

2Q14 Analyst Briefing

Berli Jucker Public Company Limited

21 Aug 2014



Note on Forward Looking Statements



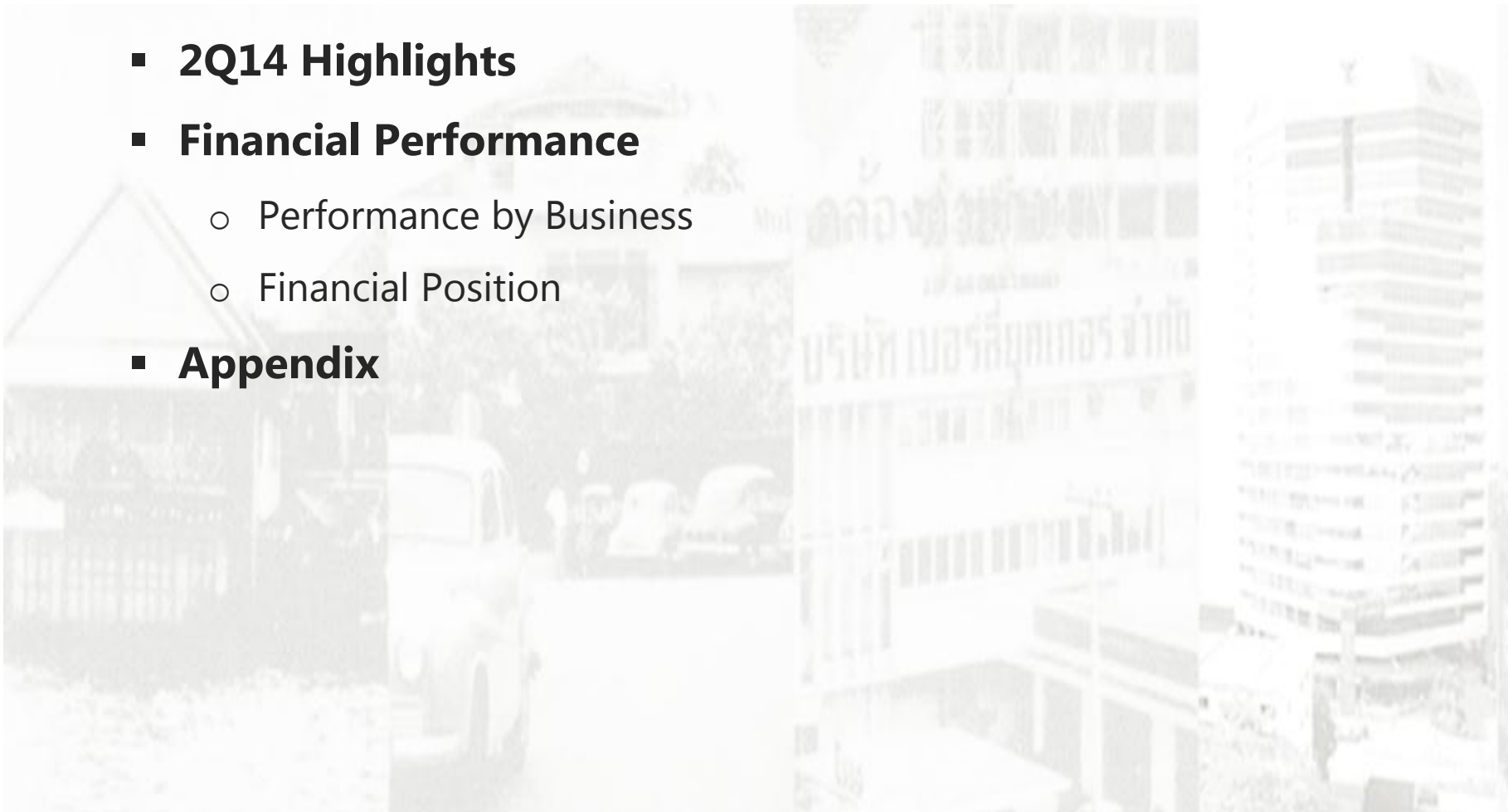
The following presentation may contain forward looking statements by the management of Berli Jucker Public Company Limited ("BJC"), relating to financial or other trends for future periods, compared to the results for previous periods.

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that could cause actual results, performance or events to differ materially from those in the statements as originally made.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 constructed as a representation as to future performance of BJC. In particular, such targets should not be regarded as a forecast or projection of future performance of BJC. It should be noted that the actual performance of BJC may vary significantly from such targets.

Agenda



- **2Q14 Highlights**
- **Financial Performance**
 - Performance by Business
 - Financial Position
- **Appendix**



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 - Performance by Business
 - Financial Position
- **Appendix**



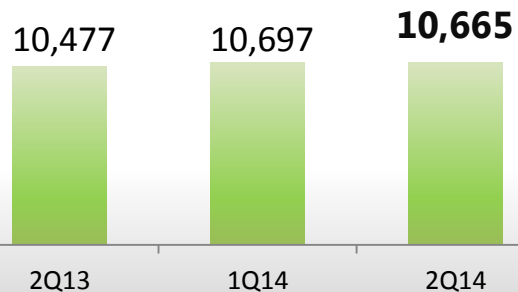
2Q14 Highlights



- Continuous economic slow down and political turmoil since 1H13 had significantly impacted BJC's business operation and performance.

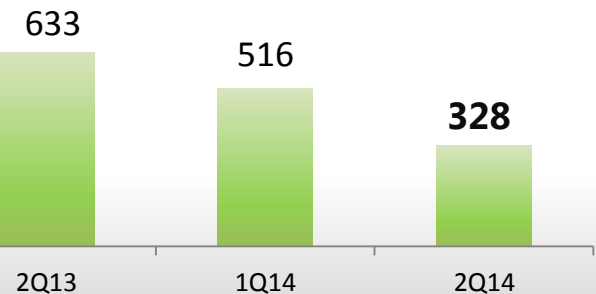
2Q14 Sales (MB)

▲ 1.8% YoY, ▼ 0.3% QoQ



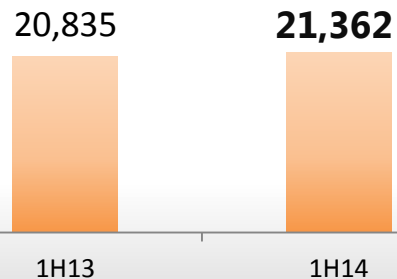
2Q14 Net Profit (MB)

▼ 48.2% YoY, ▼ 36.4% QoQ



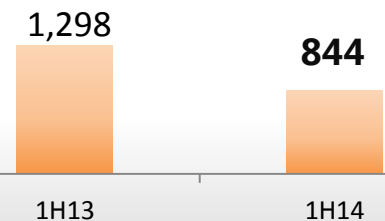
1H14 Sales (MB)

▲ 2.5% YoY



1H14 Net Profit (MB)

▼ 35.0% YoY



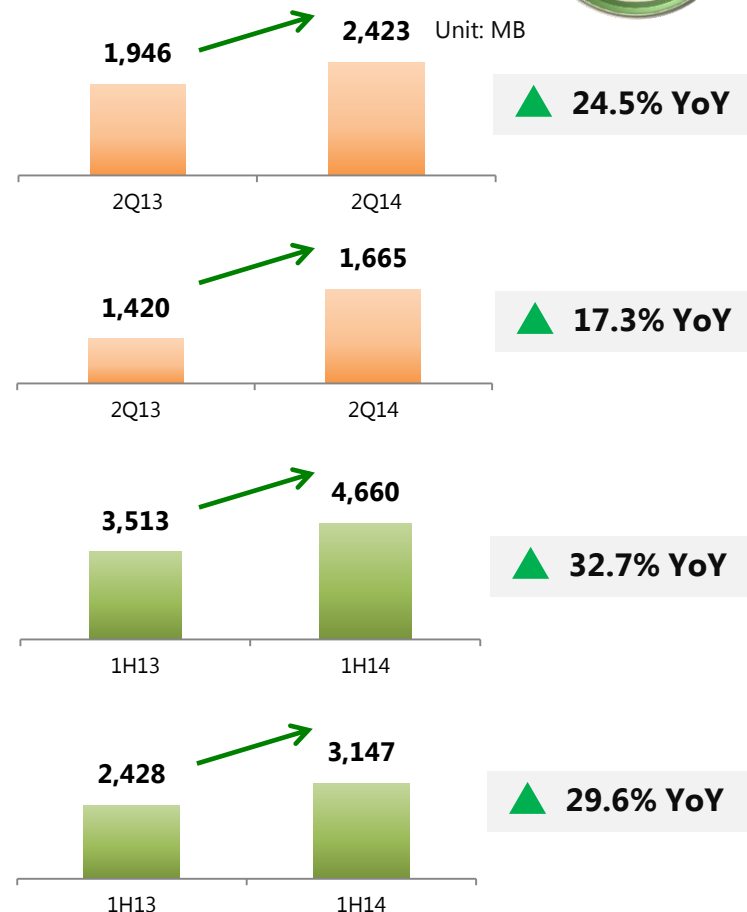
Overall
Performance

2Q14 Highlights



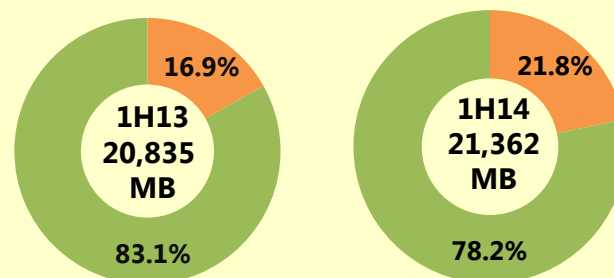
International Sales

- **2Q14 International Sales** were THB 2,423 million, **up 24.5% YoY**, and accounted for 22.7% of total sales.
- **2Q14 sales from Vietnam** were THB 1,665 million, **up 17.3% YoY**, and accounted for 68.7% of international sales.
- **1H14 International Sales** were THB 4,660 million, **up 32.7% YoY**, and accounted for 21.8% of total sales.
- **1H14 sales from Vietnam** were THB 3,147 million, **up 29.6% YoY**, and accounted for 67.5% of International sales.



1H14 International Sales were **21.8%** of Total Sales, **up from 16.9% in 1H13**.

■ Domestic Sales ■ International Sales



2Q14 Highlights



Operation



- Opened up 8 stores
- **Total 95 stores as of now**



- No new stores opened
- **Total 9 stores as of now**



- No new stores opened
- **Total 74 stores as of now**

Marketing Excellence

5 new products launched:

- 1 new glass packaging product
- 2 new consumer products
- 2 new healthcare products



Whisky Bottle



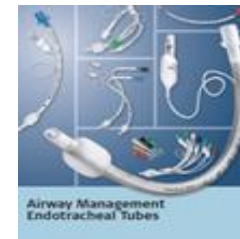
Victory Silk



Victory Spiral



Nexcare Mickey
Plastic bandage

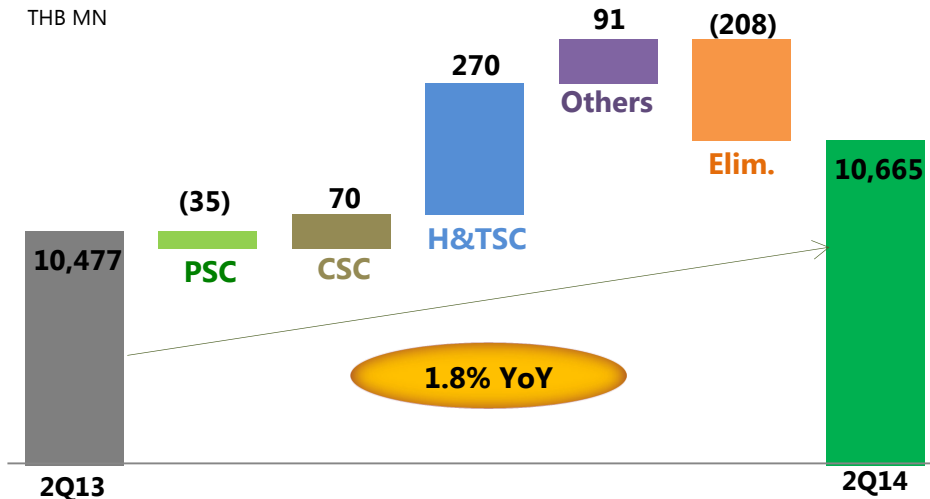


Conva Tec Tubes

2Q14 vs 2Q13

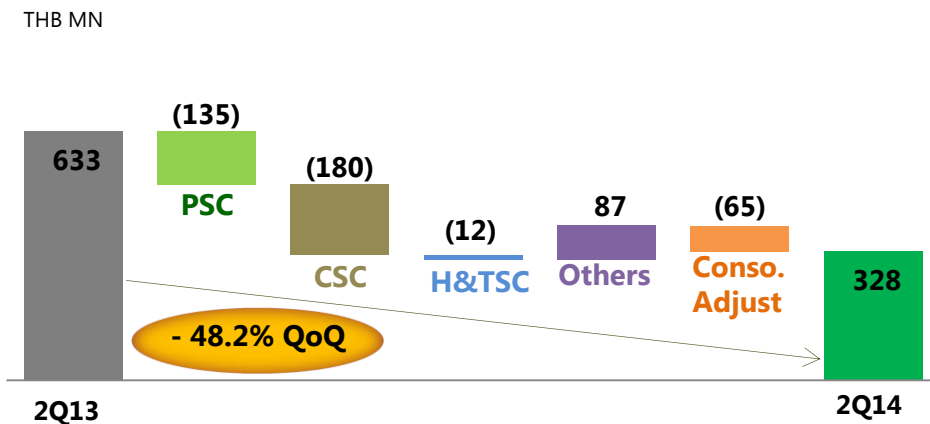


- **2Q14 Sales were THB 10,665 million, increased THB 188 million or 1.8% YoY.**



- Sales of H&TSC increased THB 270 MN due mainly to sales growth of galvanize steel structure business which; however, sold to BJC's new glass plant.
- CSC sales increased THB 70 MN mainly from Thai An sales increased.
- PSC sales decreased THB 35 MN mainly from slight decrease in Sales of Glass and Can packaging.

