

Thai Beverage PLC.

H1'10 Financial Results

10 Aug 2010

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that could cause actual results, performance or events to differ materially from those in the statements as originally made.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

- Current operations by business segments consist of beer, spirits, non-alcoholic beverages and food
- The Company acquired Yunnan Yulinquan Liquor Co. Ltd., a white spirits distillery in People's Republic of China, in the fourth quarter of 2009 through an indirect subsidiary in Hong Kong at a total consideration of RMB 69 million. The operation of this company was included in the spirits business segment since the fourth quarter ended 31 December 2009 onwards
- 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'09	Interim'10
Net Profit belonging to the Company (M)	5,773	5,054
Number of Shares (M)	25,110	25,110
Interim Dividend (M)	3,767	3,767
Earnings per share (Baht)	0.23	0.20
Dividend Payout Ratio	65%	75%
Dividend per share (Baht)	0.15	0.15

Consolidated: H1'10 Highlights

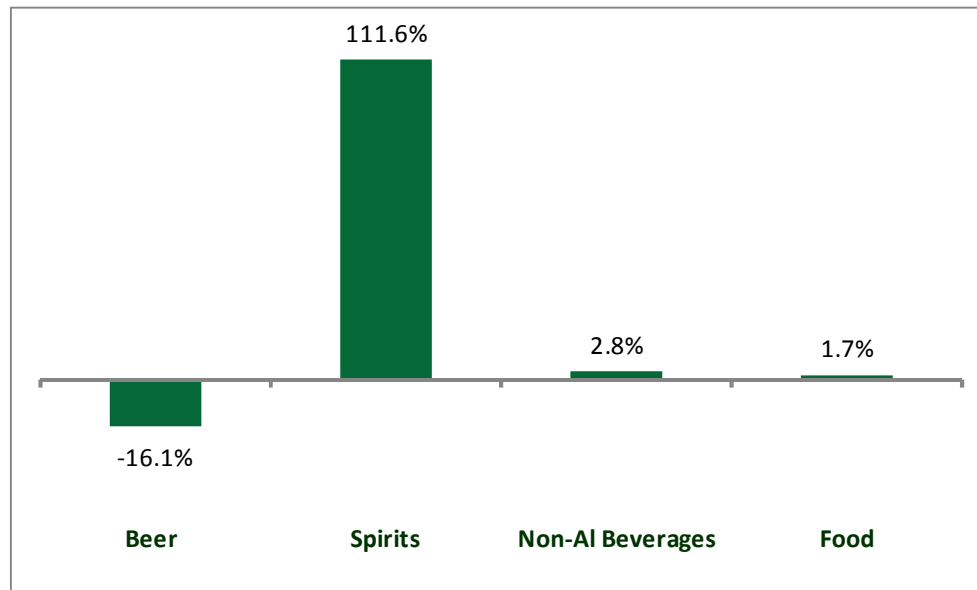
Group	H1'09	H1'10	Change
Sales Revenue	54,347	59,407	9.3%
COGS	(38,109)	(42,760)	
<i>% of Sales Revenue</i>	<i>70.1%</i>	<i>72.0%</i>	
SG&A	(7,483)	(9,352)	
<i>% of Sales Revenue</i>	<i>13.8%</i>	<i>15.7%</i>	
EBITDA	11,013	9,678	-12.1%
Net Profit	5,814	5,108	-12.1%
<i>Less: Minority interests</i>	(41)	(54)	
Net Profit belonging to the Company	5,773	5,054	-12.4%
<u>Margin*</u>			
EBITDA	20.3%	16.3%	
Net Profit	10.7%	8.6%	

