



Thai Beverage PLC.

2007 Financial Results

February 2008

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that could cause actual results, performance or events to differ materially from those in the statements as originally made.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

- We now use Thai GAAP for reporting
- From the third quarter 2007 onwards, the reporting of business segments will be rearranged to present transactions with external customers more meaningfully. Related business segments which normally conduct most of their business within the group will no longer be presented separately as in previous periods but will be allocated to the Company core business segments which consist of Beer/Water, Spirits and Industrial Alcohol. The segmental information for the same period of 2006 has been restated for comparison with 2007
- 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

Highlights

2007: Market Overview

Market Overview

"Continuation of Vigorous Competition"

Excise tax hikes

- Excise tax increase on white spirits, compound spirits and brandy (Aug'07)
 - White spirits: Ad valorem rate (25% -> 50%), Specific rate (70 Baht -> 110 Baht)
 - Compounded spirits: Specific rate (240 Baht -> 280 Baht)
 - Brandy: Ad valorem rate (40% -> 45%)
- Government applied additional amount of 1.5% onto the excise tax of all alcoholic beverages for Thai Public Broadcasting Service Fund Contribution (Jan'08)

Legislation

- The Alcohol Control Act was approved promulgated in the Royal Gazette in Feb'08
 - Sales of alcoholic drinks to anyone under 20 is forbidden
 - Cannot advertise by showing bottles of alcoholic drinks or drinking scenes
 - Showing products' logo or corporate logo are allowed

Slow down in rural economy affects white spirits

- Sales volume of white spirits began to decline as consumers switched to half bottles or single shots
- In some part of Thailand, community spirits was the beneficiary of rural economic slow down

2007: Market Overview (cont.)

Market Overview	
"Continuation of Vigorous Competition"	
Consumers trade down from imported spirits to local brown spirits	
	<ul style="list-style-type: none">- Consumers' preference shifted down because of economic stagnation- ThaiBev's brown spirits benefit from this trend
Lighter alcohol beer continues to grow	
	<ul style="list-style-type: none">- High growth in low alcohol beer- More low alcohol beers launched in the market
Government's support needed for industrial alcohol business	
	<ul style="list-style-type: none">- The postponement of ban on 95 Octane gasoline put pressure on industrial alcohol business- Excess supply of industrial alcohol forced producers to lower their prices

Our Successes in 2007

Our Success

Overseas expansion

- Repackaged Chang Beer and launched into USA, UK, Europe and Australia with a focus on the premium imported beer market
- Repackaged Mekhong spirits and launched into UK and EU markets as the “Spirit of Thailand” - about to launch in US
- Improvement of Inver House's business from a buoyant Scotch market and a strategic shift towards focusing more on core malt brands
- Export of industrial alcohol to Japan

Continue expansion on domestic alcohol beverage market

- Completed acquisitions of SPM and UPC

Strategic expansion to non-alcohol beverage business

- Completed acquisitions of energy drink and ready-to-drink coffee assets from Wrangyer Beverage Co.,Ltd (Jan'08)
- Entered into MOU for acquisition of Carabao Tawandang Co.,Ltd (Jan'08)

Our Successes in 2007 (cont.)

Our Success

Added to Straits Times Index (STI)

- THBEV was first added to STI on Jan'07
- Retained as one of the 30 benchmark stocks in the new STI

Proven stability of the company

- TRIS Rating remains at "AA-", outlook "Stable"

Proven quality of products

- Archa Beer won Gold Medal in European Lager Division at the 2007 Australian International Beer Awards (AIBA)
- Inver House Distiller Ltd. won "Distiller of the Year" at the Icons of Whisky 2007 event
- Balblair won Gold: Best in Class at 2007 International Wine & Spirit Competition
- Old Pulteney won Gold: Best in Class at 2007 International Wine & Spirit Competition

Increased Dividend Payment in 2007

ThaiBev listened to shareholders in 2007

Dividend Payment		2006	2007
Net Profit (M)	Baht	10,055	10,383
Number of Shares (M)		25,110	25,110
Dividend (M)	Baht	5,524	7,282
Portion of Net Profit		55%	70%
Dividend per share	Baht	0.22	0.29

Dividend Policy: not less than 50% of net profit after deducting all appropriated reserves

