

Thai Beverage PLC.

FY2008 H1 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that could cause actual results, performance or events to differ materially from those in the statements as originally made.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

- Reporting of business segments
 - From Q1'08 onwards, the reporting of business segments has been rearranged to add a new segment called “non-alcoholic beverages”, which consists of energy drinks, ready-to-drink coffee, soda water and drinking water
 - The Company has expanded its non-alcoholic beverage business by acquiring the assets of a Thai Company engaged in the production and sales of energy drinks and ready-to-drink coffee and which has commenced this business in the Q1'08
- All monetary amounts in millions of Thai Baht unless otherwise stated
- Volumes in millions of liters unless otherwise stated
- Brown spirits are colored spirits made from molasses and whiskeys
- White spirits are clear spirits made from molasses

Accounting Policy

- We now use Thai GAAP for reporting
- Goodwill
 - Since 1 January 2008, the Company has changed its accounting policy regarding goodwill to comply with Thai Accounting Standard (TAS) 43 (revised 2007) “Business Combination” which is effective for accounting periods beginning on or after 1 January 2008
 - In the previous periods, goodwill arising from a business combination was accounted for as “cost less accumulated amortization over the estimated useful life”. Currently, goodwill will be measured as “cost less any accumulated loss after doing an impairment test.”
 - There was no impairment loss in the carrying value of goodwill as at 30 June 2008. The financial statements for the year 2007 have not been affected by this change in accounting policy
- Water & Soda Business
 - The soda water and drinking water business will now be presented in the non-alcoholic beverages segment instead of the beer business. However, due to the low turnover of soda water and drinking water in the previous periods, the business segment information for 2007 will not be restated to compare with 2008

Highlights

Interim Dividend Announcement

Dividend Payment	Interim'07	Interim'08
Net Profit (M)	5,260	5,019
Number of Shares (M)	25,110	25,110
Dividend (M)	3,013	3,013
Portion of Net Profit	57.3%	60.0%
Dividend per share	0.12	0.12

H1'08: Highlights

Revenue	<ul style="list-style-type: none"> - Total sales revenue increased 4.0% - Increased sales revenue from spirits 9.8% - Increased sales volume of brown spirits 0.4% - Decreased sales volume of beer (-7.1%), and white spirits (-11.2%)
Financial Position	<ul style="list-style-type: none"> - Decreased in total liabilities from loans and bonds repayment
Products	<ul style="list-style-type: none"> - Introduced new premium beer, Federbräu - Launched new Scotch Whisky, Drummer, in Thai market - Inver House won many awards from international competitions



