverage Marketing Co., Ltd.
					Present	Director	Thai Molasses Co., Ltd.
					Present	Director	Dhanasindhi Co., Ltd.
					Present	Director	Nateechai Co., Ltd.
					Present	Director	Thai Beverage Recycle Co., Ltd.
					Present	Director	Pomburapa Co., Ltd.
					Present	Director	Thai Beverage Energy Co., Ltd.
					Present	Director	Pan International Co.
					Present	Director	Pan Alcohol Co., Ltd.
					Present	Director	Wrangyer Beverage (2008) Co., Ltd.
					Present	Director	United Winery Co.
					Present	Director	Simathurakij Co., Ltd.
					Present	Director	Red Bull Co.
					Present	Director	Luckchai Liquor Trading Co., Ltd.

Name/Position	Age (Year)	Educational Qualifications	Number of Shares held (As of Sep. 11, 2008) and Percentage of Shareholding Stake <sup>(1)</sup>	Family Relationship Among Executives	Work Experience (Past 5 Years)		
					Period	Position	Name of Department/Company/Type of Business
					Present	Director	Feed Addition Co., Ltd.
					Present	Director	IBHL
					Present	Director	Pomklung Co., Ltd.
					Present	Director	Pisetkij Co., Ltd.
					Present	Director	Thai Glass Industries Plc.
					Present	Director	Thai Beverage Can Co., Ltd.
					Present	Director	Rubia Industries Co., Ltd.
					Present	Director	Thai Scandic Steel Co., Ltd.
					Present	Director	Oishi Group Plc.
					Present	Director	Oishi Trading Co., Ltd.
					Present	Director	Oishi Ramen Co., Ltd.
					Present	Director	Lake View Golf and Yacht Club Co., Ltd.
					Present	Director	Lake View Land Co., Ltd.
					Present	Director	The Cha-am Yacht Club Hotel Co., Ltd.
					Present	Director	North Park Golf and Sports Club Limited
					Present	Director	North Park Real Estate Co., Ltd.
					Present	Director	Victory Park Golf & Country Club Co., Ltd.

Name/Position	Age (Year)	Educational Qualifications	Number of Shares held (As of Sep. 11, 2008) and Percentage of Shareholding Stake <sup>(1)</sup>	Family Relationship Among Executives	Work Experience (Past 5 Years)		
					Period	Position	Name of Department/Company/Type of Business
					2007 – Present	Director	Eastern Seaboards Industrial Estate (Rayong) Co., Ltd.
					2007 – Present	Director	Siam Food Products Plc.
					2007 - Present	Director	Univenture Plc.
					July 2008 - Present	Director	Thai Drinks Co., Ltd.
					Present	Director	Archa Beer Co., Ltd.
19. Mr. Ueychai Tantha-Obhas Senior Vice President Authorized Director	59	- B. Sc Accounting, St. Louis University, Missouri, U.S.A. - MBA / Thammasart University - Advance Management Program (AMP), The European Institute of Business Administration (INSEAD) - Director Accreditation Program (DAP), 2004 Thai Institute of Directors (IOD) - Director Certification Program (DCP), 2007 Thai Institute of Directors (IOD)	None	None	Present	Director and Senior Vice President	ThaiBev
					Present	Director	Thai Alcohol Plc.
					Present	Director	Red Bull Co.
					Present	Director	United Winery Co.
					Present	Director	Simathurakij Co., Ltd.
					Present	Director	Nateechai Co., Ltd.
					Present	Director	Luckchai Liquor Trading Co., Ltd.
					Present	Director	Pomchok Co., Ltd.
					Present	Director	Pomcharoen Co., Ltd.
					Present	Director	Thai Beverage Marketing Co., Ltd.
					Present	Director	Dhospaak Co., Ltd.

Name/Position	Age (Year)	Educational Qualifications	Number of Shares held (As of Sep. 11, 2008) and Percentage of Shareholding Stake <sup>(1)</sup>	Family Relationship Among Executives	Work Experience (Past 5 Years)		
					Period	Position	Name of Department/Company/Type of Business
					Present	Director	IBHL
					Present	Director	Thai Beverage Logistics Co., Ltd.
					Present	Director	InterBev (Singapore) Limited
					Present	Director	InterBev Malaysia Sdn.Bhd.
					Present	Director	InterBev (Cambodia) Co., Ltd.
					Present	Director	International Beverage Holdings Limited USA, Inc.
					Present	Director	International Beverage Holdings (UK) Limited
					Present	Director	Blairmhor Distillers Limited
					Present	Director	Blairmhor Limited
					Present	Director	Inver House Distillers Limited
					Present	Director	Thai Drinks Co., Ltd.
					Present	Director	Oishi Group Plc.
					Present	Director	Oishi Ramen Co., Ltd.
					Present	Director	Oishi Trading Co., Ltd.
20. Dr. Pisanu Vichiensanth Senior Vice President Authorized Director	52	Ph.D. Engineering Technical University Berlin, West Germany Master Brewer,	None	None	2003-Present	Director and Senior Vice President	ThaiBev
					2003-Present	Managing Director	BeerThai Plc.
					Present	Director	Vidhayathan Co., Ltd.

