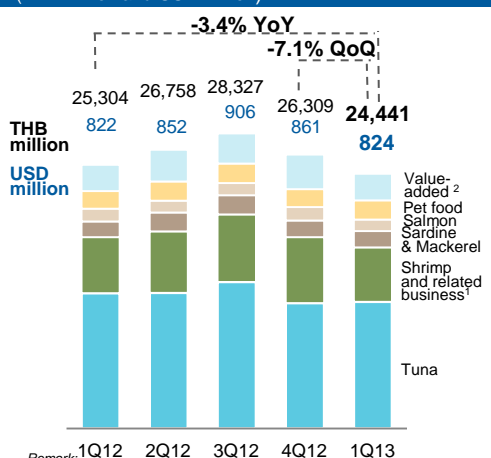


Challenges remained in 1Q13: Tuna and shrimp business hurt by material shortage and high prices

Sales

(THB million and USD million)



Remark:
¹ Shrimp & related business includes frozen shrimp and shrimp feed
² Value-added & other products includes Ready-to-eat (RTE) products, frozen cephalopod, canned seafood, local products, bakery products, and scraps

Lower sales from THB appreciation

- Total sales in USD term remained stable YoY. However, sales in THB term dropped to THB 24,441 million (-3.4% YoY) due to THB appreciation. During the period, sales from tuna, shrimp and related business were lower, but were partly compensated by higher sales from pet food business and value-added and other products.
- On QoQ basis, total sales declined by 4.3% in USD term and 7.1% in THB term. Besides THB appreciation and a typical low season, sales were dampened by lower shrimp feed and processed shrimp export sales impacted by the EMS outbreak that caused a local shrimp raw material shortage and lower demand for feed.

Squeezed GPM from rising raw material prices and strong THB

- 1Q13 GPM plunged YoY and QoQ to 10.9% due to generally rising but volatile tuna raw material prices during the quarter and the historic high price of shrimp raw material caused by EMS outbreak, THB appreciation and continual loss (though smaller) of USPN. One of the few bright spots is margin improvement at COSI as competition turned rational.

EBITDA down YoY from lower GPM, but up QoQ thanks to higher other incomes

- 1Q13 EBITDA dropped by 38.5% YoY due to depressed GPM, but was up 10.9% QoQ mainly thanks to higher FX gains (resulted from ongoing hedging policy against THB appreciation) and a reimbursement of insurance compensation to cover the asset loss from the fire incident of the shrimp plant last year.
- % SG&A to sales were 9.2% which was generally consistent with the norm and in line with our budget.

Net profit plunged YoY, but up QoQ due to other incomes

- 1Q13 net profit plunged 54.0% YoY to THB 674 million due mainly to a significant drop of GPM despite lower interest expense after MW Brands loan repayment in 2Q12. However, net profit increased by 10.1% QoQ, mainly as a result of higher FX gains and a reimbursement of insurance compensation to cover asset loss from last year's fire incident of the shrimp plant. Excluding this insurance compensation, the normalized 1Q13 net profit should have been THB 460 million, -68.7% YoY and -24.9% QoQ.

Stock Information

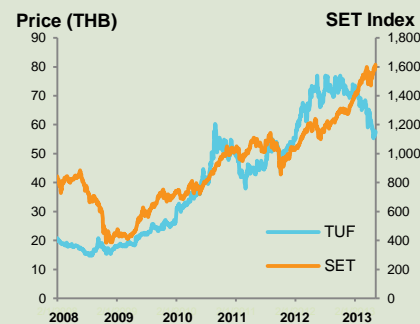
(Bloomberg/ Reuters)
(TUF TB/ TUF.BK)

Share price (8/05/2013) :	THB 57.00
Historical price :	
52-week high	THB 78.00
52-week low	THB 55.00
No. of Shares :	1,147.6m
Par value :	THB 1.0
Market Capitalization :	THB 66.3b
Avg. daily turnover (last 6 months) :	THB 239.9m
Free float :	58.2%
Foreign ownership :	38.5%
Foreign limit :	45.0%

Major shareholders :

(19/03/2013)	
Chansiri Family	23.51%
Niruttinanon Family	7.50%
Mitsubishi Corporation	7.58%
Thai NVDR Co., Ltd.	5.51%
Social Security Office	3.32%
Hagoromo Foods	1.68%

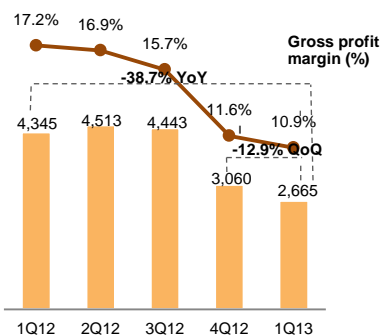
Share price performance :



Source: Settrade (8/05/13)