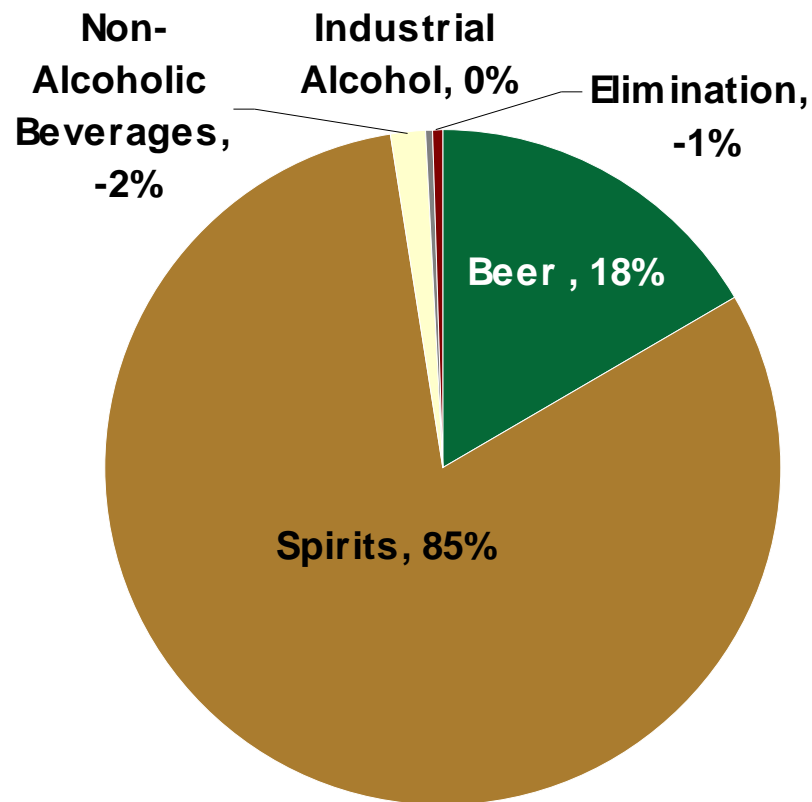
Consolidated: H1 Highlights

Group	H1'07	H1'08	Change
Sales Revenue	49,107	51,083	4.0%
COGS	(34,590)	(37,083)	
<i>% of Sales Revenue</i>	<i>70.4%</i>	<i>72.6%</i>	
SG&A	(6,216)	(6,653)	
<i>% of Sales Revenue</i>	<i>12.7%</i>	<i>13.0%</i>	
EBITDA	10,920	10,078	-7.7%
Net Profit	5,260	5,019	-4.6%
<u>Margin*</u>			
EBITDA	22.2%	19.7%	
Net Profit	10.7%	9.8%	