Highlights

Revenue	<ul style="list-style-type: none"> - Total sales revenue increased 2.8% - Increased sales revenue from both beer (3.2%) and spirits (2.6%) - Increased sales volume of beer (3.7%) and brown spirits (8.1%) - Decreased sales value of white spirits (-5.7%)
Financial Position	<ul style="list-style-type: none"> - Decrease in total liabilities from loans and bonds repayment
Products	<ul style="list-style-type: none"> - Continued growing in sales of Archa beer, Hong Thong, and Blend 285 - Expanded to non-alcoholic beverage by acquisitions of energy drink and ready-to-drink coffee assets from Wrangyer Beverage Co.,Ltd; entered into MOU for acquisition of Carabao Tawandang Co.,Ltd (Jan'08) - Completed the acquisition of new white spirits brand "White Bear", through acquisition of SPM and UPC - Increasing of PET drinking water bottle production capacity

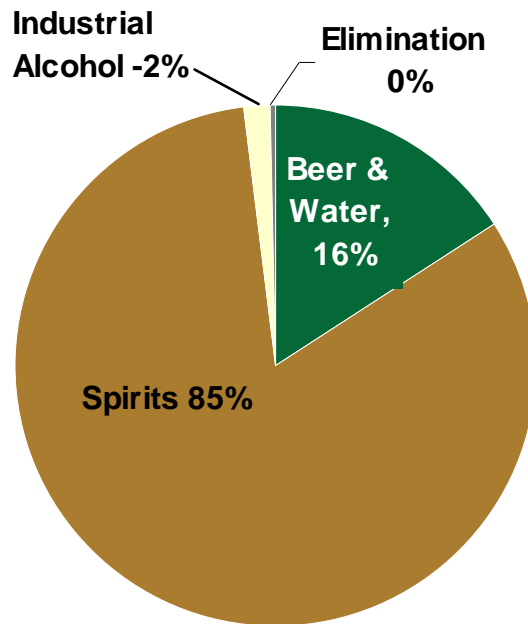
Consolidated: Full Year Highlights

Group	2006	2007	Change
Sales Revenue	97,798	100,541	2.8%
COGS	(69,325)	(70,873)	
<i>% of Sales Revenue</i>	<i>70.9%</i>	<i>70.5%</i>	
SG&A	(12,684)	(13,689)	
<i>% of Sales Revenue</i>	<i>13.0%</i>	<i>13.6%</i>	
EBITDA	20,599	21,251	3.2%
Net Profit	10,055	10,383	3.3%
<u>Margin*</u>			
EBITDA	21.1%	21.1%	
Net Profit	10.3%	10.3%	

