



Announcement to acquire

C.P. Pokphand Co.,Ltd “HKSE:43”

NOVEMBER 25TH, 2011



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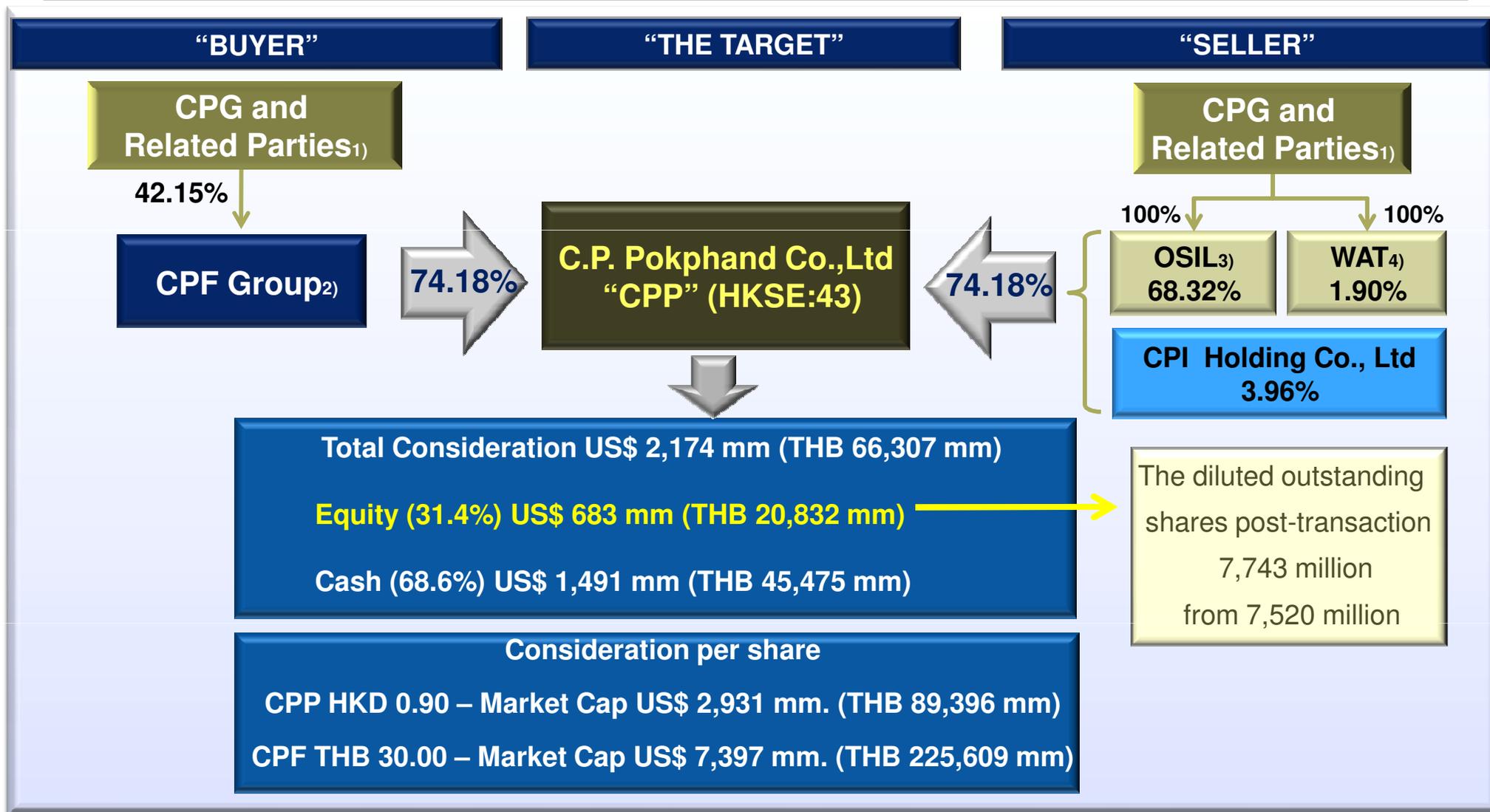
Charoen Pokphand Foods Plc.

Section 1

TRANSACTION OVERVIEW



Section 1: Transaction Summary



Note: 1) Charoen Pokphand Group Company Limited and its related parties (“CPG and Related Parties”) excluding Charoen Pokphand Foods Public Company Limited

2) Charoen Pokphand Food Public Company Limited and/or its subsidiaries (“CPF Group”)

3) Orient Success International Limited (“OSIL”)

4) Worth Access Trading Limited (“WAT”)

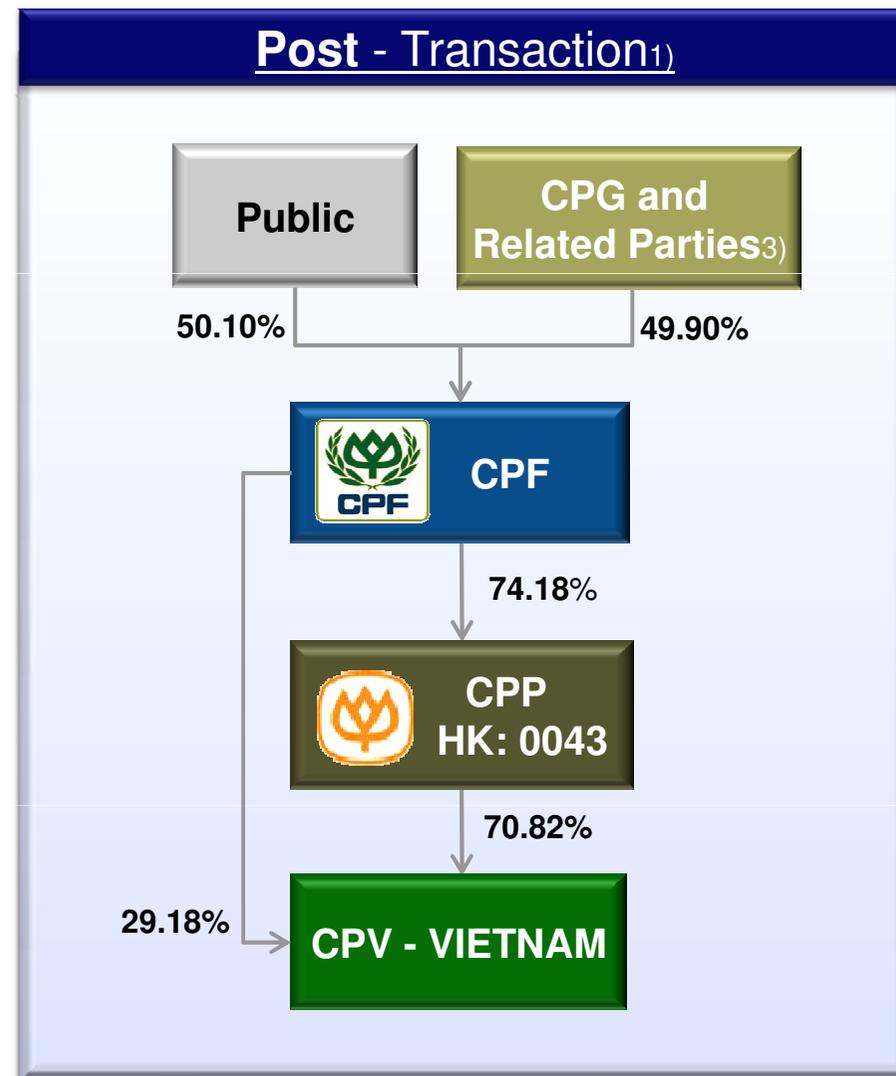
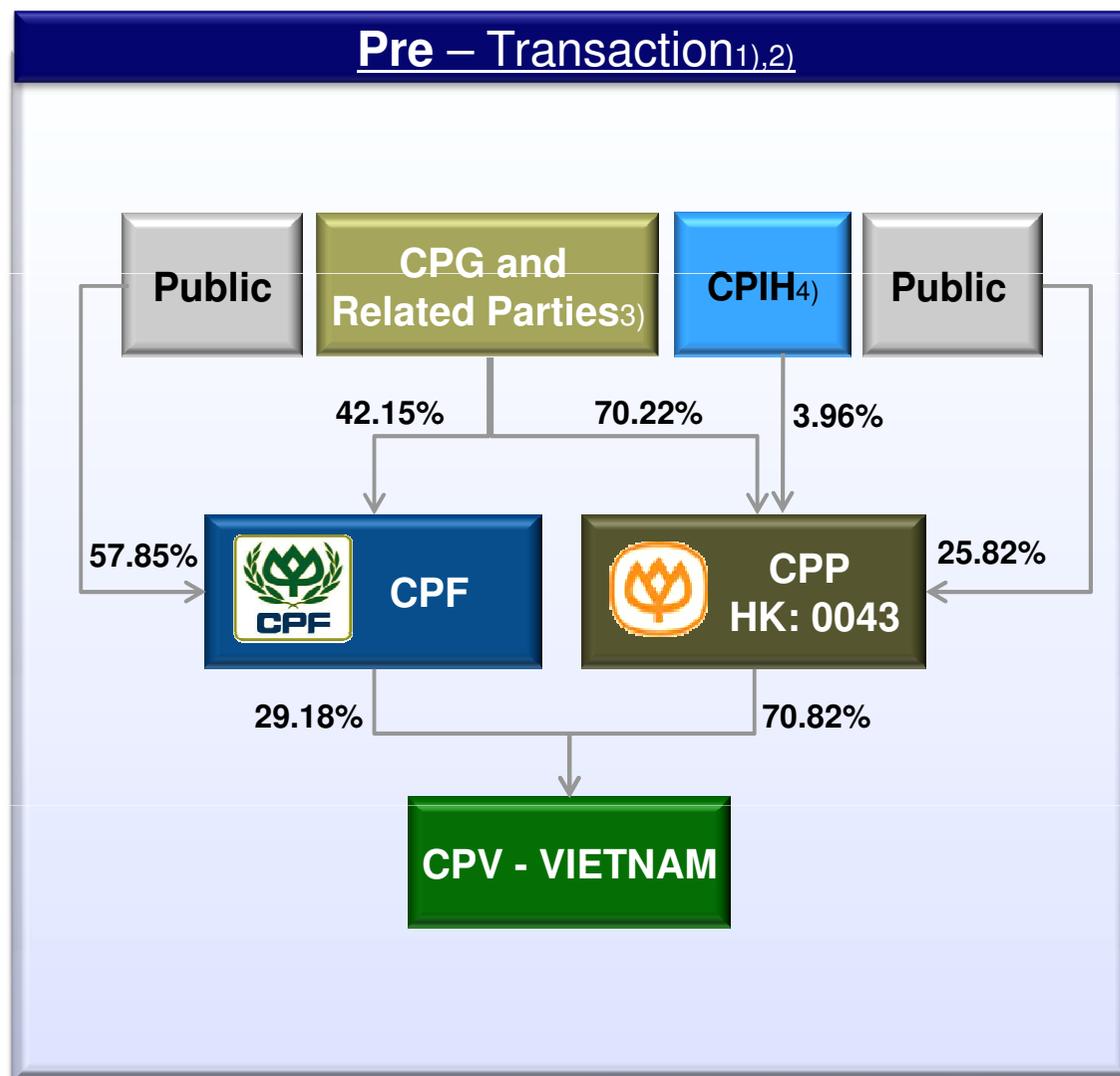
5) % represents percent holding as of Oct 11, 2011

6) USD 1 = HKD 7.78, USD 1 = THB 30.5



Charoen Pokphand Foods Plc.