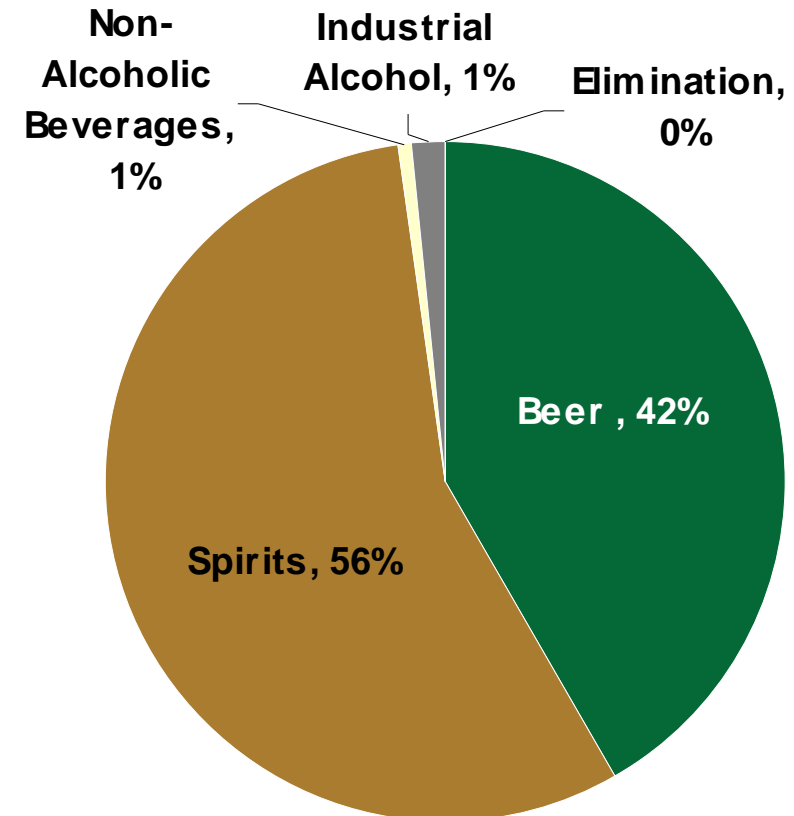
* margins are % of sales revenue

Contribution per Business Segment

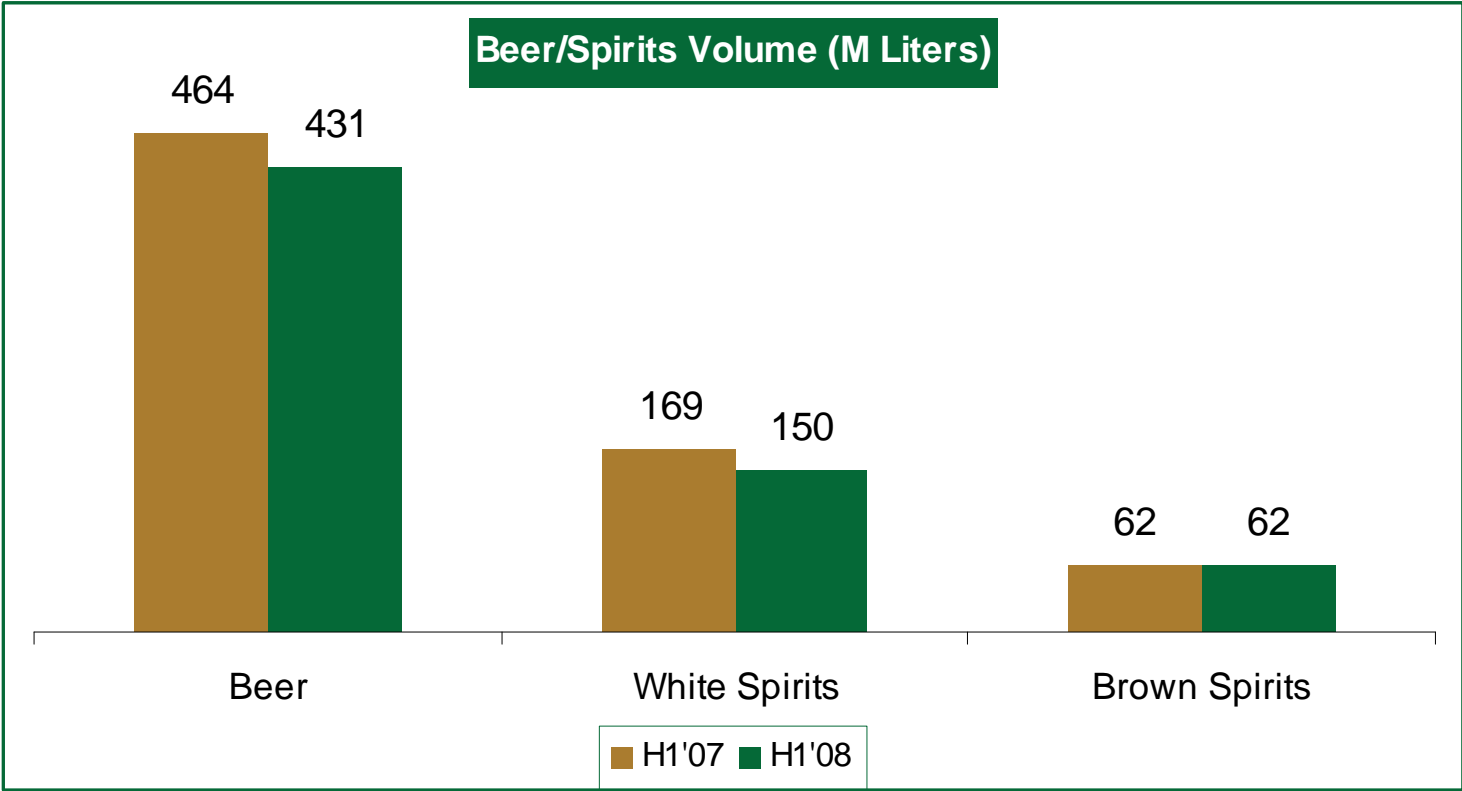
Net Profit



Sales



Volume



Business Segments

Beer

Beer	H1'07	H1'08	Change
Sales Revenue	23,086	21,272	-7.9%
COGS	(17,864)	(17,096)	
<i>% of Sales Revenue</i>	<i>77.4%</i>	<i>80.4%</i>	
SG&A	(2,913)	(2,876)	
<i>% of Sales Revenue</i>	<i>12.6%</i>	<i>13.5%</i>	
EBITDA	3,532	2,425	-31.3%
Net Profit	1,049	879	-16.2%
<u>Margin*</u>			
EBITDA	15.3%	11.4%	
Net Profit	4.5%	4.1%	