* margins are % of sales revenue

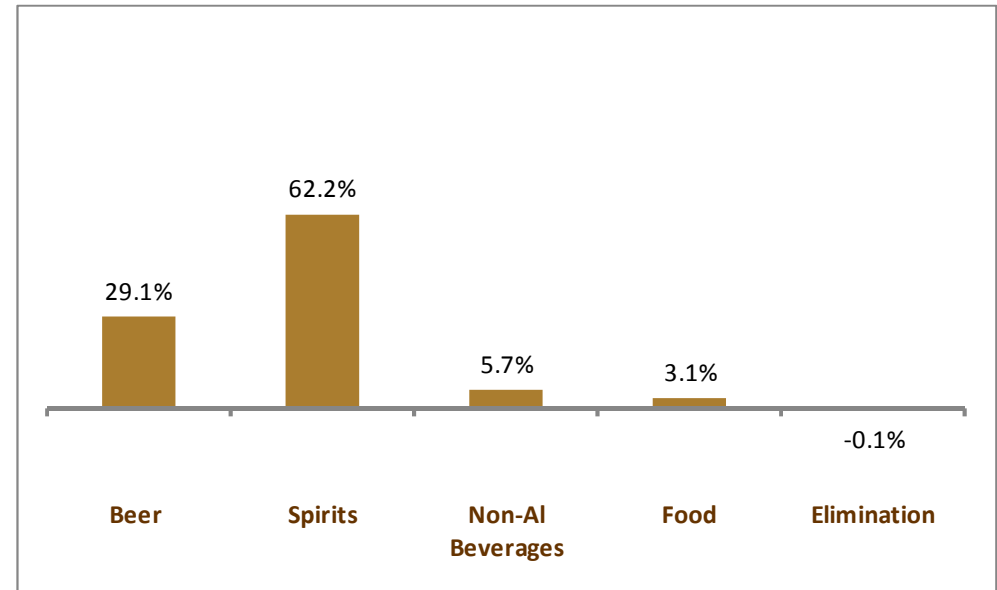
Contribution per Business Segment

H1'10

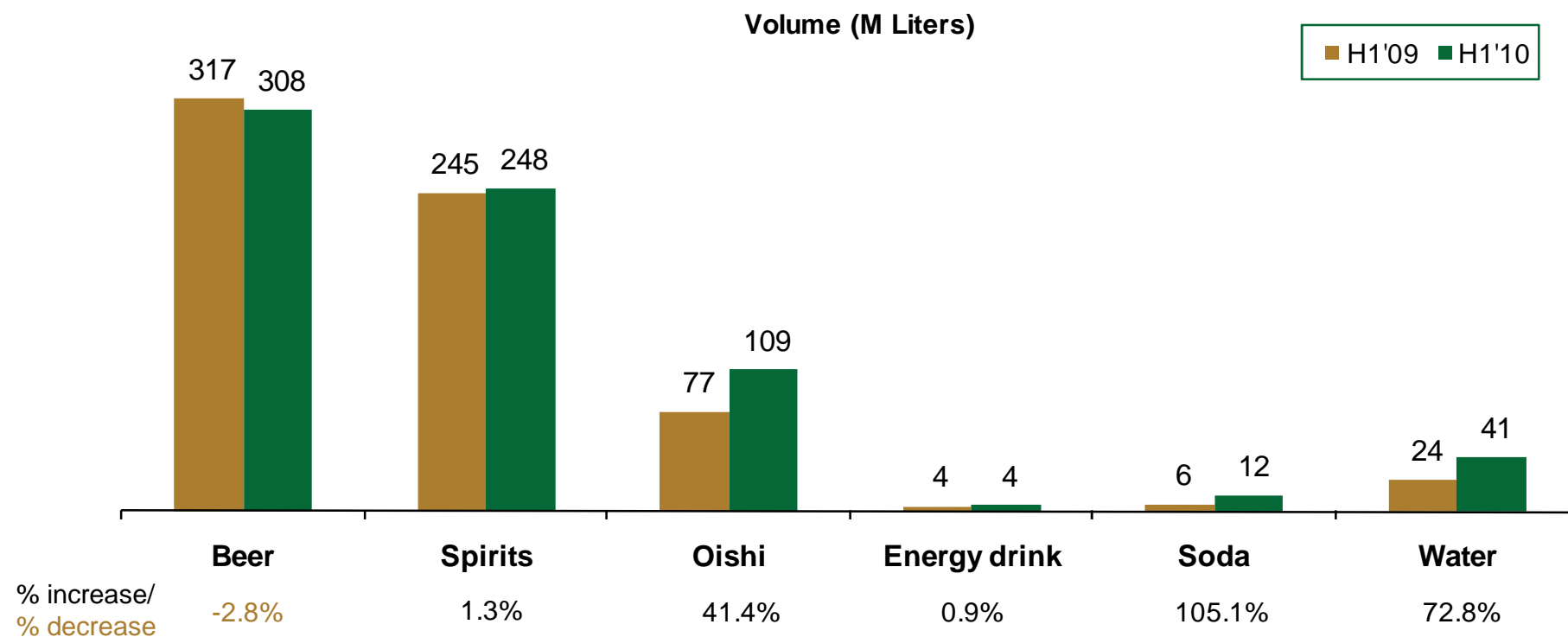
Net Profit



Sales



Total Sales Volume



Business Segments

Spirits

Spirits	H1'09	H1'10	Change
Sales Revenue	34,729	36,917	6.3%
COGS	(22,369)	(24,585)	
<i>% of Sales Revenue</i>	<i>64.4%</i>	<i>66.6%</i>	
SG&A	(3,634)	(4,171)	
<i>% of Sales Revenue</i>	<i>10.5%</i>	<i>11.3%</i>	
EBITDA	9,902	9,420	-4.9%
Net Profit	6,016	5,703	-5.2%
<u>Margin*</u>			
EBITDA	28.5%	25.5%	
