

THAI UNION GROUP PCL.

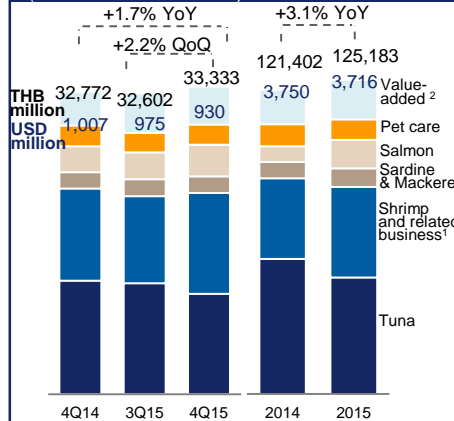
Investor Note



Against all odds with record numbers in 2015

Sales

(THB million and USD million)



Remark:

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

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

2015 sales growth in most categories despite the negative impact of weak EUR and low RM prices

• **4Q15 sales grew by 1.7% YoY to THB 33,333mn (down 7.6% YoY in dollar term to USD 930mn).** Thanks to the full quarter consolidation of private label salmon producer MerAlliance (Nov 2014) and canned sardine/mackerel producer King Oscar (Nov 2014). Lobster trader (Orion) also boosted the shrimp and related business sales growth; Tuna sales dropped 11.4% YoY due to the impact of low commodity prices of tuna (4Q15 average price of USD1,047/ton, down 12% YoY) and weaker EUR against THB on branded sales in Europe, intensifying competition, slow private label sales upon low RM prices. Sales of pet care were stable YoY.

• **2015 sales were up 3.1% YoY to THB 125,183mn** thanks to the contribution from recently acquired businesses, namely MerAlliance, King Oscar and Orion, that support sales of shrimp, salmon and sardine/mackerel businesses. However, the total sales growth was capped by weak EUR and low RM prices on private label tuna.

(Below financial results based on underlying operating performance and exclude special year-end adjustment)

GPM hitting top end of the target

- **4Q15 gross profit (GP) rose 15.1% YoY to THB 5,238mn (reported 4Q15 GP was THB 4,730mn)** driven by King Oscar, MerAlliance, and Orion as well as the turnaround of pet care and Thailand-based shrimp processing and feed businesses, but tuna contribution was about the same as a year ago.
- **4Q15 gross profit margin (GPM) was at 15.7% (from 13.9% in 4Q14)** which largely driven by the recovery in domestic shrimp business.
- **2015 GP up 5.2% YoY to THB 20,009mn,** (reported 2015 GP was THB 19,502mn) with 2015 GPM achieved full year guidance at 16.0%, up from 15.7% during 2014.

Continual rise in OP while SG&A still in check

- **4Q15 operating profit (OP) up 47.1% YoY to THB 1,984mn with OPM of 6.0% (vs 4.1% in 4Q14).** SG&A expenses accounted for 9.8% of sales during the quarter (flat YoY). Excluding the one-time accounting reversal and gains, the normalized SG&A ratio should be at 10.0%, inline with the company's target guidance. As a result, the 4Q15 normalized OPM would be at 5.7%, up 102bps YoY.
- **2015 OP was up 7.4% YoY to THB 7,504mn as OPM improved 24bps YoY to 6.0%.** The improvement was mainly due to the margin recovery in shrimp and pet care businesses.

4Q15 EBITDA growth of 39% YoY mainly driven by higher OP

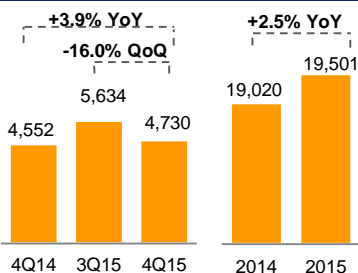
- **4Q15 EBITDA up by 38.6% YoY to THB 3,070mn** (reported 4Q15 EBITDA was THB 2,351mn) mainly due to a improved OPM, FX gains of THB 128mn (from losses of THB 244mn in 4Q14), and improved equity income from Indian shrimp feed producer associate Avanti Feeds (equity income of THB 147mn, up 177% YoY).
- **2015 EBITDA increased by 11.3% YoY to THB 12,245mn.** (reported 2015 EBITDA was THB 11,256mn) Excluding ongoing one-off items, the 2015 normalized EBITDA would be THB 12,038mn, up 2.0% YoY

