

Thai Beverage Plc

Q3 2007 Results

14 November 2007



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that could cause actual results, performance or events to differ materially from those in the statements as originally made.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
- The Company has included the assets, liabilities and operations of Pacific Spirits (UK) Limited and Best Spirits Company Limited, which it acquired at the end of October 2006, in the consolidated financial statements for the period ended 30 September 2007. The consolidated financial statements for the same period of 2006 have been restated for comparison with 2007
- 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 litres unless otherwise stated
- Brown spirits are coloured spirits made from molasses and whiskeys
- White spirits are clear spirits made from molasses

The background of the slide is a microscopic view of a beverage, showing a dense field of small, circular, golden-brown particles. A dark green horizontal bar is overlaid across the middle of the image, containing the word "Highlights" in yellow text.

Highlights

9M'07: Highlights

Revenue

- Increased sales revenue from both beer (5%) and spirits (1.5%)
- Increased sales volume of beer (5.9%) and brown spirits (11.6%)
- Decreased sales volume of white spirits (-8%)

Costs

- Free Spirits has been lowered to 0.8% of spirits sales volume
- Free Beer, 7.9%, is in line with 2007 target of 8%
- Higher income tax expenses because of fully utilized tax benefits
- Logistics project for effective cost control, total investment 2,541 million
Timing: Q4'07-2009

Financial Position

- Decrease in total liabilities from bonds repayment
- Decrease in short-term loans from and amounts due to related parties
- Issued Baht 5,000 million bills to financial institutions

9M'07: Highlights – cont.

Products

- Continued growing in sales of Archa beer
- Increase PET drinking water bottle production capacity, total cost 194 million
Timing: Q4'07-Q3'08
- Acquire new white spirits brand "White Bear", through acquisition of SPM and UPC, total cost 911.1 million
Timing: will complete by the end of 2007

Tax

- Aug'07: increase in excise tax for white and compounded spirits
 - White Spirits
 - From: specific rate **70** Bt/Liter of pure alcohol, or **25%** of ex-factory price
 - To: specific rate **110** Bt/Liter of pure alcohol, or **50%** of ex-factory price
 - Compound Spirits
 - From: specific rate **240** Bt/Liter of pure alcohol, or **50%** of ex-factory price
 - To: specific rate **280** Bt/Liter of pure alcohol, or **50%** of ex-factory price
- ThaiBev passes on 100% of tax increase to distributors
- Products affected: white spirits, Hong Thong, Blend 285, Mungkorn Thong Sua Dum, Chiang Chun

9M'07: Consolidated Financial Highlights

Group	9M'06	9M'07	Change
Sales Revenue	69,186	71,299	3.1%
COGS	(48,691)	(49,979)	
<i>% of Sales Revenue</i>	<i>70.4%</i>	<i>70.1%</i>	
SG&A	(9,027)	(9,826)	
<i>% of Sales Revenue</i>	<i>13.0%</i>	<i>13.8%</i>	
EBITDA	14,981	15,422	2.9%
Net Profit	7,377	7,190	-2.5%
<u>Margin*</u>			
EBITDA	21.7%	21.6%	
Net Profit	10.7%	10.1%	

* margins are % of sales revenue

The background of the slide is a microscopic view of a beverage, showing a dense field of small, circular, golden-brown particles, likely yeast or bacteria, against a lighter, yellowish background. The particles are more distinct in the upper left and become more blurred and less distinct towards the bottom right.

Business Segments

Beer

Beer	9M'06	9M'07	Change
Sales Revenue	32,487	34,100	5.0%
COGS	(25,387)	(26,457)	
<i>% of Sales Revenue</i>	<i>78.1%</i>	<i>77.6%</i>	
SG&A	(4,036)	(4,618)	
<i>% of Sales Revenue</i>	<i>12.4%</i>	<i>13.5%</i>	
EBITDA	4,710	4,882	3.7%
Net Profit	1,515	1,277	-15.7%
<u>Margin*</u>			
EBITDA	14.5%	14.3%	
Net Profit	4.7%	3.7%	

