



**บริษัท ไทยยูเนียน ฟรอสเซ่น โปรดักส์ จำกัด (มหาชน)**  
**Thai Union Frozen Products Public Company Limited**

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**Reg. No. 0107537000891**

Press Release

9/08/2012

**TUF Posts Bt 2,469 Million in Net Profit for First-Half Operations**  
**21% Profit Expansion Seen against Slowing European and US Economies**  
**Firm Still Going Strong to Achieve Further Growth**

TUF announced its overall operating performance for the first 6 months of 2012 with growth seen in both sales and net profit. MW Brands operations in Europe continued to deliver strong performance with stable margin. Persisting European economic crisis has had no adverse impacts on the Group's operations. Net profit for the period was recorded at Bt2,469 million, up 21%. Sales grew both in US dollar and baht by 7% and 10%, respectively. The Company is ready for generating further growth to achieve annual sales growth target of USD 5,000 million by 2015.

Thiraphong Chansiri, president of Thai Union Frozen Products PCL. (TUF), the world's leader and expert on innovative and quality seafood products with global brand portfolios, revealed that, for the first half of 2012, the Company made a net profit of Bt2,469 million, up 21% from the same period of 2011 when it posted Bt2,044 million in net profit. Earnings per share for the first half were Bt2.15. The period also saw sales growth in US dollar by 7% from USD1,564 million in 2011 to USD1,674 million in 2012. Meanwhile, sales in Thai baht also expanded by 10% year-on-year to Bt52,062 million when compared to Bt47,565 million.

The Q2/2012 operating performance continued to exhibit strong profit growth, hitting Bt1,402 million, or up 9% from Bt1,284 million Q2/2011. There was an extraordinary accounting treatment during the quarter in relation to a net-of-tax expense (worth approx. Bt400million) as a result of amortization of a deferred finance fee incurred by the acquisition of MW Brands 18 months ago. It is because the Company spent the amount of Bt9,563 million raised through its recent capital increase in May for a loan repayment. In accordance with current accounting standards, the remaining deferred finance expense of the loan had to be realized fully and immediately. Because of this, this amount would be treated as a charge against the quarter's net profit. Therefore, the net profit for the quarter dropped to Bt1,002 million. Without this according transaction, the



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quarterly net profit would have reached Bt1,402 million, representing the best ever second-quarter result ever the firm has. Meanwhile, sales in US dollar for the quarter was USD852 million, up 4% when compared to USD821 million in the second quarter of 2011. In Thai baht terms, sales were Bt26,758 million, up 8% from 2011's second quarter when its sales was Bt24,860 million. Foreign currency exchange rates during the quarter, especially in May, were highly volatile but manageable. This was evident from our ability to maintain its quarterly gross profit margin at 16.9% while quarterly operating profit remained at a satisfactory level of 8%. This performance was therefore not a cause for concern for the Company's business operations.

Sales breakdown by 6 main strategic product groups during the first half of 2012 were tuna business (50%), shrimp and relating business (22%), sardine and mackerel business (6%), salmon business (5%), pet food business (7%), value-added product business and other products (10%). Main export markets include the US (35%), European Union (32%), domestic market accounts (10%), Japan (9%), Africa (4%), Oceania (3%), the Middle East (3%), Asia (2%), Canada (1%) and South America (1%).

According to Thiraphong, the overall performance of the first half of 2012 still showed continued growth despite tuna raw material price hike, persistent volatility of Thai currency and economic uncertainties in Europe and the US. strong business fundamentals contributed greatly to the Company's achievement of such robust performance. The Company anticipates the second half of the 2012 to be back to normal and business operations should proceed according to our plans. In Europe, MW Brands' sales performance and profitability have been maintained. Concerns over European economy have not had any adverse impacts on the Company's business. This is mainly due to the nature of the Company's business that involves staple food products that are always in need for basic consumption. The persisting economic crisis may even help the Company to uncover new potential investment opportunities in Europe. As for the US, although market competition is relatively high, Tri-Union Frozen Products still delivers strong operating results and profit margins. In the meantime, US Pet Nutrition, a pet food processor in the US market, shows promising growth outlook despite its recent slow start up at its new plant.



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Aside from overseas business, the Company has had in its pipeline proactive marketing plans. The most recent development in this area are rebranding efforts for Sealect and Fisho, which involve overall image changes; from new logo, new packaging and new positioning. Intensive marketing communications will be implemented from now on in order to gain recognition among target consumers. In addition, the Company will be expanding the geographical presence of both brands into canned food and snack food markets in ASEAN nations, considering their cultural similarity to Thailand's. The Company will be capitalizing on any emerging opportunities from the upcoming ASEAN Economic Community (AEC) for its more aggressive regional product presence. At present, TUF is exploring opportunities in Burma, Vietnam, Laos and Cambodia.

As further cited by Thiraphong, new potential markets will be identified in different regions across the globe on a continual basis. Currently, Africa, for example, shows strong market growth potentials. South America and the Middle East are also interesting. In Europe, there are many opportunities ahead, considering its total 27 member countries. Furthermore, market expansion can also be made into Russia. The Company looks for opportunities around the world and is readily equipped to capture any growth opportunities to deliver sustainable growth.

The Board of Directors' Meeting has recently passed a resolution to allocate the net profit achieved from operations during the first half of 2012 (January 1 – June 30, 2012) for a dividend at Baht 1.10 per share. In 2012, following a reduced D/E ratio of 0.8 time, the Company has resumed its policy of paying not less than 50% of the annual profit as dividends twice a year. As for the upcoming dividend, a portion of Baht 0.80 is exempt from withholding income tax as it is derived from BOI activities. The remaining Baht 0.30 is subject to 10% withholding tax. The dividend is scheduled to be paid on August 31, 2012.

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