

Alucon Public Company Limited

Interim financial statements
and
Review report of Certified Public Accountant

For the three-month and nine-month periods ended
30 September 2008

Review Report of Certified Public Accountant

To the Board of Directors of Alucon Public Company Limited

I have reviewed the accompanying balance sheet of Alucon Public Company Limited as at 30 September 2008, and the related statements of income for the three-month and nine-month periods then ended, and the related statements of changes in equity and cash flows for the nine-month period then ended. The Company's management is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to issue a report on these financial statements based on my reviews. The statements of income for the three-month and nine-month periods ended 30 September 2007, and the related statements of changes in equity and cash flows for the nine-month period ended 30 September 2007 of Alucon Public Company Limited were reviewed by another auditor whose report dated 12 November 2007 stated that nothing had come to his attention that caused him to believe that those financial statements were not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

I conducted my reviews in accordance with the auditing standard on review engagements. This Standard requires that I plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit in accordance with generally accepted auditing standards. I have not performed an audit and, accordingly, I do not express an audit opinion on the reviewed financial statements.

Based on my reviews, nothing has come to my attention that causes me to believe that the accompanying financial statements are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

The financial statements for the year ended 31 December 2007 of Alucon Public Company Limited were audited by another auditor who expressed an unqualified opinion on those financial statements in his report dated 22 February 2008. The balance sheet as at 31 December 2007, which is included in the accompanying financial statements for comparative purposes, is a component of those financial statements.

(Siripen Sukcharoenyingyong)
Certified Public Accountant
Registration No. 3636

KPMG Phoomchai Audit Ltd.
Bangkok
11 November 2008

Alucon Public Company Limited

Balance sheets

As at 30 September 2008 and 31 December 2007

Assets	<i>Note</i>	30 September 2008 (Unaudited)	31 December 2007
<i>(in thousand Baht)</i>			
<i>Current assets</i>			
Cash and cash equivalents		218,623	92,659
Trade accounts receivable	3, 4	625,520	477,862
Inventories		456,246	375,020
Refundable value added tax		39,287	22,979
Other current assets		6,537	3,280
Total current assets		<u>1,346,213</u>	<u>971,800</u>
<i>Non-current assets</i>			
Property, plant and equipment	5	2,184,329	1,944,007
Intangible assets		18,254	14,110
Other non-current assets		234	234
Total non-current assets		<u>2,202,817</u>	<u>1,958,351</u>
Total assets		<u><u>3,549,030</u></u>	<u><u>2,930,151</u></u>

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

Alucon Public Company Limited

Balance sheets

As at 30 September 2008 and 31 December 2007

Liabilities and equity	<i>Note</i>	30 September 2008 (Unaudited)	31 December 2007
<i>(in thousand Baht)</i>			
<i>Current liabilities</i>			
Bank overdrafts and short-term loans			
from financial institutions		150,577	176,228
Trade accounts payable	3, 6	77,532	55,396
Current portion of long-term loans from financial institutions		224,814	104,901
Payable to and short-term loans from related parties	3	382,137	354,148
Other payables and accrued expenses		131,824	108,817
Income tax payable		63,622	65,632
Other current liabilities		13,363	22,512
Total current liabilities		<u>1,043,869</u>	<u>887,634</u>
<i>Non-current liabilities</i>			
Long-term loans from financial institutions	7	232,391	52,450
Provisions		165,485	148,589
Total non-current liabilities		<u>397,876</u>	<u>201,039</u>
Total liabilities		<u>1,441,745</u>	<u>1,088,673</u>
<i>Equity</i>			
Share capital			
Authorised share capital		288,000	288,000
Issued and paid-up share capital		288,000	288,000
Share premium		254,000	254,000
Retained earnings			
Appropriated			
Legal reserve		28,800	28,800
Unappropriated		1,536,485	1,270,678
Total equity		<u>2,107,285</u>	<u>1,841,478</u>
Total liabilities and equity		<u>3,549,030</u>	<u>2,930,151</u>

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

Alucon Public Company Limited

Statements of income

For the three-month and nine-month periods ended 30 September 2008 and 2007 (Unaudited)

