

Thai Beverage PLC.

9M'10 Financial Results

12 Nov 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that could cause actual results, performance or events to differ materially from those in the statements as originally made.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 spirits, beer, non-alcoholic beverages and food
- The Company acquired Yunnan Yulinquan Liquor Co. Ltd., a 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

Consolidated: Q3'10 Highlights

Group	Q3'09	Q3'10	Change
Sales Revenue	21,557	27,273	26.5%
COGS	(14,920)	(19,994)	
<i>% of Sales Revenue</i>	<i>69.2%</i>	<i>73.3%</i>	
SG&A	(3,744)	(4,255)	
<i>% of Sales Revenue</i>	<i>17.4%</i>	<i>15.6%</i>	
EBITDA	4,080	4,181	2.5%
Net Profit	1,901	2,259	18.8%
<i>Less: Minority interests</i>	<i>(21)</i>	<i>(25)</i>	
Net Profit belonging to the Company	1,880	2,234	18.8%
<u>Margin*</u>			
EBITDA	18.9%	15.3%	
Net Profit	8.8%	8.3%	

* margins are % of sales revenue

Consolidated: 9M'10 Highlights

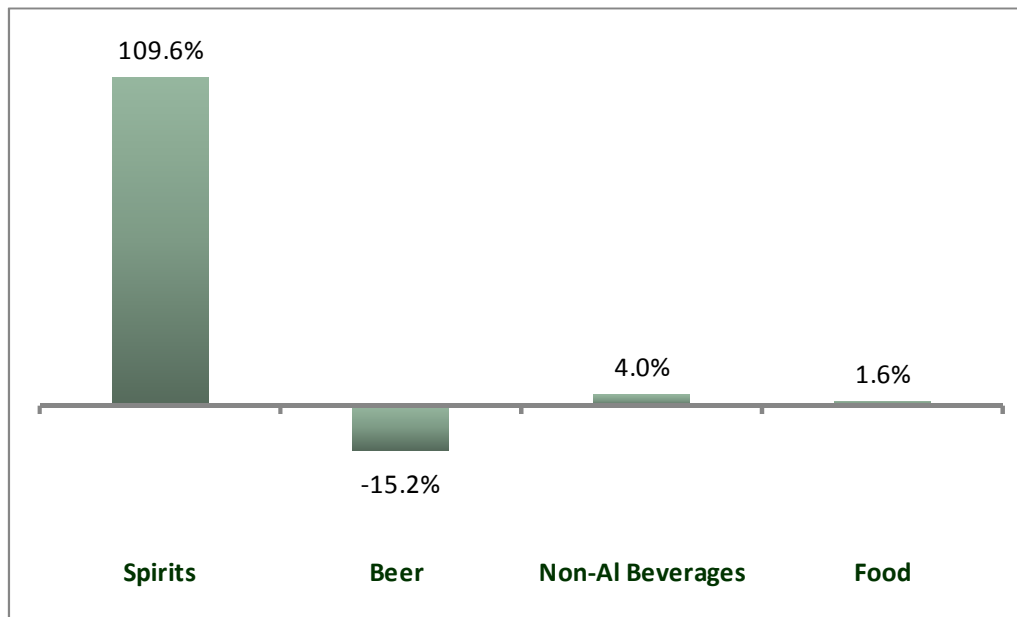
Group	9M'09	9M'10	Change
Sales Revenue	75,904	86,680	14.2%
COGS	(53,029)	(62,754)	
<i>% of Sales Revenue</i>	<i>69.9%</i>	<i>72.4%</i>	
SG&A	(11,227)	(13,607)	
<i>% of Sales Revenue</i>	<i>14.8%</i>	<i>15.7%</i>	
EBITDA	15,093	13,859	-8.2%
Net Profit	7,715	7,367	-4.5%
<i>Less: Minority interests</i>	(62)	(79)	
Net Profit belonging to the Company	7,653	7,288	-4.8%
<u>Margin*</u>			
EBITDA	19.9%	16.0%	
Net Profit	10.2%	8.5%	

