

Thai Union Frozen Products Public Company Limited
and its subsidiaries
Review report and consolidated interim financial statements
For the three-month period ended
31 March 2011 and 2010

Review report of Independent Auditor

To the Shareholders of Thai Union Frozen Products Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Thai Union Frozen Products Public Company Limited and its subsidiaries as at 31 March 2011, the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the three-month period ended 31 March 2011, and the separate financial statements of Thai Union Frozen Products Public Company Limited for the same period. These financial statements are the responsibility of the Company's management as to their correctness and the completeness of the presentation. My responsibility is to issue a report on these financial statements based on my review. I did not review the interim financial statements of overseas subsidiaries, Thai Union International, Inc. and its subsidiaries and PT Juifa International Foods, which are included in the consolidated financial statements for the three-month period ended 31 March 2011. The financial statements of these subsidiaries present total assets of Baht 11,850 million, and total revenues for the three-month period then ended of Baht 7,624 million. The interim financial statements of these subsidiaries were reviewed by other auditors, whose reports have been furnished to me, and my review report, insofar as it relates to the amounts of the various transactions of those subsidiaries included in the consolidated financial statements, is based on the reports of those auditors.

I conducted my review in accordance with the auditing standard applicable to review engagements. This standard requires that I plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. I have not performed an audit and, accordingly, I do not express an audit opinion.

Based on my review and the review reports of other auditors, nothing has come to my attention that causes me to believe that the accompanying financial statements are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

I draw attention to Note 1.3 to the financial statements. During the year 2010, the Company purchased MW Brands Group in France and assessed the fair value of the related intangible assets. The excess of the purchase price over the net asset value was recorded as goodwill in the balance sheet. However, the values of some tangible assets as of the acquisition date are still recorded at a book value rather than their fair value, because they are awaiting appraisal. The Company may therefore adjust the value of goodwill if the fair value of the tangible assets is materially different from the book value.

The consolidated financial statement of Thai Union Frozen Products Public Company Limited and its subsidiaries, and the separate financial statements of Thai Union Frozen Products Public Company Limited for the year ended 31 December 2010 were audited in accordance with generally accepted auditing standards by another auditor of our firm who, under her report dated 28 February 2011, expressed an unqualified opinion on those statements and drew attention to the fair value of the tangible assets which were awaiting appraisal. The consolidated and separate statements of financial position as at 31 December 2010, as presented herein for comparative purposes, formed an integral part of the financial statements which that auditor audited and reported on, based partially on the reports of other auditors of the overseas subsidiaries.

The consolidated statements of income, changes in shareholders' equity and cash flows for the three-month period ended 31 March 2010 of Thai Union Frozen Products Public Company Limited and its subsidiaries and the separate financial statements of Thai Union Frozen Products Public Company Limited for the same period, as presented herein of comparative purposes, formed an integral part of the interim financial statements which were reviewed by the aforementioned auditor who reported, under her report dated 28 April 2010, that nothing had come to her attention to caused her to believe that those financial statements were not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

As described in Note 1.4 to the financial statements, during the current period, the Company adopted the revised and new accounting standards issued by the Federation of Accounting Professions, and applied them in its preparation and presentation of the interim financial statements.

Sophon Permsirivallop
Certified Public Accountant (Thailand) No. 3182

Ernst & Young Office Limited
Bangkok: 6 May 2011

Thai Union Frozen Products Public Company Limited and its subsidiaries

Statements of financial position

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2011 (Unaudited but reviewed)	31 December 2010 (Audited)	31 March 2011 (Unaudited but reviewed)	31 December 2010 (Audited)
Assets					
Current assets					
Cash and cash equivalents	4	921,463	1,037,297	46,991	14,912
Trade accounts receivable	5				
Related parties	6	84,350	60,939	1,656,825	1,788,150
Unrelated parties		10,505,398	9,390,186	938,223	1,097,732
Less: Allowance for doubtful accounts		(250,390)	(233,267)	(12,781)	(2,945)
Trade accounts receivable - net		10,339,358	9,217,858	2,582,267	2,882,937
Short-term loans to subsidiaries	6	-	-	328,808	625,825
Current portion of long-term loans to subsidiaries	6	-	-	2,714,265	2,691,738
Current portion of long-term loans to other companies		1,258	1,431	-	-
Inventories - net	7	21,296,540	20,934,454	2,748,429	2,403,645
Other current assets					
Prepaid expenses		563,425	164,410	21,666	23,442
Prepaid income tax		292,052	543,165	34,555	28,163
Spareparts		484,375	448,701	18,292	20,158
Interest receivables	6	415	565	407,845	175,072
Advance payments		33,487	26,444	91	245
Current portion of forward exchange contracts receivables		206,027	748,338	76,710	558,701
Value added tax refundable		594,506	538,930	61,910	60,726
Others		198,524	339,435	16,983	35,962
Total other current assets		2,372,811	2,809,988	638,052	902,469
Total current assets		34,931,430	34,001,028	9,058,812	9,521,526

The accompanying notes are an integral part of the financial statements.

Thai Union Frozen Products Public Company Limited and its subsidiaries

Statements of financial position (continued)

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2011 (Unaudited but reviewed)	31 December 2010 (Audited)	31 March 2011 (Unaudited but reviewed)	31 December 2010 (Audited)
Non-current assets					
Restricted deposits with financial institution		11,795	11,032	-	-
Investments in subsidiaries - net	8	-	-	4,396,709	4,396,709
Investments in associates - net	9	880,440	837,717	66,231	66,231
Other long-term investments - net	10	73,923	72,669	34,579	34,579
Long-term loans to subsidiaries - net of current portion	6	-	-	16,516,434	15,429,105
Long-term loans to other companies - net of current portion		28,115	28,630	-	-
Property, plant and equipment - net	11	14,593,941	14,092,179	3,089,193	2,947,676
Properties foreclosed - net	11	-	57,057	-	57,057
Goodwill	12	12,252,219	11,396,142	-	-
Other intangible assets - net	13	13,900,102	13,027,293	1,424	1,509
Other non-current assets					
Forward exchange contracts receivables		594,432	387,308	594,432	387,308
Leasehold rights - net		18,217	21,094	-	-
Advance payment for purchase property, plant and equipment		13,851	35,227	-	-
Deferred tax assets	18	661,140	498,562	29,370	18,609
Unamortized discount from forward exchange contracts		231,669	246,929	231,669	246,929
Others		76,504	64,055	16,849	10,773
Total non-current assets		43,336,348	40,775,894	24,976,890	23,596,485
Total assets		78,267,778	74,776,922	34,035,702	33,118,011

The accompanying notes are an integral part of the financial statements.

Thai Union Frozen Products Public Company Limited and its subsidiaries

Statements of financial position (continued)

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2011 (Unaudited but reviewed)	31 December 2010 (Audited)	31 March 2011 (Unaudited but reviewed)	31 December 2010 (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	14	8,393,776	8,363,776	1,407,936	1,992,670
Trade accounts payable					
Related parties	6	79,220	39,975	335,263	243,513
Unrelated parties		6,363,257	5,869,655	721,543	696,100
Total trade accounts payable		6,442,477	5,909,630	1,056,806	939,613
Short-term loans from subsidiaries	6	-	-	284,220	245,840
Current portion of long-term loans	15	881,598	516,058	-	-
Current portion of debentures	16	3,200,000	3,200,000	3,200,000	3,200,000
Income tax payable		259,525	187,665	60,242	25,084
Other current liabilities					
Accrued expenses	6	1,105,473	1,104,632	338,217	287,280
Accounts payable - construction and asset purchase		149,371	180,496	67,197	70,612
Billback		135,487	162,793	-	-
Others		1,261,676	1,316,238	263,308	265,745
Total other current liabilities		2,652,007	2,764,159	668,722	623,637
Total current liabilities		21,829,383	20,941,288	6,677,926	7,026,844
Non-current liabilities					
Long-term loans - net of current portion	15	22,953,575	22,500,818	8,904,493	8,896,808
Debentures - net of current portion	16	500,000	500,000	500,000	500,000
Convertible bond	17	2,567,696	2,390,746	2,567,696	2,390,746
Deferred tax liabilities	18	5,006,750	4,641,052	-	-
Forward exchange contracts payable - net of					
current portion		850,508	88,684	850,508	88,684
Provision for long-term employee benefits		900,928	-	174,030	-
Other non-current liabilities		257,754	478,800	69,103	47,267
Total non-current liabilities		33,037,211	30,600,100	13,065,830	11,923,505
Total liabilities		54,866,594	51,541,388	19,743,756	18,950,349

The accompanying notes are an integral part of the financial statements.

Thai Union Frozen Products Public Company Limited and its subsidiaries

Statements of financial position (continued)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2011 (Unaudited but reviewed)	31 December 2010 (Audited)	31 March 2011 (Unaudited but reviewed)	31 December 2010 (Audited)
Shareholders' equity				
Share capital				
Registered				
1,000,000,000 ordinary shares of Baht 1 each	1,000,000	1,000,000	1,000,000	1,000,000
Issued and paid-up				
956,329,407 ordinary shares of Baht 1 each	956,329	956,329	956,329	956,329
Share premium	8,158,890	8,158,890	8,158,890	8,158,890
Retained earnings				
Appropriated - statutory reserve	89,000	89,000	89,000	89,000
Unappropriated	12,091,689	11,850,242	5,087,727	4,963,443
Other components of shareholders' equity	(170,356)	(87,474)	-	-
Equity attributable to owners of the Company	21,125,552	20,966,987	14,291,946	14,167,662
Non-controlling interests of the subsidiaries	2,275,632	2,268,547	-	-
Total shareholders' equity	23,401,184	23,235,534	14,291,946	14,167,662
Total liabilities and shareholders' equity	78,267,778	74,776,922	34,035,702	33,118,011
	-	-	-	-

The accompanying notes are an integral part of the financial statements.

