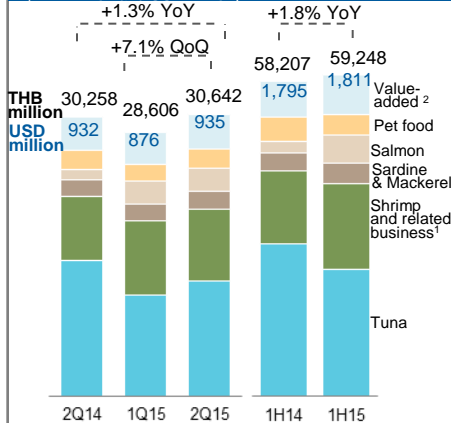


### Strong operating performance despite adversities

#### 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.

#### EUR depreciation and lower RM prices eliminating most YoY sales growth from acquisitions

- **2Q15 total sales grew by merely 1.3% YoY to THB 30,642mn (up 0.3% YoY in dollar term to USD 935mn).** Thanks to the acquisition of King Oscar and Meralliance, overall salmon and branded sardine/ mackerel sales reported healthy growth. So did lobster sales from Orion that help boost the shrimp and related business. Otherwise, frozen shrimp sales alone were flat due to the global price correction since late 2014. Tuna sales dropped YoY due to the impact of weaker EUR (down 17.1% vs. THB) on branded sales and low fish prices on OEM sales. Sales of pet food were stable.
- **1H15 sales were up 1.8% YoY** due to weak EUR and low RM prices on OEM sales despite acquisitions.
- **On QoQ basis, total sales indeed increased by 7.1% (up 6.7% in USD term)** except for standalone frozen shrimp sales that were depressed by a continual price correction, all other categories reported QoQ sales growth,

particularly the tuna business thanks to seasonal factors. The QoQ currency impact on overall sales was very limited.

#### GPM rebounding in 2Q15 with a vengeance

- **2Q15 gross profit (GP) rose 6.3% YoY** thanks to sales contributions from King Oscar, MerAlliance, and Orion as well as the turnaround of USPN, but tuna contribution was lower than a year ago. On QoQ basis, 2Q15 GP rebounded by 31.6%, thanks to improvements in branded tuna, shrimp and lobster, branded sardine, aqua feeds, OEM salmon and pet food.
- **2Q15 gross profit margin (GPM)** rose to 16.9% (from 16.1% a year ago) driven mainly by strong showing of MWB's branded tuna, improved shrimp OEM margin, King Oscar's high margin sardine products, and improved OEM salmon margin.
- **1H15 GP and GPM remained stable YoY.** During the period, GP rose 1.0% YoY while GPM was 15.4%, compared with 15.5% a year ago.

#### 2Q15 EBITDA dented by FX loss

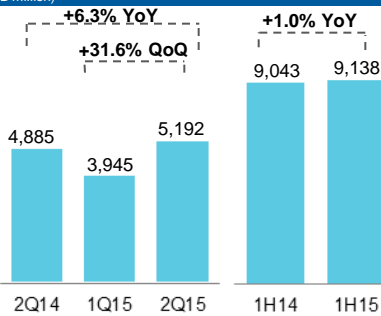
- **2Q15 EBITDA down by 4.4% YoY** mainly due to a FX loss of THB 179 mn (vs. a gain of THB 141mn in 2Q14) despite a higher OP. On QoQ basis, 2Q15 EBITDA however dropped only slightly despite a poor OP in 1Q15. Since a large part of GP decline in 1Q15 was caused by sharp currency fluctuations, it was partly compensated by our FX hedging, in form of FX gains.
- **1H15 EBITDA increased by 6.1% YoY** mainly driven by huge FX gain in 1Q15.

#### Net profit driven by operating margin improvement

- **2Q15 net profit (NP) dropped 7.2% YoY and 6.3% QoQ** to THB 1,412mn due to a FX loss (THB 179mn), higher taxes despite lower interest costs (a result of lower interest-bearing debts driven by better liquidity management).
- **1H15 NP was however up 18.1% YoY**, primarily due to generally poorer 1Q14 performance.

