

## 2Q17: Strict cost control aided operation

### Revenue

2Q17 sales grew by 1.2% YoY to THB 34,818mn. Soft sales growth was driven by weak market demand amid product repricing and the European currency depreciation. 2Q17 sales in US Dollar term was at USD 1,015mn, up 4.0% YoY.

1H17 sales grew by 1.0% YoY to THB 66,244mn (up 3.6% YoY in dollar term to USD 1,910mn).

### Gross profit

2Q17 Gross profit of THB 4,669mn, down 14.5% YoY, driven mostly by raw material prices which increased significantly from the previous year (2Q17 tuna raw material price +17.3% YoY). TU managed to pass on high salmon prices and continued to record positive gross profit for European salmon business in 2Q17.

1H17 gross profit was at THB 8,998mn, down 14.0% YoY, driven mainly by raw material prices volatility.

### Operating profit

2Q17 Operating profit of THB 1,627mn, down 22% YoY, driven mostly by a weak gross margin during the quarter, but was up 84.6% QoQ. The YoY decline was offset by strict cost control with 2Q17 SG&A expenses declined by 9.6% YoY to THB 3,042mn with the SG&A to sales ratio at only 8.7% (from 9.8% during 2Q16).

1H17 SG&A to sales ratio was 9.8%, below the full year target of 10%.

### Net profit

2Q17 net profit of THB 1,411mn, down 7.6% YoY, due to fluctuating raw material prices and rising interest cost. However, the decline was partly offset by prudent cost control, income contribution from both Red Lobster and Avanti Feeds, and lower tax payment.

1H17 net profit was THB 2,880mn, up 4.4% YoY.

### ND/E

Due to continued profitable operation, efficient working capital management, and debt repayment, TU's net debt-to-equity has declined to 1.33x, from 1.37x at 2016-end and still well under the bond covenant requirement of 2.0x.

### Stock Information

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

<b>Share price (04/08/2017)</b>	THB 19.90
Historical price:	
52-week high	THB 22.70
52-week low	THB 19.50
No. of shares:	4,771.8m
Par value:	THB 0.25
Market Cap.	THB 95.4bn
Avg. daily turnover (6 months)	THB 223.4mn

### Major shareholders

(30/06/2017)

Chansiri Family	20.84%
Thai NVDR Co., LTD.	8.97%
Mitsubishi Foods Corp.	7.29%
Niruttinanon Family	6.83%
Social Security Office	6.05%

### Business overview

Thai Union Group PCL (TU) is one of the world's largest seafood player. TU owns leading brands portfolio in key markets and global sourcing, production and distributing networks. TU's key products are canned tuna and frozen shrimp. TU also produces for external customers through its private label business. On the sustainability front, TU has shown strong commitments and is confident in its positive long term contribution to socio-economic development, conservation of natural resources and practice of ethical business conduct.

### Key financial figures

Unit: THB mn	2Q17	2Q16*	1Q17
Sales	34,818	34,401	31,427
Gross profit	4,669	5,463	4,330
EBITDA	2,874	3,259	2,899
Net profit	1,411	1,527	1,469
EPS (THB)	0.29	0.32	0.31
GPM (%)	13.41	15.88	13.78
NPM (%)	4.05	4.44	4.67
ND/E (x)	1.33	0.74	1.34
ROCE (%)	8.05	13.37	9.26
IBD/EBITDA (x)	5.70	2.95	5.59

*Remark: \*Reclassification due to the split of discontinued operation*

**Financial Statements Analysis:**

Unit: THB mn	2Q17	2Q16**	YoY	1Q17	QoQ
<b>Sales</b>	<b>34,818</b>	<b>34,401</b>	<b>1.2%</b>	<b>31,427</b>	<b>10.8%</b>
COGS	(30,149)	(28,938)	4.2%	(27,097)	11.3%
<b>GP</b>	<b>4,669</b>	<b>5,463</b>	<b>-14.5%</b>	<b>4,330</b>	<b>7.8%</b>
SG&A	(3,042)	(3,366)	-9.6%	(3,448)	-11.8%
FX gain (loss)	40	32	25.5%	590	-93.2%
Other income*	530	411	29.0%	750	-29.4%
<b>EBIT</b>	<b>2,196</b>	<b>2,540</b>	<b>-13.5%</b>	<b>2,221</b>	<b>-1.1%</b>
Finance cost	(563)	(303)	85.8%	(498)	13.2%
<b>EBT</b>	<b>1,633</b>	<b>2,236</b>	<b>-27.0%</b>	<b>1,723</b>	<b>-5.2%</b>
Tax	(22)	(493)	-95.5%	(199)	-88.9%
<b>Net income</b>	<b>1,411</b>	<b>1,527</b>	<b>-7.6%</b>	<b>1,469</b>	<b>-3.9%</b>
<b>EPS</b>	<b>0.29</b>	<b>0.32</b>	<b>-9.4%</b>	<b>0.31</b>	<b>-6.5%</b>
FX: USD/THB	34.30	35.29	-2.8%	35.11	-2.3%
GPM	13.4%	15.9%		13.8%	
%SG&A/Sales	8.7%	9.8%		11.0%	
NPM	4.1%	4.4%		4.7%	