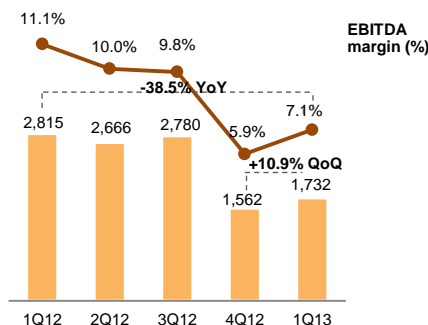
Gross Profit and GPM

(ล้านบาท)



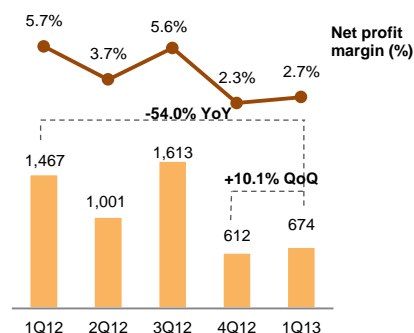
EBITDA and EBITDA margin

(THB million)



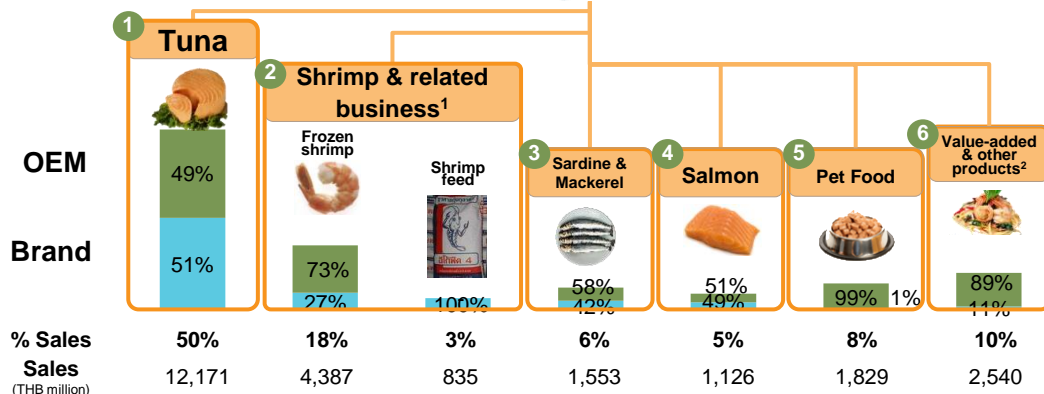
Net Profit and NPM

(THB million)



Performance by 6 Strategic Business Units

Total sales 1Q 2013: THB 24,441m (USD 824m)



Remark :

¹Shrimp & related business includes frozen shrimp and shrimp feed

²Value-added & other products includes Ready-to-eat (RTE) products, frozen cephalopod, canned seafood, local products, bakery products, and scrap

Source: TUF

Tuna

- 1Q13 tuna sales value decreased by 6.3% YoY due mainly to the lower volume of OEM business. Tuna raw material prices were generally rising, but also volatile, causing hesitation among OEM customers who tended to delay orders in a hope for lower prices. Moreover, erratic tuna raw material supply during the period disrupted production, forcing down margins. However, branded business volume improved QoQ thanks mainly to improving performance at COSI.
- Volatile tuna prices remained volatile, increasing by 9% in 1Q13 after dropping by 13% in 4Q12. Skipjack tuna raw material prices jumped 16% from USD1,900/ton in December 2012 to USD2,195/ton in February 2013 and later surged to USD2,325/ton in March.
- Under this volatile price pattern, it was quite a challenge to match selling prices with raw material prices properly and in time, leading to depressed GPM in our OEM business. But GPM of branded business managed to improve QoQ thanks to a price competitive canned tuna market turning more rational in the US and a resilient performance at MWB

Outlook:

- OEM business sales volume should gradually increase QoQ. Expect customers to eventually adapt to the new tuna price level and start restocking after their inventories are depleted. 2H13 sales volume should show a sign of improvement compared with 1H13, in addition to the seasonal factors and improving overseas operations at COSI and MWB.
- Tuna raw material prices should remain high due to precautionary conservative fishing regulations albeit healthy Skipjack fish stock. Ability to pass on rising raw material prices will be improved as prices stabilize.
- Expect GPM to gradually improve QoQ given better price adjustment of OEM customers once they get acquainted with the new price level and start replenishing their stocks, plus the improving GPM of our overseas branded business.