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Directors
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Thai Union Frozen Products Public Company Limited and its subsidiaries

Income statements

For the three-month periods ended 31 March 2011 and 2010

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Revenues					
Sales		22,705,703	16,328,895	4,987,953	4,968,891
Other income					
Interest income		1,836	483	285,872	77,419
Dividend income		-	-	-	307,419
Compensation from accounts payable		28,302	49,727	22,295	49,492
Tax coupon received		29,669	25,904	4,290	3,638
Exchange gains		-	233,072	28,486	121,501
Others		59,735	102,151	28,487	40,192
Total other income		119,542	411,337	369,430	599,661
Total revenues		22,825,245	16,740,232	5,357,383	5,568,552
Expenses					
Cost of sales		19,351,052	14,089,490	4,490,100	4,693,984
Selling expenses		1,150,590	865,918	198,533	211,588
Administrative expenses		934,473	473,752	167,610	130,261
Total expenses		21,436,115	15,429,160	4,856,243	5,035,833
Profit before share of income from investments in associates and finance cost and corporate income tax		1,389,130	1,311,072	501,140	532,719
Share of income from investments in associates		17,601	4,361	-	-
Profit before finance cost and corporate income tax		1,406,731	1,315,433	501,140	532,719
Finance cost		(522,022)	(133,592)	(183,363)	(75,262)
Profit before corporate income tax		884,709	1,181,841	317,777	457,457
Corporate income tax	18	(35,597)	(223,686)	(31,628)	(10,329)
Profit for the period		849,112	958,155	286,149	447,128
Profit attributable to:					
Equity holders of the Company		752,776	831,220	286,149	447,128
Non-controlling interests of the subsidiaries		96,336	126,935		
		849,112	958,155		
(Unit: Baht)					
Earnings per share					
19					
Basic earnings per share					
Profit attributable to equity holders of the Company		0.79	0.94	0.30	0.51
Diluted earnings per share					
Profit attributable to equity holders of the Company		0.72	0.94	0.25	0.51

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Thai Union Frozen Products Public Company Limited and its subsidiaries

Statements of comprehensive income

For the three-month periods ended 31 March 2011 and 2010

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Profit for the period	<u>849,112</u>	<u>958,155</u>	<u>286,149</u>	<u>447,128</u>
Other comprehensive income:				
Exchange differences on translation of financial statements in foreign currency	(119,467)	(37,466)	-	-
Gain on change in value of available-for-sale investments	5,783	4,638	-	14
Gain (loss) on change in the value of pension fund	(179)	385	-	-
Increase in other reserve	1,824	-	-	-
Other comprehensive income for the period	<u>(112,039)</u>	<u>(32,443)</u>	<u>-</u>	<u>14</u>
Total comprehensive income for the period	<u><u>737,073</u></u>	<u><u>925,712</u></u>	<u><u>286,149</u></u>	<u><u>447,142</u></u>
Total comprehensive income attributable to:				
Equity holders of the Company	669,894	799,691	286,149	447,142
Non-controlling interests of the subsidiaries	67,179	126,021	-	-
	<u><u>737,073</u></u>	<u><u>925,712</u></u>	<u><u>286,149</u></u>	<u><u>447,142</u></u>

The accompanying notes are an integral part of the financial statements.

Thai Union Frozen Products Public Company Limited and its subsidiaries

Statements of cash flows

For the three-month periods ended 31 March 2011 and 2010

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Cash flows from operating activities				
Profit before tax	884,709	1,181,841	317,777	457,457
Adjustments to reconcile profit before tax to net cash provided by (used in) operating activities				
Depreciation and amortisation	415,407	278,538	78,855	81,312
Amortisation of premium/discount from forward foreign exchange contracts	21,411	(16,471)	29,595	(13,860)
Amortisation of issue cost of convertible bond and long-term loans from financial institutions	18,267	-	9,094	-
Allowance for doubtful accounts (reversal)	12,914	17,055	9,836	(5,667)
Allowance for diminution in value of inventories (reversal)	(5,870)	1,777	(10,435)	(2,405)
Reversal of allowance for impairment loss of assets	(5,829)	-	-	-
Allowance for impairment loss on intangible assets	2,990	-	-	-
Share of income from investments in associates	(17,601)	(4,361)	-	-
Loss on sale of investment	1,401	1,214	-	-
Provision for long-term employee benefits	22,494	-	4,934	-
Loss (gain) on sale/write-off of property, plant and equipment and intangible assets	124	(27,079)	(234)	(153)
Loss on write-off of leasehold rights	-	256	-	-
Unrealised exchange loss (gain)	139,459	(60,167)	52,785	(42,089)
Dividend income	-	-	-	(307,419)
Interest income	(1,836)	(483)	(285,872)	(77,419)
Interest expense	485,354	120,648	173,092	73,943
Income from operating activities before change in operating assets and liabilities	1,973,394	1,492,768	379,427	163,700
Decrease (increase) in operating assets				
Trade accounts receivable	(932,952)	(110,451)	280,162	(4,822)
Inventories	73,053	570,168	(335,550)	422,575
Other current assets	(97,528)	4,429	13,759	361
Other non-current assets	9,091	103,219	(6,121)	1,682
Increase (decrease) in operating liabilities				
Trade accounts payable	16,043	139,388	113,510	(65,075)
Other current liabilities	(185,212)	(199,140)	38,790	92,005
Other non-current liabilities	62,887	(169)	24,087	(22,575)
Cash flows from operating activities	918,776	2,000,212	508,064	587,851
Cash paid for corporate income tax	(27,987)	(36,647)	(6,392)	(7,707)
Net cash from operating activities	890,789	1,963,565	501,672	580,144

The accompanying notes are an integral part of the financial statements.

Thai Union Frozen Products Public Company Limited and its subsidiaries

Statements of cash flows (continued)

For the three-month periods ended 31 March 2011 and 2010

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Cash flows from investing activities				
Increase in restricted deposits with financial institutions	(16)	-	-	-
Acquisitions of property, plant and equipment	(638,989)	(853,737)	(166,703)	(254,692)
Acquisitions of intangible assets	(4,717)	(7,121)	(7)	(748)
Acquisitions of leasehold rights	-	(143)	-	-
Decrease (increase) in short-term loans to subsidiaries	-	-	334,400	(18,000)
Decrease in short-term loans to other companies	83	-	-	-
Decrease (increase) in long-term loans to other companies	476	(9,665)	-	-
Increase in investment in subsidiary	-	-	-	(25,500)
Interest income	1,986	475	53,099	78,427
Dividend received	-	4,000	-	307,419
Proceeds from sale of investment	3,155	3,482	-	-
Proceeds from disposal of property, plant and equipment	43,051	195,944	296	218
Proceeds from sales of intangible assets	300	-	-	-
Net cash from (used in) investing activities	<u>(594,671)</u>	<u>(666,765)</u>	<u>221,085</u>	<u>87,124</u>
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	11,568	(302,059)	(584,734)	401,327
Increase (decrease) in short-term loans from subsidiaries	-	-	38,380	(169,870)
Decrease in long-term loans	(160,375)	(60,379)	-	-
Cash paid for interest expense	(470,835)	(132,209)	(144,324)	(77,897)
Decrease in non-controlling interest	-	(86,081)	-	-
Increase in other reserve	1,366	-	-	-
Dividend paid	-	(883,169)	-	(883,169)
Net cash used in financing activities	<u>(618,276)</u>	<u>(1,463,897)</u>	<u>(690,678)</u>	<u>(729,609)</u>
Increase in translation adjustment	<u>206,324</u>	<u>101,792</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	<u>(115,834)</u>	<u>(65,305)</u>	<u>32,079</u>	<u>(62,341)</u>
Cash and cash equivalents at beginning of period	<u>1,037,297</u>	<u>728,375</u>	<u>14,912</u>	<u>98,031</u>
Cash and cash equivalents at end of period	<u><u>921,463</u></u>	<u><u>663,070</u></u>	<u><u>46,991</u></u>	<u><u>35,690</u></u>

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Thai Union Frozen Products Public Company Limited and its subsidiaries

Statements of cash flows (continued)

For the three-month periods ended 31 March 2011 and 2010

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Supplement cash flows information				
Non-cash items:				
Undue installments for acquisitions of assets	149,371	160,107	67,197	122,334
Unrealised gain on changes in the value of investments	(5,783)	(4,638)	-	(14)
Sales of assets but has not yet received	-	-	-	44,319
Transfer of properties foreclosed to properties, plant and equipment	57,057	-	57,057	-
Transfer leasehold rights to properties, plant and equipment	2,424	-	-	-

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Thai Union Frozen Products Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the three-month periods ended 31 March 2011 and 2010

(Unit: Thousand Baht)

