

Thai Beverage PLC

Q1'12 Financial Results

Note on Forward Looking Statements

- The following presentation may contain forward looking statements by the management of Thai Beverage Public Company Limited (“ThaiBev”), relating to financial or other trends for future periods, compared to the results for previous periods.
- Some of the statements contained in this presentation that are not historical facts are statements of future expectations with respect to the financial conditions, results of operations and businesses, and related plans and objectives.
- Forward looking information is based on management's current views and assumptions including, but not limited to, prevailing economic and market conditions. These statements involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those in the statements as originally made. Such statements are not, and should not be construed as a representation as to future performance of ThaiBev. In particular, such targets should not be regarded as a forecast or projection of future performance of ThaiBev. It should be noted that the actual performance of ThaiBev may vary significantly from such targets.

Understanding this Presentation

- In 2011, Thai Beverage Logistics Co., Ltd. (TBL), a direct subsidiary wholly owned by the Company, acquired Serm Suk Public Company Limited (Serm Suk), a Thai company currently listed on the Stock Exchange of Thailand. The Company has included the assets and liabilities of Serm Suk in the consolidated statements of financial position since 30 September 2011. The results of operations and cash flows were included in the consolidated statements of income and cash flows respectively since 1 October 2011, but was not shown in the first quarter ended 31 March 2011 used to compare with this quarter.
- Serm Suk's operations were recognized under the non-alcoholic beverages business segment.
- Current operations by business segments consist of spirits, beer, non-alcoholic beverages and food
- All monetary amounts in millions of Thai Baht unless otherwise stated
- Volumes in millions of liters unless otherwise stated
- EBITDA = Earnings from total revenues before interest expense, income tax, depreciation, and amortization
- For the year ended 31 December 2012, the standard corporate income tax rate in Thailand has been reduced from 30% to 23% in an effort to promote the competitiveness on the global market.

Highlights

Consolidated: Q1'12 Highlights

Group	Q1'11	Q1'12	Change (M Baht)
Sales Revenue	31,029	40,606	30.9%
COGS	(22,719)	(29,549)	
<i>% of Sales Revenue</i>	<i>73.2%</i>	<i>72.8%</i>	
SG&A	(4,113)	(5,284)	
<i>% of Sales Revenue</i>	<i>13.3%</i>	<i>13.0%</i>	
EBITDA	5,009	6,844	36.6%
Net Profit	2,988	4,468	49.5%
<i>Less: Non-controlling interests</i>	<i>(30)</i>	<i>(138)</i>	
Net Profit belonging to the Company	2,958	4,330	46.4%
<u>Margin*</u>			
EBITDA	16.1%	16.9%	
Net Profit	9.6%	11.0%	

* margins are % of sales revenue

Consolidated: Q1'12 Highlights

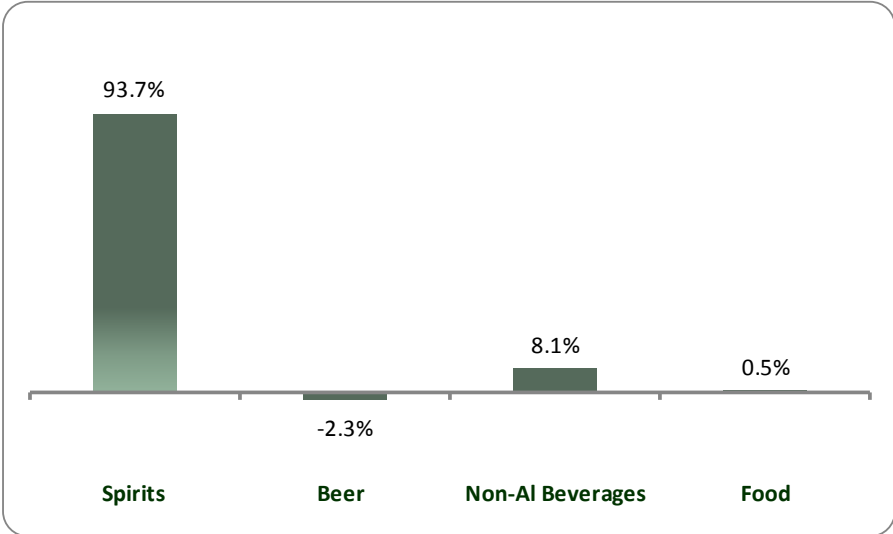
For the first quarter ended 31 March 2012, the Company has included Serm Suk operation results in the group