Name/Position	Age (Year)	Educational Qualifications	Number of Shares held (As of Sep. 11, 2008) and Percentage of Shareholding Stake <sup>(1)</sup>	Family Relationship Among Executives	Work Experience (Past 5 Years)		
					Period	Position	Name of Department/Company/Type of Business
		The Scandinavian School of Brewing, Denmark - Director Accreditation Program (DAP), 2004 Thai Institute of Directors (IOD)			Present	Director	Beer Chang Co., Ltd.
					Present	Director	Archa Beer Co., Ltd.
					Present	Director	Cosmos Co.
					Present	Director	Oishi Group Plc.
					Present	Director	Oishi Ramen Co., Ltd.
					Present	Director	Oishi Trading Co., Ltd.
21. Mr. Chukiet Tangpongprush  Senior Vice President  Authorized Director	68	Bachelor of Laws  Thammasart University - Director Accreditation Program (DAP), 2004  Thai Institute of Directors (IOD)	1  0.00%	None	2003-Present	Director and Senior Vice  President	ThaiBev
					Present	Director	BeerThip Co.
					Present	Director	Sangsom Co., Ltd.
					Present	Director	Fuengfuanant Co., Ltd.
					Present	Director	Mongkolsamai Co., Ltd.
					Present	Director	Thanapakdi Co., Ltd.
					Present	Director	Kanchanasingkorn Co., Ltd.
					Present	Director	Thai Thum Distillery Co., Ltd.
					Present	Director	Sura Piset Thipharat Co., Ltd.
					Present	Director	Sura Piset Sahasan Co., Ltd.
					Present	Director	Sura Piset Samphan Co., Ltd.

Name/Position	Age (Year)	Educational Qualifications	Number of Shares held (As of Sep. 11, 2008) and Percentage of Shareholding Stake <sup>(1)</sup>	Family Relationship Among Executives	Work Experience (Past 5 Years)		
					Period	Position	Name of Department/Company/Type of Business
					Present	Director	Sura Piset Pattharalanna Co., Ltd.
					Present	Director	United Products Co., Ltd.
					Present	Director	S P M Foods and Beverages Co., Ltd.
					Present	Director	Num Yuk Co., Ltd.
					Present	Director	Num Thurakij Co., Ltd.
					Present	Director	Thipchalothorn Co., Ltd.
					Present	Director	Sunthornpirom Co., Ltd.
					Present	Director	Thai Drinks Co. Ltd.
					Present	Director	North Park Real Estate Co., Ltd.
					Present	Director	B.T.C.L. Trading Plc.
					Present	Director	Bangpa-in Paper Industrial Co., Ltd.
					Present	Director	New Imperial Hotel Co., Ltd.
					Present	Director	Ayothya Thurakij Co., Ltd.
					Present	Director	Panich Charoen Loa-Thai (1990) Co., Ltd.
22. Mr. Sawat Sopa Executive Vice President	72	- B.Sc. Chemical Engineering Chulalongkorn University - Master Degree of Industrial Management, Kensai Kasu Center, Japan	1 0.00%	None	2004 - Present Present Present Present	Executive Vice President Director Director Director	ThaiBev Nateechai Co., Ltd. Red Bull Co. United Winery Co.

Name/Position	Age (Year)	Educational Qualifications	Number of Shares held (As of Sep. 11, 2008) and Percentage of Shareholding Stake <sup>(1)</sup>	Family Relationship Among Executives	Work Experience (Past 5 Years)		
					Period	Position	Name of Department/Company/Type of Business
		- Master Degree Dynamic Management International Executive Syracuse University, U.S.A. - Director Accreditation Program (DAP), 2004 Thai Institute of Directors (IOD)			Present	Director	Simathurakij Co., Ltd.
					Present	Director	Thai Thum Distillery Co., Ltd.
					Present	Director	Sura Piset Pattharalanna Co., Ltd.
					Present	Director	Sura Piset Sahasan Co., Ltd.
					Present	Director	Sura Piset Samphan Co., Ltd.
					Present	Director	Luckchai Liquor Trading Co., Ltd.
					Present	Director	United Products Co., Ltd.
					Present	Director	S P M Foods and Beverages Co., Ltd.
23. Mr. Jean Lebreton Senior Vice President	45	- MBA / The Wharton School of the University of Pennsylvania	None	None	Present	Senior Vice President	ThaiBev
24. Mr. Vichai Chaiyavarannurak Senior Vice President	59	- Bachelor of Business Administration in Finance and Banking, Thammasart University	None	None	Present 2002 – 2008	Senior Vice President Accounting & Finance President Director Director Director Director	ThaiBev Marketing Group Pomkit Co., Ltd. Pomthip Co., Ltd. Thai Beverage Marketing Co., Ltd. Thai Beverage Logistics Co., Ltd.