- **2Q14 Net Profit was THB 328 million, decreased THB 305 million or 48.2% YoY.**



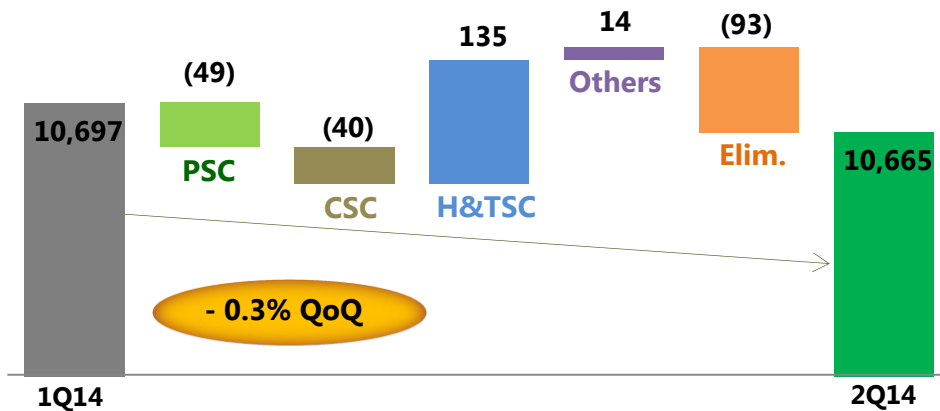
- PSC dropped THB 135 MN mainly from a drop in net profit of Thailand glass due to higher cost of good sold and SG&A while net profit of aluminum can dropped due to higher base of net profit in 2Q13 from FX gain of THB 86 MN.
- Net Profit of CSC dropped THB 180 MN mainly from a drop net profit of snacks, yogurt and personal care businesses.

2Q14 vs 1Q14



2Q14 Sales were THB 10,665 million, decreased THB 32 million or 0.3% QoQ.

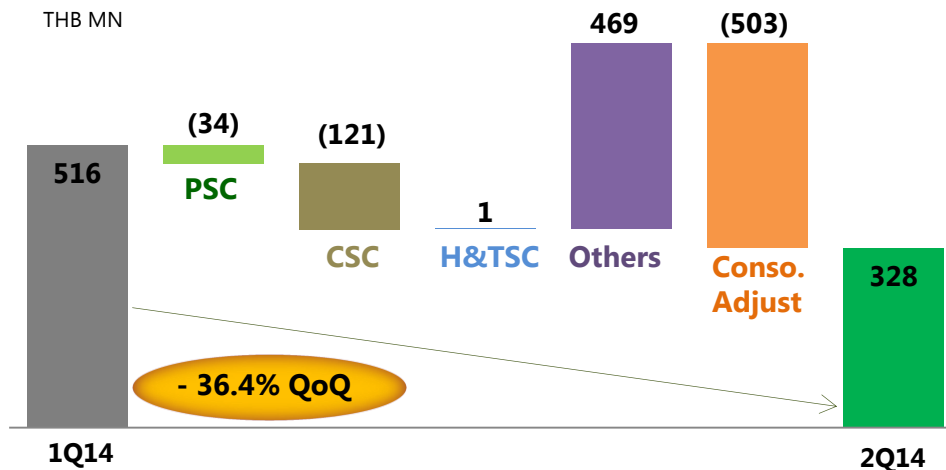
THB MN



- Sales of PSC decreased THB 49 MN mainly from weaker international sales of glass and aluminum can business.
- Sales of CSC weakened THB 40 MN from snacks, yogurt and Thai An businesses.
- Sales of H&TSC improved THB 135 MN mainly from higher sales of galvanize steel structure business which; however, sold to BJC's new glass plant.

2Q14 Net Profit was THB 328 million, decreased THB 188 million or 36.4% QoQ.

THB MN

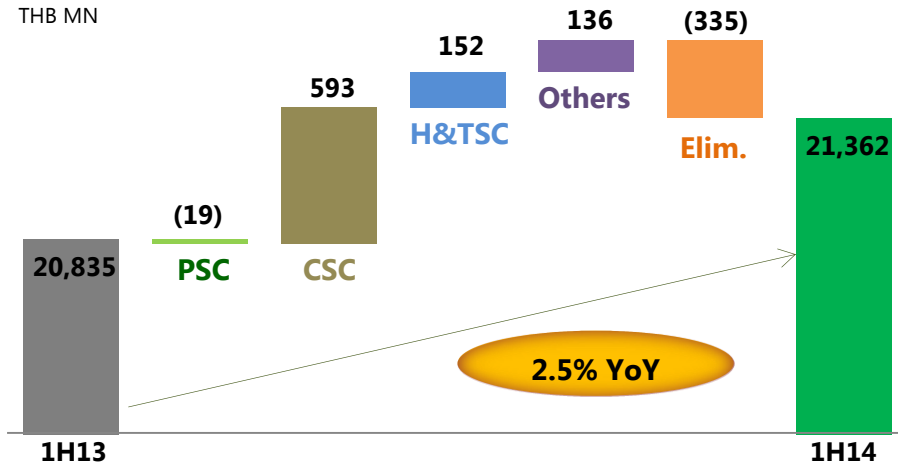


- Net profit of PSC decreased THB 34 MN mainly from weaker margins of Thai and Malaysia glass businesses.
- Net Profit of CSC dropped THB 121 MN mainly from lower net profit of snack, yogurt, and Thai An in accordance to sales decrease.
- Net Profit of Others increased due to dividend received from subsidiaries of THB 554 MN.

1H14 vs 1H13

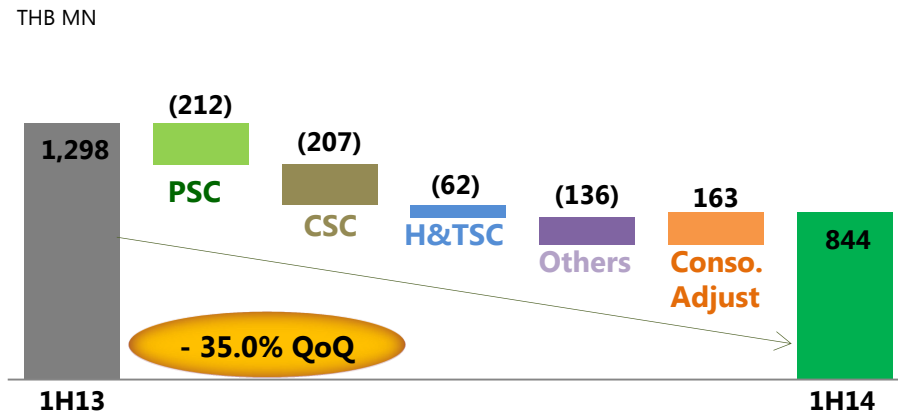


- 1H14 Sales were THB 21,362 million, increased THB 527 million or 2.5% YoY.



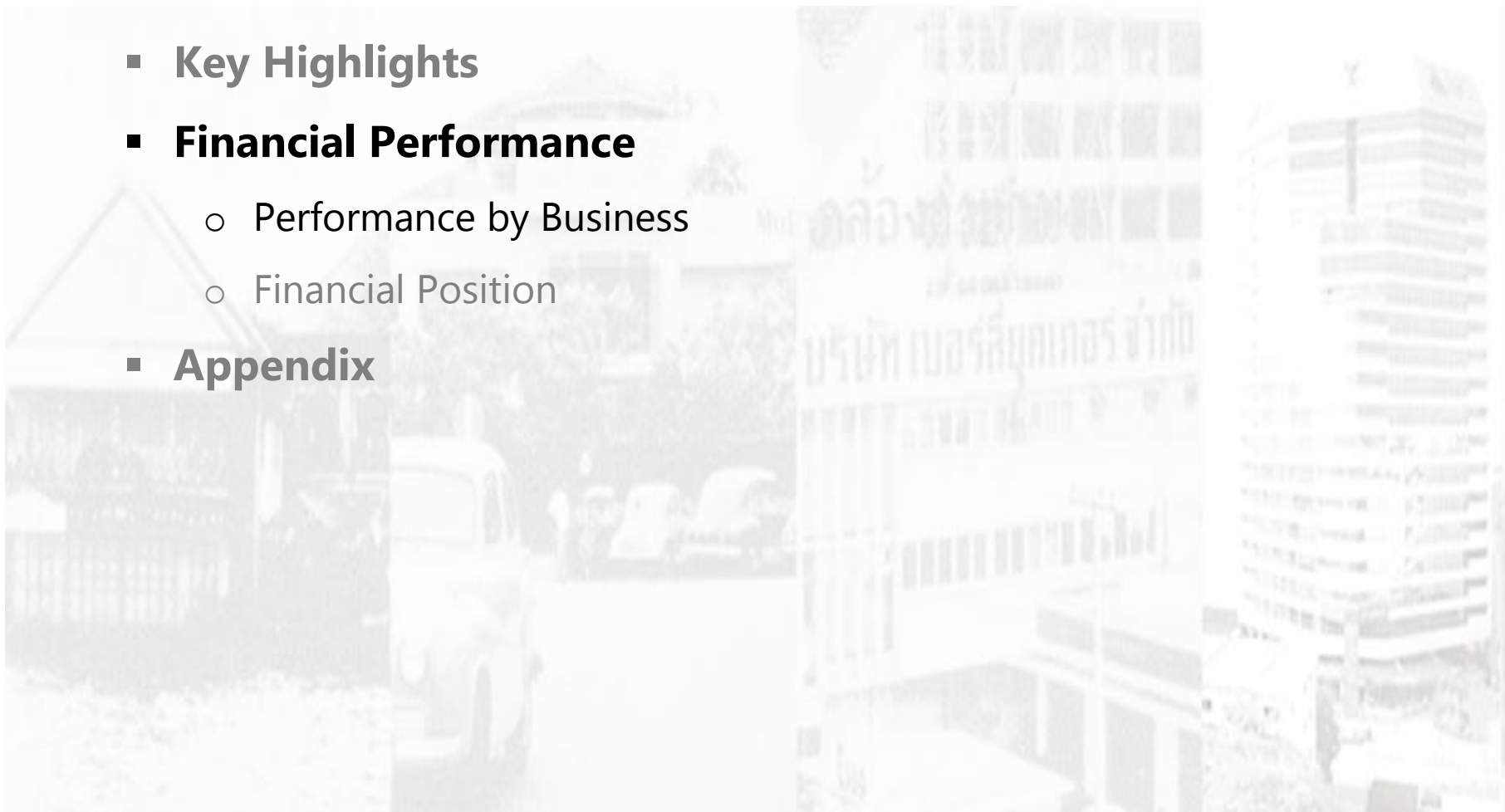
- Sales of CSC increased THB 593 MN mainly from an increase in Thai Corp and Thai An sales, which were consolidated since Mar-13.
- Sales of H&TSC improved THB 152 MN mainly from an increase in sales of galvanize steel structure business.
- Sales of PSC dropped THB 19 MN mainly from a drop in sales of Thai and Vietnam glass businesses.

- 1H14 Net Profit was THB 844 million, decreased THB 454 million or 35.0% YoY.



- Net Profit of PSC decreased THB 212 MN from a drop in Net Profit of Thai Glass and high base of 1H13 net profit of Thai Aluminum can business FX gain of Thai Aluminum can in 1H13.
- Net Profit of CSC dropped THB 207 MN mainly from a drop in snack, yogurt, and personal care businesses.
- Net Profit of H&TSC decreased THB 62 MN mainly from Pharmaceutical and Medical businesses.