Group	ThaiBev	Serm Suk	Total	(M Baht)
Q1 2012				
Sales	34,512	6,094	40,606	
Gross profit	9,731	1,326	11,057	
EBITDA	6,252	592	6,844	
Net profit	4,139	329	4,468	
Q1 2011				
Sales	31,029	-	31,029	
Gross profit	8,310	-	8,310	
EBITDA	5,009	-	5,009	
Net profit	2,988	-	2,988	
increase (decrease)				
Sales	11.2%	n/a	30.9%	
Gross profit	17.1%	n/a	33.1%	
EBITDA	24.8%	n/a	36.6%	
Net profit	38.5%	n/a	49.5%	

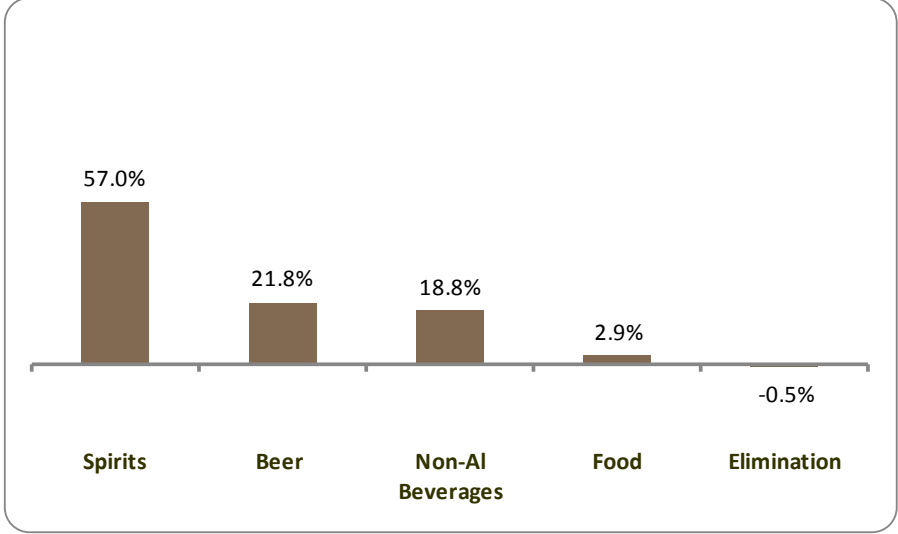
Contribution per Business Segment

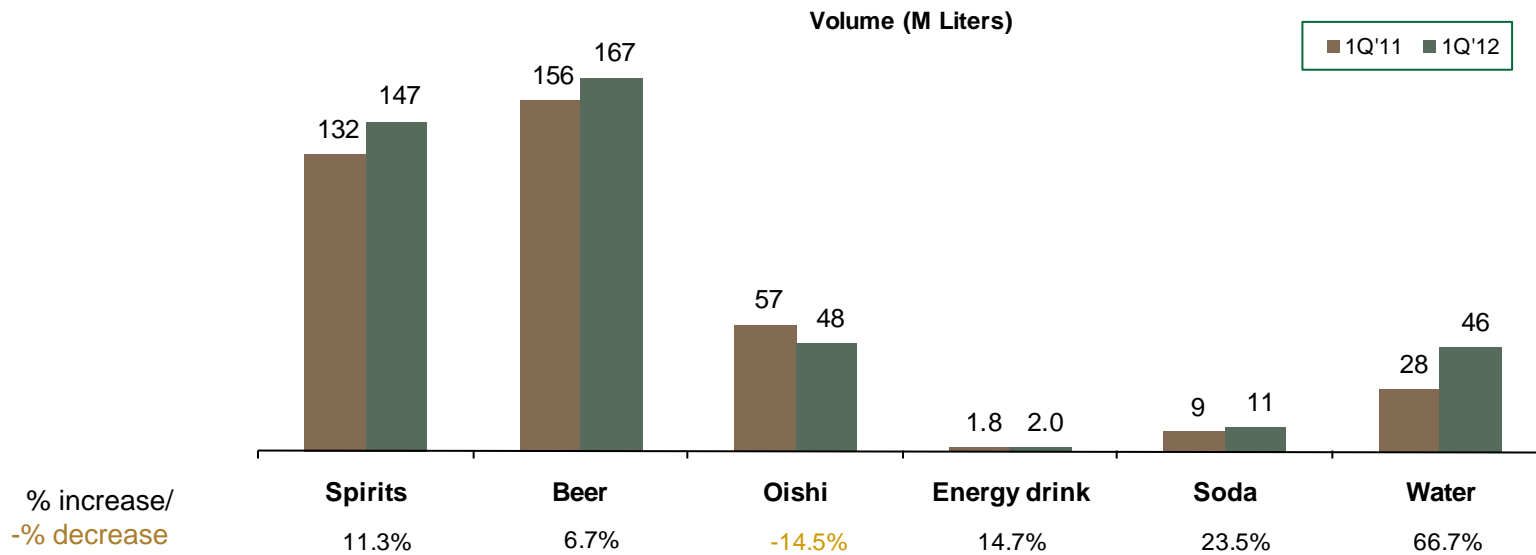
Q1'12

Net Profit



Sales





Sales volume of SSC was not shown on this page, since we did not have SSC's volume in 1Q'11 for comparison

Business Segments

Spirits	Q1'11	Q1'12	Change
Sales Revenue	20,117	23,136	15.0%
COGS	(13,583)	(15,408)	
<i>% of Sales Revenue</i>	<i>67.5%</i>	<i>66.6%</i>	
SG&A	(2,132)	(2,279)	
<i>% of Sales Revenue</i>	<i>10.6%</i>	<i>9.8%</i>	
EBITDA	4,786	5,849	22.2%
Net Profit	3,090	4,186	35.5%
<u>Margin*</u>			
EBITDA	23.8%	25.3%	
Net Profit	15.4%	18.1%	

