

Thai Beverage Public Company Limited

Financial Statement and Dividend Announcement for the Year Ended 31 December 2008

PART I INFORMATION REQUIRED FOR THE YEAR ANNOUNCEMENTS.

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

Thai Beverage Public Company Limited
Statements of Income
For the year ended 31 December 2008 and 2007

	(Unit : Thousand Baht)		
	Consolidated		
	financial statements		
	For the year ended 31 December		
	Restated		
	2008	2007	+ / (-)
Revenues from sales and services			
Revenue from sale of goods and rendering of services	105,257,338	105,107,854	0%
Total revenues from sales and services	105,257,338	105,107,854	0%
Cost of sales and services			
Cost of sales of goods and rendering of services	76,555,924	73,824,389	4%
Total cost of sales and services	76,555,924	73,824,389	4%
Gross profit	28,701,414	31,283,465	(8%)
Selling and administrative expenses	14,084,372	14,811,202	(5%)
Operating profit	14,617,042	16,472,263	(11%)
Interest income	36,544	46,294	(21%)
Other income	905,805	314,388	188%
Net operating profit	15,559,391	16,832,945	(8%)
Share of profits from investments accounted for using the equity method	26,603	28,642	(7%)
Earnings before financial costs and income tax	15,585,994	16,861,587	(8%)
Interest expense	680,942	1,050,195	(35%)
Income tax expense	4,298,961	4,868,399	(12%)
Profit for the year	10,606,091	10,942,993	(3%)
Attributable to:			
Equity holders of the Company	10,341,843	10,628,197	(3%)
Minority interests	264,248	314,796	(16%)
Profit for the year	10,606,091	10,942,993	(3%)
Basic earnings per share (Baht)	0.41	0.42	(2%)
Diluted earnings per share (Baht)	0.41	0.42	(2%)

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

NOTE :

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

	(Unit : Thousand Baht)		
	Consolidated		
	financial statements		
	For the year ended 31 December		
	2008	2007	
		Restated	
A Investment income	(100)	(22,189)	(100%)
B Other income including interest income	(416,470)	(360,682)	15%
C Interest in borrowings	680,942	1,050,195	(35%)
D Depreciation and amortization	5,071,625	5,317,164	(5%)
E Allowance for doubtful debts and bad debts written off	17,470	(109,854)	(116%)
F Write-off for stock obsolescence	85,176	87,705	(3%)
G Impairment in value of investments	31	-	-
H Foreign exchange (gain) / loss	40,198	149,435	(73%)
I Adjustments for under or overprovision of tax in respect of prior year	-	-	-
J (Profit) or loss on sale of investments, properties, and / or plant and equipment	(554,194)	(138,540)	300%
K Exceptional items	-	-	-
L Extraordinary items	-	-	-

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

Thai Beverage Public Company Limited and its Subsidiaries
Balance sheets
As at 31 December 2008 and 2007

	Consolidated		(Unit : Thousand Baht)	
	financial statements		Separate	
	31-Dec-2008	31-Dec-2007	31-Dec-2008	31-Dec-2007
	(Audited)	Restated (Audited)	(Audited)	(Audited)
Assets				
Current assets				
Cash and cash equivalents	1,916,992	2,587,796	3,964	9,168
Current investments	9,123	114,185	-	-
Trade accounts receivable	1,514,403	1,956,547	-	-
Short-term loans to and amounts due from related parties	41,438	4,371	3,648,410	3,916,012
Inventories	29,729,437	28,277,663	-	-
Other current assets	1,726,519	1,428,373	13,658	8,482
Total current assets	34,937,912	34,368,935	3,666,032	3,933,662
Non-current assets				
Investments in subsidiaries and associates	111,656	124,518	77,161,702	71,470,330
Other long-term investments	10,518	5,634	-	-
Long-term loans to and amounts due from related parties	57,898	5,797	5,588,706	9,418,244
Property, plant and equipment	39,578,158	44,639,783	55,517	71,601
Intangible assets	3,178,327	1,007,146	36,299	16,166
Leasehold right	111,854	121,927	-	-
Other non-current assets	2,068,925	2,132,229	335,191	344,564
Total non-current assets	45,117,336	48,037,034	83,177,415	81,320,905
Total assets	80,055,248	82,405,969	86,843,447	85,254,567
Liabilities and equity				
Current liabilities				
Bank overdrafts and short-term loans from financial institutions	8,701,362	5,998,234	5,246,161	4,797,685
Trade accounts payable	3,389,386	2,640,052	-	-
Current portion of long-term guaranteed bonds	-	3,000,000	-	3,000,000
Current portion of long-term loans	5,325,000	1,755,000	5,325,000	1,755,000
Short-term loans from and amounts due to related parties	126,227	69,687	3,931,773	2,115,289
Other short-term loan	7,000	7,000	-	-
Income tax payable	2,189,514	2,783,233	137,921	146,249
Other current liabilities	2,982,587	3,497,752	137,146	161,542
Total current liabilities	22,721,076	19,750,958	14,778,001	11,975,765
Non-current liabilities				
Long-term loans from financial institutions	3,265,000	5,400,000	3,265,000	5,400,000
Long-term loans from and amounts due to related parties	2,222	270	8,725,000	6,540,500
Other non-current liabilities	69,617	160,106	-	118
Total non-current liabilities	3,336,839	5,560,376	11,990,000	11,940,618
Total liabilities	26,057,915	25,311,334	26,768,001	23,916,383
Equity				
Share capital				
Authorised share capital	29,000,000	29,000,000	29,000,000	29,000,000
Issued and paid-up share capital	25,110,025	25,110,025	25,110,025	25,110,025
Difference arising from common control transactions	(19,732,229)	(16,201,123)	-	-
Reserves				
Share premium	17,215,737	17,215,737	17,215,737	17,215,737
Currency translation changes	(1,503,025)	(208,076)	-	-
Fair value changes and revaluation surplus	4,262,802	4,388,935	-	-
Retained earnings/ (Deficit)				
Appropriated - legal reserve	2,900,000	2,900,000	2,900,000	2,900,000
Unappropriated/ (Deficit)	25,505,762	22,644,726	14,849,684	16,112,422
Total equity attributable to equity holders of the Company	53,759,072	55,850,224	60,075,446	61,338,184
Minority interests	238,261	1,244,411	-	-
Total equity	53,997,333	57,094,635	60,075,446	61,338,184
Total liabilities and equity	80,055,248	82,405,969	86,843,447	85,254,567

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

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

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

(Unit : Thousand Baht)

As at 31 December 2008				As at 31 December 2007			
Letter of Comfort	Unsecured	Guaranteed	Guaranteed/ negative pledge	Secured	Unsecured	Guaranteed	Guaranteed/ negative pledge
227,861	13,204,384	594,117	-	-	5,098,987	899,247	4,755,000

- Amount repayable after one year

(Unit : Thousand Baht)

As at 31 December 2008				As at 31 December 2007			
Secured	Unsecured	Guaranteed	Guaranteed/ negative pledge	Secured	Unsecured	Guaranteed	Guaranteed/ negative pledge
-	3,265,000	-	-	-	5,400,000	-	-