\*Other income incl. share of profit from investment in associates

\*\*Reclassification due to the split of discontinued operation

In 2Q17, overall business has been mainly challenged by continued rising raw material prices, and appreciation of THB against major currencies. Having said that, the company has managed to control the SG&A cost well below the target of 10%.

**Sales**

2Q17 sales were stable (+1.2% YoY), at THB 34,818mn, despite a slight decline in volume and THB currency appreciation against GBP and USD. In USD term, TU reported sales of USD 1,015mn, up 4.1% YoY. On QoQ basis, 2Q17 sales presented a strong growth of 10.8% mainly supported by seasonality factor and stable currency movement during the quarter. Sales in USD terms showed strong growth of 13.4%.

1H17 sales were stable at THB 66,244mn (+1.0% YoY) mainly due to negative translation effect from THB appreciation against GBP, EUR and USD. While an addition of lobster business of Chez Nous starting from 3Q16 helped lessen the effect.

**Gross profit**

2Q17 Gross profit was recorded at THB 4,669mn, down 14.5% YoY mainly due to the challenge in overall tuna business and appreciation of THB against GBP, EUR and USD. However, the rising salmon and shrimp prices have been managed and passed through customer in a more timely manner. On QoQ basis, 2Q17 gross profit improved by 7.8% mostly driven by improved gross profit of tuna and shrimp businesses. In terms of gross profit margin, in

2Q17 gross margin was at 13.4%, versus 15.9% in 2Q16 and 13.8% in 1Q17.

1H17 gross profit was at THB 8,998mn (-14.0% YoY) mostly pressured by challenges faced by overall tuna business resulting from rising raw material price. Having said that, our European chilled smoked salmon business has continued to report the positive gross profit for the third consecutive quarter. 1H17 gross profit margin was at 13.6%, versus 15.9% during 1H16.

**Selling and administrative expenses**

2Q17 SG&A expenses decreased significantly by 9.6% YoY and 11.8% QoQ to THB 3,042mn, primarily thanks to strictly implementation of cost saving program and initiatives within the group. The reduction in SG&A was mainly from cost saving in administrative expenses, personnel expenses and promotional activities. %SG&A-to-sales ratio was at 8.7% during the quarter, compared to 9.8% in 2Q16 and 11.0% in 1Q17.

1H17 SG&A expenses dropped by 4.0% YoY to THB 6,491mn thanks mainly to our prudent and very strict cost control initiatives implemented during the period. %SG&A-to-sales ratio was at 9.8%, decreased from 10.30% in previous period.

**FX Gain/loss**

2Q17 the company reported FX gain of THB 40mn, compared with gain of THB 32mn a year ago and after a huge gain of THB 590mn in 1Q17. 2Q17 FX gain was a result of favorable currency movement during the quarter.

1H17 the company reported FX gain of THB 630mn, mainly thanks to the huge mark-to-market FX gain recorded in 1Q17 (amounting to THB 476mn), versus FX gain of THB 296mn in 1H16.

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

2Q17 other incomes were at THB 530mn, increased by 29% YoY mainly due to the huge contributions from our Indian associate companies and interest received from Red Lobster investment.

1H17 other incomes increased significantly by 62.2% YoY to THB 1,280mn, thanks to an increased in share of profit contribution from investments in associates and joint ventures (largely from associate companies) and other income (mainly from interest received from

Red Lobster investment in convertible preferred unit portion).

#### **Finance cost**

2Q17 finance cost increased by 85.8% YoY to THB 563mn (from THB 303mn). The increase was mainly attributable to loan acquisitions of both debenture issuance and debt to fund Red Lobster investment completed since October 2016. On QoQ basis, finance cost increased by 13.2% (from THB 498mn) mainly due to additional loan acquisition acquired during the quarter and an increase in effective interest cost. The effective interest cost stood at 3.46%, compared to 3.30% in 2Q16 and 3.04% in 1Q17.

