



Registration No. Bor Mor Jor 340

ITALIAN - THAI DEVELOPMENT PUBLIC COMPANY LIMITED

Ref : CSD 043/2006

August 17, 2006

Securities and Exchange Commission
Office of International Corporation Finance
450 Fifth Street, N.W.
Washington, D.C. 20549

RECEIVED
2006 AUG 25 P 12:51
OFFICE OF INTERNATIONAL
CORPORATE FINANCE

Re : Italian-Thai Development Public Company Limited
Information Furnished Pursuant to Rule 12g3-2(b)
Under the Securities Exchange Act of 1934

SUPL

Ladies and Gentlemen :

We are submitting this letter and the enclosed documents listed in Annex A to supplement the submission of documents pursuant to Rule 12g3-2 (b) under the Securities Exchange Act of 1934. The enclosed documents should bring file on the Company up to date.



PROCESSED

AUG 28 2006

THOMSON
FINANCIAL

Very truly yours,

Mr. Chatichai Chutima
Vice President (Finance Division)

Enclosures

E-Mail : cccs@italian-thai.co.th





Annex A

1. Financial Statement as of June 30, 2006
2. The Report of material events filed with the Stock Exchange of Thailand ("SET") from May- August 2006

RECEIVED

2006 AUG 25 P 12:51

OFFICE OF INTERNATIONAL
CORPORATE FINANCE

ITALIAN-THAI DEVELOPMENT PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
REVIEW REPORT AND INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2006

Review Report of Independent Auditor

To The Board of Directors and Shareholders of
Italian-Thai Development Public Company Limited

I have reviewed the accompanying consolidated balance sheet of Italian-Thai Development Public Company Limited and its subsidiaries as at 30 June 2006, the consolidated statements of earnings for the three-month and six-month periods ended 30 June 2006, and the statements of changes in shareholders' equity and cash flows for the six-month period ended 30 June 2006, and the separate financial statements of Italian-Thai Development Public Company Limited for the same periods. These financial statements are the responsibility of the Company's management as to their correctness and the completeness of the presentation. My responsibility is to issue a report on these financial statements based on my review. The consolidated financial statements for three-month and six-month periods ended 30 June 2006 incorporate the financial statements of a subsidiary company and an overseas branch with total assets comprising 4.2%, total revenues for the three-month and six-month periods then ended comprising 6.9% and 5.5% of the respective consolidated totals and net earnings for the three-month and six-month periods then ended comprising 1.3% and 3.2% of the respective consolidated totals which are presented on the basis of the financial statements of these entities, which were reviewed by other auditors whose reports I have already received. My report, in so far as it relates to the amounts presented in respect of this subsidiary and branch, is based on the reports of those other auditors.

Except for the matter discussed in the following paragraph, I conducted my review in accordance with the auditing standard applicable to 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. I have not performed an audit and, accordingly, I do not express an audit opinion.

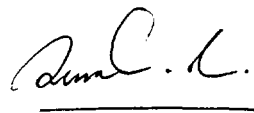
The consolidated financial statements for the three-month and six-month periods ended 30 June 2006 incorporate the financial statements of two joint ventures in Taiwan with total assets comprising 1.2% (31 December 2005: 2.2%) and total revenues for the three-month and six-month periods then ended comprising 4.6% and 4.0% of the respective consolidated totals (2005: 2.3% and 2.7%, respectively). These financial statements were prepared based on financial information compiled by the management of these joint ventures and which had not been reviewed because the Taiwanese joint ventures are not under the control of the Company's management. Nevertheless, the financial statements of these overseas joint ventures as at 31 December 2005 and 2004 have already been audited.

Based on my review and the reports of other auditors, except for the effects on the financial statements for the three-month and six-month periods ended 30 June 2006 of the review scope limitation described in the preceding paragraph, 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.

Without further qualification to the above financial statements, I draw attention to the matter as discussed in Note 16 as at 30 June 2006 and 31 December 2005 the Company has outstanding retention receivable from the company which operates the skytrain totaling approximately Baht 473 million. This company is currently restructuring its debts. As discussed in Note 20.1 the Company transferred liabilities to a special purpose vehicle, and also transferred subordinated assets to the special purpose vehicle for it to sell to make settlement of the liabilities. In this respect the Company is obliged to provide loans to the special purpose vehicle for it to settle any indebtedness till outstanding. The outstanding balance as at 30 June 2006 was Baht 1,963 million. Assets of the special purpose vehicle include amounts receivable from and investment in the above operator of the skytrain. There is uncertainty as to the contingent liability that would arise if the saleable value of the subordinated assets were less than the liability in the future. However, the Company has not yet recognised gains totaling Baht 229 million from the transfer of the subordinated assets and has suspended such amount to meet such future obligations. The Company and the special purpose vehicle are currently negotiating the sale of the receivable from and investment in the operator of the skytrain and on the basis of the price preliminarily agreed, the Company has set aside allowance for loss in an amount equal to the anticipated actual losses and the Company's obligations to the special purpose vehicle in 2005, or a total of Baht 427 million. This is presented under the caption of "Allowance on impairment of assets and contingent liabilities".

The consolidated financial statements of Italian-Thai Development Public Company Limited and its subsidiaries, and the separate financial statements of Italian-Thai Development Public Company Limited for the year ended 31 December 2005 were audited in accordance with generally accepted auditing standards by another auditor of our firm who, under his report dated 25 February 2006 based on his audit and reports of other auditors, expressed an unqualified opinion on those statements but drew attention to the matter described in preceding paragraph. The balance sheet as at 31 December 2005, as presented herein for comparative purposes, formed an integral part of the financial statements which that other auditor from our firm audited and reported on.

The consolidated statements of earnings for the three-month and six-month periods ended 30 June 2005, and the statements of changes in shareholders' equity and cash flows for the six-month period ended 30 June 2005 of Italian-Thai Development Public Company Limited and its subsidiaries and the separate financial statements of Italian-Thai Development Public Company Limited, as presented herein for comparative purposes, formed an integral part of the interim financial statements which were reviewed by the aforementioned other auditor from our firm who reported, under his report dated 8 August 2005, that except for the effect of the joint ventures in Taiwan not having been reviewed by other auditors, 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 but drew attention to the uncertainty as to the amount recoverable by the Company from a debtor who was still in the process of restructuring debt and the contingent liabilities of the special purpose vehicle.



Sumalee Reewarabandith

Certified Public Accountant (Thailand) No. 3970

Ernst & Young Office Limited

Bangkok: 15 August 2006

ITALIAN-THAI DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

(Unit: Thousand Baht)

	Note	CONSOLIDATED		THE COMPANY ONLY	
		30 June 2006 (Unaudited but reviewed)	31 December 2005 (Audited)	30 June 2006 (Unaudited but reviewed)	31 December 2005 (Audited)
ASSETS					
Current assets					
Cash and deposits at banks	2	3,047,492	2,177,198	842,708	664,954
Pledged deposits at banks	3	710,320	805,843	690,279	763,002
Current investments		1,070,000	-	1,070,000	-
Trade accounts receivable - net	4	5,877,645	6,777,390	3,105,074	2,994,042
Trade accounts receivable - related parties - net	5	1,112,447	1,267,825	1,395,453	1,509,822
Short-term loans and advances to related parties - net	6	96,214	12,281	4,091,908	1,781,121
Unbilled receivable		8,847,391	6,942,970	5,743,927	4,568,065
Current portion of accounts receivable - retention		2,202,890	1,833,543	1,875,946	1,529,926
Inventories and work in progress - net		2,152,366	1,824,377	1,099,895	702,321
Other current assets					
Withholding tax deducted at source		1,385,014	1,492,757	777,962	918,641
Value added tax refundable		72,561	242,012	-	-
Loans to other company		362,556	275,432	-	-
Advance for machinery, material purchase and land awaiting development		343,409	90,435	30,677	10,420
Current portion of receivable from sale of land		269,680	503,390	-	-
Others		334,351	307,857	95,866	112,999
Total current assets		27,884,336	24,553,310	20,819,695	15,555,313
Non-current assets					
Accounts receivable - retention, net of current portion		170,699	199,585	-	20,594
Receivable from sale of land, net of current portion		101,835	101,835	-	-
Investments accounted for under equity method	7.1	270,259	261,791	4,062,373	4,187,760
Other long-term investments	7.2	1,184,145	1,252,993	1,160,096	1,228,784
Investment in potash mine project	8	2,881,730	-	-	-
Excess of net book value of subsidiaries over cost of investments		(10,036)	(10,036)	-	-
Long-term loans and advances to related parties - net	9	-	-	1,960,252	1,985,622
Loan to other party		190,704	245,311	190,704	245,311
Property, plant and equipment - net	10	14,579,159	14,271,167	9,996,007	10,116,682
Advances for subcontractors		612,057	683,952	375,991	382,355
Deferred charges		134,725	188,697	-	-
Goodwill		486,926	510,847	-	-
Other non-current assets		175,979	152,125	111,619	94,933
Total non-current assets		20,778,182	17,858,267	17,857,042	18,262,041
TOTAL ASSETS		48,662,518	42,411,577	38,676,737	33,817,354

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

ITALIAN-THAI DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS (Continued)

(Unit: Thousand Baht)

	Note	CONSOLIDATED		THE COMPANY ONLY	
		30 June 2006 (Unaudited but reviewed)	31 December 2005 (Audited)	30 June 2006 (Unaudited but reviewed)	31 December 2005 (Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	11	7,707,573	4,816,743	5,444,193	3,242,877
Current portion of accounts payable - trust receipts		1,203,144	1,091,609	629,589	605,473
Trade accounts payable		5,871,664	6,625,304	3,620,973	3,887,779
Billing in excess of contract work in progress		811,447	455,720	811,447	216,931
Trade accounts payable - related parties	12	1,325,784	1,472,934	882,216	1,104,533
Short-term loans and advances from related parties	13	804,886	977,880	685,878	685,299
Current portion of advances received from customers under construction contracts		2,887,396	2,163,115	2,400,171	1,666,384
Current portion of hire-purchase payables		411,700	436,121	404,854	429,038
Current portion of long-term loans	14	950,224	683,878	704,192	583,446
Other current liabilities					
Corporate income tax payable		25,103	44,420	2,366	1,149
Value added tax payable		-	-	36,171	27,331
Accrued expenses		1,179,073	497,184	376,799	390,322
Current portion of reserve for project expenses		60,708	73,781	60,708	73,781
Account payable to related party - share purchase		56,809	56,809	56,809	56,809
Accounts payable - retention		559,170	499,858	268,172	203,516
Advance received from sale of receivable		109,975	-	109,975	-
Advance received from customer for land purchase		542,696	-	-	-
Others		410,017	801,874	178,977	111,909
Total current liabilities		24,917,369	20,697,230	16,673,490	13,286,577
Non-current liabilities					
Reserve for project expenses, net of current portion		51,572	78,750	51,572	78,750
Deferred gain on transferring assets to special purpose vehicle	20.1	229,574	229,574	229,574	229,574
Allowance on diminution in value of assets and contingent liabilities	16, 20.1	426,520	426,520	426,520	426,520
Accounts payable - trust receipts, net of current portion		55,922	310,138	55,922	310,138
Advances received from customers under construction contracts, net of current portion		3,322,059	880,378	2,207,208	120,478
Hire-purchase payables, net of current portion		689,925	860,277	678,340	845,435
Long-term loans, net of current portion	14	1,811,571	1,740,533	1,013,656	988,106
Loan from directors		9,669	6,184	-	-
Provision for loss from investments accounted for under equity method	7.1	-	-	475,753	670,135
Other non-current liabilities		22,183	10,813	15,395	10,813
Total non-current liabilities		6,618,995	4,543,167	5,153,940	3,679,949
TOTAL LIABILITIES		31,536,364	25,240,397	21,827,430	16,966,526

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

ITALIAN-THAI DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS (Continued)

(Unit: Thousand Baht)