- **Key Highlights**
- **Financial Performance**
 - Performance by Business
 - Financial Position
- **Appendix**

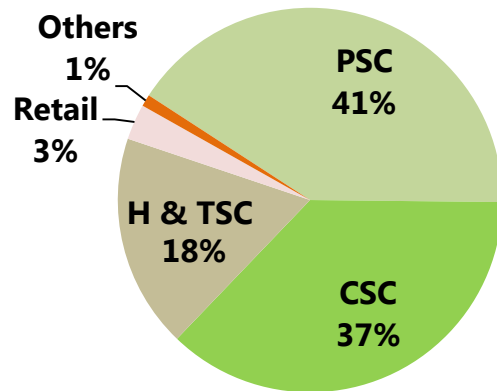


Performance Breakdown

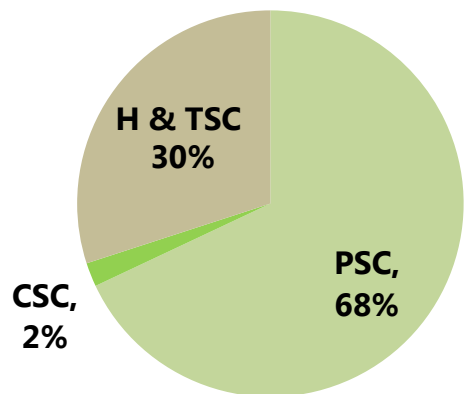


2Q14

Sales Breakdown

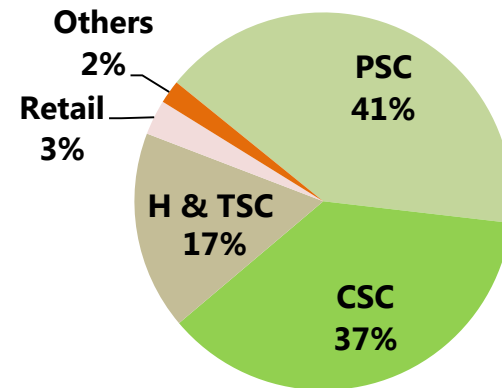


Net Profit Breakdown

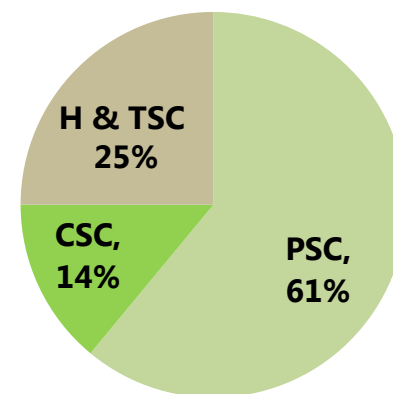


1H14

Sales Breakdown



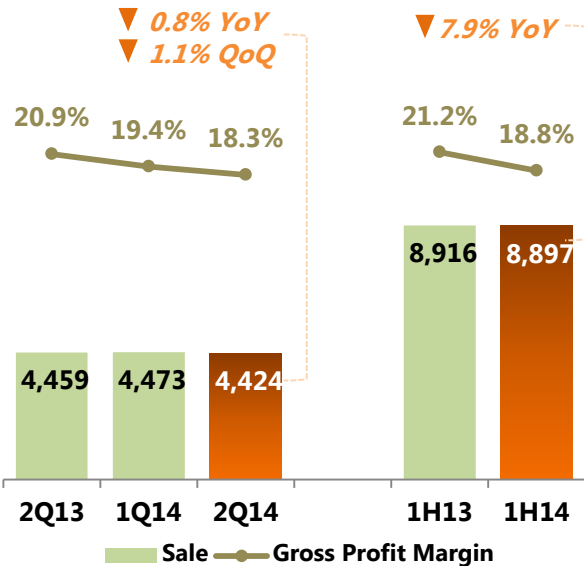
Net Profit Breakdown



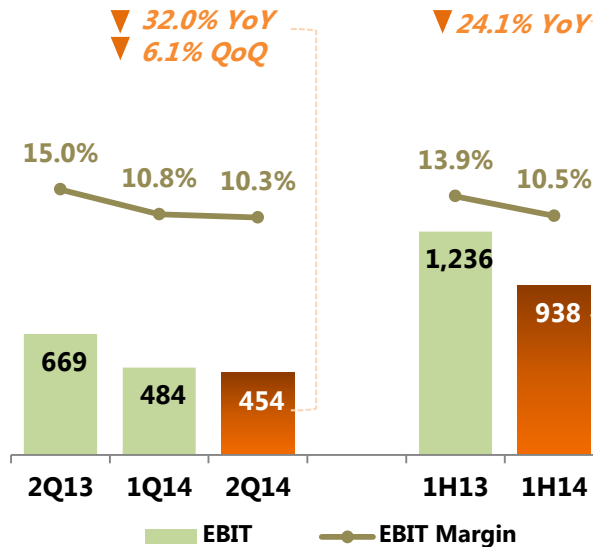
Packaging Supply Chain



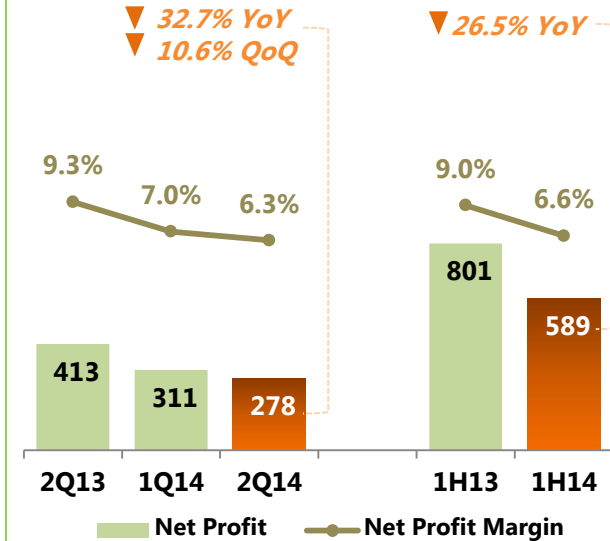
Sales and Gross Profit Margin



EBIT and EBIT Margin



Net Profit and Net Profit Margin



2Q14 Highlights

YoY

- Sales decreased from Glass business particularly in Malaysia together with lower sales of Aluminum Can in Thailand as domestic demand declined.
- Net Profit dropped from lower sales and higher production cost of Glass business coupled with the record of FX gain of Aluminum Can business in 2Q13. Excluding such transaction, 2Q14 net profit of Aluminum Can business increased.

QoQ

- Sales was lower from Glass business while sales of Aluminum Can in Thailand increased especially sales of end can.
- Net Profit contracted due mainly to lower sales and higher production cost of Glass business while net profit of Aluminum Can business increased due to domestic sales growth together with the improvement of production cost control of Vietnam operation

1H14 Highlights

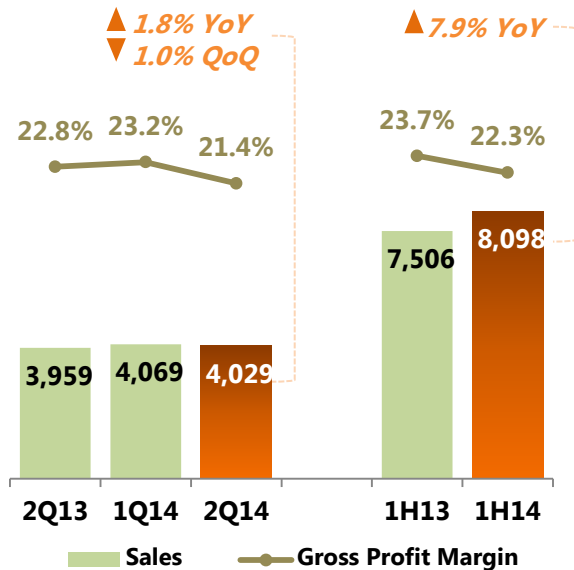
YoY

- Sales dropped from lower sales of Thailand and Vietnam Glass operations while sales of Aluminum Can business increased both Thailand and Vietnam.
- Net Profit decreased from lower sales and higher production cost of Glass business together with lower net profit of Aluminum Can business which recorded FX gain THB 79 mio in 1H13. Excluded such transaction, net profit of Aluminum Can business presented an increase.

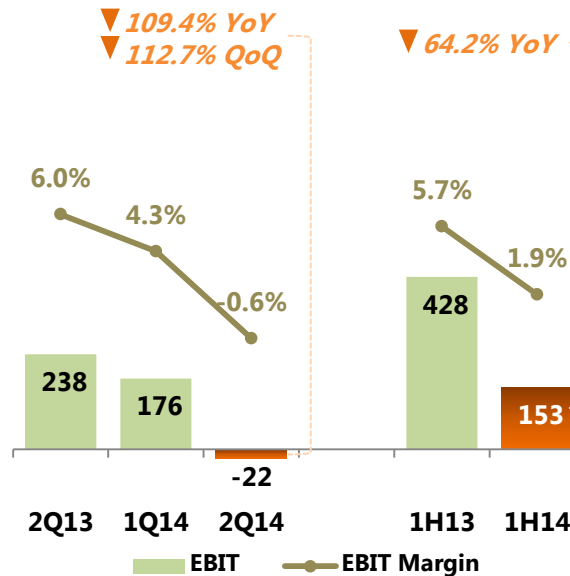
Consumer Supply Chain



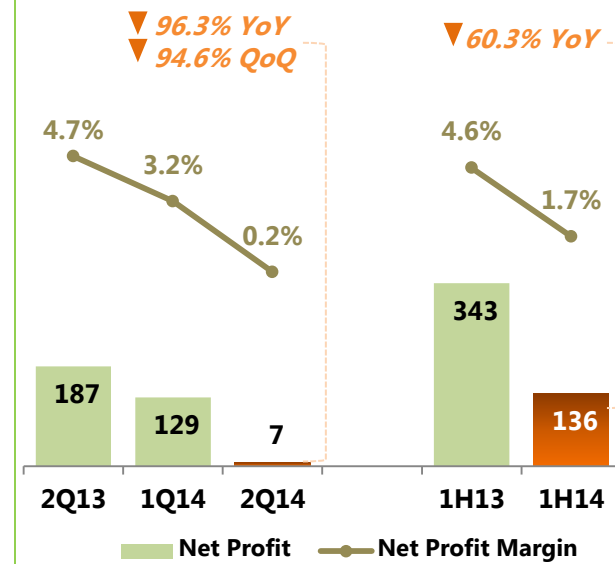
Sales and Gross Profit Margin



EBIT and EBIT Margin



Net Profit and Net Profit Margin



2Q14 Highlights

YoY

- Sales rose due mainly to Tissue and International Trading business while sales of Logistics business were relatively flat and sales of Foods Group declined.
- Net profit dropped from higher production cost and selling and administrative expenses of all businesses while net profit of Logistics business increased.

QoQ

- Sales of snack and yogurt and International Trading business declined while sales of all non-foods products and Logistics business improved.
- Net profit softened from higher production cost and selling and administrative expenses of all businesses while net profit of Logistics business rose.

1H14 Highlights

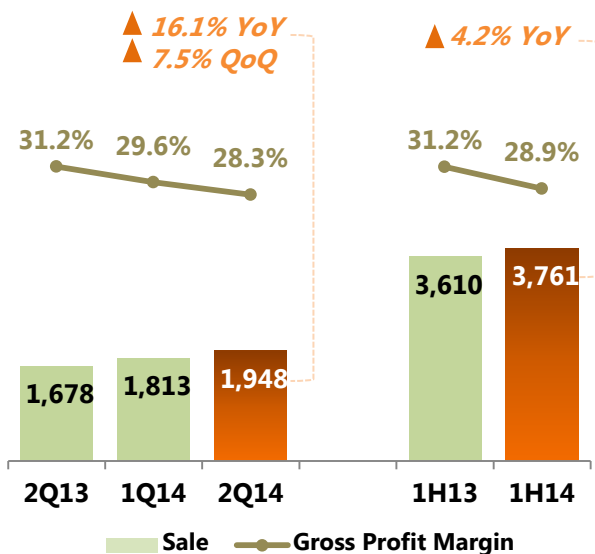
YoY

- Sales rose attributed mainly to sales of International Trading business while sales of others businesses declined.
- Net Profit decreased from lower net profit of both Foods and Non-Foods Groups while net profit of Logistics and International Trading businesses increased.

