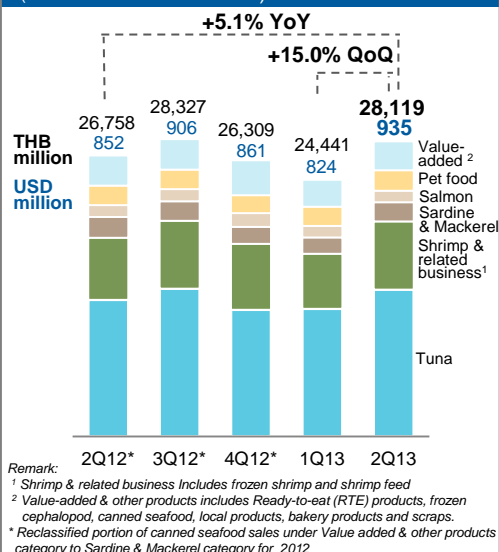


Improved QoQ operating profitability amid challenges

Revenue

(THB million and USD million)



Quarterly record sales despite slight YoY sales growth in 1H13

- In 2Q13, total sales in USD term rose by 9.7% YoY to USD 935 million while total sales in THB term increased by 5.1% to THB 28,119 million due to THB appreciation. YoY sales growth was driven by higher sales of tuna, pet food and shrimp & related business¹ (partly thanks to consolidation with PPC since March 2013).
- On QoQ basis, total sales increased by 13.5% in USD term and by 15.0% in THB term due mainly to higher sales of tuna, sardine & mackerel, pet food, value added & other products, and shrimp & related business¹ (full consolidation of PPC in 2Q13).
- 1H13 total sales grew by 5% in USD term and by 1% in THB term due to THB appreciation. 2013 sales target is therefore revised down to USD 3.8 billion from USD 4 billion.

Stock Information

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

Share price (09/08/2013) : THB 55.00
Historical price :
 52-week high THB 77.75
 52-week low THB 53.25

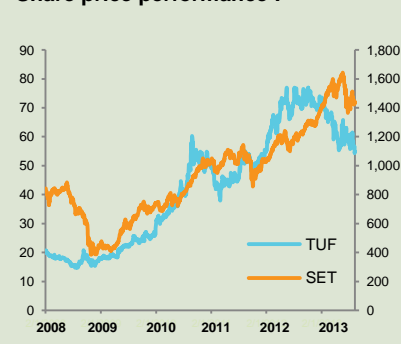
No. of Shares : 1,147.6m
Par value : THB 1.0
Market Capitalization : THB 63.1b
Avg. daily turnover (last 6 months) : THB 209.8m

Free float : 58.16%
Foreign ownership : 38.47%
Foreign limit : 45.00%

Major shareholders :

Shareholder	Percentage
Chansiri Family	23.51%
Niruttinanon Family	7.50%
Mitsubishi Corporation	7.58%
Thai NVDR Co., Ltd.	5.51%
Social Security Office	3.32%

Share price performance :



Source: www.settrade.com (9/08/13)

2Q13 GPM and OP improved QoQ despite a YoY drop

- 2Q13 GPM declined YoY to 12.4% due to volatile tuna raw material prices during the quarter that delayed orders of OEM business, pressured margin of frozen shrimp for export (out of Thailand) caused by the record shrimp raw material prices driven by EMS outbreak (the epidemic became evident in Thailand since 2H12), the lower margin of pet food business dented by USPN's bumpy commercial run since 2012, and stronger THB.
- On QoQ basis, GPM improved from 10.9% in 1Q13 thanks to weaker THB, timely price adjustment of branded tuna business, improved frozen shrimp margin of overseas operations and a mild recovery of the shrimp feed business. These factor helped improve operating profit (OP = GP - SG&A) markedly.
- 1H13 GP fell 30.4% YoY due to lower GPM that dropped from 17.0% in 1H12 to 11.7%.

EBITDA dropped QoQ owing to FX loss and lower other incomes

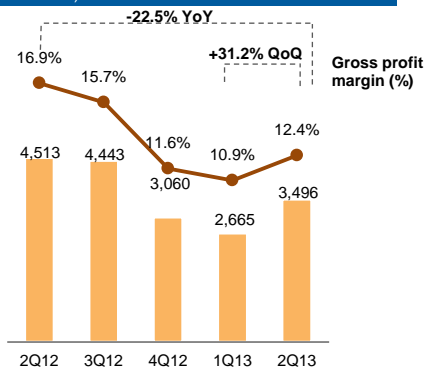
- 2Q13 EBITDA decreased by 45.1% YoY mainly as a result of lower GPM and FX loss from the USD/THB volatility in late April 2013. EBITDA margin dropped by 15.5% QoQ because of FX loss and lower other incomes in 2Q13. A FX gain of THB 336 million and a one-time insurance compensation of THB 215 million were booked in 1Q13.
- 1H13 EBITDA declined by 41.7% YoY due to lower GPM and a lower FX gain.

