

Thai Beverage PLC

H'12 Financial Results

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that could cause actual results, performance or events to differ materially from those in the statements as originally made.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

- In 2011, Thai Beverage Logistics Co., Ltd. (TBL), a direct subsidiary wholly owned by the Company, acquired Serm Suk Public Company Limited (Serm Suk), a Thai company currently listed on the Stock Exchange of Thailand. The Company has included the assets and liabilities of Serm Suk in the consolidated statements of financial position since 30 September 2011. The results of operations and cash flows were included in the consolidated statements of income and cash flows respectively since 1 October 2011 and not shown in the second quarter and the six-month period ended 30 June 2011 used to compare with the corresponding period of this year.
- Serm Suk's operations were recognized under the non-alcoholic beverages business segment
- For the year ended 31 December 2012, the standard corporate income tax rate in Thailand has been reduced from 30% to 23% in an effort to promote the competitiveness on the global market
- Starting from 1 April 2012, the 300-baht daily minimum wage was implemented in seven provinces of Thailand. The minimum wages in other provinces went up but was still lower than Baht 300 and will be further increased to Baht 300 with effective on 1 January 2013. Total effects to the Company in FY2012 will be about Baht 100 million

Understanding this Presentation

- Current operations by business segments consist of spirits, beer, non-alcoholic beverages and food
- 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 Policy

Not less than 50% of net profits after deduction of all specified reserves, subject to our investment plans and as the Board of Directors deems appropriate

Dividend Payment	Interim'11	Interim'12	Change (%)
Net Profit Belonging to the Company (M) ^A	6,061	9,419	
Less: Specified Amounts for Investments (M)	-	(3,390)	
Net Profit for Interim Dividend (M) ^B	6,061	6,029	
Interim Dividend (M)	3,767	3,515	-7%
Dividend Payout Ratio (Comparing to Net Profit for Interim Dividend ^B)	62%	58%	
Dividend Payout Ratio (Comparing to Net Profit Belonging to the Company ^A)	62%	37%	-40%
Number of Shares (M)	25,110	25,110	
Earnings per share (Baht)	0.24	0.38	
Dividend per share (Baht)	0.15	0.14	-7%

Consolidated: Q2'12 Highlights

Group	Q2'11	Q2'12	Change (M Baht)
Sales Revenue	30,641	41,377	35.0%
COGS	(22,252)	(29,305)	
<i>% of Sales Revenue</i>	<i>72.6%</i>	<i>70.8%</i>	
SG&A	(4,067)	(5,460)	
<i>% of Sales Revenue</i>	<i>13.3%</i>	<i>13.2%</i>	
EBITDA	5,295	7,755	46.5%
Net Profit	3,120	5,297	69.8%
<i>Less: Non-controlling interests</i>	<i>(16)</i>	<i>(208)</i>	
Net Profit belonging to the Company	3,104	5,089	63.9%
<u>Margin*</u>			
EBITDA	17.3%	18.7%	
Net Profit	10.2%	12.8%	

* margins are % of sales revenue

Consolidated: Q2'12 Highlights

For the second quarter ended 30 June 2012, the Company has included Serm Suk operation results in the group

Group	ThaiBev	Serm Suk	Total	(M Baht)
Q2 2012				
Sales	34,716	6,661	41,377	
Gross profit	10,545	1,527	12,072	
EBITDA	6,948	807	7,755	
Net profit	4,788	509	5,297	
Q2 2011				
Sales	30,641	-	30,641	
Gross profit	8,389	-	8,389	
EBITDA	5,295	-	5,295	
Net profit	3,120	-	3,120	
increase (decrease)				
Sales	13.3%	n/a	35.0%	
Gross profit	25.7%	n/a	43.9%	
EBITDA	31.2%	n/a	46.5%	
Net profit	53.5%	n/a	69.8%	