#### Gross Profit and GPM

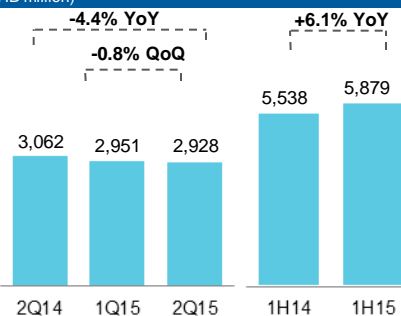
(THB million)



GPM 16.1% 13.8% 16.9% 15.5% 15.4%

#### EBITDA and EBITDA margin

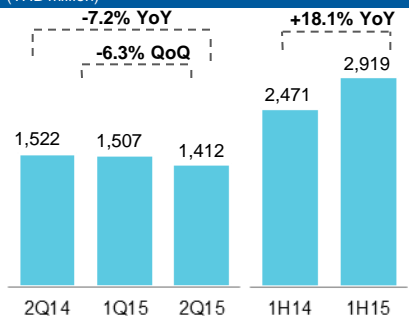
(THB million)



EBITDA Margin 10.1% 10.3% 9.6% 9.5% 9.9%

#### Net Profit and NPM

(THB million)



NPM 5.0% 5.3% 4.6% 4.2% 4.9%

Remark: In 1H15, there were one-off accrued M&A expenses (THB 197mn), one-off asset impairment (THB 110mn), and one-off FX gain from unwinding hedged EUR position on equity investment (THB 296mn). In 1H14, there were one-time pre-operating expense from start up PNG operation booked in Share of Profit from Investments in Associates (THB 64mn), one-off allowance for USPN write down booked in COGS and SG&A (THB 385mn) and accrued interest expense upon expected redemption of ECD which due in Oct 2014 (THB 215mn).

#### Stock Information

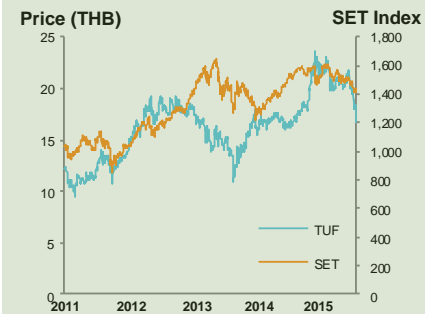
(Bloomberg/ Reuters)  
(TUF TB/ TUF.BK)

Share price (11/08/2015) :	THB 17.00
Historical price :	
52-week high	THB 24.50
52-week low	THB 16.60
No. of Shares :	4,771.8m
Par value :	THB 0.25
Market Capitalization :	THB 81.1b
Avg. daily turnover (last 6 months) :	THB 272.4m
Free float :	63.9%
Foreign ownership :	41.5%
Foreign limit :	45.0%

#### Major shareholders :

(07/07/2015)	
Chansiri Family	19.71%
Niruttinanon Family	6.92%
Mitsubishi Corporation	7.29%
Thai NVDR Co., Ltd.	11.22%
Social Security Office	3.71%

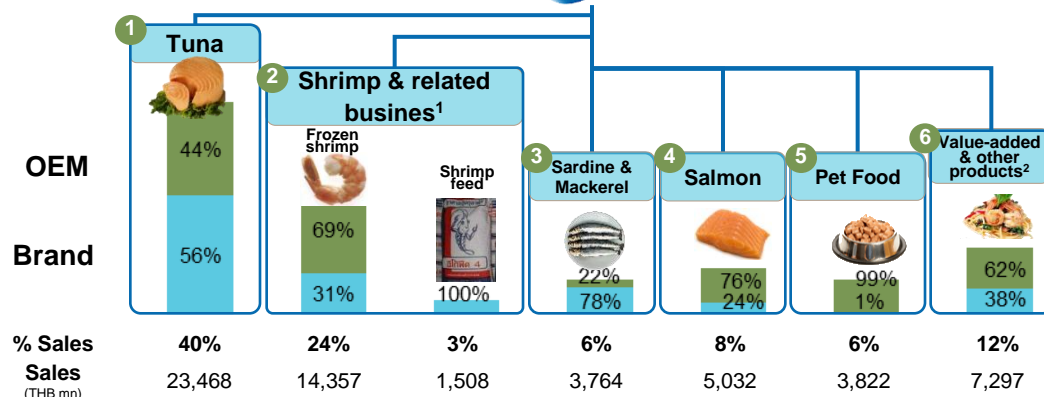
#### Share price performance :



