

# Thai Beverage Plc

Second Quarter/First Half 2006 results

Presented by Richard Jones  
Head of Investor Relations

The Initial Public Offering of shares of Thai Beverage Plc was sponsored by Deutsche Bank AG, Singapore Branch, J.P. Morgan (S.E.A) Limited and Merrill Lynch (Singapore) Pte. Ltd.

# 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that could cause actual results, performance or events to differ materially from those in the statements as originally made.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. To make comparisons historically, please refer to the IPO prospectus. Thai GAAP statements are on pages starting with F-1
- 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

# Key Points

- IPO May 2006
  - Total shares outstanding: 25,110 million
  - Free float: approx. 22.12%
  - Dividend policy: not less than 50% of net profit after deducting all appropriated reserves
- Sales of beer, soda & water up 30.4 million litres
- Sales of brown spirits down 13.6 million litres principally due to impact of higher taxes
- Sales of white spirits up 5.6 million litres
- Paid out Baht 5,280 million based on performance in 2005
- Interim dividend for first half of 2006 = Baht 2,762 million (Baht 0.11 per share)

# Consolidated H1 2005-H1 2006

	H1/2005	H1/2006	Change
Sales Revenue	45,540.2	46,632.6	2.4% ▲
EBITDA	10,829.6	10,297.8	-4.9% ▼
<i>EBITDA Margin</i>	23.8%	22.1%	
Net Profit	5,363.2	5,108.6	-4.7% ▼
<i>Profit Margin</i>	11.8%	11.0%	

	2004*	2005
Sales revenue	90,126.2	92,091.2
EBITDA	20,944.2	20,999.9
<i>EBITDA Margin</i>	23.2%	22.8%
Net Profit	10,417.5	10,409.4
<i>Profit Margin</i>	11.6%	11.3%

Margins being maintained compared with historic figures

Note: margins are % of revenue.

## Consolidated Q2 2005-Q2 2006

	Q2/2005	Q2/2006	Change
Sales Revenue	22,655.7	23,900.3	5.5% ▲
EBITDA	5,180.0	5,188.7	0.2% ▲
<i>EBITDA Margin</i>	22.9%	21.7%	
Net Profit	2,598.7	2,543.9	-2.1% ▼
<i>Net Profit Margin</i>	11.5%	10.6%	

Compare this quarter with our first quarter

	Q1/2006	Q2/2006	Change
Sales Revenue	22,732.3	23,900.3	5.1% ▲
EBITDA	5,109.1	5,188.7	1.6% ▲
Net Profit	2,564.7	2,543.9	-0.8% ▼

Note: margins are % of revenue

# Half Year Earnings Base

(EBITDA)	H1/2005	H1/2006	Change
Beer & Water	2,445.9	3,149.0	28.7% ▲
Spirits	8,153.1	6,950.1	-14.8% ▼
Industrial Alcohol	111.1	10.9	-90.2% ▼
Related Businesses	121.8	217.5	78.6% ▲
Intersegment Eliminations	(2.3)	(29.7)	
<b>Total</b>	<b>10,829.6</b>	<b>10,297.8</b>	<b>-4.9% ▼</b>

Reduction of free beer promotion \*

	Q2/2005	Q2/2006	Change
Free beer	12.8%	7.7%	-40% ▼

	H1/2005	H1/2006	Change
Free beer	12.1%	8.3%	-31% ▼

\* Note: free beer as a percentage of sales volume

# Quarterly Earnings

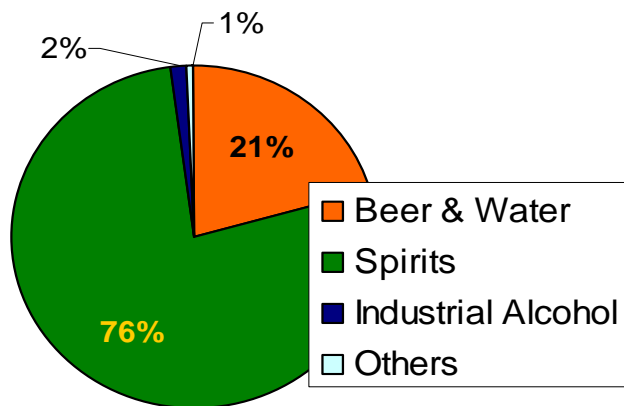
	Q2/2005	Q2/2006	Increase (decrease)	% Increase (decrease)	
EBITDA					
Beer, Soda & Drinking Water	1,374.4	1,614.1	239.7	17.4%	▲
<i>EBITDA Margin</i>	12.9%	13.5%			▲
Spirits	3,824.7	3,394.5	(430.2)	(11.2%)	▼
<i>EBITDA Margin</i>	31.8%	28.1%			▼
Industrial Alcohol	11.9	13.6	1.7	14.3%	▲
<i>EBITDA Margin</i>	16.4%	9.9%			▼
Related Business	38.4	191.5	153.1	398.7%	▲
<i>EBITDA Margin</i>	2.0%	9.5%			▲
Intersegment Eliminations	(69.4)	(25.0)	44.4		
Total	5,180.0	5,188.7	8.7	0.2%	▲

