


Thai Beverage Plc

2006 Full Year Results

27 February 2007

A close-up photograph of a golden liquid, likely beer, with numerous small, shimmering bubbles rising to the surface. The lighting is warm, creating a bright, golden glow.

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
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that could cause actual results, performance or events to differ materially from those in the statements as originally made.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
- The consolidated financial statements for the year end 31 December 2005 has been restated to include the assets, liabilities, and operations of PSUK and Best Spirits to be the same as for the year end 31 December 2006 for comparison
- 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

Highlights

2006: Market Overview

2006 Market Overview "Tough Year for Alcoholic Business"	
Factors	
Continued effect from tax increase on brown spirits since Sep'05	
	<ul style="list-style-type: none"> - Hard to maintain the sales volume of brown spirits to be stable - Direct effect on blended spirits - New opportunity for compound spirits
Flooding in vast area	
	<ul style="list-style-type: none"> - The flood lasted from Q3-Q4'06, over 49 provinces were flooded - Lower consumption, lower stock during the flood - Direct effect on rural consumers -> white spirits - Market picking up in Q4'06
Political Upheaval	
	<ul style="list-style-type: none"> - People go out late at night less often - Direct effect on on-premise consumption -> spirits - Promote in home consumption
Beer market starting to accept lighter alcohol beer	
	<ul style="list-style-type: none"> - High growth in low alcohol beer - Market competition in low alcohol beer starting to increase

Our Success in 2006

Our Success in 2006

Listed in SGX

- Raised S\$1.3 billion
- Highest fund raising values on the SGX for the past 13 years

Continued dominance of Thai alcohol beverage business

- Continued launching new products
- Moved to higher margin products

Proven stability of the company

- TRIS Rating upgrade (AA-)
- Moody's/S&P International Ratings (Baa2/BBB)

Strategic movement into related business

- Completed acquisitions of PSUK and Best Spirits
- Expansion to Scotch Whisky industry

2006: Operating Highlights

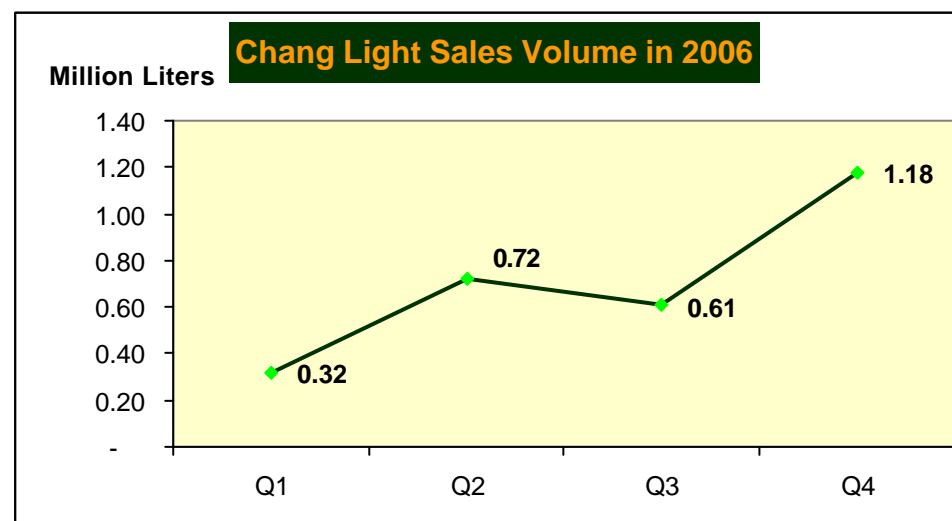
Revenue	<ul style="list-style-type: none"> - Sales of beer, soda & water up 10.3% - Decrease in spirits sales - Launch higher margin products
Costs	<ul style="list-style-type: none"> - Molasses price increased 116% - Lower malt price - Free Beer has been lowered to 8%
Capital	<ul style="list-style-type: none"> - Increased total shares outstanding to 25,110 million - Raised S\$1.3 billion from IPO (May 2006) - Completed acquisitions of PSUK and Best Spirits at S\$63.6 M - Acquired Baht 1 billion distillery assets of Sin Surang Karn Sura