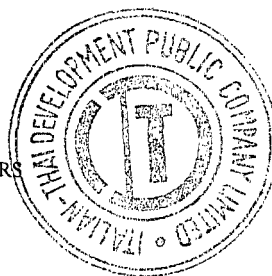
	CONSOLIDATED		THE COMPANY ONLY	
	30 June 2006 (Unaudited but reviewed)	31 December 2005 (Audited)	30 June 2006 (Unaudited but reviewed)	31 December 2005 (Audited)
Shareholders' equity				
Share capital				
Registered issued and fully paid share capital				
4,193,678,180 ordinary shares of Baht 1 each	4,193,678	4,193,678	4,193,678	4,193,678
Share premium	5,515,363	5,515,363	5,515,363	5,515,363
Unrealised gain (loss) on changes in value of investments	(68,901)	7,380	(68,901)	7,380
Translation adjustment	(81,404)	7,323	(81,404)	(32,385)
Retained earnings				
Appropriated - statutory reserve	388,897	388,897	382,364	382,364
Unappropriated	6,901,674	6,777,895	6,908,207	6,784,428
Equity attributable to company's shareholders	16,849,307	16,890,536	16,849,307	16,850,828
Minority interests - Equity attributable to minority shareholders of subsidiaries	276,847	280,644	-	-
Total shareholders' equity	17,126,154	17,171,180	16,849,307	16,850,828
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	48,662,518	42,411,577	38,676,737	33,817,354

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

[Handwritten signature]

[Handwritten signature]

DIRECTORS



ITALIAN-THAI DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF EARNINGS

FOR THE THREE-MONTH PERIODS ENDED 30 JUNE 2006 AND 2005

(Unit: Thousand Baht)

	Note	CONSOLIDATED		THE COMPANY ONLY	
		2006	2005	2006	2005
Revenues					
Revenues from construction services		9,091,915	8,974,815	5,641,787	5,607,086
Interest income		26,222	17,022	24,661	19,229
Gain on exchange		-	23,122	-	21,530
Others		162,797	193,564	140,913	145,882
Total revenues		9,280,934	9,208,523	5,807,361	5,793,727
Expenses					
Cost of construction services		8,495,473	8,514,682	5,289,273	5,236,214
Administrative expenses		339,341	271,982	204,999	166,646
Loss on exchange		89,007	-	86,642	-
Total expenses		8,923,821	8,786,664	5,580,914	5,402,860
Earnings from operation		357,113	421,859	226,447	390,867
Doubtful accounts		(9,098)	(35,608)	(1,370)	(30,849)
Share of profit (loss) from investments accounted for under equity method		8,579	(2,963)	26,565	(3,264)
Reversal of allowance for impairment of investments	7.2	63,639	-	63,639	-
Earnings before interest expenses and income tax		420,233	383,288	315,281	356,754
Interest expenses		(220,944)	(134,423)	(137,071)	(104,689)
Corporate income tax	18	(9,166)	8,413	115	-
Earnings after income tax		190,123	257,278	178,325	252,065
Net earnings of minority interests		(11,798)	(5,213)	-	-
Net earnings for the period		178,325	252,065	178,325	252,065
					(Unit: Baht)
Basic earnings per share					
Net earnings		0.04	0.06	0.04	0.06
					(Unit: Thousand shares)
Weighted average number of ordinary shares		4,193,678	4,130,695	4,193,678	4,130,695

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

ITALIAN-THAI DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF EARNINGS

FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2006 AND 2005

(Unit: Thousand Baht)

	Note	CONSOLIDATED		THE COMPANY ONLY	
		2006	2005	2006	2005
Revenues					
Revenues from construction services		18,009,803	16,552,204	11,696,422	11,195,165
Interest income		37,107	35,744	40,795	42,939
Gain on exchange		-	32,607	-	42,357
Others		268,630	316,777	233,869	284,256
Total revenues		18,315,540	16,937,332	11,971,086	11,564,717
Expenses					
Cost of construction services		16,843,870	15,587,931	10,978,497	10,472,240
Administrative expenses		610,397	491,550	360,417	351,968
Loss on exchange		120,325	-	97,848	-
Total expenses		17,574,592	16,079,481	11,436,762	10,824,208
Earnings from operation		740,948	857,851	534,324	740,509
Doubtful accounts		(16,523)	(51,079)	(1,370)	(43,925)
Share of profit from investments accounted for under equity method		11,596	2,625	19,593	39,215
Reversal of allowance for impairment of investments	7.2	63,639	-	63,639	-
Earnings before interest expenses and income tax		799,660	809,397	616,186	735,799
Interest expenses		(388,148)	(242,996)	(240,786)	(208,767)
Corporate income tax	18	(21,144)	(23,973)	-	-
Earnings after income tax		390,368	542,428	375,400	527,032
Net earnings of minority interests		(14,968)	(15,396)	-	-
Net earnings for the period		375,400	527,032	375,400	527,032
					(Unit: Baht)
Basic earnings per share					
Net earnings		0.09	0.13	0.09	0.13
					(Unit: Thousand shares)
Weighted average number of ordinary shares		4,193,678	4,130,695	4,193,678	4,130,695

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

ITALIAN-THAI DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2006 AND 2005

(Unit: Thousand Baht)

CONSOLIDATED

	Note	Issued and paid-up share capital	Share premium	Unrealised gain (loss)			Retained earnings		Minority interests	Total
				on changes in value of investments	Translation adjustment	Statutory reserve	Unappropriated			
Balance - as at 1 January 2005		3,738,678	1,606,625	39,331	(76,837)	325,798	5,872,562	143,885	11,650,042	
Unrealised gain on changes in value of investments		-	-	13,290	-	-	-	-	13,290	
Translation adjustment		-	-	-	106,522	-	-	-	106,522	
Items unrealised in earnings statement		-	-	13,290	106,522	-	-	-	119,812	
Net earnings for the period		-	-	-	-	-	527,032	-	527,032	
Dividend paid	15	-	-	-	-	-	(293,557)	-	(293,557)	
Ordinary shares issued during the period		455,000	-	-	-	-	-	-	455,000	
Share premium on new ordinary shares		-	3,908,738	-	-	-	-	-	3,908,738	
Purchases of investment in subsidiaries during the period		-	-	-	-	-	-	85,966	85,966	
Minority interests for the period		-	-	-	-	-	-	15,396	15,396	
Dividend paid from subsidiary		-	-	-	-	-	-	(9,808)	(9,808)	
Balance - as at 30 June 2005		4,193,678	5,515,363	52,621	29,685	325,798	6,106,037	235,439	16,458,621	
Balance - as at 1 January 2006		4,193,678	5,515,363	7,380	7,323	388,897	6,777,895	280,644	17,171,180	
Unrealised loss on changes in value of investments		-	-	(76,281)	-	-	-	-	(76,281)	
Translation adjustment		-	-	-	(88,727)	-	-	(8,957)	(97,684)	
Items unrealised in earnings statement		-	-	(76,281)	(88,727)	-	-	(8,957)	(173,965)	
Net earnings for the period		-	-	-	-	-	375,400	-	375,400	
Dividend paid	15	-	-	-	-	-	(251,621)	-	(251,621)	
Minority interests for the period		-	-	-	-	-	-	14,968	14,968	
Dividend paid from subsidiary		-	-	-	-	-	-	(9,808)	(9,808)	
Balance - as at 30 June 2006		4,193,678	5,515,363	(68,901)	(81,404)	388,897	6,901,674	276,847	17,126,154	

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

(UNAUDITED BUT REVIEWED)

ITALIAN-THAI DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2006 AND 2005

(Unit: Thousand Baht)

THE COMPANY ONLY

	Note	Issued and paid-up share capital	Share premium	Unrealised gain (loss)			Retained earnings		Total
				on changes in value of investments	Translation adjustment	Statutory reserve	Unappropriated		
Balance - as at 1 January 2005		3,738,678	1,606,625	39,331	(76,837)	319,265	5,879,095	11,506,157	
Unrealised gain on changes in value of investments		-	-	13,290	-	-	-	13,290	
Translation adjustment		-	-	-	56,177	-	-	56,177	
Items unrealised in earnings statement		-	-	13,290	56,177	-	-	69,467	
Net earnings for the period		-	-	-	-	-	527,032	527,032	
Dividend paid	15	-	-	-	-	-	(293,557)	(293,557)	
Ordinary shares issued during the period		455,000	-	-	-	-	-	455,000	
Share premium on new ordinary shares		-	3,908,738	-	-	-	-	3,908,738	
Balance - as at 30 June 2005		4,193,678	5,515,363	52,621	(20,660)	319,265	6,112,570	16,172,837	
Balance - as at 1 January 2006		4,193,678	5,515,363	7,380	(32,385)	382,364	6,784,428	16,850,828	
Unrealised loss on changes in value of investments		-	-	(76,281)	-	-	-	(76,281)	
Translation adjustment		-	-	-	(49,019)	-	-	(49,019)	
Items unrealised in earnings statement		-	-	(76,281)	(49,019)	-	-	(125,300)	
Net earnings for the period		-	-	-	-	-	375,400	375,400	
Dividend paid	15	-	-	-	-	-	(251,621)	(251,621)	
Balance - as at 30 June 2006		4,193,678	5,515,363	(68,901)	(81,404)	382,364	6,908,207	16,849,307	

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

ITALIAN-THAI DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2006 AND 2005

(Unit: Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	2006	2005	2006	2005
Cash flows from operating activities				
Net earnings	375,400	527,032	375,400	527,032
Adjustments to reconcile net earnings to net cash				
from (used in) operating activities:-				
Unrealized gain on exchange	(5,029)	(18,680)	(8,744)	(17,987)
Share of profit from investments in subsidiaries and joint ventures	-	-	(7,997)	(36,590)
Share of profit from investments in associated companies	(11,596)	(2,625)	(11,596)	(2,625)
Minority interests	14,968	15,396	-	-
Doubtful accounts	16,523	51,079	1,370	43,925
Depreciation and amortisation	741,510	520,683	523,119	478,574
Amortisation of goodwill	8,316	3,144	-	-
Reversal of allowance for impairment of investments	(63,639)	-	(63,639)	-
Net earnings before changes in operating assets and liabilities	1,076,453	1,096,029	807,913	992,329
Operating assets (increase) decrease				
Trade accounts receivable	883,188	(2,776,670)	(113,314)	(440,424)
Trade accounts receivable - related parties	150,192	(407,811)	114,285	(742,727)
Loans and advances to related parties	(88,132)	291,068	(2,289,616)	292,285
Unbilled receivable	(1,904,421)	589,916	(1,175,862)	149,993
Accounts receivable - retention	(340,461)	(465,997)	(325,426)	(281,152)
Inventories and work in progress	(327,989)	(49,122)	(397,574)	(261,019)
Withholding tax	107,743	(101,236)	140,679	41,627
Valued added tax refundable	169,451	81,140	-	-
Loans to other companies	(46,240)	(71,418)	40,884	(860)
Advances for machinery, material purchase, subcontractors				
and land awaiting development	(181,079)	(486,290)	(13,893)	(418,158)
Receivable from sale of land	233,710	-	-	-
Other current assets	(26,494)	(157,227)	17,133	19,644
Operating liabilities increase (decrease)				
Trade accounts payable	(753,433)	692,941	(266,806)	427,771
Trade accounts payable - related parties	(149,597)	(93,373)	(224,785)	(30,762)
Billing in excess of contract work in progress	355,727	206,414	594,516	(27,470)
Advance received from customers under construction contracts	3,165,962	(543,700)	2,820,517	(95,605)
Corporate income tax payable	(19,317)	(17,173)	1,217	-
Accrued expenses	681,889	767,764	(13,522)	22,507
Reserve for project expenses	(40,251)	(51,384)	(40,251)	(51,384)
Account payable - retention	59,312	31,227	64,656	48,006
Advance received from sale of receivable	109,975	-	109,975	-
Advance received from customer for land purchase	542,696	-	-	-
Other current liabilities	(391,857)	98,059	75,907	6,397
Other liabilities	11,370	-	4,582	-
Net cash provided by (used in) operating activities	3,278,397	(1,366,843)	(68,785)	(349,002)