* margins are % of sales revenue

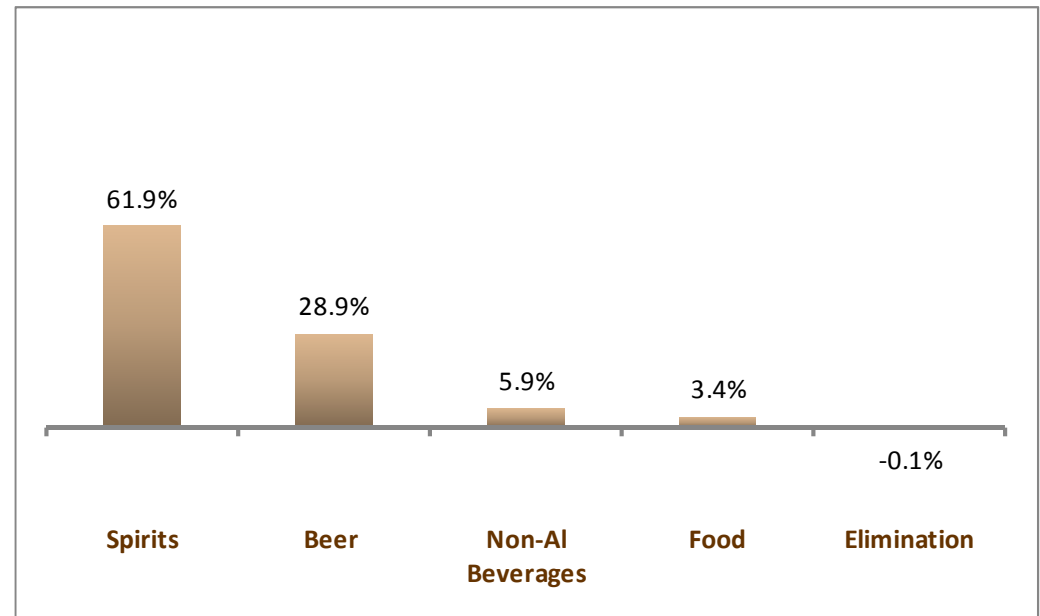
Contribution per Business Segment

9M'10

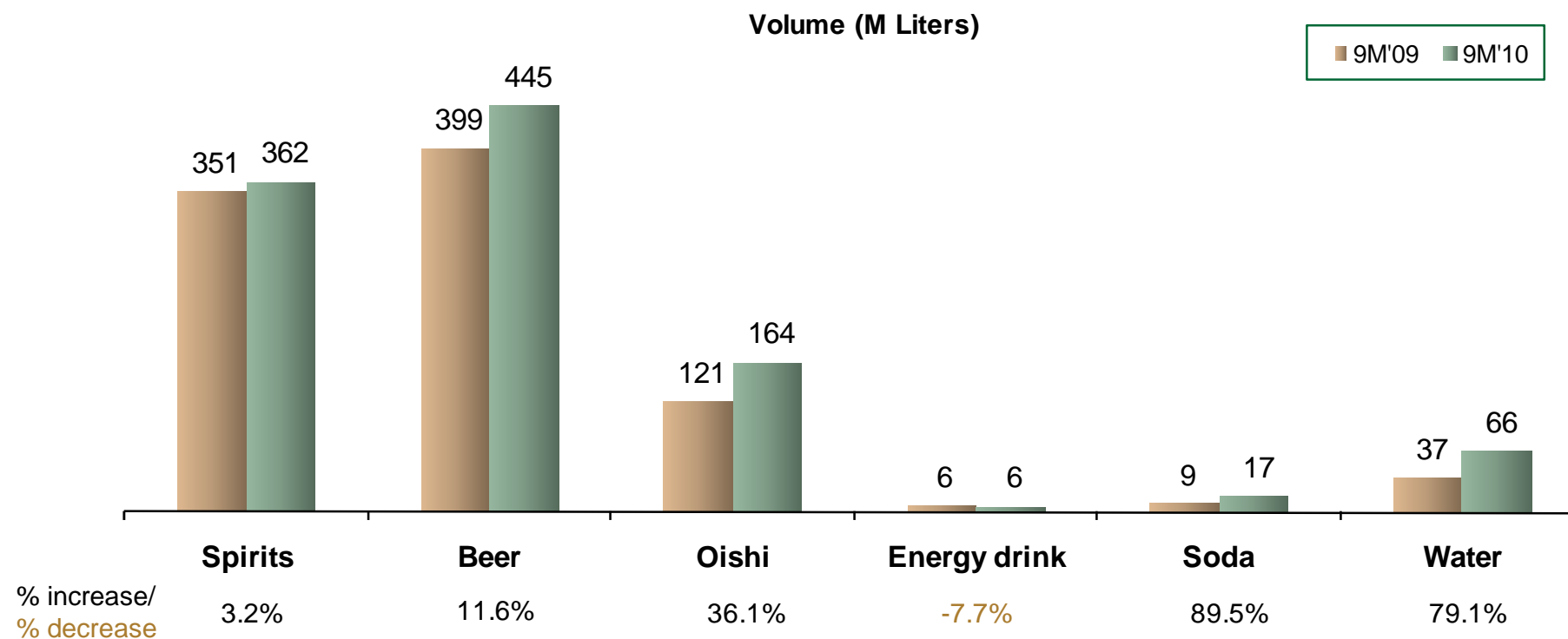
Net Profit



Sales



Total Sales Volume



Business Segments

Spirits

Spirits	Q3'09	Q3'10	Change
Sales Revenue	14,866	16,715	12.4%
COGS	(9,680)	(11,386)	
<i>% of Sales Revenue</i>	<i>65.1%</i>	<i>68.1%</i>	
SG&A	(1,803)	(1,929)	
<i>% of Sales Revenue</i>	<i>12.1%</i>	<i>11.5%</i>	
EBITDA	3,996	4,001	0.1%
Net Profit	2,348	2,373	1.1%
Margin*			
EBITDA	26.9%	23.9%	
Net Profit	15.8%	14.2%	

* margins are % of sales revenue

<u>Sales revenue</u>	UP	an increase in sales volume
<u>COGS (%)</u>	UP	an increase in raw material cost
<u>SG&A (%)</u>	DOWN	a decrease in idle cost
<u>EBITDA</u>	UP	an increase in gross profit