- Details of any collateral

N/A

(d) A Cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Thai Beverage Public Company Limited and its Subsidiaries
 Statements of cash flows
 For the years ended 31 December 2008 and 2007

	(Unit : Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2008</u>	<u>2007</u> Restated	<u>2008</u>	<u>2007</u>
Cash flows from investing activities				
Profit for the year	10,606,091	10,942,994	6,019,169	19,418,312
Adjustments for				
Depreciation and amortisation	5,021,625	5,267,164	31,411	28,967
Interest income	(36,544)	(46,294)	(509,519)	(775,352)
Interest expense	680,942	1,050,195	1,050,321	1,577,560
Unrealised loss on exchange rate	7,583	5,841	2	1,164
Bad debts and allowance for doubtful accounts	11,847	131,528	-	-
Amortisation of advance payments to a specialist	50,000	50,000	9,375	9,375
(Reversal of) allowance for obsolete inventories	(347,351)	142,053	-	-
Impairment loss on property	-	58,903	-	-
Gain on sale and disposal of property, plant and equipment and intangible assets	(28,315)	(138,540)	(402)	(63,881)
Gain on sale of investment	(525,879)	-	(216,461)	(6)
Dividends	-	-	(5,345,108)	(18,985,153)
Share of profits from investments accounted for using the equity method	(26,603)	(28,642)	-	-
Income tax expense	4,298,961	4,868,398	320,486	277,248
	19,712,357	22,303,600	1,359,274	1,488,234
Changes in operating assets and liabilities				
Trade accounts receivable	425,930	(342,919)	-	-
Amounts due from related parties	(37,143)	45,410	25,592	1,293,629
Inventories	(1,104,424)	217,460	-	-
Other current assets	(298,351)	540,229	(5,176)	8,507
Trade accounts payable	746,387	37,240	-	-
Amounts due to related parties	59,948	(151,817)	45,171	16,231
Other current liabilities	(361,028)	(1,209,422)	34,624	(139,224)
Other non-current liabilities	(59,404)	(15,834)	(118)	118
Income taxes paid	(4,892,680)	(4,276,919)	(328,815)	(178,791)
Net cash provided by operating activities	14,191,592	17,147,028	1,130,552	2,488,704

Cash flows from investing activities

Interest received	36,668	46,449	540,002	780,791
Dividends received	-	-	5,431,439	20,290,213
Current investments	105,062	(103,327)	-	-
Loans to and amounts due from related parties	296,768	7,765	4,041,066	1,908,300
Investments in subsidiaries and associates	39,466	39,614	(899,000)	(9,065,662)
Long-term investments	(4,885)	(1,880)	-	-
Purchase of property, plant and equipment	(2,514,262)	(1,595,906)	(7,023)	(9,206)
Decrease in property, plant and equipment	447,714	1,142,936	1,894	819,206
Purchase of intangible assets	(44,684)	(32,590)	(25,088)	(8,595)
Decrease of intangible assets	50,352	11,203	-	-
Leasehold right	295	(43,338)	-	-
Other non-current assets	13,304	(8,790)	(2)	(3,583)
Net cash outflow on acquisition of subsidiaries	(6,334,248)	(253,930)	(6,253,196)	(114,999)
Net cash inflow on disposal of subsidiaries	1,590,954	-	1,590,954	9
Net cash provided by (used in) investing activities	(6,317,496)	(791,794)	4,421,046	14,596,474

Cash flows from financing activities

Interest paid	(730,951)	(1,142,353)	(1,106,571)	(1,708,451)
Dividends paid to equity holders of the Company	(7,281,907)	(5,775,306)	(7,281,907)	(5,775,306)
Dividends paid to minority interests	(221)	(466)	-	-
Dividends paid by subsidiary before business restructuring	(375,000)	(228,740)	-	-
Bank overdrafts and short-term loans from financial institutions	2,703,128	(1,158,155)	448,476	1,768,125
Repayment of short-term guaranteed bonds	-	(2,200,000)	-	(2,200,000)
Repayment of long-term guaranteed bonds	(3,000,000)	(2,300,000)	(3,000,000)	(2,300,000)
Loans from related parties	-	(4,615,231)	3,948,200	(8,776,000)
Proceeds from long-term loans from financial institutions	3,190,000	5,400,000	3,190,000	5,400,000
Repayment of long-term loans from financial institutions	(1,755,000)	(3,500,000)	(1,755,000)	(3,500,000)
Net cash used in financing activities	(7,249,951)	(15,520,251)	(5,556,802)	(17,091,632)
Net increase (decrease) in cash and cash equivalents	624,145	834,983	(5,204)	(6,454)
Cash and cash equivalents at beginning of year	2,587,796	1,941,381	9,168	15,622
Effect of exchange rate changes on balances held in foreign currencies	(1,294,949)	(188,568)	-	-
Cash and cash equivalents at end of year	1,916,992	2,587,796	3,964	9,168

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

Thai Beverage Public Company Limited and its Subsidiaries
Statements of changes in equity
For the years ended 31 December 2008 and 2007 (Restated)

(Unit : Thousand Baht)