Consolidated financial statements												
Equity attributable to the parent's shareholders												
				Other components of equity								
				Other comprehensive income								
				Exchange		Surplus (deficit)						
				differences on	on changes	Provision for			Total other	Total equity	Equity attributable	
				translation of	in value of	changes in			components of	attributable to	to non-controlling	Total
				financial	available-for-sale	the value of			shareholders'	the Company	interests of	shareholders'
				statements in	investments	pension fund			reserve	equity	the subsidiaries	equity
Issued and	Retained earnings			foreign currency								Total
fully paid-up	Share premium	Appropriated	Unappropriated	statements in	available-for-sale	pension fund			shareholders'	the Company	interests of	shareholders'
share capital	Share premium	Appropriated	Unappropriated	foreign currency	investments	pension fund			reserve	equity	the subsidiaries	equity
Balance as at 31 December 2009	883,171	4,518,797	89,000	10,972,493	(99,417)	(19,362)	(13,561)	-	(132,340)	16,331,121	2,079,644	18,410,765
Increase in investment in subsidiary	-	-	-	-	-	-	-	-	-	-	24,500	24,500
Dividend paid	-	-	-	(883,169)	-	-	-	-	-	(883,169)	(110,581)	(993,750)
Total comprehensive income for the period	-	-	-	831,220	(36,552)	4,638	385	-	(31,529)	799,691	126,021	925,712
Balance as at 31 March 2010	883,171	4,518,797	89,000	10,920,544	(135,969)	(14,724)	(13,176)	-	(163,869)	16,247,643	2,119,584	18,367,227
Balance as at 31 December 2010	956,329	8,158,890	89,000	11,850,242	(47,638)	(18,112)	(27,664)	5,940	(87,474)	20,966,987	2,268,547	23,235,534
Cumulative effect of change in accounting policy for												
employee benefits (Note 2)	-	-	-	(511,329)	-	-	-	-	-	(511,329)	(60,094)	(571,423)
Total comprehensive income for the period	-	-	-	752,776	(90,310)	5,783	(179)	1,824	(82,882)	669,894	67,179	737,073
Balance as at 31 March 2011	956,329	8,158,890	89,000	12,091,689	(137,948)	(12,329)	(27,843)	7,764	(170,356)	21,125,552	2,275,632	23,401,184

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Thai Union Frozen Products Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (Continued)

For the three-month periods ended 31 March 2011 and 2010

(Unit: Thousand Baht)

Separate financial statements

	Issued and fully paid-up share capital	Share premium	Retained earnings		Other components of equity		Total shareholders' equity
			Appropriated	Unappropriated	Other comprehensive income	Total other components of shareholders' equity	
					Surplus (deficit) on changes in value of available-for-sale investments		
Balance as at 31 December 2009	883,171	4,518,797	89,000	5,008,440	(499)	(499)	10,498,909
Dividend paid	-	-	-	(883,169)	-	-	(883,169)
Total comprehensive income for the period	-	-	-	447,128	14	14	447,142
Balance as at 31 March 2010	<u>883,171</u>	<u>4,518,797</u>	<u>89,000</u>	<u>4,572,399</u>	<u>(485)</u>	<u>(485)</u>	<u>10,062,882</u>
Balance as at 31 December 2010	956,329	8,158,890	89,000	4,963,443	-	-	14,167,662
Cumulative effect of change in accounting policy for employee benefits (Note 2)	-	-	-	(161,865)	-	-	(161,865)
Total comprehensive income for the period	-	-	-	286,149	-	-	286,149
Balance as at 31 March 2011	<u>956,329</u>	<u>8,158,890</u>	<u>89,000</u>	<u>5,087,727</u>	<u>-</u>	<u>-</u>	<u>14,291,946</u>

The accompanying notes are an integral part of the financial statements.

Thai Union Frozen Products Public Company Limited and its subsidiaries

Notes to consolidated interim financial statements

31 March 2011 and 2010

1. General information

1.1 Corporate information

Thai Union Frozen Products Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand.

The Company operates its business in Thailand and its subsidiaries operate their businesses in Thailand and overseas. Their principal activities in Thailand are the manufacture and export of frozen and canned seafood, and local subsidiaries are also engaged in the packaging and printing, pet food businesses and fishery.

The principal activities of the overseas subsidiaries such as the subsidiaries in United States are the manufacturer and distributor of canned seafood, and the import of shrimp and other frozen seafood products for sale to restaurant chains, retailers, wholesalers and food processors, the subsidiaries in Europe are the manufacturer and distributor of ambient seafood products to countries in Europe under their trademarks, and two subsidiaries in Asia, principally located in Indonesia and Vietnam are manufacturer and distributor of seafood.

The Company’s registered address is 72/1 Moo 7, Sethakit 1 Road, Tambon Tarsrai, Amphur Muang, Samutsakorn. The Company has 3 branches in Bangkok and Samutsakorn.

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Accounting Standards No. 34 (revised 2009), “Interim Financial Reporting”, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, income statement, comprehensive income, changes in shareholders’ equity, and cash flows in the same format as that used for the annual financial statements.

(Unaudited but reviewed)

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language financial statements.

1.3 Basis of consolidation

These consolidated interim financial statements are prepared by applying the same basis as that applied for the preparation of the consolidated financial statements for the year ended 31 December 2010. There has been no change in the composition of the group of company during the current period.

The total assets and total revenues of the subsidiaries included in the consolidated financial statements for the three-month period ended 31 March 2011 are as follows:

Company's name	Assets as a percentage to the consolidated total assets	Revenues as a percentage to the consolidated total revenues
Thai Union Manufacturing Co., Ltd. and subsidiaries	6.69	15.44
Songkla Canning Pcl. and subsidiaries	5.33	8.28
Thai Union Seafood Co., Ltd.	1.17	1.52
T-Holding Co., Ltd.	0.71	1.71
Thai Union Feedmill Co., Ltd. and subsidiaries	2.25	4.19
Thai Union Graphic Co., Ltd.	0.56	0.21
Thai Union International, Inc. (TUI) and subsidiaries	15.00	32.96
PT Juifa International Foods	0.14	0.44
Thai Union Investment Holding Co., Ltd. (TUIH) and subsidiaries	51.89	23.28

In 2010, the Company invested in 100% ordinary shares of Thai Union Investment Holding Co., Ltd., a company registered in the Republic of Mauritius, to acquire MW Brands Holdings SAS in France. Such company has recorded the net assets acquired at their fair value as of the acquisition date. The remaining excess of the purchase price over the fair value of the net assets acquired has been recorded as

(Unaudited but reviewed)

goodwill. However, the Company has recorded some tangible assets acquired at their net book value, not fair value. The Company is awaiting tangible a third party appraisal in order to allocate the fair value associated with the assets. The Company expects to obtain this appraisal and complete the purchase price allocation by the end of 2011.

1.4 Application of new accounting standards during the period

During the current period, the Company adopted a number of revised and new accounting standards, issued by the Federation of Accounting Professions, as listed below.

Accounting standards:

TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 11 (revised 2009)	Construction Contracts
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (revised 2009)	Interests in Joint Ventures
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property

Financial reporting standards:

TFRS 2	Share-Based Payment
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(Unaudited but reviewed)

TFRS 3 (revised 2009)	Business Combinations
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources

Financial Reporting Standard Interpretations:

TFRIC 15	Agreements for the Construction of Real Estate
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Accounting Standard Interpretations:

SIC 31	Revenue-Barter Transactions Involving Advertising Services
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These accounting standards will not have any significant impact on the financial statements for the current period, except for the following accounting standard.

TAS 19 Employee Benefits

This accounting standard requires employee benefits to be recognised as expense in the period in which the service is performed by the employee. In particular, an entity has to evaluate and make a provision for post-employment benefits using actuarial techniques. The Company and its subsidiaries previously accounted for such employee benefits when they were incurred.

The Company and its subsidiaries have changed this accounting policy in the current year and recognise the liability in the transition period through an adjustment to the beginning balance of retained earnings in the current period. The change will have the effect of decreasing the profit of the Company and its subsidiaries for the three-months periods ended 31 March 2011 by Baht 24.27 million, or 0.03 Baht per share (Separate financial statements: decreasing profit by Baht 6.18 million, or 0.01 Baht per share). The cumulative effect of the changes in the accounting policy has been presented in Note 2.

1.5 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2010, except for the changes in the following accounting policies due to the adoption of revised and new accounting standards.

Employee benefits

Post-employment benefits (Defined contribution plans)

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

Post-employment benefits (Defined benefit plans)

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary, using the projected unit credit method. Such determination is made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rates.

For the first-time adoption of TAS 19 Employee Benefits, the Company elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, through an adjustment to the beginning balance of retained earnings in the current period.

2. Cumulative effect of changes in accounting policies due to the adoption of TAS 19

During the current period, the Company made the changes to its significant accounting policies described in Note 1.5 to the financial statements, as a result of the adoption of TAS 19 Employee Benefits. The cumulative effect of the changes in the accounting policies has been separately presented in the statements of changes in shareholders' equity.

(Unaudited but reviewed)

The amounts of adjustments affecting the reserve for long-term employee benefits and unappropriated retained earnings in the statement of financial position as at 1 January 2011 resulted in respective increases and decreases of Baht 571 million (Separate financial statements: Baht 162 million), excluding the reserve that the overseas subsidiaries had already established.

3. New accounting standards issued during the period not yet effective

During the current period, the Federation of Accounting Professions issued the below listed new accounting standards that are effective for fiscal years beginning on or after 1 January 2013.

Accounting Standard Interpretations:

SIC 10 Government Assistance - No Specific Relation to Operating Activities

SIC 21 Income Taxes - Recovery of Revalued Non-Depreciable Assets

SIC 25 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

4. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March	31 December	31 March	31 December
	2011	2010	2011	2010
Cash	5,806	3,057	2,359	1,238
Bank deposits	860,657	1,034,240	44,632	13,674
Bill of exchange	55,000	-	-	-
Total	<u>921,463</u>	<u>1,037,297</u>	<u>46,991</u>	<u>14,912</u>

As at 31 March 2011, bank deposits in saving accounts, fixed deposits and bill of exchange carried interests between 0.07 and 2.42% per annum (31 December 2010: between 0.04 and 1.37% per annum).

