



Thai Union Frozen Products

TUF

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May 12, 2008

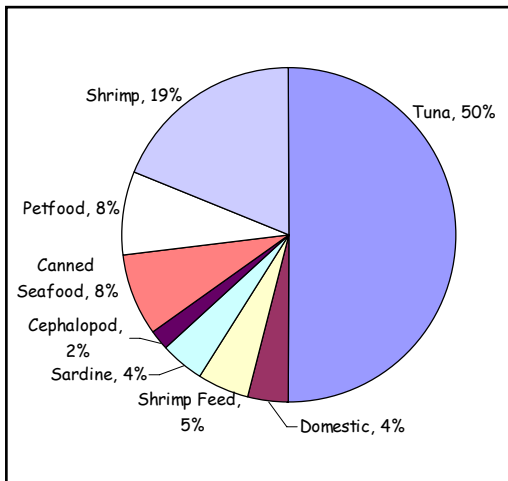
Increase/(decrease)	YOY Grw. Q1'08
• Net profit	10%
• Baht sales	20%
• Dollar sales	32%
• Debt-to-Equity ratio:	0.83x
• Q1'2008 EBITDA:	Bt1,086.0 m

Exch. Rate as of Mar30'08: Bt31.51/USD
Avg. Exch. Rate for Q1'08: Bt32.23/USD
Avg. Exch. Rate for Q1'07: Bt35.41/USD
No. of shares for Q1'08: 878.8 m

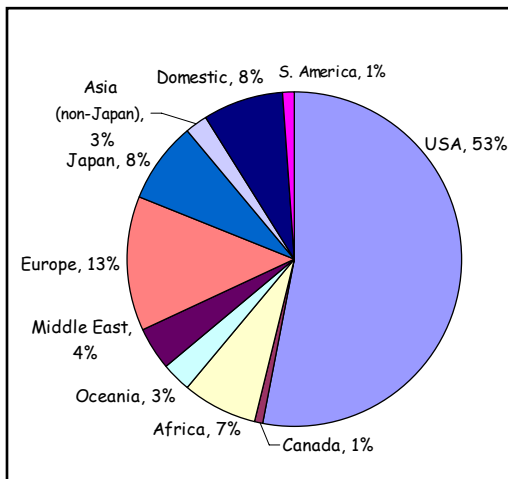
Sales grew strongly despite challenging business conditions. Sales in dollar term rose 32.3% YoY to reach US\$ 478.3 m while sales in Thai baht were up by 20.7% YoY. The dramatic appreciation (6.6% QoQ) of the local currency (vs. US dollar) during the quarter (after the Bank of Thailand lifted the 30%-capital control measure on March 3, 2008) was the main factor. Consequently, the operating margin, despite continual success in internal cost controls, was under pressure. Thanks to our foreign exchange hedging policy which matches dollar sales with currency forward contracts, the lost margin were therefore compensated by a corresponding foreign exchange gain. Thanks to strong sales and foreign exchange gains, quarterly net profit was 9.5% higher than a year ago. When the exchange rate stabilizes, the operating margin should recover and exchange gains would be limited. Given the encouraging business prospect, we would like to revise our 2008 target sales growth rate up to 20%.

Shrimp, pet food, sardine and other seafood posting strong sales growth Dollar sales of shrimp, pet food and other seafood registered YoY growth rates of 40.0%, 50.1% and 43.7% respectively. Canned sardine, an emerging star since late last year, also posted strong growth.