	Consolidated financial statements									
	Issued and paid-up share capital	Difference arising from common control transactions	Reserves		Fair value changes and revaluation surpluses	Retained earnings		Total equity attributable to equity holders of the Company	Minority interests	Total equity
Share premium			Currency translation changes	Appropriated to legal reserve		Unappropriated				
Balance at 1 January 2007	25,110,025	(17,141,407)	17,215,737	(19,508)	6,586,263	1,700,000	19,102,446	52,553,556	506	52,554,062
Difference arising from common control transactions	-	795,571	-	-	-	-	-	795,571	1,016,618	1,812,189
Restated balance	25,110,025	(16,345,836)	17,215,737	(19,508)	6,586,263	1,700,000	19,102,446	53,349,127	1,017,124	54,366,251
Changes in equity for 2007										
Net surplus on property revaluation	-	-	-	-	(2,197,328)	-	134,521	(2,062,807)	135	(2,062,672)
Translation loss relating to financial statements of foreign operations	-	-	-	(188,568)	-	-	-	(188,568)	-	(188,568)
Net expense recognised directly in equity	-	-	-	(188,568)	(2,197,328)	-	134,521	(2,251,375)	135	(2,251,240)
Profit for the year	-	245,132	-	-	-	-	10,383,065	10,628,197	314,796	10,942,993
Total recognised income and expense	-	245,132	-	(188,568)	(2,197,328)	-	10,517,586	8,376,822	314,931	8,691,753
Effects of change to percentage of holding	-	-	-	-	-	-	-	-	41,163	41,163
Consideration paid to shareholder of subsidiary for common control	-	-	-	-	-	-	-	-	(21)	(21)
Legal reserve	-	-	-	-	-	1,200,000	(1,200,000)	-	-	-
Dividends	-	-	-	-	-	-	(5,775,306)	(5,775,306)	(465)	(5,775,771)
Dividends paid by subsidiaries before business restructuring	-	(100,419)	-	-	-	-	-	(100,419)	(128,321)	(228,740)
Balance at 31 December 2007	25,110,025	(16,201,123)	17,215,737	(208,076)	4,388,935	2,900,000	22,644,726	55,850,224	1,244,411	57,094,635
Balance at 1 January 2008	25,110,025	(17,141,406)	17,215,737	(208,076)	4,388,935	2,900,000	22,644,726	54,909,941	42,872	54,952,813
Difference arising from common control transactions	-	940,283	-	-	-	-	-	940,283	1,201,539	2,141,822
Restated balance	25,110,025	(16,201,123)	17,215,737	(208,076)	4,388,935	2,900,000	22,644,726	55,850,224	1,244,411	57,094,635
Change in equity for the period										
Sale of subsidiary	-	-	-	-	(126,133)	-	-	(126,133)	-	(126,133)
Translation loss relating to financial statements of foreign operations	-	-	-	(1,294,949)	-	-	-	(1,294,949)	-	(1,294,949)
Net expense recognised directly in equity	-	-	-	(1,294,949)	(126,133)	-	-	(1,421,082)	-	(1,421,082)
Profit for the year	-	198,900	-	-	-	-	10,142,943	10,341,843	264,248	10,606,091
Total recognised income and expense	-	198,900	-	(1,294,949)	(126,133)	-	10,142,943	8,920,761	264,248	9,185,009
Effects of change to percentage of holding	-	-	-	-	-	-	-	-	(1,059,806)	(1,059,806)
Consideration paid to shareholder of subsidiary for common control transactions	-	(3,053,255)	-	-	-	-	-	(3,053,255)	-	(3,053,255)
Sale of a subsidiary	-	(512,122)	-	-	-	-	-	(512,122)	-	(512,122)
Dividends	-	-	-	-	-	-	(7,281,907)	(7,281,907)	(221)	(7,282,128)
Dividends paid by subsidiaries before business restructuring	-	(164,629)	-	-	-	-	-	(164,629)	(210,371)	(375,000)
Balance at 31 December 2008	25,110,025	(19,732,229)	17,215,737	(1,503,025)	4,262,802	2,900,000	25,505,762	53,759,072	238,261	53,997,333

Statements of changes in shareholders' equity
For the years ended 31 December 2008 and 2007

(Unit : Thousand Baht)

	Separate financial statements					Total equity attributable to equity holders of the Company
	Issued and paid-up share capital	Reserves		Retained earnings		
		Share premium	Fair value changes and revaluation surpluses	Appropriated to legal reserve	Unappropriated	
Balance at 1 January 2007	25,110,025	17,215,737	134,521	1,700,000	3,534,895	47,695,178
Net surplus on property revaluation	-	-	(134,521)	-	134,521	-
Profit for the year	-	-	-	-	19,418,312	19,418,312
Total recognised income and expense	-	-	(134,521)	-	19,552,833	19,418,312
Legal reserve	-	-	-	1,200,000	(1,200,000)	-
Dividends	-	-	-	-	(5,775,306)	(5,775,306)
Balance at 31 December 2007	25,110,025	17,215,737	-	2,900,000	16,112,422	61,338,184
Balance at 1 January 2008	25,110,025	17,215,737	-	2,900,000	16,112,422	61,338,184
Profit for the year	-	-	-	-	6,019,169	6,019,169
Dividends	-	-	-	-	(7,281,907)	(7,281,907)
Balance at 31 December 2008	25,110,025	17,215,737	-	2,900,000	14,849,684	60,075,446

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

N/A

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

The figures have been audited by the company's auditor in accordance with Thailand generally accepted accounting principles auditing standards.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Please see page 1 of the attached financial report.

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

Accounting policies and methods of computation applied in the financial statements for the year ended 31 December 2008 are consistent with those applied in the financial statements for the year ended 31 December 2007 except for the change in accounting policy discussed in Item 5.

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

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

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

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

The Group has, accordingly, changed its accounting policy for goodwill prospectively from

1 January 2008. The effect of the change in accounting policy on the Group's consolidated financial statements for the year ended 31 December 2008 is to reduce the charge to the statement of income resulting from the amortisation of goodwill that would have been recognised under the previous accounting policy by approximately Baht 82 million, with a corresponding increase in reported profit for the year. Management has determined that there is no impairment in the carrying value of goodwill as at 31 December 2008.

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

(Unit : Baht)

	Consolidated financial statements		
	For the year ended 31 December		
	2008	2007	Changes
	Restated	+ / (-)	
Earning per ordinary share of the group based on net profit attributable to shareholders:-			
(a) based on the weighted average number of ordinary shares on issue	0.41	0.42	(2%)
(b) On a fully diluted basis	0.41	0.42	(2%)

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

(Unit : Baht)

	Consolidated financial statements			Separate financial statements		
	31 December	31 December	Changes	31 December	31 December	Changes
	2008	2007	+ / (-)	2008	2007	+ / (-)
	Restated					
Net asset value per ordinary share based on weighted average number of issued share capital	2.14	2.22	(4%)	2.39	2.44	(2%)

Remark: Net asset value = Total equity attributable to equity holders of the company

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) Any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors: and
- (b) Any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Thai Beverage Public Company Limited

Management Discussion and Analysis

Performance for the year ended 31 December 2008

On 30 September 2008, the Company acquired 43.9% interest of Oishi Group Public Company Limited (Oishi), a Thai company currently listed on the Stock Exchange of Thailand and sold all its shares of Thai Alcohol Public Company Limited (Thai Alcohol). Oishi is principally engaged in the Japanese restaurant business and the manufacture and distribution of food and beverages. As the same ultimate controlling shareholder of the company controlled Oishi both before and after the acquisition, the business combination has been accounted for in a manner similar to a pooling of interests and the assets, liabilities and contingent liabilities of Oishi acquired by the Company have been accounted for at book value. The Company has included the assets, liabilities, revenues and expenses of Oishi in the consolidated financial statements as if the acquisition took place at the beginning of 2007. The difference between the consideration paid by the Company and the carrying amounts of the net identifiable assets of Oishi at the date of the combination was accounted for under the balance sheet item "difference arising from common control transactions", totaling Baht 2,079 million. Oishi operations will be reported separately in two business segments; a new segment called food and the current segment called non-alcoholic beverages. The consolidated financial statements of 2007 have been restated for comparison with 2008. The Company made a tender offer for the remaining shares of Oishi at the same purchase price paid by the Company and acquired an additional amount of about 46.0% of the shares. The difference between the consideration paid by the Company for the tender offer shares and the carrying amounts of the net identifiable assets at the date of combination was accounted for under the balance sheet item "goodwill", totaling Baht 2,178 million. The Company now holds 89.9% of Oishi following the tender offer.

For the year 2008, only 9 month operations of Industrial Alcohol business segment were shown due to the disposal of all shares of Thai Alcohol on 30 September 2008 while full year operations were shown for the year 2007.

