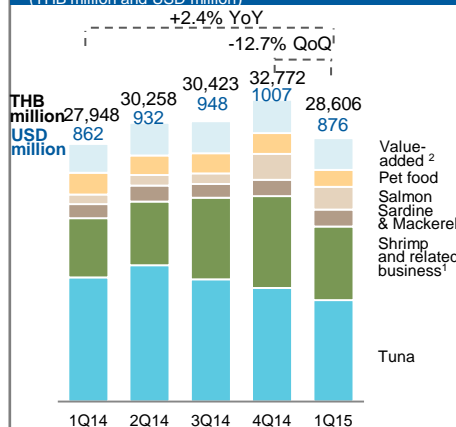


### A Good Quarter

#### Sales

(THB million and USD million)



Remark:

<sup>1</sup> Shrimp & related business includes frozen shrimp (including lobster since 3Q14) & shrimp feed

<sup>2</sup> Value-added & other products includes Ready-to-eat (RTE) products, frozen cephalopod, canned seafood, local products, bakery products, and scraps.

#### Weaker EUR and lower fish prices limiting sales growth

- **1Q15 total sales grew by 2.4% YoY to THB 28,606mn** (+1.5% YoY in USD term to USD 876mn). Except for tuna and pet food, the remaining categories reported stronger sales growth YoY. Sales of tuna and pet food were lower YoY driven by declining fish prices. In addition, a deep depreciation of EUR against THB (-17.7% YoY) depressed THB sales translation from European subsidiaries.
- **On QoQ basis, total sales declined by 12.7%** (-13% QoQ in USD term). Except for sardine & mackerel, the remaining categories shown lower sales growth QoQ particularly tuna business as a result of lower sales volume. Although branded business remained strong especially in Europe, weaker EUR against THB (-9.5% QoQ) also adversely impacted European sales when being translated into THB.

#### Lower GPM YoY but stable QoQ

- **1Q15 GPM declined YoY to 13.8%** (from 14.9%) driven mainly by lower GPM of shrimp & related business<sup>1</sup>. Tuna GPM was slightly

improved YoY thanks to better margin of OEM business.

- **GPM remained stable QoQ.** GPM of tuna, pet food, and value added & other products<sup>2</sup> increased QoQ. However, GPM of shrimp & related business<sup>1</sup> declined from lower GPM of frozen shrimp and shrimp feed.

#### Stronger EBITDA and FCF driven by higher FX gain

- **1Q15 EBITDA grew by 19.2% YoY** due mainly to higher FX gain (THB 1,118mn vs THB 255mn in 1Q14) despite lower GPM and higher SG&A. FX gain increased significantly YoY. %SG&A to sales was 10.5% due to one-off accrued M&A expenses (THB 101mn) and one-off asset impairment (THB 110mn). Excluding these one-offs, %SG&A to sales would be 9.8%, in line with the company's guidance.
- **EBITDA increased by 33.3% QoQ** thanks to significant FX gain (vs FX loss of THB 244mn in 4Q14) despite lower other incomes.
- **Stronger FCF from 4Q14** due to improved profitability mainly from lower net working capital requirement and FX gain.

#### A good quarter

- **1Q15 net profit boosted to THB 1,507mn** thanks mainly to higher FX gain and lower interest expense (thanks to lower interest-bearing debts from better liquidity management). Excluding the one-off items, 1Q15 normalized net profit should have been THB 1,422mn or increased by 26.4% YoY.
- **Net profit significantly increased QoQ** mainly due to significant FX gain.