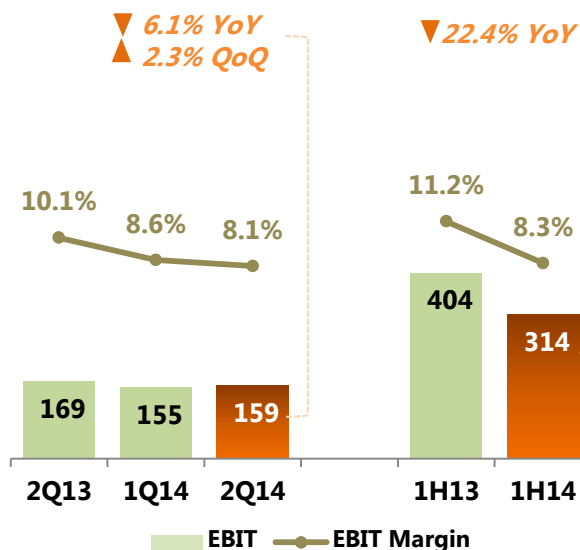
Healthcare & Technical Supply Chain



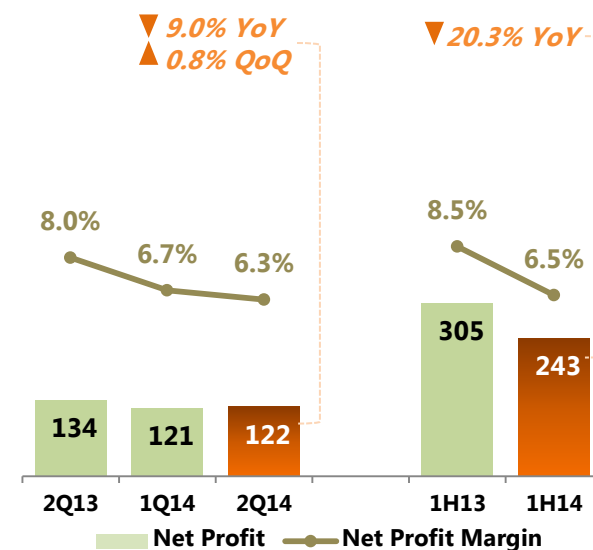
Sales and Gross Profit Margin



EBIT and EBIT Margin



Net Profit and Net Profit Margin



2Q14 Highlights

YoY

- Sales rose mainly from higher sales and services of TSC especially Galvanize steel structure business while HSC decreased.
- Net Profit decreased mainly from HSC while net profit of TSC increased in associate with sales growth.

QoQ

- Sales increased as sales of TSC improved from Chemical Specialties and Galvanized Steel Structure businesses while sales of HSC contracted.
- Net Profit was relatively flat as the higher net profit of TSC was offset with lower net profit of HSC.

1H14 Highlights

YoY

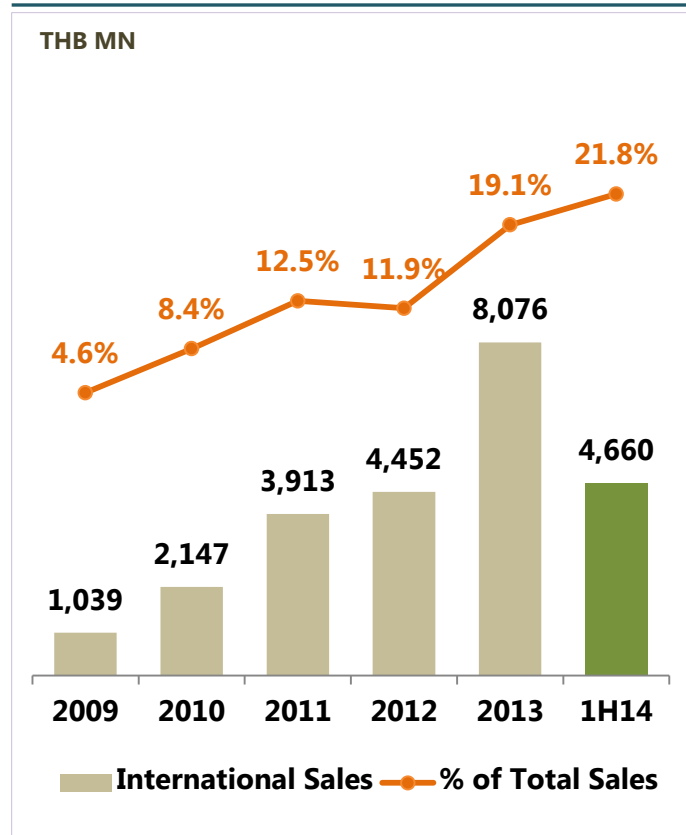
- Sales increased due to higher sales of TSC specifically Chemical Specialties and Galvanize steel structure business while sales of HSC declined.

- Net Profit weakened from lower net profit of HSC while net profit of TSC presented growth.

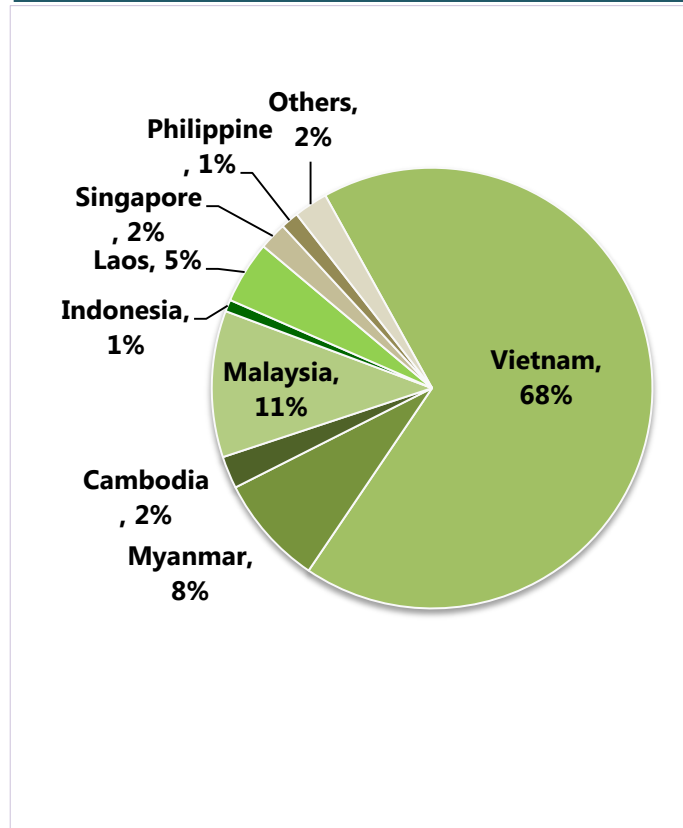
International Sales



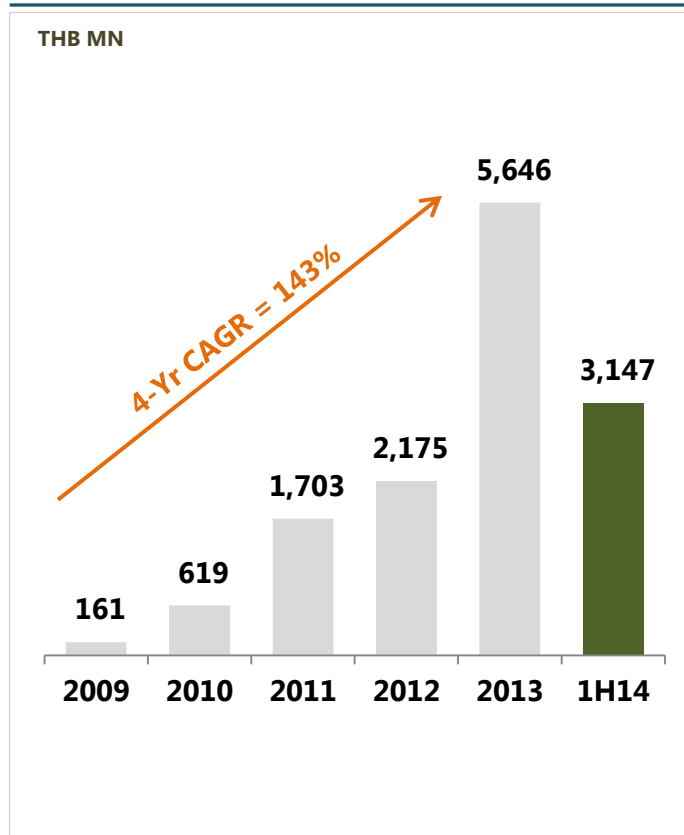
International Sales



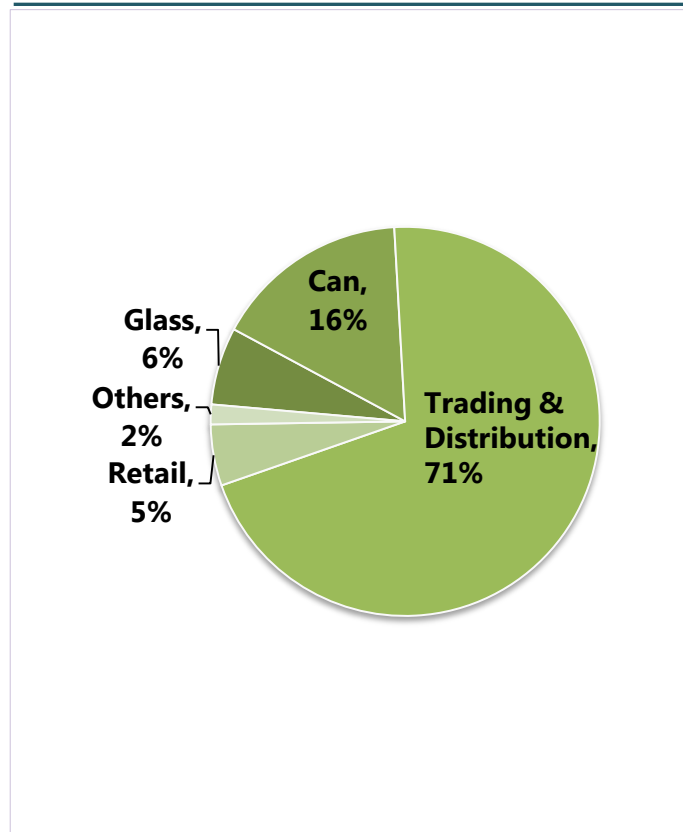
1H14 International Sales Breakdown



1H14 Vietnam Sales



1H14 Vietnam Sales Breakdown

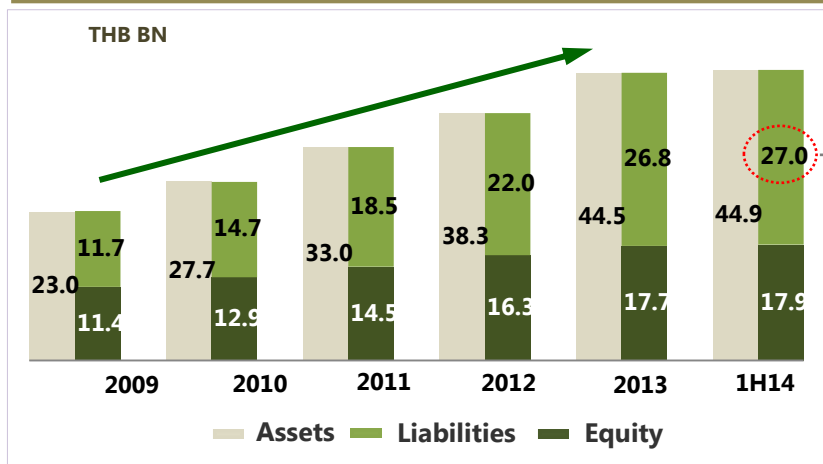


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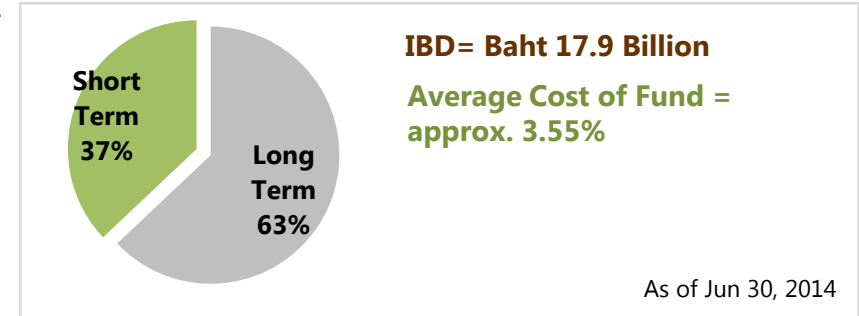
Financial Position



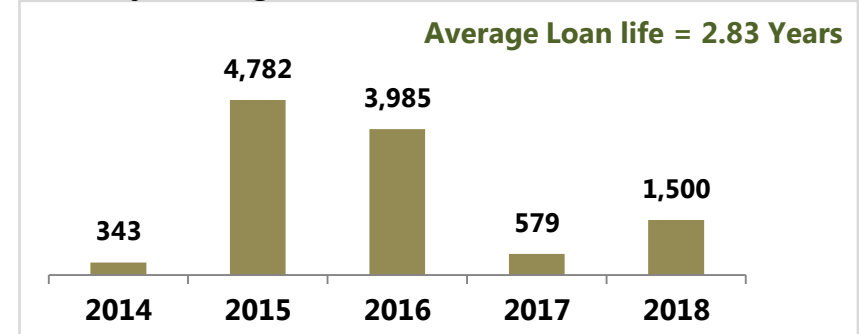
Balance Sheet



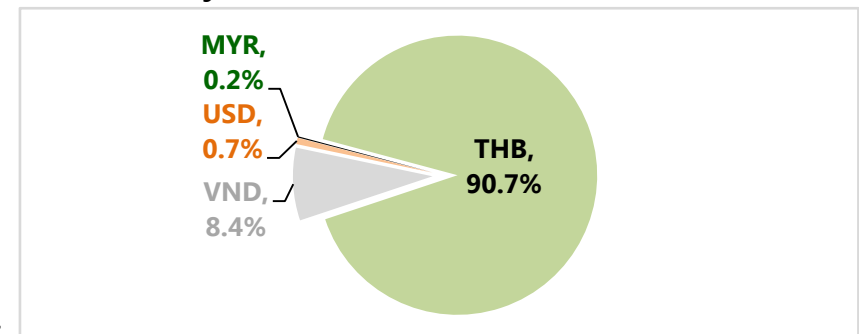
Interest Bearing Debt (IBD)