2006 New Brands: Beers

Chang Light



- launched Mar'06
- 4.2% alcohol content
- retail price Baht 39/640ml
- distributed through exclusive agents

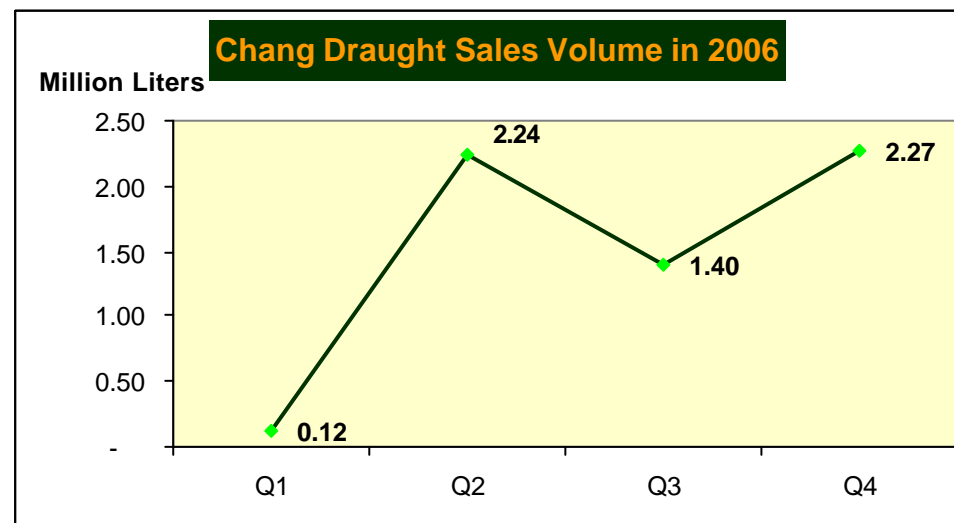


2006 New Brands: Beers

Chang Draught (in bottle)



- launched Mar'06
- pure malt beer with 5% alcohol content
- retail price Baht 36/640ml

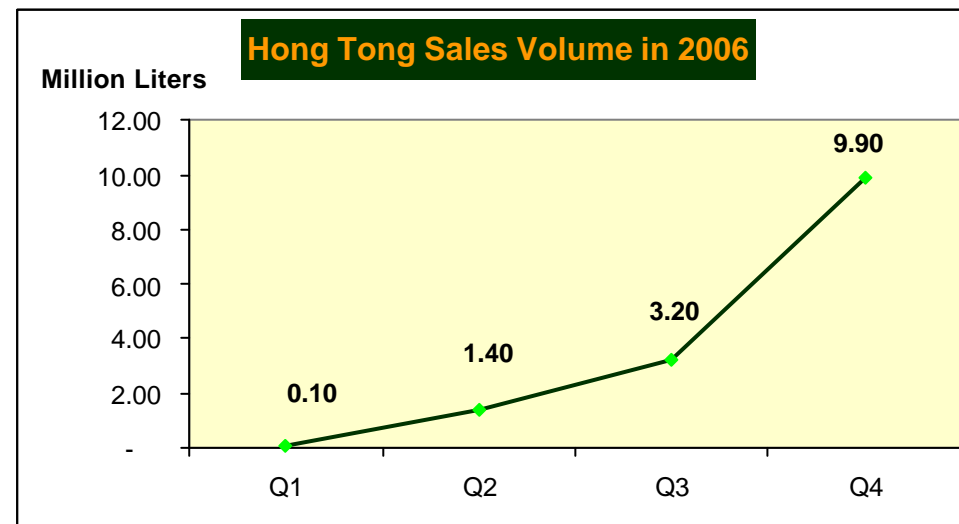


2006 New Brands: Spirits

Hong Tong



- launched Mar'06
- 35% alcohol content
- retail price Baht 150/700ml



2006 New Brands: Spirits

Blend 285



- launched Oct'06
- 35% alcohol content
- retail price Baht 170/700ml
- Sales volume higher than expected (1.7 Million Liters in Q4'06)