#### Stock Information

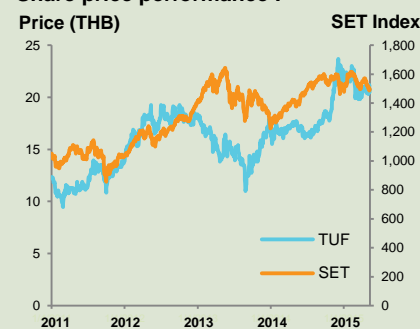
(Bloomberg/ Reuters)  
(TUF TB/ TUF.BK)

<b>Share price (14/05/2015) :</b>	THB 20.50
<b>Historical price :</b>	
52-week high	THB 24.50
52-week low	THB 16.06
<b>No. of Shares :</b>	4,771.8m
<b>Par value :</b>	THB 0.25
<b>Market Capitalization :</b>	THB 97.8b
<b>Avg. daily turnover (last 6 months) :</b>	THB 350.3m
<b>Free float :</b>	60.3%
<b>Foreign ownership :</b>	40.2%
<b>Foreign limit :</b>	45.0%

#### Major shareholders :

(16/03/2015)	
Chansiri Family	20.96%
Niruttinanon Family	6.94%
Mitsubishi Corporation	7.29%
Thai NVDR Co., Ltd.	11.95%
Social Security Office	3.50%

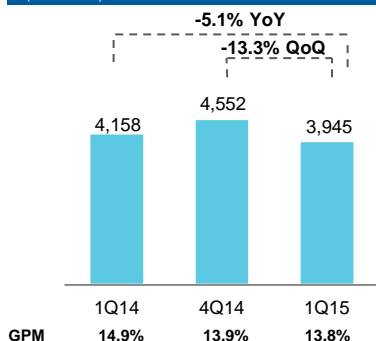
#### Share price performance :



Source: Settrade (14/05/15)

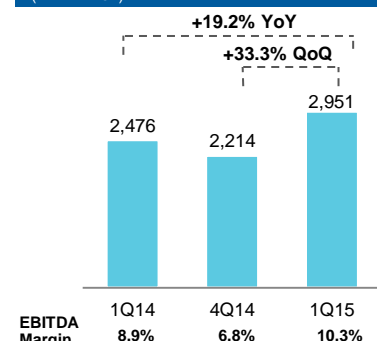
#### Gross Profit and GPM

(THB million)



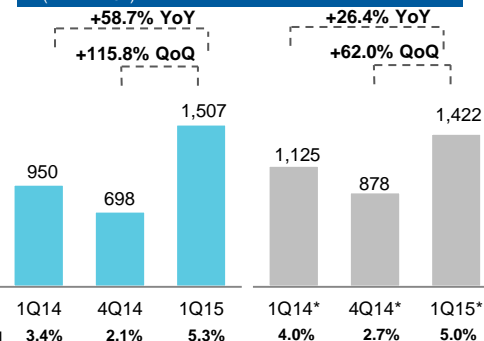
#### EBITDA and EBITDA margin

(THB million)



#### Net Profit and NPM

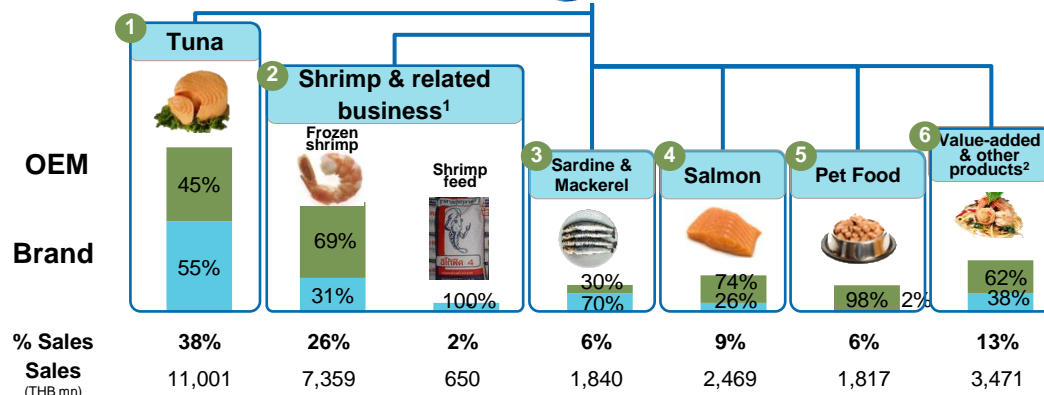
(THB million)