Shrimp and Related Business¹

- 1Q13 sales declined 3.1% YoY due mainly to lower volume of frozen shrimp export and shrimp feed caused by the EMS outbreak. A significant drop of volume by 28.1% QoQ came from the shortage of shrimp supply and less demand for shrimp feed due to EMS outbreak.
- A late first crop harvest due to delayed farming will reduce annual Thai shrimp production, keeping raw material at higher than normal price level, e.g. the recent peak at THB200/kg (60 pcs) in March.
- 1Q13 GPM fell significantly to 5.4% from 11.9% in 1Q12 due to sharply higher raw material prices caused by the EMS outbreak. Strong THB appreciation during the quarter exacerbated frozen shrimp export margin due to its all THB production costs. However, the GPM of COSFF's frozen shrimp trading operations in the US remain resilient.

Outlook:

- Expect to see more shrimp supply in July or August, instead of typical May/ June, due to a delay in seeding the first crop this year out of the fear for EMS. The overall 2013 shrimp export sales volume should still decline YoY as the poor supply during the first half. Feed sales should recover as farming rebounds.
- Shrimp raw material prices should maintain at high (but more acceptable) levels despite an expectation of improved supply in 2H13 should the EMS outbreak be contained.

Performance by 6 Strategic Business Units (cont'd)

Sardine & Mackerel	Pet Food
<ul style="list-style-type: none"> Sales rose by 3.8% YoY partly due to US operation, but dropped by 3.7% QoQ due to lower OEM sales. Export sales (OEM) declined due to lack of proper raw materials. That also suppressed GPM. <p>Outlook:</p> <ul style="list-style-type: none"> Expect continually rising demand from emerging countries to support future business growth. 	<ul style="list-style-type: none"> 1Q13 sales rose by 6.9% YoY due mainly to higher selling prices of higher value-added products. An QoQ increase in sales was due to higher volume. GPM improved QoQ due to less loss from USPN. <p>Outlook:</p> <ul style="list-style-type: none"> Promising outlook as the market has grown with inelastic demand and relatively higher margin. Expect less loss from USPN this year.
Salmon	Value-Added and Other Products ²
<ul style="list-style-type: none"> 1Q13 sales declined YoY and QoQ due to lower branded sales volume and THB appreciation. GPM remained stable YoY but improved QoQ due to well cost management. <p>Outlook:</p> <ul style="list-style-type: none"> Outlook for salmon is stable 	<ul style="list-style-type: none"> Sales slightly increased YoY due mainly to higher sales of ready-to-eat (RTE) products while branded sales were lower. Sales were lower QoQ mainly due to seasonal factors and lower sales of non-tuna products. <p>Outlook:</p> <ul style="list-style-type: none"> Focus will be put on higher margin RTE products.

Financial Position and Performance

Statement of financial position

(Million baht)	Consolidated				
	1Q13	% to total assets	2012	% to total assets	Change
Cash and cash equivalents	1,826.4	1.9%	1,400.0	1.5%	30.5%
Trade and other receivables	12,331.8	12.7%	11,918.2	12.6%	3.5%
Inventories - net	33,546.7	34.5%	33,290.5	35.1%	0.8%
Other current assets	2,191.7	2.3%	1,727.9	1.8%	26.8%
Total current assets	49,896.5	51.4%	48,336.6	51.0%	3.2%
Fixed assets	20,146.6	20.7%	17,923.3	18.9%	12.4%
Other non-current assets	27,120.2	27.9%	28,498.8	30.1%	-4.8%
Total assets	97,163.3	100.0%	94,758.6	100.0%	2.5%
Bank overdrafts and short-term loans	25,438.3	26.2%	22,511.2	23.8%	13.0%
Trade and other payables	9,916.4	10.2%	10,544.7	11.1%	-6.0%
Current portion of long-term loans	1,045.0	1.1%	899.0	0.9%	16.2%
Other current liabilities	1,692.0	1.7%	1,593.9	1.7%	6.2%
Total current liabilities	38,091.7	39.2%	35,548.9	37.5%	7.2%
Long-term borrowings	11,344.6	11.7%	11,598.2	12.2%	-2.2%
Other non-current liabilities	6,753.5	7.0%	7,267.9	7.7%	-7.1%
Total liabilities	56,189.7	57.8%	54,415.0	57.4%	3.3%
Non-controlling interests of the subsidiaries	3,794.3	3.9%	3,128.2	3.3%	21.3%
Total shareholders' equity	40,973.7	42.2%	40,343.6	42.6%	1.6%
Total liabilities and shareholders' equity	97,163.3	100.0%	94,758.6	100.0%	2.5%

Financial Statement Analysis

1Q13 was another challenging quarter for TUF due to volatile but rising tuna raw materials prices, shortage of shrimp supply and increasing shrimp prices from EMS outbreak, and stronger THB. However, COSI showed sign of improvement thanks to more rational market competition. Total sales in 1Q13 were THB 24,441 million, a 3.4% drop YoY mainly as a result of THB appreciation while sales in USD term remained stable.