Despite QoQ operational improvement, 2Q13 net profit was pressured by FX loss, lower other incomes and higher tax expenses

- 2Q13 net profit dropped by 64.2% YoY to THB 359 million and NPM declined to 1.3% due to challenges in tuna and shrimp business. Net profit declined by 46.8% QoQ due to FX loss, absence of insurance compensation, and higher tax expenses (a one-time deferred tax asset adjustment).
- In 1H13, net profit decreased by 58.1% YoY to THB1,033 million.

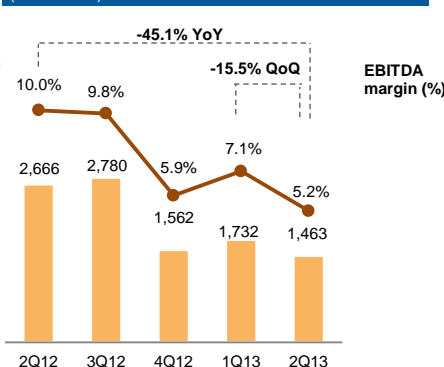
Gross Profit and GPM

(THB million)



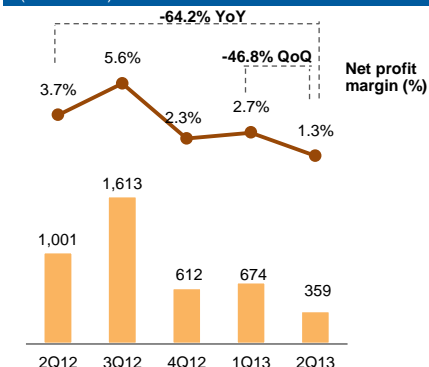
EBITDA and EBITDA margin

(THB million)



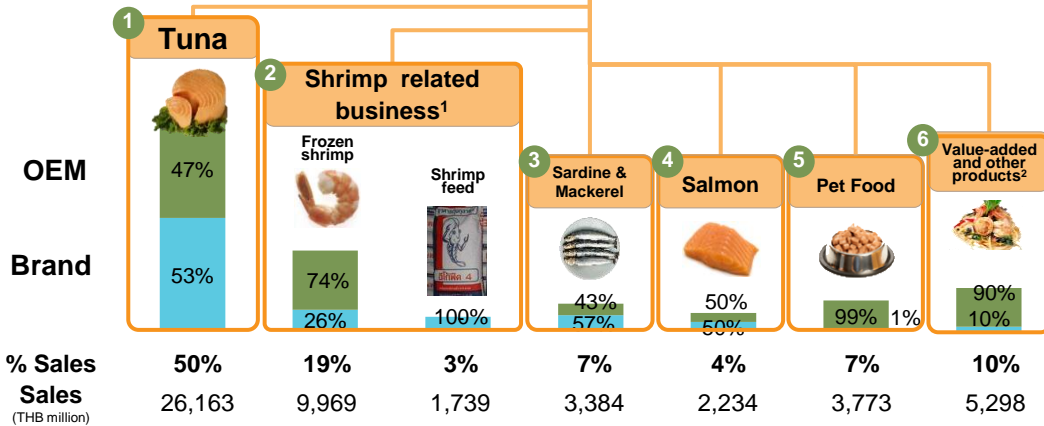
Net Profit and NPM

(THB million)



Performance by 6 Strategic Business Units

Total sales 1H13: THB 52,560m (USD 1,759m)