Section 1: Transaction - Organization Structure Pre & Post



Note: 1) Simplified organizational structure for presentation purposes

2) Organizational Structure as of October 11, 2011

3) Charoen Pokphand Group Company Limited and its related parties ("CPG and Related Parties") excluding Charoen Pokphand Foods Public Company Limited

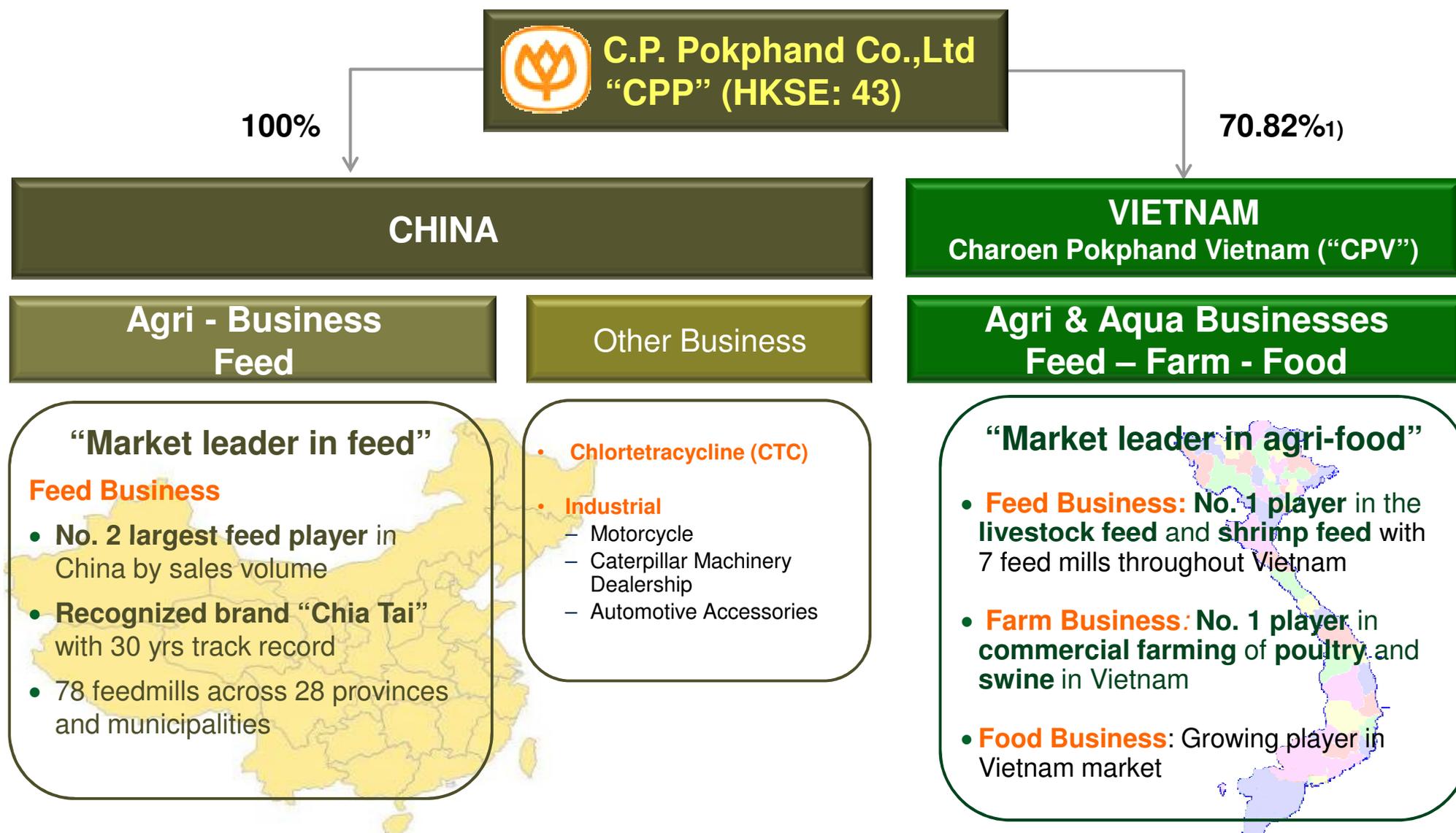
4) CPI Holding Co., Ltd ("CPIH")



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Section 1: The Target in Brief

Business Structure



Note: 1) The acquisition of CPV was completed as of July 29, 2011



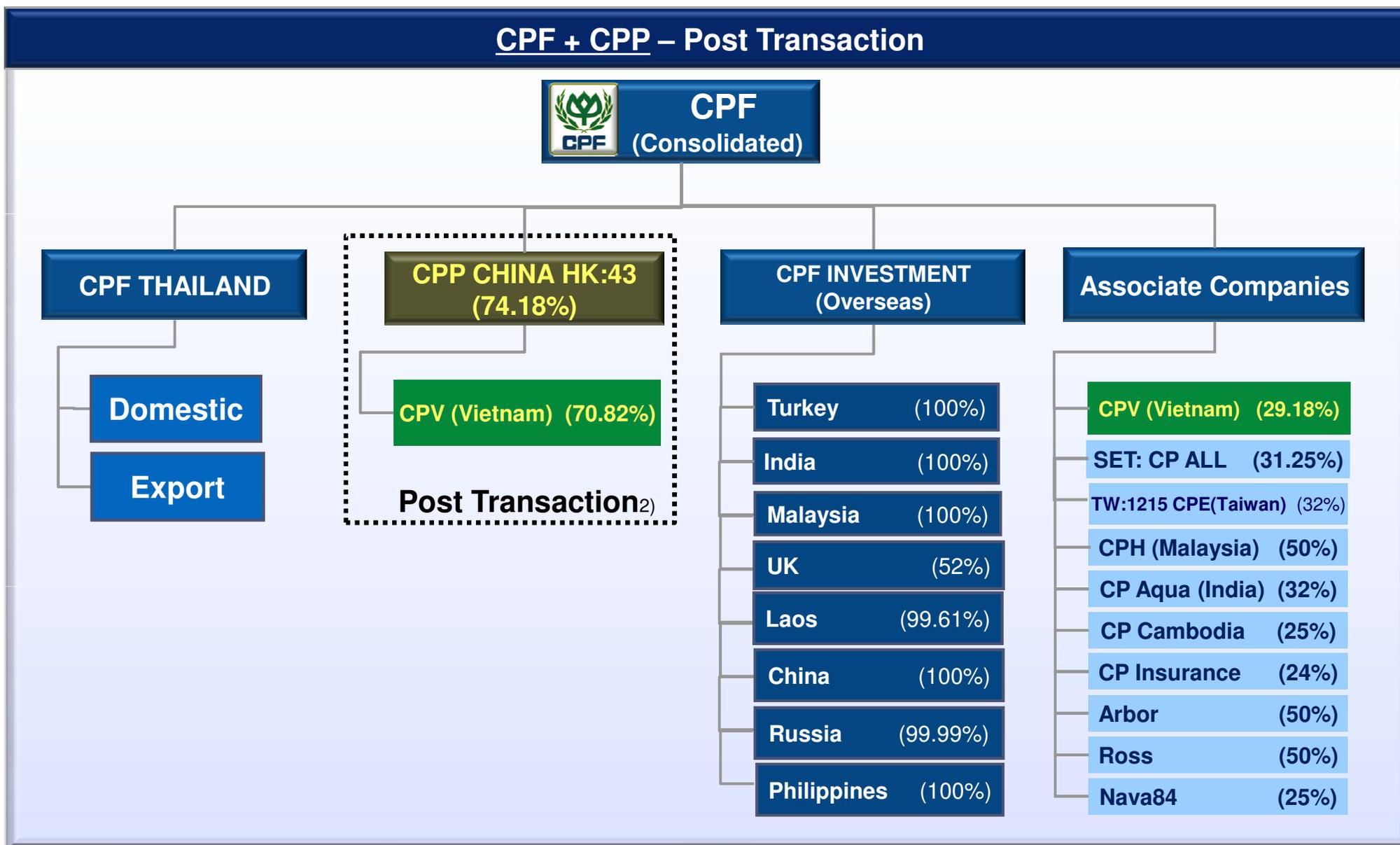
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Section 1: Transaction Rationale

- **Enter high-growth potential markets : China and Vietnam**
 - High population: China 1,341 million people, Vietnam 88 million people
 - High economic growth
 - High potential for consumption growth
 - Opportunities in feed, farm and food
 - Modernize feed and farm industry
 - Food security concern
- **Gain controlling interests of the leading players**
 - CPP is the No.2 feed player in China (by volume)
 - CPV is the No.1 in commercial feed and farm player in Vietnam (by market share)
- **Enhance the globalization covering 12 countries of over 3,000 million people**
- **Diversification in revenue**
- **Leverage economies of scale**
- **Synergize of competencies**



Section 1: Post -Transaction Operation Structure



Note: 1) % represent percent holding only

2) CPF will indirectly own 81.71% of CPV (Vietnam) post-transaction.

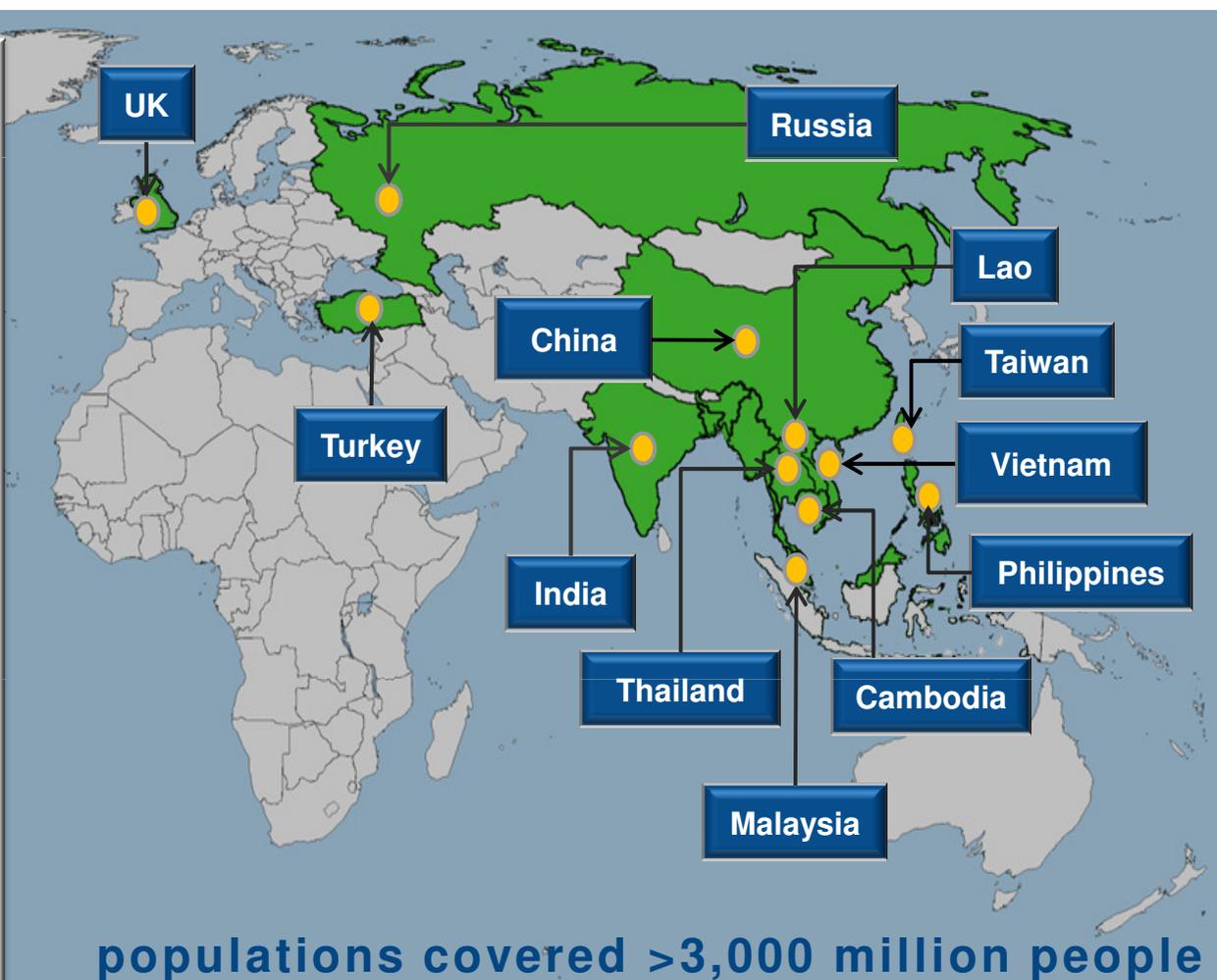


Section 1: Post - Transaction CPF Positioning

Post Transaction.....