\*Remark: There was one-off allowance for write down at shrimp operations (THB 152mn) booked in 4Q14. In 1Q15, there were one-off accrued M&A expenses (THB 101mn), one-off asset impairment (THB 110mn) and one-off FX gain from unwinding hedged EUR on equity investment (THB 296mn). In 1Q14, there were one-time pre-operating expense from start up PNG operation booked in Share of Profit from Investments in Associates (THB 64mn) and one-off allowance for USPN write down booked in COGS and SG&A (THB 111mn).

## Performance by 6 Strategic Business Units

Total sales 1Q15: THB 28,606m (USD 876m)



**Remark :**

<sup>1</sup>Shrimp & related business includes frozen shrimp (including lobster) & shrimp feed

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

Source: TUF

### Tuna

• **Tuna raw material prices continued to decline from 4Q14 pressuring overall selling prices and OEM sales volume.**

- 1Q15 tuna sales declined by 18.3% YoY from both branded and OEM businesses. Branded business sales plunged mainly due to lower selling prices. Sales of OEM business dropped as a result of lower sales volume and lower selling prices.

- Tuna sales also dropped by 10.7% QoQ. However, branded business successfully gained sales volume amidst lower selling prices. OEM business faced with challenges as customers delayed orders with anticipation of lower tuna prices.

- The upcoming FAD (Fishing Aggregating Device) ban period (starting Jul to Oct) as well as the recent announcement by the World Tuna Purse Seine Organization (WTPO) to cut global tuna fishing by 35% (starting mid-May to Dec) should restore skipjack prices. OEM customers could order more when they see upward price trend.

• **1Q15 tuna GPM improved YoY and QoQ.**

- 1Q15 GPM of overall tuna rose to 15.2% (from 14.9% in 1Q14 and 14.8% in 4Q14) mainly thanks to improving GPM of OEM business. Branded tuna GPM slightly declined due to higher competition in the US market and EUR translation impact of European subsidiaries

### Shrimp & Related Business<sup>1</sup>

- **Positive signal of Thailand shrimp output recovery** According to the Department of Fisheries as of April, Thailand shrimp output improved by 13% YoY for the first 2 month of 2015.

- **1Q15 shrimp & related business<sup>1</sup> sales were +24.4% YoY, but -19.9% QoQ.**

- On YoY basis, shrimp & related business<sup>1</sup> sales increased sharply from higher sales of frozen shrimp and shrimp feed. Sales of frozen shrimp boosted by lobster sales through US trading operation. Frozen shrimp for exports sales declined due to lower sales volume and selling prices.

- Shrimp & related business<sup>1</sup> sales declined QoQ due to lower sales of frozen shrimp and shrimp feed. Frozen shrimp for export sales dropped as a result of lower sales volume and lower selling prices pressured by lower shrimp prices of other exporting countries. US trading operations showed stronger sales thanks to higher selling prices (lobster) with stable sales volumes.

- **1Q15 GPM was lower YoY and QoQ due mainly to global shrimp price correction.**

### Sardine & Mackerel

- **1Q15 sales showed strong growth YoY and QoQ** due to higher sales of branded business from consolidation of King Oscar and higher selling price regardless of weakening EUR against THB.

- **1Q15 overall GPM improved significantly YoY** thanks to an increase in GPM of branded business as a result of King Oscar consolidation.

### Salmon

- **1Q15 sales significantly boosted YoY** mainly due to the consolidation of MerAlliance since 4Q14. On QoQ basis, sales declined due to lower selling prices despite higher sales volume.

- **1Q15 GPM was lower YoY but stable QoQ** due to intensifying competition of OEM business.

### Pet Food

- **1Q15 sales dropped both YoY and QoQ** mainly due to lower selling price from declining raw material prices.