<u>Net Profit</u>	UP	an increase in EBITDA and a decrease in interest expenses



Spirits

Spirits	9M'09	9M'10	Change
Sales Revenue	49,595	53,632	8.1%
COGS	(32,049)	(35,971)	
<i>% of Sales Revenue</i>	<i>64.6%</i>	<i>67.1%</i>	
SG&A	(5,437)	(6,100)	
<i>% of Sales Revenue</i>	<i>11.0%</i>	<i>11.4%</i>	
EBITDA	13,898	13,421	-3.4%
Net Profit	8,364	8,076	-3.4%
<u>Margin*</u>			
EBITDA	28.0%	25.0%	
Net Profit	16.9%	15.1%	

* margins are % of sales revenue

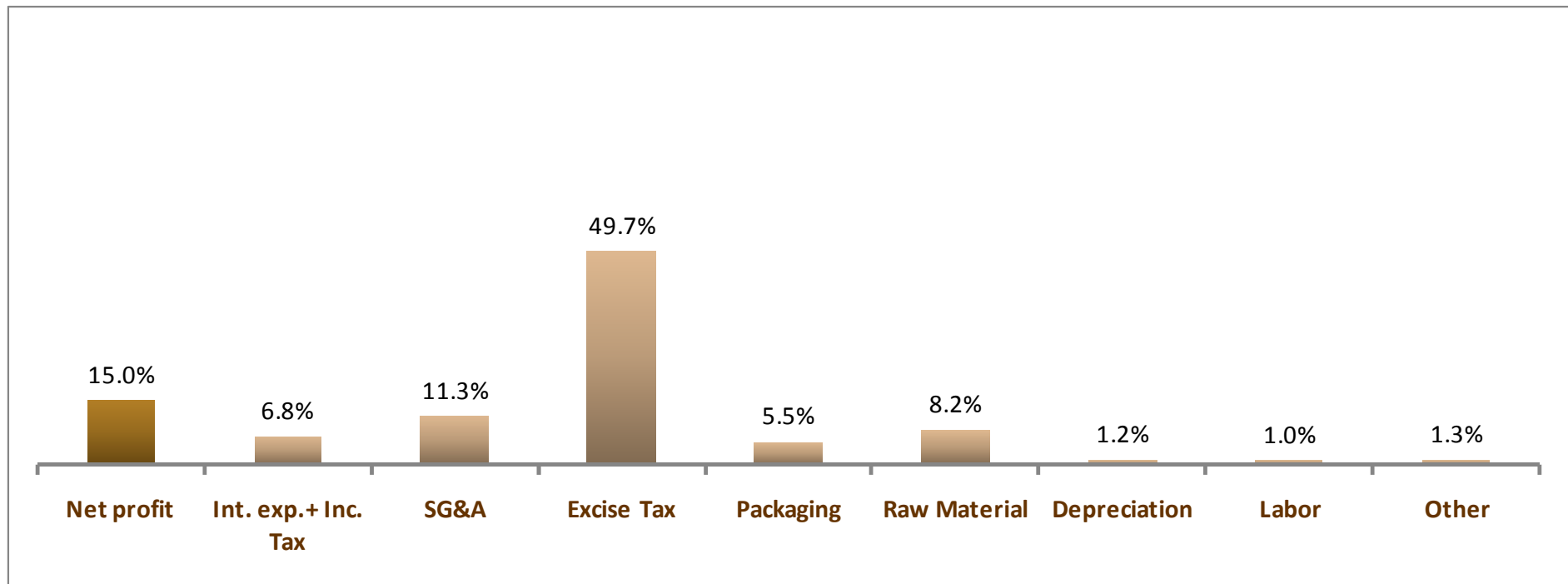
<u>Sales revenue</u>	UP	an increase in sales volume and sales price to cover excise tax rise in May 2009
<u>COGS (%)</u>	UP	an increase in raw material cost
<u>SG&A (%)</u>	UP	an increase in donation expenses and product protection expenses
<u>EBITDA</u>	DOWN	an increase in COGS and SG&A
<u>Net Profit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