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

ITALIAN-THAI DEVELOPMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS (Continued)

FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2006 AND 2005

(Unit: Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	2006	2005	2006	2005
Cash flows from investing activities				
Increase in property, plant and equipment - net	(1,049,502)	(2,596,906)	(402,444)	(526,377)
Decrease in deferred charges	53,972	2,719	-	-
Purchase of current investments	(1,070,000)	-	(1,070,000)	-
Decrease (increase) in investments accounted for under equity method	18,733	(215,216)	(49,402)	(1,395,489)
Decrease (increase) in other long-term investments	56,206	(452,319)	56,046	(452,638)
Cash paid for acquisition of investment in potash mine project	(2,881,730)	-	-	-
Increase in minority interest from purchases of subsidiaries	-	85,966	-	-
Translation adjustment	(97,684)	106,522	(49,019)	56,177
Decrease (increase) in other assets	(23,854)	(7,392)	(16,686)	2,646
Net cash used in investing activities	(4,993,859)	(3,076,626)	(1,531,505)	(2,315,681)
Cash flows from financing activities				
Decrease (increase) in cash at banks with maturity of more than three months and those pledged	74,431	(508,324)	52,751	(336,287)
Increase in bank overdrafts and loans from financial institutions	2,890,830	1,391,474	2,201,316	424,485
Increase (decrease) in loans and advances from related parties	(172,994)	455,974	579	23,834
Increase (decrease) in long-term loans	337,384	(1,193,733)	146,296	(1,250,635)
Decrease in hire purchases payable	(164,643)	(93,870)	(161,149)	(96,851)
Increase (decrease) in accounts payable - trust receipts	(142,400)	13,349	(230,100)	(214,148)
Increase (decrease) in loan from directors	3,485	(7,028)	-	-
Dividend paid	(251,621)	(293,557)	(251,621)	(293,557)
Subsidiary paid dividend to its shareholders	(9,808)	(9,808)	-	-
Receipt of increased share capital	-	4,363,738	-	4,363,738
Net cash provided by financing activities	2,564,664	4,118,215	1,758,072	2,620,579
Net increase (decrease) in cash and cash equivalents	849,202	(325,254)	157,782	(44,104)
Cash and cash equivalents at beginning of period	2,125,285	4,241,899	613,056	980,358
Cash and cash equivalents at end of period (Note 2)	2,974,487	3,916,645	770,838	936,254
Supplemental cash flows information: -				
Cash paid during the period for				
Interest expenses	429,814	202,151	219,941	159,275
Corporate income tax	392,410	371,998	273,589	218,237
Non-cash transactions				
Unrealised gain (loss) on change in value of investments	(76,281)	13,290	(76,281)	13,290
Reversal of loss on impairment of investments	63,639	-	63,639	-

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

(UNAUDITED BUT REVIEWED)

ITALIAN-THAI DEVELOPMENT PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2006

1. GENERAL INFORMATION

1.1 Corporate information

Italian-Thai Development Public Company Limited was incorporated as a public company under Thai laws. The Company operates in Thailand and is principally engaged in the provision of construction services. The Company has a total of 3 branches located overseas. Its registered office is located at 2034/132-161, New Petchburi Road, Kwaeng Bangkapi, Khet Huaykwang, Bangkok.

1.2 General information

- a) The financial statements of the ITO Joint Venture ("the Joint Venture") are included in the consolidated financial statements in proportion to the 40% interest held by the Company.

Substantial of the construction work on the main passenger terminal building and concourse building, together with the installation of 26 CTX bomb scanners and baggage handling system has been completed on 28 September 2005, meeting the criteria of the condition of the contracts that substantial completion is to be achieved and work handed over to the project owner on 29 September 2005 for use in technical flight testing of the airport. Under the contract the construction work and systems testing work that is not yet completed is to be completed within 6 months from 28 September 2005, or by 28 March 2006, which is the date stipulated for Final Completion. Airports of Thailand Public Company Limited and its consultants are currently conducting official inspection of the work delivered by the Joint Venture. Such inspection requires manpower and time because this is a large project with a large volume of work and high level of complexity. Therefore, under the conditions of the contract the Joint Venture is not currently in a position whereby it would be fined and the inspection process prior to accepting delivery of the work is still being

conducted by Airports of Thailand Public Company Limited. However, if it is proved that there was a delay due to any fault of the Joint Venture, it will be subject to a fine of Baht 2.5 million per day in accordance with the conditions of the contract, and the Company would be responsible for such fine in proportion to its interest in the Joint Venture, at a rate of Baht 1 million per day.

- b) On 30 March 2006, a resolution of the Annual General Meeting of the Company's shareholders authorised the issue and offer of not more than Baht 10,000 million, or USD 250 million, of debentures with a face value of Baht 1,000 each and a tenor of no more than 10 years from the date of issue.

1.3 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Accounting Standards Pronouncement No. 41 "Interim financial statements", with the Company choosing to present condensed interim financial statements. However, the Company has presented the balance sheets, and the statements of earnings, changes in shareholders' equity, and cash flows as in the same format that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

1.4 Basis of consolidation

These interim consolidated financial statements, have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2005, with no changes in the shareholding structure of the subsidiaries and joint ventures during the current period, except for the following matters: -

- The Company has invested 99.93 percent in ordinary shares of Sin Rae Muang Thai Co., Ltd.
- Thai Ando and Italian-Thai Development Joint Venture and Ando and Italian-Thai Development Joint Venture discontinued their businesses.

(UNAUDITED BUT REVIEWED)

- A subsidiary company has invested 99.99 percent in ordinary shares of Aquathai Co., Ltd.

The financial statements for the year ended 31 December 2005 of three overseas subsidiaries and three overseas joint ventures which are included in the consolidated financial statements were prepared by the management, and have not been audited by their auditors. Their aggregate assets as at 31 December 2005 were Baht 638 million and their aggregate revenues for the year then ended were Baht 1,296 million.

The consolidated financial statements for the three-month and six-month periods ended 30 June 2006 incorporate the financial statements of two joint ventures in Taiwan with total assets comprising 1.2% (31 December 2005: 2.2%) and total revenues for the three-month and six-month periods then ended comprising 4.6% and 4.0% of the respective consolidated totals (2005: 2.3% and 2.7%, respectively). These financial statements were prepared based on financial information compiled by the management of these project office and joint ventures and which had not been reviewed because the Taiwanese joint ventures are not under the control of the Company's management. Nevertheless, the financial statements of these overseas joint ventures as at 31 December 2005 and 2004 have already been audited.

1.5 Summary of significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2005.

2. CASH AND CASH EQUIVALENTS

(Unit: Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	30 June 2006	31 December 2005	30 June 2006	31 December 2005
Cash and deposits at banks	3,047,492	2,177,198	842,708	664,954
Less: Amounts with maturity of more than 3 months	(73,005)	(51,913)	(71,870)	(51,898)
Cash and cash equivalents	<u>2,974,487</u>	<u>2,125,285</u>	<u>770,838</u>	<u>613,056</u>

(UNAUDITED BUT REVIEWED)

3. PLEDGED DEPOSITS AT BANKS

As at 30 June 2006, approximately Baht 84 million (31 December 2005: Baht 84 million) of saving deposits and fixed deposits of the Company have been pledged with banks to secure loans obtained by the Company to finance specific projects and approximately Baht 550 million (31 December 2005: Baht 589 million) of saving deposits have been pledged to finance and stand by letter of credit. Furthermore, fixed deposits amounting to Baht 76 million (31 December 2005: Baht 71 million) have been pledged as required in the normal course of business of Company, subsidiaries, joint ventures and the branch in Taiwan.

As at 31 December 2005, fixed deposits amounting to Baht 62 million of the Company's branch in Taiwan have been pledged to secure loans obtained from a bank by the Company.

4. TRADE ACCOUNTS RECEIVABLE

The aging of outstanding trade accounts receivable balances as at 30 June 2006 and 31 December 2005 are as follows: -

(Unit: Thousand Baht)

Overdue	CONSOLIDATED		THE COMPANY ONLY	
	30 June 2006	31 December 2005	30 June 2006	31 December 2005
Less than 3 months	4,347,251	5,713,460	2,811,593	2,744,570
3 - 6 months	462,077	293,959	60,092	154,759
6 - 12 months	711,511	338,443	115,797	94,585
More than 12 months	1,408,363	1,509,321	1,131,635	1,018,683
Total	6,929,202	7,855,183	4,119,117	4,012,597
Less: Allowance for doubtful accounts	(1,051,557)	(1,077,793)	(1,014,043)	(1,018,555)
Trade accounts receivable - net	<u>5,877,645</u>	<u>6,777,390</u>	<u>3,105,074</u>	<u>2,994,042</u>

The Company has fully set up an allowance for doubtful debts for the major private accounts receivable with balances overdue for more than 12 months, and at 50 percent for those accounts with balances overdue for more than 6 months.

(UNAUDITED BUT REVIEWED)

5. TRADE ACCOUNTS RECEIVABLE – RELATED PARTIES

The outstanding balances of related parties as at 30 June 2006 and 31 December 2005 are as follows: -

(Unit: Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	30 June <u>2006</u>	31 December <u>2005</u>	30 June <u>2006</u>	31 December <u>2005</u>
<u>Subsidiaries and joint ventures</u>				
ITO Joint Venture	-	-	415,214	444,556
IOT Joint Venture	-	-	67,915	299,823
Thai Pride Cement Co., Ltd.	-	-	85,019	107,541
ITD - NCC Joint Venture (NT-2)	-	-	237,696	85,187
ITD - VIS Joint Venture	-	-	71,109	51,122
The Joint Venture of Italian-Thai Development Plc. together with Alcatel Contracting GmbH	-	-	-	49,490
ITD - NCC Joint Venture	-	-	19,434	40,329
PT. Thailindo Bara Pratama	-	-	36,872	36,872
Shimizu - ITD Joint Venture	-	-	-	36,271
Shumizu - ITD Joint Venture (2)	-	-	38,407	31,944
Italian - Thai International Co., Ltd.	-	-	31,534	31,534
Sumitomo - Italian-Thai Joint Venture	-	-	29,184	29,184
IN Joint Venture	-	-	4,878	20,439
ITD - NSC Joint Venture	-	-	3,837	16,297
ItalThai Marine Limited	-	-	10,984	12,460
Bhaka Bhumi Development Co., Ltd.	-	-	14,012	11,779
IDS Joint Venture	-	-	8,891	5,656
Siam Concrete and Brick Products Co., Ltd.	-	-	6,707	8,015
ITD - NAWARAT LLC.	-	-	9,593	-
Others	-	-	23,035	19,080
Total	-	-	1,114,321	1,337,579
<u>Associated companies</u>				
MCRP Construction Corporation, Philippines	771,064	816,643	719,193	765,824
Others	12,672	13,442	12,131	13,082
Total	783,736	830,085	731,324	778,906
Less: Allowance for doubtful accounts	(759,349)	(804,017)	(707,478)	(753,199)
Net	24,387	26,068	23,846	25,707

(UNAUDITED BUT REVIEWED)