(Unaudited but reviewed)

5. Trade accounts receivable

The balances of trade accounts receivable are classified by aging as presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
<u>Age of receivable</u>				
Trade accounts receivable - related parties				
Not yet due	32,337	21,682	1,469,300	1,369,499
Overdue				
1 - 30 days	52,012	39,253	141,362	249,097
31 - 60 days	-	4	25,735	151,800
61 - 90 days	1	-	13,612	12,672
91 - 120 days	-	-	-	5,082
121 - 180 days	-	-	6,816	-
Total trade accounts receivable - related parties	84,350	60,939	1,656,825	1,788,150
Trade accounts receivable - others				
Not yet due	8,724,770	7,026,107	799,045	854,306
Overdue				
1 - 30 days	1,201,750	1,717,161	104,073	160,023
31 - 60 days	192,490	280,892	5,392	45,664
61 - 90 days	95,619	82,706	-	11,109
91 - 120 days	45,881	65,733	2,508	12,346
121 - 180 days	48,337	50,708	6,466	9,191
181 - 365 days	57,851	43,026	20,414	4,768
Over 365 days	138,700	123,853	325	325
Total trade accounts receivable - others	10,505,398	9,390,186	938,223	1,097,732
Total trade accounts receivable	10,589,748	9,451,125	2,595,048	2,885,882
Less: Allowance for doubtful accounts	(250,390)	(233,267)	(12,781)	(2,945)
Trade accounts receivable - net	10,339,358	9,217,858	2,582,267	2,882,937

As at 31 March 2011, certain trade accounts receivable of two overseas subsidiaries have secured their credit facilities as mentioned in Note 13.

6. Related party transactions

During the periods, the Company had significant business transactions with related parties which are related by way of common shareholders and/or common directors. Such transactions are summarised below.

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	For the three-month periods ended 31 March				
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	
Transactions with subsidiaries:					
(Eliminated from consolidated financial statements)					
Sales	-	-	2,294,077	2,104,004	Cost plus margin
Dividend income	-	-	-	303,419	As declared
Interest income	-	-	285,872	77,127	0.67 - 6.04% per annum (2010: 1.85 - 6.40% per annum)
Other income	-	-	16,896	9,832	Near market price
Sale of assets	-	-	147	44,319	Near market price
Purchases of goods	-	-	312,480	207,479	Cost plus margin
Purchase of assets	-	-	-	110,760	Contract price
Interest expense	-	-	1,845	3,682	2.50% per annum (2010: 1.30% per annum)
Management fee	-	-	13,052	10,136	Contract price
Other expenses	-	-	14,448	5,327	Near market price
Transactions with associates:					
Sales	6,178	2,967	1,877	954	Cost plus margin
Dividend income	-	4,000	-	4,000	As declared
Other income	4,425	1,658	4,412	4	Near market price
Purchases of goods	2,721	2,109	-	-	Cost plus margin
Purchases service expense	145	150	85	90	Near market price
Transactions with related companies:					
Sales	254,205	336,609	60,606	86,774	Cost plus margin
Purchases of goods	721,094	676,957	616,382	409,263	Cost plus margin
Transportation	10,101	9,032	1,062	1,103	Near market price
Purchases assets and expenses relating to assets	42,867	18,088	24,567	4,212	Contract price and near market price

The Company and its subsidiaries have insured with Asia-Pacific Risk Consultants (Thailand) Co., Ltd. which is an insurance broker related by way of having common directors. During the three-month periods ended 31 March 2011 and 2010, insurance premiums paid through that company amounted to Baht 10.9 million and Baht 9.7 million, respectively.

The relationships between the Company and the related companies are summarised below.

List of related companies	Relationship
Songkla Canning Pcl.	Subsidiary
Thai Union Manufacturing Co., Ltd.	Subsidiary
Thai Union Seafood Co., Ltd.	Subsidiary

(Unaudited but reviewed)

List of related companies	Relationship
T-Holding Co., Ltd.	Subsidiary
Thai Union Feedmill Co., Ltd.	Subsidiary
Thai Union Graphic Co., Ltd.	Subsidiary
Thai Union International, Inc. (TUI)	Subsidiary
PT Juifa International Foods	Subsidiary
Thai Union Investment Holding Co., Ltd. (TUIH)	Subsidiary
Tri-Union Seafoods, LLC	Subsidiary (Held by subsidiary)
Tri-Union Samoa Packing Corporation	Subsidiary (Held by subsidiary)
Tri-Union Frozen products, Inc. (TUFP)	Subsidiary (Held by subsidiary)
Empress International, Ltd. (Empress)	Subsidiary (Held by subsidiary)
Tri-Union Frozen Foods, LLC	Subsidiary (Held by subsidiary)
US Pet Nutrition, LLC (USPN)	Subsidiary (Held by subsidiary)
Empress International of California Ltd.	Subsidiary (Held by subsidiary)
Empress International Midwest Ltd.	Subsidiary (Held by subsidiary)
Asian-Pacific Can Co., Ltd.	Subsidiary (Held by subsidiary)
Yueh Chyang Canned Food Co., Ltd.	Subsidiary (Held by subsidiary)
Thai Union Hatchery Co., Ltd.	Subsidiary (Held by subsidiary)
Thai Quality Shrimp Co., Ltd.	Subsidiary (Held by subsidiary)
Phuket Fishing Co., Ltd.	Subsidiary (Held by subsidiary)
Samui Fishing Co., Ltd.	Subsidiary (Held by subsidiary)
Phang-nga Fishing Co., Ltd.	Subsidiary (Held by subsidiary)
Songkla Fishing Co., Ltd.	Subsidiary (Held by subsidiary)
Siam Fishing Pte. Ltd.	Subsidiary (Held by subsidiary)
Thai Union EU Seafood 1 S.A.	Subsidiary (Held by subsidiary)
Thai Union EU Seafood 2 S.A.	Subsidiary (Held by subsidiary)
MW Brands SAS	Subsidiary (Held by subsidiary)
European Seafood Investment Portugal	Subsidiary (Held by subsidiary)
UK Seafood Investment Limited	Subsidiary (Held by subsidiary)
John West Food Limited	Subsidiary (Held by subsidiary)
Mareblu SRL	Subsidiary (Held by subsidiary)
MW Brands Seychelles Limited	Subsidiary (Held by subsidiary)
Indian Ocean Tuna Limited	Subsidiary (Held by subsidiary)
Pioneer Food Cannery Limited	Subsidiary (Held by subsidiary)
TTV Limited	Subsidiary (Held by subsidiary)
Mauritius Company	Subsidiary (Held by subsidiary)
Thai Union France Holding SAS	Subsidiary (Held by subsidiary)
Etablissements Paul Paulet SAS	Subsidiary (Held by subsidiary)
Irish Seafood Investments Limited	Subsidiary (Held by subsidiary)
John West Holland BV	Subsidiary (Held by subsidiary)
Lucky Union Foods Co., Ltd.	Associated company

(Unaudited but reviewed)

List of related companies	Relationship
Biz Dimension Co., Ltd.	Associated company
Avanti Thai Aqua Feeds Private Limited	Associated company
Century Trading (Shanghai) Co., Ltd.	Associated company (Held by subsidiary)
TN Fine Chemicals Co., Ltd.	Associated company (Held by subsidiary)
Moresby International Holdings Inc.	Associated company (Held by subsidiary)
LDH (La Doria) Limited	Associated company (Held by subsidiary)
Geminai & Associate Co., Ltd.	Common shareholders/Relative of directors
Chansiri Real Estate Co., Ltd.	Common major shareholders/Common directors
Thai Union Securities Co., Ltd.	Common major shareholders/Common directors
Asian Pacific Thai Tuna Co., Ltd.	Common major shareholders/Common directors
T.C. Union Global Pcl.	Common major shareholders/Common directors
Jana Fish Industries Limited	Common major shareholders/Common directors
T.C. Union Agrotech Co., Ltd.	Common major shareholders/Common directors
Waithai Co., Ltd.	Common major shareholders/Common directors
Merchant Partners Securities Co., Ltd.	Common shareholders/Common directors
Thaipatana Stainless Steel Co., Ltd.	Common major shareholders/Common directors
Hanhong Kanchang Registered Ordinary Partnership	Common major shareholders/Common directors
Pae Ekawat	Relative of directors
Lucky Surimi Products Co., Ltd.	Common directors
Asia-Pacific Risk Consultants (Thailand) Co., Ltd	Common shareholders/Common directors
Asia-Pacific Risk Insurance Broker Co., Ltd.	Common shareholders/Common directors
Ahead Way International Co., Ltd.	Common major shareholders/Common directors
Ekawat Products Co., Ltd.	Relative of director
Miss Rungtiwa Boonmechote	Relative of director

The balance of the accounts as at 31 March 2011 and 31 December 2010 between the Company and these related companies are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2011	2010	2011	2010
<u>Trade accounts receivable - related parties</u>				
<u>Subsidiaries</u>				
(Eliminated from consolidated financial statements)				
Empress International, Ltd.	-	-	-	404,341
Tri-Union Frozen Products, Inc.	-	-	518,659	-
Tri-Union Seafoods, LLC	-	-	580,096	495,801