Net Profit	17.3%	15.4%	

* margins are % of sales revenue

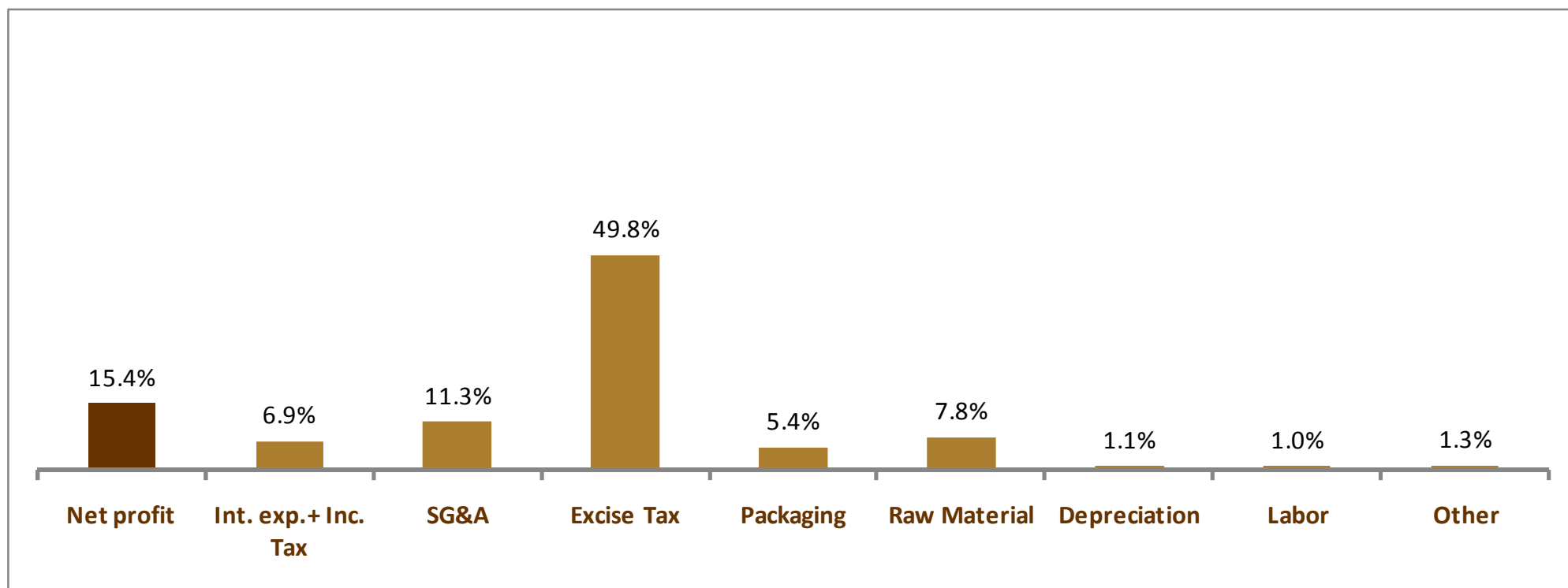
<u>Sales revenue</u>	UP	increase in sales volume and sales price to cover excise tax rise in May 2009
<u>COGS (%)</u>	UP	increase in raw material cost
<u>SG&A (%)</u>	UP	increase in donation expenses and product protection expenses
<u>EBITDA</u>	DOWN	increase in COGS and SG&A
<u>Net Profit</u>	DOWN	decrease in EBITDA although there was a decrease in interest expenses



Spirits: Revenue-Cost Break Down

(% of total revenue)

