

- Translation -

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Subject Management's Discussion and Analysis for the operating results of the second quarter of 2016 which increase over 20% from that of the previous year

Attention President
The Stock Exchange of Thailand

Charoen Pokphand Foods Public Company Limited would like to inform you the operating results of the Company and subsidiaries (collectively called the "Company") for the second quarter of 2016 as follows:

The Company's revenue from sale in the second quarter of 2016 was Baht 116,777 million, increased by 13% from the second quarter of 2015 of Baht 103,677 million. The increase of sales was from Thailand and international operations with 12% and 13% growth, respectively. The details are illustrated in the table below.

The Company's revenue from sale in the second quarter of 2015–2016

	2 nd quarter of 2015		2 nd quarter of 2016		Change (%)
	Million Baht	%	Million Baht	%	
1. Thailand operations					
1.1 Domestic sales	34,131	33	37,640	32	10
1.2 Export sales	5,598	5	6,989	6	25
Total	39,729	38	44,629	38	12
2. International operations	63,948	62	72,148	62	13
Total revenues from sales	103,677	100	116,777	100	13

Profit before income tax expense for the second quarter of 2016 of Baht 9,309 million, increased by Baht 4,426 million from that of the previous year or 91% increasing. This increase was from the improvement of livestock business both in Thailand and overseas, especially Vietnam, as well as the recovery of shrimp business in Thailand after having encountered the Early Mortality Syndrome or EMS.

The Company recorded income tax payables due to the change in the corporate income tax calculation of the entities being granted promotional privileges for the period 2010-2015 by using the combine all projects method as prescribed in Notes to Financial Statements No. 14 income tax payable. As a result of such record, the income tax in the second quarter of 2016 increased by Baht 1,245 million. Therefore, the Company's net profit in the second quarter of 2016 of Baht 4,016 million, or equivalent to Baht 0.54 per share, increased by 35% from Baht 2,983 million, or equivalent to Baht 0.40 per share in the same period of the previous year.

Please be informed accordingly.

Sincerely yours,

Patchara Chartbunchachai

(Miss Patchara Chartbunchachai)
Company Secretary