2015 Net Profit making record high

- **4Q15 Net Profit up 119.4% YoY to THB 1,534mn with 4.6% NPM (reported 4Q15 NP was THB 757mn).** The improved profits was driven by improved operating margin, lower financing costs, rising equity income and operation-related FX has turned positive. Excluding the ongoing one-off items, 4Q15 normalized NP was at THB 1,614mn (up 83% YoY) due to reversal of fleet impairment and expense of capitalized M&A expenses.
- **2015 NP was record high at THB 6,079mn, up 19.4% YoY.** (reported 2015 NP was THB 5,303mn). 2015 NPM has improved 66bps YoY to 4.9%. Excluding ongoing one-off items, 2015 normalized NP would be at THB 6,107mn up 7.7% YoY.

Gross Profit and GPM (Reported)

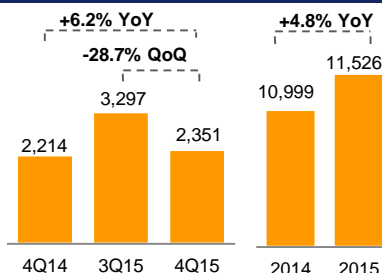
(THB million)



GPM 13.9% 17.3% 14.2% 15.7% 15.6%

EBITDA and margin (Reported)

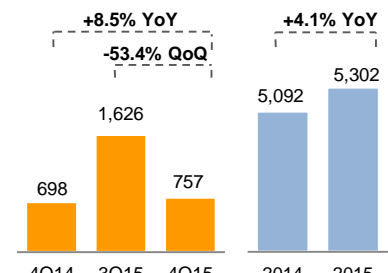
(THB million)



EBITDA Margin 6.8% 10.1% 7.1% 9.1% 9.2% NPM

Net Profit and NPM (Reported)

(THB million)



Net Profit 698 1,626 757 5,092 5,302

Stock Information

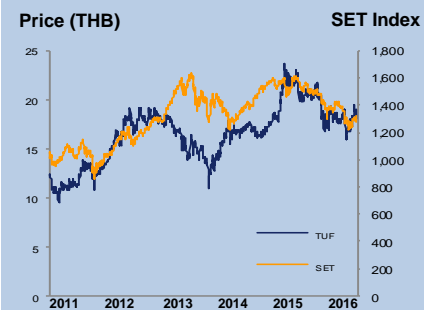
(Bloomberg/ Reuters)
(TU TB/ TU.BK)

Share price (23/02/2016) :	THB 18.50
Historical price :	
52-week high	THB 22.70
52-week low	THB 15.80
No. of Shares :	4,771.8m
Par value :	THB 0.25
Market Capitalization :	THB 88.3b
Avg. daily turnover (last 6 months) :	THB 178.5m
Free float :	63.9%
Foreign ownership :	39.0%
Foreign limit :	45.0%

Major shareholders :

(30/12/2015)	
Chansiri Family	20.40%
Niruttinanon Family	7.00%
Mitsubishi Corporation	7.29%
Thai NVDR Co., Ltd.	11.02%
Social Security Office	4.58%

Share price performance :