- **1Q15 GPM was stable YoY but improved QoQ** thanks to continuous improvement of USPN profitability.

### Value-Added and Other Products<sup>2</sup>

- **Solid 1Q15 sales growth YoY** mainly as a result of higher sales of branded products from overseas subsidiaries.

- **1Q15 Overall GPM slightly increased YoY** thanks to higher GP contribution from branded business.

## 1Q15 Financial Statement and Performance

### Statement of Financial Position

(Million baht)	Consolidated				
	1Q15	% to total assets	2014	% to total assets	Change
Cash and cash equivalents*	5,270	4.8%	6,156	5.3%	-14.4%
Trade and other receivables	13,608	12.5%	15,404	13.3%	-11.7%
Inventories	34,133	31.2%	37,518	32.5%	-9.0%
Other current assets	2,616	2.4%	1,786	1.5%	46.4%
<b>Total current assets</b>	<b>55,626</b>	<b>50.9%</b>	<b>60,864</b>	<b>52.7%</b>	<b>-8.6%</b>
Fixed assets	22,520	20.6%	23,052	20.0%	-2.3%
Goodwill and other intangible assets	24,497	22.4%	27,276	23.6%	-10.2%
Other non-current assets	6,615	6.1%	4,251	3.7%	55.6%
<b>Total assets</b>	<b>109,258</b>	<b>100.0%</b>	<b>115,443</b>	<b>100.0%</b>	<b>-5.4%</b>
Bank overdrafts and short-term loans	21,533	19.7%	26,139	22.6%	-17.6%
Trade and other payables	9,835	9.0%	10,725	9.3%	-8.3%
Current portion of long-term loans	829	0.8%	936	0.8%	-11.5%
Other current liabilities	2,374	2.2%	2,554	2.2%	-7.1%
<b>Total current liabilities</b>	<b>34,570</b>	<b>31.6%</b>	<b>40,354</b>	<b>35.0%</b>	<b>-14.3%</b>
Long-term borrowings	19,071	17.5%	19,225	16.7%	-0.8%
Other non-current liabilities	7,976	7.3%	8,397	7.3%	-5.0%
<b>Total liabilities</b>	<b>61,617</b>	<b>56.4%</b>	<b>67,976</b>	<b>58.9%</b>	<b>-9.4%</b>
Non-controlling interests of the subsidiaries	3,750	3.4%	3,802	3.3%	-1.3%
<b>Total shareholders' equity</b>	<b>47,641</b>	<b>43.6%</b>	<b>47,467</b>	<b>41.1%</b>	<b>0.4%</b>
<b>Total liabilities and shareholders' equity</b>	<b>109,258</b>	<b>100.0%</b>	<b>115,443</b>	<b>100.0%</b>	<b>-5.4%</b>

\*Including short-term investment

### Relevant Financial Ratios

Ratio	1Q15	4Q14	3Q14	2Q14	1Q14
ROE <sup>1</sup>	13.8%	6.6%	18.9%	15.0%	9.5%
ROCE <sup>2</sup>	12.3%	8.9%	15.4%	14.2%	11.4%
A/R days	45	39	41	41	43
Inventory (days)	131	117	125	122	135
Gearing Ratio <sup>3</sup>	1.29x	1.43x	1.37x	1.49x	1.48x
ND/E Ratio <sup>4</sup>	0.76x	0.85x	0.80x	0.80x	0.83x

Remark:

<sup>1</sup>ROE = Annualized quarterly net profit / Average total shareholders' equity

<sup>2</sup>ROCE = Annualized EBIT / Average capital employed  
Capital Employed = total assets - total current liabilities  
(incl. current portion of long-term debt)

<sup>3</sup>Gearing ratio = Total liability / Total shareholders' equity

<sup>4</sup>ND/E ratio = Net interest-bearing debt / Total shareholders' equity,  
Net interest-bearing debt = Total interest-bearing debt - Cash and Cash equivalents