(Unit: Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	30 June 2006	31 December 2005	30 June 2006	31 December 2005
<u>Related companies</u>				
(Related by way of common directors)				
Nam Theun 2 Power Co., Ltd.	352,472	473,790	-	-
Siam Steel Syndicate Co., Ltd.	17,480	7,062	16,513	5,546
Pladaeng Co., Ltd.	51,803	51,803	51,803	51,803
Italhai Industrial Co., Ltd.	90,640	31,587	90,640	31,587
Medical Device Manufacturer (Thailand) Limited	4,745	4,745	4,745	4,745
Ao Siam Marine Co., Ltd.	68,873	82,183	67,673	80,983
Amari Co., Ltd.	29,375	19,948	29,375	19,948
Nawarat Patanakarn Plc.	24,764	3,007	22,317	229
Others	39,964	20,397	38,945	16,944
Total	680,116	694,522	322,011	211,785
Less: Allowance for doubtful accounts	(64,725)	(65,249)	(64,725)	(65,249)
Net	615,391	629,273	257,286	146,536
<u>Outstanding balances and portion of other participants of joint venture</u>				
ITO Joint Venture	249,128	266,734	-	-
IOT Joint Venture	40,749	179,894	-	-
ITD - NCC Joint Venture	9,523	19,761	-	-
ITD - NCC Joint Venture (NT-2)	95,079	34,075	-	-
Sumitomo - Italian-Thai Joint Venture	14,300	14,300	-	-
The Joint Venture of Italian-Thai Development Plc. together with Alcatel Contracting GmbH	-	19,796	-	-
IN Joint Venture	2,390	10,015	-	-
IDS Joint Venture	5,779	3,676	-	-
ITD - VIS Joint Venture	24,888	17,893	-	-
Shimizu - ITD Joint Venture	-	21,763	-	-
Shimizu - ITD Joint Venture (2)	19,587	16,291	-	-
Others	11,246	8,286	-	-
Total	472,669	612,484	-	-
Trade accounts receivable - related parties - net	1,112,447	1,267,825	1,395,453	1,509,822

(UNAUDITED BUT REVIEWED)

The aging of outstanding trade accounts receivable - related parties as at 30 June 2006 and 31 December 2005 are as follows: -

(Unit: Thousand Baht)

Overdue	CONSOLIDATED		THE COMPANY ONLY	
	30 June 2006	31 December 2005	30 June 2006	31 December 2005
Less than 3 months	825,543	723,825	809,920	691,292
3 - 6 months	71,041	107,104	140,756	146,912
6 - 12 months	84,503	258,801	120,953	299,075
More than 12 months	955,434	1,047,360	1,096,027	1,190,991
Total	1,936,521	2,137,090	2,167,656	2,328,270
Less: Allowance for doubtful accounts	(824,074)	(869,265)	(772,203)	(818,448)
Net	1,112,447	1,267,825	1,395,453	1,509,822

The Company has set up an allowance for doubtful accounts at the full amount of the major accounts receivable balances, which are more than 12 months overdue.

6. SHORT-TERM LOANS AND ADVANCES TO RELATED PARTIES

The outstanding balances as at 30 June 2006 and 31 December 2005 are as follows: -

(Unit: Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	30 June 2006	31 December 2005	30 June 2006	31 December 2005
<u>Subsidiaries and joint ventures</u>				
Sin Rae Muang Thai Co., Ltd.	-	-	2,887,357	-
ITD - EGC Joint Venture	-	-	389,521	526,159
Bhaka Bhumi Development Co., Ltd.	-	-	92,725	770,259
Siam Concrete and Brick Products Co., Ltd.	-	-	65,275	157,296
PT. Thailindo Bara Pratama	-	-	58,627	65,868
IOT Joint Venture	-	-	-	60,000
ITD - NSC Joint Venture	-	-	52,800	52,800
ITD - NCC Joint Venture	-	-	-	45,900

(UNAUDITED BUT REVIEWED)

(Unit: Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	30 June 2006	31 December 2005	30 June 2006	31 December 2005
Shimizu - ITD Joint Venture (2)	-	-	43,120	43,120
IN Joint Venture	-	-	1,124	41,924
ITD Cementation India Limited	-	-	397,687	10,377
Others	-	-	7,458	7,418
Total	-	-	3,995,694	1,781,121
<u>Associated companies</u>				
MCRP Construction Corporation, Philippines	51,823	-	51,823	-
Italian-Thai Gypsum Co., Ltd.	4,600	4,600	4,600	4,600
Total	56,423	4,600	56,423	4,600
Less: Allowance for doubtful accounts	(4,600)	(4,600)	(4,600)	(4,600)
Net	51,823	-	51,823	-
<u>Related companies</u>				
(Related by way of common directors)				
Asia Pacific Potash Corporation Limited	44,391	-	44,391	-
ItalThai Engineering Co., Ltd.	-	12,281	-	-
Total	44,391	12,281	44,391	-
Short-term loans and advances to related parties - net	96,214	12,281	4,091,908	1,781,121

Significant movements in the short-term loans and advances to related parties balances during the six-month period ended 30 June 2006 are as follows: -

(Unit: Thousand Baht)

	31 December	During the period		30 June
	2005	Increase	Decrease	2006
<u>Subsidiaries and joint ventures</u>				
Sin Rae Muang Thai Co., Ltd.	-	2,887,357	-	2,887,357
ITD - EGC Joint Venture	526,159	-	(136,638)	389,521
Bhaka Bhumi Development Co., Ltd.	770,259	56,725	(734,259)	92,725
Siam Concrete and Brick Products Co., Ltd.	157,296	-	(92,021)	65,275
PT. Thailindo Bara Pratama	65,868	-	(7,241)	58,627
IOT Joint Venture	60,000	-	(60,000)	-
ITD - NCC Joint Venture	45,900	-	(45,900)	-
IN Joint Venture	41,294	630	(40,800)	1,124
ITD Cementation India Limited	10,377	387,310	-	397,687

(UNAUDITED BUT REVIEWED)

(Unit: Thousand Baht)

	31 December	During the period		30 June
	2005	Increase	Decrease	2006
<u>Associated company</u>				
MCRP Construction Corporation, Philippines	-	51,823	-	51,823
<u>Related companies</u>				
Asia Pacific Potash Corporation Limited	-	44,391	-	44,391
ItalThai Engineering Co., Ltd.	12,281	-	(12,281)	-

7. INVESTMENTS IN RELATED PARTIES

7.1 Investments accounted for under equity method

(Unit: Thousand Baht)

Nature of business	Paid-up capital	Percentage of shareholding		Investment				
		of shareholding		Cost		Equity		
		30 June 2006	31 December 2005	30 June 2006	31 December 2005	30 June 2006	31 December 2005	
		Percent	Percent					
<u>The Company Only</u>								
<u>Investments in subsidiaries</u>								
Myanmar ITD Co., Ltd.	Service agent for Myanmar companies	1,483	99.99	99.99	1,483	1,483	(15,207)	(16,133)
Italian-Thai International Co., Ltd.	Holding company and ship charter hire	400,000	99.99	99.99	400,000	400,000	(133,636)	(128,235)
PT. Thailindo Bara Pratama	Coal digestion	23,875	99.99	99.99	108,071	108,071	(12,264)	5,261
		(Million IDR)						
Bhaka Bhumi Development Co., Ltd.	Construction and real estate	5,075	99.99	99.99	5,075	5,075	(73,717)	(29,591)
Thai Pride Cement Co., Ltd.	Manufacture and distribution of cement	1,200,000	99.99	99.99	1,485,000	1,485,000	1,475,434	1,421,112
Sin Rae Muang Thai Co., Ltd.	Mining	1,000	99.93	-	999	-	687	-
Nha Pralan Crushing Plant Co., Ltd.	Rock quarrying, processing and distribution	1,000	99.91	99.91	999	999	(2,370)	(1,447)
Siam Concrete and Brick Products Co., Ltd.	Manufacture and distribution of concrete products and real estate	84,000	99.70	99.70	82,296	82,296	91,599	85,530
ItalThai Marine Ltd.	Production and sale of vessels and equipment	460,000	86.96	86.96	80,000	80,000	64,500	63,742
ITD Cementation India Ltd.	Construction services in India	46	80.48	80.48	524,852	524,852	495,596	527,711
		(Million INR)						
ItalThai Trevi Co., Ltd.	Foundation and piling work services	55,000	80.45	80.45	55,689	55,689	115,813	110,584
Asian Steel Product Co., Ltd.	Manufacture and distribution of steel pipes for civil construction	20,000	69.90	69.90	7,004	7,004	122,129	117,694
Thai Maruken Co., Ltd.	Lease and sale of sheet piles and beams	20,000	50.96	50.96	10,196	10,196	77,096	76,138
ITD - NAWARAT LLC.	Construction services in United Arab Emirates	300	49.00	49.00	1,652	1,652	12,467	6,348
		(Thousand AED)						
Total investments in subsidiaries					2,763,316	2,762,317	2,218,127	2,238,714

(UNAUDITED BUT REVIEWED)

(Unit: Thousand Baht)

Nature of business	Paid-up capital	Percentage of shareholding		Investment				
		30 June 2006	31 December 2005	Cost		Equity		
				30 June 2006	31 December 2005	30 June 2006	31 December 2005	
		Percent	Percent					
Investments in joint ventures								
ITD - VIS Joint Venture	Track doubling contractor	-	65.00	65.00	-	-	68,939	65,281
The Joint Venture of Italian-Thai Development								
Plc. together with Alcatel Contracting GmbH	Design, installation and laying of telephone lines	-	60.00	60.00	-	-	(53,563)	(81,962)
The Joint Venture of Italian-Thai Development Plc. and Skanska Lundby Aktiebolag								
	Design and construction of tunnels and underground power lines	-	60.00	60.00	-	-	5,593	6,978
ITD - NCC Joint Venture (NT-2)	Construction of Nam Theun 2 Hydropower Project in Laos	-	60.00	60.00	-	-	141,929	73,833
ITD - EGC Joint Venture	Construction of underground electrical train station in Taiwan	-	55.00	55.00	-	-	3,373	48,476
Sumitomo - Italian-Thai Joint Venture	Design and construct of bridges	-	51.00	51.00	-	-	21,207	21,888
ITD - NCC Joint Venture	Construction of electrical work on terminal building	-	51.00	51.00	-	-	24,311	27,019
IN Joint Venture	Construction of water drainage tunnel	-	51.00	51.00	-	-	15,745	14,755
ITD - NSC Joint Venture	Dedicated pipeline project	-	50.50	50.50	-	-	(24,403)	(23,506)
Shimizu-ITD Joint Venture (2)	Contractor of construction of bridge in Laos	-	49.00	49.00	-	-	(2,218)	820
Ando and Italian-Thai Development Joint Venture	Dissolution	-	45.00	45.00	-	-	-	(228,939)
Thai Ando and Italian-Thai Development Joint Venture	Dissolution	-	45.00	45.00	-	-	-	(42,705)
ITO Joint Venture	Construction of terminal building and concourse building	-	40.00	40.00	-	-	85,121	102,988
Shimizu - ITD Joint Venture	Contractor for construction of street in Bangladesh	-	40.00	40.00	-	-	112,600	132,571
IOT Joint Venture	Airfield pavements construction	-	40.00	40.00	-	-	87,936	199,172
POC - ITD Joint Venture	Construction of Sihanoukville port in Cambodia	-	40.00	40.00	-	-	4,603	3,732
ION Joint Venture	Contractor for construction of underground train track	-	39.00	39.00	-	-	25,521	56,914
IDS Joint Venture	Construction of electrical work on terminal building	-	35.00	35.00	-	-	(158,375)	(117,617)
I.C.C.T. Joint Venture	Construction and ground improvement	-	25.00	25.00	-	-	42,866	46,645
NWR, ITD, CNT & AS Joint Venture	Design and construction of water treatment system	-	25.00	25.00	-	-	7,001	17,264
Joint Venture Evergreen - Italian-Thai - PEWC	Construction services in Taiwan	-	25.00	25.00	-	-	692,573	696,038
Total investments in joint ventures					-	-	1,100,759	1,019,645

(UNAUDITED BUT REVIEWED)

(Unit: Thousand Baht)