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

From 15 January 2008 onwards, all alcoholic drinks were charged 1.5% of excise tax to subsidize the Thai Public Broadcasting Service (TPBS). Currently, the Company pays excise tax, municipal tax (which is 10% of excise tax), a Health Promotion Fund contribution (which is 2% of excise tax) and

now, TPBS tax (which is 1.5% of excise tax). The Company has already increased the sales price of products to cover the TPBS tax

Since 1 January 2008, the company changed its accounting policy regarding goodwill to comply with Thai Accounting Standard (TAS) 43 (revised 2007) "Business Combination," which is effective for accounting periods beginning on or after 1 January 2008. In the previous periods, goodwill arising from business combinations was accounted for at cost less accumulated amortization over the estimated useful life. Currently, goodwill is measured at "cost less any accumulated loss after doing an impairment test". There was no impairment loss in the carrying value of goodwill as at 31 December 2008. The financial statements for the year 2007 have not been affected by this change in accounting policy.

Group

For the year 2008, total sales revenue of the company was Baht 105,257 million, an increase of 0.1%, or Baht 149 million, from Baht 105,108 million of the previous year, due to an increase of sales revenue from the spirits business of 12.6%, the non-alcoholic beverage business of 55.2% and the food business of 29.3% although this was accompanied by a decrease in sales revenue from the beer business of 19.1%. and the industrial alcohol business of 7.6%

Gross profit was Baht 28,701 million, a decrease of Baht 2,583 million, or 8.3%, due to lower gross profit in beer business of 38.3% although gross profit in the spirits business rose 5.4%, while the non-alcoholic beverage business grew 29.3%, the food business grew 26.7% and the industrial alcohol business grew 1,550.0%.

Earnings before interest, tax, depreciation and amortization (EBITDA) was Baht 20,607 million, a decrease of Baht 1,522 million, or 6.9%, due to decreases in the beer business of 55.3% and the food business of 14.3% while there was an increase in the spirits business of 10.9%, the non-alcoholic beverage business of 9.7% and the industrial alcohol business of 852.3%.

Net profit was Baht 10,606 million, a decrease of Baht 337 million, or 3.1%, due to lower net profit in the beer business of 80.1%, the non-alcoholic beverage business of 58.4% and the food business of 17.1% although there was higher net profit in the spirits business of 9.6% and in the industrial alcohol business of 284.5%

Unit :Million Baht

YTD _ 2008

	Beer	% to Sales	Spirits	% to Sales	Non-alcoholic beverages	% to Sales	Food	% to Sales	Alcohol	% to Sales	Eliminate	% to Sales	Total	% to Sales
Sales	38,458	100.0	59,586	100.0	3,953	100.0	2,636	100.0	893	100.0	(269)	100.0	105,257	100.0
Cost of sales	31,972	83.1	39,548	66.4	2,982	75.4	1,540	58.4	806	90.3	(292)	108.6	76,556	72.7
Gross profit	6,486	16.9	20,038	33.6	971	24.6	1,096	41.6	87	9.7	23	(8.6)	28,701	27.3
Selling and administrative expenses	5,646	14.7	6,536	11.0	794	20.1	968	36.7	138	15.5	2	(0.7)	14,084	13.4
Operating profit	840	2.2	13,502	22.7	177	4.5	128	4.9	(51)	(5.7)	21	(7.8)	14,617	13.9
Other income/														
Interest income	73	0.2	378	0.6	17	0.4	24	0.9	529	59.2	(52)	19.3	969	0.9
EBIT	913	2.4	13,880	23.3	194	4.9	152	5.8	478	53.5	(31)	11.5	15,586	14.8
Interest expenses	226	0.6	400	0.7	66	1.7	10	0.4	9	1.0	(30)	11.2	681	0.6
Income tax	349	0.9	3,821	6.4	(36)	(0.9)	6	0.2	159	17.8	-	-	4,299	4.1
Net Profit	338	0.9	9,659	16.2	164	4.1	136	5.2	310	34.7	(1)	0.4	10,606	10.1
Depreciation &Amortization	2,010	5.2	2,335	3.9	405	10.2	130	4.9	141	15.8	-	-	5,021	4.8
EBITDA	2,923	7.6	16,215	27.2	599	15.2	282	10.7	619	69.3	(31)	11.5	20,607	19.6

YTD _ 2007

	Beer	% to Sales	Spirits	% to Sales	Non-alcoholic beverages	% to Sales	Food	% to Sales	Alcohol	% to Sales	Eliminate	% to Sales	Total	% to Sales
Sales	47,557	100.0	52,940	100.0	2,547	100.0	2,039	100.0	966	100.0	(941)	100.0	105,108	100.0
Cost of sales	37,040	77.9	33,923	64.1	1,796	70.5	1,174	57.6	972	100.6	(1,081)	114.9	73,824	70.2
Gross profit	10,517	22.1	19,017	35.9	751	29.5	865	42.4	(6)	(0.6)	140	(14.9)	31,284	29.8
Selling and administrative expenses	6,456	13.6	7,055	13.3	366	14.4	758	37.2	140	14.5	36	(3.8)	14,811	14.1
Operating profit	4,061	8.5	11,962	22.6	385	15.1	107	5.2	(146)	(15.1)	104	(11.1)	16,473	15.7
Other income/														
Interest income	111	0.2	237	0.4	5	0.2	86	4.2	19	2.0	(69)	7.3	389	0.4
EBIT	4,172	8.8	12,199	23.0	390	15.3	193	9.5	(127)	(13.1)	35	(3.7)	16,862	16.0
Interest expenses	278	0.6	731	1.4	-	-	3	0.1	38	3.9	-	-	1,050	1.0
Income tax	2,192	4.6	2,652	5.0	(4)	(0.2)	26	1.3	3	0.3	-	-	4,869	4.6
Net Profit	1,702	3.6	8,816	16.7	394	15.5	164	8.0	(168)	(17.4)	35	(3.7)	10,943	10.4
Depreciation &Amortization	2,365	5.0	2,418	4.6	156	6.1	136	6.7	192	19.9	-	-	5,267	5.0
EBITDA	6,537	13.7	14,617	27.6	546	21.4	329	16.1	65	6.7	35	(3.7)	22,129	21.1

Increase(Decrease)

	Beer	%	Spirits	%	Non-alcoholic beverages	%	Food	%	Alcohol	%	Eliminate	%	Total	%
Sales	(9,099)	(19.1)	6,646	12.6	1,406	55.2	597	29.3	(73)	(7.6)	672	71.4	149	0.1
Cost of sales	(5,068)	(13.7)	5,625	16.6	1,186	66.0	366	31.2	(166)	(17.1)	789	73.0	2,732	3.7
Gross profit	(4,031)	(38.3)	1,021	5.4	220	29.3	231	26.7	93	1,550.0	(117)	(83.6)	(2,583)	(8.3)
Selling and administrative expenses	(810)	(12.5)	(519)	(7.4)	428	116.9	210	27.7	(2)	(1.4)	(34)	(94.4)	(727)	(4.9)
Operating profit	(3,221)	(79.3)	1,540	12.9	(208)	(54.0)	21	19.6	95	65.1	(83)	(79.8)	(1,856)	(11.3)
Other income/														
Interest income	(38)	(34.2)	141	59.5	12	240.0	(62)	(72.1)	510	2,684.2	17	24.6	580	149.1
EBIT	(3,259)	(78.1)	1,681	13.8	(196)	(50.3)	(41)	(21.2)	605	476.4	(66)	(188.6)	(1,276)	(7.6)
Interest expenses	(52)	(18.7)	(331)	(45.3)	66	-	7	233.3	(29)	(76.3)	(30)	-	(369)	(35.1)
Income tax	(1,843)	(84.1)	1,169	44.1	(32)	(800.0)	(20)	(76.9)	156	5,200.0	-	-	(570)	(11.7)
Net Profit	(1,364)	(80.1)	843	9.6	(230)	(58.4)	(28)	(17.1)	478	284.5	(36)	(102.9)	(337)	(3.1)
Depreciation &Amortization	(355)	(15.0)	(83)	(3.4)	249	159.6	(6)	(4.4)	(51)	(26.6)	-	-	(246)	(4.7)
EBITDA	(3,614)	(55.3)	1,598	10.9	53	9.7	(47)	(14.3)	554	852.3	(66)	(188.6)	(1,522)	(6.9)