Name/Position	Age (Year)	Educational Qualifications	Number of Shares held (As of Sep. 11, 2008) and Percentage of Shareholding Stake <sup>(1)</sup>	Family Relationship Among Executives	Work Experience (Past 5 Years)		
					Period	Position	Name of Department/Company/Type of Business
25. Mr. Somchai Suthikulpanich  Senior Vice President	66	- B.A. (Banking & Finance/Marketing)  Marshall University, U.S.A.  - Director Accreditation Program (DAP), 2004  Thai Institute of Directors (IOD)	None	None	2008-Present	Senior Vice President	ThaiBev
					2008-Present	Executive Vice President	Thai Beverage Marketing Co., Ltd.
					2004	Director and Deputy Managing Director	Thai Beverage Marketing Co., Ltd.
					2003	Director and Deputy Managing Director	Group of Industrial and Commerce
					2002	Managing Director	Beer Chang International Co., Ltd.
26. Mr. Banjong Chintanasiri  Vice President-Office of Controller	50	- Master of Accounting  Thammasart University	None	None	2006-Present	Vice President-Office of Controller	ThaiBev
					2001-Present	Director	BeerThai Plc.
					Present	Director	Cosmos Co.
27. Mr. Adisak Sinswas  Vice President-Office of Treasury	44	- Bachelor of Accounting  Thammasart University	None	None	Present	Vice President-Office of Treasury	ThaiBev
					Present	Director	Surathip Co., Ltd.

**Enclosure 1****Details of ThaiBev's Executives and Controlling Persons**

## (2) Details of Executives and Controlling Persons

Names of Executives and Controlling Persons  Company	ThaiBev	Subsidiaries	Related Companies
<b>1. Mr. Charoen Sirivadhanabhakdi</b>			
- ThaiBev	X //		
- BeerThai Plc.		X	
- Red Bull Co.		X	
- United Winery Co.		X	
- Simathurakij Co., Ltd.		X	
- Nateechai Co., Ltd.		X	
- Luckchai Liquor Trading Co., Ltd.		X	
- Thai Beverage Marketing Co., Ltd.		X	
- Beer Chang Co., Ltd.		/	
- IBHL		X //	
- International Beverage Holdings (UK) Limited		/	
- Blairmhor Limited		/	
- TCC Group			X //
- Berli Jucker Public Co., Ltd.			X //
- Plaza Athenee Hotel (Thailand) Co., Ltd.			X
- North Park Golf and Sports Club Co., Ltd.			X
- C.S. Assets Incorporated			/
- Chang Beverages Pte. Limited			/
- Fanstar International Limited			/
- Fortune Associates Ltd.			/
- Glad Crown Co. Limited			/
- Greatrend Corporation			/
- MM Capital Co., Limited			/
- MM Investment Co., Limited			/
- Pacific Sea International Holdings Limited			/
- Sparkgain Company Ltd.			/
- Success International Limited			/
- Tower Top Worldwide Limited			/
- United Development Ltd.			/
- TCC Holding Co., Ltd.			X

Names of Executives and Controlling Persons  Company	ThaiBev	Subsidiaries	Related Companies
- Siriwana Co., Ltd.			X
- Golden Wealth Co., Ltd.			X
- Cristalla Co., Ltd.			X
- Commercial Solution Co., Ltd.			X
- Queen's Park Hotel Co., Ltd.			X
- Southeast Group Co., Ltd.			X
- Charoen Wannakij Co., Ltd.			X
- Songvard Riverside Co., Ltd.			X
- TCC Capital Land Co., Ltd.			X
- TCC Land Co., Ltd.			X
- TCC International (Thailand) Co., Ltd.			X
- TCC Hotel Collection Co., Ltd.			X
- TCC Hotel Management Co., Ltd.			X
- Plantheon Co., Ltd.			X
- Plaza Athenee Co., Ltd.			X
- Lan Chang Development Co., Ltd.			X
- Sahapanyphant (2002) Co., Ltd.			X
- Asiatic House Co., Ltd.			X
- M.M.Capital Co., Ltd.			X
- I Laundry Service Co., Ltd.			X
<b>2. Khunying Wanna Sirivadhanabhakdi</b>			
- ThaiBev	/ //		
- BeerThip Co.		X	
- Sangsom Co.		X	
- Fuengfuanant Co., Ltd.		X	
- Mongkolsamai Co., Ltd.		X	
- Thanapakdi Co., Ltd.		X	
- Kanchanasingkorn Co., Ltd.		X	
- Thai Beverage Marketing Co., Ltd.		/	
- Vidhayathan Co., Ltd.		/	
- Beer Chang Co., Ltd.		/	
- IBHL		/	
- International Beverage Holdings (UK) Limited		/	
- Blairmhor Limited		/	
- TCC Group			//
- Berli Jucker Public Co., Ltd.			/