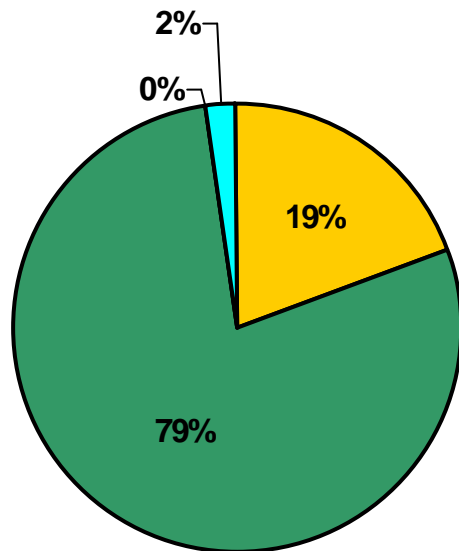
Consolidated: Full Year Highlights

Group	2005	2006	Change
Sales Revenue	94,903	97,798	3.1% ▲
EBITDA	21,254	20,598	-3.1% ▼
Net Profit	10,337	10,055	-2.7% ▼
<u>Margin*</u>			
EBITDA	22.4%	21.1%	
Net Profit	10.9%	10.3%	

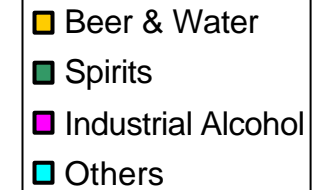
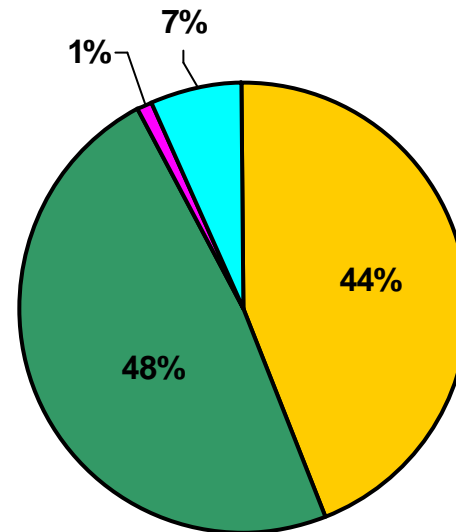
* margins are % of sales revenue

