

Thai Beverage PLC.

H1'11 Financial Results

11 AUG 2011

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that could cause actual results, performance or events to differ materially from those in the statements as originally made.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

- Since 1 January 2011, the Company has adopted Thai Financial Reporting Standards (TFRS) in conformity with International Financial Reporting Standards (IFRS). Operation performance report for the period of 2010 has already been restated to comply with the above changes and for comparative purposes
- 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

Highlights

Dividend Payment

Dividend Payment	Interim'10	Interim'11
Net Profit belonging to the Company (M)	5,219	6,061
Number of Shares (M)	25,110	25,110
Interim Dividend (M)	3,767	3,767
Earnings per share (Baht)	0.21	0.24
Dividend Payout Ratio	72%	62%
Dividend per share (Baht)	0.15	0.15

Consolidated: Q2'11 Highlights

(M Baht)

Group	Q2'10	Q2'11	Change
Sales Revenue	29,173	30,641	5.0%
COGS	(21,676)	(22,252)	
<i>% of Sales Revenue</i>	<i>74.3%</i>	<i>72.6%</i>	
SG&A	(3,938)	(4,067)	
<i>% of Sales Revenue</i>	<i>13.5%</i>	<i>13.3%</i>	
EBITDA	4,767	5,295	11.1%
Net Profit	2,612	3,120	19.4%
<i>Less: Minority interests</i>	<i>(32)</i>	<i>(16)</i>	
Net Profit belonging to the Company	2,580	3,104	20.3%
<u>Margin*</u>			
EBITDA	16.3%	17.3%	
Net Profit	9.0%	10.2%	

* margins are % of sales revenue

Consolidated: H1'11 Highlights

(M Baht)

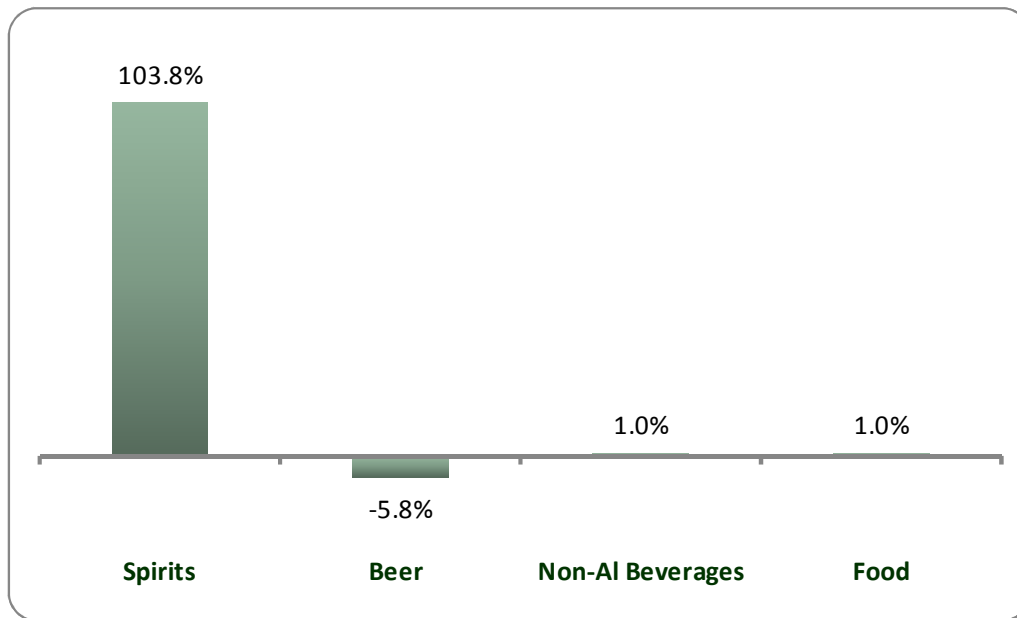
Group	H1'10	H1'11	Change
Sales Revenue	58,973	61,558	4.4%
COGS	(43,643)	(44,859)	
<i>% of Sales Revenue</i>	<i>74.0%</i>	<i>72.9%</i>	
SG&A	(8,034)	(8,180)	
<i>% of Sales Revenue</i>	<i>13.6%</i>	<i>13.2%</i>	
EBITDA	9,679	10,304	6.5%
Net Profit	5,273	6,108	15.8%
<i>Less: Minority interests</i>	<i>(54)</i>	<i>(47)</i>	
Net Profit belonging to the Company	5,219	6,061	16.1%
<u>Margin*</u>			
EBITDA	16.4%	16.7%	
Net Profit	8.9%	9.9%	