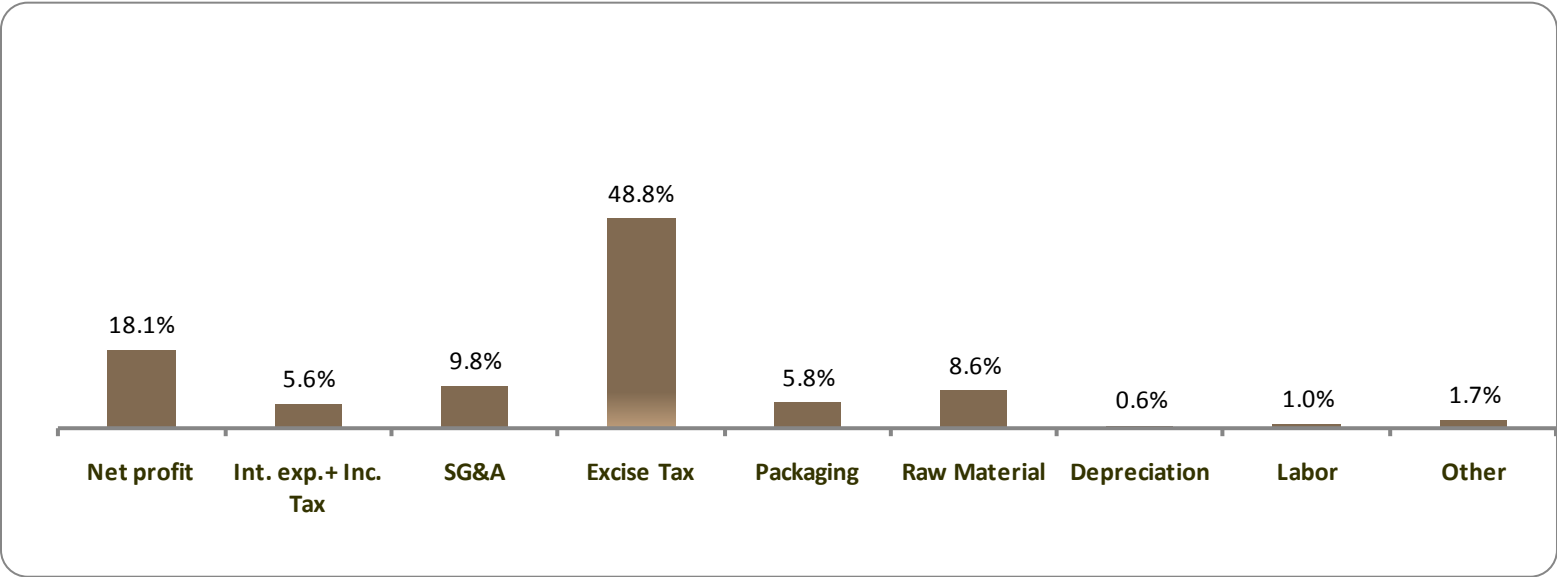
* margins are % of sales revenue

<u>Sales revenue</u>	UP	an increase in sales volume and price, and product mix
<u>COGS (%)</u>	DOWN	a decrease in raw material cost
<u>SG&A (%)</u>	DOWN	a decrease in idle cost
<u>EBITDA</u>	UP	an increase in gross profit and a decrease in idle costs
<u>Net Profit</u>	UP	an increase in EBITDA and decrease in income tax

Spirits: Revenue-Cost Break Down

(% of total revenue)

Q1'12



Beer	Q1'11	Q1'12	Change
Sales Revenue	8,154	8,860	8.7%
COGS	(7,285)	(7,803)	
<i>% of Sales Revenue</i>	<i>89.3%</i>	<i>88.1%</i>	
SG&A	(1,226)	(1,220)	
<i>% of Sales Revenue</i>	<i>15.0%</i>	<i>13.7%</i>	
EBITDA (Loss)	(71)	129	281.7%
Net Profit (Loss)	(265)	(102)	61.5%
<u>Margin*</u>			
EBITDA (-Loss)	<i>-0.9%</i>	<i>1.5%</i>	
Net Profit (-Loss)	<i>-3.2%</i>	<i>-1.2%</i>	

