

TTW/0343/08

14 August 2008

Subject: To clarify of the operating result for the quarter 2/2008 period ended June 30, 2008

To: President
The Stock Exchange of Thailand

Given that the results of operation in the consolidated financial statements in the second quarter of the year 2008 ended June 30, 2008 of Thai Tap Water Supply Public Company Limited and its Subsidiary represented an increase by more than 20 percent as compared to the results of operation of the Company and its Subsidiary in the same period of the previous year, and as such the Company is required to give clarification on such changes to the Stock Exchange of Thailand. The Company hereby clarifies the significant changes as follows:

1) As at the end of June 2007 and December 2007, the Company invested in ordinary shares in Pathum Thani Water Co., Ltd. (its Subsidiary), representing 98 percent of the registered and paid-up capital of the Subsidiary. As a result, the Company was required to prepare the consolidated financial statements which included the results of operation since July 2007 onwards of Pathum Thani Water Co., Ltd. and BJT Water Co., Ltd. (Pathum Thani Water Co., Ltd.'s subsidiary).

2) The revenue from sales of tap water increased by Baht 357.4 Million or representing an increase of 71.4 percent since:

a) The Company's tap water sales increased by Baht 61.5 Million or representing an increase of 12.3 percent because the Company's distribution of tap water increased by 4.5 million cubic meters or representing an increase of 19.9 percent, including increase in tap water price from the previous year; and

b) In the second quarter of the year 2008, the Company included its Subsidiary's revenue from sales of tap water amounting to Baht 295.8 Million or representing an increase of 100 percent, while in the second quarter of the year 2007, such revenue from sales of tap water in the consolidated financial statements represented the Company's revenue only.

3) The costs of sales and service increased by Baht 149 Million or representing an increase of 114.4 percent since:

a) Such increased costs corresponded to the increased tap water sales of the Company; and

b) In the second quarter of the year 2008, the Company included its Subsidiary's costs of sales and service amounting Baht 125.7 Million or representing an increase of 100 percent, while in the second quarter of the year 2007, the costs of sales and service in the consolidated financial statements represented the Company's costs of sales of tap water only.

4) The selling and administrative expenses increased by Baht 15.4 Million or representing an increase of 35.2 percent since:

a) The expenses were incurred in repair of the entry road to the Company's Banglen Water Treatment Plant and in listing of the Company's ordinary shares on the Stock Exchange of Thailand; and

b) In the second quarter of the year 2008, the Company included its Subsidiary's selling and administrative expenses amounting to Baht 10.9 Million, while in the second quarter of the year 2007, the selling and administrative expenses in the consolidated financial statements represented the Company's selling and administrative expenses only.

5) The amortization of rights for tap water production and distribution increased by Baht 49 Million or representing an increase of 100 percent since the Company acquired ordinary shares in its Subsidiary at a price higher than the book value as at the acquisition date, and as such, such excess would be amortized approximately by Baht 49 Million per quarter.

6) The interest expenses increased by Baht 71.1 Million or representing an increase of 67.5 percent since:

a) The Company's interest expenses increased by Baht 22.8 Million or representing an increase of 21.6 percent because in June 2007, the Company borrowed a Baht 3,998.3 Million loan from financial institutions for purchase of ordinary shares in Pathum Thani Water Co., Ltd., with partial repayment of Baht 3,000 Million in May 2008; and

b) In the second quarter of the year 2008, the Company included its Subsidiary's interest expenses amounting to Baht 48.3 Million, while in the second quarter of the year 2007, such interest expenses in the consolidated financial statements represented the Company's interest expenses only.

Please be informed accordingly

Yours Faithfully,

(Sompodh Sripoom)

Managing Director