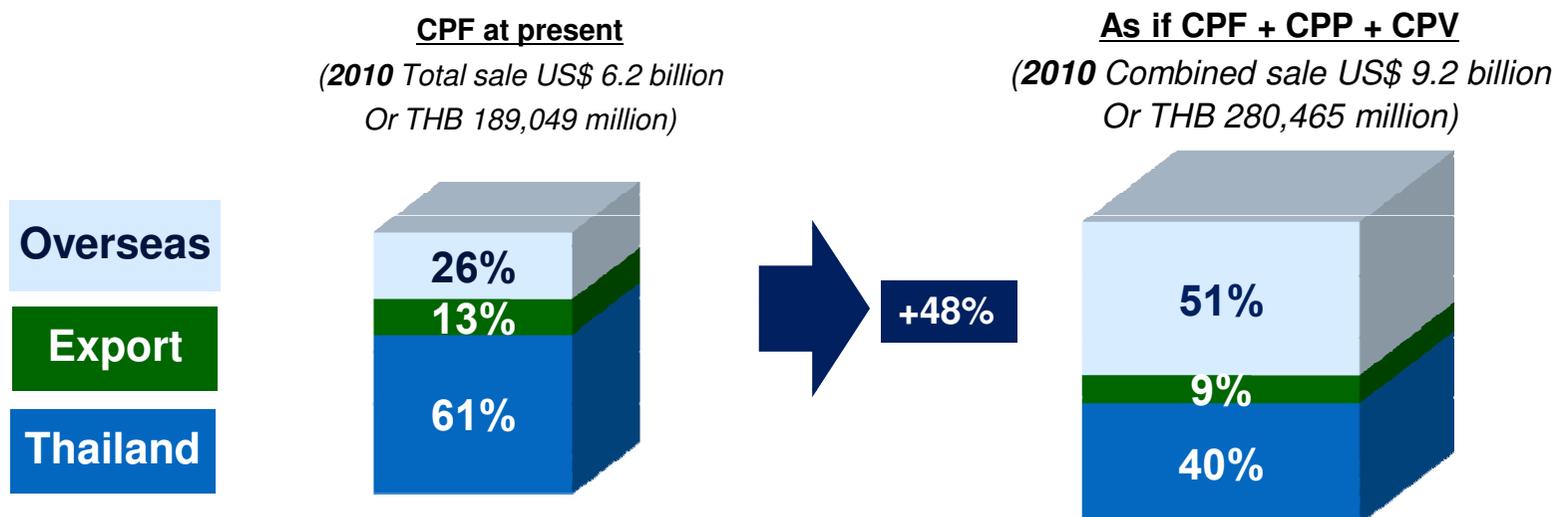
CPF will be,

- **Top ranked** listed livestock and aquaculture company in Asia-Pacific (by market cap)
- **One of the leaders** in animal feed in the world (by volume)
- **One of the most fully integrated and diversified** agro-industrial companies in Asia-Pacific
- The **World leader** of integrated shrimp business
- **The globalized** company with operation in 12 countries

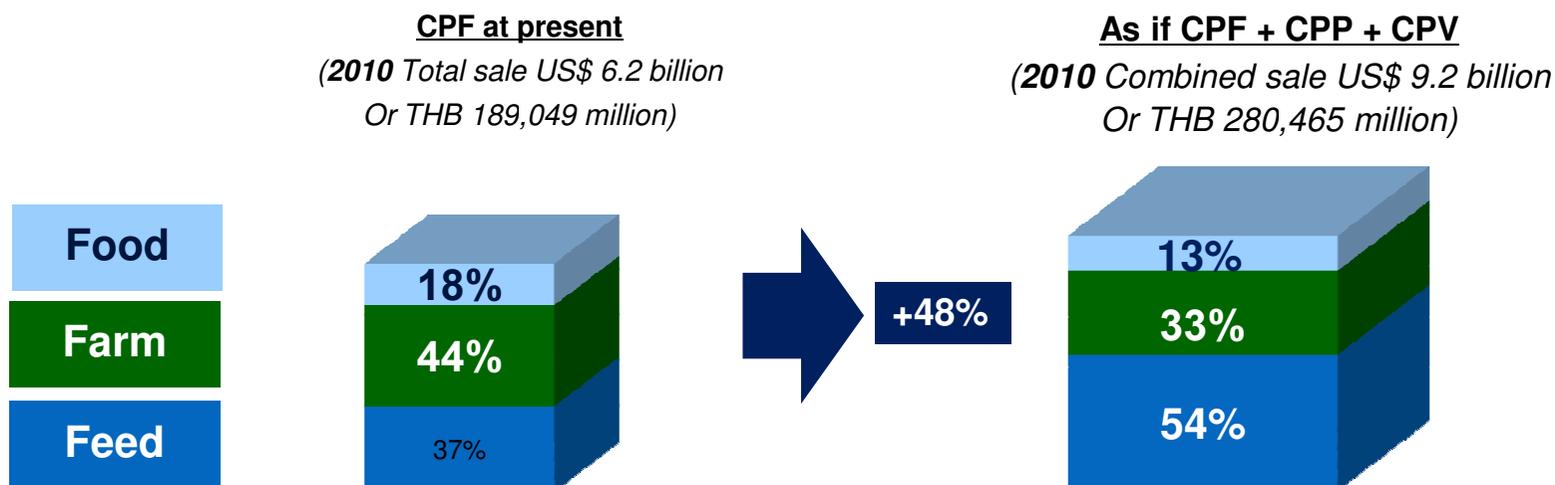


Section 1: Pre & Post Transaction Revenue Structure

2010 Revenue Structure by Operation



2010 Revenue Structure by Product



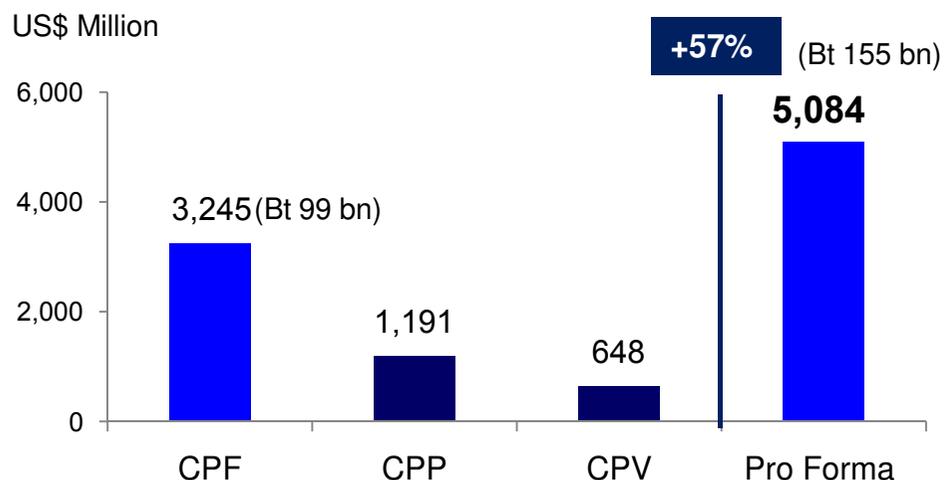
Note: 1) USD 1 = HKD 7.78, USD 1 = THB 30.5



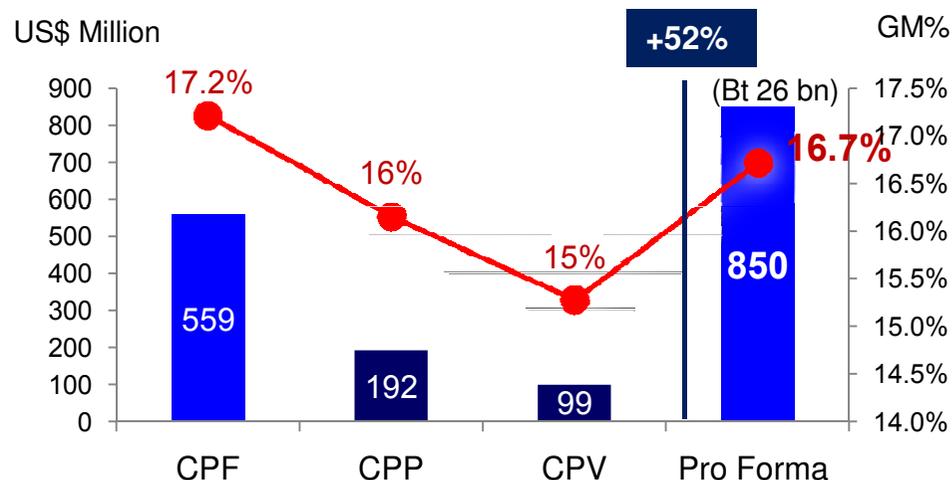
Charoen Pokphand Foods Plc.

Section 1: 1H2011 Pro-Forma Financial Highlights^{2), 3)}

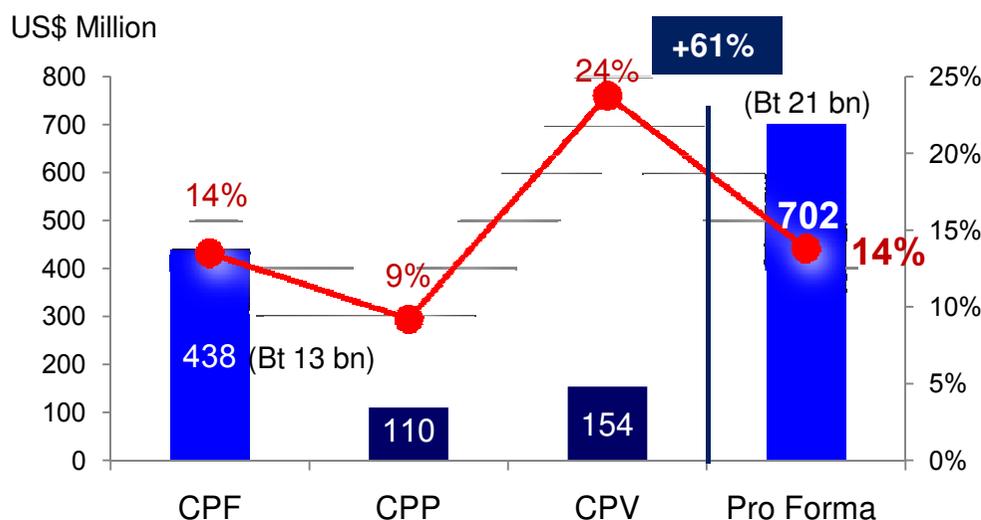
1H2011 Revenue (US\$ Million)



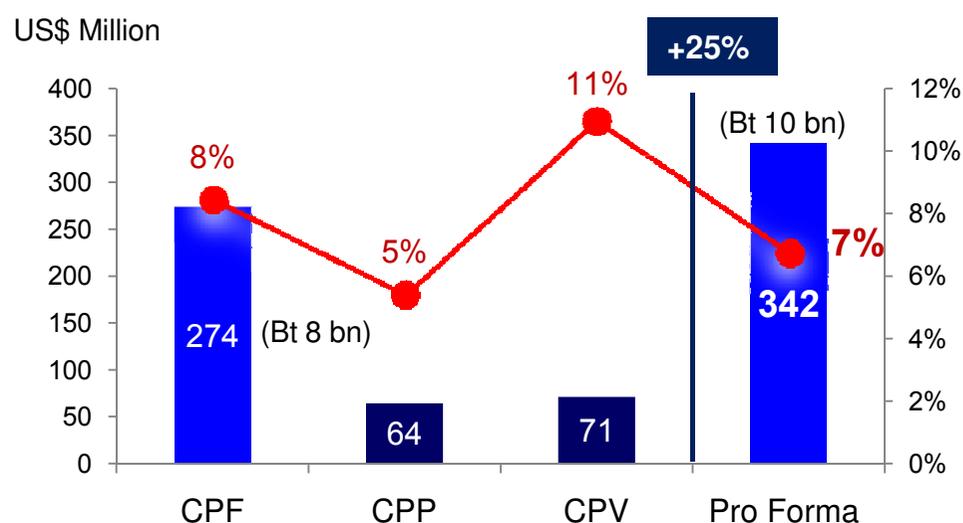
1H2011 Gross Profit (US\$ Million) and Gross Profit %



1H2011 EBITDA (US\$ Million) and EBITDA %



1H2011 Net Profit (US\$ Million) and Net Profit %⁴⁾



Note: 1) USD 1 = HKD 7.78, USD 1 = THB 30.5 2) Pro Forma calculation based on 74.18% holding in CPP and 81.71% holding in CPV

3) Pro Forma calculation based on management's estimation

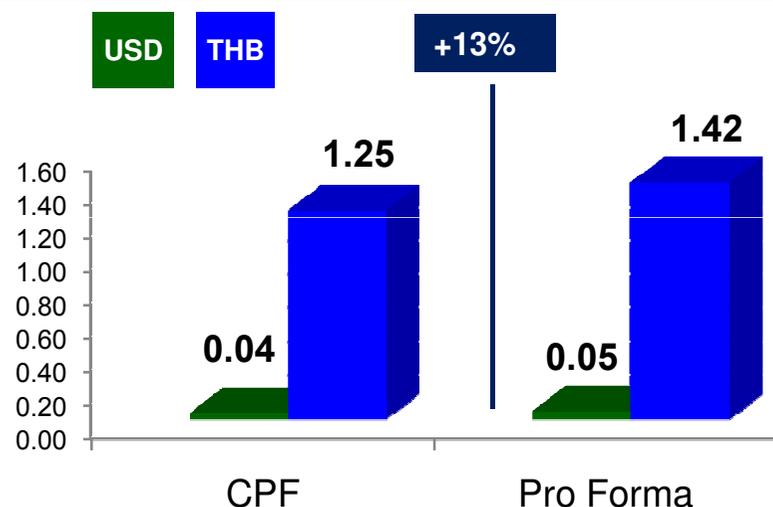
4) Pro Forma adjusted net profit deducted the interests effect of the transaction assuming 5% interest rate