Consolidated: H1'12 Highlights

Group	H1'11	H1'12	Change (M Baht)
Sales Revenue	61,558	81,983	33.2%
COGS	(44,859)	(58,854)	
<i>% of Sales Revenue</i>	<i>72.9%</i>	<i>71.8%</i>	
SG&A	(8,180)	(10,726)	
<i>% of Sales Revenue</i>	<i>13.2%</i>	<i>13.1%</i>	
EBITDA	10,304	14,599	41.7%
Net Profit	6,108	9,765	59.9%
<i>Less: Non-controlling interests</i>	<i>(47)</i>	<i>(346)</i>	
Net Profit belonging to the Company	6,061	9,419	55.4%
<u>Margin*</u>			
EBITDA	16.7%	17.8%	
Net Profit	9.9%	11.9%	

* margins are % of sales revenue

Consolidated: H1'12 Highlights

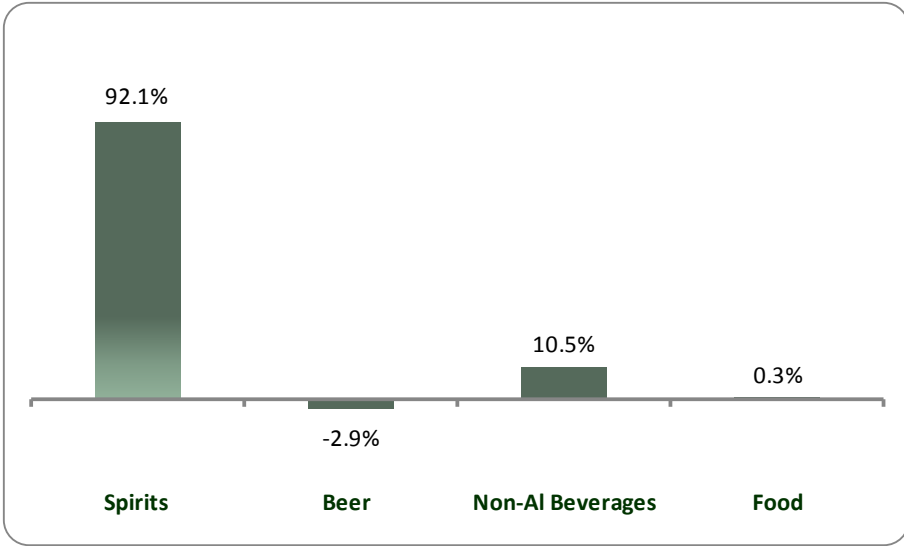
For the first six months of 2012, the Company has included Serm Suk operation results in the group

Group	ThaiBev	Serm Suk	Total	(M Baht)
H1 2012				
Sales	69,228	12,755	81,983	
Gross profit	20,276	2,853	23,129	
EBITDA	13,200	1,399	14,599	
Net profit	8,927	838	9,765	
H1 2011				
Sales	61,558	-	61,558	
Gross profit	16,699	-	16,699	
EBITDA	10,304	-	10,304	
Net profit	6,108	-	6,108	
increase (decrease)				
Sales	12.5%	n/a	33.2%	
Gross profit	21.4%	n/a	38.5%	
EBITDA	28.1%	n/a	41.7%	
Net profit	46.2%	n/a	59.9%	