* margins are % of sales revenue

<u>Sales revenue</u>	UP	increase in low alcohol beer sales volume
<u>COGS (%)</u>	DOWN	lower raw materials and overhead cost
<u>SG&A (%)</u>	UP	increase in idle cost, employee and marketing expenses
<u>EBITDA</u>	UP	increase in sales covers higher employee and marketing expenses
<u>Net Profit</u>	DOWN	higher depreciation cost from expansion of brewery, higher income tax because tax benefits have been fully utilized



Beer: Volume

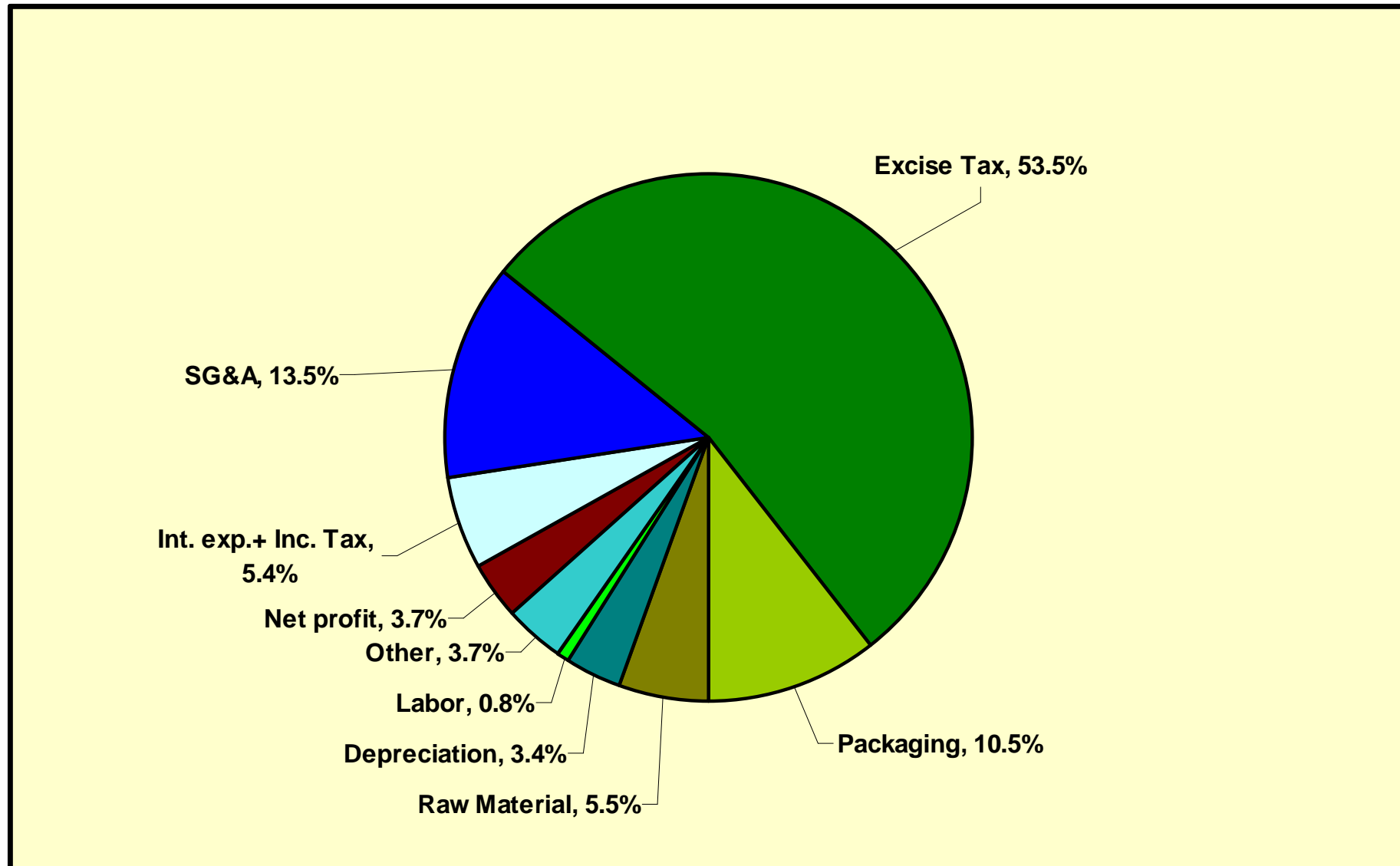
Beer	9M'06	9M'07	Change
<i>(Million Litres)</i>			
Chang	598	473	-21.0%
Low alcohol beer	50	213	329.7%
Total	648	686	5.9%
Free Beer*	7.8%	7.9%	0.4%