* margins are % of sales revenue

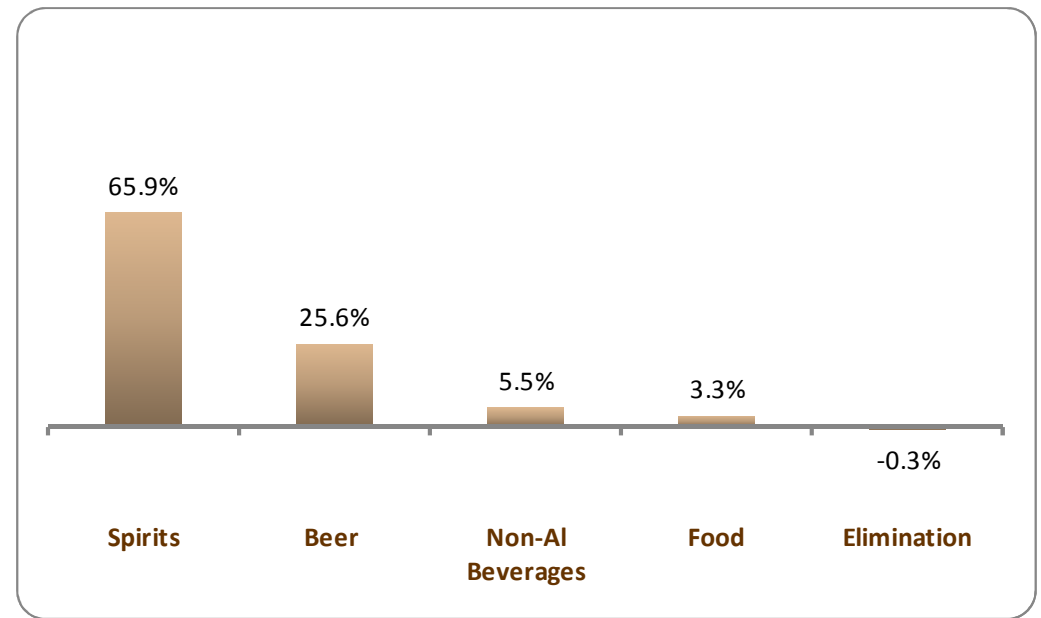
Contribution per Business Segment

H1'11

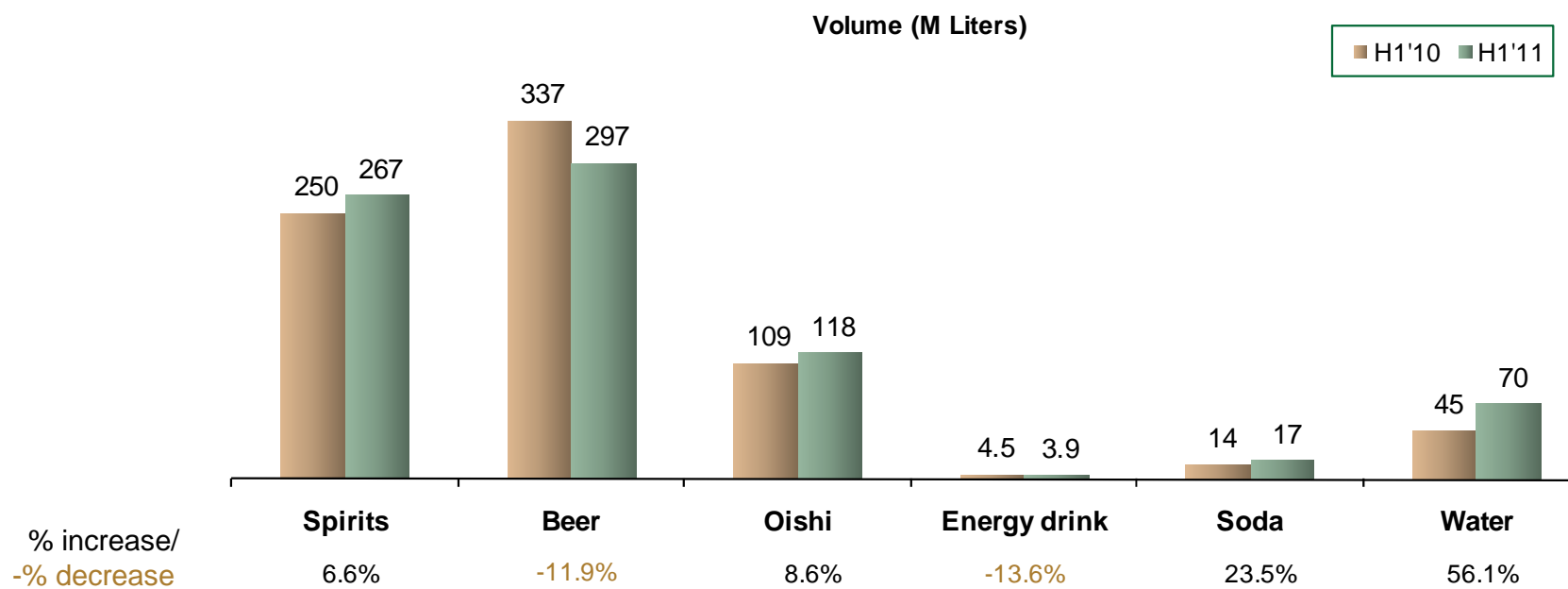
Net Profit



Sales



Total Sales Volume



Business Segments

Spirits

Spirits	Q2'10	Q2'11	Change	(M Baht)
Sales Revenue	17,845	20,458	14.6%	
COGS	(12,023)	(13,809)		
<i>% of Sales Revenue</i>	<i>67.4%</i>	<i>67.5%</i>		
SG&A	(1,729)	(2,114)		
<i>% of Sales Revenue</i>	<i>9.7%</i>	<i>10.4%</i>		
EBITDA	4,717	5,063	7.3%	
Net Profit	2,941	3,249	10.5%	
<u>Margin*</u>				
EBITDA	26.4%	24.7%		
Net Profit	16.5%	15.9%		

* margins are % of sales revenue

<u>Sales revenue</u>	UP	an increase in sales volume and product mix
<u>COGS (%)</u>	UP	a slightly increase in raw material cost
<u>SG&A (%)</u>	UP	an increase in transportation cost and marketing expenses, although there was a decrease in idle cost
<u>EBITDA</u>	UP	an increase in gross profit, gain on sale of investment properties and decrease in idle costs
<u>Net Profit</u>	UP	an increase in EBITDA and a decrease in depreciation



Spirits

Spirits	H1'10	H1'11	Change	(M Baht)
Sales Revenue	36,762	40,575	10.4%	
COGS	(24,696)	(27,392)		
<i>% of Sales Revenue</i>	<i>67.2%</i>	<i>67.5%</i>		
SG&A	(3,904)	(4,246)		
<i>% of Sales Revenue</i>	<i>10.6%</i>	<i>10.5%</i>		
EBITDA	9,421	9,849	4.5%	
Net Profit	5,811	6,339	9.1%	
<u>Margin*</u>				
EBITDA	25.6%	24.3%		
Net Profit	15.8%	15.6%		