Names of Executives and Controlling Persons  Company	ThaiBev	Subsidiaries	Related Companies
- TCC Hotel Collection Co., Ltd.			/
- Plaza Athenee Hotel (Thailand) Co., Ltd.			/
- North Park Golf and Sports Club Co., Ltd.			/
- Chang Beverages Pte. Limited			/
- Fortune Associates Ltd.			/
- Glad Crown Co. Limited			/
- Greatrend Corporation			/
- MM Capital Co., Limited			/
- MM Investment Co., Limited			/
- Pacific Sea International Holdings Limited			/
- Sparkgain Company Ltd.			/
- Success International Limited			/
- Tower Top Worldwide Limited			/
- United Development Ltd.			/
- W.S. Investments Incorporated			/
- TCC Holding Co., Ltd.			/
- Siritwana Co., Ltd.			/
- Golden Wealth Co., Ltd.			/
- Cristalla Co., Ltd.			/
- Queen's Park Hotel Co., Ltd.			/
- Commercial Solution Co., Ltd.			/
- Southeast Group Co., Ltd.			/
- Charoen Wannakij Co., Ltd.			/
- Songvard Riverside Co., Ltd.			/
- TCC Capital Land Co., Ltd.			/
- TCC Land Co., Ltd.			/
- TCC Land International (Thailand) Co., Ltd.			/
- TCC Hotel Management Co., Ltd.			/
- Plantheon Co., Ltd.			/
- Plaza Athenee Co., Ltd.			/
- Lan Chang Development Co., Ltd.			/
- Sahapanyphant (2002) Co., Ltd.			/
- Asiatic House Co., Ltd.			/
- M.M.Capital Co., Ltd.			/
- I Laundry Service Co., Ltd.			/

Names of Executives and Controlling Persons  Company	ThaiBev	Subsidiaries	Related Companies
<b>3. Mr. Narong Srisa-an</b>			
- ThaiBev	/ //		
- BeerThai Plc.		/ //	
- Thai Alcohol Plc.		X	
- Sura Bangyikhan Co., Ltd.		X	
- Athimart Co., Ltd.		X	
- S.S. Karnsura Co., Ltd.		X	
- Kankwan Co., Ltd.		X	
- Theparunothai Co., Ltd.		X	
- Thai Molasses Co., Ltd.		X	
- Feed Addition Co., Ltd.		X	
- Charun Business 52 Co., Ltd.		X	
- Dhanasindhi Co., Ltd.		X	
- Thai Beverage Energy Co., Ltd.		X	
- Wrangyer Beverage (2008) Co., Ltd.		X	
- Pan International Co.		X	
- Thai Beverage Recycle Co., Ltd.		X	
- Thai Cooperage Co., Ltd.		X	
- IBHL		/	
- International Beverage Holdings (UK) Limited		/	
- Blairmhor Limited		/	
- Cosmos Co.		X	
- Oishi Group Plc.		X //	
- Oishi Ramen Co., Ltd.		/	
- Oishi Trading Co., Ltd.		/	
- Thai Beverage Can Co., Ltd.			/
<b>4. Mr. Komen Tantiwattthanaphan</b>			
- ThaiBev	/ //		
- Sangsom Co.		/	
- Fuengfuanant Co., Ltd.		/	
- Mongkolsamai Co., Ltd.		/	
- Thanapakdi Co., Ltd.		/	
- Kanchanasingkorn Co., Ltd.		/	
- Sura Piset Thipharat Co., Ltd.		X	
- Surathip Co., Ltd.		/	
- United Products Co., Ltd.		X	

Names of Executives and Controlling Persons  Company	ThaiBev	Subsidiaries	Related Companies
<b>5. Mr. Puchchong Chandhanakij</b>			
- ThaiBev	/ //		
- BeerThip Co.		/ //	
- Sura Bangyikhan Co., Ltd.		/	
- Athimart Co., Ltd.		/	
- S.S. Karnsura Co., Ltd.		/	
- Kankwan Co., Ltd.		/	
- Theparunothai Co., Ltd.		/	
- Muangkij Co., Ltd.		/	
- Num Palang Co., Ltd.		/	
- Num Kijjakarn Co., Ltd.		/	
<b>6. Mr. Staporn Kavitanon</b>			
- ThaiBev	/		
- BeerThai Plc.		/	
- Dhospaak Co., Ltd.		/	
- Berli Jucker Public Co., Ltd.			/
- T.C.C. Technology Co.,Ltd.			/
- Siam Food Products Public Co., Ltd.			/
- BeerThip Co., Ltd.		/	
<b>7. Prof. Kanung Luchai</b>			
- ThaiBev	/		
- BeerThai Plc.		/	
- BeerThip Co., Ltd.		/	
<b>8. Mr. Manu Leopairote</b>			
- ThaiBev	/		
- BeerThai Plc.		/	
- BeerThip Co., Ltd.		/	
<b>9. Mr. Ng Tat Pun</b>			
- ThaiBev	/		
<b>10. Mr. Michael Lau Hwai Keong</b>			
- ThaiBev	/		
<b>11. Prof. Pornchai Matangkasombut</b>			
- ThaiBev	/		
<b>12. Gen. Dr. Choo-Chat Kambhu Na Ayudhya</b>			
- ThaiBev	/		