Source: Settrade (11/08/15)

## Performance by 6 Strategic Business Units

**Total sales 1H15: THB 59,248m (USD 1,811m)**



**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 started to rebound in late Q2, OEM pricing however remained tough with depressed margins.**
- 2Q15 tuna sales declined by 15.7% YoY, largely due to branded tuna sales that were pressured by weak EUR. On QoQ basis, tuna sales value however increased by 13.3% thanks to seasonal factors while volume also increased by 9.5%. The average selling price was down YoY (declining RM prices), but up QoQ. OEM pricing remained tough.
- The current FAD (Fishing Aggregating Device) ban period (from Jul thru Oct) and fishing breaks taken by certain fishing vessels caused RM prices to rise since late June, following the typical seasonal pattern. The RM price has already bounced back to USD 1,400 -1,500 / ton.
- **2Q15 tuna GPM rebound sharply QoQ.**
- 2Q15 GPM of overall tuna jumped to 19.1% (from 18.9% in 2Q14 and 15.2% in 1Q15) mainly thanks to improving GPM of branded business (high season for own brands in Europe). On the other hand, OEM margin declined as then low RM prices delayed customers' purchases and there is increasing regional competition from the packers in the Philippines.

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

- **Slow but positive recovery of Thai shrimp production**  
According to Thai Department of Fisheries, local shrimp output grew by c.15% YoY to 93,290 tons for the first 6 months of the year.
- **2Q15 shrimp & related business<sup>1</sup> sales up 13.4% YoY, but down 1.9% QoQ.**
- On YoY basis, shrimp & related business<sup>1</sup> sales increased because of Orion's lobster sales, an increase in frozen shrimp sales volume as well as the benefits of the weakening THB (vs. USD). Also, aqua feed sales increased. We diversified into fish feed when EMS is still hitting Thai shrimp farms. Frozen shrimp volume increased YoY at a faster rate than value thanks to generally lower RM prices local and abroad, depressing selling prices (global price correction).
- Shrimp & related business<sup>1</sup> sales declined by 1.9% QoQ despite a significant volume increase (21.5%), mainly from increased aqua feed sales (low selling price per unit). Growth of frozen shrimp sales was however limited.
- **2Q15 GPM was higher YoY and QoQ** thanks to improving margin on OEM exports sales when local RM prices declined and diversification in fish feed business.

### Sardine & Mackerel

- **2Q15 sales showed YoY and QoQ growth** thanks to branded sales contribution from King Oscar, though OEM business was under challenge. Sales volume grew at a slower pace than value as the average selling price of branded products is generally higher.
- **2Q15 GPM improved YoY** thanks to the increasing proportion of branded business (King Oscar and Sealect) despite the poor performance of the shrinking export-oriented OEM business.

### Salmon

- **2Q15 sales up significantly YoY** mainly due to consolidation of the chilled smoked salmon producer MerAlliance since 4Q14. On QoQ basis, overall sales were stable. OEM sales however continued to grow at the expense of weakening brand sales.
- **2Q15 GPM dropped YoY** (due to a larger portion of OEM sales) **and rose QoQ** (MerAlliance profitability improved from 1Q15).

### Pet Food

- **2Q15 sales dropped YoY** mainly due to lower selling prices from declining raw material prices. On QoQ basis, sales rose 11.3% as orders increased, following the seasonal pattern.
- **2Q15 GPM maintained a stable trend QoQ. But improved YoY** thanks to continuous improvement of USPN operations.