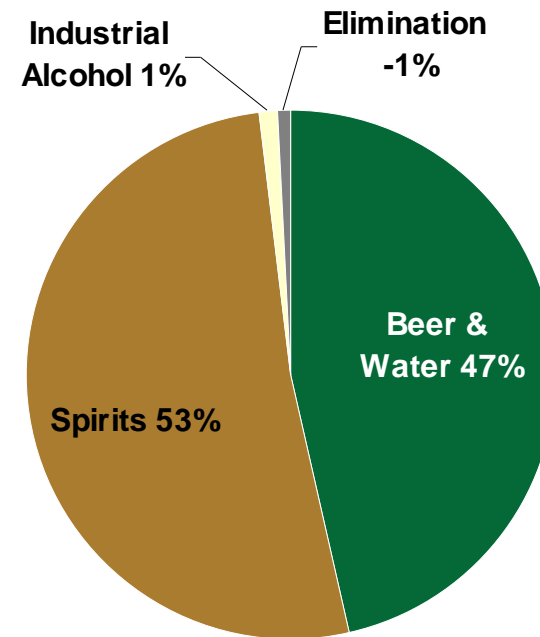
* margins are % of sales revenue

Contribution per Business Segment

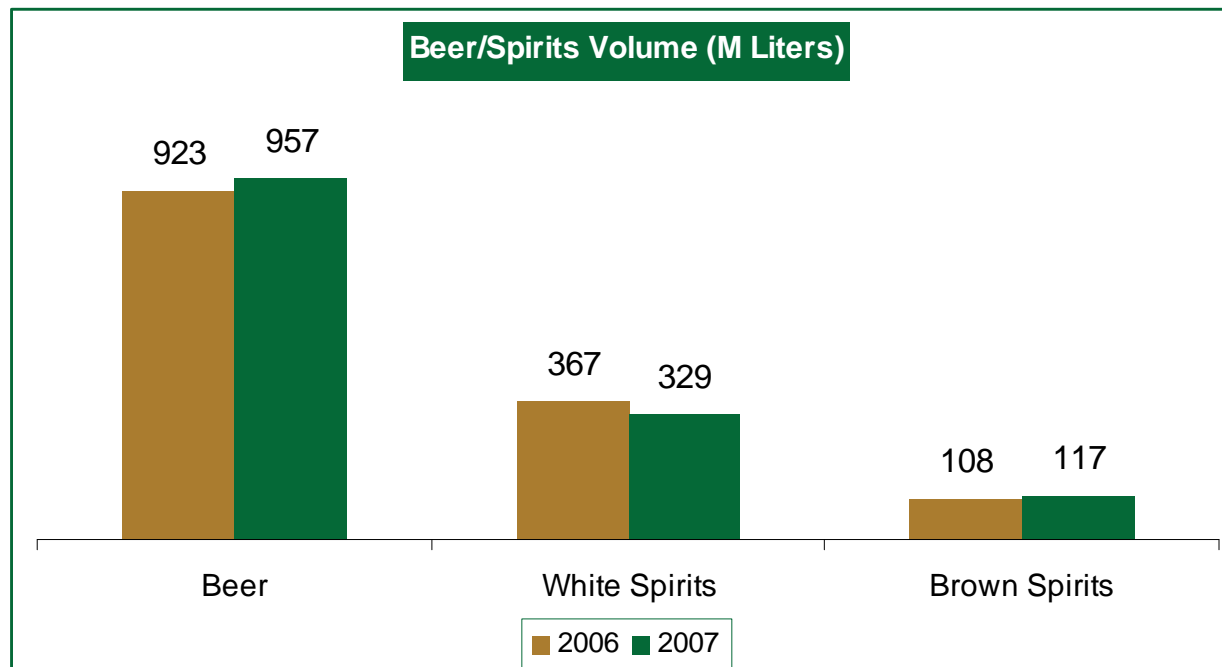
Net Profit



Sales



Volume



Business Segments

Beer

Beer	2006	2007	Change
Sales Revenue	46,103	47,557	3.2%
COGS	(35,944)	(37,040)	
<i>% of Sales Revenue</i>	<i>78.0%</i>	<i>77.9%</i>	
SG&A	(5,768)	(6,456)	
<i>% of Sales Revenue</i>	<i>12.5%</i>	<i>13.6%</i>	
EBITDA	6,687	6,536	-2.3%
Net Profit	2,163	1,702	-21.3%
<u>Margin*</u>			
EBITDA	14.5%	13.7%	
Net Profit	4.7%	3.6%	

* margins are % of sales revenue

<u>Sales revenue</u>	UP	increase in low alcohol beer sales volume
<u>COGS (%)</u>	DOWN	change in product mix
<u>SG&A (%)</u>	UP	increase in idle cost, employee and marketing expenses
<u>EBITDA</u>	DOWN	increase in employee expenses and marketing expenses
<u>Net Profit</u>	DOWN	higher depreciation cost from expansion of brewery