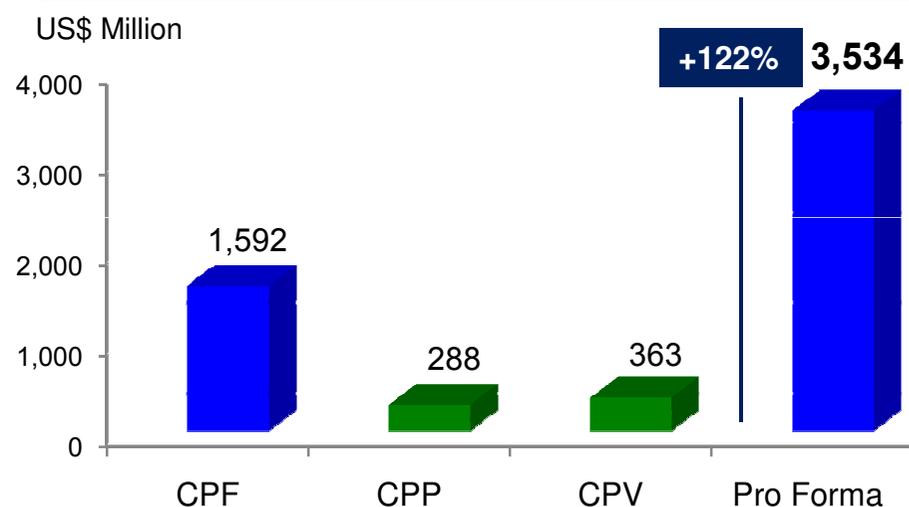
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Section 1: 1H2011 Pro-Forma Financial Highlights

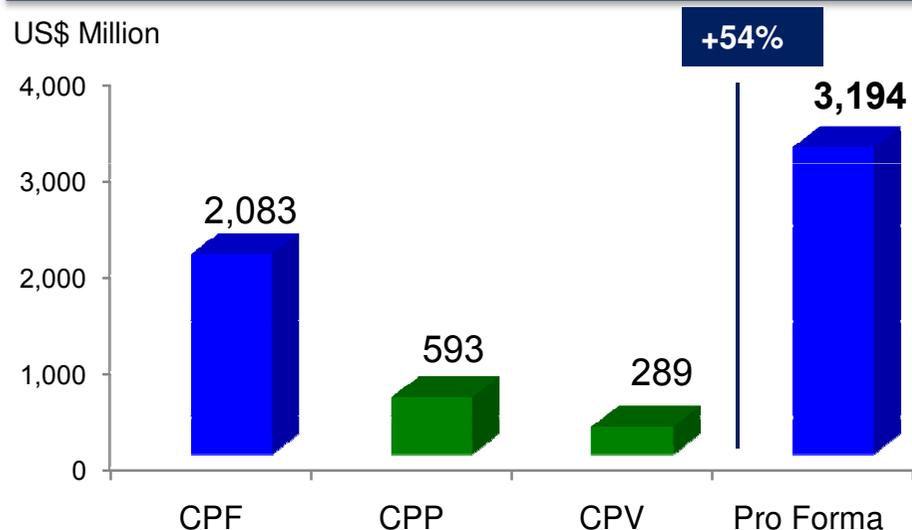
1H2011 EPS USD/Share, EPS THB/Share²



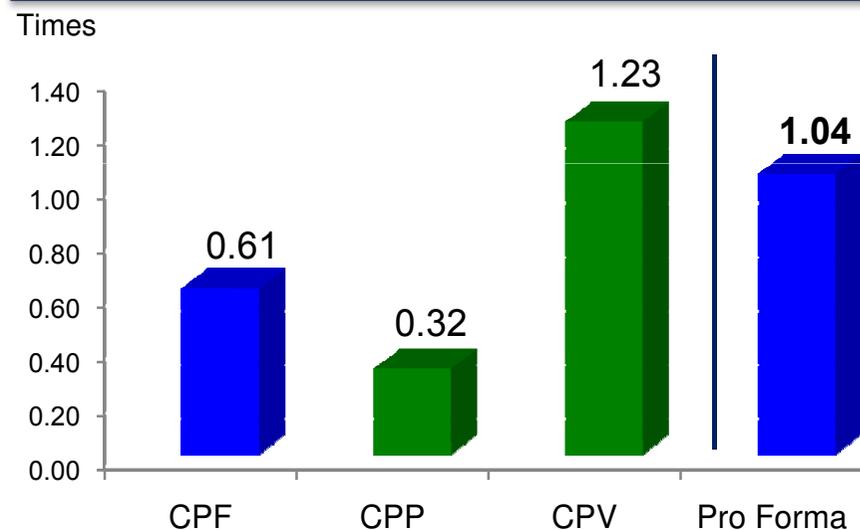
1H2011 Interest Bearing Debt (US\$ Million) ³



1H2011 Total Equity (US\$ Million) ³



1H2011 Net Debt to Equity Ratio (Times) ³



Note: 1) USD 1 = HKD 7.78, USD 1 = THB 30.5

2) Pro Forma calculation based on 74.18% holding in CPP and 81.71% holding in CPV

3) The compilation of the Pro Forma statement of financial position is reviewed by KPMG



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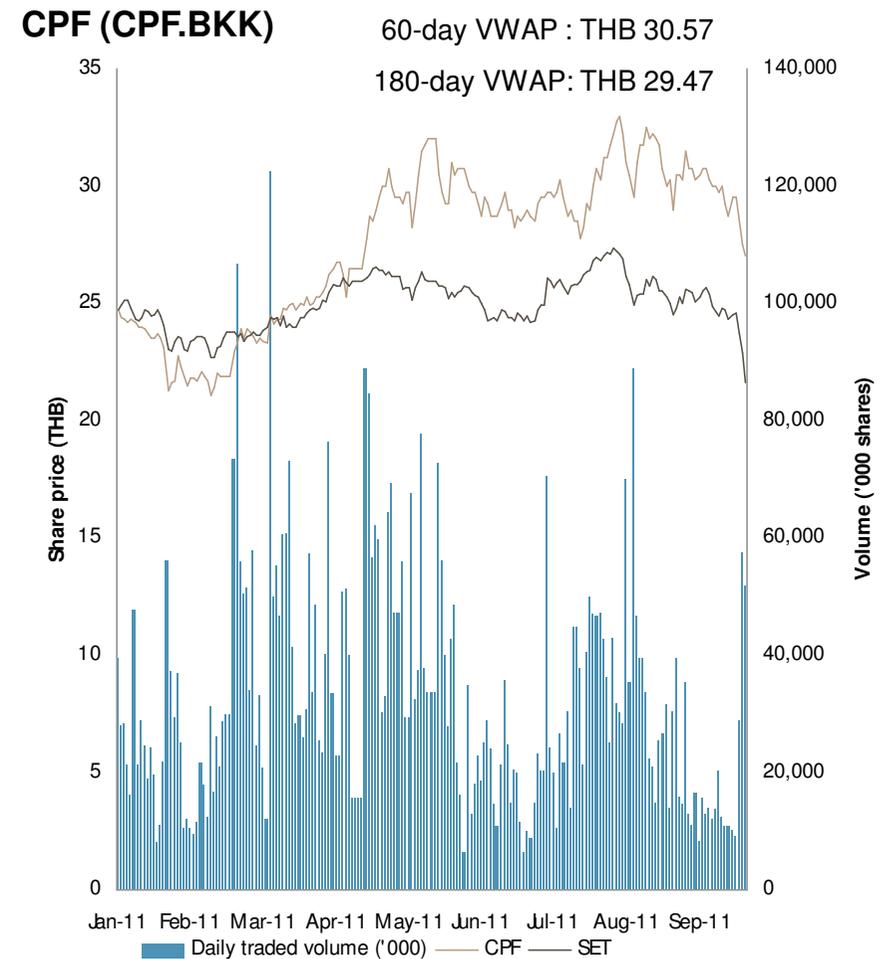
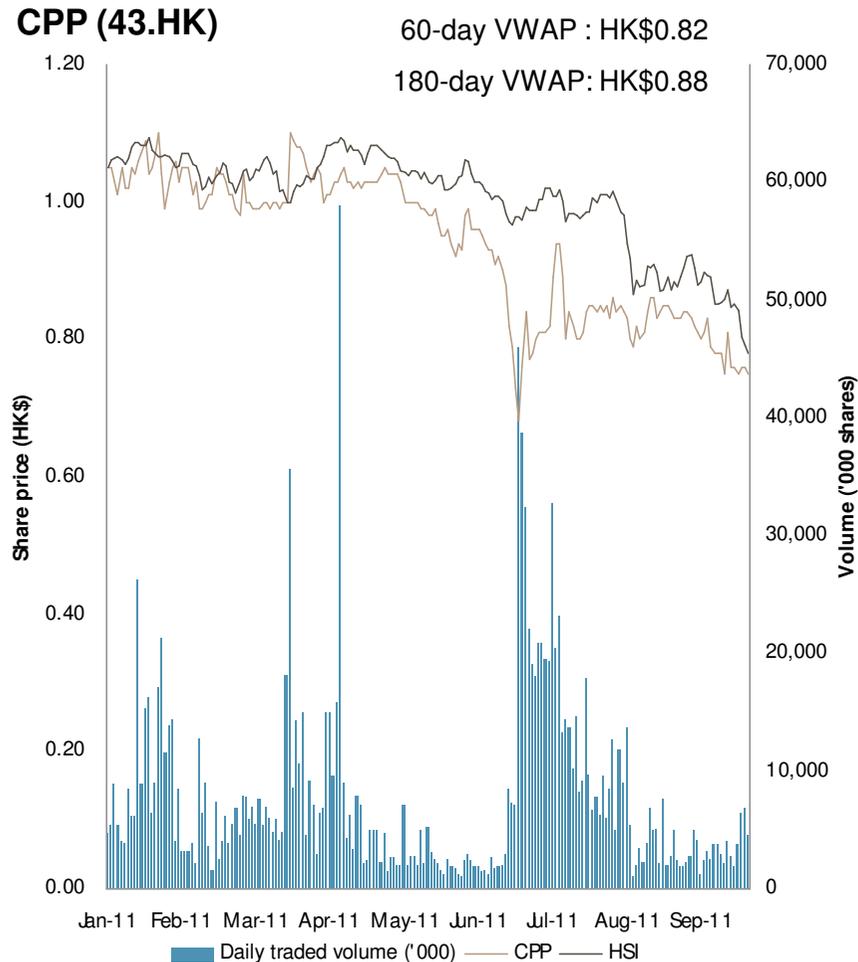
Section 2

VALUATION CONSIDERATION



Section 2: Determining the transaction terms

Transaction prices were determined with reference to 60-day and 180-day volume-weighted average price (“VWAP”) due to recent market volatility. Purchase price of HK\$0.9 per CPP share is equivalent to the acquisition price of CPP Vietnam in July 2011.



Acquisition price was set at HK\$0.9 per share of CPP
Share issue price was set at THB30.00 per share of CPF

Source: Bloomberg, Share price data as of 26-Sep-11



Charoen Pokphand Foods Plc.

Section 2: Valuation Consideration - CPP

Acquisition price of HK\$0.9 per share was determined with reference to 60-day (HK\$0.82) and 180-day (HK\$0.88) volume-weighted average price (“VWAP”) due to recent market volatility.

HK\$0.9 per CPP share implies,

LTM P/E of CPP

11.83x

Comps: 12.1x – 30.3x

LTM P/B of CPP

3.94x

Comps: 3.2x – 4.7x

LTM EV/EBITDA of CPP

7.80x

Comps: 10.9x – 18.6x

Acquiring a majority stake in a listed company in Hong Kong on average has a control premium of 46% (data from 2000 to 2011)