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

- **Continual 2Q15 sales growth YoY** mainly as a result of higher sales of branded products from overseas subsidiaries.
- **2Q15 overall GPM was slightly lower YoY** due to price correction of pasteurized crab meat business and the impact of EUR depreciation on our European brands.

## 2Q15 Financial Statement and Performance

### Consolidated Income Statement

(Million baht)	2Q15		2Q14		1Q15		2Q15/ 2Q14		2Q15/ 1Q15/		1H15		1H14		1H14/ 1H13	
		% to sales		% to sales		% to sales	Change	Change		% to sales		% to sales		% to sales	Change	
Sales	30,642	100%	30,258	100%	28,606	100%	1.3%	7.1%	59,248	100%	58,207	100%			1.8%	
Cost of sales	(25,450)	-83.1%	(25,373)	-83.9%	(24,660)	-86.2%	0.3%	3.2%	(50,110)	-84.6%	(49,164)	-84.5%			1.9%	
<b>Gross profit</b>	<b>5,192</b>	<b>16.9%</b>	<b>4,885</b>	<b>16.1%</b>	<b>3,945</b>	<b>13.8%</b>	<b>6.3%</b>	<b>31.6%</b>	<b>9,138</b>	<b>15.4%</b>	<b>9,043</b>	<b>15.5%</b>			<b>1.0%</b>	
SG&A expenses	(2,992)	-9.8%	(2,848)	-9.4%	(3,005)	-10.5%	5.0%	-0.4%	(5,997)	-10.1%	(5,563)	-9.6%			7.8%	
FX gain (loss)	(179)	-0.6%	141	0.5%	1,118	3.9%	-227.6%	-116.0%	939	1.6%	395	0.7%			137.7%	
Other income*	264	0.9%	265	0.9%	247	0.9%	-0.7%	7.0%	510	0.9%	448	0.8%			13.9%	
<b>EBIT</b>	<b>2,285</b>	<b>7.5%</b>	<b>2,443</b>	<b>8.1%</b>	<b>2,305</b>	<b>8.1%</b>	<b>-6.5%</b>	<b>-0.9%</b>	<b>4,590</b>	<b>7.7%</b>	<b>4,323</b>	<b>7.4%</b>			<b>6.2%</b>	
Finance cost	(355)	-1.2%	(574)	-1.9%	(412)	-1.4%	-38.1%	-13.6%	(767)	-1.3%	(1,049)	-1.8%			-26.9%	
<b>EBT</b>	<b>1,929</b>	<b>6.3%</b>	<b>1,869</b>	<b>6.2%</b>	<b>1,893</b>	<b>6.6%</b>	<b>3.3%</b>	<b>1.9%</b>	<b>3,823</b>	<b>6.5%</b>	<b>3,274</b>	<b>5.6%</b>			<b>16.8%</b>	
Tax	(354)	-1.2%	(158)	-0.5%	(312)	-1.1%	124.6%	13.3%	(666)	-1.1%	(460)	-0.8%			45.0%	
<b>Net income</b>	<b>1,576</b>	<b>5.1%</b>	<b>1,711</b>	<b>5.7%</b>	<b>1,581</b>	<b>5.5%</b>	<b>-7.9%</b>	<b>-0.3%</b>	<b>3,157</b>	<b>5.3%</b>	<b>2,814</b>	<b>4.8%</b>			<b>12.2%</b>	
<b>Net income (loss) attributable to:</b>																
<b>Equity holders of the Company</b>	<b>1,412</b>	<b>4.6%</b>	<b>1,522</b>	<b>5.0%</b>	<b>1,507</b>	<b>5.3%</b>	<b>-7.2%</b>	<b>-6.3%</b>	<b>2,919</b>	<b>4.9%</b>	<b>2,471</b>	<b>4.2%</b>			<b>18.1%</b>	
Non-controlling interests of the subsidiaries	163	0.5%	189	0.6%	74	0.3%	-13.8%	120.9%	237	0.4%	343	0.6%			-30.9%	
<b>Earnings per share</b>																
Basic earnings per share	0.30		0.33		0.32		-9.1%	-6.3%	0.61		0.54				13.0%	
Diluted earnings per share	0.30		0.33		0.32		-9.1%	-6.3%	0.61		0.54				13.0%	
<b>Exchange rate</b>																
THB/USD	32.79		32.47		32.65		1.0%	0.4%	32.72		32.43				0.9%	
<b>Normalized net profit</b>	<b>1,508</b>	<b>4.9%</b>	<b>1,813</b>	<b>6.0%</b>	<b>1,481</b>	<b>5.2%</b>	<b>-16.8%</b>	<b>1.8%</b>	<b>2,990</b>	<b>5.0%</b>	<b>2,938</b>	<b>5.0%</b>			<b>1.8%</b>	