* margins are % of sales revenue

<u>Sales revenue</u>	DOWN	decrease in sales volume
<u>COGS (%)</u>	UP	higher raw material cost, packaging, higher in excise tax for TPBS
<u>SG&A (%)</u>	UP	increase in idle cost, and marketing expenses (free goods)
<u>EBITDA</u>	DOWN	decrease of sales, increase in raw material costs, marketing expenses, idle cost and staff cost
<u>Net Profit</u>	DOWN	decrease of sales, increase in COGS & SG&A, although decrease in interest expenses



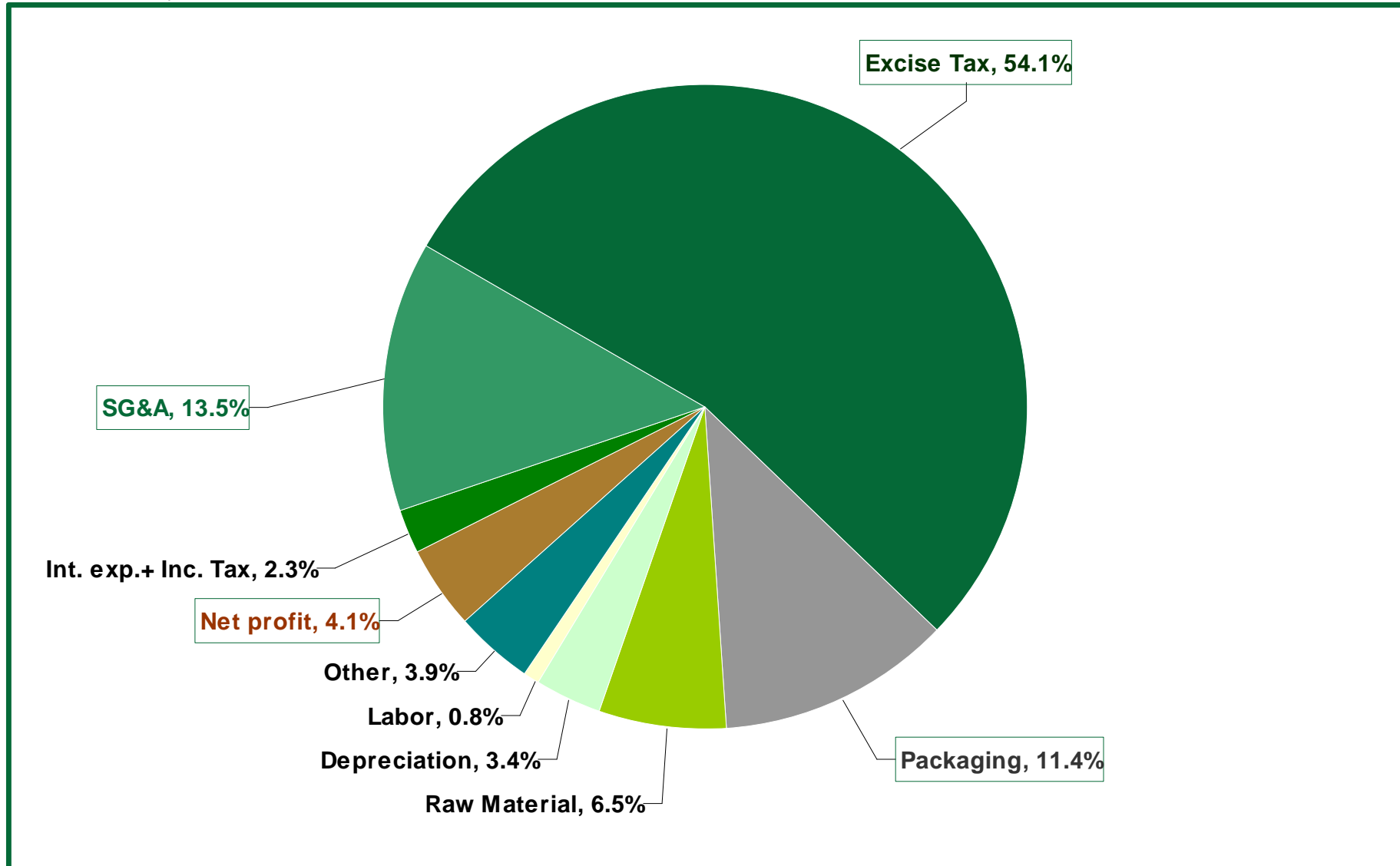
Beer: Volume

Beer	H1'07	H1'08	Change
<i>(Million Litres)</i>			
Chang	329	322	-2.1%
Low alcohol beer	135	109	-19.2%
Total	464	431	-7.1%
Free Beer*	6.7%	7.6%	13.5%