Nature of business	Paid-up capital	Percentage of shareholding		Investment				
		of shareholding		Cost		Equity		
		30 June 2006	31 December 2005	30 June 2006	31 December 2005	30 June 2006	31 December 2005	
		Percent	Percent					
Investments in associated companies								
Praram 9 Square Hotel Ltd.	Hotel business	100,000	50.00	50.00	50,000	50,000	50,000	50,000
Less: Allowance on impairment					(50,000)	(50,000)	(50,000)	(50,000)
Italian-Thai Gypsum Co., Ltd.	Construction in Saudi Arabia	10,500	50.00	50.00	5,250	5,250	-	-
ATO-Asia Turnouts Co., Ltd.	Production and distribution of turnouts for railway projects	5,000	49.00	49.00	2,450	2,450	20,783	20,428
Mcquay (Thailand) Co., Ltd.	Dissolution	20,000	49.00	49.00	9,800	9,800	-	-
Siam Pacific Holding Co., Ltd.	Holding company	58,625	46.69	46.69	27,373	27,373	27,821	28,189
Chantaburi Farm Co., Ltd.	Real estate development	100,000	35.72	35.72	21,429	21,429	24,521	23,667
Thai Rent All Co., Ltd.	Construction machinery rental	25,000	30.00	30.00	7,500	7,500	15,173	13,526
Asia Steel Corporation	Manufacture, import and export of steel	-	30.00	30.00	7,800	7,800	12,301	12,301
Less: Allowance on impairment					(7,800)	(7,800)	(12,301)	(12,301)
Anamarine Construction SND.BHD.	Construction contractor	65	25.00	25.00	198	198	-	-
		(Thousand RM)						
MCRP Construction Corporation, Philippines	Construction contractor	25	24.00	24.00	12,000	12,000	-	-
		(Million Peso)						
MCRP Holding Corporation, Philippines	Holding company	5	24.00	24.00	3,000	3,000	-	-
		(Million Peso)						
Imperial Technology Management Service Plc.	Initiation and establishment of Asian University of Science and Technology	857,350	20.41	20.41	175,000	175,000	100,125	98,251
Bangkok Steel Wire Co., Ltd.	Production and distribution of P.C. wire and P.C. strands	313,000	21.06	21.06	71,603	71,603	79,311	75,205
Palang Thai Kaowna Co., Ltd.	Not yet operational	1,000	21.54	21.54	215	215	-	-
Khunka Palang Thai Co., Ltd.	Not yet operational	1,000	21.54	21.54	215	215	-	-
Praram 9 Square Ltd.	Shopping center development	750,000	20.00	20.00	150,000	150,000	150,000	150,000
Less: Allowance on impairment					(150,000)	(150,000)	(150,000)	(150,000)
Total investments in associated companies					336,033	336,033	267,734	259,266
Total					3,099,349	3,098,350	3,586,620	3,517,625
Add: Allowance for loss from investments under equity method					-	-	475,753	670,135
Total investments accounted for under equity method					3,099,349	3,098,350	4,062,373	4,187,760

(UNAUDITED BUT REVIEWED)

Nature of business	Paid-up capital	Percentage of shareholding		(Unit: Thousand Baht)				
				Investment				
				Cost		Equity		
				30 June 2006	31 December 2005	30 June 2006	31 December 2005	
Consolidated								
Investments in associated companies, directly held by the Company								
				336,033	336,033	267,734	259,266	
Investments in associated companies, directly held by subsidiaries								
Natureway Resources Co., Ltd.	Holding company	40	30.00	30.00	296,700	296,700	296,700	296,700
				(Million USD)				
Less: Allowance on impairment					(296,700)	(296,700)	(296,700)	(296,700)
Siam Pacific Holding Co., Ltd.	Holding company	58,625	4.30	4.30	2,525	2,525	2,525	2,525
Total					2,525	2,525	2,525	2,525
Total investments accounted for under equity method					338,558	338,558	270,259	261,791

The Company and its subsidiaries' equity interest in the above associated companies are mostly determined based on the financial statements prepared by the management of those companies and not yet audited by those companies' auditors.

During the period, the Company has invested 99.93 percent in ordinary shares of Sin Rae Muang Thai Co., Ltd. In addition, Thai Ando and Italian-Thai Development Joint Venture and Ando and Italian-Thai Development Joint Venture discontinued their businesses.

7.2 Other long-term investments

Nature of business	Percentage of shareholding	(Unit: Thousand Baht)			
		Investment			
		30 June 2006	31 December 2005		
		Percent	Percent		
The Company Only					
Investments in other companies					
a) Non-listed securities					
Theprathan Properties Co., Ltd.	Real estate development	-	19.80	-	247,500
Less: Allowance on impairment					(247,500)
Toyo-Thai Corporation Ltd.	Construction contractor	16.25	16.25	26,000	26,000
Nam Theun 2 Power Co., Ltd.	Hydroelectric power plant	15.00	15.00	446,331	446,331
M-Home SPV 3 Co., Ltd.	Real estate development	11.54	11.54	12	12
Less: Allowance on impairment					(12)

(UNAUDITED BUT REVIEWED)

(Unit: Thousand Baht)

	Nature of business	Percentage of shareholding		Investment	
		30 June	31 December	30 June	31 December
		2006	2005	2006	2005
		Percent	Percent		
Siam Steel Syndicate Co., Ltd.	Steel manufacturer	5.45	5.45	54,500	54,500
Less: Allowance on impairment				-	(54,500)
				54,500	-
Siam Fiber Optics Co., Ltd.	Manufacture and distribution of optic fibers	10.00	10.00	24,000	24,000
Medical Device Manufacturer (Thailand) Limited	Manufacture and distribution of medical products	6.95	6.95	50,069	50,069
Sosuco Granite Co., Ltd.	Rock quarrying and distribution	5.00	5.00	5,000	5,000
Less: Allowance on impairment				(4,687)	(4,687)
				313	313
Time Regency Co., Ltd.	Real estate development	3.51	3.51	47,313	47,313
Less: Allowance on impairment				(47,313)	(47,313)
				-	-
The Bangkok Club Co., Ltd.	Entertainment services	0.44	0.44	3,000	3,000
The Exchange Square Co., Ltd.	Real estate development	Advance	Advance	5,000	5,000
Less: Allowance on impairment		payment	payment	(5,000)	(5,000)
				-	-
b) Listed securities					
Charoong Thai Wire and Cable Plc.	Manufacture and distribution of enamel coated wire and cable	13.35	14.14	308,714	325,139
Add: Unrealised gain from changes in value of investments				58,274	64,092
				366,988	389,231
Cyber Bay Corporation, Philippines	Real estate development	14.25	14.25	180,441	200,333
Less: Unrealised loss from changes in value of investments				(78,059)	(66,493)
				102,382	133,840
K.C. Property Plc.	Real estate development	1.04	1.04	9,139	9,139
Less: Unrealised loss form changes in value of investments				(183)	(9,139)
				8,956	-
Nawarat Patanakarn Plc.	Construction services	5.23	6.04	130,000	150,000
Add: Unrealised gain (loss) from changes in value of investments				(53,300)	6,000
				76,700	156,000
Everland Plc.	Property development	0.04	-	110	-
Add: Unrealised gain from changes in value of investments				747	-
				857	-
Total investments in other companies				1,160,096	1,228,784

(UNAUDITED BUT REVIEWED)

(Unit: Thousand Baht)

<u>Nature of business</u>	<u>Percentage of shareholding</u>		<u>Investment</u>		
	30 June	31 December	30 June	31 December	
	2006	2005	2006	2005	
	Percent	Percent			
Consolidated					
<u>Investments in other companies, directly held by the Company</u>					
			1,160,096	1,228,784	
<u>Investments in other companies, directly held by subsidiaries</u>					
a) <u>Non-listed securities</u>					
Bagan Hotel Holding (BVI) Co., Ltd.	Holding company	17.74	17.74	21,240	21,240
Less: Allowance on impairment				(21,240)	(21,240)
Premus (Thailand) Co., Ltd.	Real estate management	10.00	10.00	1,250	1,250
Island Country Telecommunication Co., Ltd.	Telecommunication services	4.28	4.28	3,053	3,053
Less: Allowance on impairment				(3,053)	(3,053)
b) <u>Listed securities</u>					
Charoong Thai Wire and Cable Plc.	Manufacture and distribution of enamel coated wire and cable	0.83	0.83	19,178	19,178
Add: Unrealised gain from changes in value of investments				3,621	3,781
				22,799	22,959
Total				24,049	24,209
Total investments in other companies				1,184,145	1,252,993

As at 30 June 2006, parts of long-term loans from a financial institution of the Company were secured by the pledge of listed securities of a related company, as discussed in Note 14.

During the period, the Company sold its investments in Thepprathan Properties Co., Ltd and partial investments in Nawarat Patanakarn Plc. and Charoong Thai Wire and Cable Plc. The Company recorded gain on sales of investments approximately Baht 8.6 million.

During the period, the Company reversed loss on impairment of investments in Siam Steel Syndicate Co., Ltd. and K.C. Property Plc. approximately Baht 63.6 million.

(UNAUDITED BUT REVIEWED)

8. INVESTMENT IN A POTASH MINE PROJECT

During the period, the Company invested in a potash mine through a group of related companies. These companies are in the process of restructuring their investment structure and expect this to be completed in 2006. The Company expects to make additional investment of Baht 445 million to give it a 90% stake in the potash mine project, and has therefore recorded such investment as an asset under the caption of "Investment in potash mine project". However, the concession for the potash mine is still being requested from the government.

9. LONG-TERM LOANS AND ADVANCES TO RELATED PARTIES

The outstanding balances as at 30 June 2006 and 31 December 2005 are as follows: -

(Unit: Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	30 June <u>2006</u>	31 December <u>2005</u>	30 June <u>2006</u>	31 December <u>2005</u>
<u>Subsidiaries and joint ventures</u>				
ITO Joint Venture	-	-	928,400	928,400
ITD - NCC Joint Venture	-	-	254,490	254,490
Ando and Italian-Thai Development Joint Venture	-	-	-	229,382
Italian-Thai International Co., Ltd.	-	-	128,137	106,275
IDS Joint Venture	-	-	199,500	199,500
IN Joint Venture	-	-	97,920	97,920
The Joint Venture of Italian-Thai Development Plc. Together with Alcatel Contracting GmbH	-	-	105,000	105,000
ITD - NCC Joint Venture (NT-2)	-	-	66,000	1,623
Thai Ando and Italian-Thai Development Joint Venture	-	-	-	43,227
Bhaka Bhumi Development Co., Ltd.	-	-	161,010	-
Nha Pralan Crushing Plant Co., Ltd.	-	-	10,000	10,000
Others	-	-	9,795	9,805
Total	-	-	<u>1,960,252</u>	<u>1,985,622</u>

(UNAUDITED BUT REVIEWED)

(Unit: Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	30 June 2006	31 December 2005	30 June 2006	31 December 2005
<u>Associated companies</u>				
Palang Thai Kaowna Co., Ltd.	280,702	280,702	280,702	280,702
Khunka Palang Thai Co., Ltd.	58,882	58,882	58,882	58,882
Mcquay (Thailand) Co., Ltd.	12,017	11,788	12,017	11,788
Total	351,601	351,372	351,601	351,372
Less: Allowance for doubtful accounts	(351,601)	(351,372)	(351,601)	(351,372)
Net	-	-	-	-
<u>Related companies</u>				
Italian-Thai Land Co., Ltd.	554,097	554,097	554,097	554,097
Bangkok Mass Transit System Plc.	101,143	101,143	101,143	101,143
Palit Palang Ngan Co., Ltd.	94,231	94,231	94,231	94,231
Pladaeng Co., Ltd.	59,075	59,075	59,075	59,075
Southern Industries (1996) Co., Ltd.	24,673	24,673	24,673	24,673
Central Bay Reclamation and Development Corp.	36,882	39,777	-	-
Total	870,101	872,996	833,219	833,219
Less: Allowance for doubtful accounts	(870,101)	(872,996)	(833,219)	(833,219)
Net	-	-	-	-
Long-term loans and advances to related companies - net	-	-	1,960,252	1,985,622

(UNAUDITED BUT REVIEWED)

Significant movements in the long-term loans and advances to related parties balances for the six-month period ended 30 June 2006 are as follows: -

(Unit: Thousand Baht)

	31 December	During the period		30 June
	2005	Increase	Decrease	2006
<u>Subsidiaries and joint ventures</u>				
Ando and Italian-Thai Development Joint Venture	229,382	-	(229,382)	-
Italian-Thai International Co., Ltd.	106,275	21,862	-	128,137
ITD-NCC Joint Venture (NT-2)	1,623	66,000	(1,623)	66,000
Thai Ando and Italian-Thai Development Joint Venture	43,227	-	(43,227)	-
Bhaka Bhumi Development Co., Ltd.	-	161,010	-	161,010
<u>Associated company</u>				
Mcquay (Thailand) Co., Ltd.	11,788	229	-	12,017
<u>Related company</u>				
Central Bay Reclamation and Development Corp.	39,777	-	(2,895)	36,882

10. PROPERTY, PLANT AND EQUIPMENT

Movements of the property, plant and equipment account during the six-month period ended 30 June 2006 are summarized below.