Names of Executives and Controlling Persons  Company	ThaiBev	Subsidiaries	Related Companies
<b>13. Mr. Sakthip Krairiksh</b> - ThaiBev	/		
<b>14. Mr. Vivat Tejapaibul</b> - ThaiBev	/		
- Sura Bangyikhan Co., Ltd.		/	
- Athimart Co., Ltd.		/	
- S.S. Karnsura Co., Ltd.		/	
- Kankwan Co., Ltd.		/	
- Theparunothai Co., Ltd.		/	
- Piromsurang Co., Ltd.		/	
<b>15. Mr. Panote Sirivadhanabhakdi</b> - ThaiBev	/		
- Krittayabun Co., Ltd.		/	
- BeerThip Co.		/	
- Sura Bangyikhan Co., Ltd.		/	
- Kankwan Co., Ltd.		/	
- Theparunothai Co., Ltd.		/	
- Athimart Co., Ltd.		/	
- S.S. Karnsura Co., Ltd.		/	
- Beer Chang Co., Ltd.		/	
- Thai Alcohol Plc.		/	
- InterBev (Singapore) Limited		/	
- Best Spirits Company Limited		/	
- International Beverage Holdings (UK) Limited		/	
- Blairmhor Limited		/	
- Inver House Distillers Limited		/	
- Blairmhor Distillers Limited		/	
- Berli Jucker Public Co., Ltd.			/ //
- Lan Chang Development Co., Ltd.			/
- TCC Hotel Group Co., Ltd.			/
- Eastern Seaboard Industrial Estate (Rayong) Co., Ltd.			/
- T.C.C. Technology Co., Ltd.			/
- The Chonburi Sugar Corp., Ltd.			/
- The Suphanburi Sugar Industry Co., Ltd.			/
- The Uitaradit Sugar Industry Co., Ltd.			/
- The Maewang Sugar Industry Co., Ltd.			/

Names of Executives and Controlling Persons  Company	ThaiBev	Subsidiaries	Related Companies
- Siam Food Products Public Co.,Ltd.			/ //
- Adelfos Co., Ltd.			/
- Univenture Plc.			/
- Norm Co., Ltd.			/
- Pathombhakdi Co., Ltd.			/
- Plantheon Co., Ltd.			/
- Siritwana Co., Ltd.			/
- Cristalla Co., Ltd.			/
- Terragro Fertilizer Co., Ltd.			/
- Terragro Development Co., Ltd.			/
- Terragro Technology Co., Ltd.			/
- Southeast Group Co., Ltd.			/
- SHS Worldwide Assets Limited			/
- The Sukhothai Sugar Industry Co., Ltd.			/
- TCC Holding Co., Ltd.			/
- TCC World Co., Ltd.			/
- TCC Land Co.,Ltd.			/
- TCC Land Development Co., Ltd.			/
- TCC Land Industrial and Logistics Co.,Ltd.			/
- TCC Land Retail Co., Ltd.			/
- T.C.C. Property Development Co., Ltd.			/
- Cha-Am Resort Town Co., Ltd.			/
- Sukhothai Bio Energy Co., Ltd.			/
- Cristalla Engineering Co., Ltd.			/
- Golden Wealth Co., Ltd.			/
- Paksong Capital Co., Ltd.			/
- Lastica Co., Ltd.			/
- Kampengpeth Bio Energy Co., Ltd.			/
- Riverside Master Plan Co., Ltd.			/
- North East Agro (2008) Co., Ltd.			/
- Lan Chang Rice Co., Ltd.			/
- Natura (2008) Co., Ltd.			/
- TCC Land Commercial Co.,Ltd.			/
- Sports and Recreations Enterprise Co., Ltd.			/
- BJC International Co.			/