		For the three-month period		For the nine-month period	
	<i>Note</i>	2008	2007	2008	2007
		<i>(in thousand Baht)</i>			
Revenues					
Revenue from sale of goods	3, 8	987,270	828,852	2,739,582	2,365,258
Net foreign exchange gain		-	-	-	10,838
Other income		31,572	29,798	92,750	102,347
Total revenues		1,018,842	858,650	2,832,332	2,478,443
Expenses					
Cost of sale of goods	3	724,128	668,667	2,074,119	1,996,639
Selling and administrative expenses	3	46,564	56,004	168,070	174,196
Net foreign exchange loss		6,886	14,584	30,846	-
Total expenses		777,578	739,255	2,273,035	2,170,835
Profit before interest and income tax expenses		241,264	119,395	559,297	307,608
Interest expense	3	3,946	6,646	12,245	22,737
Income tax expense		50,339	30,198	130,045	82,351
Profit for the period		186,979	82,551	417,007	202,520
Basic earnings per share (Baht)	9	6.49	2.87	14.48	7.03

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

Alucon Public Company Limited

Statements of changes in equity

For the nine-month periods ended 30 September 2008 and 2007 (Unaudited)

	Issued and paid-up	Share	Retained earnings		Total
<i>Note</i>	share capital	premium	Appropriated to legal reserve	Unappropriated	equity
			<i>(in thousand Baht)</i>		
Balance at 1 January 2007	288,000	254,000	28,800	1,094,955	1,665,755
Profit for the period	-	-	-	202,520	202,520
Dividends	10	-	-	(122,400)	(122,400)
Balance at 30 September 2007	288,000	254,000	28,800	1,175,075	1,745,875
Balance at 1 January 2008	288,000	254,000	28,800	1,270,678	1,841,478
Profit for the period	-	-	-	417,007	417,007
Dividends	10	-	-	(151,200)	(151,200)
Balance at 30 September 2008	288,000	254,000	28,800	1,536,485	2,107,285

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

Alucon Public Company Limited

Statements of cash flows

For the nine-month periods ended 30 September 2008 and 2007 (Unaudited)

	2008	2007
	<i>(in thousand Baht)</i>	
<i>Cash flows from operating activities</i>		
Profit for the period	417,007	202,520
<i>Adjustments for</i>		
Depreciation and amortisation	190,727	197,741
Reversal loss from devaluation of inventories	(570)	(625)
Interest income	(1,945)	(158)
Interest expense	12,245	22,737
Set up provision for retirement benefits and provident fund	21,818	17,867
Gain on disposal of equipment	(2,353)	(3,983)
Net unrealised foreign exchange loss (gain)	49,810	(11,678)
Income tax expense	130,045	82,351
	<u>816,784</u>	<u>506,772</u>
<i>Changes in operating assets and liabilities</i>		
Trade accounts receivable and notes receivable	(146,270)	(123,797)
Inventories	(80,655)	87,318
Refundable value added tax	(16,309)	1,719
Other current assets	(3,056)	(1,839)
Other non-current assets	-	(60)
Trade accounts payable	21,641	11,055
Other payables from related parties	(2,751)	(597)
Other payables and accrued expenses	6,810	35,013
Other current liabilities	(9,149)	(557)
Provisions paid	(4,922)	(11,160)
Income taxes paid	(132,055)	(102,008)
Net cash provided by operating activities	<u>450,068</u>	<u>401,859</u>

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

Alucon Public Company Limited

Statements of cash flows

For the nine-month periods ended 30 September 2008 and 2007 (Unaudited)

	2008	2007
	<i>(in thousand Baht)</i>	
<i>Cash flows from investing activities</i>		
Interest received	1,745	106
Purchase of plant and equipment	(410,505)	(116,653)
Interest paid for plant and equipment	(5,147)	-
Sale of equipment	3,153	4,174
Purchase of intangible assets	<u>(4,339)</u>	<u>(3,492)</u>
Net cash used in investing activities	<u>(415,093)</u>	<u>(115,865)</u>
<i>Cash flows from financing activities</i>		
Interest paid	(11,369)	(23,158)
Dividends paid	(151,200)	(122,400)
Decrease in bank overdrafts and short-term loans		
from financial institutions	(35,132)	(93,155)
Repayment of long-term loans from financial institutions	(52,450)	(53,512)
Proceeds from short-term loans from related parties	30,000	72,000
Proceeds from long-term loans from financial institutions	<u>311,140</u>	<u>-</u>
Net cash provided by (used in) financing activities	<u>90,989</u>	<u>(220,225)</u>
Net increase in cash and cash equivalents	125,964	65,769
Cash and cash equivalents at beginning of period	<u>92,659</u>	<u>30,953</u>
Cash and cash equivalents at end of period	<u>218,623</u>	<u>96,722</u>

Supplemental disclosure of cash flow information

Significant non-cash transaction

During the period ended 30 September 2008, the Company acquired plant and equipment totalling Baht 432 million, cash payments of Baht 416 million were made to purchase plant and equipment.