Maturity of Long-Term Loan



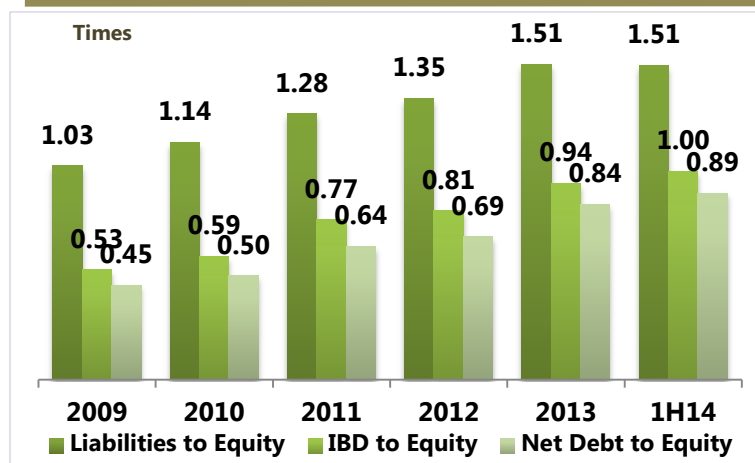
IBD Currency Breakdown



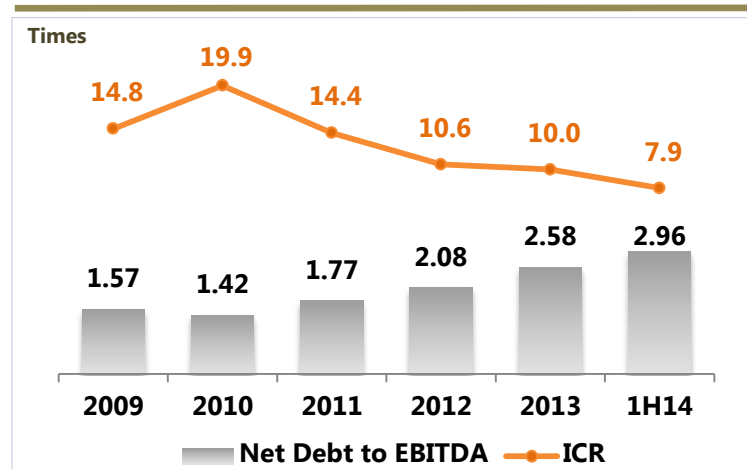
CAPEX & Key Financial Ratios



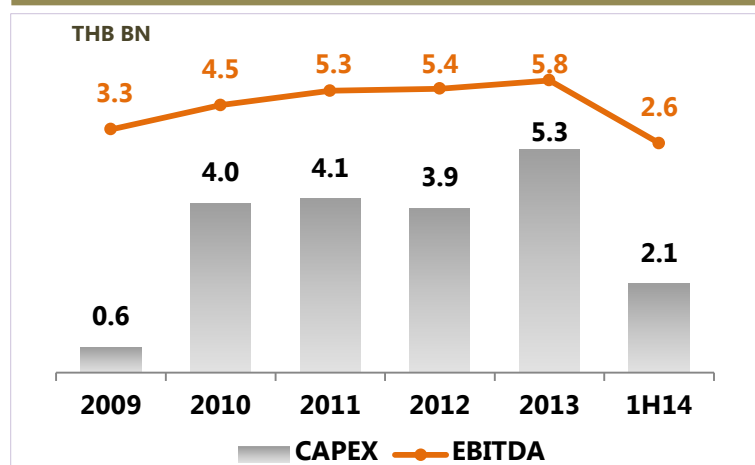
Debt to Capitalization



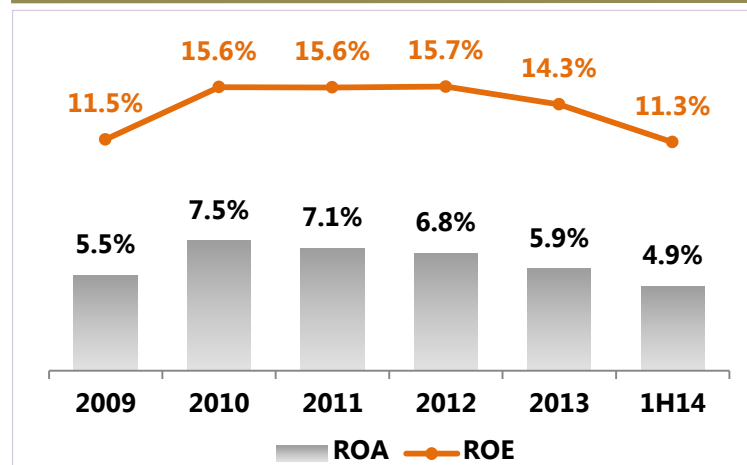
Net Debt to EBITDA & ICR



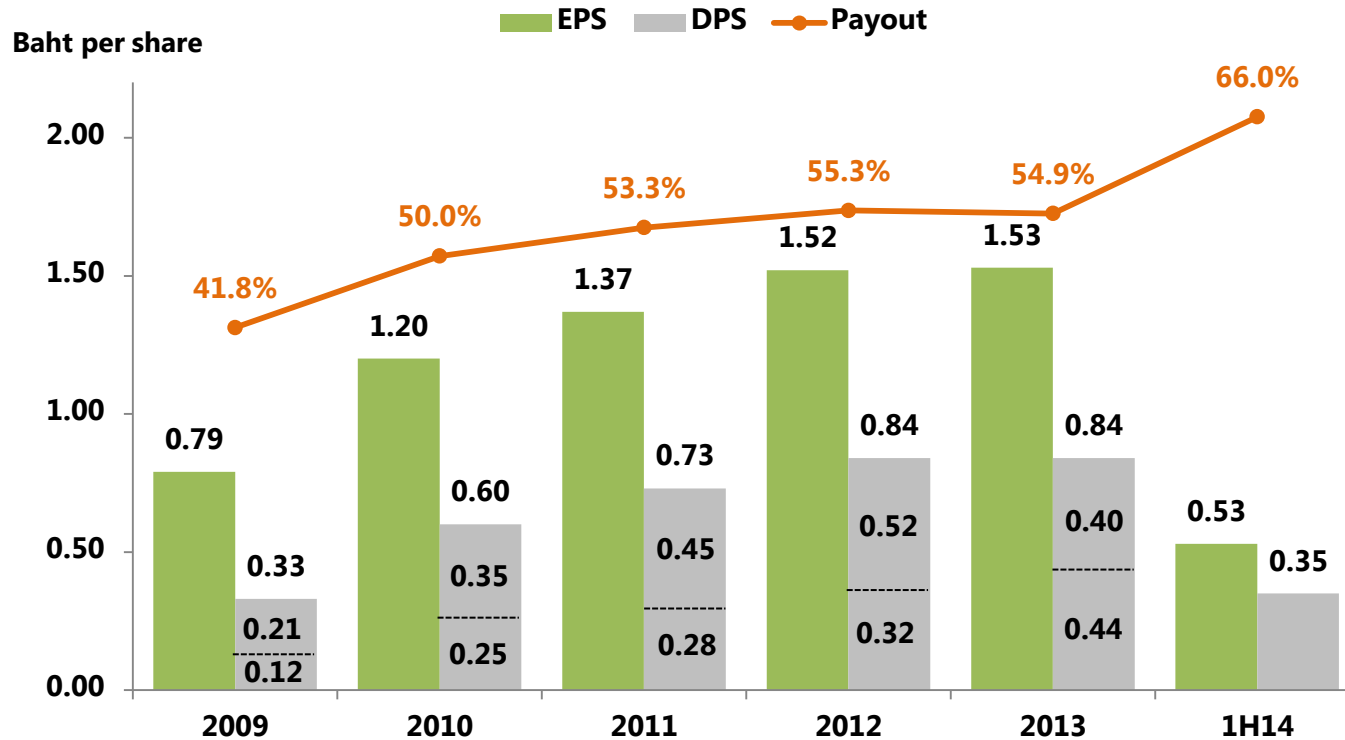
CAPEX and EBITDA



ROE & ROA



Dividend Payment



- Dividend policy: No less than 50% of net income after future investments required
- Final dividend payment for 2H13: THB 0.40/share (Payment Date: 23 May 2014)
- Interim dividend for 1H14: THB 0.35/share (Payment date: 12 September 2014)

Thank You

For more information

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Appendix



Metro Cash and Carry Vietnam Limited is comprised 19 stores, located in 14 cities



METRO : A Leading Player in Vietnam's Modern Grocery Market



- Established in 2002, METRO Vietnam is the pioneer and the only Cash & Carry player in Vietnam with a #2 position in the local grocery market
- Operates 19 METRO Vietnam outlets across 14 cities
- Two dedicated sourcing platforms for fish and fruits and vegetables
- Well-invested warehousing and logistics platform with two warehousing facilities and two cross-dealing platforms in the north and south of Vietnam
- Carries 3 key product categories – fresh food, dry food and non-food
- Employs >3,500 full-time equivalent employees in Vietnam
- Sales of VND 14.1 billion (THB 21 billion¹) for the calendar year ended 31 December 2013

Store and Warehouse Network



NORTH

34,863
total net
sales areas
(M²)
6 stores

CENTRAL

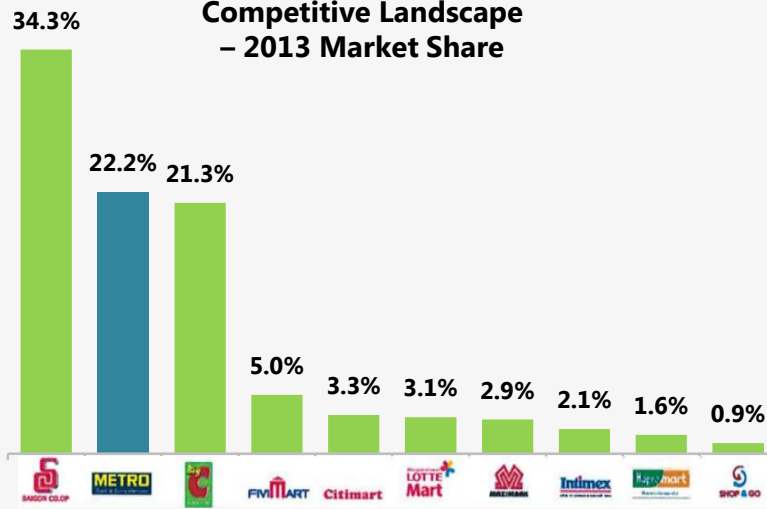
39,232
total net
sales areas
(M²)
7 stores

SOUTH

35,728
total net
sales areas
(M²)
6 stores

109,823 total net sales areas (M²)

Competitive Landscape – 2013 Market Share



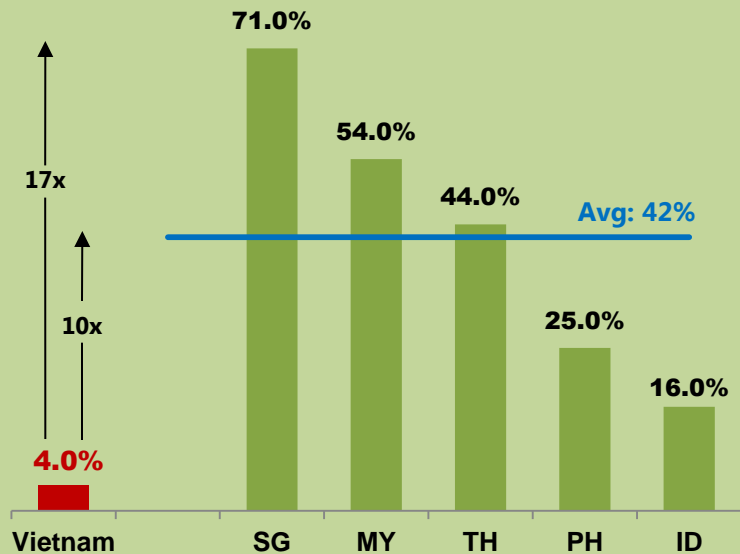
Large	68	19	25	–	–	–	–	–	–	–
Medium	75	–	5	16	33	–	–	15	34	–
Small	145	–	5	–	–	–	–	–	–	95
Total	288	19	35	16	33	6	6	15	34	95

Rapidly Growing Addressable Market



Low Vietnam Modern Grocery Penetration

Modern Grocery* Retail % of Sales



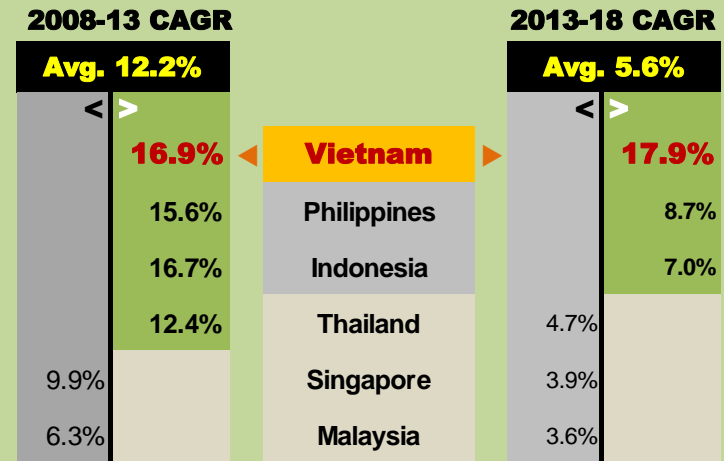
Source: Euromonitor

*Excluding Cash & Carry.