* Percentage of sales volume

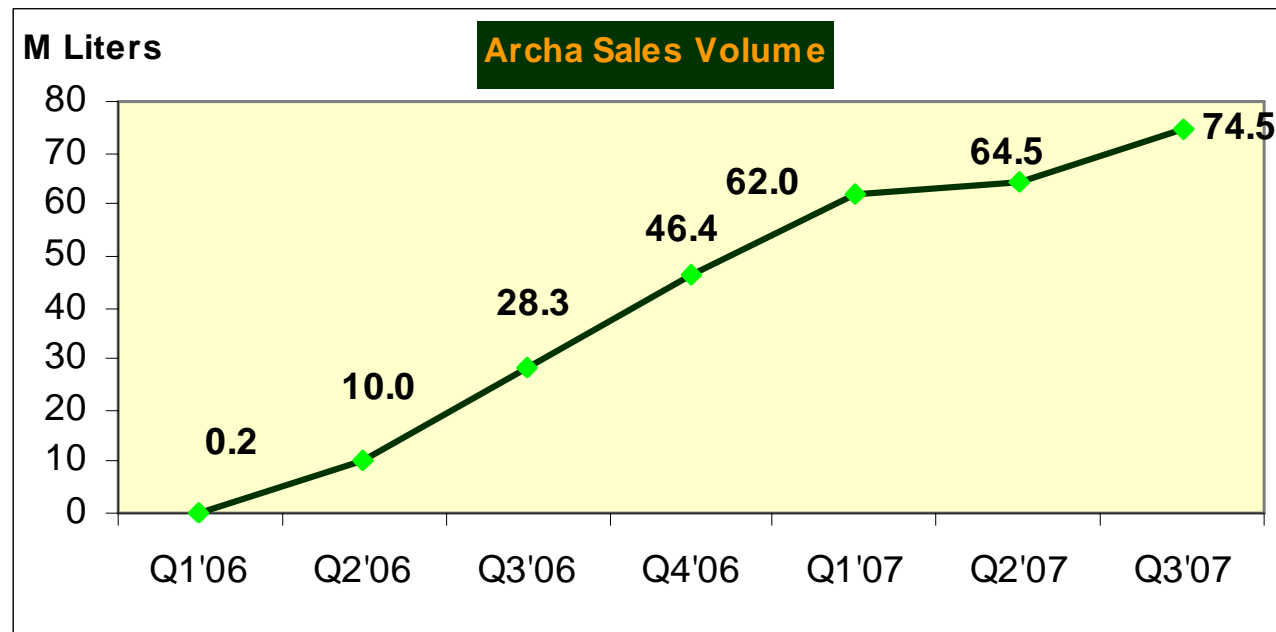
Soda & Water	9M'06	9M'07	Change
<i>(Million Litres)</i>			
Soda	9.5	7.9	-16.2%
Water	31.5	32.1	1.9%

Beer: Revenue-Cost Break Down

(% of total revenue)



Beer: Cont. growth in Archa beer



Spirits

Spirits	9M'06	9M'07	Change
Sales Revenue	36,944	37,491	1.5%
COGS	(23,590)	(23,932)	
<i>% of Sales Revenue</i>	<i>63.9%</i>	<i>63.8%</i>	
SG&A	(4,868)	(5,057)	
<i>% of Sales Revenue</i>	<i>13.2%</i>	<i>13.5%</i>	
EBITDA	10,273	10,426	1.5%
Net Profit	6,008	5,973	-0.6%
<u>Margin*</u>			
EBITDA	27.8%	27.8%	
Net Profit	16.3%	15.9%	