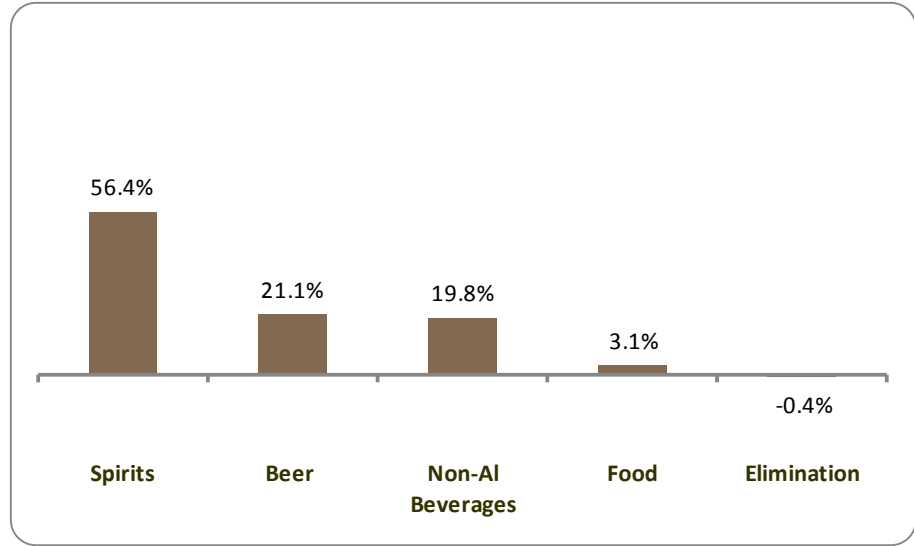
Contribution per Business Segment

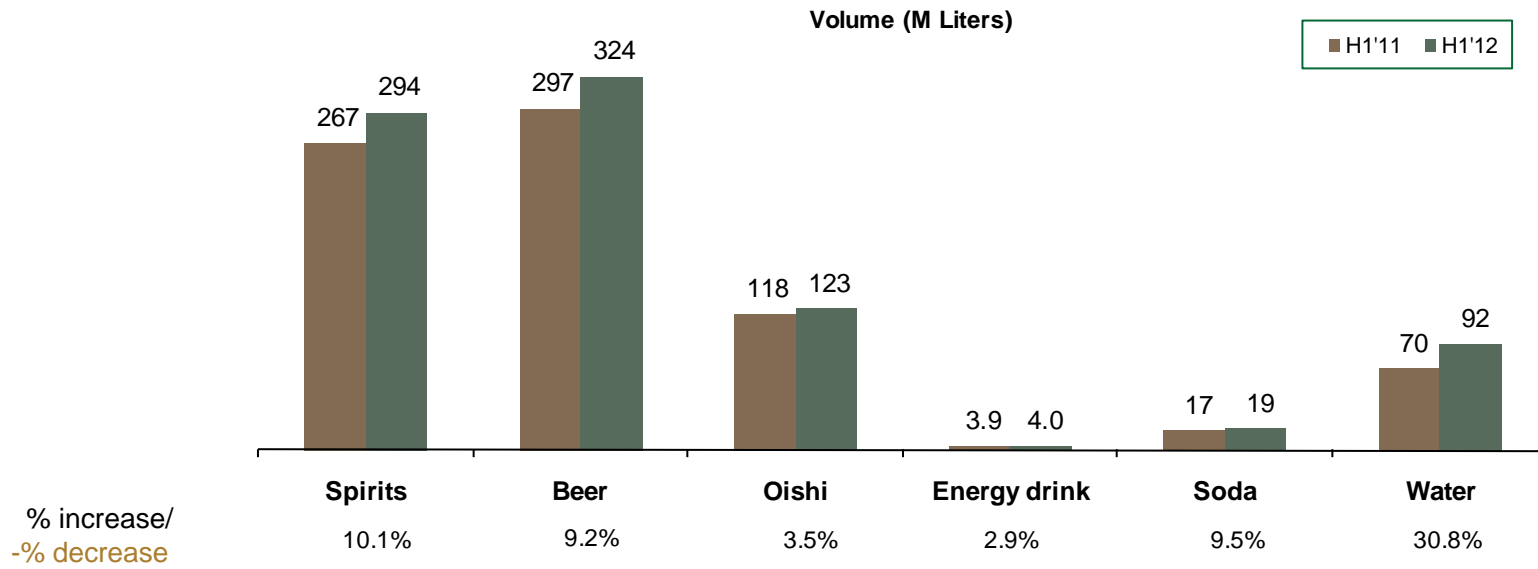
H1'12

Net Profit



Sales





Sales volume of SSC was not shown on this page, since we did not have SSC's volume in H1'11 for comparison

Business Segments

Spirits	Q2'11	Q2'12	Change
Sales Revenue	20,458	23,128	13.1%
COGS	(13,809)	(14,794)	
<i>% of Sales Revenue</i>	<i>67.5%</i>	<i>64.0%</i>	
SG&A	(2,114)	(2,125)	
<i>% of Sales Revenue</i>	<i>10.4%</i>	<i>9.2%</i>	
EBITDA	5,063	6,612	30.6%
Net Profit	3,249	4,804	47.9%
<u>Margin*</u>			
EBITDA	24.7%	28.6%	
Net Profit	15.9%	20.8%	