(Unit: Thousand Baht)

	THE COMPANY	
	CONSOLIDATED	ONLY
Net book value as at 1 January 2006	14,271,167	10,116,682
Increase from purchase of investment in subsidiary	182	-
Acquisitions during period - at cost	1,214,677	499,520
Disposals during period - net book value at disposal date	(57,519)	(45,112)
Depreciation for period	(737,022)	(519,436)
Translation adjustment	(112,326)	(55,647)
Net book value as at 30 June 2006	14,579,159	9,996,007

(UNAUDITED BUT REVIEWED)

As at 30 June 2006, the Company and its subsidiaries have mortgaged part of the building with aggregate net book values of approximately Baht 557 million and land of Baht 122 million (31 December 2005: Baht 578 million and Baht 125 million, respectively) with a bank to secure long-term loans from this bank, as discussed in Note 14.

As at 30 June 2006, some subsidiaries have mortgaged and granted power of attorney to mortgage Baht 5 million (31 December 2005: Baht 5 million) of the land and buildings with banks to secure credit facilities granted to the subsidiaries by those banks.

11. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

The short-term loans from banks which amounting to Baht 1,001 million was used to finance certain specific projects (Project Finance). The banks require the Company to assign or transfer the proceeds from the projects into the Company's accounts with those banks.

During the period, the Company entered into an agreement with a local commercial bank granting a new loan amounting to Baht 2,789 million to make investment in a potash mine project. The loan was secured by the pledge of share certificates of the group of related companies.

12. TRADE ACCOUNTS PAYABLE - RELATED PARTIES

The outstanding balances as at 30 June 2006 and 31 December 2005 are as follows: -

(Unit: Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	30 June 2006	31 December 2005	30 June 2006	31 December 2005
<u>Subsidiaries and joint ventures</u>				
IOT Joint Venture	-	-	15,133	161,140
I.C.C.T. Joint Venture	-	-	172,980	184,354
Thai Maruken Co., Ltd.	-	-	31,083	71,986
ITO Joint Venture	-	-	25,040	31,024
Italhai Trevi Co., Ltd.	-	-	20,180	42,727
Siam Concrete and Brick Products Co., Ltd.	-	-	15,375	62,590

(UNAUDITED BUT REVIEWED)

(Unit: Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	30 June 2006	31 December 2005	30 June 2006	31 December 2005
ITD - VIS Joint Venture	-	-	53,443	53,443
Asian Steel Product Co., Ltd.	-	-	33,504	54,218
Thai Pride Cement Co., Ltd.	-	-	12,175	50,895
ITD - NSC Joint Venture	-	-	516	15,023
Nha Pralan Crushing Plant Co., Ltd.	-	-	3,028	6,148
Others	-	-	6,214	6,275
Total	-	-	388,671	739,823
<u>Associated companies</u>				
MCRP Construction Corporation, Philippines	127,563	85,689	127,563	85,689
Bangkok Steel Wire Co., Ltd.	19,258	27,309	-	-
Thai Rent All Co., Ltd.	18,383	21,794	18,149	21,566
ATO-Asia Turnouts Ltd.	7,898	5,826	988	985
Others	5,675	5,675	-	-
Total	178,777	146,293	146,700	108,240
<u>Related companies</u>				
(Related by way of common directors)				
Takenaka Corporation	285,376	285,376	-	-
Obayashi Corporation	253,425	253,425	-	-
Italthai Industrial Co., Ltd.	131,318	150,953	108,848	69,478
Siam Steel Syndicate Co., Ltd.	84,842	109,218	81,179	105,547
Italthai Engineering Co., Ltd.	49,387	68,813	44,831	22,161
Alcatel Contracting GmbH	-	20,063	-	-
Charoong Thai Wire & Cable Plc.	26,806	47,109	26,515	41,248
Penta-Ocean Construction Co., Ltd.	11,195	46,033	-	-
Saraburi Coal Co., Ltd.	19,477	34,818	-	-
Aquathai Co., Ltd.	-	14,759	-	14,759
Nawarat Patanakarn Plc.	65,351	5,961	60,705	3,148
Nishimatsu Construction	11,240	4,835	-	-
3B Holding Co., Ltd.	22,291	-	22,291	-
Thai Obayashi Corporation Limited	5,722	680	-	-
Others	6,502	3,832	2,476	129
Total	972,932	1,045,875	346,845	256,470

(UNAUDITED BUT REVIEWED)

(Unit: Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	30 June 2006	31 December 2005	30 June 2006	31 December 2005
<u>Outstanding balances and portion of other participants in joint venture</u>				
IOT Joint Venture	9,080	96,684	-	-
I.C.C.T. Joint Venture	129,735	138,265	-	-
ITO Joint Venture	15,024	18,614	-	-
ITD - VIS Joint Venture	18,705	18,705	-	-
IN Joint Venture	918	509	-	-
Others	613	7,989	-	-
Total	174,075	280,766	-	-
Trade accounts payable - related parties	1,325,784	1,472,934	882,216	1,104,533

13. SHORT-TERM LOANS AND ADVANCES FROM RELATED PARTIES

The outstanding balances as at 30 June 2006 and 31 December 2005 are as follows: -

(Unit: Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	30 June 2006	31 December 2005	30 June 2006	31 December 2005
<u>Joint venture</u>				
Joint Venture Evergreen - Italian-Thai - PEWC	-	-	685,878	685,299
Total	-	-	685,878	685,299
<u>Related companies</u>				
Nam Theun 2 Power Co., Ltd.	687,061	820,272	-	-
Nishimatsu Construction	-	71,351	-	-
Obayashi Corporation	108,292	70,292	-	-
Nawarat Patanakarn Plc.	9,494	10,775	-	-
Others	39	5,190	-	-
Total	804,886	977,880	-	-
Short-term loans and advances from related parties	804,886	977,880	685,878	685,299

(UNAUDITED BUT REVIEWED)

Significant movements in the short-term loans and advances from related companies balances during the six-month period ended 30 June 2006 are as follows: -

(Unit: Thousand Baht)

	31 December	During the period		30 June
	2005	Increase	Decrease	2006
<u>Joint venture</u>				
Joint Venture Evergreen - Italian-Thai - PEWC	685,299	579	-	685,878
<u>Related companies</u>				
Nam Theun 2 Power Co., Ltd.	820,272	-	(133,211)	687,061
Nishimatsu Construction	71,351	-	(71,351)	-
Obayashi Corporation	70,292	38,000	-	108,292
Nawarat Patanakarn Plc.	10,775	-	(1,281)	9,494

14. LONG-TERM LOANS

As at 30 June 2006 and 31 December 2005, the Company and its subsidiaries have outstanding long-term loans as follows: -

(Unit: Million Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	30 June 2006	31 December 2005	30 June 2006	31 December 2005
Long-term loans	2,762	2,425	1,718	1,571
Less: current portion	(950)	(684)	(704)	(583)
Long-term loans - net of current portion	<u>1,812</u>	<u>1,741</u>	<u>1,014</u>	<u>988</u>

(UNAUDITED BUT REVIEWED)

Movement in the long-term loans account during the six-month period ended 30 June 2006 are summarized below.

(Unit: Million Baht)

	THE COMPANY	
	CONSOLIDATED	ONLY
Balance as at 1 January 2006	2,425	1,571
Add: Additional borrowings	753	541
Less: Repayment	(355)	(333)
Less: Translation adjustment	(61)	(61)
Balance as at 30 June 2006	<u>2,762</u>	<u>1,718</u>

Parts of long-term loans were secured by the pledge of parts of share certificates of investments in a related company and the deed of hypothecation of certain machinery located overseas. The loans were secured by the building and land of the Company and its subsidiaries with aggregate net book values of Baht 679 million as at 30 June 2006 (31 December 2005: Baht 703 million), as discussed in Notes 7 and 10 respectively.

The loans of the Company and its subsidiaries carry interest at the rate of MLR.

In addition, the loan agreement contains covenants relating to various matters such as the payment of dividend and limitations on the provision of loans.

15. DIVIDEND PAID

Dividends of the Company which were declared in 2006 and 2005 consist of the following: -

(Unit: Baht)

	Approved by	Number of shares	Dividend per share	Total dividends
Final dividends on 2005 earnings	Annual General Meeting of the shareholders on 30 March 2006	4,193,678,180	0.06	<u>251,620,691</u>
Total for the period 2006				<u>251,620,691</u>
Final dividends on 2004 earnings	Annual General Meeting of the shareholders on 20 April 2005	4,193,678,180	0.07	<u>293,557,473</u>
Total for the period 2005				<u>293,557,473</u>

16. RELATED PARTY TRANSACTIONS

During the periods, the Company had significant business transactions with its subsidiaries, joint ventures, associated and related companies which related by way of shareholding or common shareholders and/or common directors by using the pricing policy as follows: -

	<u>Pricing policy</u>
Construction service income which involves sourcing materials	Cost plus margin
Construction service income which does not involve sourcing materials	Cost or cost plus margin
Sale of equipment	Cost
Sale of investment	Market price
Purchases of construction materials	Approximating market price
Purchases of construction services which involve sourcing materials	Cost plus margin
Purchases of construction services which do not involve sourcing materials	Mutual agree, price
Purchase of investment	Approximately net book value
Interest on loans	Mutual agree rate

(Unit: Million Baht)

	<u>CONSOLIDATED</u>		<u>THE COMPANY ONLY</u>	
	For the three-month periods		For the three-month periods	
	ended 30 June		ended 30 June	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
<u>Transactions with subsidiaries and joint ventures</u>				
Construction services and other income	-	-	561	1,359
Sale of equipment	-	-	-	4
Purchases of construction materials and services	-	-	79	144
Purchase of equipment	-	-	1	-
<u>Transactions with associated companies</u>				
Construction services and other income	5	18	2	15
Purchases of construction materials and services	31	28	6	22
<u>Transactions with related companies</u>				
Construction services and other income	947	1,166	183	467
Sale of equipment	1	-	-	-
Sale of investment	22	-	22	-
Purchases of construction materials and services	284	329	187	202
Purchases of equipment	51	-	50	-
Purchase of investment	22	-	-	-

(UNAUDITED BUT REVIEWED)

(Unit: Million Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	For the six-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2006	2005	2006	2005
<u>Transactions with subsidiaries and joint ventures</u>				
Construction services and other income	-	-	1,160	3,234
Sale of equipment	-	-	-	8
Purchases of construction materials and services	-	-	240	262
Purchase of equipment	-	-	2	6
<u>Transactions with associated companies</u>				
Construction services and other income	12	29	6	24
Purchases of construction materials and services	58	57	13	40
<u>Transactions with related companies</u>				
Construction services and other income	2,031	2,439	332	686
Sale of equipment	1	-	-	-
Sale of investment	22	-	22	-
Purchases of construction materials and services	493	590	303	381
Purchases of equipment	74	63	72	60
Purchase of investment	22	-	-	-

Furthermore, the Company also had significant transactions with its related companies in respect of loans and advances.

The outstanding balances of the above transactions are presented as separate items in the balance sheets.