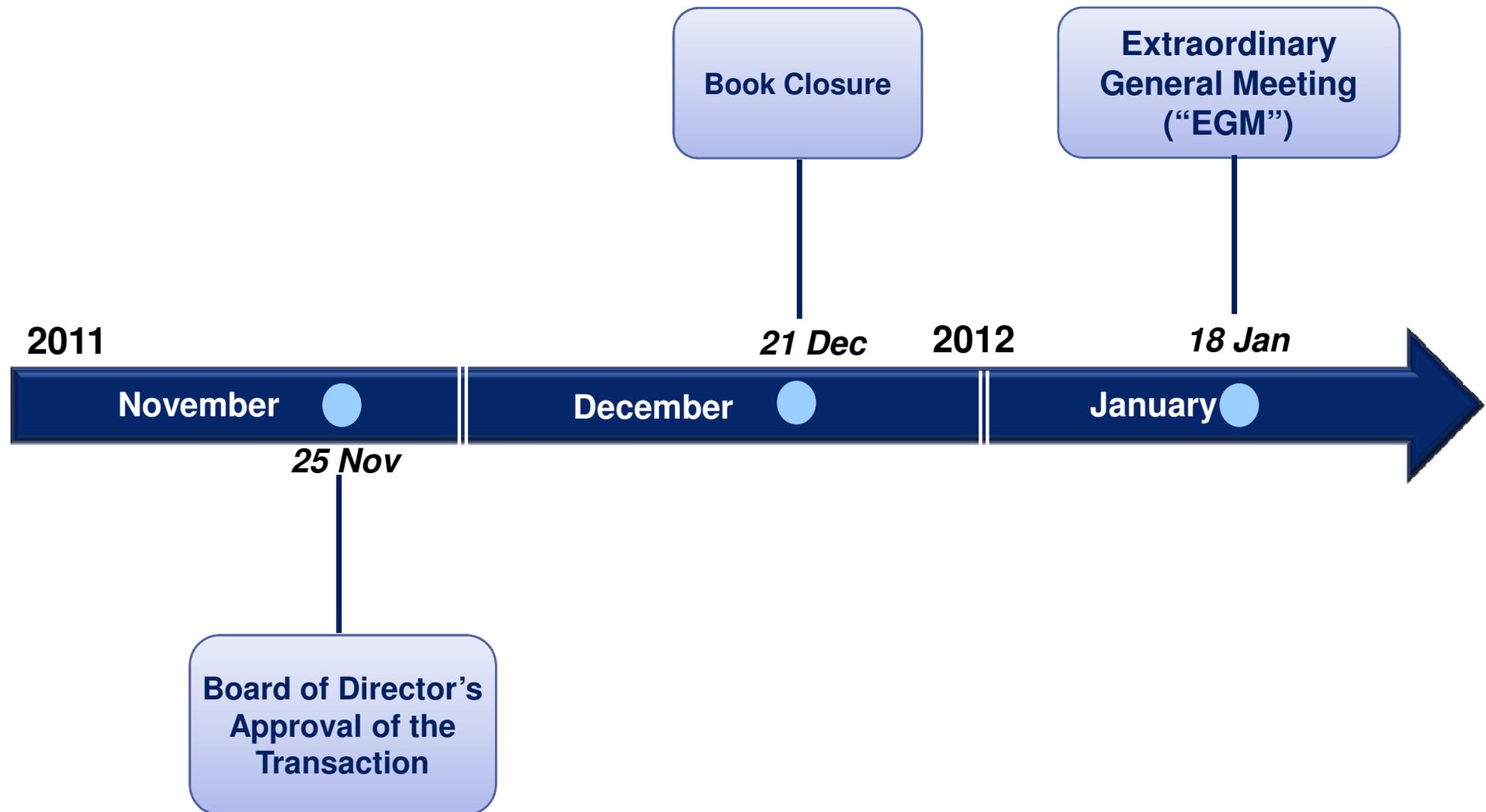
Notes:

- 1) LTM numbers of CPP includes CPV business
- 2) Purchase price of HK\$0.9 per share is equivalent to the acquisition price of CPV in July 2011
- 3) 60-day and 180-day VWAP as of 26 Sep 2011



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Section 2: Indicative timetable



Section 3

INFORMATION ABOUT THE TARGET



Section 3: The Target CPP - Corporate in Brief

Position

CPP is China's leading and respected livestock and aquaculture feed developer and producer

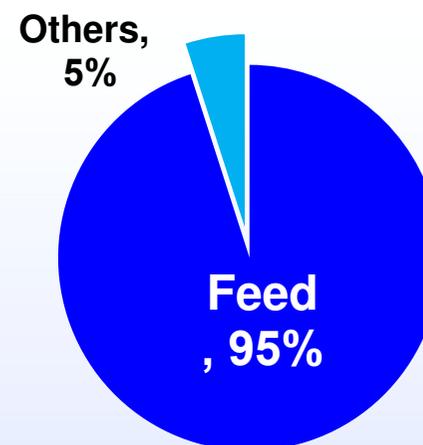
- **2nd largest feed player** by sales volume
- **Premium brand** : “Chia Tai” (正大) brand, a well established with 30 yr. track record in China
- **Largest distribution network**: 28 provinces / municipalities; 24,000 exclusive agents¹⁾

Highlights

- **Vision**: To play the leading role in developing and producing high quality feed solutions
- **Current Market Cap**: US\$ 2.9 billion as of Nov 24,11

<http://www.cpp.hk/en/home/main.do?method=home>

1H2011 Revenue Structure by Business



1H2011 Revenue: US\$ 1.2 billion

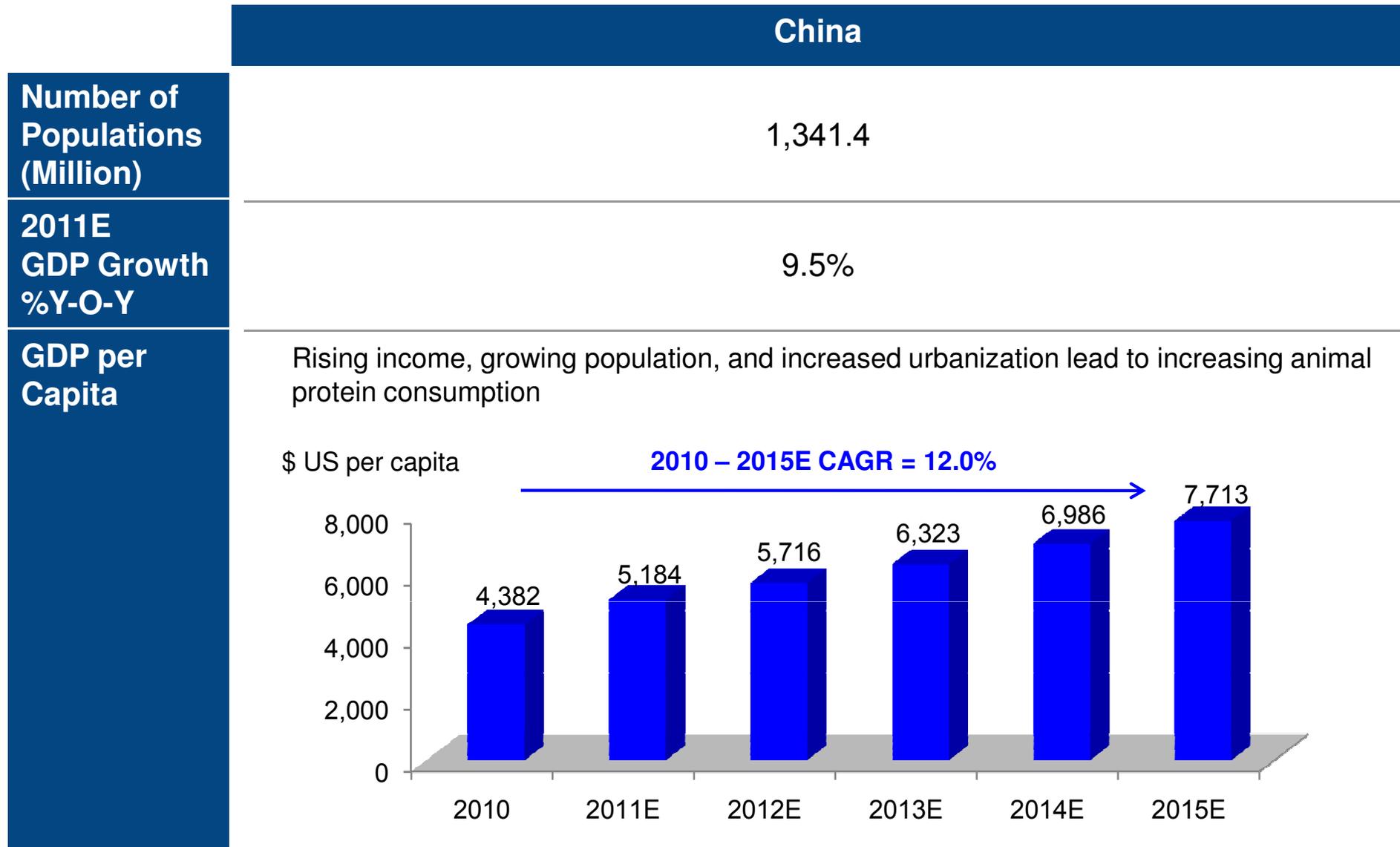
Note: 1) Information as of December 31, 2010

2) USD 1 = HKD 7.78, USD 1 = THB 30.5



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Section 3: China Market Outlook



Source: International Monetary Fund



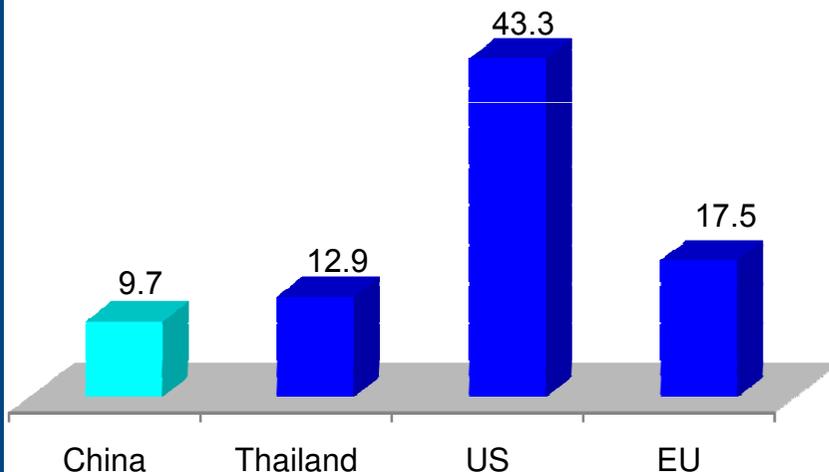
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Section 3: China Market Outlook