* margins are % of sales revenue

<u>Sales revenue</u>	UP	an increase in sales volume and price, and product mix
<u>COGS (%)</u>	DOWN	a decrease in raw material cost although there was an increase in labor costs
<u>SG&A (%)</u>	DOWN	a decrease in idle cost
<u>EBITDA</u>	UP	an increase in gross profit and a decrease in idle costs although there was an increase in staff costs
<u>Net Profit</u>	UP	an increase in EBITDA and decrease in income tax

Spirits	H1'11	H1'12	Change
Sales Revenue	40,575	46,264	14.0%
COGS	(27,392)	(30,202)	
<i>% of Sales Revenue</i>	<i>67.5%</i>	<i>65.3%</i>	
SG&A	(4,246)	(4,404)	
<i>% of Sales Revenue</i>	<i>10.5%</i>	<i>9.5%</i>	
EBITDA	9,849	12,461	26.5%
Net Profit	6,339	8,990	41.8%
<u>Margin*</u>			
EBITDA	24.3%	26.9%	
Net Profit	15.6%	19.4%	

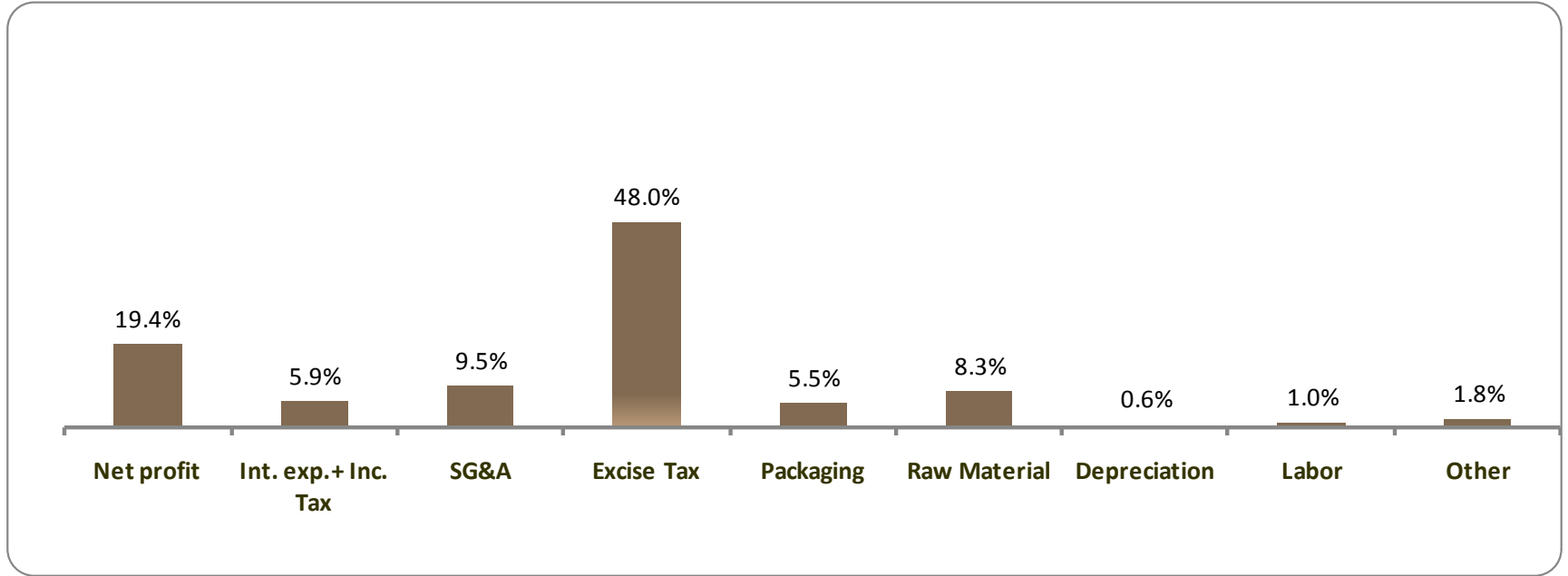
* margins are % of sales revenue

<u>Sales revenue</u>	UP	an increase in sales volume, price, and product mix
<u>COGS (%)</u>	DOWN	a decrease in raw material cost although there was an increase in labor costs
<u>SG&A (%)</u>	DOWN	a decrease in idle cost
<u>EBITDA</u>	UP	an increase in gross profit and a decrease in idle costs although there was an increase in staff costs
<u>Net Profit</u>	UP	an increase in EBITDA and a decrease in income tax