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	Shrimp & Related Business ¹
<ul style="list-style-type: none"> 2Q13 tuna sales value rose by 8% YoY mainly as a result of price adjustment despite lower sales volume from OEM business. On QoQ basis, tuna sales value increased by 15% because of higher sales volume and price adjustments at the branded business. OEM sales volume was however lower than expected when customers delayed their orders. Although the average Skipjack tuna raw material prices appeared to be only slightly lower YoY and QoQ, the prices were indeed volatile during the quarter. In 2Q13, Skipjack raw material tuna prices declined from an average price of USD 2,320/ton in April to USD 2,020/ton in June. Customers decided to delay orders after seeing tuna raw material price unexpectedly move downward QoQ. Normally, prices should have moved seasonally upward during the period. This price volatility delayed OEM orders. GPM of OEM business was also under pressure, but slightly improved QoQ, thanks to THB depreciation. <p>Outlook:</p> <ul style="list-style-type: none"> Sales volume should improve in 2H13 thanks to seasonal factors and improving operations at the overseas units. OEM clients should re-stock when tuna raw material prices show signs of recovery, possibly caused by the FAD (Fish Aggregating Device) fishing ban during 3Q. Tuna raw material prices should get firmer owing to the four-month long ban on FAD fishing in the Western and Central Pacific Ocean from July to October, potentially reducing supplies and pushing costs of fishing companies higher. GPM of branded business could improve in 2H13 thanks to the lower cost of raw material prices. GPM of OEM business should also slightly improve when customers begin restocking and tuna raw material prices stabilize. 	<ul style="list-style-type: none"> 2Q13 sales value increased by 10% YoY due mainly to higher sales of frozen shrimp contributed by consolidation of PPC and strong performance of the US trading unit despite lower YoY domestic shrimp feed sales (EMS epidemic only became eminent in Thailand since 2H12). On QoQ basis, sales value nevertheless improved 24% thanks to full consolidation of PPC in 2Q13, stronger sales at the US trading unit, and higher domestic shrimp feed sales. The shortage of domestic shrimp supplies from the slow recovery of the EMS outbreak pushed shrimp raw material prices up. White shrimp raw material prices rose by 72% YoY to an average of THB205/kg (60 pcs) in 2Q13 (peak at THB 220/kg). 2Q13 GPM of frozen shrimp for export out of Thailand was under pressure with challenging price adjustments amidst continual rising raw material prices. However, the overall GPM of frozen shrimp managed to improve QoQ since the US trading unit was less affected by the ongoing EMS impact thanks to its global sourcing ability. <p>Outlook:</p> <ul style="list-style-type: none"> Expect another month of delay of the first major Thai shrimp harvest this year to August/ September (previously expected July/ August). Recovery of domestic shrimp supply will be slow as long as there is no cure for the EMS yet. Meanwhile, imported shrimp is an alternative to domestic ones. Although shrimp raw material prices should continue to stay at high levels, 2H13 GPM should improve thanks to generally improved pricing of new orders.
<p>Sardine & Mackerel</p> <ul style="list-style-type: none"> 2Q13 sales declined YoY due to lower sales of local branded products, but increased QoQ. Overall GPM remained stable YoY but improved QoQ. <p>Outlook:</p> <ul style="list-style-type: none"> More opportunities in emerging markets to support future business growth 	<p>Pet Food</p> <ul style="list-style-type: none"> 2Q13 sales increased YoY and QoQ mainly as a result of higher selling prices (for higher value-added products). GPM however significantly dropped YoY due to reclassification of USPN's started up expenses in 2012. GPM improved QoQ due to a smaller loss at loss of 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 breakeven of USPN next year.
<p>Salmon</p> <ul style="list-style-type: none"> 2Q13 sales slightly declined YoY and QoQ because of lower OEM sales from certain customers. GPM decreased YoY and QoQ due to orders of more lower margin OEM products. <p>Outlook:</p> <ul style="list-style-type: none"> Stable outlook 	<p>Value-Added & Other Products²</p> <ul style="list-style-type: none"> 2Q13 sales decreased YoY as a result of lower other product sales. Sales increased QoQ due mainly to growth in sales of ready-to-eat (RTE) products. <p>Outlook:</p> <ul style="list-style-type: none"> Focus continue to be put on higher margin RTE products.