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

Alucon Public Company Limited
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2008 (Unaudited)

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Alucon Public Company Limited
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2008 (Unaudited)

These notes form an integral part of the financial statements.

The interim financial statements were authorised for issue by the directors on 11 November 2008.

1 General information

Alucon Public Company Limited “the Company” is incorporated in Thailand and has its registered head office at 500 Moo 1, Soi Sirikam, Sukhumvit 72 Road, North Samrong, Muang, Samut Prakarn. Another plant at Chonburi is located at 272/5, Moo 3, Bor Win, Sriracha, Chonburi.

The Company was listed on the Stock Exchange of Thailand in November 1989 and converted to a public company in May 1994.

The Company’s parent company during the financial period was Takeuchi Press Industries Company Limited, incorporated in Japan, who held 66.45% of the paid-up share capital.

The principal activities of the Company are producing and distributing aluminum containers such as Aluminum Collapsible Tubes, Aluminum Monobloc Aerosol Cans, Aluminum Rigid Wall Containers, Aluminum Bottles, Technical Impact Extrusions, Aluminum Slugs (Blanks), Aluminum Coils, Aluminum Pellets, strips, plates, etc.

2 Basis of preparation of the financial statements

The interim financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard No. 41 (revised 2007) *Interim Financial Reporting* including related interpretations and guidelines promulgated by the Federation of Accounting Professions, applicable rules and regulations of the Securities and Exchange Commission and with generally accepted accounting principles in Thailand.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2007. They focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements for the year ended 31 December 2007.

The interim financial statements are presented in Thai Baht, rounded to the nearest thousand unless otherwise stated.

In 2008, the Company adopted the following new and revised Thai Accounting Standards (TAS) which are relevant to its operations:

TAS 25 (revised 2007)	<i>Cash Flows Statements</i>
TAS 31 (revised 2007)	<i>Inventories</i>
TAS 33 (revised 2007)	<i>Borrowing Costs</i>
TAS 35 (revised 2007)	<i>Presentation of Financial Statements</i>

Alucon Public Company Limited
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TAS 39 (revised 2007) *Accounting Policies, Changes in Accounting Estimates and Errors*

TAS 41 (revised 2007) *Interim Financial Reporting*

TAS 51 *Intangible Assets*

The adoption of these new and revised TAS does not have any material impact on the Company's financial statements.

Accounting policies and methods of computation applied in the interim financial statements for the three-month and nine-month periods ended 30 September 2008 are consistent with those applied in the financial statements for the year ended 31 December 2007.

3 Related party transactions and balances

Related parties are those parties linked to the Group and the Company by common shareholders or directors. Transactions with related parties are conducted at prices based on market prices or, where no market price exists, at contractually agreed prices.

Relationships with related parties that control the Company or have transactions with the Company were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Takeuchi Press Industries Company Limited	Japan	Parent, 66.45% shareholding

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Sale of goods	The market price or the price based on the memorandum of understanding. The selling price structure with the parent company is based on the actual cost incurred plus gross margin rate including the consideration of size, sale volume, country and transportation.
Purchase of raw materials and spare part	The market price.
Interest expense	3.00% - 3.50% per annum in 2008 and 3.00% - 4.75% per annum in 2007.
Commission expenses	Percentage of sales amount.
Directors' bonus, directors' remuneration and other benefits	Amount approved by the directors and the shareholders.

Alucon Public Company Limited
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For the three-month and nine-month periods ended 30 September 2008 (Unaudited)

Significant transactions for the three-month and nine-month periods ended 30 September 2008 and 2007 with related parties were as follows:

Three-month period ended 30 September

	2008	2007
	<i>(in thousand Baht)</i>	
<i>Parent</i>		
Sale of goods	256,073	222,535
Purchase of raw materials and spare parts	1,064	1,133
Purchase of machinery and equipment	4,942	734
Interest expense	2,650	3,290
Commission expenses and other expenses	32	196
<i>Directors</i>		
Directors' bonus, directors' remuneration and other benefits	10,523	10,739