Q1'08 Sales Breakdown by Product



Q1'08 Sales Breakdown by Market



PERFORMANCE (Bt million)

Consolidated	Q1'08	%	Q1'07	%
Sales	15,415.6	100.00	12,801.5	100.00
Cost of goods sold	13,803.7	89.54	10,957.1	85.59
Gross profit	1,611.9	10.46	1,844.4	14.41
SG & A	1,336.4	8.67	1,294.0	10.11
Forex loss	-	-	-	-
Operating profit	275.5	1.79	550.4	4.30
Interest income	0.1	0.00	2.4	0.01
Equity income from associates	-0.5	(0.00)	3.4	0.03
Other income	572.4	3.71	220.3	1.72
EBIT	847.5	5.50	776.5	6.06
Interest expenses	143.3	0.93	127.9	1.00
Income tax / (credit)	69.8	0.45	67.1	0.52
Net income before MI	634.4	4.12	581.5	4.54
Minority interests	56.4	0.36	53.8	0.42
Net Profit	578.0	3.75	527.7	4.12
Earnings per share (Bt)	0.66		0.60	

FOR FURTHER INFORMATION, PLEASE CONTACT WAI YAT PACO LEE / PARALEE SUKHATUNGKA
at (662)298-0024 EXT 680,670 / FAX (662)298-0553 paco_lee@thaiunion.co.th / paralee@thaiunion.co.th

EBITDA			
	Q1'08	Q1'07	2006
EBITDA(Bt m)	1,086	1,000	3,829
EBITDA(US\$ m)	34	28	111
Avg. exch. rate	32.23	35.41	34.43

Preliminary result of the 2nd annual review of US shrimp antidumping duty and the progress of TUF appeal: On Feb. 29, 2008, TUF received its preliminary result of the antidumping rate (AD) for the period Feb. 2006 through Jan. 2007. To our surprise, the preliminary AD rate was 15.3% which was higher than our existing rate of 5.95%. After consultation with our US AD lawyer Akin Gump. We discovered that there was inconsistency in the US Department of Commerce (USDC) in handling our case. With the co-ordination by our lawyer and Thai embassy at Washington D.C, we have successfully made our appeal to USDC. The issue was later acknowledged by the Department through a letter to us in mid-April. The state agency promised to re-evaluate their preliminary decision on TUF and will make appropriate changes when the final (and enforceable) rate is released in September, 2008. Because of all these positive developments, our lawyer is very confident that the final result would be favorable to TUF and there is good chance that the final rate will be competitive. Regardless of the final result, we believe the financial impact from any final AD rate should be one-off, short term, and very limited to our bottom line given our broad base of seafood business.

Sharp baht appreciation hurting margins As around 1/3rd of our costs are in Thai baht while more than 90% of our sales are in US dollar, any sharp and sudden appreciation of the local currency (vs. US dollar) would adversely affect our margins in the short term. The situation in Q1'08 was particularly extreme. The weak US dollar on the back of the removal of the capital control measure by the new Thai government depressed our gross margin, which should be common among Thai exporters whose dollar incomes would earn them less Thai baht due to the appreciation of the local currency. The persistently high and fluctuating fish prices also did not help the situation, keeping pressure on margins. However, proper price adjustments together with various cost control measures should help restore our margins in the quarters to come despite the strong Thai baht.

FX gain thanks to hedging policy Our daily risk control measure is to hedge our dollar sales with currency forward contracts with an objective to protect margins in case of any rapid and sharp strengthening of Thai baht. This measure did help us reap the highest ever exchange gain of Bt444.4 m in history when Thai baht surged sharply upon sudden baht appreciation. Since our sales and pending orders on hand were fully covered, the majority of the gain could be seen as a compensation for the lost margin during the quarter. Currency forward contract has been our key hedging tool. Thai baht surged by 6.6% during the quarter.

Improved financial position Upon strong sales, our financial position also improved significantly. Interest bearing debts dropped by Bt1.4 billion from the previous quarter, in line with the reduction of our inventories. Strong sales growth and active inventory control by our overseas subsidiaries made this happen. As a result, our D/E ratio improved to 0.83x from 0.97x in Q4'07. EBITDA (Bt1,086 m) was also one of the highest in recent years surpassing Bt 1 bn mark. Time interest earned improved from Q4'07.