Spirits: Revenue-Cost Break Down

(% of total revenue)

H1'12



Beer	Q2'11	Q2'12	Change
Sales Revenue	7,581	8,410	10.9%
COGS	(6,647)	(7,444)	
<i>% of Sales Revenue</i>	<i>87.7%</i>	<i>88.5%</i>	
SG&A	(1,053)	(1,224)	
<i>% of Sales Revenue</i>	<i>13.9%</i>	<i>14.6%</i>	
EBITDA (Loss)	169	(9)	-105.3%
Net Profit (Loss)	(87)	(178)	-104.6%
<u>Margin*</u>			
EBITDA (-Loss)	2.2%	-0.1%	
Net Profit (-Loss)	-1.1%	-2.1%	

* margins are % of sales revenue

<u>Sales revenue</u>	UP	an increase in sales volume
<u>COGS (%)</u>	UP	an increase in raw material costs and labor costs although there was a decrease in depreciation
<u>SG&A (%)</u>	UP	an increase in advertising and promotion expenses and staff costs
<u>EBITDA</u>	DOWN	an increase in advertising and promotion expenses and staff costs
<u>Net Loss</u>	UP	a decrease in EBITDA although there was a decrease in depreciation

Beer	H1'11	H1'12	Change
Sales Revenue	15,735	17,270	9.8%
COGS	(13,932)	(15,247)	
<i>% of Sales Revenue</i>	<i>88.5%</i>	<i>88.3%</i>	
SG&A	(2,279)	(2,444)	
<i>% of Sales Revenue</i>	<i>14.5%</i>	<i>14.2%</i>	
EBITDA (Loss)	98	120	22.4%
Net Profit (Loss)	(352)	(280)	20.5%
<u>Margin*</u>			
EBITDA (-Loss)	0.6%	0.7%	
Net Profit (-Loss)	-2.2%	-1.6%	