Beer: Volume

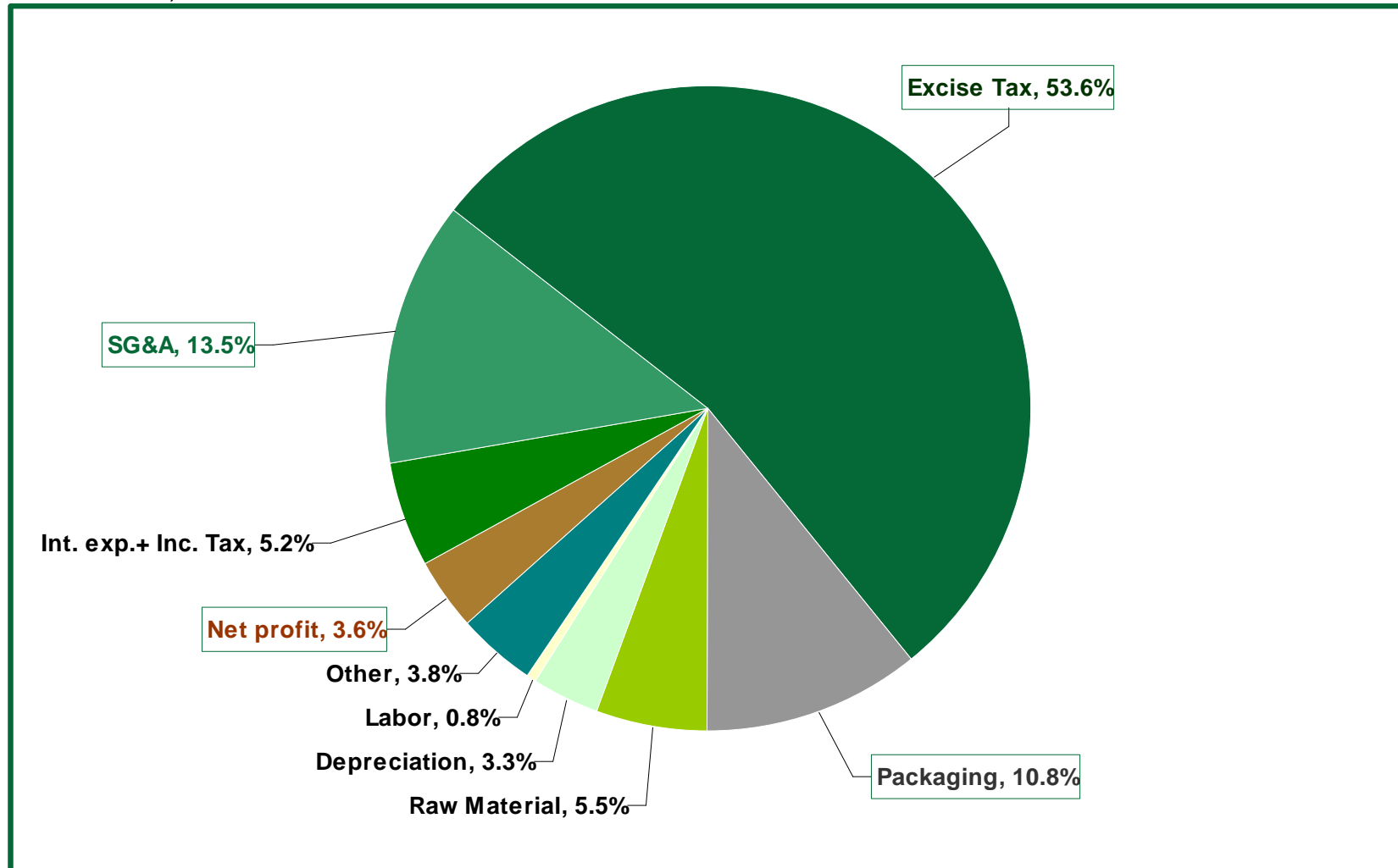
Beer	2006	2007	Change
<i>(Million Litres)</i>			
Chang	821	644	-21.6%
Low alcohol beer	102	313	206.9%
Total	923	957	3.7%
Free Beer*	8.1%	8.2%	1.1%

* Percentage of domestic sales volume

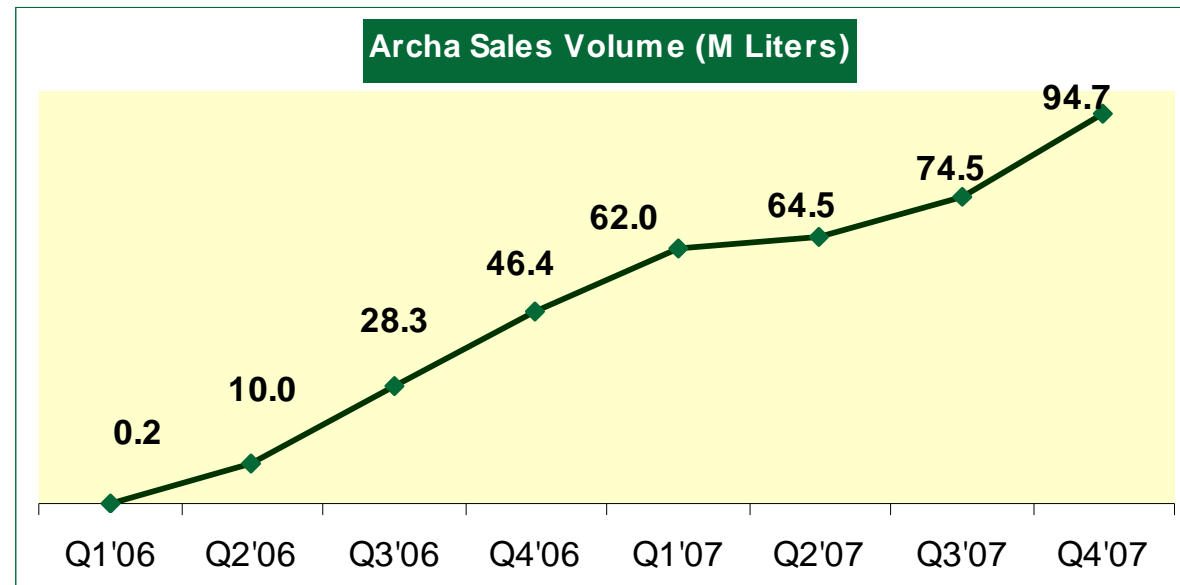
Soda & Water	2006	2007	Change
<i>(Million Litres)</i>			
Soda	12.6	10.6	-15.6%
Water	42.6	43.8	2.9%