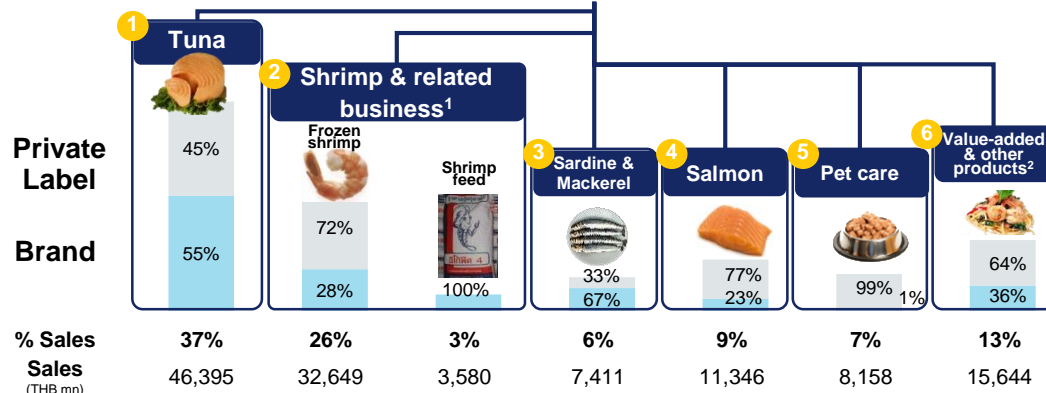


Source: Settrade (23/02/16)

Remark: Gross profit, EBITDA and Net Profits referred in this investor note are excluded of one-time items incurred in 4Q15 including fishing fleet impairment (THB 508m), capital raising expenses (THB 211mn) and acquisition-related expenses (THB 57mn) Normalized net profits further exclude one-time items incurred during 2015 including acquisition-related expenses (THB 273mn), net gains from unwinding of hedged EUR on equity investment (THB 237mn), FX gains from unwinding derivatives related to Bumble Bee acquisition (THB 186mn), and commitment fees for Bumble Bee loans (THB 176mn)

Performance by 6 Strategic Business Units

Total sales 2015: THB 125,183mn (USD 3,716mn)



Remark :
¹Shrimp & related business includes frozen shrimp (including lobster) & shrimp feed

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

Source: TU

Tuna

- **Improved 2015 GPM** thanks to the overall benefits of lower RM prices on own brands, but low fish prices depressed private label sales. Also, weaker EUR (vs. THB) reduced sales and profit contribution from our European brands in THB term.
- **2015 tuna sales value fell by 13.8% while volume down 4.5%.** The decline was caused by the general downtrend of RM prices and weakening EUR (particularly in 1H15). Lower fish prices did benefit us, but increased competition (such as in the US) eroded sales and profitability of our brand there. But thanks to strong leadership of our Europe-based brands, their sales and profitability were less affected by a similar development. EUR depreciation (down 13.4% YoY vs. THB) was another factor dampening sales and GP. Regardless, the overall segment GPM managed to expand to 17.7%.
- **2015 was an exceptional year where RM price hardly followed a seasonal pattern.** Prices generally trended downward despite brief spikes after imposition of periodic fishing regulations. The average tuna prices was USD 1,170/ton in 2015, down 14.0% from a year ago.
- **4Q15 tuna sales and GPM dipped due to seasonal factors and low fish prices.** 4Q15 GPM of overall tuna fell to 15.5% (up from 14.8% in 4Q14, but down from 20.4% in 3Q15) in line with the seasonal pattern when sales were generally weaker. However, sales value did drop from a year ago due to lower fish prices and increased competition in the US (that also hurt own brand's margins).

Shrimp & Related Business¹

- **Continual recovery of Thai shrimp production.** Thai Department of Fisheries estimated local farm shrimp output reached 260,000 tons in 2015, up 23.8% YoY. The industry projects an output of 300,000 tons in 2016 (vs. pre-EMS level of 5-600,000 tons per year).
- **2015 shrimp & related business's sales increased by 12.5% YoY** thanks to acquisition of Orion's lobster business (worth c.THB 6 bn) while volume (ton) jumped by 21.2%. Without Orion, shrimp and feed sales value were otherwise lower. Annual GPM of frozen shrimp continued to edge up thanks to the strong processing operations in Thailand while profitability of US-based trading business started to recover in the 2nd half of the year. Aqua feed margin also improved with a better product mix between shrimp and fish feed.
- **4Q15 shrimp & related business¹ sales up 9.2% YoY and 15.4% QoQ.** On YoY basis, shrimp & related business sales value increased by 9.2%, primarily driven by the addition of Orion's lobster business and the expanding aqua feed sales. Sales volume (ton) also shot up by 33.8% due to the same reasons. 4Q15 GPM, hitting a recent high at 13%, was lifted by a strong Thailand-based processing operations and improving feed margins.
- **On QoQ basis, the segment grew significantly by 15.4% (16.8% in volume term),** thanks to growing lobster and export-oriented processing businesses. Quarterly GPM improved significantly as a result of the lower RM cost advantage and improving efficiency of the processing operations.