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
Tri-Union Frozen Foods, LLC	-	-	-	499,333
Thai Union Manufacturing Co., Ltd.	-	-	149,315	57,582
T-Holding Co., Ltd.	-	-	345,599	297,530
Songkla Canning Pcl.	-	-	38,067	3,793
Thai Union Seafood Co., Ltd.	-	-	5,983	18,177
Others	-	-	1,876	1,814
Total trade accounts receivable - subsidiaries	-	-	1,639,595	1,778,371
<u>Associates</u>				
Trade accounts receivable - associates	3,489	7,750	1,304	1,072
Total trade accounts receivable - associates	3,489	7,750	1,304	1,072
<u>Related parties</u>				
T.C. Union Agrotech Co., Ltd.	33,322	19,867	15,926	8,707
Jana Fish Industries Limited	5,498	3,914	-	-
Ahead Way International Co., Ltd.	41,974	29,117	-	-
Others	67	291	-	-
Total trade accounts receivable - related parties	80,861	53,189	15,926	8,707
Total	84,350	60,939	1,656,825	1,788,150
<u>Short-term loans to subsidiaries</u>				
(Eliminated from consolidated financial statements)				
Thai Union International, Inc.	-	-	248,808	545,825
Thai Union Graphic Co., Ltd.	-	-	80,000	80,000
Total	-	-	328,808	625,825
<u>Long-term loans to subsidiaries</u>				
(Eliminated from consolidated financial statements)				
Thai Union Investment Holding Co., Ltd.	-	-	15,038,668	13,963,603
Thai Union International, Inc.	-	-	2,382,521	2,362,748
Thai Union Manufacturing Co., Ltd.	-	-	1,809,510	1,794,492
Total	-	-	19,230,699	18,120,843
Less: Current portion				
Thai Union International, Inc.	-	-	(904,755)	(897,246)
Thai Union Manufacturing Co., Ltd.	-	-	(1,809,510)	(1,794,492)
Total current portion	-	-	(2,714,265)	(2,691,738)
Net of current portion	-	-	16,516,434	15,429,105

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
<u>Interest receivable</u>				
(Eliminated from consolidated financial statements)				
Thai Union Investment Holding Co., Ltd.	-	-	385,083	150,969
Thai Union International, Inc.	-	-	16,910	18,326
Thai Union Manufacturing Co., Ltd.	-	-	5,655	5,608
Thai Union Graphic Co., Ltd.	-	-	197	169
Total	-	-	407,845	175,072
<u>Trade accounts payable - related parties</u>				
<u>Subsidiaries</u>				
(Eliminated from consolidated financial statements)				
Thai Union Manufacturing Co., Ltd.	-	-	135,869	64,183
Asian-Pacific Can Co., Ltd.	-	-	109,899	96,084
Thai Union Graphic Co., Ltd.	-	-	10,371	9,533
T-Holding Co., Ltd.	-	-	16,509	38,703
Tri-Union Seafoods, LLC	-	-	12,928	12,929
Empress International, Ltd.	-	-	-	8,338
Tri Union Frozen Products, Inc.	-	-	8,588	-
Thai Union Feedmill Co., Ltd.	-	-	130	470
Thai Union Seafood Co., Ltd.	-	-	6,245	4,855
Songkla Canning Pcl.	-	-	106	442
Total trade accounts payable - subsidiaries	-	-	300,645	235,537
<u>Associates</u>				
Trade accounts payable - associates	1,573	2,927	38	56
Total trade accounts payable - associates	1,573	2,927	38	56
<u>Related parties</u>				
T.C. Union Agrotech Co., Ltd.	37,485	26,650	-	-
Ekawat Products Co., Ltd.	31,757	3,900	31,757	3,900
Jana Fish Industries Limited	5,582	2,479	-	-
Miss Rungtiwa Boonmechote	2,612	2,258	2,612	2,259
Lucky Surimi products Co., Ltd.	211	1,761	211	1,761
Total trade accounts payable - related parties	77,647	37,048	34,580	7,920
Total	79,220	39,975	335,263	243,513
<u>Short-term loans from subsidiary</u>				
(Eliminated from consolidated financial statements)				
Songkla Canning Pcl.	-	-	284,220	245,840
Total	-	-	284,220	245,840

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
<u>Accrued expenses</u>				
<u>Accrued interest</u>				
Thai Union Manufacturing Co., Ltd.	-	-	-	5
Songkla Canning Pcl.	-	-	580	440
	-	-	580	445
<u>Others</u>				
Asia-Pacific Risk Consultant (Thailand) Limited	7,218	15,353	1,010	1,739
Waithai Co., Ltd.	3,058	3,746	195	689
Thaipatana Stainless Steel Co., Ltd.	19,265	20,746	16,844	18,279
Geminai & Associate Co., Ltd.	9,490	9,926	9,490	9,926
Lucky Surimi Products Co., Ltd.	-	1,482	-	1,482
	39,031	51,253	27,539	32,115
Total	39,031	51,253	28,119	32,560

The movements of loans to/from related parties during the three-month period ended 31 March 2011 are as follows:

(Unit: Thousand Baht)

	Separate financial statements				
	Balance as at	During the period			Balance as at
	1 January 2011	Increase	Decrease	Revaluation	31 March 2011
<u>Short-term loans to subsidiaries</u>					
Thai Union International, Inc.	545,825	-	(334,400)	37,383	248,808
Thai Union Manufacturing Co., Ltd.	-	100,600	(100,600)	-	-
Thai Union Graphic Co., Ltd.	80,000	-	-	-	80,000
	625,825	100,600	(435,000)	37,383	328,808
<u>Long-term loans to subsidiaries</u>					
Thai Union Investment Holding					
Co., Ltd.	13,963,603	-	-	1,075,065	15,038,668
Thai Union International, Inc.	2,362,748	-	-	19,773	2,382,521
Thai Union Manufacturing Co., Ltd.	1,794,492	-	-	15,018	1,809,510
	18,120,843	-	-	1,109,856	19,230,699

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements				Balance as at 31 March 2011
	Balance as at	During the period			
	1 January 2011	Increase	Decrease	Revaluation	
Short-term loans from subsidiaries					
Thai Union Manufacturing Co., Ltd.	-	15,000	(15,000)	-	-
Songkla Canning Pcl.	245,840	352,780	(314,400)	-	284,220
Thai Union Feedmill Co., Ltd.	-	11,500	(11,500)	-	-
	<u>245,840</u>	<u>379,280</u>	<u>(340,900)</u>	<u>-</u>	<u>284,220</u>

Directors and management's remuneration

During the current quarter, the Company and its subsidiaries paid salaries, bonuses, meeting allowances, gratuities to their directors and management and post-employment benefits totaling Baht 13.0 million (2010: Baht 11.5 million).

7. Inventory / allowance for diminution in value of inventory

Movements in the allowance for diminution in value of inventory account during the three-month period ended 31 March 2011 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2011	355,257	67,370
Add: Allowance made during the period	264,506	20,442
Less: Allowance reversed during the period	(267,660)	(30,877)
Translation adjustment	(1,075)	-
Balance as at 31 March 2011	<u>351,028</u>	<u>56,935</u>

As at 31 March 2011, two overseas subsidiaries have mortgaged the certain inventories of those companies to financial institutions to secure their credit facilities as mentioned in Note 14.

(Unaudited but reviewed)

8. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows.

Company's name	Nature of business	Country of incorporation	Paid-up capital		Shareholding percentage	
			31 March 2011	31 December 2010	31 March 2011	31 December 2010
					%	%
Songkla Canning Pcl.	Manufacturer & exporter of canned seafood	Thailand	Baht 360 million	Baht 360 million	90.44	90.44
Thai Union Manufacturing Co., Ltd.	Manufacturer & exporter of canned tuna and pet food	Thailand	Baht 300 million	Baht 300 million	90.08	90.08
Thai Union Seafood Co., Ltd.	Manufacturer & exporter of frozen shrimp	Thailand	Baht 300 million	Baht 300 million	51.00	51.00
T-Holding Co., Ltd.	Distributor	Thailand	Baht 70 million	Baht 70 million	90.00	90.00
Thai Union Feedmill Co., Ltd.	Manufacturer & distributor of animal feeds	Thailand	Baht 500 million	Baht 500 million	51.00	51.00
Thai Union Graphic Co., Ltd.	Printing manufacturer	Thailand	Baht 40 million	Baht 40 million	74.00	74.00
Thai Union International, Inc. (TUI)	Holding company	USA	USD 8.1 million	USD 8.1 million	100.00	100.00
PT Juifa International Foods	Manufacturer & distributor of seafood	Indonesia	USD 2.7 million	USD 2.7 million	76.50	76.50
Thai Union Investment Holding Co., Ltd. (TUIH)	Holding company	Maritius	EUR 22 million	EUR 22 million	100.00	100.00

(Unit: Thousand Baht)

Company's name	Cost	
	31 March 2011	31 December 2010
Investments in subsidiaries		
Songkla Canning Pcl.	1,379,791	1,379,791
Thai Union Manufacturing Co., Ltd.	1,212,172	1,212,172
Thai Union Seafood Co., Ltd.	189,316	189,316
T-Holding Co., Ltd.	20,699	20,699
Thai Union Feedmill Co., Ltd.	255,000	255,000
Thai Union Graphic Co., Ltd.	45,331	45,331
Thai Union International, Inc. (TUI)	325,770	325,770
PT Juifa International Foods	69,510	69,510
Thai Union Investment Holding Co., Ltd. (TUIH)	925,256	925,256
Total	4,422,845	4,422,845
Less: Allowance for loss on impairment of investments	(26,136)	(26,136)
Net	4,396,709	4,396,709

The shares of MW Brands and its subsidiaries, which are the subsidiaries of Thai Union Investment Holding Co., Ltd., were pledged as collateral of their subsidiaries long-term loans as described in Note 15.