* Percentage of total beer sales volume

Beer: Revenue-Cost Break Down

(% of total revenue)



Spirits

Spirits	H1'07	H1'08	Change
Sales Revenue	26,162	28,719	9.8%
COGS	(16,936)	(19,048)	
<i>% of Sales Revenue</i>	<i>64.7%</i>	<i>66.3%</i>	
SG&A	(3,248)	(3,516)	
<i>% of Sales Revenue</i>	<i>12.4%</i>	<i>12.2%</i>	
EBITDA	7,273	7,548	3.8%
Net Profit	4,210	4,265	1.3%
<u>Margin*</u>			
EBITDA	27.8%	26.3%	
Net Profit	16.1%	14.9%	

* margins are % of sales revenue

<u>Sales revenue</u>	UP	increase in sales price to cover excise tax rises can compensate for a decrease in sales volume
<u>COGS (%)</u>	UP	change in product mix due to lower white spirits volume which has higher margin
<u>SG&A (%)</u>	DOWN	increase in marketing expenses (free goods) and idle costs but at lower rate than the growth in sales
<u>EBITDA</u>	UP	increase selling price can compensate for an increase in idle cost & staff cost
<u>Net Profit</u>	UP	increase in selling price, and decrease in interest expenses



Spirits: Volume

Spirits	H1'07	H1'08	Change
<i>(Million Litres)</i>			
White	169	150	-11.2%
Brown	62	62	0.4%
Total	231	212	-8.1%
Free White Spirits*	0.9%	1.9%	117.8%
Free Brown Spirits*	0.7%	1.6%	139.3%