### Statement of Financial Position

(Million baht)	Consolidated				
	1H15	% to total assets	2014	% to total assets	Change
Cash and cash equivalents*	5,589	5.1%	6,156	5.3%	-9.2%
Trade and other receivables	14,807	13.4%	15,404	13.3%	-3.9%
Inventories	33,169	30.0%	37,518	32.5%	-11.6%
Other current assets	2,305	2.1%	1,786	1.5%	29.1%
<b>Total current assets</b>	<b>55,870</b>	<b>50.6%</b>	<b>60,864</b>	<b>52.7%</b>	<b>-8.2%</b>
Fixed assets	22,958	20.8%	23,052	20.0%	-0.4%
Goodwill and other intangible assets	26,262	23.8%	27,276	23.6%	-3.7%
Other non-current assets	5,359	4.9%	4,251	3.7%	26.1%
<b>Total assets</b>	<b>110,450</b>	<b>100%</b>	<b>115,443</b>	<b>100%</b>	<b>-4.3%</b>
Bank overdrafts and short-term loans	19,260	17.4%	26,139	22.6%	-26.3%
Trade and other payables	11,134	10.1%	10,725	9.3%	3.8%
Current portion of long-term loans	685	0.6%	936	0.8%	-26.9%
Other current liabilities	2,669	2.4%	2,554	2.2%	4.5%
<b>Total current liabilities</b>	<b>33,747</b>	<b>30.6%</b>	<b>40,354</b>	<b>35.0%</b>	<b>-16.4%</b>
Long-term borrowings	19,063	17.3%	19,225	16.7%	-0.8%
Other non-current liabilities	8,620	7.8%	8,397	7.3%	2.7%
<b>Total liabilities</b>	<b>61,430</b>	<b>55.6%</b>	<b>67,976</b>	<b>58.9%</b>	<b>-9.6%</b>
Non-controlling interests of the subsidiaries	3,835	3.5%	3,802	3.3%	0.9%
<b>Total shareholders' equity</b>	<b>49,019</b>	<b>44.4%</b>	<b>47,467</b>	<b>41.1%</b>	<b>3.3%</b>
<b>Total liabilities and shareholders' equity</b>	<b>110,450</b>	<b>100%</b>	<b>115,443</b>	<b>100%</b>	<b>-4.3%</b>

\*Including short term investments

### Relevant Financial Ratios

Ratio	2Q15	1Q15	4Q14	3Q14	2Q14
ROE <sup>1</sup>	12.7%	13.8%	6.6%	18.9%	15.0%
ROCE <sup>2</sup>	12.1%	12.3%	8.9%	15.4%	14.2%
A/R days	42	45	39	41	41
Inventory (days)	119	131	117	125	122
Gearing Ratio <sup>3</sup>	1.25x	1.29x	1.43x	1.37x	1.49x
ND/E Ratio <sup>4</sup>	0.68x	0.76x	0.85x	0.80x	0.80x

*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

### 2Q15 Financial Statement Analysis

Thanks to a second full quarter of revenue consolidation, our newly acquired business, namely MerAlliance, King Oscar and Orion Seafood International, are attributable to the group's continued sales growth despite EUR depreciation. 2Q15 consolidated sales rose to THB 30,642mn (+1.3% YoY and +7.1% QoQ), equivalent to USD 934.6mn (+0.3% YoY and +6.7% QoQ). Part of this revenue growth in THB term was supported by weaker THB against USD. Deep EUR depreciation against THB has also limited our consolidated sales growth. In fact, our European subsidiaries showed robust performance so far this year. 1H15 consolidated sales increased by 1.8% YoY to THB 59,248mn.

