



# Charoen Pokphand Foods Plc.

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### CPF ups stake in overseas subsidiaries

The Nation on January 27, 2011

**Charoen Pokphand Foods (CPF) has pushed forward its investments overseas by raising capital and purchasing more stakes in its subsidiaries.**

The company's board of directors yesterday approved the purchase of 1,475 newly issued ordinary shares at US\$11,030 per share totaling Bt500 million in CP Cambodia Co (CPC), a manufacturer of animal feed and meat products. The deal has increased CPF's share in CPC to 25 per cent of paid up capital.

Adirek Sripratak, president and chief executive officer of CPF, said yesterday that the company had to complete the purchase within the first quarter of this year.

"The deal will encourage CPF's business in Cambodia, where agro industrial goods have great growth potential and CPC has strong fundamentals to further the business growth," Adirek said.

CPF also raised its capital by 25 million ringgit (Bt252 million) in its subsidiary Asia Aquaculture (M) Sdn Bhd in Malaysia. The plan is to facilitate the company's capital restructuring to bolster its shrimp farm and shrimp processing businesses.

Moreover, CPF has completed the process of raising its capital in two companies in Russia, Charoen Pokphand Foods (Overseas) worth 429 million roubles (Bt444 million) and 60 million roubles in CPF Agro. This is to facilitate expansion of its animal farms.

"These financial plans have been designed to ensure we increase our overseas income proportion from 27 per cent now to 40 per cent within the next five years," Adirek said.

### CPF received CSR-DIW awards



Charoen Pokphand Foods Public Company Limited ("CPF") received 9 awards including the certificate of appreciation for the year 2010 from Ministry of Industry Thailand in compliance to the social responsibility standard of the industry or CSR-DIW. This emphasizes the leading corporate contributing to the society. This CSR-DIW event was held at the Grand Four Wings Convention Hotel recently.

## **CPF to continue its commitment to Carbon Footprint Program:**

### **Reiterating efforts to ease global warming crisis**

Global warming is a climate change phenomenon resulting from the increasing temperatures of the earth crust and the ocean. Man is causing this change as we continue to burn massive fossil fuels that release greenhouse gases, particularly carbon dioxide, to the atmosphere. Increasing carbon dioxide concentration prevents infrared radiation from escaping from the Earth. This phenomenon is better known as the greenhouse gas effect, which is widespread today, including in Thailand. Weather patterns are changing and natural catastrophes are increasingly commonplace. It is undeniable that we all play a part in this momentous change.

Global warming has been a rude awakening to man. People are trying their best to earnestly find the causes and cures for this phenomenon because they can now see and 'touch' its effects on both nature and man. Many organizations are giving it a top priority to resolve this global problem. Charoen Pokphand Foods (CPF) also clearly recognizes environmental problems and has come up with many projects to alleviate them, such as adjustment of production plans covering its management, energy conservation, production of alternative energy from diminishing natural resources (while demand keeps rising), and promotion of environmental conservation and rehabilitation projects.

As Thailand's leader in integrated food production, CPF has consistently valued social and environmental issues. The company engages itself in a pilot project for joint research with the European Union on the reduction of the carbon dioxide footprint in its business to minimize effects on climate change—the so-called Carbon Footprint & Carbon Labeling.

"CPF is a leader in the agricultural and food industry, ranging from its upstream food production to animal feed production. Its integrated business covers livestock farms, aquatic farms, slaughterhouses and food processing facilities, packaging production, logistics management, and product distribution systems. The Carbon Footprint add-on not only has given sustainable advantages to the food business, but also gives an impetus to CPF to pursue leadership in the business with environmentally outstanding products. Benefits come in all forms apart from quality and food safety, including strengthening the CP brand; selling raw materials to other producers campaigning for greenhouse gas reduction like CPF to promote their products among green consumers, and at the same time helping CPF efficiently cut production costs from energy and raw-material consumption; showing CPF's responsibility to society in greenhouse gas reduction throughout its supply chain management; and, finally, promoting environment-friendly products," said

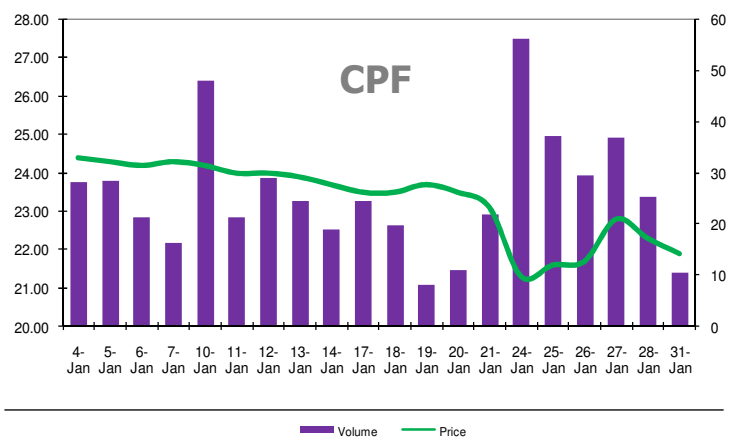
Mr. Boonpeng Santiwattanatham, CPF's deputy managing director. He added that the initiative of Carbon Footprint Project will ensure CPF's readiness for the Low Carbon Economy, to which European Union members like the UK and France are giving priority. Incidentally, France is due to announce its legislation of Carbon Footprint labeling in 2011, so the adoption of the international standard approach gears CPF up for future production to further export products to the European Union. Before this, CPF had successfully won the first Carbon Footprint label as the world's first chicken producer to do so. This has driven CPF to proceed with its Carbon Footprint Project in 2010-2011 at two levels—the food industry level, which consists of 20 chicken products, 10 dog-chew items, and 7 chicken feed items, and the agriculture level, which consists of a total of 115 livestock farms (containing breeding ground for chickens, cockerels, and hatching sheds).

In addition, CPF has founded its Carbon Footprint Information Center under the environmental cooperation with Luneberg University and International for Environmental Institute of Hamburg, Germany. The center acts as a Carbon Footprint information center to aid analyses of how to eliminate greenhouse gas emissions, as well as the first and most up-to-date database of the Thai industrial sector. Besides, CPF cooperates with the public sector and educational institutions such as the Thailand Greenhouse Gas Management Organization, National Metal and Materials Technology Center, and Kasetsart University in jointly determining the environmental standards for Carbon Footprint, including provision of an environmental database for Thailand.

Sustainable reduction of global warming is not the responsibility of any one organization; this problem indeed needs global cooperation and attention. One can make a fresh start today, followed by society and then the world as a whole.

## Price Performances: CPF

Price (Baht) Volume (Mil. shares)



### January 2011

<b>Highest Price</b>	24.90
<b>Lowest Price</b>	21.20
<b>Closed Price</b>	21.90
<b>Average Volume/Day</b>	25,800,000

Charoen Pokphand Foods Plc.  
**Investor Relations Office**  
 26<sup>th</sup>Fl., C.P. Tower, 313 Silom Rd  
 Bangkok 10500, Thailand  
 Telephone +662 638 2935-6  
 Facsimile +662 638 2942  
 Email: [iroffice@cpf.co.th](mailto:iroffice@cpf.co.th)

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