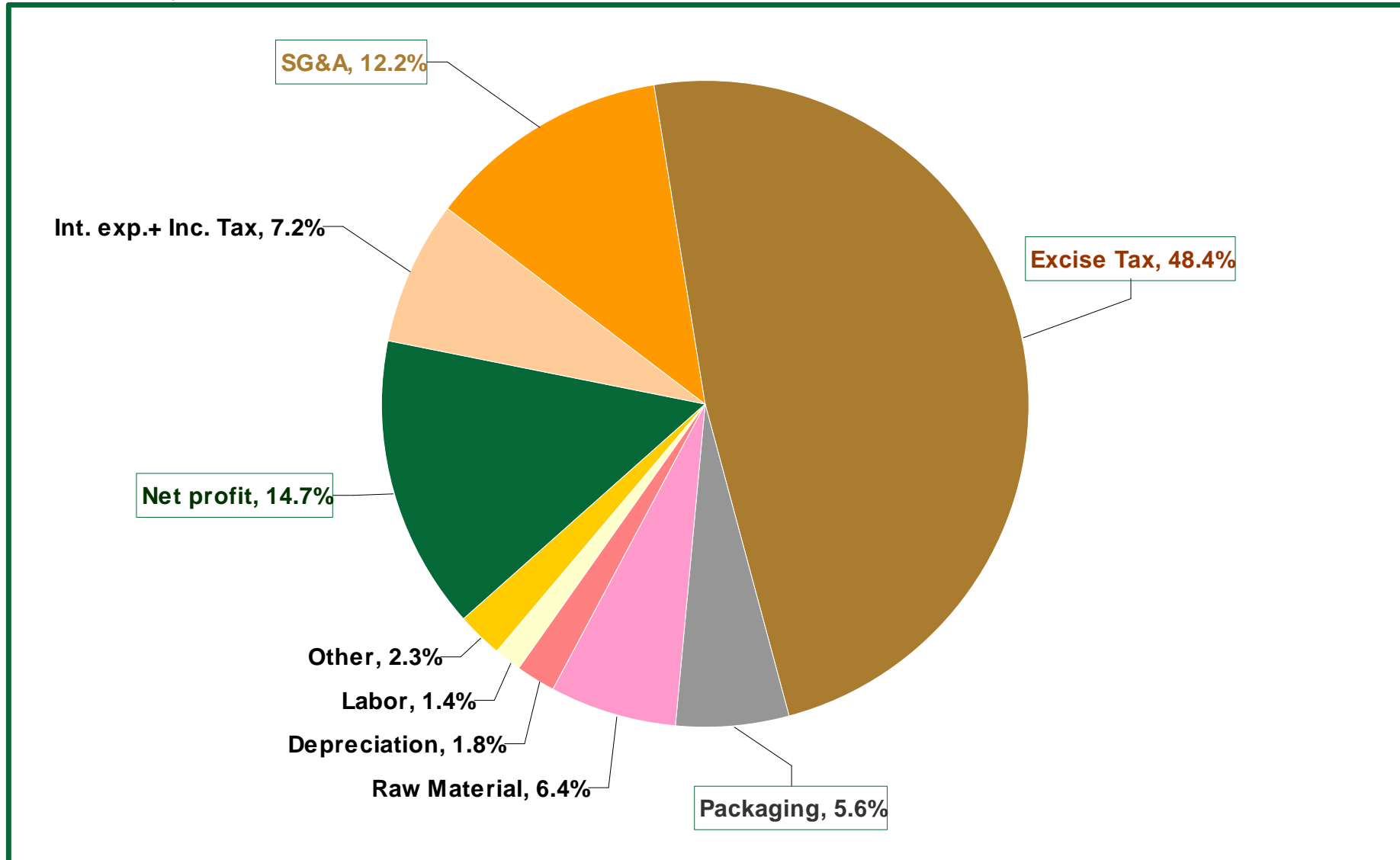
* Percentage of domestic sales volume

Total Free Spirits*	0.8%	1.8%
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* Domestic brown spirits volume rose 4.2%. The decline in total brown spirits volume was due to decrease in Inver House's bulk sales. Inver House retains bulk whisky stock that it would normally sell to others for its own use in the future

Spirits: Revenue-Cost Break Down

(% of total revenue)



Spirits: Launch of New Scotch Whisky



- Drummer: Blended Scotch Whisky, aged 5 years
Made by Inver House at Balmenach Distillery, Scotland
- Consumer Target: Young modern urban male consumer, age 20-39
- Slogan: Drummer: March to Your Own Beat



Non-alcoholic Beverages

Non-alcoholic Beverages	H1'07**	H1'08	Change
Sales Revenue	NA	365	NA
COGS	NA	(293)	
<i>% of Sales Revenue</i>		<i>80.3%</i>	
SG&A	NA	(159)	
<i>% of Sales Revenue</i>		<i>43.6%</i>	
EBITDA	NA	61	NA
Net Profit	NA	(81)	NA
<u>Margin*</u>			
EBITDA	NA	16.7%	
Net Profit	NA	-22.2%	

* margins are % of sales revenue

** ThaiBev has commenced in non-alcoholic beverages in Q1'08

** Wrangyer and Black Up were added to ThaiBev financials in Mar 2008

** Water and soda business are included in non-alcoholic beverages segment in 2008

** Due to the small turnover of soda & water in 2007, the segment information for 2007 was not restated to compare with 2008

<u>Sales revenue</u>	sales revenue from energy drink, ready-to-drink coffee, soda and drinking water
<u>Net Loss</u>	idle costs of soda and drinking water



Non-alcoholic Beverages: Volume

Non-alcoholic Beverages	H1'07**	H1'08	Change
<i>(Million Litres)</i>			
Soda	6.1	5.6	-7.6%
Water	21.2	23.5	10.5%
Wrangyer*	NA	2.9	NA
Black Up*	NA	0.2	NA