Contribution per Business Segment

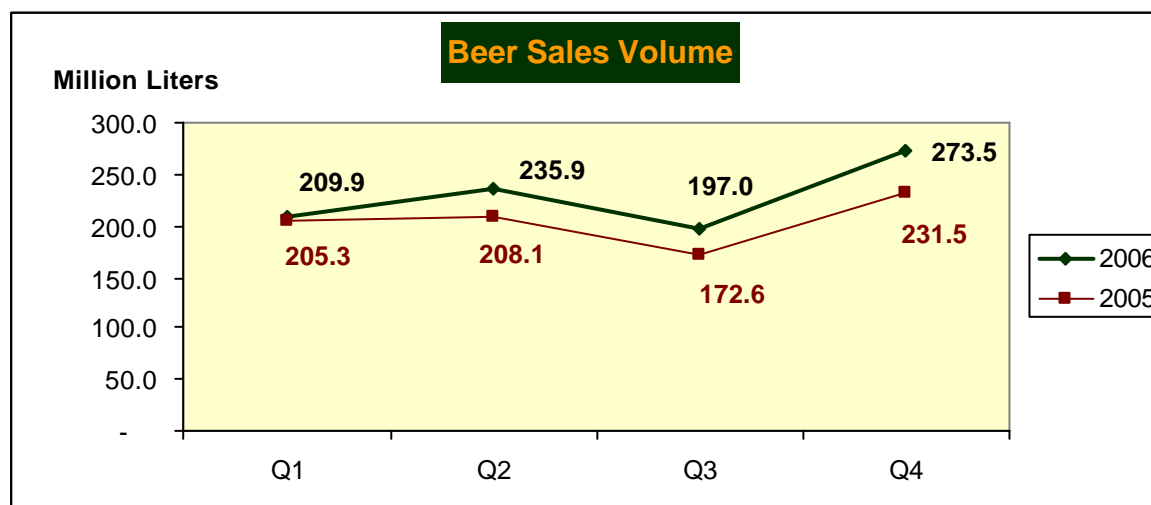
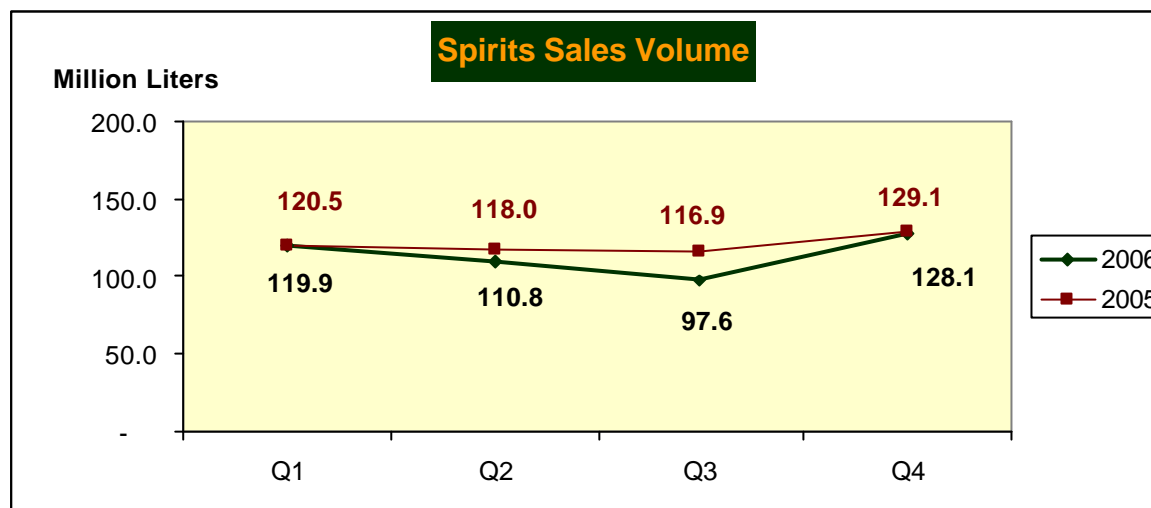
Net Profit



Sales



Quarterly Volume



Note: Sales volume exclude export sales

Business Segments

Beer: Low Alcohol Beers Make Their Mark

Beer	2005	2006	Change
Sales Revenue	42,277	46,641	10.3% ▲
EBITDA	4,838	6,195	28.0% ▲
Net Profit	1,203	1,968	63.6% ▲
<u>Margin*</u>			
EBITDA	11.4%	13.3%	
Net Profit	2.8%	4.2%	

* margins are % of sales revenue

<u>Sales revenue</u>	UP	increase of low alcohol beer sales volume
<u>EBITDA</u>	UP	increase in sales, decrease in free beer
<u>Net Profit</u>	UP	increase in sales, decrease in interest expense
<u>Margin</u>	UP	decrease in free beer