1H17 finance cost was at THB 1,061mn, materially rose by 57.2% YoY (from THB 675mn). The rise was primarily driven by debts acquisition for Red Lobster investment worth USD 575mn. Interest-bearing debts as at end of 2Q17 amounted to THB 65,477mn, versus THB 38,471mn as at end of 2Q16 and THB 64,854mn as at end of 1Q17. In addition, effective interest cost for 1H17 was 3.23%, slightly decreased from 3.48% during 1H16.

#### **Income tax expense**

2Q17 income tax expense was THB 22mn, reduced significantly by 95.5% YoY, mainly due to tax credit contributed from Red Lobster. 2Q17 effective tax rate was 1.3%, compared to 22.1% in 2Q16 and 11.6% in 1Q17.

1H17 income tax expense decreased sharply by 73.8% to THB 221mn. The decline was contributable to lower-than-normal income tax expense in 2Q17 and 1Q17. 1H17 effective tax rate was 6.6%, versus 20.5% in 1H16.

#### **Net profit**

2Q17 net profit attributable to the owners of the parent decreased by 7.6% YoY to THB 1,411mn (from THB 1,527mn in 2Q16) mainly due to a decline in profitability and a significant rise in finance cost. However, 2Q17 net profit was helped by material reduction in income tax expense, a reduction of SG&A after implementation of cost saving program as well as an increase in other income. 2Q17 net profit margin was 4.1%, versus 4.4% in 2Q16 and 4.7% in 1Q17.

1H17 net profit was at THB 2,880mn, increased by 4.4% from THB 2,758mn in 1H16. An increase was mainly driven by growing sales, material reduction in

income tax expense, an increase in other income contributed from Red Lobster investment, significant FX gain and significant decline in SG&A expenses.

#### **Financial position analysis:**

As of 30 June 2017, TU's total assets were THB 144,886mn, up 1.8% from THB 142,365mn at the end of 2016, mainly due to a higher inventory and receivable, mainly resulted from growing working capital requirement during high sales season in 2Q17. However, efficiency ratio-wise, TU improved working capital management with 111 net working capital days in 2Q17 vs 114 days in 4Q16.

Net inventories were well-controlled and were increased by 2.0% or THB 792mn despite June 2017 Skipjack tuna price of USD1,900/ton was the highest level in 48 months.

Trade and other receivables were up by 10.1% from end-2016 level, reflecting seasonality trend in the 2<sup>nd</sup> quarter.

Total non-current assets increased to THB 83,612mn, from end-2016 at THB 82,287mn. The marginal increase was mainly due to organic expansion capex.

Total current liabilities decreased by 40.5% from end-2016 to THB 35,250mn, mainly from the bridge loan facility to support the investment in Red Lobster has been refinanced to long-term loans, in term of both debenture and bank term loans. Account payable also increased by 14% to THB 19,894mn due to rising raw material prices.

Total liabilities marginally increased by 1.4% (THB 1,357mn) to THB 96,286mn at end-2Q17, as the decline in short-term liabilities have been evenly matched with long-term liabilities through debt refinance process.

Total shareholders' equity increased by 2.5% from the end of 2016 to THB 48,600mn as the company's operation continued to be profitable.

#### **Cash Flow analysis:**

In 1H17, net cash receipts from operating activities were THB 4,275mn. Positive cash flow was driven mostly by profitable operation (EBITDA: THB 5,773mn) during the period despite continued challenging operational outlook. High raw material prices in tuna and salmon businesses continue to put pressure on the company's operation. However, despite working capital items were increased in line

with rising raw material prices and growing sales due to seasonality pattern, 2Q17 working capital days were at 111 days, compared to 114 days at end-2016.

Net cash payments for investing activities were THB 1,839mn, mainly due to the regular capital expenditure during 1H17.

TU recorded net cash payment for financing activities of THB 2,702mn during 1H17, mainly from a dividend payment amounted THB 1,479mn during April 2017.

Net decreases in cash and cash equivalents, including an exchange loss on cash and cash equivalent were THB 366mn resulting with the end-2Q17 cash and cash equivalent balance of THB 610mn (including impact from the use of Bank Overdraft).