Beer: Revenue-Cost Break Down

(% of total revenue)



Beer: Cont. growth in Archa beer



Spirits

Spirits	2006	2007	Change
Sales Revenue	51,576	52,940	2.6%
COGS	(33,470)	(33,924)	
<i>% of Sales Revenue</i>	<i>64.9%</i>	<i>64.1%</i>	
SG&A	(6,740)	(7,055)	
<i>% of Sales Revenue</i>	<i>13.1%</i>	<i>13.3%</i>	
EBITDA	13,772	14,616	6.1%
Net Profit	7,945	8,815	11.0%
<u>Margin*</u>			
EBITDA	26.7%	27.6%	
Net Profit	15.4%	16.7%	

* margins are % of sales revenue

<u>Sales revenue</u>	UP	increase in brown spirits sales volume, increase in sales price in May and Aug
<u>COGS (%)</u>	DOWN	higher margins from price increase and lower raw material cost of molasses
<u>SG&A (%)</u>	UP	increase in employee expenses and marketing expenses
<u>EBITDA</u>	UP	higher margin covers higher employee expenses & marketing expenses
<u>Net Profit</u>	UP	higher margin and lower interest expenses



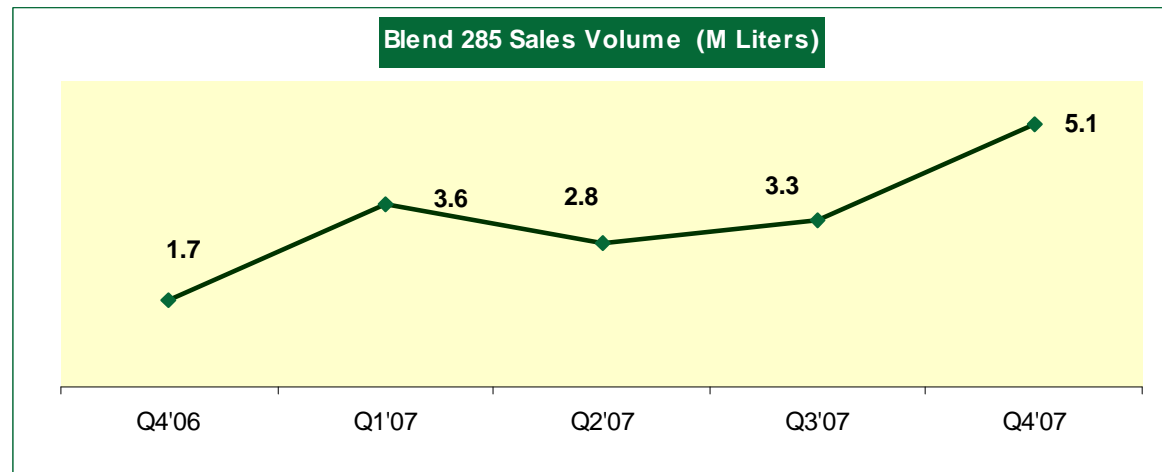
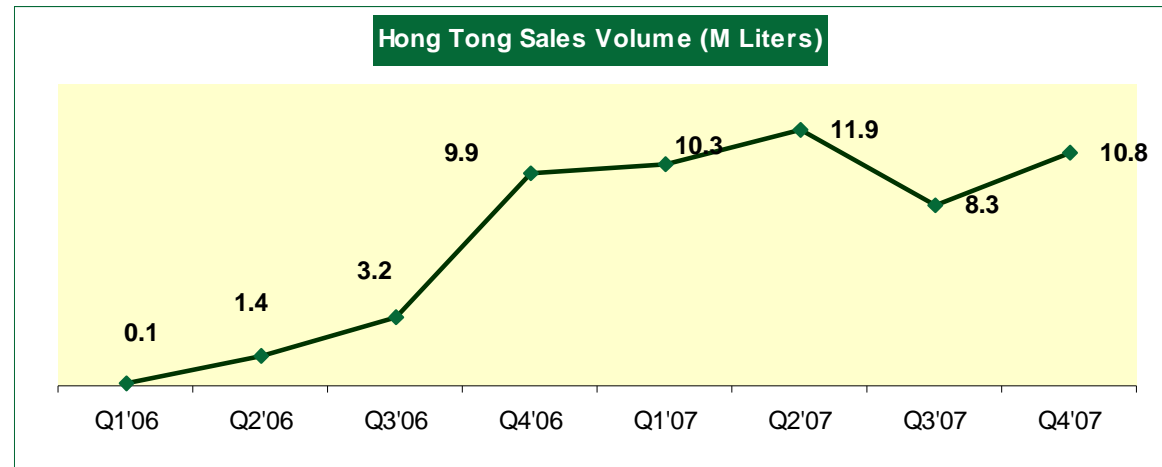
Spirits: Volume