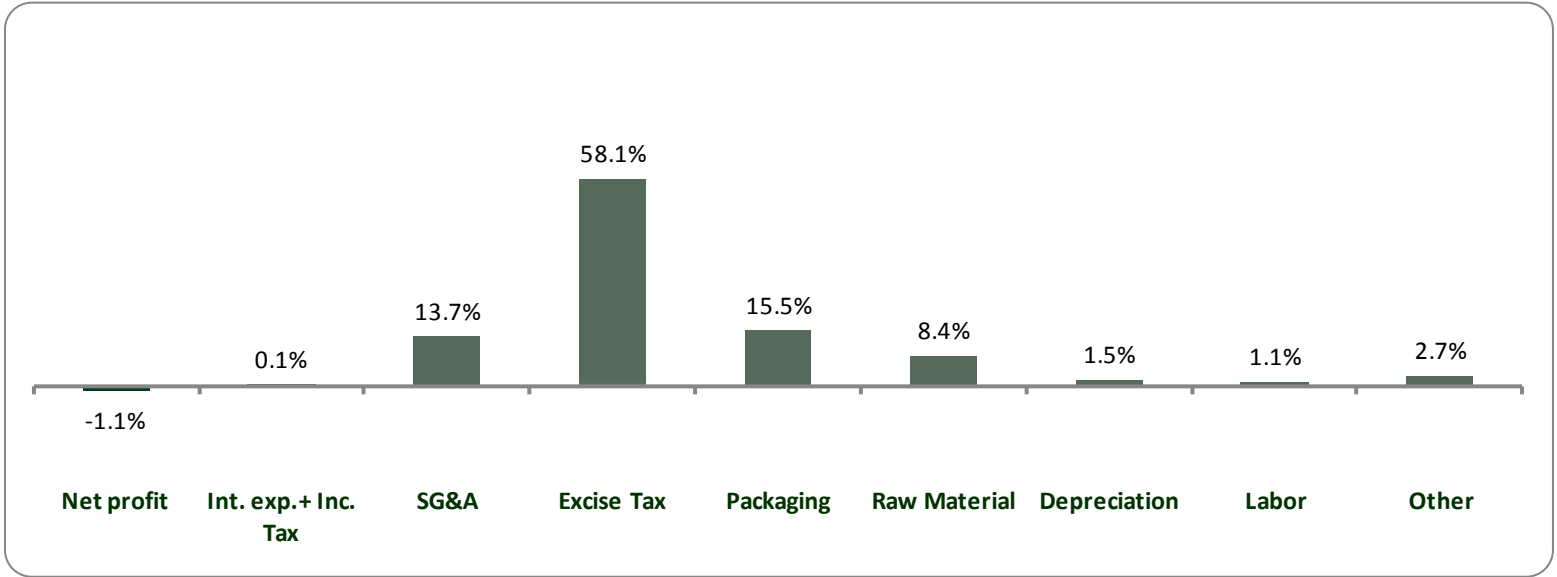
* margins are % of sales revenue

<u>Sales revenue</u>	UP	an increase in sales volume and an increase in net sales price
<u>COGS (%)</u>	DOWN	an increase in net sales price and a decrease in depreciation
<u>SG&A (%)</u>	DOWN	a decrease in idle cost
<u>EBITDA</u>	UP	an increase in gross profit
<u>Net Loss</u>	DOWN	an increase in EBITDA and a decrease in depreciation

Beer: Revenue-Cost Break Down

(% of total revenue)

Q1'12



Non-alcoholic Beverages (Include Serm Suk)

Non-alcoholic Beverages	Q1'11	Q1'12	Change	(M Baht)
Sales Revenue	1,724	7,632	342.7%	
COGS	(1,215)	(5,717)		
<i>% of Sales Revenue</i>	<i>70.5%</i>	<i>74.9%</i>		
SG&A	(428)	(1,472)		
<i>% of Sales Revenue</i>	<i>24.8%</i>	<i>19.3%</i>		
EBITDA	178	765	329.8%	
Net Profit	129	361	179.8%	
<u>Margin*</u>				
EBITDA	10.3%	10.0%		
Net Profit	7.5%	4.7%		

* margins are % of sales revenue

Non-alcoholic Beverages

For the first quarter ended 31 March 2012, the Company has included Serm Suk operation results in the non-alcoholic beverages business segment

Non Alcoholic Beverage Business	ThaiBev	Serm Suk	Total (M Baht)
Q1 2012			
Sales	1,538	6,094	7,632
Gross profit	589	1,326	1,915
EBITDA	173	592	765
Net profit	32	329	361
Q1 2011			
Sales	1,724	-	1,724
Gross profit	509	-	509
EBITDA	178	-	178
Net profit	129	-	129
increase (decrease)			
Sales	-10.8%	n/a	342.7%
Gross profit	15.7%	n/a	276.2%
EBITDA	-2.8%	n/a	329.8%
Net profit	-75.2%	n/a	179.8%

Non-alcohol Beverage Exclude Serm Suk

<u>Sales revenue</u>	DOWN	a decrease in Oishi sales volume because Oishi's production capacity has not yet returned to full capacity after the flood in late 2011, although there was an increase in net sales price
<u>Gross Profit</u>	UP	an increase in net sales price
<u>EBITDA</u>	DOWN	an increase in transportation costs
<u>Net Profit</u>	DOWN	a decrease in EBITDA and an increase in interest expenses from loans to support acquisition of Serm Suk, although there was a decrease in corporate income tax