2Q13 & 1H13 Financial Statement and Performance

Consolidated Income Statement

(Million baht)	2Q13	% to sales	2Q12	% to sales	1Q13	% to sales	2Q13/ 2Q12 Change	2Q13/ 1Q13 Change	1H13	% to sales	1H12	% to sales	1H13/ 1H12 Change
Sales	28,119	100.0%	26,758	100.0%	24,441	100.0%	5.1%	15.0%	52,560	100.0%	52,062	100.0%	1.0%
Cost of sales	(24,623)	-87.6%	(22,244)	-83.1%	(21,776)	-89.1%	10.7%	13.1%	(46,399)	-88.3%	(43,203)	-83.0%	7.4%
Gross profit	3,496	12.4%	4,513	16.9%	2,665	10.9%	-22.5%	31.2%	6,161	11.7%	8,859	17.0%	-30.4%
SG&A expenses	(2,538)	-9.0%	(2,440)	-9.1%	(2,242)	-9.2%	4.0%	13.2%	(4,780)	-9.1%	(4,812)	-9.2%	-0.7%
FX gain (loss)	(237)	-0.8%	21	0.1%	336	1.4%	-1231.9%	-170.7%	98	0.2%	253	0.5%	-61.1%
Other income	199	0.7%	118	0.4%	460	1.9%	68.8%	-56.8%	659	1.3%	285	0.5%	131.6%
EBIT	920	3.3%	2,212	8.3%	1,219	5.0%	-58.4%	-24.5%	2,139	4.1%	4,584	8.8%	-53.3%
Finance cost	(365)	-1.3%	(1,058)	-4.0%	(363)	-1.5%	-65.5%	0.5%	(729)	-1.4%	(1,601)	-3.1%	-54.5%
EBT	555	2.0%	1,154	4.3%	856	3.5%	-51.9%	-35.1%	1,411	2.7%	2,983	5.7%	-52.7%
Tax	(157)	-0.6%	68	0.3%	(100)	-0.4%	-329.6%	56.9%	(257)	-0.5%	(92)	-0.2%	179.1%
Net income	398	1.4%	1,222	4.6%	756	3.1%	-67.4%	-47.3%	1,154	2.2%	2,891	5.6%	-60.1%
Net income (loss) attributable to:													
Equity holders of the Company	359	1.3%	1,001	3.7%	674	2.8%	-64.2%	-46.8%	1,033	2.0%	2,469	4.7%	-58.1%
Non-controlling interests of the subsidiaries	39	0.1%	221	0.8%	81	0.3%	-82.3%	-51.9%	120	0.2%	423	0.8%	-71.5%
Earnings per share													
Basic earnings per share	0.31		1.01		0.59		-69.3%	-47.5%	0.90		2.49		-63.9%
Diluted earnings per share	0.31		0.99		0.59		-68.7%	-47.5%	0.90		2.43		-63.0%
Exchange rate													
THB/USD	30.07		31.40		29.68		-4.2%	1.3%	29.89		31.10		-3.9%
Normalized net profit	359	1.3%	1,409	5.3%	460	1.9%	-74.5%	-21.9%	1,033	2.0%	2,876	5.5%	-64.1%

Statement of financial position

(Million baht)	Consolidated				
	2Q13	% to total assets	2012	% to total assets	Change
Cash and cash equivalents	1,610	1.6%	1,400	1.5%	15.0%
Trade and other receivables	14,754	14.5%	11,918	12.6%	23.8%
Inventories - net	34,637	34.0%	33,290	35.1%	4.0%
Other current assets	1,625	20.9%	1,728	1.8%	-5.9%
Total current assets	52,627	51.7%	48,337	51.0%	8.9%
Fixed assets	21,229	20.9%	17,923	18.9%	18.4%
Other non-current assets	27,907	27.4%	28,499	30.1%	-2.1%
Total assets	101,763	100.0%	94,759	100.0%	7.4%
Bank overdrafts and short-term loans	28,641	28.1%	22,511	23.8%	27.2%
Trade and other payables	10,300	10.1%	10,545	11.1%	-2.3%
Current portion of long-term loans	1,049	1.0%	899	0.9%	16.6%
Other current liabilities	1,872	1.8%	1,594	1.7%	17.4%
Total current liabilities	41,861	41.1%	35,549	37.5%	17.8%
Long-term borrowings	11,517	11.3%	11,598	12.2%	-0.7%
Other non-current liabilities	7,508	7.4%	7,268	7.7%	3.3%
Total liabilities	60,887	59.8%	54,415	57.4%	11.9%
Non-controlling interests of the subsidiaries	3,704	3.6%	3,128	3.3%	18.4%
Total shareholders' equity	40,876	40.2%	40,344	42.6%	1.3%
Total liabilities and shareholders' equity	101,763	100.0%	94,759	100.0%	7.4%

Relevant Financial Ratios

Ratio	2Q13	1Q13	4Q12	3Q12	2Q12
ROE ¹	3.9%	7.3%	6.6%	17.6%	12.9%
ROA ²	3.7%	5.1%	4.4%	10.3%	10.0%
A/R days	42	43	41	40	41
Inventory days	125	138	121	111	115
Gearing Ratio ³	1.49x	1.37x	1.35x	1.26x	1.28x
ND/E Ratio ⁴	0.97x	0.88x	0.83x	0.79x	0.80x

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 & Cash equivalents)
Source: TUF

Financial Statement Analysis

Despite the profitability under pressure for the past 3 consecutive quarters due to challenges in tuna and shrimp business, 2Q13 did show a sign of recovery in terms of operating profit. On the other hand, the earlier 2013 guidance of GPM in the range of 16% has been revised down accordingly to reflect the current situation. 2H13 profitability should gradually improve QoQ. With more supplies of imported shrimp, the processing for export business out of Thailand should improve despite the ongoing challenges posed by the EMS. GPM of shrimp & related business should get better in 2H13 thanks to improved pricing of new contracts. Tuna business is also expected to report better GPM, particularly in branded business, due to seasonal factors and improving operations of the overseas units.