QUARTERLY PERFORMANCE (Bt million)

Consolidated	Q1'08	%	Q4'07	%	Q3'07	%	Q2'07	%	Q1'07	%
Sales	15,415.6	100.00	15,253.6	100.00	13,723.6	100.00	13,728.4	100.00	12,801.5	100.00
Cost of goods sold	13,803.7	89.54	13,193.2	86.49	11,883.7	86.59	11,897.6	86.66	10,957.1	85.59
Gross profit	1,611.9	10.46	2,060.4	13.51	1,839.9	13.41	1,830.8	13.34	1,844.4	14.41
SG & A	1,336.4	8.67	1,492.8	9.79	1,229.6	8.96	1,286.1	9.37	1,294.0	10.11
FOREX loss	-	-	-	-	-	-	-	-	-	-
Operating profit	275.5	1.79	567.6	3.72	610.3	4.45	544.7	3.97	550.4	4.30
Interest income	0.1	0.00	5.6	0.04	3.2	0.02	7.0	0.05	2.4	0.01
Equity income from associates	-0.5	(0.00)	-0.7	(0.00)	1.9	0.01	0.3	0.00	3.4	0.03
Other incomes	572.4	3.71	126.8	0.83	65.2	0.48	142.2	1.04	220.3	1.72
EBIT	847.5	5.50	699.3	4.58	680.6	4.96	694.2	5.06	776.5	6.06
Interest expenses	143.3	0.93	171.2	1.12	145.6	1.06	135.3	0.99	127.9	1.00
Income tax/ (Tax Credit)	69.8	0.45	56.3	0.37	58.7	0.43	80.8	0.59	67.1	0.52
Income before MI	634.4	4.12	471.8	3.09	476.3	3.47	478.1	3.48	581.5	4.54
Minority interests	56.4	0.36	28.8	0.19	53.9	0.39	47.9	0.35	53.8	0.42
Net Profit	578.0	3.75	443.0	2.90	422.4	3.08	430.2	3.13	527.7	4.12
Earnings per share (Bt)	0.66		0.50		0.48		0.49		0.60	
<i>(as of par 1 baht per share)</i>										

SHARE CAPITAL INFORMATION

PRICE (7/5/2008)	: Bt 19.3
Historical price	: High Bt 22.60
(last 6 months)	Low Bt 18.90
No. of Shares	: 878.80 m
Market Capitalization	: Bt17.0 bn
	(US\$540 m)
Average Daily Trading Vol.	: 700,000
(last 6 months-local shares)	
Major Shareholder	: Chansiri Family
	25.40%

Date	Closing Price	P/E ratio
Dec 28, 07	22.50	10.82
Dec 29, 06	25.00	11.1x
Dec 31, 05	30.50	12.7x
Dec 31, 04	24.80	11.1x
Dec 31, 03	31.00	11.7x
Dec 27, 02	17.00	9.4x

as of par 1 baht

#4,739,000 new shares were issued on July 2, 2007 upon exercise of share warrants previously issued to the company's employees under the employee share option program (ESOP). The total number of warrants available for ESOP was 26 million shares, which would be gradually exercised over a 5-year period with July 2 as the annual exercise day. The remaining number of warrants available for exercise in 2008 is 5.2 million.

	Q1'08	2007	2006
Current Ratio (X)	1.85	1.72	2.06
Gearing Ratio (X)*	1.11	1.30	0.95
Debt-to-Equity (X)**	0.83	0.97	0.66
Inventory Turnover(days)	98	105	93
Collection Period (days)	36	38	36
Payment Period (days)	17	19	17
GP Margin (%)	10.46	13.6 5	15.3 2
NP Margin (%)***	3.58	3.25	3.43
ROAE (%)	#4.32	14.17	15.8 4
Times Int. Earned (X)	5.88	4.92	4.93

un-annualized

*Gearing Ratio = Total Liabilities / (Equity + MI)