Beer Business

For the year 2008, sales revenue was Baht 38,458 million, a decrease of Baht 9,099 million, or 19.1%, mainly due to the decrease of beer sales volume. Total sales volume of beer was 773.2 million litres, a decrease of 19.2%.

Gross profit of Baht 6,486 million decreased by Baht 4,031 million or 38.3%, mainly due to the decrease of sales volume and higher cost of raw materials and packaging materials.

EBITDA of Baht 2,923 million decreased by Baht 3,614 million or 55.3%, mainly due to the decrease of gross profit although there was a decrease of sales promotion expenses.

Net Profit of Baht 338 million decreased by Baht 1,364 million or 80.1 %, mainly due to the decrease of sales and the higher cost of materials although there was a decrease in interest expenses.

Spirits Business

Sales revenue in the year 2008 was Baht 59,586 million, higher than the year 2007 by Baht 6,646 million, or 12.6%, mainly due to the increase in the selling price. Total sales volume of spirits was 436.8 million litres, a decrease of 2.1%. This is attributed to the white spirits' sales volume declining by 4.3% to 315.3 million litres, although brown spirits sales volume increased by 3.9% to 121.5 million litres.

Gross profit of Baht 20,038 million reflected an increase of Baht 1,021 million, or 5.4%, mainly due to the increase in the selling price.

EBITDA of Baht 16,215 million increased by Baht 1,598 million, or 10.9%, mainly due to the increase in gross profit and a decrease of sales promotion expenses which compensated for an increase in idle cost and staff cost.

Net profit of Baht 9,659 million increased by Baht 843 million, or 9.6%. mainly due to the increase in gross profit and a decrease in interest expenses.

Non-Alcoholic Beverages Business

The Company has started to report Oishi operations which consist of green tea drinks and other non-alcoholic beverages, in addition to energy drinks, ready-to-drink coffee, soda and drinking water, from the third quarter 2008 onwards. Full year operations of Oishi were included in both 2008 and 2007 figures. Energy drinks and ready-to drink coffee operations commenced in the first quarter of 2008 and are included in the 2008 report only. Soda and drinking water operations were included in the non-alcoholic beverage business of 2008 only. The 2007 soda and drinking water operations were included in our beer business and were not restated due to small numbers reported.

Sales revenue for the year 2008 and 2007 amounted to Baht 3,953 million and Baht 2,547 million respectively.

Gross profit for the year 2008 and 2007 amounted to Baht 971 million and Baht 751 million respectively.

EBITDA for the year 2008 and 2007 amounted to Baht 599 million and Baht 546 million respectively.

Net profit for the year 2008 and 2007 amounted to Baht 164 million and Baht 394 million respectively.

Food Business

Sales revenue in the year of 2008 was Baht 2,636 million which reflected an increase of Baht 597 million or 29.3%, mainly due to more number of branches and sales promotions.

Gross profit of Baht 1,096 million increased by Baht 231 million or 26.7%, mainly due to higher sales.

EBITDA of Baht 282 million decreased by Baht 47 million or 14.3%, mainly due to higher staff costs and sales promotion expenses.

Net profit of Baht 136 million decreased by Baht 28 million, or 17.1%. mainly due to lower EBITDA as mentioned above.

Industrial Alcohol Business

For the year 2008, only 9 month of operations were shown due to the disposal of the issued share capital of Thai Alcohol on 30 September 2008. Sales revenue for the year 2008 and 2007 amounted to Baht 893 million and Baht 966 million respectively. Sales volume of Ethanol was 27.1 million litres and the average sales price was Baht 16.48 per litre, which was 0.1% lower than the year 2007. Sales volume of Alcohol 95 was 31.2 million litres and the average sales price decreased from Baht 14.81 per litre in the year 2007 to Baht 14.09 per litre in 2008.

Gross profit of Baht 87 million increased by Baht 93 million mainly due to higher margins.

EBITDA of Baht 619 million increased by Baht 554 million, or 852.3%, mainly due to gain from the disposal of issued share capital of Thai Alcohol .

Net profit was Baht 310 million, an increase of Baht 478 million or 284.5%, mainly due to higher EBITDA as mentioned above.

Financial Position

Assets

Total assets as at end of December 2008 was Baht 80,055 million, a decrease of Baht 2,351 million, or 2.9%, compared with the end of 2007. Current assets increased by Baht 569 million, mainly due to an increase in inventories. Non-current assets decreased by Baht 2,920 million, mainly due to depreciation of property, plant and equipments.

Liabilities

Total liabilities as at end of December 2008 was Baht 26,058 million, increased by Baht 747 million, or 2.9%, compared with the end of 2007. This was mainly due to the issuance of short term bills of exchange amount of Baht 5,000 million.

The maturity of loans are as follows.

	Unit: Million Baht
Within December 2009	14,026
During January – October 2010	3,265
Total	17,291

Shareholders' Equity

Total shareholders' equity as at the end of December 2008 was Baht 53,997 million, a decrease of Baht 3,097 million, or 5.4% compared with the end of 2007. This was mainly due to the increase of net retained earnings; annual profit deducted by dividend payment, cannot cover the increase of difference arising from common control transactions.

Liquidity

Cash and cash equivalents, as at December 31, 2008, was Baht 1,917 million. The net decrease from the beginning of the period was Baht 671 million. Details of activities are as follows.

Unit: Million Baht

Net cash provided by operating activities	14,191
Net cash used in investing activities	(6,317)
Net cash used in financing activities	(7,250)
Net increase in cash and cash equivalents in period	624
Adjustment from financial statement translation	(1,295)
Cash and cash equivalents at beginning of period	2,588
Cash and cash equivalents at end of period	1,917

Net cash provided by operating activities of Baht 14,191 million was mainly derived from net income of Baht 10,606 million and non-cash items from depreciation and amortization of Baht 5,021 million but deducted by increasing working capital and others by Baht 1,436 million.

Net cash used in investing activities of Baht 6,317 million was mainly due to acquisition of subsidiaries and investment activities in property, plant and equipments.

Net cash used in financing activities of Baht 7,250 million was mainly due to dividends paid.