2Q15 GPM expanded to 16.9%, compared with 16.1% in 2Q14 and 13.8% in 1Q15, mainly thanks to encouraging European subsidiaries' performance, lower raw material prices and the turnaround of USPN business. 1H15 GPM was stable at 15.4%, compared with 15.5% in 1H14.

## Financial Statement Analysis (Cont'd)

### Selling and administrative expenses

- 2Q15 SG&A expenses increased by 5.0% YoY (equivalent to 9.8% of sales) mainly due to one-off accrued M&A expenses. Excluding these one-off items, SG&A (% sales) would have been 9.4%, which would be in line with the company guidance. On QoQ basis, SG&A decreased by 0.4%, thanks to an absence of one-off items of asset impairment booked in 1Q15.
- 1H15 SG&A expenses increased 7.8% YoY, equal to 10.1% of sales, mainly due to one-off accrued M&A expenses booked in 1H15. Excluding these one-off items and FX loss, SG&A as a percentage of sales would have been 9.6%, in line with our guidance. We still maintain SG&A (% sales) at 10% as our 2015 guidance.

### FX Gain/loss

- There was a FX loss in 2Q15 amounting to THB 179mn, compared with gains in 2Q14 and 1Q15 at THB 141mn and THB 1,118mn respectively. The loss was essentially a result of quick depreciation of THB vs. USD during the quarter when we typically sold USD forwards as a hedge against strengthening THB.
- However, there was a FX gain in 1H15 at THB 939mn, thanks to a substantial gain in 1Q15 from 1) unwinding a EUR hedge position originally arranged for equity investment in our European subsidiaries; 2) gain from operational FX hedging and; 3) gain on EUR GBP intercompany loan at European subsidiaries, versus a FX gain at THB 395mn in 1H14.

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

- 2Q15 other income slightly decreased by 0.7% from a year ago to THB 264mn. On QoQ basis, other incomes rose by 7.0%, largely thanks to an increase in share of profit from investment in associates, interest income (from an increase in short-term investments) and tax coupon.
- 1H15 other income increased by 13.9% from the same period of last year to THB 510mn, mainly supported by a large increase in share of profit from investment in associates.

### Finance cost

- 2Q15 finance cost significantly dropped by 38.1% YoY and 13.6% QoQ to THB 355mn, thanks mainly to an absence of one-time additional accrued interest expense (THB 215mn) booked in 2Q14 upon expected redemption of ECD in October 2014, lower effective interest rate and lower bank overdraft and short-term loans. 2Q15 effective interest rate was 3.33%, compared to 5.27% and 3.75% in 2Q14 and 1Q15 respectively.
- 1H15 finance cost decreased considerably by 26.9% YoY to THB 767mn, particularly thanks to a lower amount of interest-bearing debts, a lower effective interest rate and an absence of one-time additional accrued interest expenses (THB 215mn) booked in 2Q14 upon expected redemption of ECD in October 2014. 1H15 effective interest rate was 3.60%, compared with 4.81% in 1H14.

### Income tax expense

- 2Q15 income tax expense rose significantly by 124.6% and 13.3% YoY and QoQ respectively to THB 354mn, as a result of higher income before tax from overseas subsidiaries. The effective tax rate was 18.3% in 2Q15, compared to 8.4% in 2Q14 and 16.5% in 1Q15.
- 1H15 income tax expense increased by 45.0%, versus the same period of last year, mainly due to an absence of tax credit from the US operation booked in 2Q14. The effective tax rate was 17.4% in 1H15, compared with 14.0% in 1H14.