- ▶ Beer EBITDA margin improved in Q2/2006 due to higher sales volume and lower promotional goods
- ▶ Spirits EBITDA margin weakened primarily due to increased excise tax on brown spirits and higher priced molasses
- ▶ Molasses prices also affected margins on industrial alcohol



## Profit Contribution per Business Segment

	H1/2005	H1/2006	Change	
Beer & Water	651.3	1,109.5	70.4%	▲
Spirits	4,697.0	4,138.4	-11.9%	▼
Industrial Alcohol	13.1	(82.9)	-732.8%	▼
Related Business	3.6	(28.3)	-886.1%	▼
Intersegment Eliminations	(1.8)	(28.1)		
<b>Total</b>	<b>5,363.2</b>	<b>5,108.6</b>	<b>-4.7%</b>	<b>▼</b>



▶ Excise tax still 74% of cost of sales

# ThaiBev Sales H1 2006

Sales Revenues	H1/2005	H1/2006	Change
Beer and Water	21,203.9	22,761.1	7.3% ▲
Spirits	24,349.6	24,106.1	-1.0% ▼
Industrial Alcohol	273.0	213.0	-22.0% ▼
Related Business	3,551.7	3,641.8	2.5% ▲
Intersegment Eliminations	(3,838.0)	(4,089.4)	6.6% ▲
Total	45,540.2	46,632.6	2.4% ▲

Ethanol prices rise with demand

in Baht	Q2/2005	Q2/2006	Change
Price of ethanol per litre	12.77	24.79	94% ▲

# Beer volumes up 13.4%

Millions of Litres

	Q2/2005	Q2/2006	
Beer sales *	208.0	235.9	13.4% ▲
Soda	3.8	3.4	-9.9% ▼
Water	10.9	10.4	-4.3% ▼
Total	222.7	249.7	12.1% ▲

Millions of Litres

	H1/2005	H1/2006	
Beer sales *	413.5	445.8	7.8% ▲
Soda	8.3	7.3	-11.90% ▼
Water	22.0	21.2	-3.80% ▼
Total	443.9	474.3	6.9% ▲

## Keeping it in Perspective

Soda water was 1.6% of total volume in H1/2006  
 Drinking water was 4.8% of total volume in H1/2006

\* Exceptional rise largely attributable to increased consumption during FIFA World Cup in Q2/2007

# Spirits volumes down 6% largely due to impact of excise tax

Millions of Litres (unless otherwise stated)

	Q2/2005	Q2/2006	Change	
White spirits	89.3	87.9	-1.4	-1.6% ▼
Brown spirits	28.7	22.9	-5.8	-20.3% ▼
Total	118.1	110.8	-7.3	-6.2% ▼

Q2/2006	Apr-06	May-06	Jun-06
Hong Thong	0.2	0.5	0.7 ▲
Change		40%	71% ▲

	H1/2005	H1/2006	Change	
White spirits	180.6	186.2	5.6	3.1% ▲
Brown spirits	58.0	44.4	-13.6	-23.4% ▼
Total	238.6	230.6	-8.0	-3.3% ▼

## Financial Stability

	H1/2005	H1/2006	Change
Current ratio (times)	0.65	1.58	143% ▲
Total debt to equity	1.59	0.72	-55% ▼
Net Asset Value per share	1.43	2.10	47% ▲

- ▶ Aim to keep D/E ratio below 1.0x in line with peers
- ▶ No intention of being a net cash company
- ▶ No short term requirements for increased CAPEX to increase capacity due to sufficient capacity at distilleries and current beer capacity expansion project will be completed by first quarter 2007

# Keys to Future Growth

**Distribution infrastructure** > Unequaled and base to launch new products in future

**Spirits:** > Dominant position in Thai market

**Beer:** > Rising growth with opportunities to enter other market segments

**Regional alcohol beverage growth:** > strong and profitable

# Outlook

- Introduced Chang Light in Thailand and other markets to appeal to higher segment
- Seasonal periods for sales:
  - July to September (Buddhist Lent) ▼
  - November (Loi Kratong Festival) ▲
  - Dec – Jan (Cool Season, New Year Festival) ▲
  - April (Thai New Year) ▲