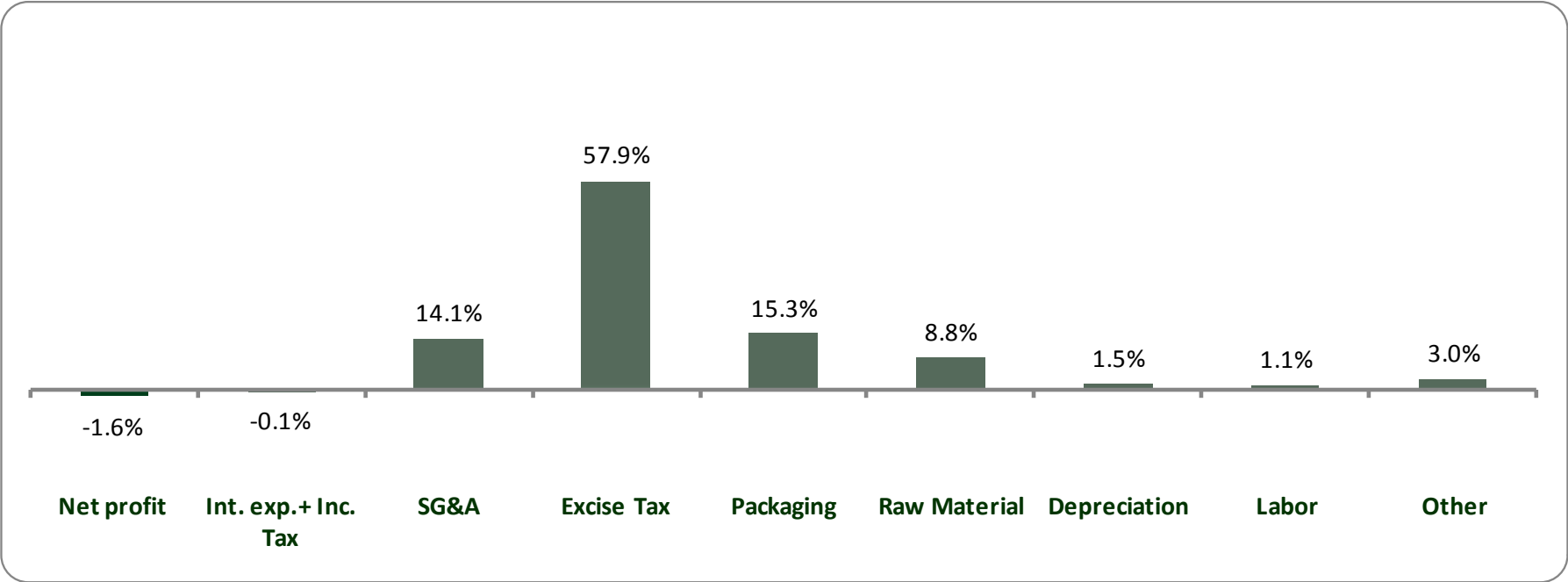
* margins are % of sales revenue

<u>Sales revenue</u>	UP	an increase in sales volume
<u>COGS (%)</u>	DOWN	a decrease in depreciation although there was an increase in raw material costs and labor costs
<u>SG&A (%)</u>	DOWN	a decrease in idle cost although there was an increase in advertising and promotion expenses, and staff costs
<u>EBITDA</u>	UP	an increase in gross profit although there was an increase in advertising and promotion expenses, and staff costs
<u>Net Loss</u>	DOWN	an increase in EBITDA and a decrease in depreciation

Beer: Revenue-Cost Break Down

(% of total revenue)

H1'12



Non-alcoholic Beverages (Include Serm Suk)

Non-alcoholic Beverages	Q2'11	Q2'12	Change (M Baht)
Sales Revenue	1,689	8,623	410.5%
COGS	(1,293)	(6,352)	
<i>% of Sales Revenue</i>	<i>76.6%</i>	<i>73.7%</i>	
SG&A	(549)	(1,632)	
<i>% of Sales Revenue</i>	<i>32.5%</i>	<i>18.9%</i>	
EBITDA	(39)	1,063	2,825.6%
Net Profit	(69)	664	1,062.3%
<u>Margin*</u>			
EBITDA	-2.3%	12.3%	
Net Profit	-4.1%	7.7%	

* margins are % of sales revenue

Non-alcoholic Beverages (Include Serm Suk)

Non-alcoholic Beverages	H1'11	H1'12	Change (M Baht)
Sales Revenue	3,413	16,255	376.3%
COGS	(2,508)	(12,069)	
<i>% of Sales Revenue</i>	<i>73.5%</i>	<i>74.2%</i>	
SG&A	(977)	(3,086)	
<i>% of Sales Revenue</i>	<i>28.6%</i>	<i>19.0%</i>	
EBITDA	139	1,828	1,215.1%
Net Profit	60	1,025	1,608.3%
<u>Margin*</u>			
EBITDA	4.1%	11.2%	
Net Profit	1.8%	6.3%	

* margins are % of sales revenue

Non-alcoholic Beverages

For the second quarter ended 30 June 2012, the Company has included Serm Suk operation results in the non-alcoholic beverages business segment

Non Alcoholic Beverage Business	ThaiBev	Serm Suk	Total	(M Baht)
Q2 2012				
Sales	1,962	6,661	8,623	
Gross profit	744	1,527	2,271	
EBITDA (loss)	256	807	1,063	
Net profit (loss)	155	509	664	
Q2 2011				
Sales	1,689	-	1,689	
Gross profit	396	-	396	
EBITDA (loss)	(39)	-	(39)	
Net profit (loss)	(69)	-	(69)	
increase (decrease)				
Sales	16.2%	n/a	410.5%	
Gross profit	87.9%	n/a	473.5%	
EBITDA	756.4%	n/a	2,825.6%	
Net profit	324.6%	n/a	1,062.3%	