* margins are % of sales revenue

<u>Sales revenue</u>	UP	increase in brown spirits sales volume, increase in sales price of brown spirits
<u>COGS (%)</u>	DOWN	the increase in sale price compensate for the high molasses price in Q1'07
<u>SG&A (%)</u>	UP	increase in employee expenses
<u>EBITDA</u>	UP	decrease of free goods, higher sales price
<u>Net Profit</u>	DOWN	higher income tax because of a tax benefit had been fully utilized



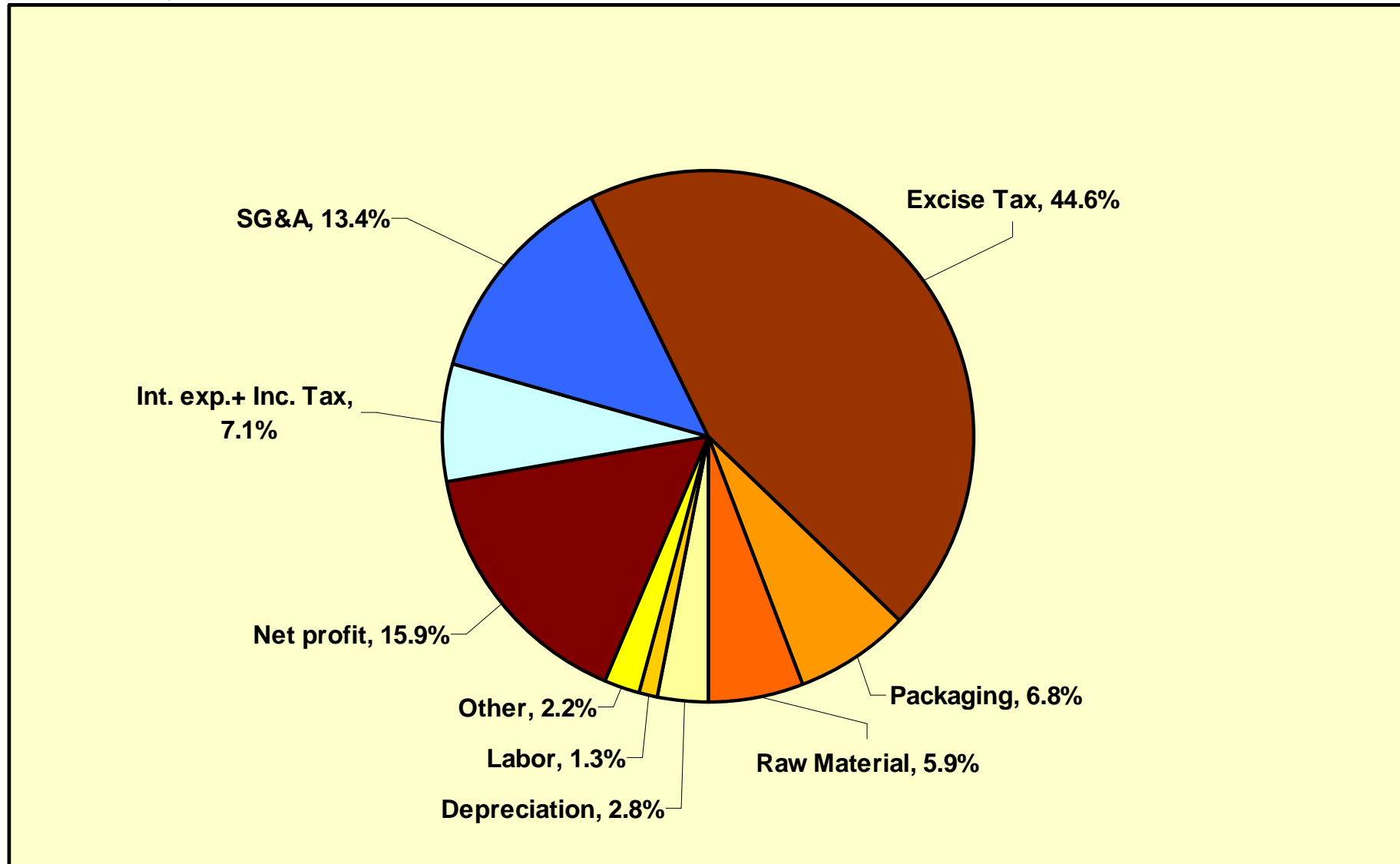
Spirits: Volume

Spirits	9M'06	9M'07	Change
<i>(Million Litres)</i>			
White	266	243	-8.4%
Brown	76	85	11.6%
Total	341	328	-4.0%
Free White Spirits*	0.9%	0.9%	-8.8%
Free Brown Spirits*	3.3%	0.6%	-82.2%

* Percentage of sales volume

Spirits: Revenue-Cost Break Down

(% of total revenue)



Industrial Alcohol

Industrial Alcohol	9M'06	9M'07	Change
Sales Revenue	712	502	-29.5%
COGS	(594)	(485)	
<i>% of Sales Revenue</i>	<i>83.4%</i>	<i>96.6%</i>	
SG&A	(135)	(126)	
<i>% of Sales Revenue</i>	<i>19.0%</i>	<i>25.1%</i>	
EBITDA	79	52	-34.2%
Net Profit	(67)	(122)	-82.1%
<u>Margin*</u>			
EBITDA	11.1%	10.4%	
Net Profit	-9.4%	-24.3%	

* margins are % of sales revenue

Ethanol	9M'06	9M'07	Change
Volume (M Litres)	27	23	-15.6%
Avr. Price (Baht/Litre)	24.61	19.14	-22.2%

<u>Sales revenue</u>	DOWN	decrease of Ethanol sales volume, and lower price/unit
<u>COGS (%)</u>	UP	the lower price/unit made % of COGS higher
<u>SG&A (%)</u>	UP	the lower price/unit made % of SG&A higher
<u>EBITDA</u>	DOWN	decrease of Ethanol sales volume and margin
<u>Net Loss</u>	UP	decrease of Ethanol sales volume and margin

Progress in Overseas Business

- Inver House Distillers received the “Distiller of the Year” award at the Icons of Whisky 2007 event
- Following the launch of Chang beer in the USA, the brand was rolled-out to the east coast markets