Sardine & Mackerel

- **2015 sales were up 13.6% YoY** thanks to consolidation of branded sales from King Oscar. Without EUR depreciation, sales growth could have been higher. On the other hand, overall sales volume (ton) remained flat with higher average selling prices.
- **4Q15 sales up slightly YoY, but with lower volume** as lost private label orders partially replaced by higher priced brand products. On QoQ basis, **4Q15 sales were flat while volume up moderately** from last quarter due to increased private label orders, though brand sales down. The four key brands in this category are King Oscar, Parmentier, Chicken of the Sea and Sealect.
- **Average annual GPM rose to 24.4% from 19.7% in 2014, thanks to the inclusion of the premium brand King Oscar** 4Q15 GPM is stable from a year ago. Despite this, sales and margins of overall private label business and our US brand were under pressure on QoQ basis. Though 4Q15 GPM appeared flat QoQ, margins of brands (up) and private label (down) actually diverged.

Salmon

- **2015 sales was up as much as 83.6% YoY,** in line with volume growth (71.7%), due to consolidation of the chilled smoked salmon producer MerAlliance. 4Q15 sales value continued to rise, up 20.4% YoY and 17.1% QoQ. Volume increased in synch. This salmon segment consists of ambient (US and European brands) and frozen / chilled (private label products made in Thailand and Europe).
- **2015 GPM (13.8%) up slightly from last year** despite private label sales now accounting for a bigger share than that of brands.
- **4Q15 GPM was up YoY, but slightly down QoQ.** Private label margin in general rose through the year. Brand sales and margins were stable throughout.

Pet Care

- 2015 sales value and volume dropped 8.7% and 8.2% YoY respectively while the average selling price did not change much from a year ago. 4Q15 sales dropped slightly while volume stayed flat YoY. On QoQ basis, sales value increased by 3.2% with volume up in line.
- 2015 GPM rose continually thanks to successful USPN restructuring in 2013-2014 and continual fall of RM cost. The tuna price hit low levels in 2015. 4Q15 GPM surged to 26% thanks to continually declining costs.

Value-Added and Other Products²

- 2015 sales increased by 13.6% YoY while volume down 27.3%. 4Q15 sales were up 12.7% YoY, but down 3.9% QoQ.
- 2015 GPM (13.2%) should have been 16.4% without the impairment charge of the fishing fleet booked in 4Q15. GPM in 2014 was 18.3%. The decline, besides the impairment charge, was caused by sharp price correction of crab meat products and increased conversion cost at certain production locations. For the same reason, 4Q15 GPM (2.9%) should be 15.3%.