China

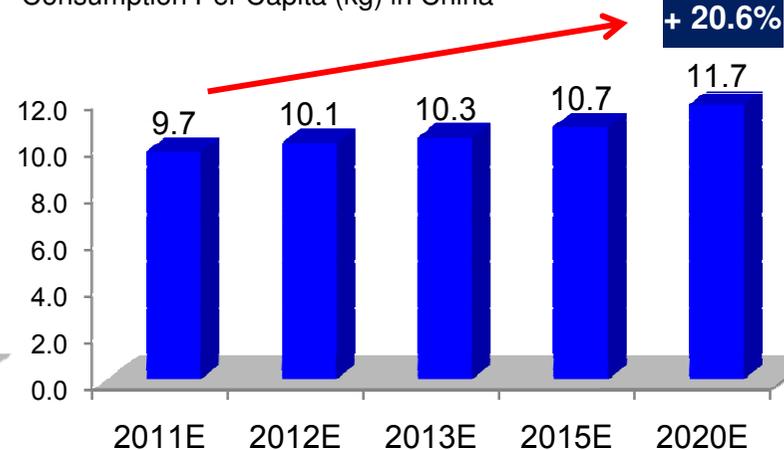
Poultry Consumption

2011 Poultry Consumption Per Capita (kg)



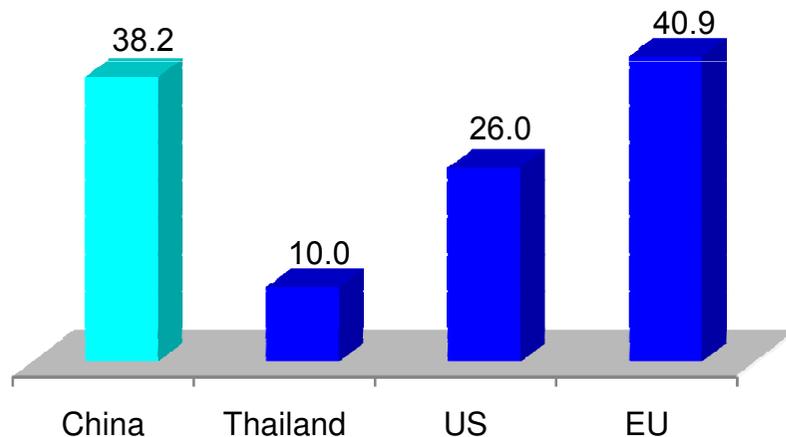
2011-2020 Estimated Poultry

Consumption Per Capita (kg) in China



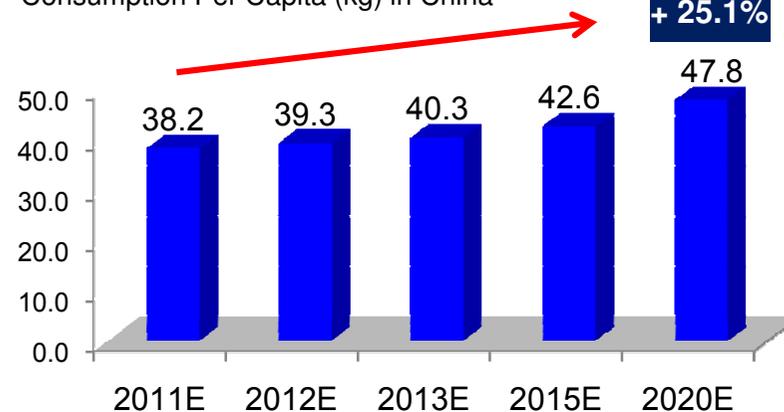
Pork Consumption

2011 Pork Consumption Per Capita (kg)



2011-2020 Estimated Pork

Consumption Per Capita (kg) in China



Source: The Food and Agricultural Policy Research Institute ("FAPRI") 2011

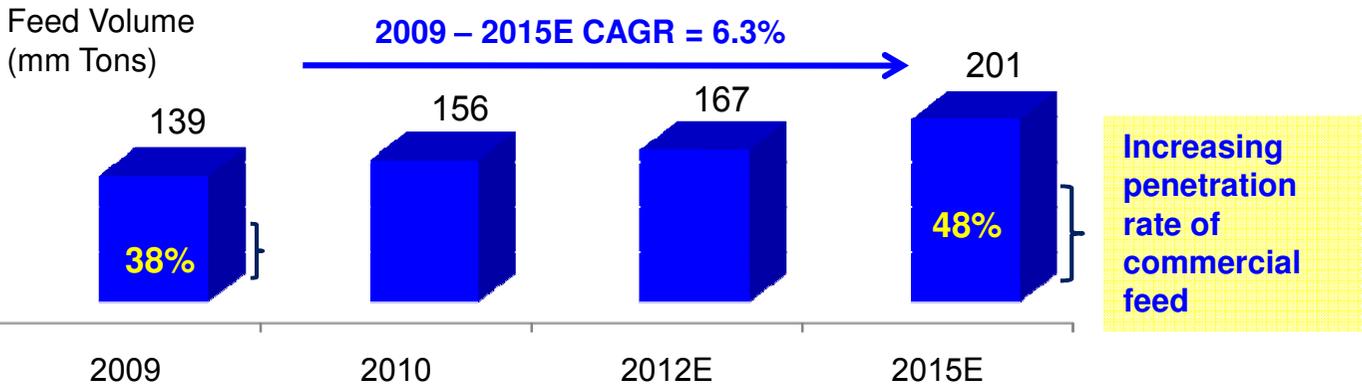


Section 3: China Market Outlook

China

Feed and Food Safety Awareness

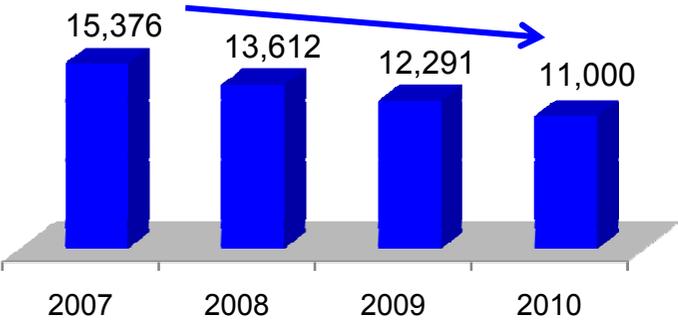
Government's efforts to modernize the feed industry and to raise efficiency and safety standards, thus, feed producers and scaled farms require higher feed quality.



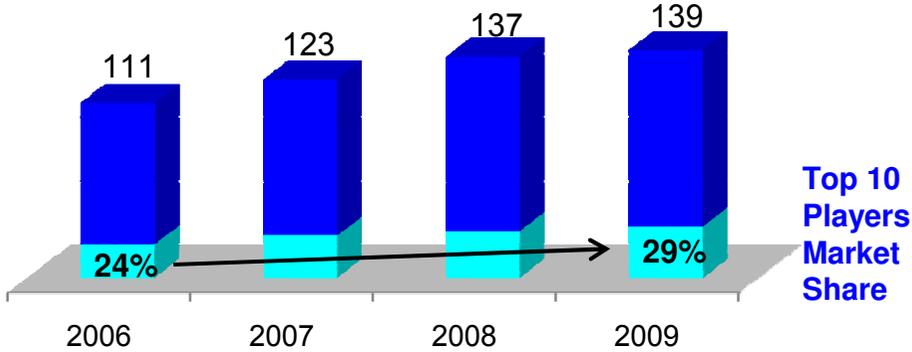
Industry Consolidation

Market consolidation and increasing proportion of scaled farms lead to more demand for commercial feed products.

Number of China Commercial Feed Producer



Feed Volume (mm Tons)



Source: China and Vietnam Feed Industry Statistics, Rabobank, 2010

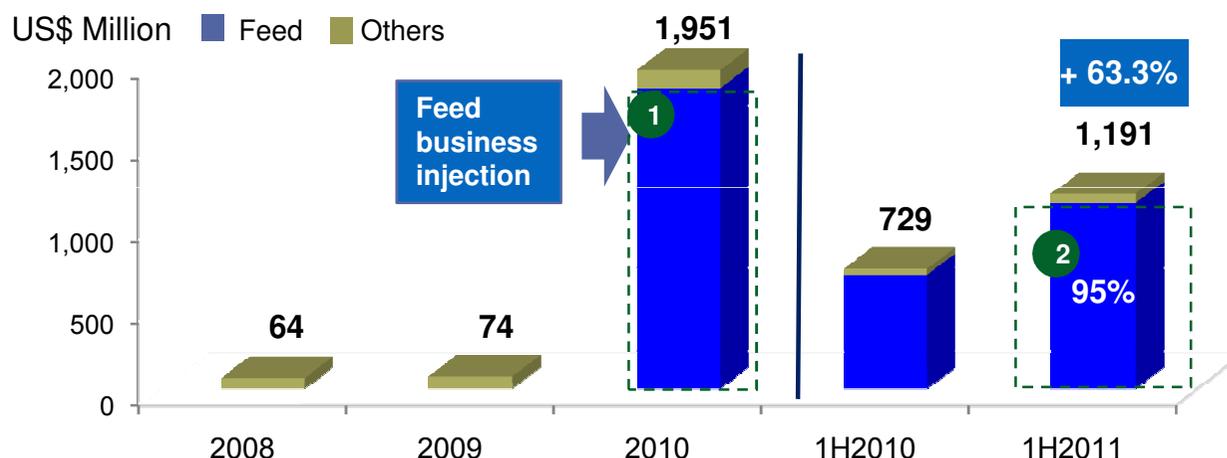


Section 3: CPP – Financials Highlights

Total Revenue US\$ Million

Revenue Developments

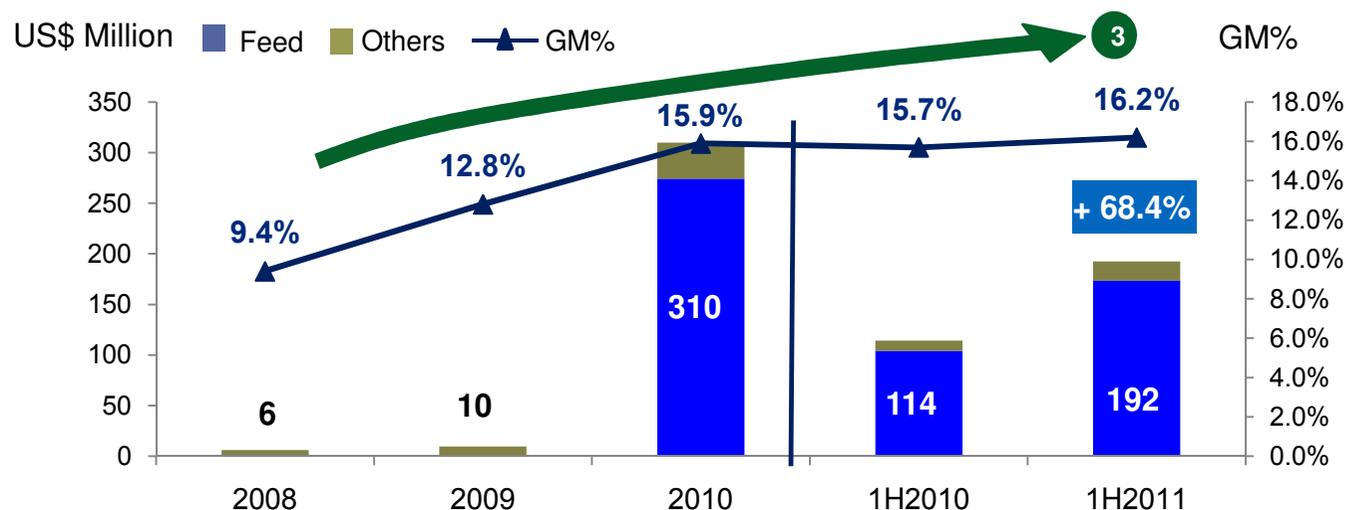
- 1 Since feed business acquisition, total revenue increased significantly in 2010
- 2 Majority (~ 95%) of revenue is attributed to the feed business in 1H2011



Gross Profit (US\$ Million) and Gross Profit %

Gross Profit Developments

- 3 Gross margin continues to increase over the years



Note: USD 1 = HKD 7.78, USD 1 = THB 30.5

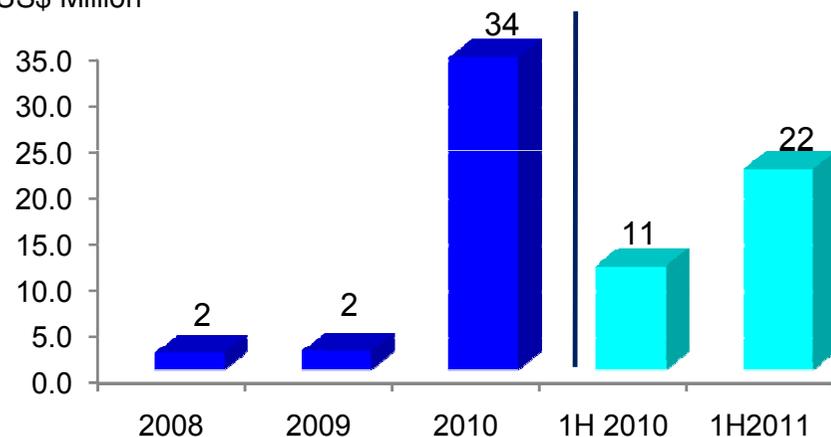


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Section 3: CPP – Financials Highlights

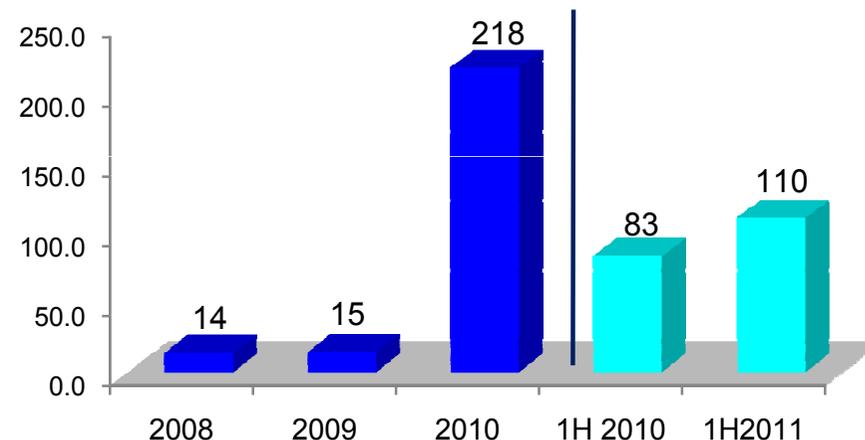
Capital Expenditure

US\$ Million



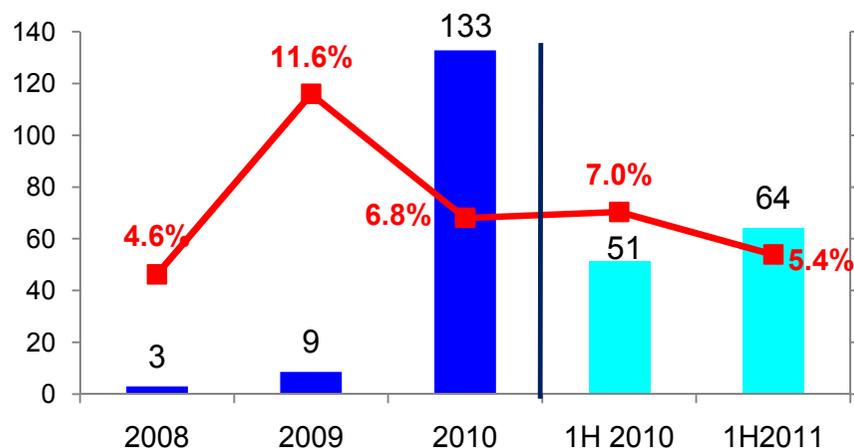
EBITDA (US\$ Million)

US\$ Million



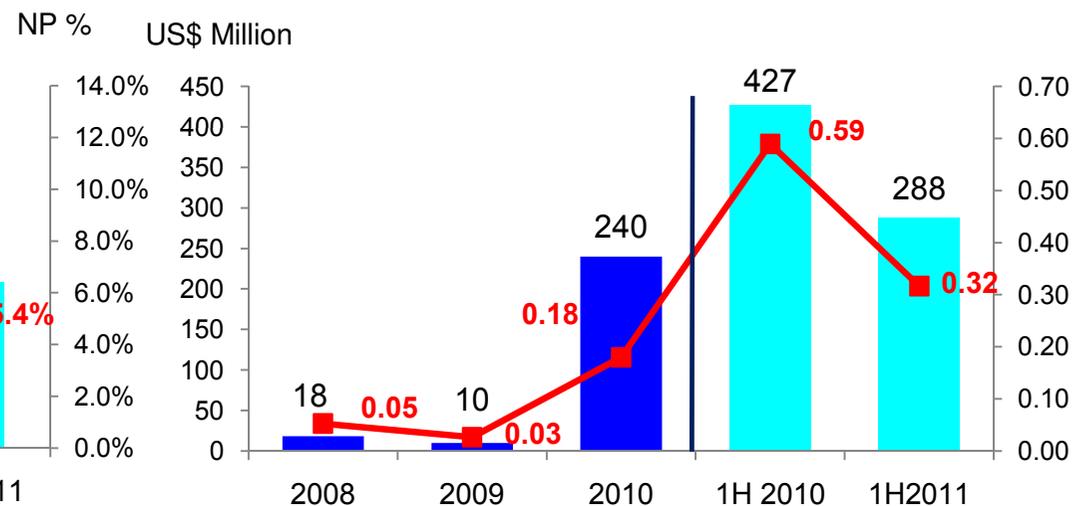
Net Profit (US\$ Million) and Net Profit %