Selling and administrative expense

- 2Q13 SG&A was 4.0% higher YoY due to higher sales promotion expenses. However, SG&A as a percentage of sales was still well under control within the company's budget range of 9%.

FX Gain/loss

- FX gain dropped YoY and QoQ as there was a FX loss of THB 237 million in 2Q13 (due to the rapid exchange rate movement and mark-to-market of hedging instruments during the quarter), compared with FX gains of THB 21 million in 2Q12 and THB 336 million in 1Q13.

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

- Other incomes increased by 68.8% YoY due mainly to higher tax coupon and higher share of income from investment in associates. On QoQ basis, other incomes declined by 56.8% caused by the absence of a one-off insurance compensation (THB 215 million in 1Q13) and higher share of income from investment in associates in 2Q13.

Financial Statement Analysis (cont'd)

Finance cost

- A significant decline in 2Q13 finance cost came mainly from the absence of one-time financial expenses of MW Brands' early debt repayment last year. Finance cost was stable QoQ. Effective interest rate was 3.82% in 2Q13.

Income tax expenses

- Income tax expenses increased significantly YoY and QoQ as a result of tax credit utilization in 2Q12 (from tax deductible expense of the one-off finance fee from the MW Brands loan prepayment) and one-off adjustment of deferred tax assets. The effective tax rate was 28.3% compared to 11.7% in 1Q13 and (negative) 5.9% in 2Q12.

ND/E ratio

- Net debt-to-equity ratio rose to 0.97 in 2Q13 from 0.88x in 1Q13 due to higher short term debts for higher working capital needs.

Inventory days

- Inventory days declined to 125 days from 138 days QoQ due to better inventory turnover.

Accounts receivable days

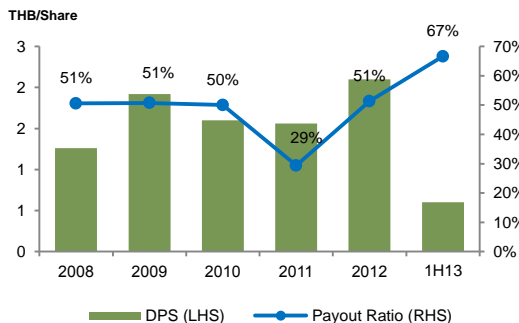
- Accounts receivable days were stable at 42 days.

Dividend Payment

67% payout for 1H13 performance

- TUF announced the interim payment for the operating results during 1 Jan 2013 to 30 Jun 2013 as per the resolution of the Board of Directors dated 13 Aug 2013.
- Details of dividend payment are as follows:

DPS	THB 0.60
XD	23 Aug 2013
Book closing	28 Aug 2013
Payment date	9 Sep 2013



News

TUF became first Thai food producer to join Global Compact of the United Nations

TUF has joined the United Nations' Global Compact in August 2013, an initiative that encourages businesses worldwide to adopt sustainable and socially responsible policies.

Mr. Thiraphong Chansiri, the president of TUF, said "By joining the UN Global Compact, we are showing our commitment to its 10 internationally recognised policies and standards of sound business practices in the areas of human rights, labor standards, environmental practice and anti-corruption."

"When TUF was founded in 1988 we made economic, social and environmental practices part of our vision to be a sustainable company, and that commitment continues today as we expand across the globe. Living up to these commitments through the UN Global Compact will ensure that TUF, and all its global brands and businesses, remains a reliable provider of safe and quality seafood products, a valuable investment for our shareholders, a dedicated corporate citizen in our communities and, most important, an employer of choice for our global workforce of more than 32,000 people."

"We have been working with our colleagues at Chicken of the Sea in the US and MW Brands in Europe to adopt international best practices into our labor frameworks that will help us fulfill expectations of various stakeholders internally and externally across multiple locations."

The most recent example of TUF's stated commitment to responsible business practices is TUF's collaboration with the Labour Rights Promotion Network and the local government of Samutsakhon to establish the first TUF CARE Centre in the province. TUF has committed an investment of THB 10 million to the management of the care centre program, which will provide children in the area equal access to education.

About the UN Global Compact



The UN Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations

and strategies with ten universally accepted principles in the areas of human rights, labor, environment and anti-corruption.

The Global Compact is a practical framework for the development, implementation, and disclosure of sustainability policies and practices, offering participants a wide spectrum of workstreams, management tools and resources — all designed to help advance sustainable business models and markets.

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