(Unaudited but reviewed)

10. Other long-term investments

(Unit: Thousand Baht)

	Consolidated financial statements			
	31 March 2011		31 December 2010	
	Cost	Fair value	Cost	Fair value
Other long-term investments				
Available-for-sale securities - Unit trusts	50,546	<u>38,216</u>	55,102	<u>36,990</u>
Unrealised loss on changes in the value of investments	<u>(12,330)</u>		<u>(18,112)</u>	
Total available-for-sale securities	38,216		36,990	
Other investments				
- Ordinary shares	35,607		35,579	
- Unit trust	<u>100</u>		<u>100</u>	
Total other long-term investments	<u>73,923</u>		<u>72,669</u>	

(Unit: Thousand Baht)

	Separate financial statements	
	31 March 2011	31 December 2010
	Cost	Cost
Other long-term investments		
Other investments - ordinary shares	<u>34,579</u>	<u>34,579</u>
Total other long-term investments	<u>34,579</u>	<u>34,579</u>

11. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 2011 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2011	14,092,179	2,947,676
Acquisitions during period - at cost	638,989	163,289
Transfer in during period	59,481	57,057

	(Unaudited but reviewed)	
	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
	<u> </u>	<u> </u>
Disposals during period - net book value at disposal date	(7,614)	(66)
Write-off during period - net book value at write-off date	(42)	-
Depreciation for period	(403,684)	(78,763)
Reversal of allowance for impairment of assets during the period	5,829	-
Translation adjustment	208,803	-
Net book value as at 31 March 2011	<u>14,593,941</u>	<u>3,089,193</u>

During the current quarter, subsidiaries in Thailand transferred certain fixed assets, comprising fishing vessels, to an overseas subsidiary. The sale was made in order to increase the effectiveness of management, since the overseas subsidiary has greater expertise in the area of management.

An overseas subsidiary has mortgaged the construction and machinery, with net book values totalling approximately USD 0.1 million (31 December 2010: USD 0.1 million), to financial institutions to secure their credit facilities, as mentioned in Note 14.

The above balance included the non-used assets of Baht 57 million (net of allowance for impairment loss of Baht 36 million) which was transferred from properties foreclosed.

12. Goodwill

	(Unit: Million Baht)
	Consolidated financial statements
	<u> </u>
Net book value as at 1 January 2011	11,396
Translation adjustment	856
Net book value as at 31 March 2011	<u>12,252</u>

(Unaudited but reviewed)

13. Intangible assets

(Unit: Million Baht)

Consolidated financial statements									
	Licences	Trademark	Patents	Covenant			Distributor relationships	Others	Total
				Customer relationships	not to complete	Computer software			
Cost									
At 1 January 2011	252	12,837	36	127	13	249	225	2	13,741
Translation adjustment	15	895	-	1	-	11	17	-	939
Additions	-	-	-	-	-	5	-	-	5
Disposal/write off	-	-	(36)	-	-	-	-	-	(36)
At 31 March 2011	267	13,732	-	128	13	265	242	2	14,649
Amortisation									
At 1 January 2011	18	268	-	95	13	145	1	-	540
Translation adjustment	-	2	-	1	-	5	-	-	8
Amortisation	1	-	-	3	-	7	-	-	11
At 31 March 2011	19	270	-	99	13	157	1	-	559
Impairment									
At 1 January 2011	-	174	-	-	-	-	-	-	174
Translation adjustment	-	13	-	-	-	-	-	-	13
Addition during the period	-	3	-	-	-	-	-	-	3
At 31 March 2011	-	190	-	-	-	-	-	-	190
Net book value									
At 1 January 2011	234	12,395	36	32	-	104	224	2	13,027
At 31 March 2011	248	13,272	-	29	-	108	241	2	13,900

(Unit: Million Baht)

Separate financial
statements

Computer software

Net book value as at 1 January 2011

1.5

Amortisation during the period

(0.1)

Net book value as at 31 March 2011

1.4

14. Bank overdrafts and short-term loans from financial institutions

The Company entered into interest rate swap agreements for short-term loans from financial institution to hedge interest rate risk, as mentioned in Note 22.2.

(Unaudited but reviewed)

On 15 October 2010, TUI entered into an Amended and Restated Credit Agreement (the TUI credit facility) with Bank of America N.A. The TUI credit facility provides for an USD 85 million revolving facility and expires on 15 October 2013. Borrowings under the credit facility bear interest, at TUI's option, at LIBOR plus a margin of 2.00 to 2.50% per annum, or the bank's prime rate plus 1.00 to 1.50% per annum, subject to excess availability evaluated on a quarterly basis. An unused line fee is charged at 0.25% per annum, subject to adjustment, on the average daily unused portion of the credit facility. The credit facility is secured by substantially all of assets of TUI. This revolving credit agreement includes a requirement that all borrowers maintain a lockbox arrangement whereby cash receipts are used to repay the amounts outstanding under the revolving credit agreement. Therefore, all borrowings made under the TUI credit agreement will be classified as short-term.

On 16 February 2011, TUI entered into a second amendment to the TUI credit agreement with Bank of America, N.A. for USD 15 million temporary increase in the availability under the TUI Credit Agreement through 16 May 2011. Borrowings under this agreement bear interest at LIBOR plus 2.25% per annum or the bank's prime rate plus 1.25% per annum, subject to excess availability evaluated on a quarterly basis. The unused line fee remains at 0.25% per annum, subject to adjustment on the average daily unused portion of the credit facility.

As at 31 March 2011, the balance under the credit facility was USD 83 million at interest rate between 2.5% to 4.5% per annum and actual unused availability was approximately USD 17 million. TUI is subject to certain financial covenants including interest coverage ratio and leverage coverage ratio and others. As at 31 March 2011, TUI determined it was in compliance with these covenants.

Tri-Union Frozen Foods, LLC (TUFF) maintained a revolving credit facility with Wells Fargo Foothill, LLC until 15 October 2010, which was replaced by TUI credit facility. The TUI Facility provided for borrowing and the issuance of letter of credit of up to USD 45 million subject to limitations based on eligible accounts receivable and inventory and may be increased to USD 75 million under certain conditions. The issuance of letters of credit reduces the borrowing capacity. Borrowings under the credit agreement bear interest, at TUFF's option, at LIBOR plus a margin of 2.75% per annum or the Central Bank's rate plus 2% per annum. The facility is guaranteed by the Company and collateralised by TUFF's accounts receivable and inventory. In association with the TUI Credit Facility in place, TUFF repaid Wells Fargo Foothill, LLC for the entire outstanding balance on 15 October 2010.

(Unaudited but reviewed)

On 11 March 2011, Tri-Union Seafoods, LLC (Tri-U) entered into an amended revolving credit facility with Bank of America N.A. The credit facility, which expires on 11 March 2014, provides for borrowings and the issuance of letters of credit up to USD 95 million subject to limitations based on eligible accounts receivable and inventory. The issuance of letters of credit reduces the amount of borrowing capacity. Borrowings under the credit facility bear interest, at Tri-U's option, at LIBOR plus a margin of 2% per annum or 2.25% per annum, the bank's prime rate, or the bank's prime rate plus 1% per annum or 1.25% per annum, depending upon the ratio of amounts outstanding to secured accounts receivable and inventory, subject to quarterly adjustment. An unused line fee is charged at 0.375% per annum, subject to adjustment, on the average daily unused portion of the credit facility. The credit facility is secured by accounts receivable and inventory of Tri-U. As at 31 March 2011, the balance under the credit facility was USD 43 million with interest rate at 2.25 to 2.38% per annum and actual unused availability was approximately USD 37 million. Tri-U is subject to certain financial covenants including an interest coverage ratio and leverage ratio and others. Tri-U determined it was in compliance with all of these covenants as of 31 March 2011.

15. Long-term loans

Long-term loans as at 31 March 2011 and 31 December 2010 consist of:

(Unit: Million Baht)

	Consolidated financial		Separate financial	
	statements		statements	
	31 March	31 December	31 March	31 December
	2011	2010	2011	2010
USD loans	8	8	-	-
Baht loans	10,099	10,259	9,000	9,000
EUR loans	14,554	13,589	-	-
Less: Deferred financial fees	(825)	(839)	(96)	(103)
Total	23,836	23,017	8,904	8,897
Less: Current portion	(882)	(516)	-	-
Net	22,954	22,501	8,904	8,897

(Unaudited but reviewed)

Movements in the long-term loan account during the three-month period ended 31 March 2011 are summarised below.

	Consolidated financial statements	(Unit: Million Baht) Separate financial statements
Balance as at 1 January 2011	23,017	8,897
Less: Repayment	(160)	-
Add: Unrealised exchange loss	965	-
Add: Deferred financial fees	14	7
Balance as at 31 March 2011	<u>23,836</u>	<u>8,904</u>

During the third quarter of 2006, a local subsidiary entered into two loan agreements amounting to Baht 150 million from two local financial institutions, carrying interest at MLR minus 1.25% per annum and MLR minus 1.00% per annum. These loans are to be repaid within year 2013 and have been guaranteed by a local subsidiary. As at 31 March 2011, the balance of this loan is Baht 56.3 million.

During the second quarter of 2007, a local subsidiary drew Baht 380 million of two loan agreements from a local financial institution, carrying interest at 4.85% per annum, and THBFIX plus 0.5% per annum. These loans are to be repaid within year 2012. As at 31 March 2011, the balance of this loan is Baht 88.8 million.