Spirits	2006	2007	Change
<i>(Million Litres)</i>			
White	367	329	-10.3%
Brown	108	117	8.1%
Total	476	446	-6.2%
Free White Spirits*	0.9%	2.0%	109.0%
Free Brown Spirits*	2.7%	0.8%	-71.4%

* Percentage of domestic sales volume

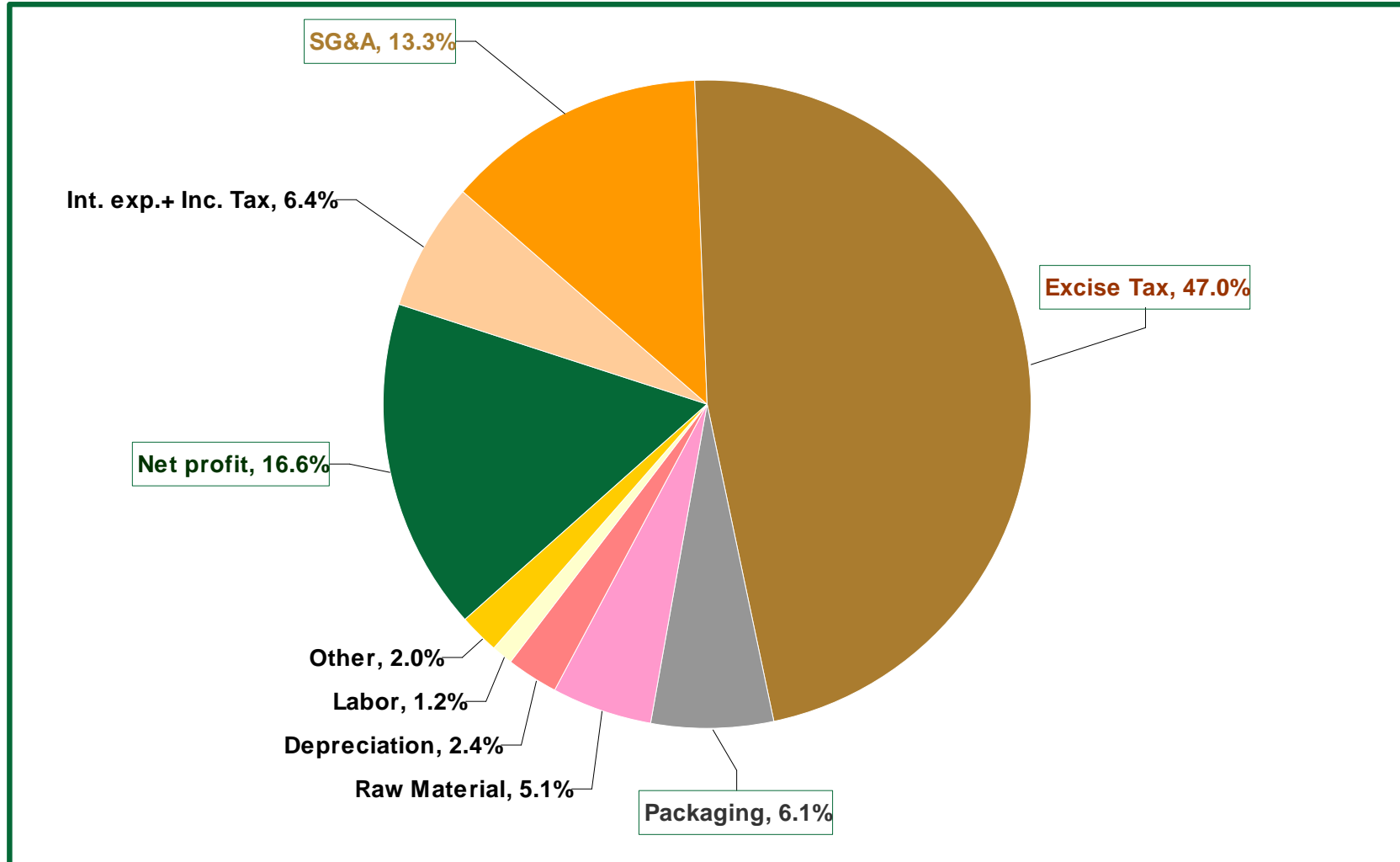
Total Free Spirits	1.3%	1.7%
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Spirits: Cont. growth in Hong Thong & Blend 285