### Consolidated Income Statement

(Million baht)	1Q15	% to sales	1Q14	% to sales	4Q14	% to sales	1Q15/ 1Q14	1Q15/ 4Q14
							Change	Change
Sales	28,606	100%	27,948	100%	32,772	100%	2%	-13%
Cost of sales	(24,660)	-86.2%	(23,791)	-85.1%	(28,221)	-86.1%	4%	-13%
<b>Gross profit</b>	<b>3,945</b>	<b>13.8%</b>	<b>4,158</b>	<b>14.9%</b>	<b>4,552</b>	<b>13.9%</b>	<b>-5.1%</b>	<b>-13.3%</b>
SG&A expenses	(3,005)	-10.5%	(2,715)	-9.7%	(3,204)	-9.8%	10.7%	-6.2%
FX gain (loss)	1,118	3.9%	254	0.9%	(244)	-0.7%	339.4%	-558.1%
Other income*	247	0.9%	182	0.7%	470	1.4%	35.2%	-47.6%
<b>EBIT</b>	<b>2,305</b>	<b>8.1%</b>	<b>1,880</b>	<b>6.7%</b>	<b>1,574</b>	<b>4.8%</b>	<b>22.6%</b>	<b>46.5%</b>
Finance cost	(412)	-1.4%	(474)	-1.7%	(473)	-1.4%	-13.2%	-13.0%
<b>EBT</b>	<b>1,893</b>	<b>6.6%</b>	<b>1,405</b>	<b>5.0%</b>	<b>1,101</b>	<b>3.4%</b>	<b>34.7%</b>	<b>72.0%</b>
Tax	(312)	-1.1%	(302)	-1.1%	(283)	-0.9%	3.4%	10.2%
<b>Net income</b>	<b>1,581</b>	<b>5.5%</b>	<b>1,103</b>	<b>3.9%</b>	<b>817</b>	<b>2.5%</b>	<b>43.3%</b>	<b>93.5%</b>
<b>Net income (loss) attributable to:</b>								
<b>Equity holders of the Company</b>	<b>1,507</b>	<b>5.3%</b>	<b>950</b>	<b>3.4%</b>	<b>698</b>	<b>2.1%</b>	<b>58.7%</b>	<b>115.8%</b>
Non-controlling interests of the subsidiaries	74	0.3%	154	0.5%	119	0.4%	-51.9%	-37.8%
<b>Earnings per share</b>								
Basic earnings per share	0.32		0.21		0.14		52.4%	126.1%
Diluted earnings per share	0.32		0.20		0.15		60.0%	118.4%
<b>Exchange rate</b>								
THB/USD	32.65		32.39		32.56		0.8%	0.3%
<b>Normalized net profit</b>	<b>1,422</b>	<b>5.0%</b>	<b>1,125</b>	<b>4.0%</b>	<b>878</b>	<b>2.7%</b>	<b>26%</b>	<b>62%</b>

### Financial Statement Analysis

1Q15 was a full quarter of revenue recognition of series of newly acquired business namely MerAlliance and King Oscar. In addition, our US trading operation acquired assets of Orion Seafood International – the world's leading supplier of lobster products at the beginning of February.

TUF continued to report solid performance. 1Q15 sales were at THB 28,606mn (+2.4% YoY, -12.7% QoQ), equivalent to USD 876mn (+1.5% YoY, -13% QoQ). During the quarter there were some challenges occurred such as prolonged low tuna raw material price which led to more intensified competition in the US canned tuna market and a delayed orders of OEM customers, deep EUR depreciation against THB resulted to some accounting translation loss, and global shrimp price correction.

1Q15 GPM was slightly squeezed to 13.8%, compared to 14.9% in 1Q14 and 13.9% in 4Q14, mainly due to weaker EUR against THB and lower GPM of shrimp & related business given global shrimp price correction. While 1Q15 net profit was at THB 1,507mn (+58.7% YoY, +115.8% QoQ) and NPM rose to 5.3% accordingly.