### Net profit

- 2Q15 net profit declined by 7.2% YoY and 6.3% QoQ to THB 1,412mn with net profit margin of 4.6%, compared to 5.0% in 2Q14 and 5.3% in 1Q15, mainly due to FX loss, higher income tax expenses and higher SG&A expenses. Excluding the one-off items, 2Q15 normalized net profit should have been THB 1,508mn, decreased only by 16.8% YoY, but increased by 1.8% QoQ.
- 1H15 net profit grew by 18.1%, versus the same period of last year, to THB 2,919mn with 4.9% net profit margin mainly thanks to higher FX gain and lower finance cost. Excluding the one-off items, 1H15 normalized net profit should have been THB 2,990mn, an increase of 1.8% from 1H14.

## Financial Statement Analysis (Cont'd)

### ND/E ratio

- Net debt-to-equity ratio as of 2Q15 declined to 0.68x, compared with 0.80x in 2Q14 and 0.76x in 1Q15, mainly thanks to a lower level of net interest-bearing debts driven by lower working capital requirement and higher total shareholders' equity. Net interest-bearing debt was THB 33,418mn in 2Q15, compared with THB 35,754mn in 2Q14 and THB 36,163mn in 1Q15.

### Inventory days

- Inventory days as of 2Q15 decreased to 119 days, compared with 131 days in 1Q15 and 122 days in 2Q14, mainly thanks to lower inventory with regards to lower raw material prices.

### Accounts receivable days

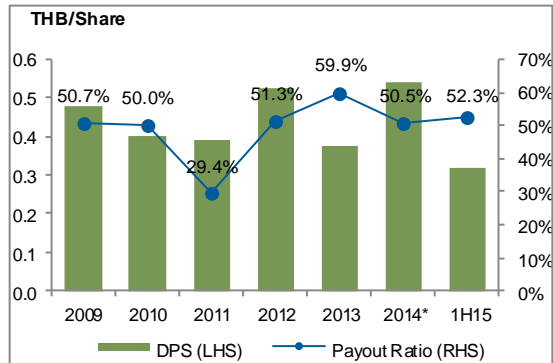
- Accounts receivable days as of 2Q15 were stable at 42 days, versus a year ago. Thanks to a higher accounts receivable turnover rate, the accounts receivable days decreased from 45 days in 1Q15.

## Dividend Payment

### 52.3% payout for 1H15 performance

- TUF announced the interim payment for the operating results during 1 Jan 2015 to 30 Jun 2015 as per the resolution of the Board of Directors dated 13 Aug 2015.
- Details of dividend payment are as follows:

DPS	THB 0.32
XD	25 Aug 2015
Book closing date	28 Aug 2015
Payment date	9 Sep 2015



**Remark:**

\* The company changed the par value from THB 1 to THB 0.25 and registered with the Ministry of Commerce on 25 Dec 2014. Hence, dividend per share has been revised retroactively to reflect the par change of THB 0.25.

### News Update:

**“Asia’s Best CEO (2<sup>nd</sup>) for consumer sector by sell-side” by International Investor’s 2015 All Asia Executive Team ranking**



**July 2015:** Mr. Thiraphong Chansiri, was voted for the 2<sup>nd</sup> rank of Asia’s Best CEO for consumer sector by sell-side by International Investor’s 2015 All Asia Executive Team ranking. Furthermore, TUF was also ranked 4<sup>th</sup> for Thailand Most Honored Company and 107<sup>th</sup> for Asia’s Most Honored Company. The results were based on the votes from 820 buy-side analysts and money managers at some 500 firms, and 625 sell-side analysts in Asia, excluding Japan.

**Avanti listed as one of “Asia’s 200 Best Under A Billion” company for the year 2015 by Forbes, American business magazine.**



**June 2015:** Avanti Feeds Limited, TUF’s associate in India, was listed in “Asia’s 200 Best Under A Billion” which have only 11 Indian companies included in the list.

### TUF Investor Relations Department

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