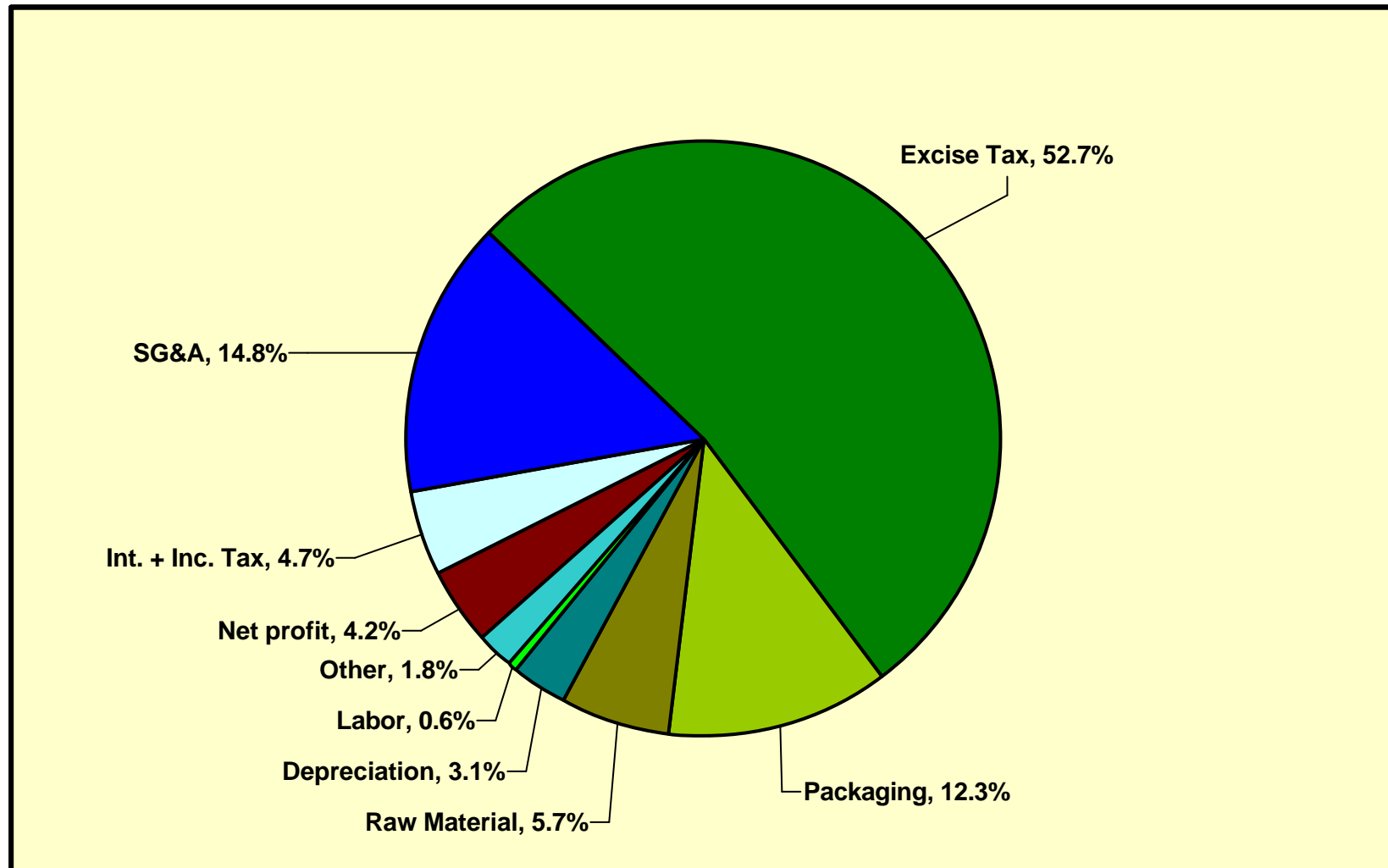
Beer: Volume

Beer	2005	2006	Change
<i>(Million Litres)</i>			
Chang	813	821	1.0% ▲
Low alcohol beer	11	102	793.9% ▲
Total	824	923	12.0% ▲
Free Beers*	11.8%	8.0%	-32.2% ▼

* Percentage of total beer sales volume

Soda & Water	2005	2006	Change
<i>(Million Litres)</i>			
Soda	15	13	-18.7% ▼
Water	43	43	-1.4% ▼

Beer: Revenue-Cost Break Down



Spirits: Severe Flooding Take Its Toll

Spirits	2005	2006	Change
Sales Revenue	52,811	51,428	-2.6% ▼
EBITDA	15,822	13,663	-13.6% ▼
Net Profit	8,988	7,916	-11.9% ▼
<u>Margin*</u>			
EBITDA	30.0%	26.6%	
Net Profit	17.0%	15.4%	

* margins are % of sales revenue

<u>Sales revenue</u>	DOWN	decrease in sales volume, lower demand in higher priced brown spirits
<u>EBITDA</u>	DOWN	decrease in sales, higher employee and freight expenses
<u>Net Profit</u>	DOWN	decrease sales and gross profit margin (from high molasses price)
<u>Margin</u>	DOWN	huge increase in molasses price