As at 30 June 2006 and 31 December 2005 the Company had outstanding retentions of approximately Baht 403 million and USD 1.7 million (as at 30 June 2006 is equivalent to Baht 473 million) with Bangkok Mass Transit System Public Company Limited, the Company which operates the skytrain. The Company is currently restructuring its debts. The Company is currently negotiating the sale of this debt and received a part of deposit and, based on the preliminarily agreed price, the Company has set aside provision for loss totaling Baht 33 million, in accordance with the anticipated actual loss. This provision is presented under the caption of "Allowance on impairment of assets and contingent liabilities".

17. COST OF CONSTRUCTION WORK

As at 30 June 2006, construction costs of the Company, its subsidiaries and its proportionate interests in joint ventures, after adjustment to reflect gains or loss recognised for current construction projects, amount to Baht 120,259 million (The Company only: Baht 63,185 million).

18. CORPORATE INCOME TAX

No corporate income tax was payable on the Company's net earnings for the three-month and six-month periods ended 30 June 2006 and 2005 since the operating results under tax basis becomes net loss.

Corporate income tax for the branch in Taiwan has been calculated based on 25 percent of taxable profit.

Corporate income tax for the three-month and six-month periods ended 30 June 2006 and 2005 of subsidiaries and joint ventures in Thailand have been calculated at the rate on the net earnings after adding back certain expenses which are not deductible for tax computation purposes and deducting the tax losses brought forward from previous years.

19. GUARANTEES

As at 30 June 2006 and 31 December 2005, there were outstanding guarantees of approximately Baht 25,579 million and Baht 24,749 million, respectively, issued by financial institutions on behalf of the Company, its subsidiaries, and its joint ventures in respect of certain performance bonds required in the normal course of businesses of the Company, its subsidiaries, and its joint ventures.

As at 30 June 2006 and 31 December 2005, there were guarantees of approximately Baht 8,691 million and 8,226 million, respectively, issued by the Company to financial institutions and its ventures to secure credit facilities granted by those financial institutions and venturers to subsidiaries, associated, related companies and joint ventures. The Company had issued guarantees in proportion to its shareholding (except for ItalThai Trevi Co., Ltd., Asian Steel Product Co., Ltd., ItalThai Marine Co., Ltd. and ITD Cementation India Limited, for which the Company issued full guarantees for the credit facilities).

20. COMMITMENTS

20.1 Under the Company's rehabilitation plan, which the Company has completed in 2002, the plan administrator, ITD Planner Company Limited, arranged for the establishment of a special purpose vehicle under Thai laws. This special purpose vehicle was established as a private company, with a registered share capital of Baht 0.1 million, consisting of 19,000 ordinary shares of Baht 5 each and 1,000 preference shares of Baht 5 each. The plan administrator novated debt to the special purpose vehicle through allocation of these ordinary shares to the creditors in proportion to the amount of debt novated, while the preference shares will be allocated to the Company's directors. These creditors comprise unsecured financial creditors under the master rescheduling agreement, and debts to unsecured debentureholders amounting to Baht 3,604 million. The Company has transferred its non-core assets to the special purpose vehicle in exchange for the special purpose vehicle taking on the debt obligations of the Company. It has to complete the sale of the non-core assets within 30 June 2007. Under the stipulations of the rehabilitation plan, there are no interest charges on the novated debt until 30 June 2007. If all of the non-core assets have not been sold off by 30 June 2007, and not all debts have been settled, the special purpose vehicle has to pay off all outstanding debt on 1 July 2007. However, if all of the non-core assets have been sold off by 30 June 2007, but not all debts have been settled, the special purpose vehicle will repay the outstanding portion of the novated debt in five equal installments, on 30 June and 30 December of each year, from 30 June 2008 to 30 June 2010, and interest will be charged on the remaining debt at MLR-3% per annum, commencing 1 July 2007. Interest will be paid on the same dates as principal is repaid, from 30 June 2008, onwards. Under the facility agreement between the Company and the special purpose vehicle, the Company is obliged to extend loans to the special purpose vehicle in amounts equal to the principal and interest which has to be paid to the creditors in the manner discussed above. As at 30 June 2006, the outstanding balance of loans amounted to Baht 1,963 million.

As the Company has obligations to provide loans to the special purpose vehicle discussed above, based on the principals of conservatism, Baht 229 million by which the transfer price under the rehabilitation plan exceeds the net book value of the non-core assets is not recognised as a gain in the earnings statement but is recorded as "Deferred gain from transfer of assets to special purpose vehicle" in the balance sheet.

(UNAUDITED BUT REVIEWED)

Some of the assets of the special purpose vehicle comprise receivables from and investment in the operation of the skytrain. This company is in the process of restructuring its debt. The Company is currently negotiating the sale of this debt and, based on the preliminarily agreed price, in 2005 the Company has set aside provision for loss totaling Baht 394 million in accordance with the anticipated actual loss. This provision is presented under the caption of "Allowance on impairment of assets and contingent liabilities".

As at 31 December 2005, assets foreclosed of the special purpose vehicle are as follows:

1. Securities

a) Non-listed securities

(Unit: Million Baht)

	<u>Amount</u>
<u>Ordinary shares:</u>	
Italian-Thai Land Co., Ltd. (Land holding)	70
Palit Palang Ngan Co., Ltd. (Land holding)	107
Khunka Palang Thai Co. Ltd. (Land holding)	15
Palang Thai Kaowna Co., Ltd. (Land holding)	<u>101</u>
Total non-listed securities	<u>293</u>

b) Listed security

<u>Ordinary shares:</u>	
TT&T Public Co., Ltd.	
(net of allowance for revaluation of security)	<u>68</u>
Total securities	<u>361</u>

2. Land and building

Land	335
Building and condominium unit	<u>93</u>
Total land and building	<u>428</u>

3. Assets related to Bangkok Mass Transit System Public Co., Ltd.

Expected selling price	<u>595</u>
------------------------	------------

Total assets foreclosed 1,384

(UNAUDITED BUT REVIEWED)

20.2 As at 30 June 2006 and 31 December 2005, the Company and joint ventures had the outstanding major commitments as follows:

(Unit: Million)

<u>Currency</u>	<u>Consolidated</u>	
	<u>30 June 2006</u>	<u>31 December 2005</u>
Baht	3,815	4,479
NTD	2,693	3,198
JPY	343	29
USD	18	28
INR	2,531	2,406

20.3 As at 30 June 2006 and 31 December 2005, the Company, its subsidiaries and its joint ventures had the following outstanding commitments as proportion of the Company in respect of purchases of materials, machinery and related services: -

(Unit: Million)

<u>Currency</u>	<u>Consolidated</u>		<u>The Company Only</u>	
	<u>30 June 2006</u>	<u>31 December 2005</u>	<u>30 June 2006</u>	<u>31 December 2005</u>
Baht	105.5	68.7	9.1	3.3
EUR	6.3	8.1	1.5	0.8
JPY	88.8	-	-	-
USD	2.2	5.6	-	0.8
AUD	-	0.1	-	0.1
NTD	1.3	3.5	-	-
INR	838.4	317.2	-	-

20.4 As at 30 June 2006, the Company had outstanding commitment of USD 56 million in respect of uncalled portion of investments in a related company.

21. CONTINGENT LIABILITIES

Since 2000, certain customers of the Company have taken legal action against the Company for breach of service agreements, claiming compensation totaling approximately Baht 235 million (31 December 2005: Baht 218 million). The cases are currently pending for judgment from the civil courts. The management is of the opinion that such lawsuits are a normal part of business and some are brought without grounds, and believes that no material liabilities will be incurred as a result of the lawsuits discussed above. Therefore, no provision has been set aside in the accounts.

22. FINANCIAL INFORMATION BY SEGMENT

The operations of the Company, its subsidiaries and its joint ventures for the three-month and six-month periods ended 30 June 2006 and 2005 involve principally a single industry segment, construction services, and are conducted in the following geographical segments.

(Unit: Million Baht)

	Consolidated									
	For the three-month periods ended 30 June 2006 and 2005									
	Local		Overseas		Total		Elimination		Grand total	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
Revenues from construction services	6,092	6,692	3,361	3,177	9,453	9,869	(361)	(894)	9,092	8,975
Gross profit	471	350	125	110	596	460	-	-	596	460
Gain (loss) on exchange									(89)	23
Other income									189	210
Administrative expenses									(339)	(271)
Doubtful accounts									(9)	(36)
Reversal of amount due to related party forgiveness - net									64	-
Share of profit (loss) from investments accounted for under equity method									9	(3)
Interest expenses									(221)	(134)
Corporate income tax									(10)	8
Minority interests									(12)	(5)
Net earnings for the period									178	252

(UNAUDITED BUT REVIEWED)

(Unit: Million Baht)

Consolidated										
For the six-month periods ended 30 June 2006 and 2005										
	Local		Overseas		Total		Elimination		Grand total	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
Revenues from construction services	12,888	14,888	5,935	3,657	18,823	18,545	(813)	(1,993)	18,010	16,552
Gross profit	916	846	250	118	1,166	964	-	-	1,166	964
Gain (loss) on exchange									(120)	32
Other income									306	352
Administrative expenses									(610)	(491)
Doubtful accounts									(17)	(51)
Reversal of amount due to related party forgiveness - net									64	-
Share of profit from investments accounted for under equity method									11	3
Interest expenses									(388)	(243)
Corporate income tax									(22)	(24)
Minority interests									(15)	(15)
Net earnings for the period									375	527

(Unit: Million Baht)

As at 30 June 2006 and 31 December 2005										
	Local		Overseas		Total		Elimination		Grand total	
	30 June 2006	31 December 2005	30 June 2006	31 December 2005	30 June 2006	31 December 2005	30 June 2006	31 December 2005	30 June 2006	31 December 2005
Property, plant and equipment - net	12,802	12,576	1,717	1,616	14,519	14,192	60	79	14,579	14,271
Other assets	34,681	28,207	8,794	7,236	43,475	35,443	(9,392)	(7,302)	34,083	28,141
Total assets	47,483	40,783	10,511	8,852	57,994	49,635	(9,332)	(7,223)	48,662	42,412

The Company, its subsidiaries and its joint ventures have applied the pricing policies described in Note 16 to set transfer prices.

23. FINANCIAL INSTRUMENTS

As at 30 June 2006, the Company, its subsidiaries and joint ventures had outstanding forward exchange contracts of which details are presented below.

	Million	Maturity date	Exchange rate
Buy			
USD	0.3	July 2006 - January 2007	49.1900 - 49.7950
JPY	342.9	July 2006 - December 2006	0.3558

(UNAUDITED BUT REVIEWED)

The Group will earn future revenues in foreign currencies in an amount of approximately USD 43 million, INR 18,812 million, PHP 1,292 million, NTD 4,283 million, JPY 1,340 million and AED 66 million.

In addition, the Group is exposed to foreign currency risk with respect to its investments in its subsidiaries, joint ventures and associated companies in overseas which are not hedged against foreign currency risk.

24. SUBSEQUENT EVENT

On 30 June 2006, a resolution of an extraordinary general meeting of Sin Rae Muang Thai Co., Ltd. ("a subsidiary company")'s shareholders authorised the increase of that company registered share capital from Baht 1,000,000 to Baht 3,500,000,000 through the issue of 34,990,000 additional ordinary shares at a par value of Baht 100 each, totaling Baht 3,499,000,000. The Company registered the increase in share capital with the Ministry of Commerce on 7 July 2006.

25. RECLASSIFICATION

Certain amounts in the financial statements for the previous period, as presented herein for comparative purpose, have been reclassified to conform to the current period's classification, with no effect on previously reported net earnings or shareholders' equity.

26. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were authorised for issue by the Company's authorised director on 15 August 2006.

RECEIVED

2006 AUG 25 P 12: 51

OFFICE OF INTERNATIONAL
CORPORATE FINANCE

**The Report of material events filed
with the Stock Exchange of
Thailand (“SET”)
from May-August 2006**

15/08/2006 19:10



ITD : Operating result

Translation

With reference to the Company's Financial Statements for the period ending 30th June 2006 submitted to the SET dated 15th August 2006.