Spirits: Revenue-Cost Break Down

(% of total revenue)

9M'10



Beer

Beer	Q3'09	Q3'10	Change
Sales Revenue	4,565	7,794	70.7%
COGS	(3,913)	(6,696)	
<i>% of Sales Revenue</i>	<i>85.7%</i>	<i>85.9%</i>	
SG&A	(1,416)	(1,641)	
<i>% of Sales Revenue</i>	<i>31.0%</i>	<i>21.1%</i>	
EBITDA (Loss)	(281)	(128)	54.4%
Net Profit (Loss)	(639)	(293)	54.1%
<u>Margin*</u>			
EBITDA	-6.2%	-1.6%	
Net Profit(-Loss)	-14.0%	-3.8%	

* margins are % of sales revenue

<u>Sales revenue</u>	UP	an increase in sales volume
<u>COGS (%)</u>	UP	a slight increase because of product mix
<u>SG&A (%)</u>	DOWN	a decrease in idle costs, although sales promotion expenses increased
<u>EBITDA Loss</u>	DOWN	an increase in sales, although sales promotion expenses increased
<u>Net Loss</u>	DOWN	a decrease in EBITDA loss, and a decrease in interest expenses



Beer

Beer	9M'09	9M'10	Change
Sales Revenue	20,490	25,089	22.4%
COGS	(17,308)	(21,377)	
<i>% of Sales Revenue</i>	<i>84.5%</i>	<i>85.2%</i>	
SG&A	(4,464)	(5,380)	
<i>% of Sales Revenue</i>	<i>21.8%</i>	<i>21.4%</i>	
EBITDA (Loss)	162	(410)	-353.1%
Net Profit (Loss)	(1,199)	(1,117)	6.8%
<u>Margin*</u>			
EBITDA (-Loss)	0.8%	-1.6%	
Net Profit (-Loss)	-5.9%	-4.5%	