H1'10



Beer

Beer	H1'09	H1'10	Change
Sales Revenue	15,925	17,295	8.6%
COGS	(13,395)	(14,681)	
<i>% of Sales Revenue</i>	<i>84.1%</i>	<i>84.9%</i>	
SG&A	(3,048)	(3,739)	
<i>% of Sales Revenue</i>	<i>19.1%</i>	<i>21.6%</i>	
EBITDA (Loss)	443	(282)	-163.7%
Net Profit (Loss)	(560)	(824)	-47.1%
<u>Margin*</u>			
EBITDA (-Loss)	2.8%	-1.6%	
Net Profit (-Loss)	-3.5%	-4.8%	

* margins are % of sales revenue

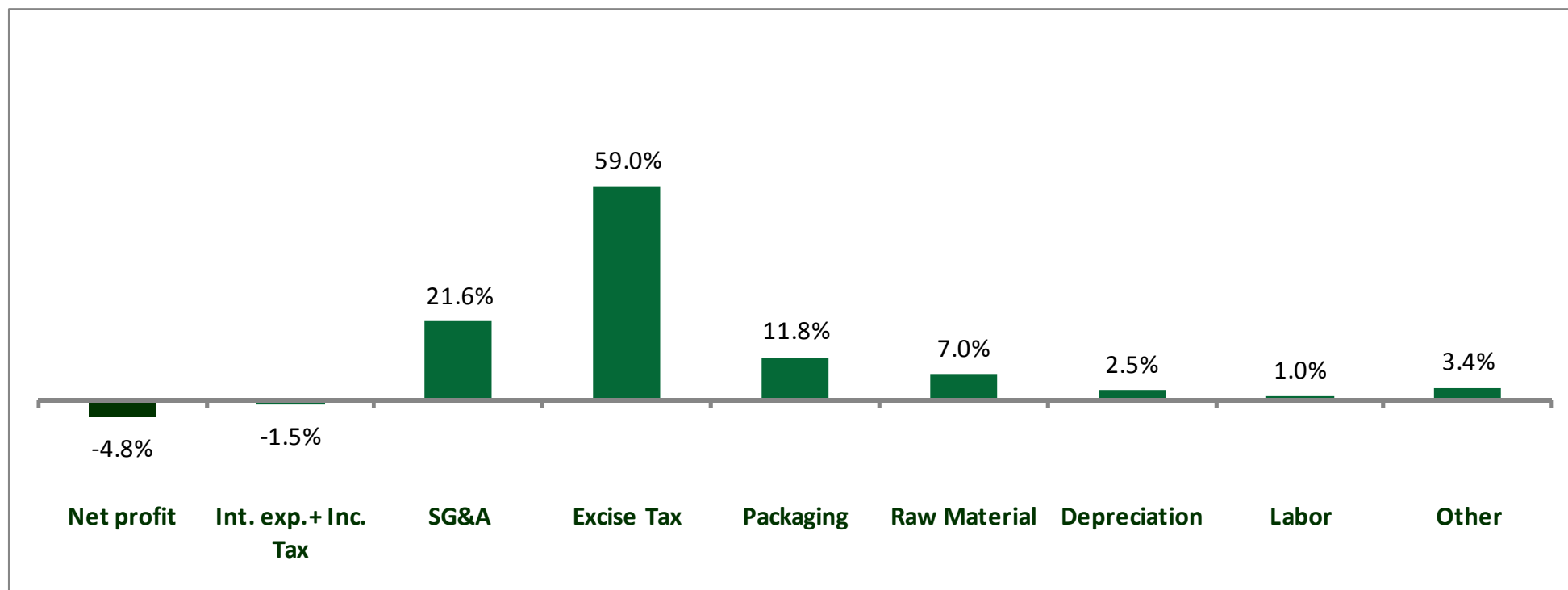
<u>Sales revenue</u>	UP	increase in sales price to cover excise tax rise in May 2009
<u>COGS (%)</u>	UP	company adjusted sales price to cover the amount of tax rise (Baht), this reduced margin in terms of percentage of sales, although packaging costs decreased
<u>SG&A (%)</u>	UP	increase of sales promotion expenses
<u>EBITDA</u>	DOWN	increase in SG&A
<u>Net Profit</u>	DOWN	decrease in EBITDA although there was a decrease in interest expenses



Beer: Revenue-Cost Break Down

(% of total revenue)

H1'10



Update: International Business

- USA
 - USA performance continued to improve with strong sales growth as we continued to build a stronger presence in both the Asian and mainstream channels. One of Thailand's superstar entertainers, Bird Thongchai, performed at Lincoln Center in NYC and USC Galen Center in Los Angeles as part of Chang's music marketing program helping to drive penetration into new accounts and driving account productivity. Chang Beer sales increased 46% YoY.
 - InverHouse's Scotch whisky brands, Speyburn continued to outperform our expectation.