US\$ Million



Interest Bearing Debt and Net D/E (Times)

US\$ Million



Note: USD 1 = HKD 7.78, USD 1 = THB 30.5



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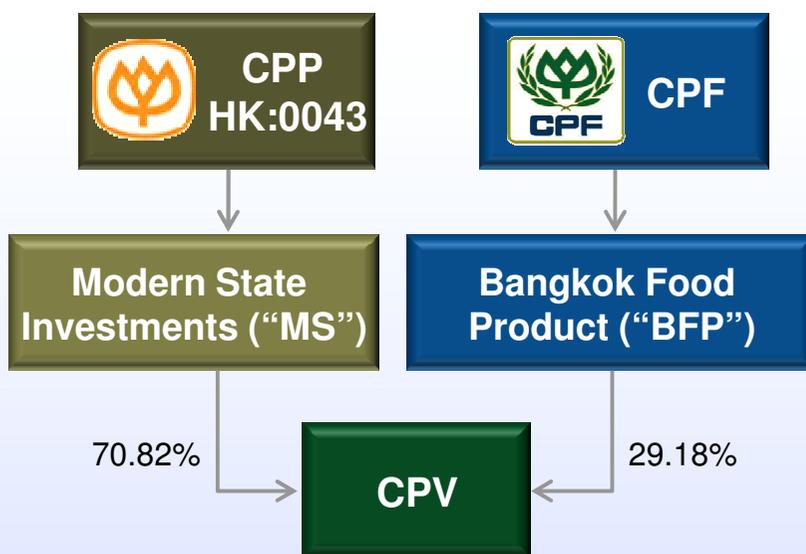
Section 3: CPV - Corporate in Brief

Position

C.P. Vietnam Corporation (“CPV”) is a vertically integrated agri-business and food company in Vietnam.

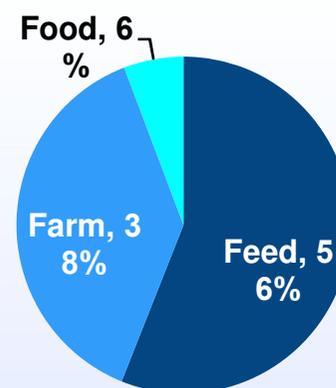
- The “**market leader**” in **commercial feed** production and **commercial farming**
- Fully integrated business, from feed production, breeding, farming, processing and branded food sale
- One of the largest distribution networks

Shareholding Structure

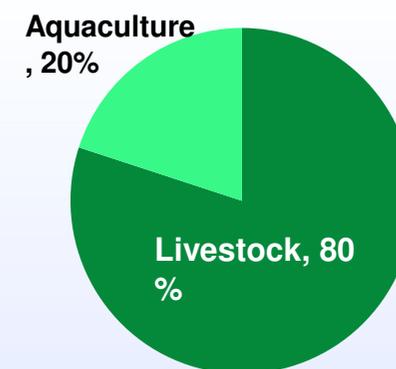


1H2011 Revenue Structure

Revenue by product



Revenue by Business Line



1H2011 Revenue: US\$ 0.65 billion



Section 3: CPV - Integration across food production value chain

CPV's fully integrated operating platform across the value chain.

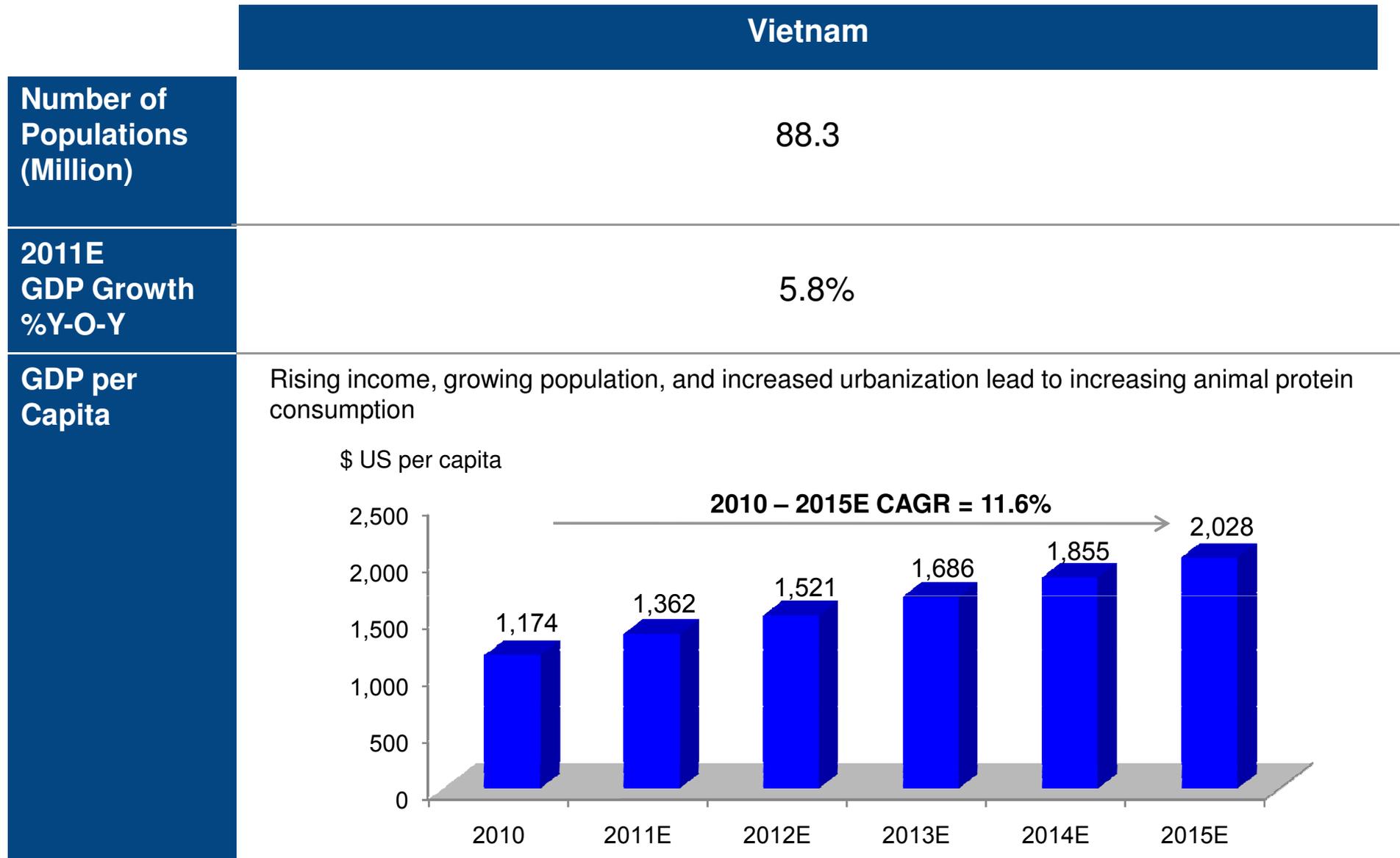


Note: 1) Information as of December 31, 2010



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Section 3: Vietnam Market Outlook

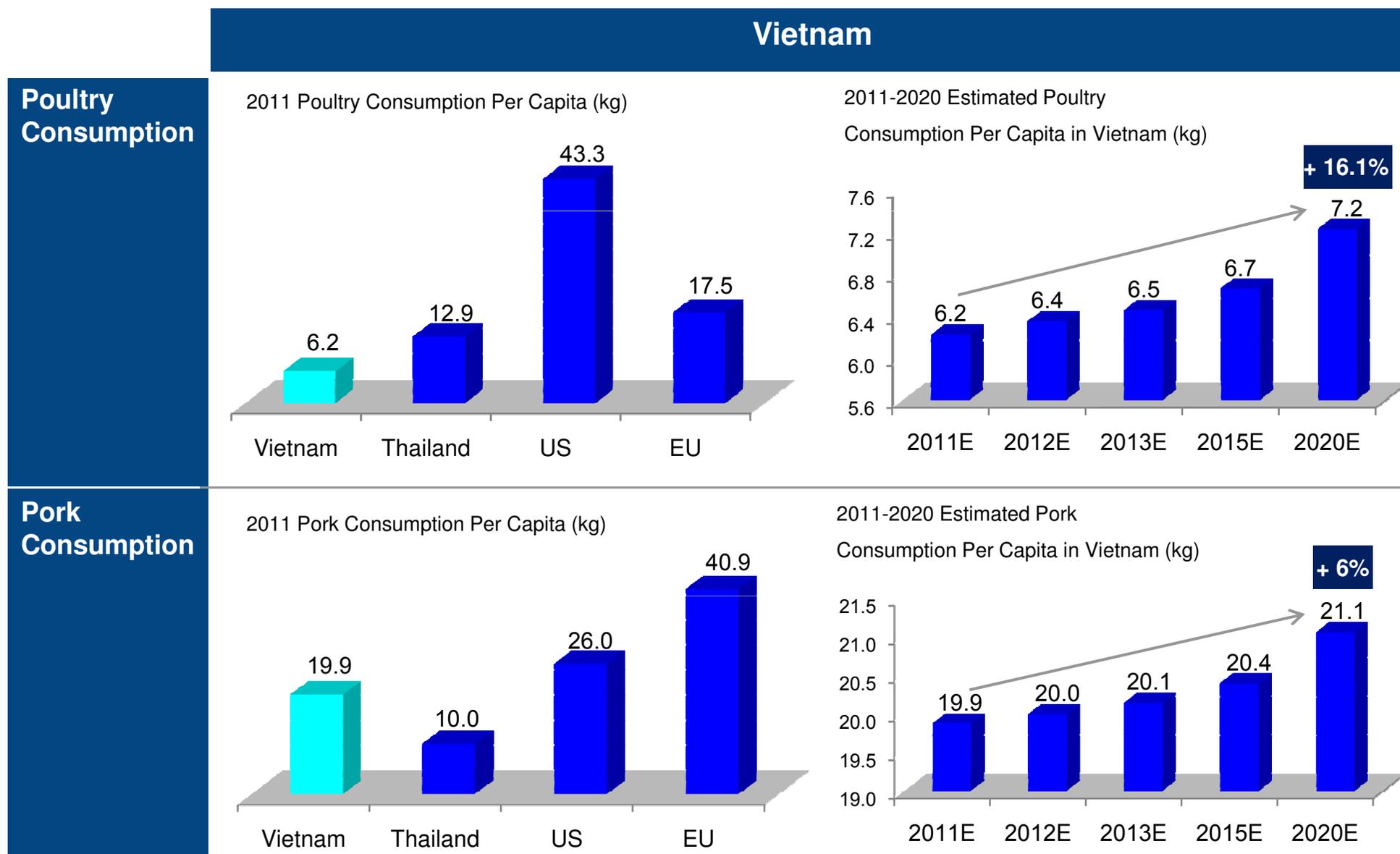


Source: International Monetary Fund



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Section 3: Vietnam Market Outlook