* margins are % of sales revenue

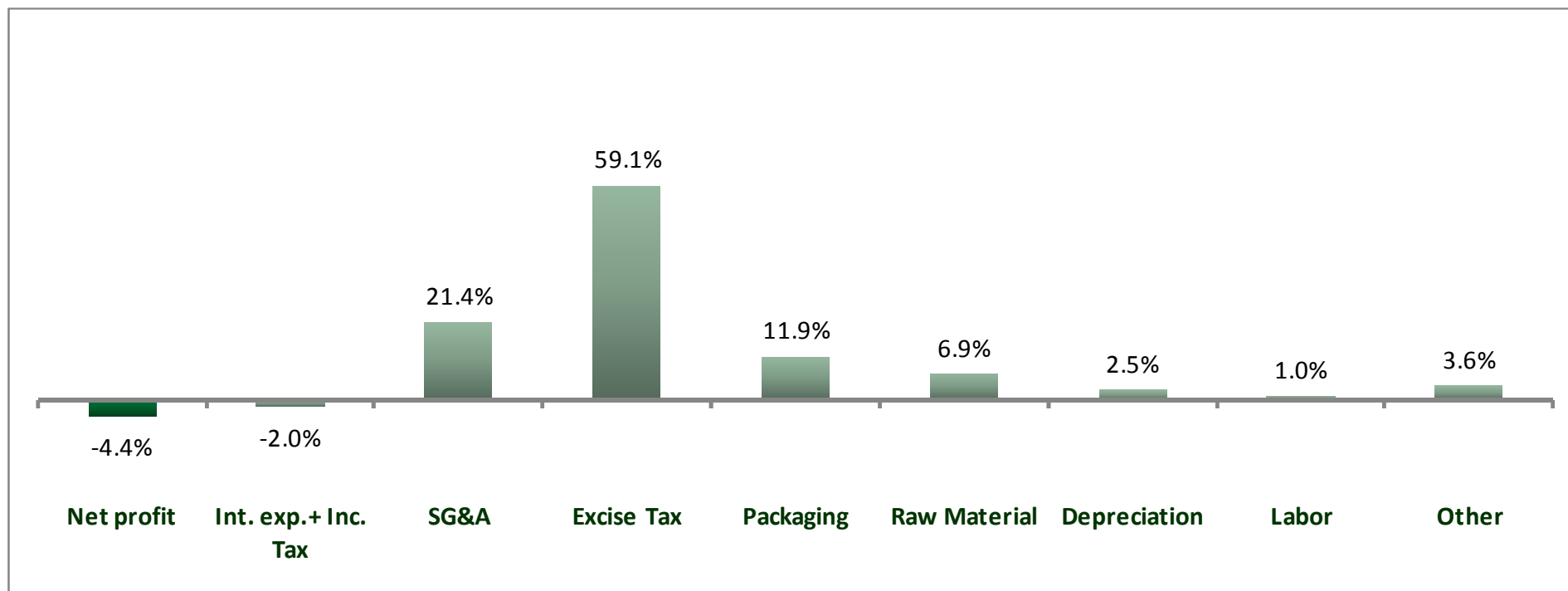
<u>Sales revenue</u>	UP	an increase in sales volume, and sales price to cover excise tax rise in May 2009
<u>COGS (%)</u>	UP	company adjusted sales price to cover the amount of tax rise (Baht), this reduced margin in terms of percentage of sales, although packaging costs decreased
<u>SG&A (%)</u>	DOWN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



Beer: Revenue-Cost Break Down

(% of total revenue)

9M'10



Non-alcoholic Beverages

Non-alcoholic Beverages	Q3'09	Q3'10	Change
Sales Revenue	1,292	1,698	31.4%
COGS	(843)	(1,230)	
<i>% of Sales Revenue</i>	<i>65.2%</i>	<i>72.4%</i>	
SG&A	(266)	(349)	
<i>% of Sales Revenue</i>	<i>20.6%</i>	<i>20.6%</i>	
EBITDA	287	217	-24.4%
Net Profit	157	148	-5.7%
<u>Margin*</u>			
EBITDA	22.2%	12.8%	
Net Profit	12.2%	8.7%	

* margins are % of sales revenue

<u>Sales revenue</u>	UP	an 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>	-	no change
<u>EBITDA</u>	DOWN	an increase in marketing expenses
<u>Net Profit</u>	DOWN	a decrease in EBITDA although there was a decrease in interest expenses



Non-alcoholic Beverages

Non-alcoholic Beverages	9M'09	9M'10	Change
Sales Revenue	3,610	5,093	41.1%
COGS	(2,285)	(3,601)	
<i>% of Sales Revenue</i>	<i>63.3%</i>	<i>70.7%</i>	
SG&A	(799)	(1,226)	
<i>% of Sales Revenue</i>	<i>22.1%</i>	<i>24.1%</i>	
EBITDA	813	574	-29.4%
Net Profit	458	291	-36.5%
<u>Margin*</u>			
EBITDA	22.5%	11.3%	
Net Profit	12.7%	5.7%	