**Financial ratio highlights:**

	2Q17	2Q16	1Q17
A/R Days	38	40	41
Inventory Days	119	106	131
Current Ratio (x)	1.74	1.51	1.85
ROCE (%)	8.1%	13.4%	9.3%
ROE (%)	12.8%	13.8%	13.5%
ROA (%)	6.2%	9.1%	6.3%
ND/E (x)	1.33	0.74	1.34
IBD/EBITDA (x)	5.70	2.95	5.59
Interest Coverage (x)	3.90	8.38	4.46
BV (Baht/share)	9.35	9.24	9.16

*Remark:*

*Current ratio = Total current assets / total current liability*

*ROCE = Annualized EBIT / Average capital employed*

*Capital Employed = total assets - total current liabilities (incl. current portion of long-term debt)*

*ROE = Annualized quarterly net profit / average total shareholders' equity*

*ROA = Annualized quarterly EBIT / average total assets*

*ND/E = Interest-bearing debt – cash & cash equivalents / total shareholders' equity*

*Debt/EBITDA = Interest-bearing debt / EBITDA*

*Interest coverage = EBIT / interest expense*

*BV = Total shareholders' equity / outstanding shares*

Receivable days as of 2Q17 declined slightly to 38 days, compared to 40 days in 2Q16 and 41 days in 1Q17. The decline was primarily attributable to improving turnover.

Inventory days as of 2Q17 increased to 119 days, against 106 days in 2Q16, mainly due to lower

inventory turnover resulting from rising inventory value (net) as well as rising raw material prices. On QoQ basis, inventory days decreased from 131 days mainly thanks to improving inventory turnover from seasonality.

The current ratio during 2Q17 improved to 1.74 times versus 1.51 times in 2Q16 mainly thanks to increased current assets (particularly for inventory) and decreased in current liabilities (mainly for bank overdraft, short-term loans and current portion of debts). On QoQ basis, current ratio dropped slightly from 1.85 times due to an increase in working capital requirement (bank overdraft and short-term loans) to support the growing sales during the quarter.

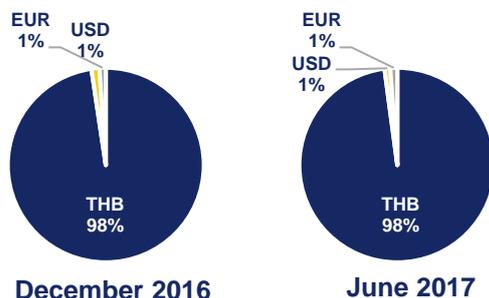
ROCE as at 2Q17 declined to 8.1% from 13.4% in 2Q16 mainly due to weaker profitability and higher capital employed for Red Lobster investment starting from 4Q16. On QoQ basis, ROCE decreased slightly from 9.3% in 1Q17 particularly due to an increase in capital employed during the quarter. Average capital employed as of 2Q17 was at THB 109,133mn, compared to THB 76,000mn in 2Q16 and THB 95,877mn in 1Q17.

Net debt-to-equity as of 2Q17 was at 1.33 times, significantly increased from 0.74 times in 2Q16, driven mostly by debt acquisitions for Red Lobster investment and other investment activities. However, the ratio remained well below the debt covenant ratio of 2 times. On QoQ basis, net debt-to-equity was stable.

2Q17 Interest-bearing debt (IBD) to EBITDA ratio increased to 5.70 times from 2.95 times in 2Q16 due to an increase in interest-bearing debt secured for investment activities. On QoQ basis, the ratio also was stable.

Interest coverage ratio as at 2Q17 was at 3.90 times, largely declined from 8.38 times in 2Q16 and 4.46 times in 1Q17, mostly driven by a significant increase in finance cost given debt acquisition for corporate investment activities.

**Interest-bearing debt profile by currency:**

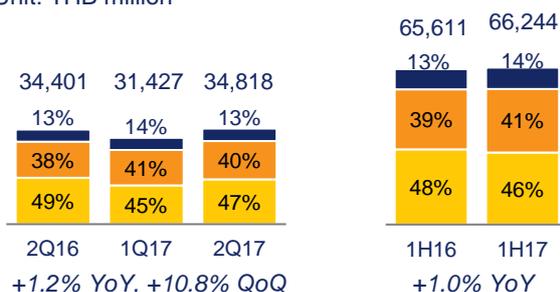


As of June 2017, interest-bearing debts were at THB 65,477mn, mainly denominated in the local currency. THB debts accounted for 98%, followed by EUR debts of 1% and USD debts of 1%. The proportion of debt in THB currency has been relatively stable during the period.