Nine-month period ended 30 September

	2008	2007
	<i>(in thousand Baht)</i>	
<i>Parent</i>		
Sale of goods	695,759	651,533
Purchase of raw materials and spare part	2,845	3,090
Purchase of machinery and equipment	4,942	734
Interest expense	7,829	9,732
Commission expenses and other expenses	181	325
<i>Directors</i>		
Directors' bonus, directors' remuneration and other benefits	30,982	32,094

Balances as at 30 September 2008 and 31 December 2007 with related parties were as follows:

Trade accounts receivable from related party

	30 September 2008	31 December 2007
	<i>(in thousand Baht)</i>	
<i>Parent</i>		
Takeuchi Press Industries Company Limited	<u>90,652</u>	<u>61,132</u>

Trade accounts payable to related party

	30 September 2008	31 December 2007
	<i>(in thousand Baht)</i>	
<i>Parent</i>		
Takeuchi Press Industries Company Limited	<u>330</u>	<u>-</u>

Alucon Public Company Limited
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2008 (Unaudited)

Payable to and short-term loans from related parties

	Interest rate		30 September	31 December
	2008	2007	2008	2007
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>	
Short-term loans				
Parent				
Takeuchi Press Industries Company Limited	3.00 - 3.50	3.00	377,295	347,295
Other payables				
Parent				
Takeuchi Press Industries Company Limited			-	2,184
Accrued commission payable				
Parent				
Takeuchi Press Industries Company Limited			32	76
Accrued interest expense				
Parent				
Takeuchi Press Industries Company Limited			2,730	1,991
Accrued directors' remuneration and other benefits				
Other related party				
Directors			2,080	2,602
Total			382,137	354,148

Movements during the nine-month periods ended 30 September 2008 and 2007 of loans from related party were as follows:

	2008	2007
	<i>(in thousand Baht)</i>	
Short-term loans		
Parent		
At 1 January	347,295	275,295
Increase	30,000	72,000
At 30 September	377,295	347,295

Commitments for purchase of raw materials and spare parts

	30 September	31 December
	2008	2007
	<i>(in thousand Baht)</i>	
Parent		
Takeuchi Press Industries Company Limited	-	90

Alucon Public Company Limited
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2008 (Unaudited)

Significant memorandum of understanding

As at 31 December 2007, the Company entered into a memorandum of understanding with Takeuchi Press Industries Company Limited to supply aluminium slugs in the minimum quantity of 6,000 MT for the production of aluminum monobloc aerosol cans and collapsible tubes for a period from December 2006 to March 2008.

Later, on 21 January 2008, the Company entered into another memorandum of understanding to supply aluminium slugs in quantity of about 6,000 MT for a new period from April 2008 to March 2009.

4 Trade accounts receivable

	<i>Note</i>	30 September 2008	31 December 2007
		<i>(in thousand Baht)</i>	
Related party	3	90,652	61,132
Other parties		540,807	422,669
		<u>631,459</u>	<u>483,801</u>
<i>Less allowance for doubtful accounts</i>		<i>(5,939)</i>	<i>(5,939)</i>
Total		<u>625,520</u>	<u>477,862</u>

Aging analyses for trade accounts receivable were as follows:

	30 September 2008	31 December 2007
	<i>(in thousand Baht)</i>	
Related party		
Within credit terms	90,652	59,956
Overdue:		
Less than 3 months	-	1,176
	<u>90,652</u>	<u>61,132</u>
Other parties		
Within credit terms	445,676	293,880
Overdue:		
Less than 3 months	89,105	121,804
3 - 6 months	87	1,046
Over 12 months	5,939	5,939
	<u>540,807</u>	<u>422,669</u>
<i>Less allowance for doubtful accounts</i>	<i>(5,939)</i>	<i>(5,939)</i>
Net	<u>534,868</u>	<u>416,730</u>
Total	<u>625,520</u>	<u>477,862</u>

The normal credit term granted by the Company ranges from 7 days to 90 days.