* Wrangyer and Black Up were added to ThaiBev financials in Mar 2008

** Due to the small turnover of soda & water in 2007, the segment information for H1'07 was not restated to compare with H1'08

Industrial Alcohol

Industrial Alcohol	H1'07	H1'08	Change
Sales Revenue	350	757	116.3%
COGS	(321)	(678)	
<i>% of Sales Revenue</i>	<i>91.7%</i>	<i>89.6%</i>	
SG&A	(63)	(89)	
<i>% of Sales Revenue</i>	<i>18.0%</i>	<i>11.8%</i>	
EBITDA	79	87	10.1%
Net Profit	(38)	(20)	47.4%
<u>Margin*</u>			
EBITDA	22.6%	11.5%	
Net Profit	-10.9%	-2.6%	

* margins are % of sales revenue

<u>Sales revenue</u>	UP	increase of Ethanol & Alcohol 95 sales volume
<u>COGS (%)</u>	DOWN	decrease in raw material cost
<u>SG&A (%)</u>	DOWN	increase of idle cost caused by lower production in Q2'08, but lower rate than sales up
<u>EBITDA</u>	UP	increase of sales volume compensate for the increase in idle cost
<u>Net Profit</u>	UP	still have net loss because of the increase in idle cost caused by lower production

Industrial Alcohol: Volume

Industrial Alcohol	H1'07	H1'08	Change
<i>(Million Litres)</i>			
Alcohol 95 [°] *	2.5	25.9	939.7%
Ethanol 99.5 [°]	14.2	24.6	74.1%
Others	0.1	0.3	95.5%

* Largely from exports

Progress in Overseas Business

Countries	Chang Beer	Mekhong
USA	Chang launched in 2007	Mekhong officially launched in east and west coasts April and May'08
UK	Chang launched in 2008	Mekhong had a 'soft' launch in Jan'08 to the Thai Channel. We now have relatively strong distribution, and a wider launch announcement within the UK and selected European titles
Sweden		Mekhong launched in Feb'08
Australia	Chang Beer was launched, and is doing well within Woolworth's 2007	The search for a suitable partner for Mekhong is ongoing
Western Europe	Chang Beer & Mekhong have been consolidated under one importer for the Thai Channel and brand execution strengthened within Netherlands, Germany, Belgium, Austria, Switzerland and Luxembourg. Other broad market opportunities are being identified to extend beyond the Thai Channel	
Others	Guam recently placed its first Chang Beer order	
	UAE have ordered their first container of Chang Beer and launch activity takes place next month	

2008 - The Year of Great Success for Inver House

Awards Won	Event	
15		International Wine & Spirits Competition 2008
13		Scotch Whisky Masters 2008
11		International Spirits Challenge 2008



Financials

Interest Bearing Debt

Interest Bearing Debt	31-Dec-07	30-Jun-08
<i>(Million Baht)</i>		
Current		
Bank overdrafts	1,000	593
Short-term loans from financial institutions	4,998	9,690
Current portion of long-term guaranteed bonds	3,000	-
Current portion of long-term loans	1,755	2,775
	10,753	13,058
Non-current		
Long-term loans from financial institutions	5,400	2,625
	5,400	2,625
Total	16,153	15,683

Financial Ratios

Ratios	31-Dec-07	30-Jun-08
Current Ratio	1.74	1.63
Total Debt to Equity	0.45	0.43
Net Asset Value per Share (Baht)	2.19	2.22
Net Asset Value per Share (SGD)*	0.09	0.09

* exchange rate at THB 24: SGD 1

Turnovers (days)	Jan-Dec 07	Jan-Jun 08
A/R Turnover	5	4
Inventory Turnover		
<i><u>Beer/water Business</u></i>		
Finished Goods	15	19
Raw Material	4	7
<i><u>Spirits Business</u></i>		
Finished Goods (exc. Legacy Stocks)	79	72
Raw Material	12	13

<u>Current ratio</u>	DOWN	increase in short-term loans from financial institutions
<u>Debt ratio</u>	DOWN	loans and bonds repayment

Q&A