**Business overview by business unit:**

**Total sales value**

Unit: THB million



- Ambient seafood
- Frozen, chilled seafood & related
- PetCare, value added & others

**Ambient seafood<sup>1</sup>:**

**High tuna price constrained growth**

	2Q16	1Q17	2Q17	1H16	1H17
<b>Value</b>	<b>16,846</b>	<b>14,069</b>	<b>16,371</b>	<b>31,764</b>	<b>30,440</b>
Brand	58.6%	58.9%	59.1%	60.3%	59.0%
PL	38.1%	41.1%	40.9%	39.7%	40.1%
<b>Volume</b>	<b>101,582</b>	<b>87,643</b>	<b>95,773</b>	<b>194,468</b>	<b>183,415</b>

Value (unit: THB mn), Volume (unit: ton)

Remark: PL stands for Private Label business

2Q17 ambient seafood business sales were THB 16,371mn, down 2.8% YoY. While the average selling price increased by 3.1% to reflect rising tuna cost, the sales volume was under pressure.

2Q17 Gross profit margin was at 14.9%, down 464bps YoY, due to high raw material prices during the quarter.

Continued rising tuna price to a 48-month record level of USD1,900/ton by June 2017 put pressure on both branded and private label gross profit margins.

**Frozen, chilled seafood and related<sup>2</sup>:  
Solid growth**

	2Q16	1Q17	2Q17	1H16	1H17
<b>Value</b>	<b>13,152</b>	<b>12,914</b>	<b>13,944</b>	<b>31,764</b>	<b>30,440</b>
Brand	31.9%	36.6%	35.6%	32.6%	36.1%
PL	68.1%	63.4%	64.4%	67.4%	63.9%
<b>Volume</b>	<b>57,635</b>	<b>54,015</b>	<b>62,257</b>	<b>194,468</b>	<b>183,415</b>

Value (unit: THB mn), Volume (unit: ton)

2Q17 frozen and chilled seafood business sales were at THB 13,944mn, up 6.0% YoY. The improvement was driven mainly by:

- Product repricing to reflect higher raw material prices. Chilled salmon business, while sales volume decline, reported an average selling price (ASP) up 14% YoY
- Shrimp business saw sales improvement driven by growing sales volume

With European salmon business gross margin remained positive into 2Q17 and stable margin profile for shrimp business, overall gross margin for the frozen, chilled seafood and related business improved by 132bps YoY to 9.6%.

**PetCare, value-added and others<sup>3</sup>:**

**PetCare delivering solid operational performance**

	2Q16	1Q17	2Q17	1H16	1H17
<b>Value</b>	<b>4,404</b>	<b>4,444</b>	<b>4,502</b>	<b>8,470</b>	<b>8,946</b>
Brand	1.7%	6.6%	11.5%	2.1%	9.1%
PL	98.3%	93.4%	88.5%	97.9%	90.9%
<b>Volume</b>	<b>36,459</b>	<b>35,900</b>	<b>36,884</b>	<b>69,204</b>	<b>72,784</b>

Value (unit: THB mn), Volume (unit: ton)

2Q17 PetCare and valued added segment sales were at THB 4,502mn, up 2.2% YoY and 1.3% QoQ, mainly thanks to continued growth in PetCare business.

Despite rising tuna price, PetCare value-added and other businesses continue to deliver solid 20% gross profit margin.

Remark:

<sup>1</sup> Ambient seafood business includes entire tuna business, entire sardine & mackerel and ambient & pouch salmon

<sup>2</sup> Frozen, chilled seafood and related business includes shrimp & related business (shrimp, lobster, shrimp feed & value-added shrimp), frozen, chilled & smoked salmon and other seafood (frozen cephalopod, crab, scallop, shellfish and other fish)

<sup>3</sup> PetCare, value added & others business includes PetCare, value-added business (Ready-to-Eat products, maguro & cephalopod sashimi, local products, bakery products and snack)

### Sales breakdown by brand vs. private label:

Unit: THB million



1H17 branded sales mix slightly increased to 43% (up from 41% during 2016) leaving the private label sales contributing the remaining 57% of 1H17 sales.

1H17 total branded sales increased by 3.1% YoY, mainly due to the solid brand presence in European and US markets.

On the other hand, private label sales were relatively stable YoY, resulting in diluted sales contribution compared to 2016.