**Debt-to-Equity Ratio
=Interest-Bearing Debts/ (Equity + MI)

***Net Margin = Net Profit/ Total Revenues

Financial analysis

Consolidated quarterly sales in dollar term rose 32.3% YoY to US\$478.3 m from US\$361.5 m while sales in baht term increased by 20.7% YoY to Bt15,416 m from Bt12,773 m. On average, Thai baht appreciated by 9.0% from the same period a year ago. In comparison with Q4'07, quarterly sales also rose by 6.1% in dollar term and 1.1% in baht term respectively due to continual appreciation of Thai baht vs. US dollar during the period. The average exchange rate in Q4'07 was Bt33.85/US\$. All product categories exhibited sales growth, led by pet food, shrimp, canned sardine and other canned seafood. Tuna products, particularly tuna loin, continued to grow. The only item which showed limited sales growth was shrimp feed where demand was adversely affected by poor domestic shrimp prices that discouraged farmers from cultivation. During the period, the total volume (excluding shrimp feed and domestic products) in terms of tonnage increased by 19.3% YoY. In other words, prices were generally adjusted upward.

- Tuna sales (canned and loin) in US dollar term grew 20.4% YoY and 6.2% QoQ during the quarter. Meanwhile, sales volume (ton) was flat YoY and down 3.8% QoQ. It was mainly because the selling prices have been adjusted upward in order to compensate for the high tuna raw material prices. The EU, Africa, the Middle East and Latin America markets accounted for the majority of growth thanks to the increasing demand and their strong currencies against US dollar. This proved our success of diversification from the US market.

Canned tuna sales to the US (including contribution from COSI) registered slight growth (6.2%) from a year ago. The high fish prices and the weakening US dollar were the key dampers. Despite this, COSI carried on its efforts of continual innovation during the quarter by launching the new tuna salad cup, tuna pouch and tuna/salmon salad toppers in re-designed packages (providing consumers with more information on health benefits of the products).

The average price of frozen skipjack tuna (Bangkok landings/ WPO) in Q1'08 was US\$1,513/metric ton, up 51.8% from a year ago (US\$997/metric ton). It has been moving in the same direction with that of the Eastern Pacific Ocean (EPO), though the prices in WPO were slightly lower than those in EPO. The average EPO price for the period was US\$1,530/ metric ton. During Q1'08, tuna prices continued to surge from the previous quarter. Hiking oil prices, combined with continual poor catching, led to higher fish prices. It is likely that tuna prices will stay at the current level or move up even higher in the coming months when fishing in Indian Ocean (the second largest fishing ground for tuna) entered its low season due to the Monsoon. Moreover, there are no signs that the world oil prices will decline soon.

- Shrimp sales in dollar term rose by 40.0% YoY but dropped 5.3% QoQ to US\$89.8 m while volume up by 37.3% YoY (down 3.7% QoQ) to 9,551 tons during the quarter. The increases were on all fronts, particularly continuously strong sales growth from Chicken of the Sea Frozen Food. Export sales out of Thailand, as well as Empress, reported healthy growth.

Shrimp sales to the US (including contribution from Empress International and Chicken of the Sea Frozen Food) showed strong growth (up 41.2% YoY) while sales to Japanese also registered healthy growth rate (up 29.2%). The EU market also exhibited promising growth, though from a much smaller base.

With respect to domestic prices, the price of white shrimp (60 counts/kg) was very stable within the range of Bt109-120/kg during the quarter. The average for the quarter stayed at Bt116/kg, slightly down from the previous period (Bt123/kg). When Thailand entered its harvest season in May-August, the shrimp supply should increase and could push down prices like in the past 2 years. But, with the expectation of a smaller crop this year, the impact might not be as severe as in the recent history.

Cost of goods sold in Q1'08 was 89.54% of sales, up significantly from 85.59% in Q1'07 and 86.49% in Q4'07. Therefore, gross margin in the quarter was under extreme pressure, being pushed down to 10.46%. The sudden appreciation of Thai baht in early March (that adversely impacted the profitability of orders on hand and the account receivables) was the main culprit for the sharp decline. Moreover, high fish prices and general cost inflation also kept pressure on the margins. Strong sales growth of lower margin products, such as shrimp, was another contributing factor that diluted gross margins. But, with the local currency stabilizing since late March, we expect the margin to improve soon.