GPM was squeezed to 10.9% due to OEM tuna business and shrimp business. 1Q13 net profit was THB 674 million or 54.0% plunge YoY. Excluding the one-time reimbursement of insurance compensation to cover the asset loss from the fire incident of the shrimp plant last year, 1Q13 normalized net profit should have been THB 460 million or -68.7% YoY.

Financial Position and Performance (cont'd)

Consolidated Income Statement

(Million baht)	1Q13	% to sales	1Q12	% to sales	4Q12	% to sales	1Q13/ 1Q12 Change	1Q13/ 4Q12 Change
Sales	24,441.3	100%	25,304.4	100%	26,308.8	100%	-3.4%	-7.1%
Cost of sales	(21,776.5)	-89%	(20,959.0)	-83%	(23,248.7)	-88.4%	3.9%	-6.3%
Gross profit	2,664.8	10.9%	4,345.4	17.2%	3,060.1	11.6%	-38.7%	-12.9%
SG&A expenses	(2,241.9)	-9.2%	(2,372.7)	-9.4%	(2,178.6)	-8.3%	-5.5%	2.9%
FX gain (loss)	335.7	1.4%	232.3	0.9%	6.8	0.0%	44.6%	4872.7%
Other income	460.5	1.9%	166.9	0.7%	133.1	0.5%	175.9%	246.0%
EBIT	1,219.1	5.0%	2,372.0	9.4%	1,021.3	3.9%	-48.6%	19.4%
Finance cost	(363.4)	-1.5%	(542.4)	-2.1%	(389.7)	-1.5%	-33.0%	-6.8%
EBT	855.7	3.5%	1,829.6	7.2%	631.6	2.4%	-53.2%	35.5%
Tax	(100.1)	-0.4%	(160.5)	-0.6%	116.5	0.4%	-37.7%	-185.9%
Net income	755.6	3.1%	1,669.1	6.6%	748.1	2.8%	-54.7%	1.0%
Net income (loss) attributable to:							0.0%	0.0%
Equity holders of the Company	674.4	2.8%	1,467.1	5.8%	612.4	2.3%	-54.0%	10.1%
Non-controlling interests of the subsidi	81.2	0.3%	202.0	0.8%	135.7	0.5%	-59.8%	-40.1%
Earnings per share								
Basic earnings per share	0.59		1.53		0.48		-61.4%	22.9%
Diluted earnings per share	0.59		1.49		0.48		-60.4%	22.9%
Exchange rate								
THB/USD	29.68		30.78		30.56			
Normalized net profit	459.8	1.9%	1,467.1	5.8%	612.4	2.3%	-68.7%	-24.9%

Relevant Financial Ratios

Ratio	1Q13	4Q12	3Q12	2Q12	1Q12
ROE	7.3%	6.6%	17.6%	12.9%	23.3%
ROA	5.1%	4.4%	10.3%	10.0%	11.2%
A/R Turnover (days)	43	41	40	41	41
Inventory Turnover (days)	138	121	111	115	115
Gearing Ratio	1.37x	1.35x	1.26x	1.28x	2.02x
ND/E Ratio	0.88x	0.83x	0.79x	0.80x	1.34x

Remark: ¹ROE = Annualized quarterly net profit / Average total shareholders' equity
²ROA = Annualized quarterly EBIT / Average total assets
³Gearing ratio = Total liability / Total shareholders' equity
⁴ND/E ratio = Net interest-bearing debt / Total shareholders' equity,
Net interest-bearing debt = Total interest-bearing debt – Cash and Cash equivalents
Source: TUF

Financial Statement Analysis (cont'd)

Selling and administrative expense

- 1Q13 SG&A was 5.5 lower YoY mainly as a result of lower sales promotion. However, %SG&A to sales were 9.2% which was consistent with the norm and in line with the budget.

FX Gain/loss

- FX gain increased by 44.6% YoY due to ongoing hedging policy against THB appreciation.

Other income (including share of income from investment in associates)

- Other income significantly boosted by 175.9% YoY due mainly to a reimbursement of insurance compensation to cover the asset loss from the fire incident of the shrimp plant.

Finance cost

- Finance cost was 33.0% lower YoY due to lower interest expense after MW Brands loan repayment in 2Q12. 1Q13 effective interest rate was around 4.0%.

Income tax expense

- 1Q13 income tax expense decreased 37.7% YoY mainly as a result of lowering earnings before tax whereas the effective tax rate was 11.7%.

ND/E ratio

- Net debt-to-equity ratio was up slightly to 0.88x in 1Q13 from 0.83x in 4Q12 due to higher short term debts for higher working capital need from higher raw material prices.

Inventory turnover

- 1Q13 inventory turnover days increased to 138 days from 121 days in 4Q12 mainly due to higher shrimp inventory from Pakfood Plc (PPC) that was consolidated since March 2013.

Accounts receivable turnover

- Accounts receivable turnover days increased to 43 days from 41 days in 4Q12 as accounts receivable increased whereas sales declined.

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