### Business overview by region:

Unit: THB million

	2014	2015	2016	1H17
<b>Total sales</b>	<b>121,402</b>	<b>125,183</b>	<b>134,375</b>	<b>66,248</b>
<b>USA</b>	44.0%	42.2%	39.4%	38.2%
<b>Europe</b>	28.9%	29.4%	32.5%	32.8%
<b>Japan</b>	7.4%	6.3%	6.4%	6.4%
<b>Domestic</b>	6.9%	8.0%	8.3%	8.1%
<b>Others</b>	12.8%	14.1%	13.4%	14.5%

Remark: \*Others represent Asia, Australia, Middle East, Canada, Africa, South America and others

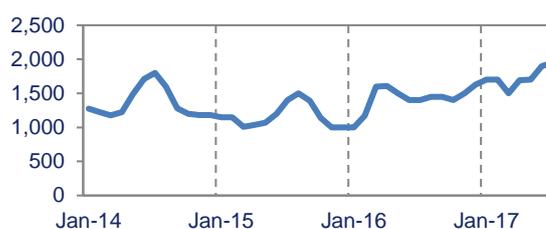
1H17 Sales contribution in key markets remained stable compared to 2016 sales mix by geography. However, the key changes were seen in the other key markets where TU has emphasized more on emerging and new market penetration.

US market sales contribution was at 38%, European market at 33%, Japan at 6.4% and Thailand at 6.4% which were largely unchanged from 2016.

### Key operating factors:

**Raw material prices continued to rise due to supply challenge**

**Skipjack tuna raw material price (USD/ton)**



In July 2017, tuna price closed at USD 1,950/ton. During 2Q17, an average tuna price was at USD 1,763/ton (+17.3% YoY, +8.0% QoQ).

### White shrimp raw material price

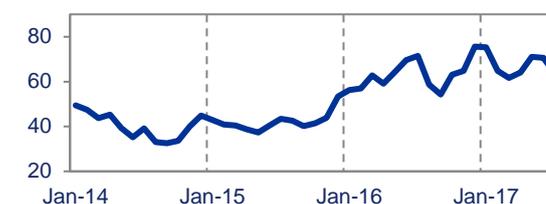
(THB/kg. of 60 pieces/kg)



In July 2017, shrimp price closed at THB 177/kg. During 2Q17, an average white shrimp price was at THB 169/kg (+3.1% YoY, -20.6% QoQ).

### Salmon raw material price

(NOK/kg)



In July 2017, salmon price closed at NOK 64/kg. During 2Q17, average salmon price was at NOK 69/kg (+6.6% YoY, +2.0% QoQ).

### Exchange rate USD/THB



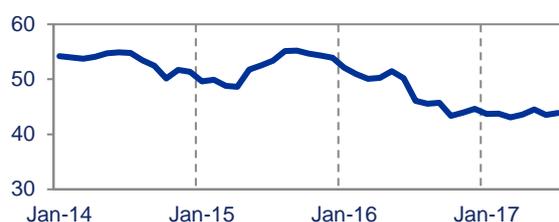
In July 2017, USD/THB closed at 33.75. In 2Q17, average USD/THB was at 34.30 (-2.8% YoY, -2.3% QoQ).

### EUR/THB



In July 2017, EUR/THB closed at 38.83. In 2Q17, average EUR/THB was at 37.72 (-5.3% YoY, +0.8% QoQ).

### GBP/THB



In July 2017, GBP/THB closed at 43.86. In 2Q17, average GBP/THB was at 43.87 (-13.4% YoY, +0.8% QoQ).

## Key developments

### Operation

- August 2017, the company completed the divestiture of the fishing fleets
- July 2017, Chicken of the Sea announced a strategic cooperation between Alibaba Group to bring U.S. food products to China through Alibaba's Tmall platform. Through this strategic partnership, Chicken of the Sea will be able to build brand and presence in China by providing premium and high-quality seafood products in chilled and frozen seafood such as lobster directly to Chinese consumers.

### Others

- July 2017, TRIS Rating has affirmed TU's credit rating and current senior unsecured debenture ratings at AA- with stable outlook.
- July 2017, TU remained a constituent of the FTSE4Good Index following the June 2017 index review. TU has been added to the FTSE4Good Emerging Index since December 2016. The

inclusion in the index shows that TU has demonstrated strong ESG practices.

### Industry update

- July 2017, Thailand has been maintained the status of the US Department of Trafficking in Persons Report at "Tier 2 Watch List". The report is issued by US Department of State.

### Dividend payment

- Interim dividend payment for the operating results during 1 January – 30 June 2017 as per the resolution of the Board of Directors dated 7 August 2017 is 0.32 THB/share. Representing 53.3% payout ratio. XD date will be on 18 August 2017. Book closing date is 23 August 2017. And the dividend will be paid on 4 September 2017.