2015 and 4Q15 Financial Statement and Performance

Consolidated Income Statement

(Million baht)	4Q15	% to sales	4Q14	% to sales	3Q15	% to sales	4Q15/ 4Q14 Change	4Q15/ 3Q15 Change	2015	% to sales	2014	% to sales	2015/ 2014 Change
Sales	33,333	100%	32,772	100%	32,602	100%	1.7%	2.2%	125,183	100%	121,402	100%	3.1%
Cost of sales	(28,603)	-85.8%	(28,221)	-86.1%	(26,968)	-82.7%	1.4%	6.1%	(105,682)	-84.4%	(102,382)	-84.3%	3.2%
Gross profit	4,730	14.2%	4,552	13.9%	5,634	17.3%	3.9%	-16.0%	19,501	15.6%	19,020	15.7%	2.5%
SG&A expenses	(3,465)	-10.4%	(3,204)	-9.8%	(3,282)	-10.1%	8.1%	5.6%	(12,716)	-10.2%	(12,031)	-9.9%	5.7%
FX gain (loss)	128	0.4%	(244)	-0.7%	(55)	-0.2%	-152.4%	-332.3%	1,012	0.8%	284	0.2%	256.7%
Other income*	246	0.7%	470	1.4%	317	1.0%	-47.6%	-22.3%	1,045	0.8%	1,207	1.0%	-13.4%
EBIT	1,639	4.9%	1,574	4.8%	2,613	8.0%	4.1%	-37.3%	8,842	7.1%	8,480	7.0%	4.3%
Finance cost	(452)	-1.4%	(473)	-1.4%	(373)	-1.1%	-4.5%	21.1%	(1,592)	-1.3%	(1,673)	-1.4%	-4.9%
EBT	1,187	3.6%	1,101	3.4%	2,240	6.9%	7.8%	-47.0%	7,250	5.8%	6,807	5.6%	6.5%
Tax	(211)	-0.6%	(283)	-0.9%	(455)	-1.4%	-25.6%	-53.6%	(1,332)	-1.1%	(1,040)	-0.9%	28.1%
Net income	976	2.9%	817	2.5%	1,785	5.5%	19.4%	-45.3%	5,918	4.7%	5,767	4.8%	2.6%
Net income (loss) attributable to:													
Equity holders of the Company	757	2.3%	698	2.1%	1,626	5.0%	8.5%	-53.4%	5,302	4.2%	5,092	4.2%	4.1%
Non-controlling interests of the subsidiaries	219	0.7%	119	0.4%	160	0.5%	84.0%	36.9%	616	0.5%	676	0.6%	-8.9%
Earnings per share													
Basic earnings per share	0.16		0.14		0.34		13.8%	-52.6%	1.11		1.10		1.1%
Diluted earnings per share	0.16		0.15		0.34		9.9%	-52.6%	1.11		1.08		2.5%
Exchange rate													
THB/USD	35.83		32.56		33.45		10.0%	7.1%	33.69		32.36		4.1%
Normalized net profit	1,614	4.8%	878	2.7%	1,531	4.7%	83.9%	5.4%	6,106	4.9%	5,672	4.7%	7.7%

*Other income incl. share of profit from investments in associates

Statement of Financial Position

(Million baht)	Consolidated				
	2015	% to total assets	2014	% to total assets	Change
Cash and cash equivalents*	2,816	2.5%	6,156	5.4%	-54.3%
Trade and other receivables	15,776	14.2%	15,404	13.4%	2.4%
Inventories - net	35,180	31.6%	37,518	32.6%	-6.2%
Other current assets	3,083	2.8%	1,786	1.6%	72.6%
Total current assets	56,855	51.0%	60,864	53.0%	-6.6%
Fixed assets	23,072	20.7%	23,052	20.1%	0.1%
Goodwill and other intangible assets	27,396	24.6%	27,276	23.7%	0.4%
Other non-current assets	4,154	3.7%	3,724	3.2%	11.5%
Total assets	111,477	100%	114,916	100%	-3.0%
Bank overdrafts and short-term loans	19,437	17.4%	26,139	22.7%	-25.6%
Trade and other payables	12,262	11.0%	10,725	9.3%	14.3%
Current portion of long-term loans	1,561	1.4%	936	0.8%	66.8%
Current portion of debentures	1,949	1.7%	-	-	-
Current portion of finance lease liabilities	91	0.1%	114	0.1%	-20.2%
Other current liabilities	3,266	2.9%	2,440	2.1%	33.8%
Total current liabilities	38,567	34.6%	40,354	35.1%	-4.4%
Long-term borrowings	15,928	14.3%	19,225	16.7%	-17.2%
Finance lease liabilities - net of current portion	212	0.2%	310	0.3%	-31.4%
Other non-current liabilities	8,145	7.3%	7,561	6.6%	7.7%
Total liabilities	62,851	56.4%	67,449	58.7%	-6.8%
Non-controlling interests of the subsidiaries	2,838	2.5%	3,802	3.3%	-25.3%
Total shareholders' equity	48,626	43.6%	47,467	41.3%	2.4%
Total liabilities and shareholders' equity	111,477	100%	114,916	100%	-3.0%