Financial Ratios

	Dec.31,08	Dec.31,07
Current Ratio (times)	1.54	1.74
Total Debt to Equity Ratio(times)	0.48	0.44
Net asset value per share (Baht)	2.14	2.22
	Jan. – Dec.08	Jan. - Dec.07
Accounts Receivable Turnover (days)	6	6
Inventory Turnover (days)		
Beer Business		
Finished Goods	32	15
Spirits Business		
Finished Goods (Excl. Legacy Stocks)	68	79

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

N/A

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

Business in Thailand

ThaiBev's drinks are affected by the economic downturn as are many consumer goods companies at this time due to the lack of discretionary income among consumers. ThaiBev's business is seasonal, with peaks occurring at festivals and national holidays and quieter periods occurring in the third quarter. The latter is both the monsoon season in Thailand, when many areas are flooded, and a Buddhist religious period when Thai people often lower or cease their alcohol consumption for up to three months.

Under normal circumstances, ThaiBev would recover from the poor third quarter and have a much-improved fourth quarter that outperforms all other periods of the year. However, the continuous political problems faced by the country throughout the year and the global financial crisis have taken their toll on consumers' ability and willingness to spend on non-essential items like alcohol.

A factor in the rising prices affecting consumers is inflation; the Bank of Thailand estimates that core inflation in 2008 will reach approximately 2.0 – 2.5, with headline inflation reaching 6.0 to 6.5.¹ The Consumer Price Index (CPI)² rose throughout the year to 119.5 in December 2008. As most of Thai Beverage's consumers are low income, we note that the Low Income Consumer Price Index (LICPI)³ for all commodities rose from 111.5 in January 2008 to 114.8 in December 2008, while for food and beverages it rose from 115.8 in January to 131.2 in December 2008. The Rural Consumer Price Index for all commodities rose from 116.8 in January 2008 to 120.4 in December 2008.⁴

¹ *Inflation report October 2008*

http://www.bot.or.th/English/MonetaryPolicy/Inflation/Documents/Total_E_Oct08.pdf

² *MOC NEWS*

Consumer Price Index and Core Consumer Price Index in December 2008 and year 2008

http://www.indexpr.moc.go.th/price_present/cpi/data/index_47_e.asp?list_month=12&list_year=2551&list_region=country

³ *Report for Low Income Consumer Price Index of COUNTRY Year 2008*

http://www.indexpr.moc.go.th/price_present/TableIndexL_45_Country_E.asp?type_index=i&type_region=5

⁴ *Report for Rural Consumer Price Index of COUNTRY Year 2008*

http://www.indexpr.moc.go.th/price_present/TableIndexU_45_Country_E.asp?type_index=i&type_region=5

Following the passage of the Alcohol Control Act in December 2007, the final draft was approved by parliament on February 13, 2008, and promulgated in the Royal Gazette on February 14 2008. Much of the content of the Act was anticipated by ThaiBev and we have prepared to work within the law at every juncture.

There are restrictions on sites where alcohol may not be sold. ThaiBev does not own outlets except for our newly acquired Oishi restaurants. The majority of our sales today are in rural areas for consumption off-premise: at home that is, not at the point of purchase. We do not own entertainment establishments, so are not affected by the drink purchase age being raised from 18 to 20. Advertising showing the drinking of alcohol is now illegal. We have not produced any advertising showing anyone drinking for many years. We may continue to advertise our corporate social responsibility (CSR) activities and build our corporate image in Thailand. The law does not cover advertisements that originate outside Thailand. ThaiBev is of course a shirt sponsor of Everton Football Club in the UK and this sponsorship is unaffected by these new regulations.

Whenever the government raises taxes, as it did on August 28, 2007, ThaiBev sales of products will decline due to a “price shock.” This may take a year or longer to recover. White spirits sales volumes in 2008 were down 4.3% compared to the same period in 2007. However, sales had risen back by the end of 2008. On 14 January 2008, the Government applied an additional amount of 1.5% onto the excise tax on all alcoholic beverages in order to pay for the new public broadcasting system. ThaiBev cautions investors who try to predict the effect of tax rises on the financial results of the Company by making elasticity of demand tables as most such tables do not take into account compensatory actions by the Company to alleviate the effects of the tax rise – for instance, releasing a new product to replace the taxed product at its old price point. Investors should be aware that tax rises are a factor of their investment in ThaiBev and can occur periodically and without warning.

The tourism industry, which currently accounts for a small part of ThaiBev’s overall business, was negatively affected generally by political uncertainty and specifically by the extended closure of Thailand’s main international airports. As a major source of national revenue declined, a large proportion of the public commenced belt-tightening. This has affected the alcohol industry, especially toward the end of 2008.

During any economic downturn, we expect to see consumers switching down, meaning, moving from higher-priced drinks to lower-priced drinks and in fact that is what we have see happening in some categories. For instance, we believe some consumers are switching out of imported spirits into our locally-made brown spirits. This segment is a nominal beneficiary of the downturn. There has also been some switching from our white spirits to cheaper, illegal spirits. While our white spirits revenue has improved when compared with 2007, it remains the cash cow of the business.

Strategically, the Company branched out into non-alcoholic beverages at the start of 2008, wishing not only to enter a growing market segment but to diversify its risk without leaving its core drinks-oriented business. However, it is still too early to expect too much from these investment as ThaiBev is in the process of making internal changes intended to fit them into our accounting and distribution systems. The main advantages we see are the broader distribution we offer and a more modern management system.

Beer Business

As we mentioned above, the Thai economy declined considerably throughout 2008 and did not pick up much at the end of the year as it usually does. Beer is more often consumed on-premise, in pubs, clubs or restaurants by younger generation people and in this economic downturn, they are not going out as often as before, which has an impact on beer sales. ThaiBev is also in the process of restructuring our

distribution network, including our dealer network. This is intended to have a positive impact on pricing later. However, in the latter half of 2008, this restructuring caused purchases from dealers to decline in some areas. ThaiBev believes the long term outcome will be a rise in profitability but as long as the economy stays poor, we cannot predict when this will start to happen. Finally, competition in the beer industry has become fiercer and at this time others are spending more on marketing to gain market share as we see the whole beer market become flat or even decline slightly. ThaiBev remains cautious on spending until we see the result of our distribution network restructuring, at which time we will resume investment in advertising and promotion to rebuild market share.

The launch of Federbräu in mid-2008 was heralded by a high profile marketing campaign in Bangkok and other major cities. Besides bottles, Federbräu is now also sold on draft as this is the preferred choice of consumers in the premium category. In half a year the Company has not been expecting any significant portion of the premium beer market to be appropriated from the acknowledged market leader, Heineken; however, we will continue to actively support Federbräu in 2009.

Spirits Business

White spirits volumes declined year on year by 4.3%, however, revenues increased 14.9% due to the higher prices introduced by the tax rise in August 2007 and January 2008, plus a price rise introduced by the Company itself in early 2008. The white spirits business is not a growth segment and will at best remain flat for the foreseeable future. The main competition is illegal moonshine and while the economy fails to perform, we expect this non-taxed competition to be a viable but dangerous alternative for low-income earners.