### Statement of Income

(Unit: THB mn)	Consolidated							
	2Q17	% to sales	2Q16**	% to sales	1Q17	% to sales	2Q17/ 2Q16 Change	2Q17/ 1Q17 Change
Sales	34,818	100%	34,401	100%	31,427	100%	1.2%	10.8%
Cost of sales	(30,149)	-86.6%	(28,938)	-84.1%	(27,097)	-86.2%	4.2%	11.3%
<b>Gross profit</b>	<b>4,669</b>	<b>13.4%</b>	<b>5,463</b>	<b>15.9%</b>	<b>4,330</b>	<b>13.8%</b>	<b>-14.5%</b>	<b>7.8%</b>
SG&A expenses	(3,042)	-8.7%	(3,366)	-9.8%	(3,448)	-11.0%	-9.6%	-11.8%
FX gain (loss)	40	0.1%	32	0.1%	590	1.9%	25.5%	-93.2%
Other income*	530	1.5%	411	1.2%	750	2.4%	29.0%	-29.4%
<b>EBIT</b>	<b>2,196</b>	<b>6.3%</b>	<b>2,540</b>	<b>7.4%</b>	<b>2,221</b>	<b>7.1%</b>	<b>-13.5%</b>	<b>-1.1%</b>
Finance cost	(563)	-1.6%	(303)	-0.9%	(498)	-1.6%	85.8%	13.2%
<b>EBT</b>	<b>1,633</b>	<b>4.7%</b>	<b>2,236</b>	<b>6.5%</b>	<b>1,723</b>	<b>5.5%</b>	<b>-27.0%</b>	<b>-5.2%</b>
Tax	(22)	-0.1%	(493)	-1.4%	(199)	-0.6%	-95.5%	-88.9%
Profit (Loss) from discontinued operation	(80)	-0.2%	(38)	-0.1%	36	0.0%	112.0%	-324.6%
<b>Net income</b>	<b>1,531</b>	<b>4.4%</b>	<b>1,705</b>	<b>5.0%</b>	<b>1,524</b>	<b>4.8%</b>	<b>-10.2%</b>	<b>0.4%</b>
<b>Net income (loss) attributable to:</b>								
<b>Equity holders of the Company</b>	<b>1,411</b>	<b>4.1%</b>	<b>1,527</b>	<b>4.4%</b>	<b>1,469</b>	<b>4.7%</b>	<b>-7.6%</b>	<b>-3.9%</b>
Non-controlling interests of the subsidiaries	120	0.3%	178	0.5%	55	0.2%	-32.9%	116.4%
<b>Earnings per share</b>								
Basic earnings per share	0.29		0.32		0.31		-9.4%	-6.5%
Diluted earnings per share	0.29		0.32		0.31		-9.4%	-6.5%
<b>Exchange rate</b>								
THB/USD	34.30		35.29		35.11		-2.8%	-2.3%

(Unit: THB mn)	1H17					1H16**				
			% to sales				% to sales			1H17/ 1H16 Change
Sales	66,244	100%		65,611	100%					1.0%
Cost of sales	(57,246)	-86.4%		(55,151)	-84.1%					3.8%
<b>Gross profit</b>	<b>8,998</b>	<b>13.6%</b>		<b>10,459</b>	<b>15.9%</b>					<b>-14.0%</b>
SG&A expenses	(6,491)	-9.8%		(6,760)	-10.3%					-4.0%
FX gain (loss)	630	1.0%		296	0.5%					112.7%
Other income*	1,280	1.9%		789	1.2%					62.2%
<b>EBIT</b>	<b>4,417</b>	<b>6.7%</b>		<b>4,784</b>	<b>7.3%</b>					<b>-7.7%</b>
Finance cost	(1,061)	-1.6%		(675)	-1.0%					57.2%
<b>EBT</b>	<b>3,356</b>	<b>5.1%</b>		<b>4,109</b>	<b>6.3%</b>					<b>-18.3%</b>
Tax	(221)	-0.3%		(843)	-1.3%					-73.8%
Profit (Loss) from discontinued operation	(44)	-0.1%		(187)	0.0%					0.0%
<b>Net income</b>	<b>3,091</b>	<b>4.7%</b>		<b>3,079</b>	<b>4.7%</b>					<b>0.4%</b>
<b>Net income (loss) attributable to:</b>										
<b>Equity holders of the Company</b>	<b>2,880</b>	<b>4.3%</b>		<b>2,758</b>	<b>4.2%</b>					<b>4.4%</b>
Non-controlling interests of the subsidiaries	211	0.3%		321	0.5%					-34.3%
<b>Earnings per share</b>										
Basic earnings per share	0.60			0.58						3.8%
Diluted earnings per share	0.60			0.58						3.8%
<b>Exchange rate</b>										
THB/USD	34.68			35.57						-2.5%

