

TTW/0075/09

26 February 2009

Subject: Declaration of the Operating Result of the Year 2008 Compared with the Year 2007
To: President
The Stock Exchange of Thailand

The operating result of Thai Tap Water Supply Public Company Limited (the Company) and its subsidiaries for the year ended December 31, 2008 and 2007 has the profit of Baht 1,358.4 million and Baht 920.1 million, respectively. The Company and its subsidiaries have the 2008 profit increased to 48% compared with the previous fiscal year. The Company hereby clarifies the significant changes as follows:

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

Therefore, the operating result of the Company and its subsidiaries for the year 2007 consisted of 1) operating result for the year of the Company and 2) operating result for the six-month period ended 31 December 2007 of PTW and BJT Water Co., Ltd. while the operating result for the year 2008 of the Company and its subsidiaries consisted of annual operating result of the Company and its subsidiaries.

2) In 2008, the Company has revenue from sales of tap water increased by Baht 1,002.3 million or representing an increase of 39.0% because:

a) The Company's tap water sales increased by Baht 369.2 million or representing an increase of 18.6% and the Company's distribution of tap water increased by 14.7 million cubic meters or representing an increase of 15.8%, including increase in tap water price from the previous year, and

b) PTW's tap water sales which were included in consolidated income statement of year 2008 were PTW's annual tap water sales while PTW's tap water sales which were included in consolidated income statement of year 2007 were PTW's 6-month tap water sales as described in No. 1. However, 2008 PTW's tap water sales increased by 0.8 million cubic meters or representing an increase of 0.7%, including increase in tap water price from the previous year.

3) The costs of sales and services increased by Baht 396.1 million or representing 50.7% since:

a) The production and maintenance expenses of the Company and its subsidiaries increased by Baht 63.7 million due to increase in tap water sales of the Company and PTW and maintenance of infrastructure of the Company and PTW, and

b) PTW's cost of sales and services, which were included in consolidated income statement of year 2008, were PTW's annual cost of sales and services while PTW's cost of sales and services, which were included in consolidated income statement of year 2007, were PTW's 6-month cost of sales and service as described in No. 1.

4) The selling and administrative expenses increased by Baht 43.1 million or representing a increase of 34.5% since:

a) In 2008, the Company has the expenses of maintenance 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 totaling Baht 22.2 million, and

b) PTW's selling and administrative expenses, which were included in consolidated income statement of year 2008, were PTW's annual selling and administrative expenses while PTW's selling and administrative expenses, which were included in consolidated income statement of year 2007, were PTW's 6-month selling and administrative expenses as described in No. 1.

5) The amortization of rights to produce and sell treated water increased by Baht 106 million or representing an increase of 118.4% because in 2008 the Company yearly amortized the rights to produce and sell treated water while the Company semi-annually amortized such rights in 2007 as described in No. 1.

6) The financial cost increased by Baht 58.1 million or representing an increase of 8.7 percent since PTW's financial cost, which were included in consolidated income statement of year 2008, were PTW's annual financial cost while PTW's financial cost, which were included in consolidated income statement of year 2007, were PTW's 6-month financial cost as described in No. 1. However, the Company's financial cost decreased by Baht 51.7 million or representing a decrease of 9.2% because in 2008 the Company repaid short-term loan and long-term loans of Baht 3,000 million and 1,028.8 million, respectively. In addition, PTW repaid long-term loans of Baht 418 million.

Please be informed accordingly

Yours Faithfully,

(Sompodh Sripoom)
Managing Director