Non-alcohol Beverage Exclude Serm Suk

<u>Sales revenue</u>	UP	an increase in Oishi beverages sales volume and net sales price
<u>Gross Profit</u>	UP	an increase in net sales price although there was an increase in labor costs
<u>EBITDA</u>	UP	an increase in gross profit although there was an increase in staff costs
<u>Net Profit</u>	UP	increase in EBITDA although there was an increase in interest expenses from loan to support acquisition of Serm Suk

Non-alcoholic Beverages

For the first six months of 2012, the Company has included Serm Suk operation results in the non-alcoholic beverages business segment

Non Alcoholic Beverage Business	ThaiBev	Serm Suk	Total (M Baht)
H1 2012			
Sales	3,500	12,755	16,255
Gross profit	1,333	2,853	4,186
EBITDA	429	1,399	1,828
Net profit	187	838	1,025
H1 2011			
Sales	3,413	-	3,413
Gross profit	905	-	905
EBITDA	139	-	139
Net profit	60	-	60
increase (decrease)			
Sales	2.5%	n/a	376.3%
Gross profit	47.3%	n/a	362.5%
EBITDA	208.6%	n/a	1,215.1%
Net profit	211.7%	n/a	1,608.3%

Non-alcohol Beverage Exclude Serm Suk

<u>Sales revenue</u>	UP	an increase in Oishi beverages sales volume and net sales price
<u>Gross Profit</u>	UP	an increase in net sales price although there was an increase in labor costs
<u>EBITDA</u>	UP	an increase in gross profit although there was an increase in staff costs
<u>Net Profit</u>	UP	an increase in EBITDA although there was an increase in interest expenses from loans to support acquisition of Serm Suk

Food (Include Snack)

Food	Q2'11	Q2'12	Change (M Baht)
Sales Revenue	1,020	1,395	36.8%
COGS	(610)	(862)	
<i>% of Sales Revenue</i>	<i>59.8%</i>	<i>61.8%</i>	
SG&A	(364)	(524)	
<i>% of Sales Revenue</i>	<i>35.7%</i>	<i>37.6%</i>	
EBITDA	102	89	-12.7%
Net Profit	27	7	-74.1%
<u>Margin*</u>			
EBITDA	10.0%	6.4%	
Net Profit	2.6%	0.5%	

* margins are % of sales revenue

Food (Include Snack)

Food	H1'11	H1'12	Change (M Baht)
Sales Revenue	2,013	2,564	27.4%
COGS	(1,200)	(1,591)	
<i>% of Sales Revenue</i>	<i>59.6%</i>	<i>62.1%</i>	
SG&A	(708)	(934)	
<i>% of Sales Revenue</i>	<i>35.1%</i>	<i>36.5%</i>	
EBITDA	218	190	-12.8%
Net Profit	61	30	-50.8%
<u>Margin*</u>			
EBITDA	10.8%	7.4%	
Net Profit	3.0%	1.2%	

* margins are % of sales revenue

Food (Include Snack)

For the second quarter of 2012, the Company has expanded food business to Japanese snack market by introducing “ONORI”, a Japanese styled fried seaweed snacks

Food Business	Food	Snack	Total	(M Baht)
Q2 2012				
Sales	1,358	37	1,395	
Gross profit	530	3	533	
EBITDA (loss)	141	(52)	89	
Net profit (loss)	47	(40)	7	
Q2 2011				
Sales	1,020	-	1,020	
Gross profit	410	-	410	
EBITDA (loss)	102	-	102	
Net profit (loss)	27	-	27	
increase (decrease)				
Sales	33.1%	n/a	36.8%	
Gross profit	29.3%	n/a	30.0%	
EBITDA	38.2%	n/a	-12.7%	
Net profit	74.1%	n/a	-74.1%	

Food Exclude Snack

<u>Sales revenue</u>	UP	an increase in number of branches and sales price
<u>Gross Profit</u>	UP	an increase in sales although food costs increased in accordance with the variety of foods available, an increase in raw material costs and labor costs
<u>EBITDA</u>	UP	an increase in gross profit although there was an increase in staff costs
<u>Net Profit</u>	UP	increase in EBITDA and a decrease in income tax