Brown spirits did comparatively better with consumers switching down from imported whiskies into our products. Supporting this has been the success of two of our brown spirits products, Hong Thong and Blend 285, which together account for the fastest growing segment of our brown spirits portfolio. In the past year, Hong Thong sales volume grew 19%, whereas Blend 285 grew 71%. They account for 61% of total brown spirits volumes sold by The Company in 2008.

The Company launched a new Scotch whisky in 2008, Drummer, which retails for about 450 Baht a bottle. This represents our first foray into the Scotch whisky segment. This new segment is currently dominated by foreign players and we believe that we can take some of the market away from them due to our superior distribution system. The timing of the launch should allow us to build the brand over the next few years while foreign imports are in retreat.

Non-alcohol Business

ThaiBev has for many years produced, distributed and sold drinking water and club soda in Thailand under the Chang brand. In 2008, we sold 46.5 million liters of bottled water and 10.4 million liters of club soda. This is a rise of 6% over 2007 for water.

Bottled drinking water in particular has much potential to grow in future. We considered that by increasing the range of our packaging and improving distribution, there is a positive growth path that we could follow. Our subsidiary, Thai Drinks, is preparing to change the business model for the sales of water and club soda. Among the changes expected is the introduction of five gallon/18.9 liter containers for home delivery. Club soda will be delivered directly to restaurants, hotels and other establishments. Management has also reviewed the current water bottle sizes and is introducing a new range to meet market demands.

In January 2008, we purchased the assets used in the production of energy drinks and ready-to-drink coffee from Wrangyer Beverage Co. We later changed the business name to Wrangyer Beverage

(2008) Co. Ltd. This subsidiary produces and sells energy drinks under the Wrangyer brand and a ready-to-drink coffee under the brand Black Up. Wrangyer energy drinks are sold in glass bottles of 150 milliliters and Black Up in cans of 180 milliliters.

Wrangyer was our first entry into the energy drink segment and Black Up into the ready-to-drink coffee segment; however Wrangyer has been sold in Thailand for over 10 years and is among the four top players in the local energy-drink market. Wrangyer Beverage Co. had revenue of 491 million baht in 2008 and net profit of 3 million baht. It represents 0.5% of ThaiBev's total revenue and 0.03% of our net profit.

S.P.M., which was acquired in 2007, produces high-end fruit juices among other products. We believe this line has much potential and the company has the potential to manufacture a wider range of soft drinks.

Food Business

Oishi has 109 food outlets at 61 sites in Thailand and opened 19 new outlets in 2008. More branches and sales promotion were the main drivers of sales growth in 2008. In future, the Oishi outlets will be used as venues to test consumer acceptance of new ThaiBev products before they are officially launched

Oishi had total revenue of 5,952 million in 2008 and net profit of 592 million baht, representing 5.7% of ThaiBev revenue and 5.6% of our net profit.

Industrial Alcohol Business

The Company sold all its shares in Thai Alcohol on September 30. ThaiBev believes that divesting this company allows it to focus more on its core businesses.

Business Overseas

Australia has emerged as one of Chang's key export markets where we are now the Number One selling Asian beer brand, achieved by conducting the largest Chang Beer sampling activity ever in Woolworth. One year after Chang Beer's successful launch in Woolworth's depletions to store are just under 100,000 cases, Our extensive consumer research revealed that once consumers taste Chang, they can be converted to include it in their beer repertoire. Chang was also the leading beverage in the chain's 'World Class Collection' Christmas pack. The result of this activity has been a rise in sales volume of 47% if compared with 2007.

As beer is a high volume product, Chang was able to raise its profile faster in the UK with annual sales volume increased a dramatic 24% in 2008. We have been careful to launch Chang in prestigious establishments in the UK to enhance its premium qualities, for instance in London's most well-known Thai restaurants such as Blue Elephant, Mango Tree and Patara among others. Investors should be aware though that a rule of thumb is that a new product will take two to three years to become established in the minds of consumers.

Chang was formally launched in the US in July, 2007. Throughout the United States, Chang is sold to over two thousand Thai and Asian Fusion Restaurants, which is approximately three-quarters (75%) of the targeted 3,174 restaurants in the states where we have launched Chang Beer. Chang is now distributed in 22 states around the USA and available in several major grocery chains throughout the

western USA. In Texas, Chang is now acknowledged as the best-selling Thai beer in the state. Chang was also the featured beer at the celebrations for His Majesty the King of Thailand's birthday at the United Nations in New York.

Since the July 2007 launch, Chang cased sales volume has increased approximately 134%, making Chang among the fastest growing brands of beer imported into the USA. Shipments in each quarter of 2008 exceeded the previous quarter and the same quarter in 2007.

Following the launch of Mekhong, positioned in a unique Thai spirit category, in the United States in mid-2008, the Company expects that the brand will be available for sale in 16 states by the end of the first quarter in 2009.

Within the Association of South East Asian Nations (ASEAN) and especially in Singapore, the Company has restructured its distribution network and leveraged the strength of Chang Beer in the distributor's portfolio to introduce Inver House's anCnoc single malt Scotch whisky, initially in various on-premise outlets in Singapore.

Our subsidiary, Inver House Distillers has seen a sudden rise of single malt whisky sales in key markets such as the USA. Investors should be aware that in this industry, we have to foresee the business at least 10 years into the future, as that is the length of time it takes for a premium whisky to mature.

To maintain the growing profitability of the Company due to single malt whisky's rising popularity, the sales of bulk supplies were modestly curtailed to allow Inver House to bottle more whisky under its own brands in the future. The demand for Inver House's quality products is evident in that distillery production output is at 90% of maximum capacity despite a challenging market in terms of malted barley and cask supply. A new premium packaging line is expected to be installed in 2009.

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

(a) Current Financial Period Reported On

Any dividend declared for current financial period reported on?

Yes.

The company board of director has consented dividend payment for the year 2008 at the meeting held on February 27, 2009 as follows:

	Per share Baht	Total Value Baht	pay out ratio	Book Closure	Payable date
Annual dividend for 2008	0.30	7,533,007,500	73.17%		
Less Interim dividend	0.12	3,013,203,000			11 Sep 08
Remaining Dividend	0.18	4,519,804,500		6 May 09	27 May 09

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Yes.

The company board of director has consented dividend payment for the year 2007 at the meeting held on February 27, 2008 as follows:

	Per share Baht	Total Value Baht	pay out ratio	Book Closure	Payable date
Annual dividend for 2008	0.29	7,281,907,250	70.13% *		
Less Interim dividend	0.12	3,013,203,000			11 Sep 07
Remaining Dividend	0.17	4,268,704,250		7 May 08	26 May 08

* Base on financial statements Y2007 that reported in Y07 SGX_format which different from the restated financial statements Y2007 which compared to financial statements Y2008.

(c) Dividend is before tax.

Tax rate 10%

Country where the dividend is derived . “ Thailand ”

(d) The date the dividend is payable . “ May 27, 2009 ”

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

Not Applicable

13.Segmented revenue and results for business or geographical segments(of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative in formation for the immediately preceding year.