Food	Q1'11	Q1'12	Change (M Baht)
Sales Revenue	1,105	1,169	5.8%
COGS	(702)	(729)	
<i>% of Sales Revenue</i>	<i>63.5%</i>	<i>62.4%</i>	
SG&A	(344)	(410)	
<i>% of Sales Revenue</i>	<i>31.1%</i>	<i>35.1%</i>	
EBITDA	116	101	-12.9%
Net Profit	34	23	-32.4%
<u>Margin*</u>			
EBITDA	10.5%	8.6%	
Net Profit	3.1%	2.0%	

* margins are % of sales revenue

<u>Sales revenue</u>	UP	an increase in the number of branches and sales price
<u>COGS (%)</u>	DOWN	an increase in sales price
<u>SG&A (%)</u>	UP	an increase in staffs costs and advertisement costs
<u>EBITDA</u>	DOWN	an increase in staffs costs and advertisement costs
<u>Net Profit</u>	DOWN	a decrease in EBITDA, although there was a decrease in corporate income tax

In Q1'12, ThaiBev's international business reported sales growth of 35.3%. Main driver is continued growth in Scotch whisky and Chang Beer sales.

The performance of business by geographic area:

- ASEAN
 - Good performance was mainly driven by Chang Beer, with an increase in sales value of 140%
- USA
 - This region saw 28% sales growth, mainly driven by the growth of Scotch whisky
- UK & Rest of the World
 - The continued growth in current key markets and the introduction of Scotch whisky and other new products into new markets helped boosting the sales of this region
- YLQ (China)
 - Sales of Chinese spirits and wine continued to do well with margin improvement from better mix of mid and high end products

Financials

Balance Sheet

Balance Sheet	31-Dec-11	31-Mar-12	Change
<i>(Million Baht)</i>			
Assets			
Current assets	46,270	48,348	2,079
Non-current assets	53,524	53,429	(95)
Total assets	99,794	101,777	1,984
Liabilities			
Total liabilities	36,277	33,792	(2,484)
Shareholders' Equity			
Total equity	63,517	67,985	4,468

<u>Current assets</u>	UP	an increase in inventories
<u>Non-current assets</u>	DOWN	a decrease in property, plant and equipment
<u>Total liabilities</u>	DOWN	a decrease in loans from financial institutions
<u>Total equity</u>	UP	an increase in net retained earning which comprised of profit for the period

Interest Bearing Debt

Interest Bearing Debt	31-Dec-11	31-Mar-12
<i>(Million Baht)</i>		
Current		
Bank overdrafts	378	648
Short-term loans from financial institutions	4,849	653
Current portion of long-term loans	1,800	2,400
	<u>7,027</u>	<u>3,701</u>
Non-current		
Long-term loans from financial institutions	11,200	10,600
Total	<u>18,227</u>	<u>14,301</u>
Cash and cash equivalents	<u>3,442</u>	<u>3,318</u>
Net Interest Bearing Debt	<u>14,785</u>	<u>10,983</u>

Financial Ratios

Ratios	31-Dec-11	31-Mar-12
Current Ratio (times)	2.17	2.49
Total Debt to Equity (times)	0.57	0.50
Net Asset Value per Share (Baht)	2.39	2.56
Net Asset Value per Share (SGD)*	0.10	0.11

* exchange rate at THB 24: SGD 1

Turnovers (days)	Jan-Dec 11	Jan-Mar 12
A/R Turnover	7	8
Inventory Turnover		
<u>Spirits Business</u>		
Finished Goods (exc. Legacy Stocks)	48	56
<u>Beer Business</u>		
Finished Goods	26	24

<u>Current Ratio</u>	UP	an increase in inventories and decrease in short-term loans
<u>Total Debt to Equity</u>	DOWN	a decrease in loans from financial institutions

Note: use 365 days to calculate turnover

Q&A