* margins are % of sales revenue

<u>Sales revenue</u>	UP	an 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	an increase in advertising and marketing expenses
<u>EBITDA</u>	DOWN	an increase in SG&A
<u>Net Profit</u>	DOWN	a decrease in EBITDA although there was a decrease in interest expenses



Food

Food	Q3'09	Q3'10	Change
Sales Revenue	834	1,093	31.1%
COGS	(498)	(708)	
<i>% of Sales Revenue</i>	<i>59.7%</i>	<i>64.8%</i>	
SG&A	(302)	(347)	
<i>% of Sales Revenue</i>	<i>36.2%</i>	<i>31.7%</i>	
EBITDA	78	91	16.7%
Net Profit	35	31	-11.4%
<u>Margin*</u>			
EBITDA	9.4%	8.3%	
Net Profit	4.2%	2.8%	

* margins are % of sales revenue

<u>Sales revenue</u>	UP	an increase in the number of branches and an increase in selling price
<u>COGS (%)</u>	UP	an 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	an increase in gross profit
<u>Net Profit</u>	DOWN	an increase in depreciation and used up tax benefits, although there was an increase in EBITDA



Food

Food	9M'09	9M'10	Change
Sales Revenue	2,392	2,949	23.3%
COGS	(1,413)	(1,870)	
<i>% of Sales Revenue</i>	<i>59.1%</i>	<i>63.4%</i>	
SG&A	(888)	(953)	
<i>% of Sales Revenue</i>	<i>37.1%</i>	<i>32.3%</i>	
EBITDA	220	274	24.5%
Net Profit	92	117	27.2%
<u>Margin*</u>			
EBITDA	9.2%	9.3%	
Net Profit	3.8%	4.0%	

* margins are % of sales revenue

<u>Sales revenue</u>	UP	an increase in the number of branches and an increase in selling price
<u>COGS (%)</u>	UP	an 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	an increase in gross profit
<u>Net Profit</u>	UP	an increase in EBITDA and a decrease in interest expenses



Update: International Business

The 9M'10 performance of our international business continue to grow +47% YoY, as all regions grew strongly behind our Chang Beer and Scotch whisky brands.

- ASEAN
 - ASEAN performance was driven by Chang Beer sales growth of +73%
- USA
 - USA region improved with sales growth of +277% for 9M'10 led by Chang Beer growth of +52% YoY from stronger presence in both Asian and mainstream channels, backed by an increase in marketing activities
 - Sales of Inver House's Scotch whisky brands, Speyburn, continued to outperform our expectations
- UK & Rest of the World
 - IBHL UK and the rest of the world performed strongly with sales growth of 24% driven by Chang Beer. The sales growth in the UK came from continued support in national stores through leveraging the Everton Football sponsorship
 - Whisky sales continued to grow, especially in Eastern Europe and Russia
- CHINA
 - Yunnan Yulinquan Liquor Co. Ltd (YLQ) showed strong sales growth of 30% YoY for 9M'10. Also, YLQ continued to see an improvement in profitability and margin from focusing on mid to high tier brands.

Financials

Interest Bearing Debt

Interest Bearing Debt	31-Dec-09	30-Sep-10
<i>(Million Baht)</i>		
Current		
Bank overdrafts	655	402
Short-term loans from financial institutions	5,063	10,665
Current portion of long-term loans	3,765	3,190
	9,483	14,257
Non-current		
Long-term loans from financial institutions	2,500	-
	2,500	-
Total	11,983	14,257

- The debt level at the end of Q3 always higher than those at the end of Q4 because the company needs to stock up inventory for the peak season in Q4
- Also the debt level in Q2 and Q3 will be high from borrowing for dividend and corporate income tax payment

Financial Ratios

Ratios	31-Dec-09	30-Sep-10
Current Ratio	1.85	1.56
Total Debt to Equity	0.37	0.41
Net Asset Value per Share (Baht)	2.24	2.18
Net Asset Value per Share (SGD)*	0.09	0.09

* exchange rate at THB 24: SGD 1

Turnovers (days)	Jan-Dec 09	Jan-Sep 10
A/R Turnover	6	6
Inventory Turnover		
<u>Spirits Business</u>		
Finished Goods (exc. Legacy Stocks)	59	57
<u>Beer Business</u>		
Finished Goods	40	25

Current ratio DOWN increase in current liabilities

Note: use 365 days to calculate turnover

Q&A