During the third quarter of 2007, a local subsidiary entered into a 7-year loan agreement amounting to Baht 1,190 million with a local financial institution. The loan carries interest at THBFIX plus 0.39% per annum and is to be repaid in semi-annually installments, the first of which will be due in January 2011. The loan contains covenants relating to various matters stipulated in the agreement. However, during 2008, the above subsidiary had repaid principal amount of Baht 100 million. As at 31 March 2011, the balance of this loan is Baht 953.8 million.

During the last quarter of 2010, the Company has entered into, two unsecured loan agreements 6-year and 8-year, amounting to Baht 9,000 million in total from the group of financial institutions. The loan carries interest at THBFIX plus 1.50% to 1.75% per annum and is to be repaid within year 2019. As at 31 March 2011, the balance of this loan is Baht 9,000 million.

In 2010, an overseas subsidiary has entered into loan agreements with four overseas financial institutions to acquire EUR 340 million loans. The loans carry interest at the LIBOR plus 4.5 to 5.0% per annum, are to be repaid within 6 years and 7 years and secured by the shares of MW Brands and its subsidiaries.

16. Debentures

On 26 October 2005, a meeting of the Company's Board of Directors approved the issuance of debentures of the Company and/or its subsidiary companies in an amount of up to Baht 8,500 million or the equivalent in another currency, for the purposes of refinancing debt and future expansion. Such debentures may be offered to the public and/or institutional investors and/or local and/or foreign investors.

On 7 June 2007, the Company issued Baht 3,200 million (3,200,000 units of debentures of Baht 1,000 each) of registered, unsubordinated, unsecured debentures with no trustee, with interest rate at 3.91% per annum and the redemption in full is in June 2011.

On 12 November 2008, the Company issued the 2-year debentures of Baht 1,500 million (1,500,000 units of debentures of Baht 1,000 each) of registered, unsubordinated, unsecured debentures with no trustee, with interest rate at 4.7% per annum, which redeemed on the maturity date in 2010 and the 5-year debentures of Baht 500 million (500,000 units of debentures of Baht 1,000 each) of registered, unsubordinated, unsecured debentures with no trustee, with interest rate at 5.5% per annum and the redemption is in 2013.

The debentures contain covenants relating to various matters such as the maintenance of debt to shareholders' equity ratio and interest cover ratio, and certain conditions in issuance of debentures agreements, for example, annual dividend payment in the form of cash exceeding 60 percent of net income of the year is prohibited, etc.

17. Convertible bond

On 2 September 2010, the Extraordinary General Meeting of Shareholders approved the issuance of non-secured convertible bond to specific investors (Private Placement) of EUR 60 million. The bond has a tenor of 4 years and an annual coupon of 5% p.a. and an overall yield of 8% p.a. unless converted into common shares. The bond can be converted into common shares at any time after the first year at a conversion price of Baht 56 per share. On 27 October 2010, the Company issued the convertible bond. The convertible bond contains covenants relating to various matters.

(Unaudited but reviewed)

According to the Thai Accounting Standard No. 107 “Financial Instruments: Disclosure and Presentation”, the issuer of convertible bond is required to classify the bond’s liability and equity components and present them separately from the owner’s equity in the balance sheets. However, the rate of interest payable in the future on the convertible bond was the same as the market rate prevailing on the date of bond issuance. The Company therefore recorded all the convertible bonds as liabilities. The liability component continues to be presented on an amortised cost basis, until conversion to ordinary shares or maturity of the bond.

18. Income tax/deferred tax assets (liabilities)

Income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation of each country.

Corporate income tax of the Company and subsidiaries for the three-month periods ended 31 March 2011 and 2010 are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods ended 31 March			
	2011	2010	2011	2010
Income tax on taxable income	136,417	215,170	35,158	9,454
Translation adjustment	487	8,112	-	-
Expense (income) in deferred income tax	(101,307)	404	(3,530)	875
Income tax as included in profit or loss	<u>35,597</u>	<u>223,686</u>	<u>31,628</u>	<u>10,329</u>

(Unaudited but reviewed)

The components of deferred tax assets and liabilities as presented in statements of financial position consist of:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
Deferred tax assets				
Tax losses brought forward	219	157	-	-
Tax effect of non-deductible expenses				
Allowance for doubtful accounts	23	19	3	1
Allowance for devaluation in the value of inventories	135	73	9	9
Other allowance	10	11	11	9
Provision for long-term employee benefits	82	-	6	-
Accrued liabilities	106	159	-	-
Inventory cost capitalisation	85	79	-	-
Others	1	1	-	-
Total	<u>661</u>	<u>499</u>	<u>29</u>	<u>19</u>

(Unit: Million Baht)

	Consolidated financial statements	
	31 March	31 December
	2011	2010
Deferred tax liabilities		
Depreciation and amortisation	373	373
Intangible assets	4,030	3,749
Prepaid expense	14	14
Others reserve	189	149
Others	401	356
Total	<u>5,007</u>	<u>4,641</u>

19. Earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

(Unaudited but reviewed)

Diluted earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the period or on the date the potential ordinary shares were issued.

The following table sets forth the computation of basic and diluted earnings per share:

For the three-month period ended 31 March 2011				
Net income		Weighted	Earnings per share	
Consolidated	Separate	average	Consolidated	Separate
financial	financial	number of	financial	financial
statements	statements	ordinary	statements	statements
statements	statements	shares	statements	statements
Million Baht	Million Baht	Million share	Baht	Baht
Basic earnings per share				
Profit attributable to equity holders of				
the Company				
753	286	956.3	0.79	0.30
Less: Interest expense from convertible bond				
recognised during the period				
(34)	(34)	-		
Effect of dilutive potential ordinary share				
-	-	42.9		
Diluted earnings per share				
Profit of ordinary shareholders assuming				
the conversion of convertible bond to ordinary share				
719	252	999.2	0.72	0.25

There was no disclosure of diluted earnings per share in the financial statements for the three-month period ended 31 March 2010 since there is no dilutive potential ordinary share.

20. Financial information by segment

The operations of the Company and its subsidiaries principally involve the production, distribution and export of frozen seafood products. Some overseas subsidiaries of which the principal business activity is overseas investments. These activities are carried out in Thailand and overseas. Their income comes from both local and export sales. Financial information of the Company and its subsidiaries presented by business segment for the three-month periods ended 31 March 2011 and 2010 is as follows:

(Unit: Million Baht)

	For the three-month periods ended 31 March									
	Frozen and canned food products		Other businesses		Total		Elimination		Grand total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Sales										
- Local	1,073	884	2,640	2,256	3,713	3,140	(1,722)	(1,021)	1,991	2,119
- Export	23,573	17,308	230	165	23,803	17,473	(3,088)	(3,263)	20,715	14,210
Total sales	24,646	18,192	2,870	2,421	27,516	20,613	(4,810)	(4,284)	22,706	16,329
Segment operating income	1,315	1,140	263	333	1,578	1,473	(178)	(162)	1,400	1,311
Unallocated income (expenses):										
Interest income									2	-
Administrative expenses									(13)	-
Share of income from investments in associates									18	4
Financial cost									(522)	(133)
Corporate income tax									(36)	(224)
Profit attributable to non-controlling interests of the subsidiaries									(96)	(127)
Profit attributable to equity holders of the Company									753	831

Financial information of the Company and its subsidiaries presented by geographical segment for the three-month periods ended 31 March 2011 and 2010 is as follows:

(Unit: Million Baht)

	For the three-month periods ended 31 March									
	Thailand		Overseas		Total		Elimination		Grand total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Sales										
- Frozen and canned food products	11,357	10,470	13,289	7,722	24,646	18,192	(5,507)	(3,308)	19,139	14,884
- Other businesses	2,870	2,421	-	-	2,870	2,421	697	(976)	3,567	1,445
Total sales	14,227	12,891	13,289	7,722	27,516	20,613	(4,810)	(4,284)	22,706	16,329
Segment operating income									1,400	1,311

Transfer prices between the Company and its subsidiaries are set out in Note 6.

21. Commitments

As at 31 March 2011, the Company and its subsidiaries have the following commitments:

- a) The Company and its subsidiaries have the commitments under the following agreements:

	Payable within						Total
	Less than 1 year		1 to 5 years		More than 5 years		
Office rental and service agreements	Baht	54 million	Baht	54 million	Baht	8 million	Baht 116 million
	EUR	1 million	EUR	2 million	-	-	EUR 3 million
Land lease agreements	-	-	Baht	3 million	Baht	3 million	Baht 6 million
	USD	2 million	USD	3 million	USD	1 million	USD 6 million
Car lease agreements	-	-	EUR	1 million	EUR	2 million	EUR 3 million
	Baht	5 million	Baht	2 million	-	-	Baht 7 million
Machine lease agreements	EUR	1 million	-	-	-	-	EUR 1 million
	Baht	4 million	-	-	-	-	Baht 4 million
Computer & copy machine lease Agreements	-	-	USD	1 million	-	-	USD 1 million
	Baht	20 million	Baht	21 million	-	-	Baht 41 million
Warehouse and factory construction agreements	Baht	343 million	-	-	-	-	Baht 343 million
Purchase machinery, equipment and vehicle agreements	Baht	56 million	-	-	-	-	Baht 56 million
	EUR	1 million	-	-	-	-	EUR 1 million
Advertising agreements	Baht	32 million	Baht	2 million	-	-	Baht 34 million
Communication agreements	Baht	1 million	Baht	2 million	-	-	Baht 3 million
Advisory agreements	Baht	5 million	-	-	-	-	Baht 5 million
Marketing service agreements	Baht	2 million	-	-	-	-	Baht 2 million
Internet network service agreements	Baht	3 million	Baht	9 million	-	-	Baht 12 million

- b) The Company and its subsidiaries are committed to pay the uncalled portions of their investments as follows:

	Amount	
The local subsidiaries	Baht	51.0 million
The overseas subsidiary	USD	1.9 million
The overseas associates	USD	2.3 million

- c) The overseas subsidiary has agreed to make payments under royalty agreements for the use of certain production machinery and equipment. The agreements require fixed payments plus an additional sum based on output. Total payments made under these arrangements for the three-month period ended 31 March 2011 amounting to USD 0.2 million.

d) Purchase commitments

- The Company has entered into contracts farming program with several independent shrimp farmers to guarantee the supply of shrimps. These contracts stipulated conditions with regard to price and quantity to be supplied and are effective for a period of not over one year.