Nascent stage of development – large exposure to traditional markets

Expected to Drive Market Growth

Vietnam's Modern Grocery Growth vs. Other Key SEA Markets



Source: Planet Retail

Attractive Macroeconomic Fundamentals within Vietnam



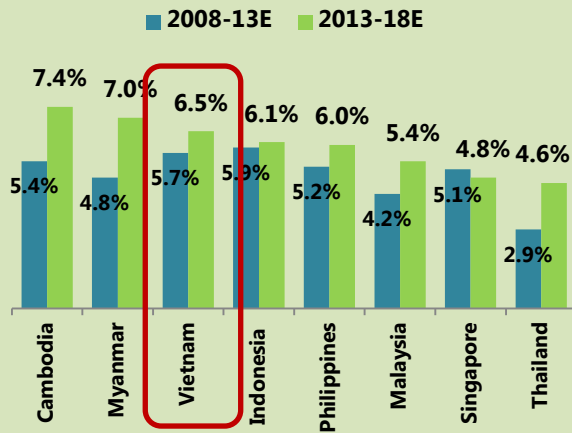
Vietnam
Upgraded to
B1;
outlook stable

- Strong Growth Prospects
- Fast Growing Middle Class
- Consumption Growth

Strong Growth Prospects

Vietnam's GDP growth ahead of other SEA Markets

Real GDP Growth



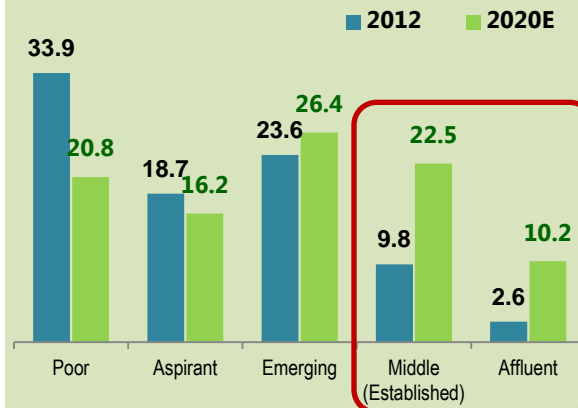
Source: EIU

3rd most populous country in SEA – c.90m
6th largest economy in SEA – US\$172bn
Key growth engine (5.7% vs. 4.8% SEA average 2008-13E Real GDP CAGR)
Rising exports and increasing FDI
Government bond rating recently upgraded by Moody's

Fast Growing Middle Class

Vietnam's middle & affluent class set to triple in the next 5 years

Vietnam Population Breakdown by Economic Class (in millions)



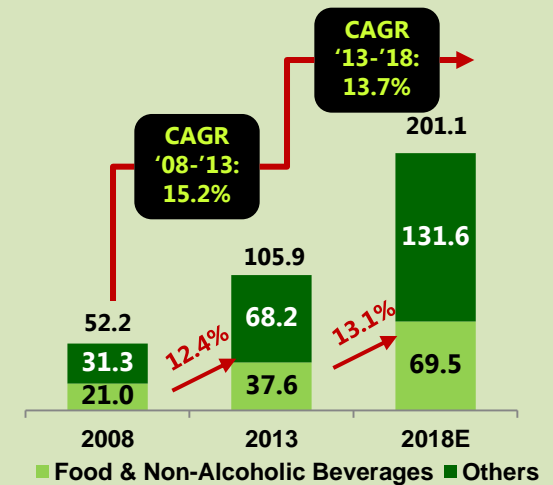
Source: BCG Report, December 2013

Middle and affluent class population almost 3x to 33m by 2020
Expanding labour market / employment combined with increase in general wage levels

Driving Consumption Growth

Vietnam's consumer expenditure expected to grow c.4 times from 2008-18E

Consumer Expenditure (US\$bn)



Source: Euromonitor

Cash-rich, time-poor lifestyles
Higher awareness / willingness to pay for brand, food safety and convenience
Strong increase in packaged food consumption

Transformational Acquisition Creating a Leading Regional Consumer Supply Chain Business



Consistent with BJC's Long-Term Strategy in Becoming a Regional Leader across the Entire Value Chain



Upstream

Manufacturing

Cellox[®]

One converting facility in Vietnam

TOFU
ICHIBAN

One manufacturing facility in Vietnam with capacity of c.30,000 pieces/day



- Long-term partnership with Owens-Illinois, the largest producer of glass containers globally
- One glass furnace with capacity of c.100kt per annum



- Joint venture with the largest beverage can manufacturer globally, Ball Corporation
- One can manufacturing facility in Ho Chi Minh City with a capacity of 750 million cans per year

Midstream

Distribution



- 75% subsidiary of BJC
- 30 years of trading experience and sole distributor of many well-known brands in Vietnam
- One of the largest sales and distribution networks in 64 provinces of Vietnam focusing on Southern Vietnam



- 65% subsidiary of BJC
- Leading distributor and retail group in Northern Vietnam

Wholesale



- #2 player in the Vietnamese modern grocery landscape
- 3rd largest large format player with 19 stores across 14 cities
- Total net sales area of almost 110,000m2

Downstream

Retail

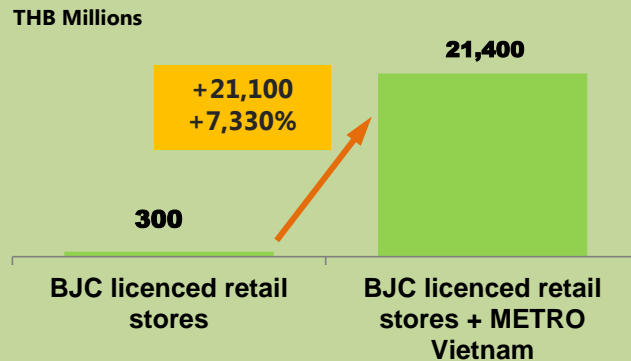


- IP licensing to 95 convenience stores across Ho Chi Minh City (provided through Thai An Trading)
- Provides retail system support and technical assistance to leading CVS brand (B's Mart) in Vietnam

BJC to Become a Leading Player in the Vietnamese Modern Trade Market

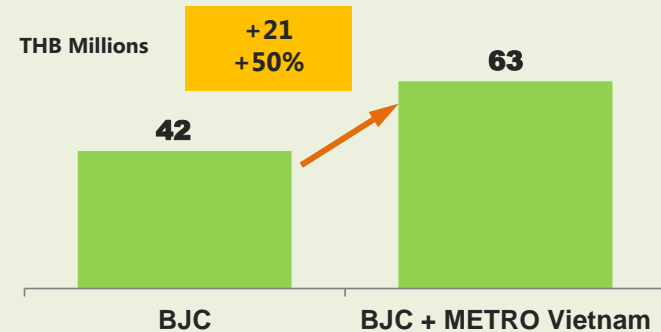


Illustrative Pro Forma Retail/ Wholesale Sales Footprint*

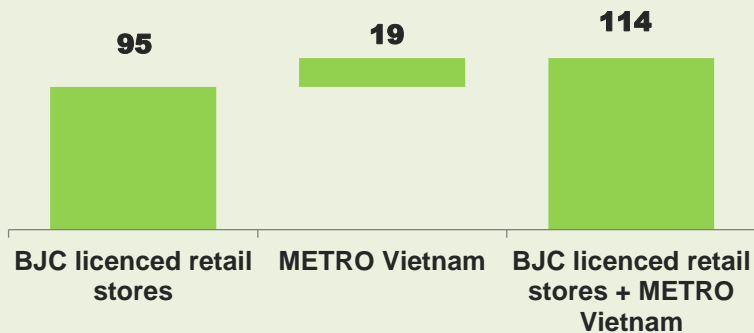


* Based on CY13 sales for METRO Vietnam. Converted at a THB/VND exchange rate of 667.