- UK & North Asia
 - IBHL UK sales have performed strongly with sales growth of 31% driven by Chang Beer, with increased distribution and listings in national stores such as OddBins, and leveraging Everton Football sponsorships in Tesco. Whisky sales also continued to grow.
 - Yunnan Yulinquan Liquor Co. Ltd (YLQ) operations in China have also showed strong growth as we continued to focus on mid to high tier brands.

- ASEAN
 - ASEAN performance was driven by Chang Beer sales increasing by 130% with continuing market support behind the brand.

Non-alcoholic Beverages

Non-alcoholic Beverages	H1'09	H1'10	Change
Sales Revenue	2,319	3,395	46.4%
COGS	(1,443)	(2,371)	
<i>% of Sales Revenue</i>	<i>62.2%</i>	<i>69.8%</i>	
SG&A	(533)	(877)	
<i>% of Sales Revenue</i>	<i>23.0%</i>	<i>25.8%</i>	
EBITDA	526	357	-32.1%
Net Profit	301	143	-52.5%
<u>Margin*</u>			
EBITDA	22.7%	10.5%	
Net Profit	13.0%	4.2%	

* margins are % of sales revenue

<u>Sales revenue</u>	UP	increase of Oishi beverages, soda and water sales
<u>COGS (%)</u>	UP	change in product mix of Oishi created higher cost, and increase in raw material cost
<u>SG&A (%)</u>	UP	increase in advertising and marketing expenses
<u>EBITDA</u>	DOWN	increase in SG&A
<u>Net Profit</u>	DOWN	decrease in EBITDA although there was a decrease in interest expenses



Food

Food	H1'09	H1'10	Change
Sales Revenue	1,558	1,856	19.1%
COGS	(915)	(1,162)	
<i>% of Sales Revenue</i>	<i>58.7%</i>	<i>62.6%</i>	
SG&A	(586)	(606)	
<i>% of Sales Revenue</i>	<i>37.6%</i>	<i>32.7%</i>	
EBITDA	142	183	28.9%
Net Profit	57	86	50.9%
<u>Margin*</u>			
EBITDA	9.1%	9.9%	
Net Profit	3.7%	4.6%	

* margins are % of sales revenue

<u>Sales revenue</u>	UP	increase in the number of branches and an increase in selling price
<u>COGS (%)</u>	UP	increase in food costs due to a greater variety of foods
<u>SG&A (%)</u>	DOWN	sales growth is higher than the increase in SG&A
<u>EBITDA</u>	UP	increase in gross profit
<u>Net Profit</u>	UP	increase in EBITDA and a decrease in interest expenses



Financials

Interest Bearing Debt

Interest Bearing Debt	31-Dec-09	30-Jun-10
<i>(Million Baht)</i>		
Current		
Bank overdrafts	655	362
Short-term loans from financial institutions	5,063	7,631
Current portion of long-term loans	3,765	4,090
	<u>9,483</u>	<u>12,083</u>
Non-current		
Long-term loans from financial institutions	2,500	-
	<u>2,500</u>	<u>-</u>
Total	<u>11,983</u>	<u>12,083</u>

Financial Ratios

Ratios	31-Dec-09	30-Jun-10
Current Ratio	1.85	1.65
Total Debt to Equity	0.37	0.37
Net Asset Value per Share (Baht)	2.24	2.25
Net Asset Value per Share (SGD)*	0.09	0.09

* exchange rate at THB 24: SGD 1

Turnovers (days)	Jan-Dec 09	Jan-Jun 10
A/R Turnover	6	6
Inventory Turnover		
<u>Beer Business</u>		
Finished Goods	40	24
<u>Spirits Business</u>		
Finished Goods (exc. Legacy Stocks)	59	55

Current ratio DOWN increase in current liabilities

Note: use 365 days to calculate turnover

Q&A