* margins are % of sales revenue

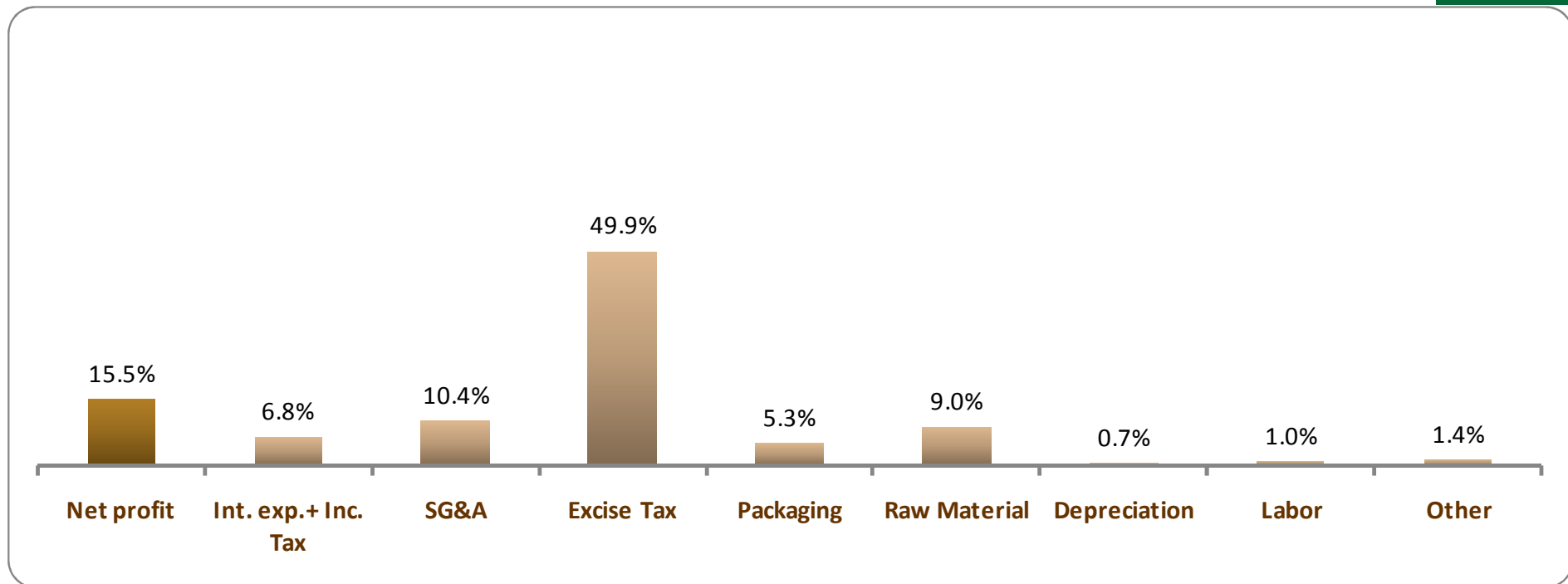
<u>Sales revenue</u>	UP	an increase in sales volume and product mix
<u>COGS (%)</u>	UP	an increase in raw material cost
<u>SG&A (%)</u>	DOWN	a decrease in idle costs
<u>EBITDA</u>	UP	an increase in gross profit, gain on sale of investment properties and decrease in idle costs
<u>Net Profit</u>	UP	an increase in EBITDA and a decrease in depreciation



Spirits: Revenue-Cost Break Down

(% of total revenue)

H1'11



Beer

Beer	Q2'10	Q2'11	Change (M Baht)
Sales Revenue	8,699	7,581	-12.9%
COGS	(7,959)	(6,647)	
<i>% of Sales Revenue</i>	<i>91.5%</i>	<i>87.7%</i>	
SG&A	(1,375)	(1,053)	
<i>% of Sales Revenue</i>	<i>15.8%</i>	<i>13.9%</i>	
EBITDA (Loss)	(203)	169	183.3%
Net Profit (Loss)	(407)	(87)	78.6%
<u>Margin*</u>			
EBITDA (-Loss)	-2.3%	2.2%	
Net Profit (-Loss)	-4.7%	-1.1%	

* margins are % of sales revenue

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



Beer

Beer	H1'10	H1'11	Change	(M Baht)
Sales Revenue	17,212	15,735	-8.6%	
COGS	(15,726)	(13,932)		
<i>% of Sales Revenue</i>	<i>91.4%</i>	<i>88.5%</i>		
SG&A	(2,610)	(2,279)		
<i>% of Sales Revenue</i>	<i>15.2%</i>	<i>14.5%</i>		
EBITDA (Loss)	(282)	98	134.8%	
Net Profit (Loss)	(779)	(352)	54.8%	
<u>Margin*</u>				
EBITDA (-Loss)	-1.6%	0.6%		
Net Profit (-Loss)	-4.5%	-2.2%		