The Company wishes to advise the SET that the operating results of the Company for the first six months of 2006 show a profit of 375.40 million Baht. This constitutes a change of more than 20 percent from the results for the same period in 2005. The main reason for this result is the loss on foreign exchange of foreign assets due to the Baht appreciation. The interest expenses of the Company also increased due to the higher interest rate and the interest expenses on advances received from customers under construction contracts in India.

Close Window

15/08/2006 19:01



ITD : Review Quarter 2 and Consolidates F/S (F45-3)

ITD reports reviewed quarterly financial statements as follows.
 ITALIAN-THAI DEVELOPMENT PCL.

Reviewed
 Ending June 30,
 (In thousands)

	Quarter 2		For 6 Months	
Year	2006	2005	2006	2005
Net profit (loss)	178,325	252,065	375,400	527,032
EPS (baht)	0.04	0.06	0.09	0.13

Type of report : Qualified Opinion with an emphasis of matters

Comment : 1. Please see details in financial statements, auditor's report and remarks from SET Information Management System

"The company hereby certifies that the information above is correct and complete. In addition, the company has already reported and disseminated its financial statements in full via the SET Electronic Listed Company Information Disclosure (ELCID), and has also submitted the original report to the Securities and Exchange Commission."

Signature.....
 (Mrs.Nijaporn Charanachitta)
 Senior Executive Vice President
 Authorized to sign on behalf of the company

Close Window

28/07/2006 17:35



ITD : Report of the use of company's capital increase

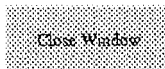
Translation

Italian - Thai Development Public Company Limited would like to inform the Stock Exchange of Thailand on the use of company's capital increase through the Public Offering of new share capitals of 455,000,000 shares, price per share is 9.80 Baht, in the amount of Baht 4,459 million, the period for reserve during January 17-19, 2005.

As of June 30, 2006 the Company used the capital increase as follows:

Description	Expected Use of Capital Increase (Million Baht)	Actual Used (Million Baht)	Balance
1.Construction a cement plant and investment in Nam Theun 2 hydroelectric power project	2,300	1,474	826
2.Repay a portion of outstanding loan facilities	1,400	1,400	0
3.Working Capital requirements and for general corporate purposes	759	759	0
Total	4,459	3,633	826

Please be informed accordingly.



20/07/2006 13:38



ITD : Signed Contracts 2 Project

Translation

Italian-Thai Development Public Company Limited is pleased to inform SET that during July 2006 the Company signed 2 contracts as follows:

Name of Project	Client	Price (Baht) (including VAT)
1. The Design and Construction of the Bangkok Mass Transit System Extension Project (Sukhumvit Section 1)	Bangkok Metropolitan Administration	3,873 M

Signing date : July 20, 2006
Period of work : 30 months

2. The Construction of Srivarenoi Housing Project, Samutprakarn Province.	King Power International Co., Ltd.	363.79 M
---	------------------------------------	----------

Signing date : July 8, 2006
Period of work : 12 months

The detail of the contract works are as follows:-

1. The Design and Construction of the Bangkok Mass Transit System Extension Project (Sukhumvit Section 1)

Description of works:

Design and construction the elevated structure, total length 5.25 km, 4 stations (including architectural work , building services, lifts and escalators) track works and conductor rails together with the utilities diversion and reinstatement of road surfaces.

2. The Construction of Srivarenoi Housing Project

Description of works:

Construction of 17 buildings each 5 stories (761 units) including all electrical, water works, architectural, sanitary, landscape work, the drainage system and concrete roads.

14/06/2006 13:20



ITD : Signed Contracts 2 Project

Translation

Italian-Thai Development Public Company Limited is pleased to inform SET that during May - June 2006 the Company signed 2 contracts as follows:

Name of Project	Client	Contract Value (including VAT)
1. The Construction of Bridge Over the Chaophraya River at Bangkuwat, Phatumthanee Province	Department of Highway	Baht 972 M.

Signing date : June 7,2006
Period of work :720 days

2. The Construction of Shore Line Protection	Marine Department	Baht 298 M
--	-------------------	------------

Signing date : May 30, 2006
Period of work :800 days

The details of the contract works are as follows:-

1. The Construction of Bridge Over the Chaophraya River at Bangkuwat ,Phatumthanee Province.
Description of works:
 - Construction of bridge over the Chaophraya River with the total length 612.50 m.
 - Overpass at Tessamphan road, Elevated U-turn, Khlong khwai Bridge and Pedestrian Bridge
 - Construction of road with the total distance about 3.35 km.
 - Street Lighting Work
2. The Construction of Shore Line Protection
Description of works: Construction of sea break with the total length 8.85 km.



14/06/2006 09:26



ITD : Additional information of the investment in APR

Translation

Refer to the letter no. CSD 031/2006 dated June 8,2006, further to which we, Italian-Thai Development Public Company Limited, (the "Company") would like to inform additional information regarding the investment in Asia Pacific Resources Ltd. ("APR") as follows:

1. APR, a potash exploration and production company listed the Stock Exchange in Canada, was established on 15 April 1986. At present there are 634,710,878 common shares.

2. SRMT Holdings Limited ("SRMT"), a subsidiary of Sin Rae Muang Thai Co., Ltd which is a subsidiary of the Company, has made an offer to purchase the shares from APR's shareholders in the Toronto Stock Exchange by offering to purchase common shares. Investors can obtain more details at www.sedar.com -> English -> Search Database -> Search for Public Company Documents -> Type company name "Asia Pacific Resources Ltd." -> Click OK -> then select the item "Directors' Circular" dated 20 April 2006.

3 In respect of this acquisition, the Company has considered the transaction size in accordance with the Stock Exchange of Thailand Notification, Re: Rules, Procedures and Disclosure Regarding Acquisition or Disposal of Assets of Listed Companies and determined that it is more than 15% but lower than 50% of Net Tangible Assets of the Company and accordingly the Company will send written notices to all shareholders within 21 days from the date of this SET disclosure.

Please be informed accordingly.

Close Window

09/06/2006 09:24



ITD : The investment in Asia Pacific Resources Ltd.

Translation

Italian-Thai Development Public Company Limited (the "Company") would like to inform the details of the investment of SRMT Holdings Limited ("SRMT") that has acquired the shares of Asia Pacific Resources Ltd. ("APR"), a potash's exploration and production company incorporated in Canada as follows:

1. Transaction Date

SRMT Holdings Limited has acquired the shares of Asia Pacific Resources Limited and made payment to the sellers on June 7, 2006.

2. Involved Parties

Buyer : SRMT Holdings Limited (subsidiary of Sin Rae Muang Thai Co.,Ltd which is the Company's subsidiary and is not the shareholder of APR)

Seller: The major shareholders and the minor shareholders of APR

3. Number of Securities Acquired

Number of common shares : 546,770,485 shares (86% total common shares)
Number of warrants : 101,979,730 warrants (98% total warrants)

4. Total Value of Transaction

The total value of this transaction is CAD 80,376,508.09 equivalent to Baht 2,789,064,830 (Exchange Rate as of June 5, 2006: 1 Canadian Dollar = Baht 34.70).

5. Method of Acquisition

Pursuant to the financial analysis, SRMT has made an offer to purchase the shares from APR's shareholders in the Toronto Stock Exchange by offering to purchase common shares at CAD 0.1425 per share and warrants at CAD 0.0175 per warrant.

6. Relationships with the Company

The major shareholders and the minor shareholders of APR are not the connected person of SRMT and the Company.

7. Transaction Size

In respect of this acquisition, the Company has considered the transaction size in accordance with the Stock Exchange of Thailand Notification, Re: Rules, Procedures and Disclosure Regarding Acquisition or Disposal of Assets of Listed Companies and determined that it is below 15 percent of the bases specified in this Notification. Therefore, this transaction is not deemed as a transaction requiring a report disclosing the decision to be made under the said Notification.

In addition, this transaction is not considered a connected party transaction under the SET Notification, Re: disclosure of information and procedures for the listed companies in relation to connected transactions B.E. 2546 (2003).

8. The Summary of Financial Position of APR:

	(Baht)	
Financial Position	31 March 2006	31 December 2005
Total Assets	3,421,637,362	3,469,678,478
Total Liabilities	479,582,920	453,397,786
Total Equities	2,942,054,442	3,016,280,692
Total Retained Earnings (Deficit)	(2,911,064,564)	(2,777,768,108)

9. Sources of Funds

The local financial Institution

10. Expected Benefits

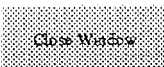
APR holds Special Prospecting Licenses for a Potash deposit in Udon Province and has submitted an application for mining leases ("Prathanabat") with the Department of Primary Industries and Mines, Ministry of Industry.

SRMT believes the investment in APR is economically attractive due to the strong growth in potash demand which is anticipated to continuously generate significant long term cash flow for the Company. Potash is an essential agricultural nutrient which has high demand and no substitute, and this deposit is one of the few significant deposits in Asia. The deposit is strategically located near several major potash importing nations and it is believed that this will give the project a significant cost advantage.

The Board of Directors and the Audit Committee have the opinion that this project will create value added to the Company by synergy its business operation and the prospects of an attractive returns in the long-term due to impressive and stable price of potash, an exportable essential agricultural nutrient for fertilizer production, which have high demand but lack of competition due to the limit of deposit site. The Company is able to use its experience and potential of its employees and equipments to support this mining operation in order to stabilize its revenues.

However, The Board of Directors has concern about the understanding of local villagers regarding an effort of the Company to limit the effect of potash mining to their environment and well-being. Furthermore, the Company aims to run this project for prosperity of the communities and cooperate with them for sharing long-term benefits and contributing to our economy.

Please be informed accordingly.



29/05/2006 09:14



ITD : Signed Contracts 4 projects

Translation

Italian-Thai Development Public Company Limited is pleased to inform SET that during Apr - May 2006 the Company signed 4 contracts as follows:

Name of Project	Client	Contract Value (including VAT)
1.The Construction of underground ductbank and manhole for Ratchadaphisek terminal station-Dindang Substation.	Metropolitan Electricity Authority	Baht 46.87 M.
Signing date: May 18, 2006 Period of work: 240 days		
2.The Construction of civil works for ATC Reformer and Aromatics Complex II Project.	SKEC (Thailand) Limited	Baht 683.84 M.
Signing date: May 15, 2006 Period of work: 18 months		
3.The Construction of interconnecting pipelines & new pipe rack between PTT chemical Plc. I-1 plant - I-4 plant Project.	PTT Chemical Plc.	Baht 26.91 M.
Signing date: Apr 19, 2006 Period of work: 255 days		
4. Four Seasons Hotel Bangkok, Renovation works (Phase II) Project.	Rajadamri Hotel Public Co.,Ltd.	Baht 133.46 M.
Signing date: Apr 11, 2006 Period of work: 4.5 months		

The details of the contract works are as follows:-

1. The Construction of underground ductbank and manhole for Ratchadaphisek terminal station - Dindang Substation.

Description of works:

Construction of underground manhole, 8 units
Construction of underground ductbank by concrete pipe jacking with cement grout fill, inside diameter not less than 1.20 m.
total length 902.50 m.

2.The Construction of civil works for ATC Reformer and Aromatics Complex II Project

Description of works:

Construction of reinforced concrete structure with the total quantity around 40,000 cu.m.

Construction of reinforced concrete pavement with
the total quantity around 5,000 cu.m.
Construction of asphaltic concrete pavement with
the total quantity around 30,000 tons

3. The Construction of interconnecting pipelines & new pipe racks between PTT
chemical Plc. I-1 plant - I-4 plant Project.

Description of works:

Supply and installation of stainless steel and carbon steel pipes
including the construction of new pipe racks with a total length
of pipeline around 12 kilometers.

4. Four Seasons Hotel Bangkok, Renovation works (Phase II) Project.

Description of works:

The renovation of guestrooms, corridors and executive lounge,
the works comprises the interior work, electrical system,
air conditioning system and cold / hot water system