Names of Executives and Controlling Persons  Company	ThaiBev	Subsidiaries	Related Companies
<b>16. Mr. Thapana Sirivadhanabhakdi</b>			
- ThaiBev	/ //		
- BeerThai Plc.		/ //	
- Red Bull Co.		/	
- United Winery Co.		/	
- Simathurakij Co., Ltd.		/	
- Nateechai Co., Ltd.		/	
- Luckchai Liquor Trading Co., Ltd.		/	
- Pomthip Co., Ltd.		/	
- Pomkit Co., Ltd.		/	
- Thai Beverage Marketing Co., Ltd.		/ //	
- Thai Beverage Logistics Co., Ltd.		/ //	
- Thai Molasses Co., Ltd.		/	
- Feed Addition Co., Ltd.		/	
- Charun Business 52 Co., Ltd.		/	
- Dhanasindhi Co., Ltd.		/	
- Thai Beverage Energy Co., Ltd.		/	
- Wrangyer Beverage (2008) Co., Ltd.		/	
- Pan International Co.		/	
- Thai Beverage Recycle Co., Ltd.		/	
- Thai Cooperage Co., Ltd.		/	
- Dhospaak Co., Ltd.		/ //	
- Thai Beverage Brands Co., Ltd.		/	
- Beer Chang Co., Ltd.		/	
- IBHL		/	
- InterBev (Singapore) Limited		/	
- InterBev Malaysia Sdn. Bhd.		/	
- International Beverage Holdings (UK) Limited		/	
- Blairmhor Limited		/	
- Inver House Distillers Limited		/	
- Blairmhor Distillers Limited		/	
- Cosmos Co.		/	
- Oishi Group Plc.		/ //	
- Oishi Trading Co., Ltd.		/	
- Oishi Ramen Co., Ltd.		/	
- T.C.C. Technology Co.,Ltd.			/

Names of Executives and Controlling Persons  Company	ThaiBev	Subsidiaries	Related Companies
- BJC International Co.			/
- Chula United Co., Ltd.			/
- Berli Jucker Public Co., Ltd.			/ //
- Archanay Capital Co., Ltd.			/
- Pisetskij Co., Ltd.			/
- South - East Insurance Co., Ltd.			/
- South - East Assurance Co., Ltd.			/
- M.M.Capital Co., Ltd.			/
- Siam Food Products Public Co., Ltd.			/
- SHY Worldwide Assets Limited			/
- Adelfos Co., Ltd.			/
- Univenture Plc.			/
- Pathombhakdi Co., Ltd.			/
- Chang International Limited			/
- Interbev Co., Ltd.			/
- International Beverages Co., Ltd.			/
- United Synergy Limited			/
<b>17. Ms. Kanoknart Rangsihienchai</b>			
- ThaiBev	/ //		
- BeerThai Plc.		/ //	
- Sangsom Co.		/	
- Fuengfuanant Co., Ltd.		/	
- Mongkolsamai Co., Ltd.		/	
- Thanapakdi Co., Ltd.		/	
- Kanchanasingkorn Co., Ltd.		/	
- Num Muang Co., Ltd.		/	
- Num Nakorn Co., Ltd.		/	
- Thai Beverage Marketing Co., Ltd.		/	
- Thai Molasses Co., Ltd.		/	
- Feed Addition Co., Ltd.		/	
- Charun Business 52 Co., Ltd.		/	
- Dhanasindhi Co., Ltd.		/	
- Thai Beverage Energy Co., Ltd.		/	
- Wrangyer Beverage (2008) Co., Ltd.		/	
- Pan International Co.		/	
- Thai Beverage Recycle Co., Ltd.		/	

Names of Executives and Controlling Persons  Company	ThaiBev	Subsidiaries	Related Companies
- Thai Cooperage Co., Ltd.		/	
- Sura Piset Thipharat Co., Ltd.		/	
- Sura Piset Sahasan Co., Ltd.		/	
- Sura Piset Samphan Co., Ltd.		/	
- Sura Piset Phatra Lanna Co., Ltd.		/	
- Beer Chang Co., Ltd.		/	
- Thai Beverage Brands Co., Ltd.		/	
- Thai Thum Distillery Co., Ltd.		/	
- Cosmos Co.		/	
- S P M Foods and Beverages Co., Ltd.		/	
<b>18. Mr. Sithichai Chaikriangkrai</b>			
- ThaiBev	/ //		
- BeerThip Co.		/ //	
- Red Bull Co.		/	
- United Winery Co.		/	
- Simathurakij Co., Ltd.		/	
- Nateechai Co., Ltd.		/	
- Luckchai Liquor Trading Co., Ltd.		/	
- Pomklung Co., Ltd.		/	
- Pomburapa Co., Ltd.		/	
- Thai Beverage Marketing Co., Ltd.		/	
- Thai Molasses Co., Ltd.		/	
- Feed Addition Co., Ltd.		/	
- Charun Business 52 Co., Ltd.		/	
- Dhanasindhi Co., Ltd.		/	
- Thai Beverage Energy Co., Ltd.		/	
- IBHL		/	
- Wrangyer Beverage (2008) Co., Ltd.		/	
- Pan International Co.		/	
- Thai Beverage Recycle Co., Ltd.		/	
- Thai Cooperage Co., Ltd.		/	
- Pan Alcohol Co., Ltd.		/	
- Dhospaak Co., Ltd.		/	
- Thai Drinks Co., Ltd.		/	
- Archa Beer Co., Ltd.		/	
- Oishi Group Plc.		/ //	