Business segment results

	Beer		Spirits		Non-alcoholic beverages		Food		Alcohol		Elimination		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	<i>(in million Baht)</i>													
Revenue from sales	38,458	47,557	59,586	52,940	3,953	2,547	2,636	2,039	893	966	(269)	(941)	105,257	105,108
Interest income	12	23	40	17	3	1	12	4	-	1	(30)	-	37	46
Other income	61	88	338	220	14	4	12	82	529	18	(22)	(69)	932	343
Total revenues	38,531	47,668	59,964	53,177	3,970	2,552	2,660	2,125	1,422	985	(321)	(1,010)	106,226	105,497
Cost of sales	31,972	37,040	39,548	33,923	2,982	1,796	1,540	1,174	806	972	(292)	(1,081)	76,556	73,824
Selling and administrative Expenses	5,646	6,456	6,536	7,055	794	366	968	758	138	140	2	36	14,084	14,811
Total expenses	37,618	43,496	46,084	40,978	3,776	2,162	2,508	1,932	944	1,112	(290)	(1,045)	90,640	88,635
Profit (loss) before interest and income tax expenses	913	4,172	13,880	12,199	194	390	152	193	478	(127)	(31)	35	15,586	16,862
Interest expense	226	278	400	731	66	-	10	3	9	38	(30)	-	681	1,050
Income tax expense	349	2,192	3,821	2,652	(36)	(4)	6	26	159	3	-	-	4,299	4,869
Profit (loss) for the year	338	1,702	9,659	8,816	164	394	136	164	310	(168)	(1)	35	10,606	10,943

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Already included in article No.8

15. A breakdown of sales as follows:-

	2008 Baht '000	2007 Baht '000	% increase / (decrease)
	Consolidated	Consolidated	Consolidated
(a) Sales Reported for the first half year	51,082,931	49,107,270	4.02%
Operating profit/loss after tax before			
(b) deducting minority interests reported of the first half year	5,019,200	5,260,049	(4.58%)
(c) Sales Reported for the second half year	54,174,407	56,000,584	(3.26%)
Operating profit/loss after tax before			
(d) deducting minority interests reported of the second half year	5,586,891	5,682,944	(1.69%)

Remark: The Company acquired Oishi on 30 September 2008 and prepared the consolidated financial statements on the basis of a business combination involving an entity under common control. The consolidated statements of income included Oishi operations as if Oishi had been acquired at the beginning of 2007. However, the first half year figures of 2007 and 2008 per above were the previous reported ones which not yet included Oishi. The second half year figures of 2007 and 2008 came from the deduction of full year figures which already included Oishi operation by the above first half year figures.

16. A breakdown of the total annual dividend (in Baht value) for the issuer's latest full year and its previous full year as follows:-

Please see article No.11

17. Interested person transaction

The details of the aggregate value of interested person transactions of the company for the year ended 31 December 2008 are as follows:

Thai Beverage Public Company Limited
Audited results for the year ended 31 December 2008
Interested persons transactions for the year ended 31 December 2008

	Aggregate value of all interested persons transactions during the year ended 31 December, 2008 under review (excluding transactions less than S\$100,000* and transactions conducted under Shareholders' Mandate) Baht '000	Aggregate value of all interested persons transactions conducted under the mandate (excluding transactions less than S\$100,000*) Baht '000
A Revenue from sales and service income		
1 Terragro Fertilizer Co., Ltd.	13,154.14	-
2 Pisetkij Co., Ltd.	-	18,393.01
3 PS Recycle Co., Ltd.	-	79,416.45
4 TCC Hotel Collection Co.,Ltd. (**)	3,464.01	-
5 Thai Alcohol Public Co., Ltd.	96,288.72	-
B Other income		
1 Pisetkij Co., Ltd.	-	8,841.97
2 Dumrongfah Co., Ltd.	525,788.85	-
3 Thai Alcohol Public Co., Ltd.	142,569.42	-
C Cost of sales		
1 PS Recycle Co., Ltd.	-	804,012.56
2 The Maewang Sugar Industry Co., Ltd.	-	24,959.95
3 The Suphanburi Sugar Industry Co., Ltd.	-	47,664.46
4 Dhipaya Sugar (1999) Co., Ltd.	-	24,396.36
5 Southeast Capital Co., Ltd.	-	10,389.74
6 T.C.C. Technology Co., Ltd.	-	6,622.31
7 Thai Beverage Can Co., Ltd.	-	1,154,639.83
8 Berli Jucker Public Co., Ltd.	-	3,271,245.78
9 The Southeast Insurance Co., Ltd. (***)	-	129,830.45
10 The Southeast Life Insurance Co., Ltd.	-	5,043.26
11 The Utaradit Sugar Industry Co., Ltd.	-	24,247.78
12 New Noble Property and Loan Fund	-	13,662.18
13 North Park Golf And Sport Club Co., Ltd.	-	3,828.83
14 T.C.C. Ningbo Best Spirits Co., Ltd.	6,792.52	-
15 Siam Food Products Public Co., Ltd.	25,387.00	-
D Other expenses		
1 Bang-Na Glass Co., Ltd.	-	15,772.76
2 Southeast Capital Co., Ltd.	-	108,248.98
3 T.C.C. Technology Co., Ltd.	-	53,446.24
4 Berli Jucker Public Co., Ltd.	-	12,007.90
5 The Southeast Insurance Co., Ltd. (***)	-	33,775.79
6 The Southeast Life Insurance Co., Ltd.	-	5,367.68
7 Plaza Athenee Hotel (Thailand) Co., Ltd.	-	44,278.58
8 Regent Gold Property Fund	-	6,486.05
9 BJC Healthcare Co.,Ltd.	-	4,282.20
10 North Park Golf and Sport Club Co., Ltd.	-	11,910.11
11 TCC Hotel Collection Co.,Ltd. (**)	18,002.85	-
12 Dynamic Assets Property and Loan Fund	4,601.00	-
13 Best Wishes Co., Ltd	5,373.14	-
14 T.C.C. International Limited	21,726.21	-
15 Best Fortune Property and Loan Fund	30,895.56	-
16 TCC PD 11 Co., Ltd.	10,021.39	-
E Sale of assets		
1 Terragro Fertilizer Co., Ltd.	4,468.12	-
F Purchase of assets		
1 BJC Industrial and Trading Co., Ltd.	2,798.38	-

* Exchange rate Baht 24.00 per 1 SGD.

** Formerly : Queen's Park Hotel Group Co., Ltd.

*** Formerly : The Southeast Insurance (2000) Co., Ltd.

Remark : 1. Previously, Oishi Group PLC was considered as an interested person. Since we acquired Oishi Group PLC on September 30, 2008 and consolidated it in our financial accounts in the Quarter ended September 2008, this company is no longer an interested person. As a consequence Oishi Group PLC including its subsidiaries are considered as Thai Beverage PLC's direct subsidiary and indirect subsidiaries respectively.

: 2 Previously Thai Alcohol Public Co., Ltd. was considered a direct subsidiary of Thai Beverage PLC. Since we sold Thai Alcohol Public Co., Ltd on September 30, 2008, this company including its subsidiaries are no longer Thai Beverage PLC's direct subsidiary and indirect subsidiaries respectively.