* margins are % of sales revenue

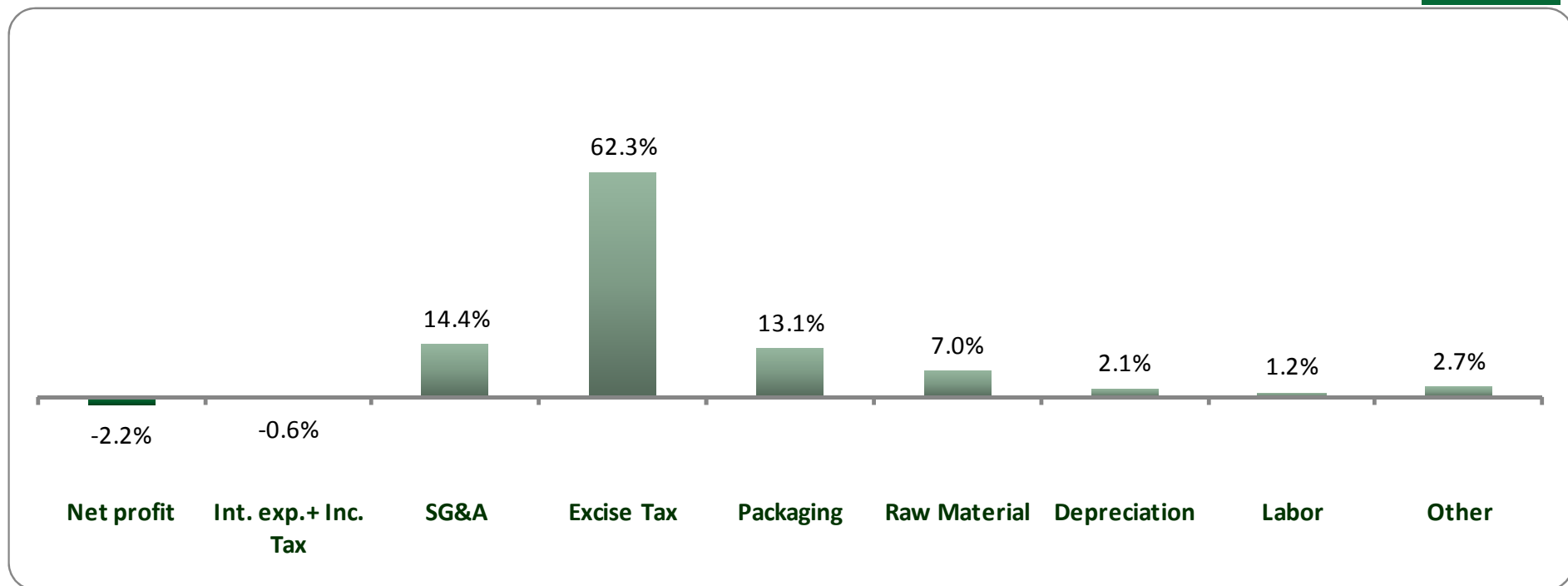
<u>Sales revenue</u>	DOWN	a decrease in sales volume
<u>COGS (%)</u>	DOWN	an increase in net selling price and a decrease in depreciation
<u>SG&A (%)</u>	DOWN	a decrease in marketing expenses
<u>EBITDA</u>	UP	an increase in gross profit and a decrease in marketing expenses
<u>Net Loss</u>	DOWN	an increase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



Beer: Revenue-Cost Break Down

(% of total revenue)

H1'11



Non-alcoholic Beverages

Non-alcoholic Beverages	Q2'10	Q2'11	Change	(M Baht)
Sales Revenue	1,814	1,689	-6.9%	
COGS	(1,208)	(1,293)		
<i>% of Sales Revenue</i>	<i>66.6%</i>	<i>76.6%</i>		
SG&A	(548)	(549)		
<i>% of Sales Revenue</i>	<i>30.2%</i>	<i>32.5%</i>		
EBITDA (Loss)	172	(39)	-122.7%	
Net Profit (Loss)	67	(69)	-203.0%	
<u>Margin*</u>				
EBITDA (-Loss)	9.5%	-2.3%		
Net Profit (-Loss)	3.7%	-4.1%		

* margins are % of sales revenue

<u>Sales revenue</u>	DOWN	a decrease in net selling price of Oishi beverages and product mix, although there was an increase in sales volume
<u>COGS (%)</u>	UP	a decrease in net selling price, product mix, and an increase in raw material cost
<u>SG&A (%)</u>	UP	a decrease in net selling price
<u>EBITDA</u>	DOWN	a decrease in gross profit
<u>Net Profit</u>	DOWN	a decrease in EBITDA



Non-alcoholic Beverages

Non-alcoholic Beverages	H1'10	H1'11	Change (M Baht)
Sales Revenue	3,394	3,413	0.6%
COGS	(2,285)	(2,508)	
<i>% of Sales Revenue</i>	<i>67.3%</i>	<i>73.5%</i>	
SG&A	(963)	(977)	
<i>% of Sales Revenue</i>	<i>28.4%</i>	<i>28.6%</i>	
EBITDA	357	139	-61.1%
Net Profit	174	60	-65.5%
<u>Margin*</u>			
EBITDA	10.5%	4.1%	
Net Profit	5.1%	1.8%	

* margins are % of sales revenue

<u>Sales revenue</u>	UP	an increase of Oishi beverages sales volume and product mix
<u>COGS (%)</u>	UP	a decrease in net selling price, product mix, and an increase in raw material cost
<u>SG&A (%)</u>	UP	a decrease in net selling price
<u>EBITDA</u>	DOWN	a decrease in gross profit
<u>Net Profit</u>	DOWN	a decrease in EBITDA