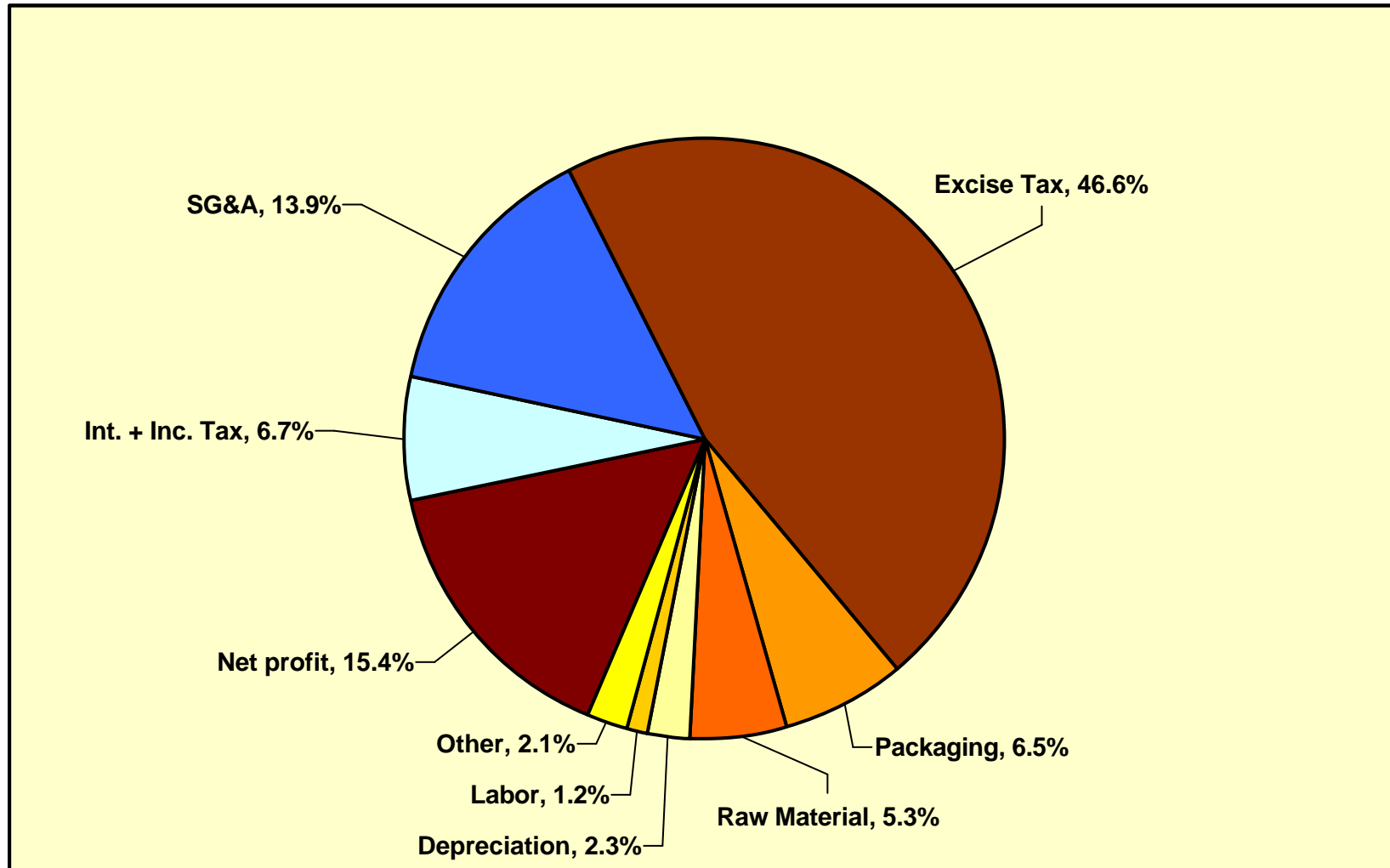


Spirits: Volume

Spirits	2005	2006	Change
<i>(Million Litres)</i>			
White	372	368	-1.3% ▼
Brown	113	90	-20.7% ▼
Total	486	457	-5.9% ▼
Free White Spirits	0.8%	0.9%	12.5% ▲
Free Brown Spirits*	2.1%	2.7%	28.6% ▲