- SG&A expenses (as percentage of sales) was 8.67% in Q1'08, which was even lower than 10.11% in Q1'07 and 9.79% in Q4'07. The level was close to the low end of the normal range. The persistent decline (as % of sales) was once again a demonstration of our capability in controlling internal expenses. Sales grew strongly despite lower sales promotion and marketing expenses than a year ago.

- FOREX gain (realized and unrealized) from current dollar-denominated assets/liabilities, currency forward contracts and other hedging instruments for the quarter was Bt444.4 m. As the trend of further strengthening of Thai baht became obvious since late 2007, we hedged all of our US dollar-denominated sales and pending orders on hand in order to protect our margins. The fast appreciation of the local currency upon removal of the capital inflow control measure by the new government therefore allowed us to reap a sizeable one-off exchange gain. Thai baht strengthened by 6.6% from Bt33.75/US\$ on Dec 28, 2007 to Bt31.51/US\$ on Mar 31, 2008. Now the currency has been stable, so we don't expect another exchange gain of this magnitude in the near future.

- Equity income from associated companies in Q1'08 was a loss of Bt0.5 m, compared with a profit of Bt3.4 m a year ago.

- Other incomes (excluding FX gain) in Q1'08 were Bt128.5 m, compared with Bt122.5 m in Q1'07.

- Corporate income tax of Q1'08 was Bt69.8 m, representing an effective tax rate of 9.9%, lower than 10.3% in Q1'07. While the majority of our Thai operations enjoy BOI tax holiday, our US subsidiaries are subject to normal US tax rates which are higher than Thai rates.

- Interest expenses of Q1'08 was Bt143.2 m, slightly higher than Bt171.2 m in Q4'07, thanks to a lower debt level and declining domestic and US interest rates during the quarter.

- Net income for Q1'08 was Bt578.0 m, up 9.5% YoY and 30.5% QoQ. Net margin was 3.75%, lower than 4.12% in Q1'07, but higher than 2.90% in Q4'07. The quarterly EPS was Bt0.66, 10% higher than a year ago.

- Inventory turnover rate was 98 days in Q1'08, compared with 105 days for the year of 2007. Account receivables turnover rate was 36 days in Q1'08, faster than 38 days for the year of 2007.

- Debt-to-Equity ratio dropped to 0.83x in Q1'08 from 0.97x in Q4'07, thanks to prudent debt management and active inventory control.

About TUF

Thai Union Frozen Products Public Company Limited was founded in 1988. Currently, it is the largest canned tuna packer in the world in terms of capacity and a leading seafood processor and exporter in Asia with a global workforce of around 26,000. Major products are canned tuna, frozen tuna loin, frozen shrimp, frozen and canned seafood, frozen cephalopod, pet food, fish snack and shrimp feed.

Milestones:

1990 Started operations as a contract tuna packer.

1994 Listed in the Stock Exchange of Thailand.

1997 Entered a 50% JV with two overseas business partners to buy out the then bankrupt Van Camp Seafood (owner of Chicken of the Sea brand) and its production facility on American Samoa Island.