For the second quarter of 2012, the Company has expanded food business to Japanese snack market by introducing “ONORI”, a Japanese styled fried seaweed snacks

Food Business	Food	Snack	Total (M Baht)
H1 2012			
Sales	2,527	37	2,564
Gross profit	970	3	973
EBITDA (loss)	242	(52)	190
Net profit (loss)	70	(40)	30
H1 2011			
Sales	2,013	-	2,013
Gross profit	813	-	813
EBITDA (loss)	218	-	218
Net profit (loss)	61	-	61
increase (decrease)			
Sales	25.5%	n/a	27.4%
Gross profit	19.3%	n/a	19.7%
EBITDA	11.0%	n/a	-12.8%
Net profit	14.8%	n/a	-50.8%

Food Exclude Snack

<u>Sales revenue</u>	UP	an increase in number of branches and sales price
<u>Gross Profit</u>	UP	an increase in sales although food costs increased in accordance with the variety of foods available, an increase in raw material costs and labor costs
<u>EBITDA</u>	UP	an increase in gross profit although there was an increase in staff costs
<u>Net Profit</u>	UP	increase in EBITDA and a decrease in income tax

In the first half of 2012, ThaiBev's international business reported sales growth of 44%

The performance of business by geographic area:

- UK & Rest of the World
 - Sales revenue continued to grow 13% from Scotch whisky sales and other new products introduced into key markets

- Asia exclude China
 - Good performance was mainly driven by Chang Beer in ASEAN market, with an increase in sales value of 150%

- YLQ (Chinese spirits in China)
 - Sales and margin of Chinese spirits continued to improve from better mix of mid and high end products

- USA
 - This region's sales revenue continued to improve by 20% mainly from the growth of Scotch whisky & Chang Beer

Financials

Balance Sheet

Balance Sheet	31-Dec-11	30-Jun-12	Change
<i>(Million Baht)</i>			
Assets			
Current assets	46,270	48,058	1,788
Non-current assets	53,524	54,815	1,291
Total assets	99,794	102,873	3,079
Liabilities			
Total liabilities	36,277	34,406	(1,871)
Shareholders' Equity			
Total equity	63,517	68,467	4,950

<u>Current assets</u>	UP	an increase in inventories
<u>Non-current assets</u>	UP	an increase in property, plant and equipment
<u>Total liabilities</u>	DOWN	a decrease in loans from financial institutions
<u>Total equity</u>	UP	an increase in net retained earning which comprised of profit for the period and dividend payment

Interest Bearing Debt

Interest Bearing Debt	31-Dec-11	30-Jun-12
<i>(Million Baht)</i>		
Current		
Bank overdrafts	378	401
Short-term loans from financial institutions	4,849	3,349
Current portion of long-term loans	1,800	2,800
	<u>7,027</u>	<u>6,550</u>
Non-current		
Long-term loans from financial institutions	11,200	10,000
Total	<u>18,227</u>	<u>16,550</u>
Cash and cash equivalents	<u>3,442</u>	<u>3,928</u>
Net Interest Bearing Debt	<u>14,785</u>	<u>12,622</u>

Financial Ratios

Ratios	31-Dec-11	30-Jun-12
Current Ratio (times)	2.17	2.35
Debt to Equity (times)	0.57	0.50
Interest Bearing Debt to Equity Ratio (times)	0.29	0.24
Net Asset Value per Share (Baht)	2.39	2.58
Net Asset Value per Share (SGD)*	0.10	0.10

* exchange rate at THB 25: SGD 1

Turnovers (days)	Jan-Dec 11	Jan-Jun 12
A/R Turnover	7	8
Inventory Turnover		
<u>Spirits Business</u>		
Finished Goods (exc. Legacy Stocks)	48	56
<u>Beer Business</u>		
Finished Goods	26	19

<u>Current Ratio</u>	UP	an increase in inventories and decrease in short-term loans
<u>Debt to Equity</u>	DOWN	a decrease in loans from financial institutions and an increase in net retained earning
<u>Interest Bearing Debt to Equity Ratio</u>	DOWN	a decrease in loans from financial institutions

Note: use 365 days to calculate turnover

Q&A