## Financial Statement Analysis (Cont'd)

### Selling and administrative expenses

- 1Q15 SG&A expenses increased by 10.7% YoY (equivalent to 10.5% as a percentage of sales) mainly due to higher personnel expenses and one-off expenses of accrued M&A expenses and one-off asset impairment. Excluding these one-off items, SG&A (% sales) would be 9.8% in line with the company guidance. On QoQ basis, SG&A decreased 6.2% particularly thanks to lowered sales promotion and personnel expenses.

### FX Gain/loss

- 1Q15 FX gain was substantially high at THB 1,118mn as a result of 1) unwinding hedged EUR on equity investment 2) gain from operation FX hedging and 3) gain on EUR GBP intercompany loan at European subsidiaries, compared to an FX gain of THB 254mn in 1Q14 and an FX loss of THB 244mn in 4Q14.

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

- 1Q15 other incomes increased 35.2% YoY as a result of an absence of the one-time pre-operating expense at our PNG startup operation booked in 1Q14 amounted THB 64mn. Other incomes however decreased 47.6% QoQ.

### Finance cost

- 1Q15 finance cost dropped by 13.2% and 13.0% YoY and QoQ respectively due to lower interest-bearing debt from better liquidity management and lower effective interest rate. 1Q15 effective interest rate was 3.75%, compared to 4.76% and 4.23% in 1Q14 and 4Q14 respectively.

### Income tax expense

- 1Q15 income tax expenses increased by 3.4% YoY and 10.2% QoQ in line with an increase in consolidated profit before income tax. The effective tax rate was 16.5% in 1Q15, compared to 21.5% in 1Q14 and 25.8% in 4Q14.

### Net profit

- 1Q15 net profit rose by 58.7% YoY and 115.8% YoY to THB 1,507mn with 5.3% NPM, compared to 3.4% in 1Q14 and 2.1% in 4Q14, driven by higher FX gain and lower interest expense. Excluding the one-off items, 1Q15 normalized net profit should have been THB 1,422mn or increased by 26.4% YoY.

### ND/E ratio

- Net debt-to-equity ratio as of 1Q15 declined to 0.76x from 0.83x and 0.85x in 1Q14 and 4Q14 respectively mainly thanks to declined interest-bearing debt resulted from lower working capital requirement. Interest-bearing debt was THB 41,433mn in 1Q15, THB 45,114mn in 1Q14 and THB 46,300 in 4Q14.

### Inventory days

- 1Q15 Inventory days decreased to 131 days, compared to 135 days in 1Q14 mainly thanks to lower value of inventory balance given lower raw material prices. Inventory days however increased from 117 days in 4Q14 due to lower inventory turnover given business seasonality.

### Accounts receivable days

- 1Q15 accounts receivable days increased to 45 days, compared with 43 days in 1Q14 and 39 days in 4Q14, due to a decrease in accounts receivable turnover.

### News Update:

#### Second time "Person of the Year" by IntraFish Media



**April 2015:** This is the first time, IntraFish Media honored an executive for the second time. Three years earlier, Mr. Chansiri was given the Intrafish 2012 Person of the Year.

**2015 Person of the Year:** "While the expansion and acquisitions Chansiri has led have been impressive, marquis deals alone are not what make a leader. Leadership is about vision, commitment and perseverance in the face of challenges. We believe no one has shown this more than Chansiri. Given the vision laid out by Chansiri for both his company, his country, and the industry, this was a clear choice." IntraFish Media Publisher Paal Korneliussen said.

#### About IntraFish Media

IntraFish Media is the world's largest provider of seafood news and information. The group operates the world's leading daily online news services *IntraFish.com* and *IntraFish.no*



IntraFish Media is a subsidiary of NHST, a Norway-based publishing company whose publications cover the shipping, oil and seafood industries.

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