CY13 Sales – BJC Group



Illustrative Pro Forma Store Footprint



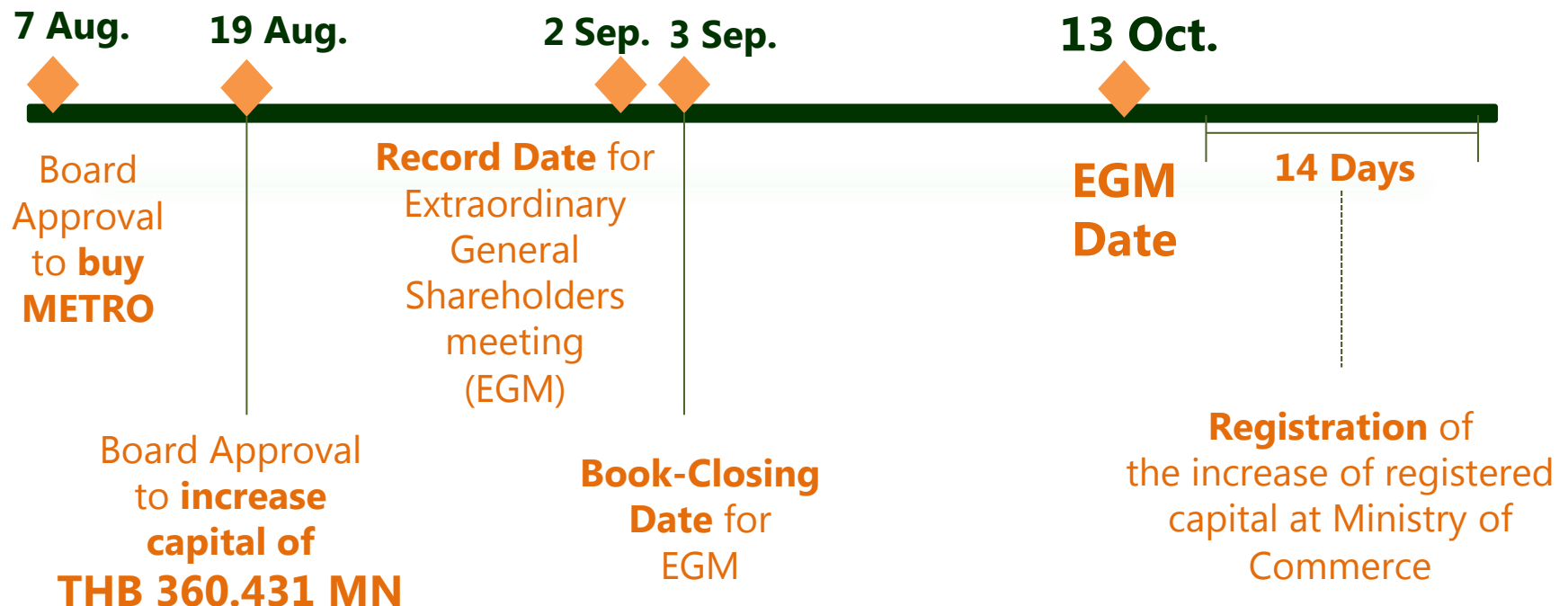
Illustrative Pro Forma Store Area



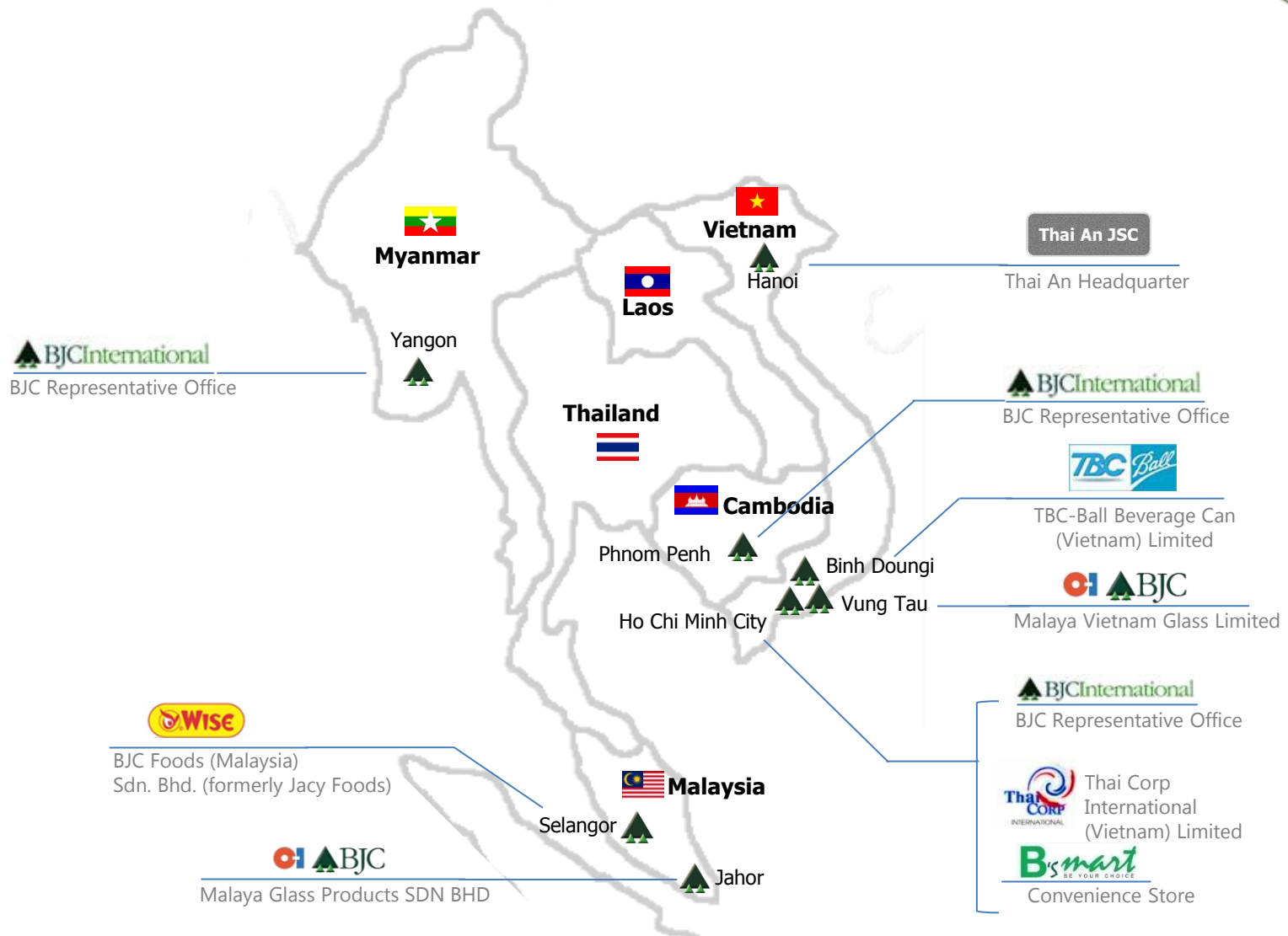
Timeline



- 7 Aug.** Board Approval to sign SPA with Metro Cash & Carry International Holding B.V. to acquire 100% in Metro Cash & Carry Vietnam, with total enterprise value (cash free, debt free) of Euro 665 million or THB 28,370 million.
- 19 Aug.** Board Approval to:
1. Increase capital of 360.434 million shares @ 45 Baht/share by right offering of 2 new shares for 9 old shares
 2. Schedule for shareholders meeting to approve the capital increase
 3. Schedule record date to determine the right to attend the shareholders meeting
 4. Schedule book-closing date



BJC's International Portfolio



BJC Partners of Choice



Packaging Supply Chain



Consumer Supply Chain



Healthcare Supply Chain



Technical Supply Chain



Retail & Other Supply Chain



BACKUP

+ ใส่ Metro หน้า market share

+ ใส่ dividend

Summary of BJC Capacity as of 2Q14



Glass Packaging

TGI (Thailand)	2,145	tpd
TMG (Thailand)	590	tpd
MGP (Malaysia)	452	tpd
MVG (Vietnam)	<u>280</u>	tpd
Total	3,467	tpd



Aluminum Can Packaging

TBC (Thailand)- Can	2,200	mil. can/year
TBC (Thailand)- End	2,700	mil. end/year
TBC-Ball (Vietnam)- Can	<u>850</u>	mil. can/year
Total- Can	3,050	mil. can/year
Total- End	2,700	mil. end/year



Consumer Products

Potato Chip & Snack (Thailand)	20,131	tpa
Potato Chip & Snack (Malaysia)	2,823	tpa
Yogurt	25,000	tpa
Tissue Paper	45,000	tpa
Soap & Personal Care	22,410	tpa
Cosmetics	7,600	tpa
Confectionary	8,804	tpa



74 Stores

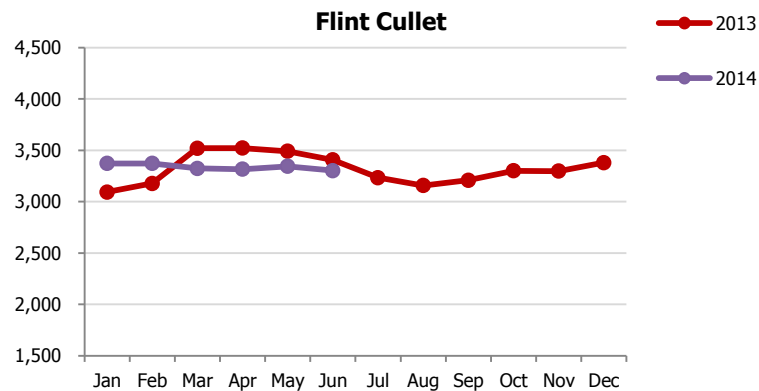
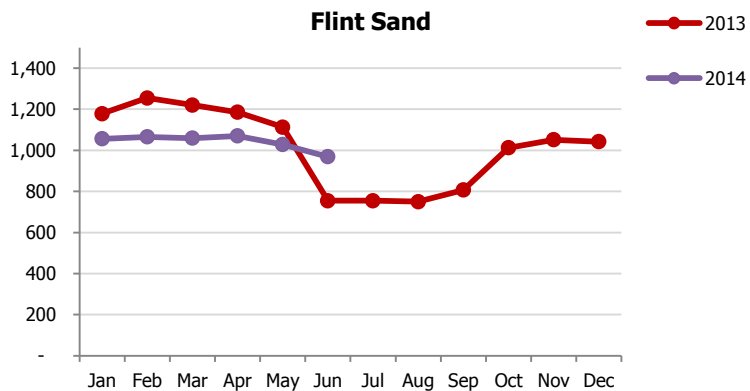
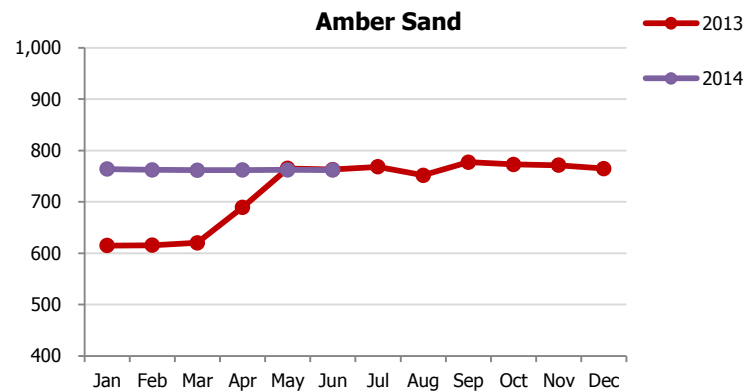
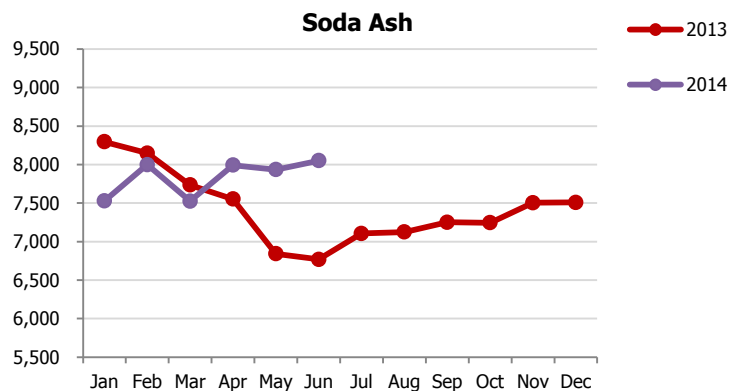


9 Stores

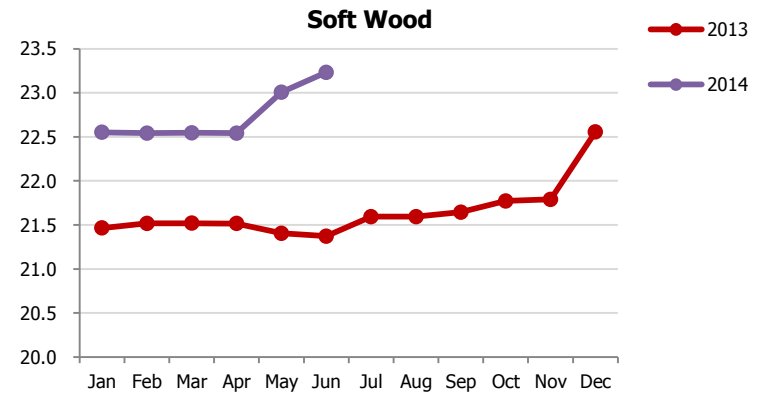
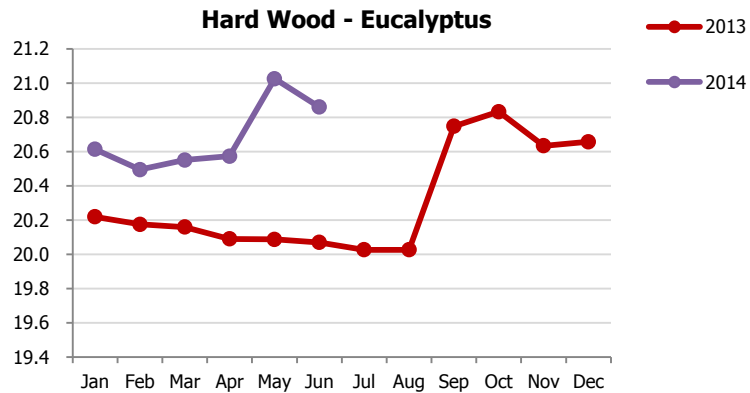
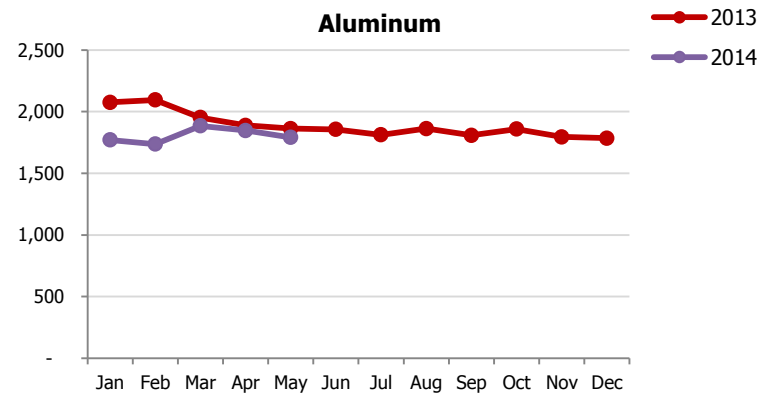
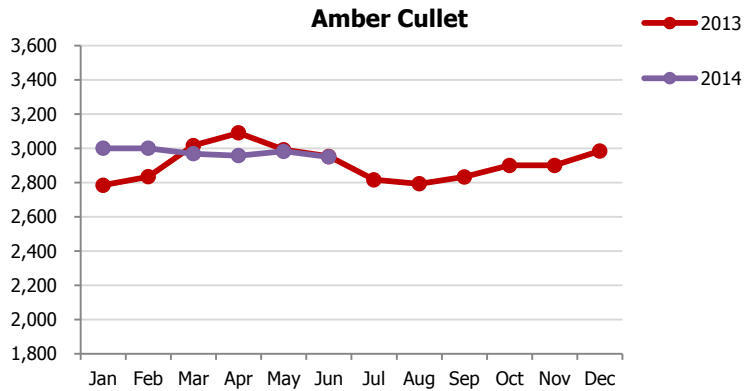