*Including short term investments

Relevant Financial Ratios

Ratio	4Q15	3Q15	2Q15	1Q15	4Q14
ROE ¹	6.6%	14.2%	12.7%	13.8%	6.6%
ROCE ²	8.8%	13.7%	12.1%	12.3%	8.9%
A/R days	40	38	42	45	39
Inventory (days)	110	114	119	131	117
Gearing Ratio ³	1.29x	1.30x	1.25x	1.29x	1.43x
ND/E Ratio ⁴	0.75x	0.64x	0.68x	0.76x	0.85x

Ratio	2015*	2014*
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ROE ¹	11.9%	12.2%
ROCE ²	12.0%	12.4%
A/R days	45	43
Inventory (days)	124	131
Gearing Ratio ³	1.29x	1.42x
ND/E Ratio ⁴	0.75x	0.85x

Remark:

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

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

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

*Use annual figures to calculate the ratios

2015 & 4Q15 Financial Statement Analysis

2015 was an eventful year for TU, namely due to 1) a sharp depreciation of EUR against THB impacting accounting translation of our European subsidiaries' performances; 2) tuna raw material price declining to its 6-year low; 3) a global shrimp raw material price correction affecting US-based trading and local processing business; 4) increased global competition on private label business; 5) sustainability issues piling pressure on Thailand; 6) intensifying competition in US canned seafood market and; 7) cancellation of Bumble Bee transaction. Against all odds, our 2015 sales and net profits have managed to reach a record high. 2015 sales in THB term achieved the record level at THB 125,183mn (+3.1% YoY), or USD 3,716mn (-0.9% YoY), where the difference in growth rate is attributable to USD appreciation against THB during the year. Our acquisitions in late 2014 and early 2015 started to contribute to the overall operation where salmon, shrimp and sardine & mackerel showed the strongest growth in overall categories. Despite the firm's seasonally softer quarter, 4Q15 sales in THB term also hit a record high at THB 33,333mn (+1.7% YoY, +2.2% QoQ), mainly helped by an increase in volume sales, business acquisitions and weaker USD against THB. In summary, resilient operation (particularly in Europe) and consolidation of recent acquisitions were key factors supporting the record reported sales.

2015 Gross profits was THB 20,009mn (reported gross profits of THB 19,501mn, which includes one-time non-cash fishing fleet impairment), up 5.2% YoY. Despite a sharp EUR depreciation against THB which impacted accounting translation of our European subsidiaries' performances, 2015 gross profit margin (GPM) was at 16.0%, versus 15.7% a year ago, supported by the resilient operation of the latest acquisitions. 4Q15 GP was at THB 5,238mn, up 15.1% YoY, as GPM was up 182bps YoY to 15.7%, mainly thanks to the improvement in shrimp business, US pet care operations and salmon business.

Selling and administrative expenses

- 2015 SG&A expenses rose by 5.7% YoY to THB 12,716mn, largely due to a series of corporate rebranding events held during the year, an investment in setting up the Global Innovation Incubator (Gii), increased personnel expenses to support business expansion, one-time M&A related expenses as well as expenses incurred for a planned capital raising exercise for the Bumble Bee transaction. Part of these expenses were vital investments to drive the business to reach our 2020 revenue target of USD 8.0bn. Based on reported figures, %SG&A to sales was 10.2%. However, excluding those one-off items, namely M&A expenses and the planned capital raise expenses, the normalized %SG&A to sales would have been 9.8%, in line with the company's guidance.
- 4Q15 SG&A expenses was at THB 3,465mn, increased by 8.1% YoY and 5.6% QoQ mainly due to one-time M&A-related expenses recorded in 4Q15, which translated into %SG&A to sales of 10.4%. Without this one-time expense, %SG&A to sales should have been 10.0%.