Names of Executives and Controlling Persons  Company	ThaiBev	Subsidiaries	Related Companies
- Oishi Ramen Co., Ltd.		/	
- Oishi Trading Co., Ltd.		/	
- Berli Jucker Public Co., Ltd.			/ //
- Thai Beverage Can Co., Ltd.			/
- North Park Golf and Sports Club Co., Ltd.			/
- Pisetskij Co., Ltd.			/
- Siam Food Products Public Co., Ltd.			/ //
- North Park Real Estate Co., Ltd.			/
<b>19. Dr. Pisanu Vichiensanth</b>			
- ThaiBev	/ //		
- BeerThai Plc.		/ //	
- Beer Chang Co., Ltd.		/	
- Vidhayathan Co., Ltd.		/	
- Archa Beer Co., Ltd.		/	
- Cosmos Co.		/	
- Oishi Group Plc.		/ //	
- Oishi Ramen Co., Ltd.		/	
- Oishi Trading Co., Ltd.		/	
<b>20. Mr. Ueychai Tantha-Obhas</b>			
- ThaiBev	/ //		
- Thai Alcohol Plc.		/	
- Red Bull Co.		/	
- United Winery Co.		/	
- Simathurakij Co., Ltd.		/	
- Nateechai Co., Ltd.		/	
- Luckchai Liquor Trading Co., Ltd.		/	
- Pomchok Co., Ltd.		/	
- Pomcharoen Co., Ltd.		/	
- Thai Beverage Marketing Co., Ltd.		/ //	
- Dhospaak Co., Ltd.		/ //	
- Thai Beverage Logistics Co., Ltd.		/	
- IBHL		/	
- InterBev (Singapore) Limited		/	
- InterBev (Cambodia) Co., Ltd.		/	
- InterBev Malaysia Sdn. Bhd.		/	
- International Beverage Holdings Limited USA, Inc.		/	

Names of Executives and Controlling Persons  Company	ThaiBev	Subsidiaries	Related Companies
- International Beverage Holdings (UK) Limited		/	
- Blairmhor Limited		/	
- Inver House Distillers Limited		/	
- Blairmhor Distillers Limited		/	
- Thai Drinks Co., Ltd.		/	
- Oishi Group Plc.		/ //	
- Oishi Ramen Co., Ltd.		/	
- Oishi Trading Co., Ltd.		/	
<b>21. Mr. Chukiet Tangpongprush</b>			
- ThaiBev	/ //		
- Sangsom Co.		/	
- Fuengfuanant Co., Ltd.		/	
- Mongkolsamai Co., Ltd.		/	
- Thanapakdi Co., Ltd.		/	
- Kanchanasingkorn Co., Ltd.		/	
- Sunthornpirom Co., Ltd.		/	
- United Products Co., Ltd.		/	
- Thai Thum Distillery Co., Ltd..		/	
- Sura Piset Samphan Co., Ltd.		/	
- Sura Piset Sahasan Co., Ltd.		/	
- Num Yuk Co., Ltd.		/	
- Num Thurakij Co., Ltd.		/	
- Thipchalothorn Co., Ltd.		/	
- Sura Piset Phatra Lanna Co., Ltd.		/	
- Thai Drinks Co., Ltd.		/	
- BeerThip Co.		/ //	
- Sura Piset Thipharat Co., Ltd.		/	
- S P M Foods and Beverages Co., Ltd.		<b>X</b>	
- North Park Real Estate Co., Ltd.			/
<b>22. Mr. Sawat Sopa</b>			
- ThaiBev	///		
- Red Bull Co.		/	
- United Winery Co.		/	
- Simathurakij Co., Ltd.		/	
- Nateechai Co., Ltd.		/	
- Luckchai Liquor Trading Co., Ltd.		/	

Names of Executives and Controlling Persons  Company	ThaiBev	Subsidiaries	Related Companies
- Sura Piset Sahasan Co., Ltd.		//	
- Sura Piset Phatra Lanna Co., Ltd.		/	
- Thai Thum Distillery Co., Ltd..		/	
- United Products Co., Ltd.		/	
- S P M Foods and Beverages Co., Ltd.		/	
- Sura Piset Samphan Co., Ltd.		/	
<b>23. Mr. Jean Lebreton</b>			
- ThaiBev	///		
<b>24. Mr. Vichai Chaiyavaranurak</b>			
- ThaiBev	///		
- Thai Beverage Logistics Co., Ltd.		/ //	
- Thai Beverage Marketing Co., Ltd.		/ //	
- Pomkit Co., Ltd.		/	
- Pomthip Co., Ltd.		/	
<b>25. Mr. Somchai Suthikulpanich</b>			
- ThaiBev	///		
- Thai Beverage Marketing Co., Ltd.		/ //	
<b>26. Mr. Banjong Chintanasiri</b>			
- ThaiBev	///		
- BeerThai Plc.		/	
- Cosmos Co.		/	
<b>27. Mr. Adisak Sinswas</b>			
- ThaiBev	///		
- Surathip Co., Ltd.		/	