95 Stores

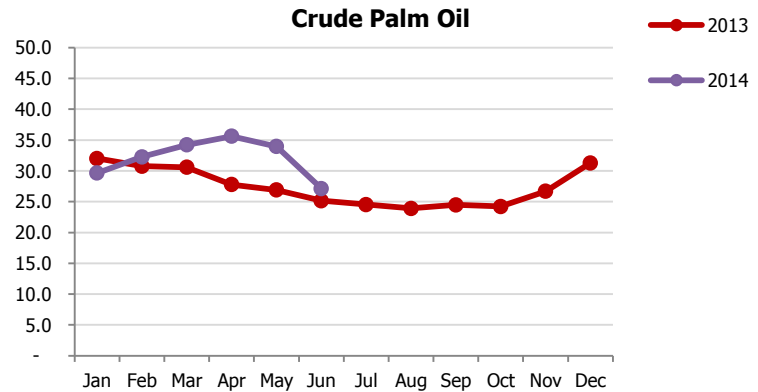
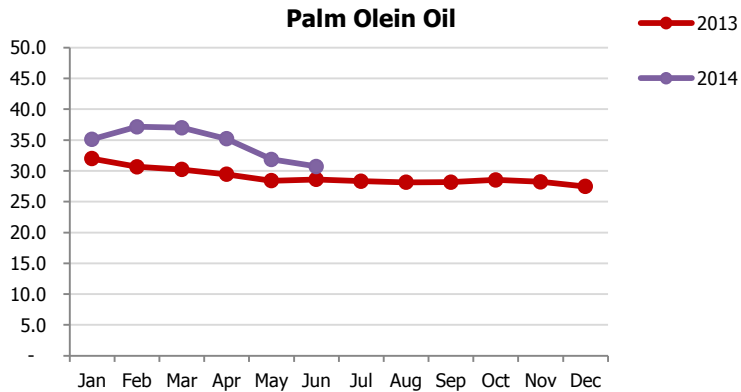
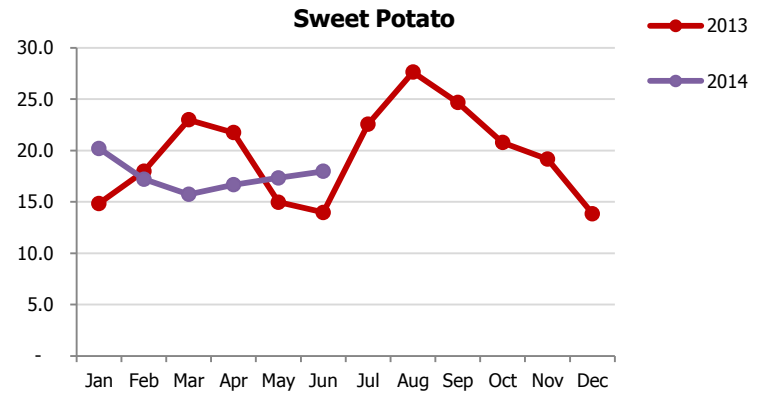
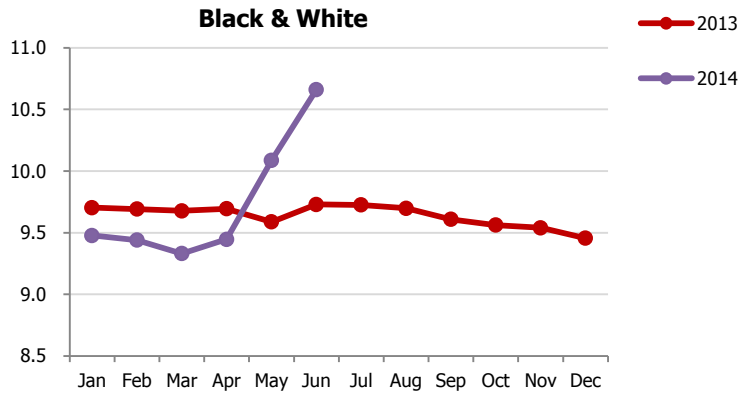
Raw Material Prices



Raw Material Prices



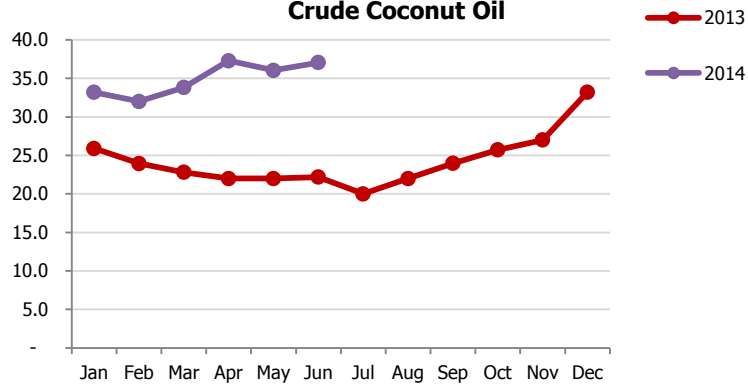
Raw Material Prices



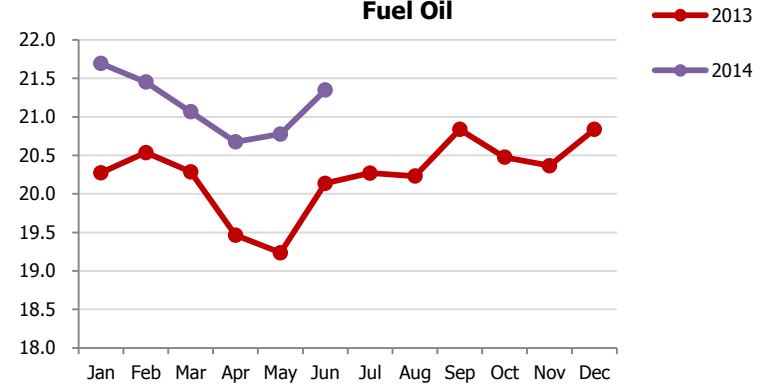
Utilization Rate



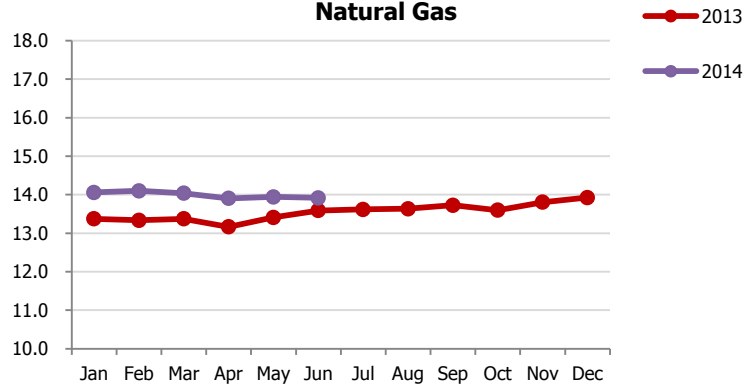
Crude Coconut Oil



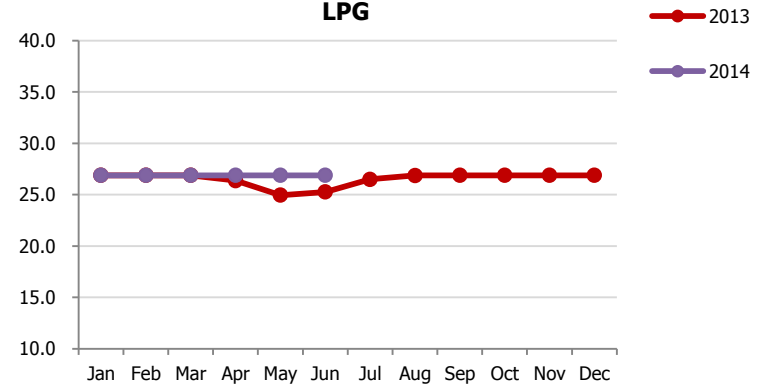
Fuel Oil



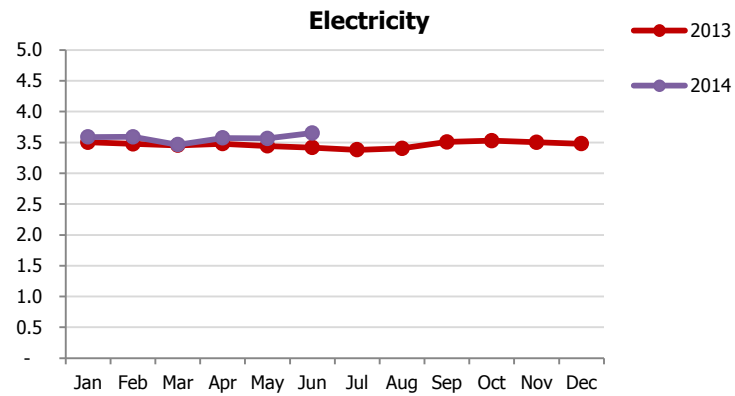
Natural Gas



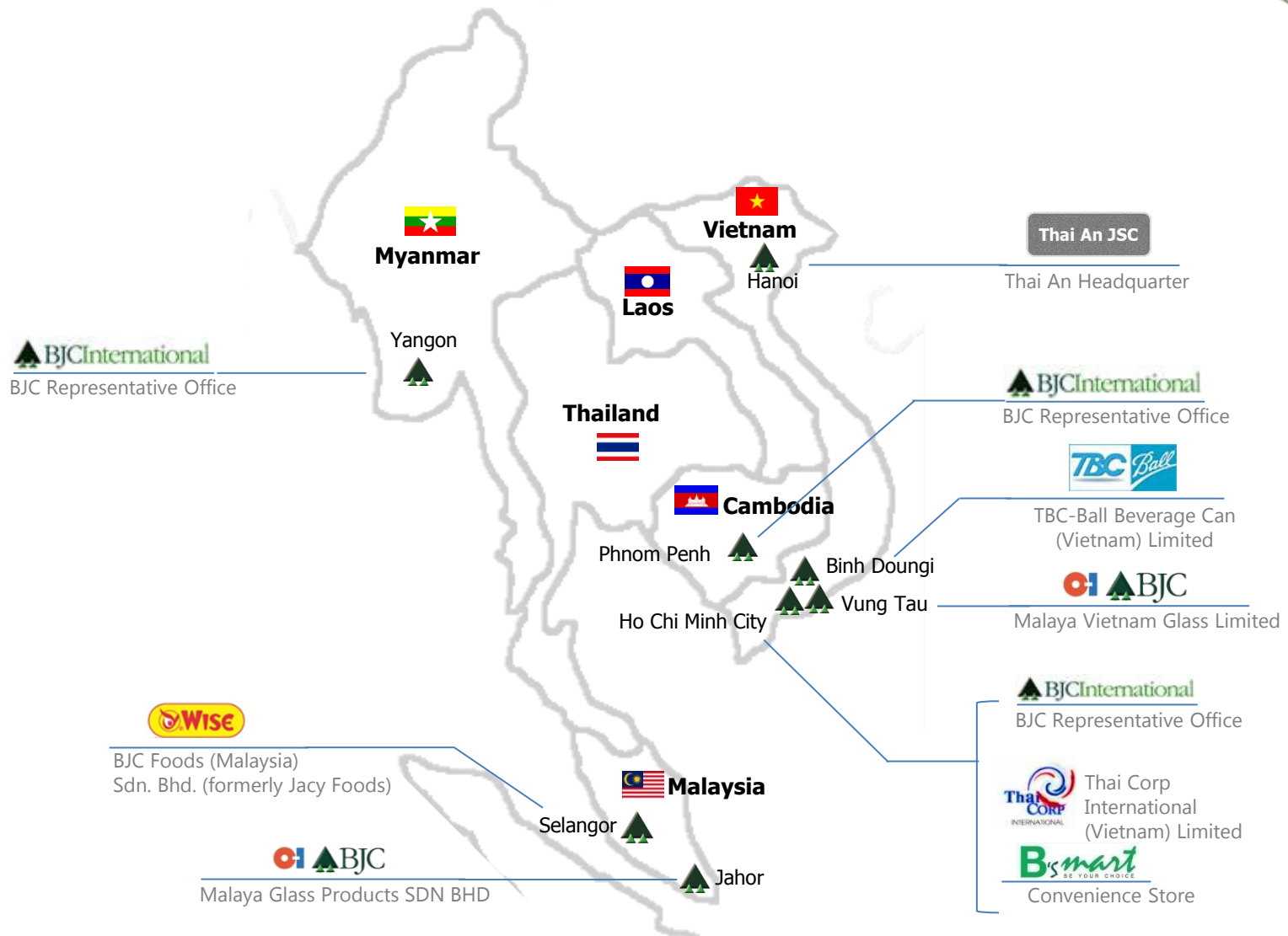
LPG



Raw Material Prices



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BJC Partners of Choice



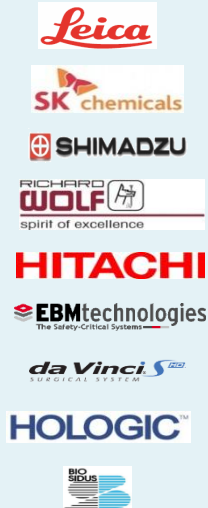
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