FX Gain/loss

- FX gain incurred in 2015 was particularly high at THB 1,012mn, compared with FX gain at THB 284mn in 2014. A huge FX gain was mainly booked in 1Q15 due to: 1) unwinding hedged EUR on equity investment; 2) gain from operational FX hedging; and 3) gain on EUR GBP intercompany loan at European subsidiaries and 4) unwinding of currency hedging for the Bumble Bee transaction recorded in 3Q15.
- 4Q15 FX gain was THB 128mn vs. FX loss of THB 244mn and THB 55mn in 4Q14 and 3Q15, respectively.

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

- 2015 other incomes decreased by 13.4% YoY to THB 1,045mn. It was a result of a decrease in: 1) interest income; and 2) compensation received from accounts payable.
- 4Q15 other incomes decreased by 47.6% YoY and 22.3% QoQ.

Finance cost

- 2015 finance cost down by 8.3% YoY to THB 1,535mn (2015 reported finance cost of THB 1,592mn after factoring in acquisition-related expenses of THB 57mn) despite the one-time commitment fee on bridging loan secured for Bumble Bee acquisition (THB 176mn in 4Q15). A drop of the finance cost was a result of a lower level of interest bearing debts, a lower effective interest rate as well as a well-managed financing strategy. 2015 effective interest rate was at 3.71% vs. 3.75% in 2014.
- 4Q15 finance cost dropped by 16.5% YoY to THB 395mn (4Q15 reported finance cost was THB 452mn, after factoring in acquisition-related expenses of THB 57mn). On QoQ basis, the finance cost increased by 5.8% mainly due to aforementioned one-time loan commitment fees. Excluding such loan commitment fees, 4Q15 normalized finance cost was at THB 219mn.

Financial Statement Analysis (Cont'd)

Income tax expense

- 2015 income tax expenses increased by 28.1% YoY to THB 1,332mn mainly due to a higher effective tax rate given a sharp drop in tax-exempt income and non-deductible expenses as well as a larger profit contribution from our overseas subsidiaries (mainly Europe) where they were subject to higher corporate income tax rates.
- 4Q15 income tax expense decreased by 25.6% YoY and 53.6% QoQ respectively to THB 211mn. The lower income tax expense mainly was a result of 1) tax credit from Bumble Bee related-expenses; and 2) the tax benefit of International Head Quarter (IHQ) privileges.

Net profit

- 2015 net profit, before the special year end items, was up by 7.2% YoY to THB 6,079mn. Including those special year end one-time items worth of THB 776mn, the reported net income was THB 5,302bn (up 4.1% YoY). The special year end items included: 1) an impairment charge on the fishing fleet worth THB 508mn being recorded in 4Q15); 2) expenses incurred for a planned (but shelved now) capital increases exercise worth THB 211mn (4Q15); and 3) other acquisition-related expenses worth THB 57mn (4Q15).
- In summary, the net profit increase was supported by sales increase of 3.1%, an increase in FX gain, an increase in share of profit from investment in associates and a slight decline in the finance cost despite higher SG&A expenses mainly due to one-off M&A-related expenses. 2015 normalized net profit margin was slightly up at 4.9%, compared to 4.7% a year ago.
- The ongoing normalization items during year which netted each other to result in a marginal loss of THB 27mn, so the total normalized net income should be THB 6,106mn, an increase of 7.7% YoY. These ongoing normalization items include: (1) accrued M&A expenses of THB 274mn (recorded during the year); 2) net gains from unwinding a EUR hedging position originally arranged for equity investment in our European subsidiaries of THB 237mn (recorded in 1Q15); 3) a positive net impact of gains from unwinding the currency hedging position for the Bumble Bee transaction of THB 186mn (recorded in 3Q15) and recognition losses of loan commitment fees of THB 176mn (recorded in 4Q15).
- 4Q15 net profit, before special year end items, rose by 119.4% YoY to THB 1,534mn. Including special year end one-time items, 4Q15 reported net profits after special items were THB 757mn (up 8.4% YoY). The difference was due to the impairment charge on the fishing fleet, expenses incurred for the capital raising exercise and acquisition related expenses recorded in 4Q15. Strong 4Q15 net profit YoY growth was driven mainly by recovery of domestic shrimp processing business, improved shared profits from affiliates and FX gains during the quarter. On QoQ basis, 4Q15 net profit decreased by 5.7% mainly due to the seasonal factors.
- Excluding the ongoing normalization items (M&A related expenses of THB 162mn and an adjustment gain of the impairment charge on the fishing fleet of THB 82mn) amounting to a loss of THB 80mn, the 4Q15 normalized net income should have been THB 1,614mn (up 83.3% YoY and 5.4% QoQ).