**Remark** x = Chairman / = Director // = Executive Director /// = Executive

**THAI BEVERAGE PUBLIC COMPANY LIMITED**

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**ENCLOSURE 2**

**DETAILS OF THE DIRECTORS OF THE SUBSIDIARIES**

## Details of Directors of Subsidiaries

Company  Director			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
			Kanchanasingkorn Co.	Kankwan Co.	Cosmos Co.	Theparunothai Co.	Thanapakdi Co.	Natechai Co.	BeerThip Co.	BeerThai Plc.	Fuengfuanant Co.	Mongkolsamai Co.	United Winery Co.	Simathurakij Co.	Red Bull Co.	Sura Bangyikhan Co.	Sura Piset Thipparat Co.	Sangsom Co.	Luckchai Liquor Trading Co.	Athimart Co.	S.S. Karasura Co.	United Products Co.	Oishi Group Plc.
1	Mr. Charoen	Sirivadhanabhakd					X		X				X	X	X				X				
2	Khunying Wanna	Sirivadhanabhakd	X				X		X		X	X						X					
3	Mrs. Thapanee	Techajareonviku	/			/					/	/						/					
4	Mrs. Atinant	Bijananda	/			/					/	/						/					
5	Mr. Thapana	Sirivadhanabhakd			/		/		//		/	/	/					/					//
6	Mr. Panote	Sirivadhanabhakd		/		/		/						/					/	/			
7	Mrs. Nongluck	Phataraprasit	/			/					/	/						/					
8	Mrs. Varang	Srethbhakdi	/			/					/	/						/					
9	Ms. Kanoknart	Ransithiencha	/		/	/			//	/	/						/	/					
10	Ms. Jittiya	Chutinuntakul		/		/										/			/	/			
11	Mr. Chalerm	Pomrutchakit	/			/					/	/					/	/					
12	Mr. Komen	Tantiwiwathphanphar	/			/					/	/					X	/				X	
13	Mr. Krisada	Tantiwiwathphanphar					/				/	/	/					/					
14	Mr. Kanung	Luchai						/	/														
15	Mr. Charin	Sakulvanichaporr		/		/									/				/	/			
16	Mr. Chukiet	Tangpongprush	/			/		/		/	/					/	/					/	
17	Mr. Narong	Srisa-an		X	X	X			//						X				X	X			X//
18	Mr. Banjong	Chintanasir			/				//														
19	Mr. Boontham	Chongpison							//														
20	Mr. Prasert	Mahattanakul				/					/	/	/					/					
21	Mr. Prasan	Sangviriyaku	/			/				/	/					/	/						
22	Mr. Pramote	Hassamontr				/					/	/	/					/				/	
23	Mr. Panya	Benchanukrom			/																		
24	Mr. Pisanu	Vichiensanth			/				//														//
25	Mr. Peerapong	Sirakambandi	/		/										/				/	/			
26	Mr. Puchchong	Chandhanakij	/	/	/			//							/				/	/			
27	Mr. Manu	Leopairote						/	/														
28	Mr. Vivat	Tejapaibul	/	/	/									/				/	/				
29	Mr. Weerasak	Ounjitta	/			/				/	/				/	/							
30	Mr. Staporn	Kavitanon						/	/														
31	Mr. Somkiat	Chareonkul																					//
32	Mr. Somsak	Wattanasunthornkul				/					/	/	/				/					/	
33	Mr. Somsak	Ussavathirakul	/			/				/	/				/	/							
34	Mr. Sawat	Sopa				/					/	/	/				/				/		
35	Mr. Sithichai	Chaikriangkra				/	//				/	/	/			/							//
36	Mr. Supan	Chattrakoon	/	/	/									/				/	/				
37	Mr. Ueychai	Tantha-Obhas				/					/	/	/				/						//
38	Gen. Patana	Putananon						//															
39	Mr. Kobchai	Kingchutchawan																				/	
40	Mr. Tan	Passakornmatee																					//
41	Ms. Sunisa	Sukphantavorn																					//
42	Mr. Chiu	Yueh Chin																					//
43	Mr. Verachai	Tantikul																					/
44	Mr. Chai	Jroongtanapibarr																					/
45	Mr. Cholakanta	Boobpaves																					//
46	Mr. Vokrom	Koompirochana																					/

Remarks 1. X = Chairman / = Director // = Executive Director

2. Subsidiary means any material subsidiary