Alucon Public Company Limited
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2008 (Unaudited)

5 Property, plant and equipment

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

	2008		2007	
	Acquisitions and transfers in -at cost	Disposals and transfers out - net book value <i>(in thousand Baht)</i>	Acquisitions and transfers in -at cost	Disposals and transfers out - net book value
Buildings and building improvement	39,349	-	2,237	96
Machineries and equipments	74,001	796	43,441	94
Office equipments	2,684	4	420	1
Vehicles	2,750	-	-	-
Construction in progress	312,871	-	97,773	27,219
Total	431,655	800	143,871	27,410

6 Trade accounts payable

	Note	30 September 2008	31 December 2007
<i>(in thousand Baht)</i>			
Related party	3	330	-
Other parties		77,202	55,396
Total		77,532	55,396

7 Long-term loans from financial institutions

During the nine-month period ended 30 September 2008, the Company entered into new long-term loans agreements with financial institutions as follows:

1. Unsecured long-term loan from a foreign commercial bank-domestic branch to be used to finance purchase of machinery in the amount of USD 4 million. Principal is repayable in five equal semi-annual installments of USD 0.8 million each within 3.5 years. The first repayment is due on 21 September 2009 and the final repayment is due on 19 September 2011. Interest is charged semi-annually at the rate of 2.90% per annum. The first interest period commences on 19 September 2008.
2. Unsecured long-term loan from another foreign commercial bank-domestic branch to be used to finance purchase of machinery in the amount of USD 6 million. Principal is repayable in five equal semi-annual installments of USD 1.2 million each within 3 years. The first repayment is due on 24 March 2009 and the final repayment is due on 24 March 2011. Interest is charged semi-annually at the rate of 2.80% per annum. The first interest period commences on 24 September 2008.

Such agreements contain certain restrictions, among other things, status of Company, failure to perform under the term of agreement, litigation and maintaining financial ratio covenants. Further, the agreements contain certain events of default if, among other events, the Company fails to make payment on the due dates, fails to perform other obligations, or there is a material adverse change that, in the opinion of the lender, is likely to affect the Company's ability to comply with the terms of the agreements. In case of the occurrence of an event of default, the lender is entitled to declare the loan immediately due.

Alucon Public Company Limited
Notes to the interim financial statements
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8 Segment information

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

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

The following are the main geographical locations:

Segment 1	Domestic
Segment 2	Export

Revenue and results, based on geographical segments, in the Company's financial statements for the three-month and nine-month periods ended 30 September 2008 and 2007 were as follows:

	Three-month periods ended 30 September		Nine-month periods ended 30 September	
	2008	2007	2008	2007
	<i>(in thousand Baht)</i>			
Segment revenue				
Domestic	204,137	198,638	661,051	640,335
Export	783,133	630,214	2,078,531	1,724,923
Total	987,270	828,852	2,739,582	2,365,258
Segment results				
Domestic	66,477	51,778	188,600	149,294
Export	196,665	108,407	476,863	219,325
Total	263,142	160,185	665,463	368,619

Business segments

Management considers that the Company operates in a single line of business, namely aluminum containers, and has, therefore, only one major business segment.

9 Basic earnings per share

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

Three-month period ended 30 September	2008	2007
	<i>(in thousand Baht)</i>	
Profit attributable to equity holders of the Company	186,979	82,551
Number of ordinary shares outstanding	28,800	28,800
Basic earnings per share (in Baht)	6.49	2.87

Alucon Public Company Limited
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2008 (Unaudited)

<i>Nine-month period ended 30 September</i>	2008 <i>(in thousand Baht)</i>	2007
Profit attributable to equity holders of the Company	417,007	202,520
Number of ordinary shares outstanding	28,800	28,800
Basic earnings per share (in Baht)	14.48	7.03

10 Dividends

At the annual general meeting of the shareholders of the Company held on 21 April 2008, the shareholders approved the appropriation of dividends of Baht 5.25 per share, amounting to Baht 151.20 million. The dividend was paid to shareholders during 2008.

At the annual general meeting of the shareholders of the Company held on 24 April 2007, the shareholders approved the appropriation of dividends of Baht 4.25 per share, amounting to Baht 122.40 million. The dividend was paid to shareholders during 2007.

11 Commitments with non - related parties

	30 September 2008	31 December 2007
	<i>(in thousand Baht)</i>	
Capital commitments		
<i>Contracted but not provided for</i>		
Machinery and equipment	351,039	295,565
	<i>(in thousand Baht)</i>	
Other commitments		
Unused letters of credits	75,297	92,807
Purchase orders accepted by suppliers	2,303,721	2,839,947
Bank guarantees	46,017	49,074
Total	2,425,035	2,981,828

As at 30 September 2008 and 31 December 2007, the Company had a Commodity Price Swap agreement to hedge the risk of aluminium price fluctuation with a foreign financial institution in quantity of 25 MT per month, maximum totaling 1,800 MT, at a price of YEN 188,000 per MT. This agreement is for 6 years from 1 January 2010 to 31 December 2015.