ND/E ratio

- Net debt-to-equity ratio as of 2015 decreased to 0.75x, compared with 0.85x at the end of 2014 and still well below the company threshold of 1.0x. A significant decrease was helped by a reduction in interest bearing debts to THB 39,179mn from THB 46,724mn at the end of 2014. The decline in interest bearing debts was mainly a result of a decrease in bank OD and short-term loans and long-term borrowings given the lower working capital requirement from lower raw material prices. While total shareholders' equity slightly increased to THB 48,626mn, versus THB 47,467mn, owing to an increase in profit attributable to equity holders of the company and a lower non-controlling interests of the subsidiaries due to acquisition of minority stakes in subsidiaries: Songkla Canning Pcl. and Thai Union Manufacturing Company Limited.

Inventory days

- Inventory days as of 2015 dropped to 124 days, compared with 131 days in 2014 mainly thanks to falling raw material prices that caused our inventory value to be lower as well as in house proactive measures taken to keep inventory at the optimal level.
- 4Q15 inventory days fell to 110 days, versus 117 days and 114 days in 4Q14 and 3Q15 consecutively.

Accounts Receivable days

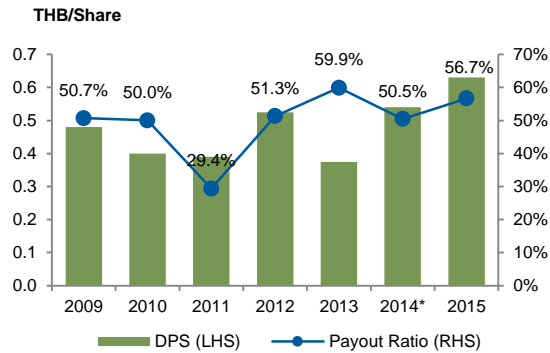
- Accounts Receivable days as of 2015 marginally increased to 45 days versus 43 days a year ago.
- 4Q15 accounts receivable days were stable at 40 days, compared to 39 days in 4Q14 and 40 days in 3Q15.

Dividend Payment

56.70% payout for 2015 performance

- TUF announced the interim payment for the operating results during 1 July 2015 to 31 Dec 2015 per the resolution of the Board of Directors dated 23 Feb 2016.
- Details of dividend payment are as follows:

DPS	THB 0.31
XD	7 Mar 2016
Book closing date	10 Mar 2016
Payment date	21 Apr 2016



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:

Thai Union completed acquiring majority stake of Rügen Fisch in Germany



February 2016: TU completed an acquisition of a 51% stake in Rügen Fisch, currently generating revenues in excess of €140 million.

Rügen Fisch is a leading company who owns leading brands of ambient and chilled fish, including herring, mackerel and salmon, distributing across Germany to all leading retailers, under its own key brands namely Rügen Fisch, Hawesta, Ostsee Fisch and Lysell, along with a significant private label manufacturing business.

Thai Union welcomed workers from external Pre-processing suppliers



January 2016: TU has employed over one thousand of employees from pre-processing facilities. From 1 January 2016 onwards, TU is now bringing all processing operations in-house and all processing work will be directly controlled by Thai Union, ensuring transparency, traceability of our supply chain and upholding the rights of our employees.

TU took this initiative after releasing the revised Business Ethics and Labor Code of Conduct in September 2015.

TU Investor Relations Department

- WAI YAT PACO LEE
- BEST WAIYANONT
- PATHAMAPORN MAGRADEE
- PHIMCHANOK NOKNOI
- NIRACHAI THONGPOON

E-mail: ir@thaiunion.com
 TEL: (662) 298-0024 EXT. 4260, 4270, 4276
 FAX: (662) 298-0342