- In September, Chang beer has official launch in UK market
- The Mekhong brand has been repackaged and is to be launched into selected international markets as the “Spirit of Thailand.” The official launch took place in September in London
- Start shipping Chang beer to Australia and New Zealand market



The background of the slide is a close-up, high-angle shot of a golden liquid, likely beer, with numerous small, light-colored bubbles rising to the surface. The lighting is warm, creating a rich, golden hue throughout the scene.

Financial

Interest Bearing Debt

Interest Bearing Debt	31-Dec-06	30-Sep-07
<i>(Million Baht)</i>		
Current		
Bank overdrafts	1,883	749
Short-term loans from financial institutions	4,870	11,580
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	2,130
Short-term loans from related parties	4,615	-
	17,368	17,459
Non-current		
Long-term guaranteed bonds	3,000	-
Long-term loans from financial institutions	3,755	4,500
	6,755	4,500
Total	24,123	21,959

Financial Ratios

Ratios	31-Dec-06	30-Sep-07
Current Ratio	1.28	1.38
Total Debt to Equity	0.63	0.57
Net Asset Value per Share (Baht)	2.21	2.15
Net Asset Value per Share (SGD)*	0.10	0.09

* exchange rate at THB 23: SGD 1

Turnovers (days)	Jan-Dec 06	Jan-Sep 07
A/R Turnover	5	4
Inventory Turnover		
<u>Beer/water Business</u>		
Finished Goods	12	19
Raw Material	4	5
<u>Spirits Business</u>		
Finished Goods (exc. Legacy Stocks)	75	95
Raw Material	8	15

Current ratio UP increase in inventories of finished goods and raw materials

Debt ratio DOWN bonds repayment

The background of the slide is a microscopic view of a beverage surface, showing a dense layer of small, circular, golden-brown particles. A dark green horizontal bar is overlaid across the middle of the image.

Q&A