22. Contingent liabilities

22.1 Forward foreign exchange contracts

Significant forward exchange contracts outstanding as of 31 March 2011 are summarised below.

Foreign currency	Bought	Sold	Contractual exchange rate	
	amount	amount	Bought	Sold
	(Million)	(Million)		
<u>The Company</u>				
USD against Baht	-	277.8	-	29.66 - 43.00
JPY against Baht	-	193.7	-	0.36 - 0.38
EUR against Baht	0.1	319.7	39.76	39.10 - 42.50
<u>Subsidiaries</u>				
USD against Baht	0.1	254.3	30.16	29.61 - 32.45
EUR against Baht	1.2	0.9	39.71 - 42.50	40.10 - 42.50
USD against GBP	23.8	-	1.62	-
USD against EUR	15.0	-	1.39	-
EUR against GBP	49.4	-	0.82	-

As at 31 March 2011, the Company and its subsidiaries have outstanding option agreements with special conditions with financial institutions under which they have obligations to sell amounts of between USD 20.2 million up to USD 40.4 million, depending on conditions stipulated in the agreements, at rates Baht 29.77 to Baht 30.05 per USD 1. These agreements will terminate within October 2011.

22.2 Interest rate swap transaction agreements

Interest rate swap agreements

The Company

	Principal amount	Interest Revenue Rate Swap agreements	Interest Expense Rate Swap agreements	Terminal date
1	USD 90 million	Float rate 3-month LIBOR plus 0.47 %	Fixed rate 3.81 - 3.94%	June 2011
2	USD 30 million	Fixed rate 3.94% as stipulated in the agreement	Float rate 3-month LIBOR plus 0.47% (7 Mar 08 to 7 Mar 09) Fixed rate 3.29% (7 Mar 09 to 7 Jun 11)	June 2011
3	Baht 1,020 million (first 2 years) Baht 85-850 million (remaining 4 years)	Float rate 3-month THBFIX-Reuters plus 1.50% (first 2 years) Float rate 3-month THBFIX-Reuters plus 1.75% (remaining 4 years)	Fixed rate 4.505%	October 2016
4	Baht 1,020 million (first 2 years) Baht 85-850 million (remaining 4 years)	Float rate 3-month THBFIX-Reuters plus 1.50% (first 2 years) Float rate 3-month THBFIX-Reuters plus 1.75% (remaining 4 years)	Fixed rate 4.467%	October 2016
5	Baht 2,040 million (first 2 years) Baht 170-1,700 million (remaining 4 years)	Float rate 3-month THBFIX-Reuters plus 1.50% (first 2 years) Float rate 3-month THBFIX-Reuters plus 1.75% (remaining 4 years)	Fixed rate 4.522%	October 2016
6	Baht 900 million (first 2 years) Baht 75-750 million (remaining 4 years)	Float rate 3-month THBFIX-Reuters plus 1.50% (first 2 years) Float rate 3-month THBFIX-Reuters plus 1.75% (remaining 4 years)	Fixed rate 4.4875%	October 2016

(Unaudited but reviewed)

	Principal amount	Interest Revenue Rate Swap agreements	Interest Expense Rate Swap agreements	Terminal date
7	Baht 1,020 million (first 2 years) Baht 85-850 million (remaining 4 years)	Float rate 3-month THBFX-Reuters plus 1.50% (first 2 years) Float rate 3-month THBFX-Reuters plus 1.75% (remaining 4 years)	Fixed rate 4.48%	October 2016

Subsidiaries

	Principal amount	Interest Revenue Rate Swap agreements	Interest Expense Rate Swap agreements	Terminal date
1	EUR 95 million	Float rate 3-month EURIBOR	Fixed rate 2.70 %	October 2017
2	EUR 133 million	Float rate 3-month EURIBOR	Fixed rate 2.73 %	October 2017

Cross currency and interest rate swap agreements

The Company

	Currency and Interest Revenue Rate Swap agreements		Currency and Interest Expense Rate Swap agreements		Terminal date
	Principal amount	Interest rate	Principal amount	Interest rate	
1	Baht 3,114 million	Fixed rate 3.91%	USD 90 million	Float rate 3-month LIBOR plus 0.47%	June 2011
2	Baht 397.8 million	Float rate 3-month THBFX	USD 12 million	Fixed rate 4.4086%	July 2012
3	USD 30 million	Fixed rate 3.29%	Baht 1,004.1 million	Float rate 6-month THBFX plus 0.66%	December 2011
4	Baht 1,134 million	Float rate 3-month THBFX - Reuters	USD 35 million	Float rate 3-month LIBOR-BBA plus 0.665%	July 2013

Subsidiary

	Currency and Interest Revenue Rate Swap agreements		Currency and Interest Expense Rate Swap agreements		Terminal date
	Principal amount	Interest rate	Principal amount	Interest rate	
1	Baht 976 million	Float rate 3-month THBFX plus 2.94%	USD 32 million	Fixed rate 5.65%	March 2015

22.3 Others

- a) Asset retirement obligations recorded by TUI relate primarily to the retirement of buildings and leasehold improvements subject to ground leases in connection with TUI's warehouse facility in California. TUI estimated the fair value of the costs associated with removal and remediation of certain assets to their condition before TUI obtained rights to use of the related asset of USD 1.1 million as of 31 March 2011 and 31 December 2010.
- b) The Office of the Attorney General of a US state filed a lawsuit against the three largest canned tuna companies in the US, including TUI, for failure to warn consumers that certain tuna contains mercury. Such case was dismissed on 8 January 2007. However, the plaintiff filed a notice of appeal and the appeal was granted on 19 August 2008. TUI filed a petition for an en banc appeal, which was denied. On 13 January 2009, TUI filed a petition with the Supreme Court, which the Court has declined to hear. Each party has subsequently filed motions and are currently awaiting the Judge's rulings. TUI is unable to predict the probable outcome of this matter. As such, TUI has no accrual related to this matter as of 31 March 2011.
- c) In March 2008, the US Department of Commerce announced a preliminary anti-dumping (AD) rate for the Company and its subsidiary's shrimp exports to the US for the period of 1 February 2006 to 31 January 2007 from a rate of 5.95% (average rate of Thailand) to 15.3%. The Company and its subsidiary will pay AD USD 7.9 million for that period and the Company and its subsidiary have not recorded this amount in the accounts since the announcement is preliminary and not a final announcement. The Company has appointed a lawyer in US to negotiate with the US Department of Commerce. In September 2008, the announcement is finalised at a rate of 2.85% for the Company and its subsidiary. The Company and its subsidiary will receive the different amount. However, the management of the Company and its subsidiary have not recorded this amount because it is in the process of refunding.

23. Guarantees

- a) As at 31 March 2011, there were outstanding bank guarantees of approximately Baht 58.5 million and USD 5 million (31 December 2010: Baht 58.4 million and USD 5 million) issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business.
- b) As at 31 March 2011, there were outstanding bank guarantees of approximately Baht 77 million (31 December 2010: Baht 103 million) issued by banks on behalf of the subsidiaries in respect of certain performance bonds as required in the normal course of business.

24. Financial instruments

The following is a summary of significant unhedged foreign currency-denominated assets and liabilities as at 31 March 2011.

(Unit: Thousand)

Foreign currency	Consolidated financial statements		Separate financial statements	
	Assets	Liabilities	Assets	Liabilities
US dollar	11,850	17,283	10,257	10,705
Japanese yen	22	158,127	-	130,696
Euro	38,164	60,369	38,164	60,084

25. Subsequent events

On 25 April 2011, the Annual General Meeting of Shareholders passed the following solutions.

- Approved dividend payment of Baht 0.34 per share from its income for the period from 1 October 2010 to 31 December 2010, to the Company's shareholders, totaling Baht 325 million. The dividend will be paid on 4 May 2011.
- Approved the increase of credit limit for issuance of debentures of the Company and/or its subsidiaries in an amount of up to Baht 15,000 million or the equivalent in other currencies, for the purpose of refinancing debt and future expansion. Such debentures may be offered to the public and/or institutional investors and/or local and/or foreign investors.

(Unaudited but reviewed)

26. Reclassification

Certain amounts in the statements of financial position for the year ended 31 December 2010 and in the income statements for the three-month period ended 31 March 2010 have been reclassified to conform to the current period classification but with no effect to previously reported net income or shareholders' equity. The significant reclassifications are as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As reclassified	As previously reported	As reclassified	As previously reported
Goodwill	11,396,142	-	-	-
Other intangible assets - net	13,027,293	24,423,435	-	-
Administrative expenses	473,752	460,463	130,261	117,836
Management benefit expenses	-	11,536	-	11,536
Other expenses	-	1,753	-	889

27. Approval of interim financial statements

These interim financial statements were authorised for issue by the Audit Committee and the Company's Board of Directors on 6 May 2011.