* Percentage of domestic sales volume of brown spirits

Spirits: Revenue-Cost Break Down



Industrial Alcohol: Molasses are Highest Cost

Industrial Alcohol	2005	2006	Change
Sales Revenue	869	1,205	38.7% ▲
EBITDA	366	163	-55.5% ▼
Net Profit	151	(22)	-114.6% ▼
<u>Margin*</u>			
EBITDA	42.1%	13.5%	
Net Profit	17.4%	-1.8%	

* margins are % of sales revenue

Ethanol	2005	2006	Change
Volume (M Litres)	21	47	124.1% ▲
Avr. Price (Baht/Litre)	18	25	42.3% ▲

Sales revenue	UP	increase of Ethanol sales compensate for decrease in Alcohol 95 sales
EBITDA	DOWN	higher molasses prices, higher energy and employee costs
Net Loss	DOWN	decrease in gross profit margin, increase in interest expense
Margin	DOWN	higher COGS and SG&A

Related Business

Related Business	2005	2006	Change
Sales Revenue	6,633	7,155	7.9% ▲
EBITDA	233	604	159.2% ▲
Net Profit	(1)	216	21700.0% ▲
<u>Margin*</u>			
EBITDA	3.5%	8.4%	
Net Profit	0.0%	3.0%	

* margins are % of sales revenue

Sales revenue	UP	income from World Cup commercials, sports marketing activities
EBITDA	UP	increase in sales, effective cost control
Net Profit	UP	increase in gross profit margin, decrease in interest expense
Margin	UP	cost control

Financial

Cash Flow

Cash Flow	31-Dec-05	31-Dec-06
Cash Flow from Operating Activities	28,567	14,171
- CAPEX	(7,302)	(4,039)
Free Cash Flow	21,265	10,133
Cash Flow from Investing Activities	(14,812)	(5,383)
Cash Flow from Financing Activities	(11,441)	(10,244)
Ending cash	3,398	1,920

* Free Cash Flow = CF from Operating Activities - CAPEX

Interest Bearing Debt

Interest Bearing Debt	31-Dec-05	31-Dec-06
<i>(Million Baht)</i>		
Current		
Bank overdrafts	859	1,883
Short-term loans from financial institutions	39,300	4,870
Short-term guaranteed bonds	-	2,200
Current portion of long-term guaranteed bonds	-	2,300
Current portion of long-term loans	1,087	1,500
	41,245	12,753
Non-current		
Long-term guaranteed bonds	-	3,000
Long-term loans from financial institutions	-	3,755
	-	6,755
Total	41,245	19,508

Financial Ratios

Ratios	31-Dec-05	31-Dec-06	Change
Current Ratio	0.66	1.28	94.8% ▲
Total Debt to Equity	1.75	0.63	-64.0% ▼
Total Debt to EBITDA	1.94	0.95	-51.0% ▼
FFO to Total Debt	35.81	75.39	110.5% ▲
Net Asset Value per Share (Baht)	1.44	2.21	53.5% ▲

Current ratio UP decrease in O/D and S/T loans

Debt ratio DOWN loan re-payment using IPO proceeds
keep D/E ratio below 1.0x in line with peers

No intention of being a net cash company

Looking Ahead

2007 Objectives

Strategy	<ul style="list-style-type: none"> - Maintain dominant position in Thai market - Extend portfolio -> higher margin products - Future leveraging of network to distribute diverse products - More focus on international market
Value Drivers	<ul style="list-style-type: none"> - International market - Brand investment - Cost control
Major Initiatives	<ul style="list-style-type: none"> - Capital efficiency and strong cash flow - Kamphaengphaet Brewery expansion for future beer growth

Outlook – Thai Alcoholic Beverage

Beer	<ul style="list-style-type: none">- Cont. revenue growth- Urbanization makes consumers shift from white spirits to beer/brown spirits- Continue growth in low alcohol beer
Spirits	<ul style="list-style-type: none">- White spirits: revenue growth flat- Brown spirits: consumer acceptance of the new prices : can expect some growth

Q&A