



Charoen Pokphand Foods Plc.

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CPF investing B40bn to tap food demand

Bangkok Post February 26, 2011

Overseas operations now 26% of sales

Charoen Pokphand Foods Plc (CPF), the SET-listed flagship of the agribusiness and food conglomerate CP Group, plans to invest 40 billion baht over the next five years to reap the benefits from a strong global food market and the rising baht.

The budget would be used to strengthen the company's farm, farm-related, and food businesses in both domestic and overseas markets from now through 2015.

Adirek Sripratak, president and chief executive officer, said the investment budget had been revised up from 30 billion baht set earlier. The expansion would help CPF achieve its ambitious goal to become one of the world's major food suppliers.

The current dramatic increase in food prices, coupled with the investment projects, especially overseas, are expected to help the company achieve 10-15% growth in revenues from 2010, with the majority of growth coming from outside Thailand.

CPF reported total sales in 2010 of 189.04 billion baht, an increase of 15% from a year earlier. Its net profit increased 33% year-on-year to 13.56 billion baht.

Sales from overseas operations increased to 26% of total sales, compared with 19% in 2009.

Mr. Adirek said the focus of the company's operating strategy this year would be on accelerating the expansion of existing overseas businesses as well as investing in new countries.

The board earlier approved a total of 1.25 billion baht to increase investments in CP operations in Cambodia, Russia and Malaysia this year. Including this investment, CPF has a continuous plans to strengthen businesses in other overseas countries.

"With this plan, the overseas operations' revenue contribution will increase from 26% in 2010 to 40% in the next five years," he said.

Chicken exports remain the major income contributor to the company, with 90,000 tonnes of overseas shipments forecast this year with a value of 30 billion baht. Export revenue from shrimp products is forecast to rise by 40% to 15.7 billion baht on volume of 70,000 tonnes.

Mr Adirek said rising commodity prices worldwide had led to food inflation, and he forecast domestic food prices would jump by 10% this year.

Kitchen of the World

CSR briefs

The Nation February 11, 2011

CPF helps grow mangrove forests

Charoen Pokphand Foods (CPF) is to launch a mangrove-reforestation campaign to help combat global warming and to raise awareness among young people of the need for environmental protection for the sake of the country.

The leader of corporate social responsibility projects for CPF's aquaculture business, Ronachai Toanan, said the campaign would draw support from educational institutions and others.

The first activity, involving a group of students from Ramkhamhaeng University, will kick off on Monday. It aims to grow a mangrove forest on a 300-rai (48 hectare) area in Rayong's Klaeng district. A total of 213,000 mangrove trees will be planted.

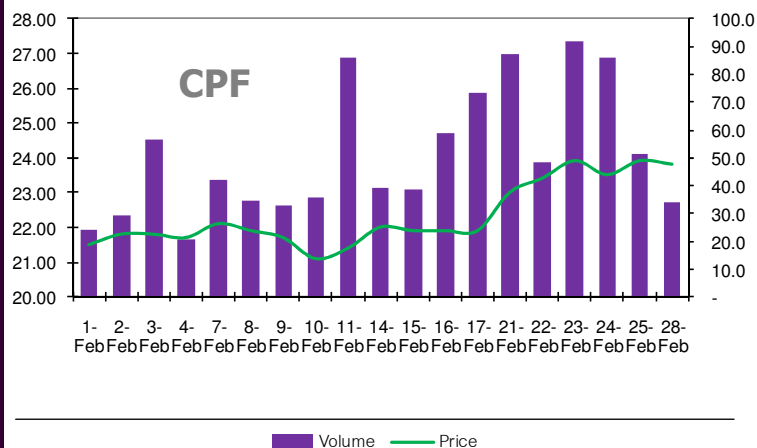
CPF began launching mangrove-reforestation projects 19 years ago, but most of them were carried out by employees, shrimp farmers and coastal communities. It also extended financial help to Wetlands International (Thailand) for some reforestation programmes.

Satellite photos show that Thailand's mangrove forests have grown from 1,047,400 rai in 1996 to 1,579,696 rai in 2004, thanks to reforestation projects funded by private organizations and government agencies.

Price Performances: CPF

Price (Baht)

Volume (Mil. shares)



February 2011

Highest Price	24.10
Lowest Price	21.10
Closed Price	23.80
Average Volume/Day	51,100,000

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