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

\*\*Reclassification due to the split of discontinued operation

### Statement of Financial Position

(Unit: THB mn)	1H17	% to total assets	2016	% to total assets	Change
Cash and cash equivalents*	610	0.4%	976	0.7%	-37.5%
Trade and other receivables - net	18,077	12.5%	16,412	11.5%	10.1%
Inventories - net	40,418	27.9%	39,626	27.8%	2.0%
Other current assets	2,169	1.5%	3,064	2.2%	-29.2%
<b>Total current assets</b>	<b>61,274</b>	<b>42.3%</b>	<b>60,079</b>	<b>42.2%</b>	<b>2.0%</b>
Fixed assets	23,814	16.4%	23,281	16.4%	2.3%
Goodwill and other intangible assets	30,574	21.1%	29,583	20.8%	3.4%
Other non-current assets	29,224	20.2%	29,424	20.7%	-0.7%
<b>Total Assets</b>	<b>144,886</b>	<b>100%</b>	<b>142,365</b>	<b>100%</b>	<b>1.8%</b>
Bank overdrafts and short-term loans	13,452	9.3%	36,983	26.0%	-63.6%
Trade and other payables	19,894	13.7%	17,429	12.2%	14.1%
Current portion of long-term loans	739	0.5%	765	0.5%	-3.3%
Current portion of debentures	-	0.0%	2,500	1.8%	-100.0%
Current portion of finance lease liabilities	93	0.1%	82	0.1%	12.9%
Other current liabilities	1,072	0.7%	1,483	1.0%	-27.8%
<b>Total current liabilities</b>	<b>35,250</b>	<b>24.3%</b>	<b>59,242</b>	<b>41.6%</b>	<b>-40.5%</b>
Long-term loans from financial institutions	14,773	10.2%	963	0.7%	1433.5%
Debentures	36,261	25.0%	24,417	17.2%	48.5%
Finance lease liabilities - net of current portion	160	0.1%	208	0.1%	-23.5%
Other non-current liabilities	9,843	6.8%	10,099	7.1%	-2.5%
<b>Total Liabilities</b>	<b>96,286</b>	<b>66.5%</b>	<b>94,930</b>	<b>66.7%</b>	<b>1.4%</b>
Non-controlling interests of the subsidiaries	3,993	2.8%	4,193	2.9%	-4.8%
<b>Total Shareholders' Equity</b>	<b>48,600</b>	<b>33.5%</b>	<b>47,436</b>	<b>33.3%</b>	<b>2.5%</b>
<b>Total liabilities and shareholders' equity</b>	<b>144,886</b>	<b>100%</b>	<b>142,365</b>	<b>100%</b>	<b>1.8%</b>

\*Including short term investment

### Cash flow statement

(Unit: THB mn)	Consolidated		
	1H17	1H16	Change
<b>Profit before income tax</b>	<b>3,312</b>	<b>3,924</b>	<b>(612)</b>
Adjustments for depreciation & amortisation expenses	1,356	1,421	(65)
Other adjustments	702	656	046
Changes in operating assets and liabilities	(665)	923	(1,588)
Cash flows receipts from operating activities	4,705	6,923	(2,218)
<b>Net cash receipts (payments) from operating activities</b>	<b>4,275</b>	<b>5,987</b>	<b>(1,712)</b>
<b>Net cash payments for investing activities</b>	<b>(1,840)</b>	<b>(3,366)</b>	<b>1,526</b>
<b>Net cash receipts (payments) for financing activities</b>	<b>(2,703)</b>	<b>(3,673)</b>	<b>971</b>
Net increase (decrease) in cash and cash equivalent	(267)	(1,052)	785
Cash and cash equivalents - opening balance	731	2,590	(1,859)
Exchange gain (loss) on cash and cash equivalents	8	(35)	42
<b>Cash and cash equivalents - closing balance</b>	<b>472</b>	<b>1,504</b>	<b>(1,032)</b>
<b>CAPEX</b>	<b>(2,384)</b>	<b>(1,533)</b>	<b>(850)</b>
Management Est. Free Cash Flows	2,371	4,454	(2,083)