1998 Issued 10 m new shares for a private placement

1999 Took over then listed Songkla Canning, a major Thai canned tuna packer, with a share swap of 1 new TUF share for 1.7 existing Songkla shares

2001 Bought the remaining 50% of Van Camp Seafood from US partners

2002 ECD was fully converted into 110 m new common shares by its holders.

2003 Acquired Empress International, a major US seafood importer/distributor

2004 Broke the US\$ 1 bn mark in sales

2005 Invested in Century Trading (Shanghai) - a JV to market branded canned tuna in China

2006 Set up Chicken of the Sea Frozen Food to market branded frozen seafood in US & acquired a 76.5% stake of Jui Fa Int. Food - an Indonesian tuna packer

2007 Started Thai Union Hatchery to develop shrimp brood stock & acquired an Indian Ocean-based tuna fishing fleet

2008 Bought 51% of Yueh Chyang Canned Foods - a Vietnamese based seafood processor

ANNUAL INCOME STATEMENT (Bt million)

Consolidated	2007	2006	2005	2004	2003
Sales	55,507.1	55,038.6	53,643.5	46,751.0	40,330.6
Cost of goods sold	47,931.6	46,604.5	45,317.0	39,580.9	33,299.4
Gross Profit	7,575.5	8,434.1	8,326.5	7,170.1	7,031.2
SG & A	5,289.9	5,839.3	5,745.4	5,007.9	4,488.1
Forex loss	-	-	-	37.1	-
Operating profit	2,285.6	2,594.8	2,581.1	2,125.2	2,543.1
Interest income	18.3	6.5	3.5	4.0	1.9
Equity incomes -associated	4.9	18.0	34.6	37.8	45.2
Other income	541.8	381.3	335.4	255.2	454.8
EBIT	2,850.6	3,000.6	2,954.6	2,422.2	3,045.0
Interest expenses	580.0	608.4	360.5	219.9	140.1
Income tax	262.9	133.3	282.2	(9.0)	358.5
Income before minority interests	2,007.7	2,258.9	2,311.9	2,211.3	2,546.4
Minority interests	184.4	357.6	229.5	278.4	267.1
Net profit	1,823.3	1,901.3	2,082.4	1,932.9	2,279.3
Earnings per share (Bt)	2.08	2.18	2.40	2.24	2.65

NET CASHFLOW (Bt million)

	Q1'08	2007	2006	2005
Net Profit	580.0	1,823.3	1,901.3	2,082.4
Depreciation & Amortization	238.5	978.1	912.8	820.3
Net Cash from Operating Activities	1,303.5	(1,633.7)	1,485.5	1,732.2
Net Cash from Investing Activities	(462.1)	(2,472.3)	(1,478.8)	(1,018.1)
Net Cash from Financing Activities	(1,221.0)	4,120.0	(705.6)	(424.4)
Effect of FX change on cash and cash equivalents	260.8	106.3	593.8	(175.8)
Net Inc/(Dec) in Cash	(118.8)	120.3	(105.1)	113.9

BALANCE SHEET (Bt million)

	Q1'08	2007	2006	2005
Current Assets	21,757.7	23,497.1	18,435.8	18,803.2
Investment	332.9	346.4	314.4	327.2
Fixed & Other Assets	10,064.1	9,732.4	8,050.2	7,863.4
Total Assets	32,154.7	33,575.9	26,800.4	26,993.8
Current Liabilities	11,788.0	13,666.0	8,946.0	12,909.4
Non-Current Liabilities	5,134.2	5,340.2	4,086.5	1,264.2
Total Liabilities	16,922.2	19,006.2	13,032.5	14,173.6
Minorities' Interests	1,540.2	1,483.7	1,454.9	1,124.9
Shareholders' Equity	13,692.3	13,086.0	12,313.0	11,695.3

CONSOLIDATED ANNUAL RESULTS

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Net Profit (Bt m)	1,823.3	1,901.3	2,082.4	1,932.9	2,279.3	1,549.0	1,505.6	1,524.8	1,762.4	1,207.9
Earning per share[EPS](Bt)	2.08**	2.18**	2.40**	2.24**	2.65**	1.80**	2.01**	10.18*	24.56#	21.42#
Dividend per share (Bt)	1.11	1.13	1.20	1.56	1.85	1.27	1.23	5.10	12.00	10.25
Dividend payout ratio	53%	52%	50%	70%	70%	71%	61%	50%	49%	48%

** as of par 1 baht * as of par 5 baht # as of par 10 baht