



Charoen Pokphand Foods Plc.

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CPF enhances its sustainability path as the 1st integrated agro-food business in Thailand

The nation, September 10, 2015

Charoen Pokphand Foods Public Company Limited or "CPF", is officially selected by the Dow Jones Sustainability Indices (DJSI) Year 2015 in the DJSI Emerging Markets listing on FOA Food Products category.

CPF was the first Thailand's integrated agro-industrial conglomerate that has been selected by DJSI. This will boost its vision, 'Kitchen of the World.'

Adirek Sripratak, president and chief executive officer of CPF said it is the great pleasure for CPF to be selected a member of DJSI Listed Company in the grouping of DJSI Emerging Market on the first year that it applied for assessment.

The successful listing is quicker than the company's target set for 2018. In the listing, CPF is one of five companies from 31 companies in the category of FOA Food Products which was selected.

"The world is currently given the priority to sustainability route which is in line with the CPF's core principles. The firm has set the 'Sustainability' path as one of the business strategies under 'Kitchen of the World' vision.

DJSI is the international sustainability indices recognized worldwide. Every year, more than 2,500 big corporations worldwide applied for the Corporate Sustainability Assessment-(CSA) to gain the influential listing.

CPF Invested More by Expanding to Asia and Africa

A special interview of Mr. AdirekSripratak, President and Chief Executive Officer of Charoen Pokphand Foods PCL. talked about business expansion in Thailand with over 60 million population is a limitation to grow for Charoen Pokphand Foods PCL. or CPF from last year's total income of THB 426.039 million and a net profit of THB 10,562 million.

Out of overall income, 65% came from abroad, being ahead of 35% domestic income. "Due to over 60 million of population in Thailand, CPF planned more to expand the business abroad as there is opportunity of a large number of population worldwide. Food business can go along with people. It was predicted that population in 2050 or in the next 35 years will be increased to 9 billion from the current number of 7 billion", Mr. AdirekSripratak, President and Chief Executive Officer of CPF said.

Prior to mentioning "Big Plan", boosting up the income in order to maintain organizational growth rate under fluctuating economic circumstances in particular the "Seeking for new market opportunity in the world's society where population is moving forward to **"The Elderly Society"** is considered Mega Trend of the world. Today the number of world's elderly people holds a proportion of 11% out of total population which it is expected to reach 22% in 2050.

While current number of the elderly in Thailand is at 14-15% of over 60 million population, around next 30 years, the number of the elderly will double due to more lifespan. **"ASEAN"** is still the region with large number of elderly people in particular in Singapore followed by Thailand. That is why CPF needs to produce food serving this group of people. Mr. Adirek also stated that another world's mega trend is the more migration of people to cities.

It is forecasted that out of 7 billion worldwide population, 52% is in the cities. However in 2050, 60% of people will be in the cities, calculated as 2 thirds of total World's population.

From CPF's perspective, in the future the increasing number of world's population, more ratio of the elderly, and more city expansion along with more migration of people to the cities are business opportunity.

"We will develop products of healthy food which is safe to consume together with ready meal food which gives convenience for urban people with rushing lifestyle."

In order to serve the mentioned need, to penetrate market in Thailand, products with those concepts will be manufactured and distributed to channels in 7-11 convenience stores which have the highest number of branches in Thailand, directly to customers (B2C). This will be made together with distribution to business sector (B2B) via Macro Department Stores, another distribution channel is CP All, subsidiary of CP Group.

Mr. Adirek also said that following the mega trend is part of CPF's major aim to become **"World's Kitchen"**. At the moment CPF has invested in 14 countries worldwide.

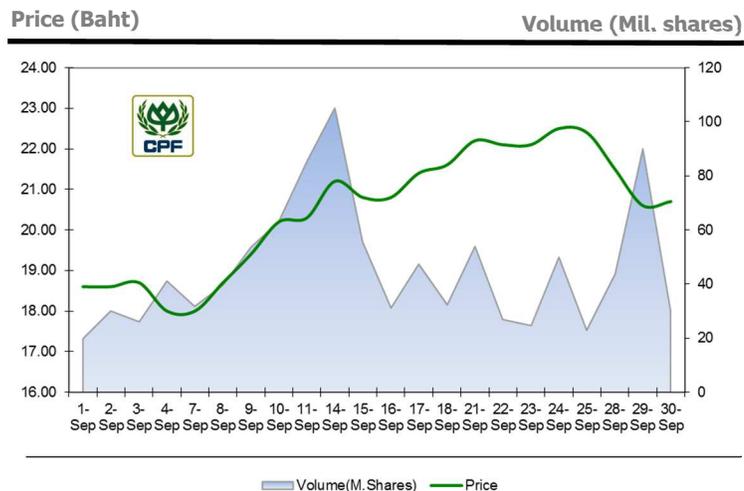
The hidden meaning is we set up kitchen to each country because we manufacture and sell products to countries we locate our operations. This is considered less risky than exporting from Thailand and distribute to those countries where we will encounter export quota, trade barriers both tariff and non-tariff.

As a result, CPF's strategy is to manufacture then distribute to country its manufacturing operation is located. Mr. Adirek also said that at the moment CPF is looking for location to expand the business in "Africa" continent. It is considered an interesting continent which its population has an average of capital per head of USD 2,000 whereas in 2050, the population is expected to have USD 7,000 of per capita income yearly.

Population in Asia has a yearly of USD 6,000 of per capita income but will rise to USD 22,000 in the next 30 years. Its per capita income is only after Europe. If evaluating the world's economic growth now, Asia and Africa will be the leaders.

For U.S. which the revenue base is high will not hold a high growth rate. Growth rate is expected for only 1-2% per year but an expectation in Asia is 3-8% per year as the revenue base is lower. Therefore if looking ahead, we still have opportunity to gain more income. If the revenue base rises, there will be surging consumption. That is why CPF's strategy to grow is to invest in newborn market with tendency of growth in the future.

Price Performances: CPF



September 2015	
Highest Price	22.70
Lowest Price	18.60
Closed Price	20.70
Average Volume/Day (Shares)	45,600,000

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