Food

Food	Q2'10	Q2'11	Change (M Baht)
Sales Revenue	846	1,020	20.6%
COGS	(504)	(610)	
<i>% of Sales Revenue</i>	<i>59.6%</i>	<i>59.8%</i>	
SG&A	(310)	(364)	
<i>% of Sales Revenue</i>	<i>36.6%</i>	<i>35.7%</i>	
EBITDA	81	102	25.9%
Net Profit	11	27	145.5%
<u>Margin*</u>			
EBITDA	9.6%	10.0%	
Net Profit	1.3%	2.6%	

* margins are % of sales revenue

<u>Sales revenue</u>	UP	an increase in the number of branches and an increase in selling price
<u>COGS (%)</u>	UP	an increase in food costs due to variety of foods and an increase in raw material cost
<u>SG&A (%)</u>	DOWN	sales growth is higher than the increase in SG&A
<u>EBITDA</u>	UP	an increase in gross profit, although branch rental fees increased
<u>Net Profit</u>	UP	an increase in EBITDA



Food

Food	H1'10	H1'11	Change (M Baht)
Sales Revenue	1,660	2,013	21.3%
COGS	(975)	(1,200)	
<i>% of Sales Revenue</i>	<i>58.7%</i>	<i>59.6%</i>	
SG&A	(597)	(708)	
<i>% of Sales Revenue</i>	<i>35.9%</i>	<i>35.1%</i>	
EBITDA	183	218	19.1%
Net Profit	67	61	-9.0%
Margin*			
EBITDA	11.0%	10.8%	
Net Profit	4.0%	3.0%	

* margins are % of sales revenue

<u>Sales revenue</u>	UP	an increase in the number of branches and an increase in selling price
<u>COGS (%)</u>	UP	an increase in food costs due to variety of foods and an increase in raw material cost
<u>SG&A (%)</u>	DOWN	sales growth is higher than the increase in SG&A
<u>EBITDA</u>	UP	an increase in gross profit, although branch rental fees increased
<u>Net Profit</u>	DOWN	tax impacts although EBITDA increased



Update: International Business

ThaiBev's international operations continued to grow with sales increase of 24% in H1'11. However, the higher marketing activities and support in USA and China, resulted in the net profit decrease by 31% when compared YoY

- ASEAN
 - ASEAN performance was driven by Chang Beer with sales value growth of over +10%

- USA
 - USA performance of Scotch whisky recorded a constant growth over last year

- UK & Rest of the World
 - IBHL UK and rest of the world sales growth was 30%, driven by Chang beer and the overall Scotch portfolio of single malts, blends, and bulk sales, all contributing to the growth

- CHINA
 - YLQ sales in China increased by 35% in H1 versus last year as distribution coverage continued to grow in the Yunnan province

Financials

Interest Bearing Debt

Interest Bearing Debt	31-Dec-10	30-Jun-11
<i>(Million Baht)</i>		
Current		
Bank overdrafts	568	428
Short-term loans from financial institutions	5,694	11,062
Current portion of long-term loans	2,500	200
	8,762	11,690
Non-current		
Long-term loans from financial institutions	600	400
	600	400
Total	9,362	12,090
Cash and cash equivalents	3,359	1,328
Net Interest Bearing Debt	6,003	10,762

Note

- Short-term loans increased because the Company raised the volume of raw materials and finished goods on spirits side, which will gradually return to normal volume
- The Company will restructure Baht 2,400 Million of short-term loans to be medium term loans within August 31, 2011. The conditions are as follows:-
 - The loan bears the interest rate at 4.07% per annum, with 2 years tenor of loan
 - The interest shall be paid monthly while the principal shall be paid monthly at an amount equivalent to Baht 200 Million, starting from last business day of July 2012

Financial Ratios

Ratios	31-Dec-10	30-Jun-11
Current Ratio	1.92	1.82
Total Debt to Equity	0.35	0.42
Net Asset Value per Share (Baht)	2.25	2.28
Net Asset Value per Share (SGD)*	0.09	0.10

* exchange rate at THB 24: SGD 1

Turnovers (days)	Jan-Dec 10	Jan-Jun 11
A/R Turnover	6	6
Inventory Turnover		
<u>Spirits Business</u>		
Finished Goods (exc. Legacy Stocks)	53	61
<u>Beer Business</u>		
Finished Goods	27	26

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

Note: use 365 days to calculate turnover

Q&A