Spirits: Revenue-Cost Break Down

(% of total revenue)



Industrial Alcohol

Industrial Alcohol	2006	2007	Change
Sales Revenue	1,205	966	-19.8%
COGS	(994)	(972)	
<i>% of Sales Revenue</i>	<i>82.5%</i>	<i>100.6%</i>	
SG&A	(178)	(140)	
<i>% of Sales Revenue</i>	<i>14.8%</i>	<i>14.5%</i>	
EBITDA	165	65	-60.6%
Net Profit	(32)	(168)	-425.0%
<u>Margin*</u>			
EBITDA	13.7%	6.7%	
Net Profit	-2.7%	-17.4%	

* margins are % of sales revenue

Ethanol	2006	2007	Change
Volume (M Litres)	47	43	-8.5%
Avr. Price (Baht/Litre)	24.94	16.63	-33.3%

<u>Sales revenue</u>	DOWN	lower sales volume of Ethanol & lower price/unit from domestic over supply
<u>COGS (%)</u>	UP	the lower price/unit made % of COGS higher
<u>SG&A (%)</u>	DOWN	decrease of idle cost
<u>EBITDA</u>	DOWN	decrease of Ethanol sales volume and margin
<u>Net Loss</u>	UP	decrease of margin and increase in depreciation cost

Financials

Cash Flow

Cash Flow	2006	2007
Cash Flow from Operating Activities	14,362	16,444
- CAPEX	(4,232)	(1,455)
Free Cash Flow	10,130	14,989
Cash Flow from Investing Activities	(5,574)	(715)
Cash Flow from Financing Activities	(10,244)	(15,271)
Ending cash	1,920	2,189

Free Cash Flow = CF from Operating Activities - CAPEX

Interest Bearing Debt

Interest Bearing Debt	31-Dec-06	31-Dec-07
<i>(Million Baht)</i>		
Current		
Bank overdrafts	1,883	1,000
Short-term loans from financial institutions	4,870	4,998
Short-term guaranteed bonds	2,200	-
Current portion of long-term guaranteed bonds	2,300	3,000
Current portion of long-term loans	1,500	1,755
Short-term loans from related parties	4,615	-
	17,368	10,753
Non-current		
Long-term guaranteed bonds	3,000	-
Long-term loans from financial institutions	3,755	5,400
	6,755	5,400
Total	24,123	16,153

Financial Ratios

Ratios	31-Dec-06	31-Dec-07
Current Ratio	1.28	1.74
Total Debt to Equity	0.63	0.45
Net Asset Value per Share (Baht)	2.21	2.19
Net Asset Value per Share (SGD)*	0.10	0.10

* exchange rate at THB 23: SGD 1

Turnovers (days)	Jan-Dec 06	Jan-Dec 07
A/R Turnover	5	5
Inventory Turnover		
<i><u>Beer/water Business</u></i>		
Finished Goods	12	15
Raw Material	4	4
<i><u>Spirits Business</u></i>		
Finished Goods (exc. Legacy Stocks)	75	79
Raw Material	8	12

<u>Current ratio</u>	UP	decrease in short-term loans, short-term bonds, other current liabilities
<u>Debt ratio</u>	DOWN	loans and bonds repayment

Q&A