Source: The Food and Agricultural Policy Research Institute ("FAPRI") 2011



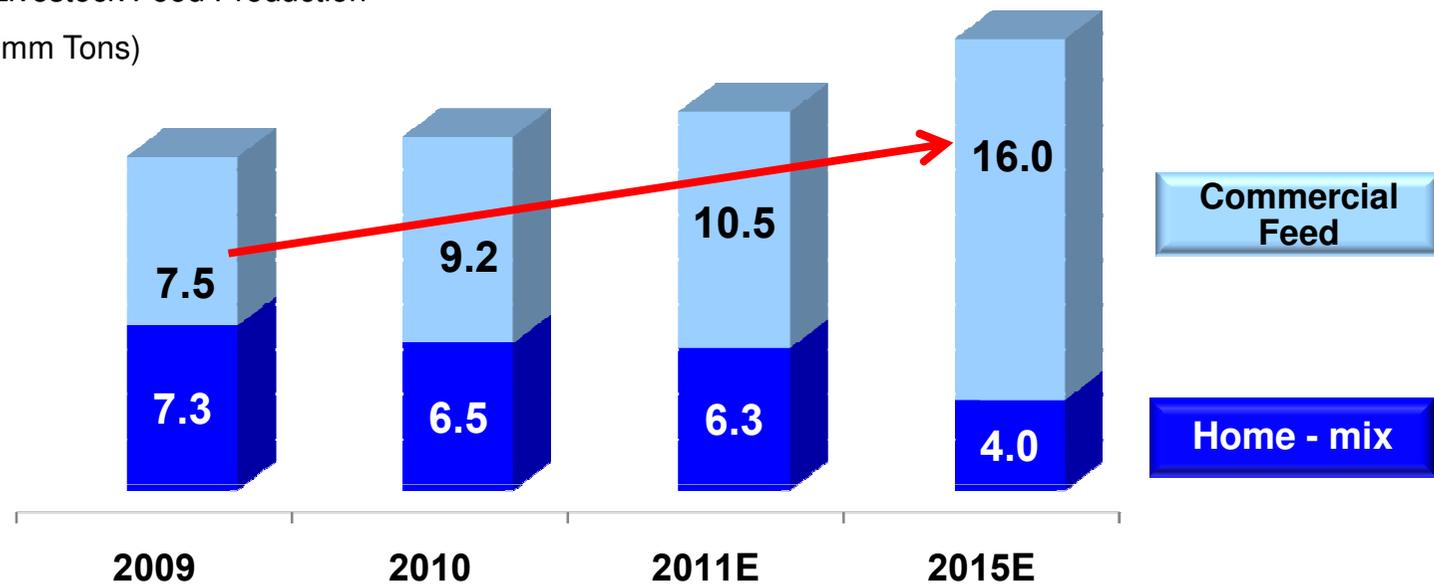
Section 3: Vietnam Market Outlook

Vietnam

Industry Consolidation

Industry consolidation and increasing proportion of scaled farms lead to more demand for commercial feed products

Livestock Feed Production
(mm Tons)

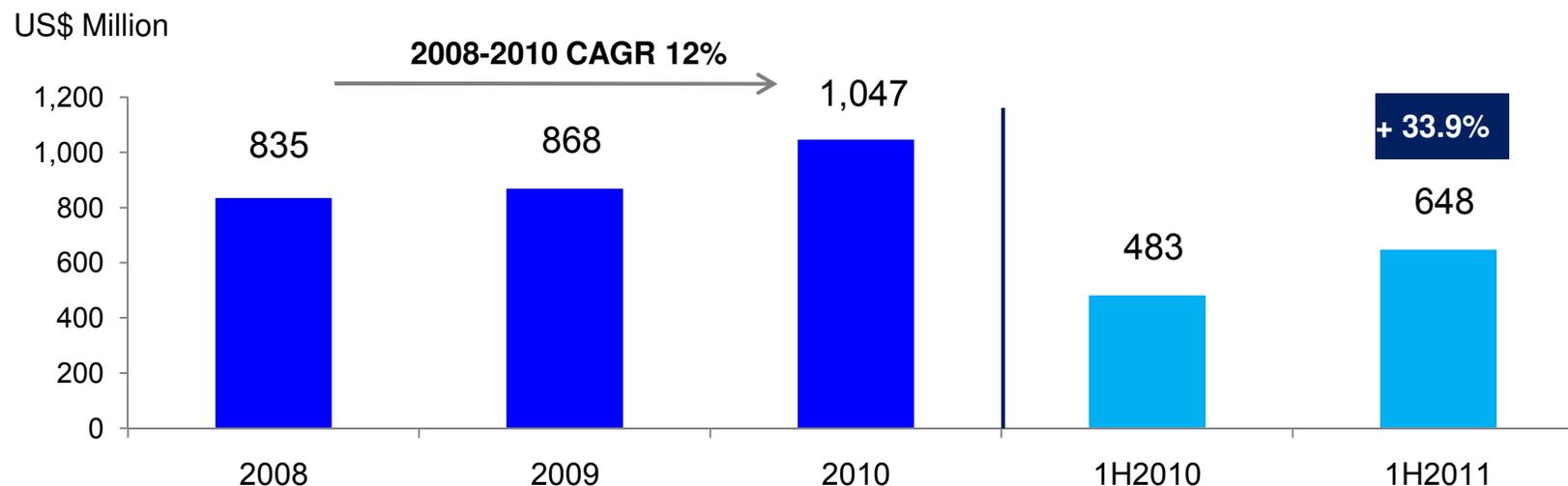


Source: Estimated from public available information

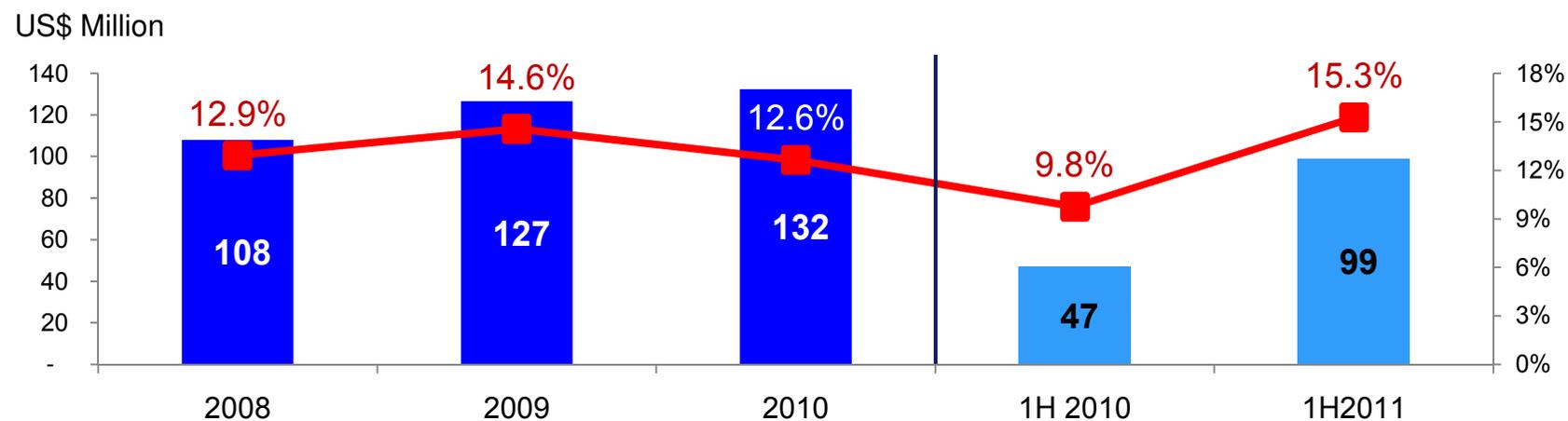


Section 3: CPV – Financials Highlights

Revenue (US\$ Million)



Gross Profit (US\$ Million) and Gross Profit %



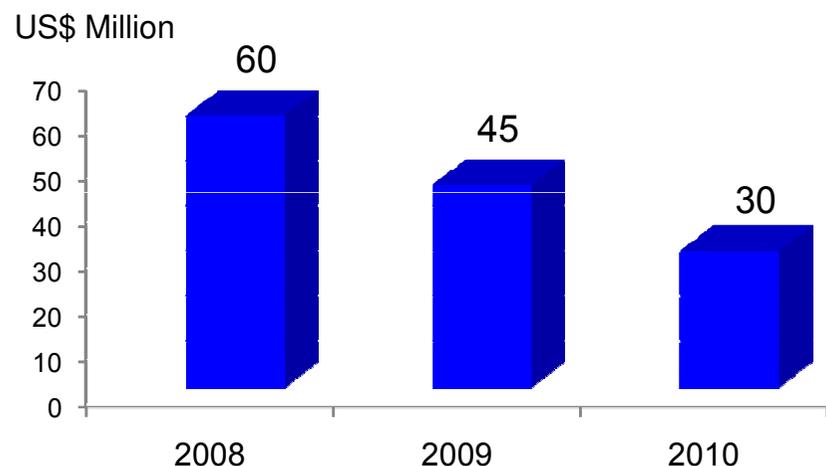
Note: 1) USD 1 = HKD 7.78, USD 1 = THB 30.5



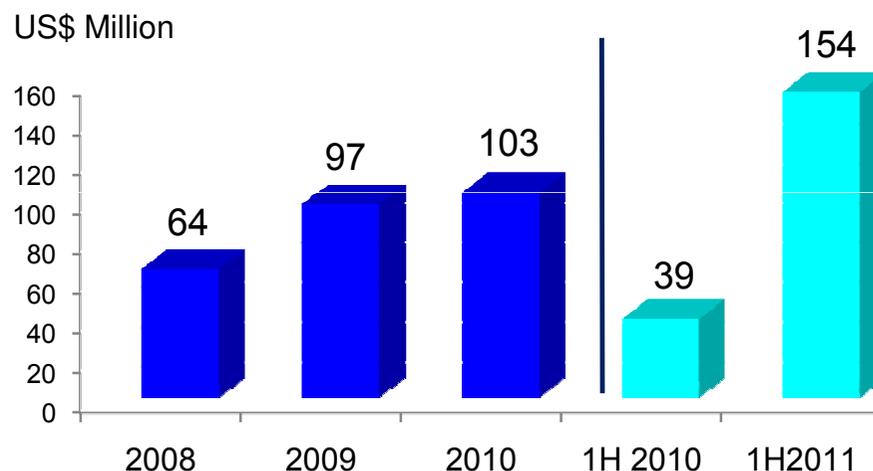
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Section 3: CPV – Financials Highlights

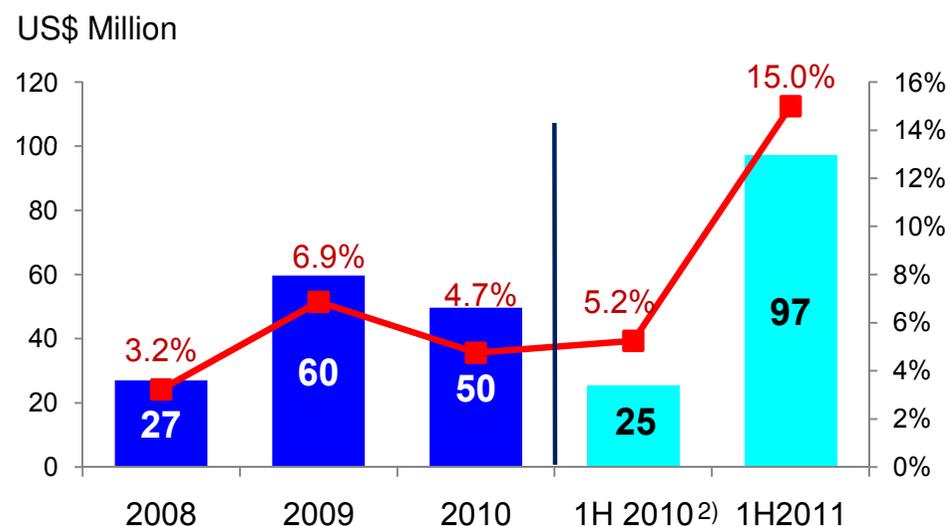
Capital Expenditure



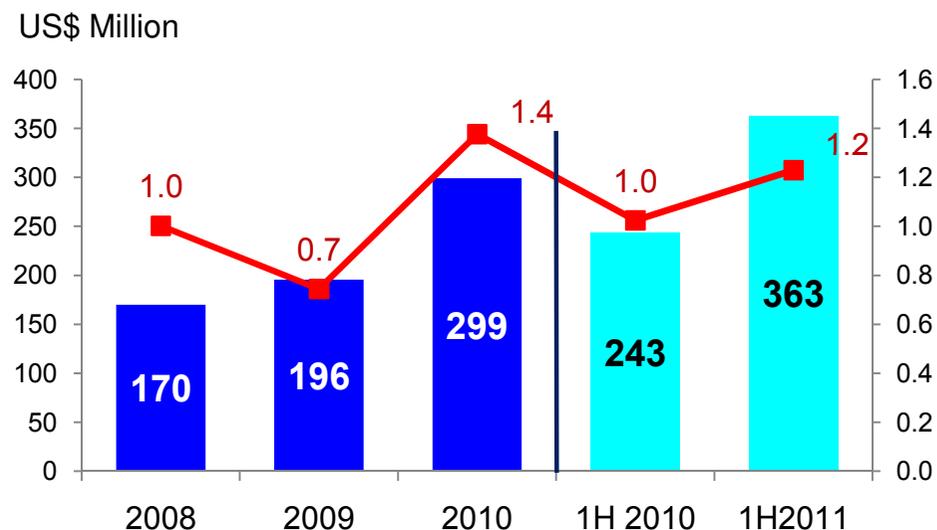
EBITDA (US\$ Million)



Net Profit (US\$ Million) and Net Profit %



Interest Bearing Debt and Net D/E (Times)



Note: 1) USD 1 = HKD 7.78, USD 1 = THB 30.5

2) Added back technical service charges between MS and CPV on the same basis as 1H2011



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Section 4

STRATEGIES POST ACQUISITION



Section 4: 5 Year Mission

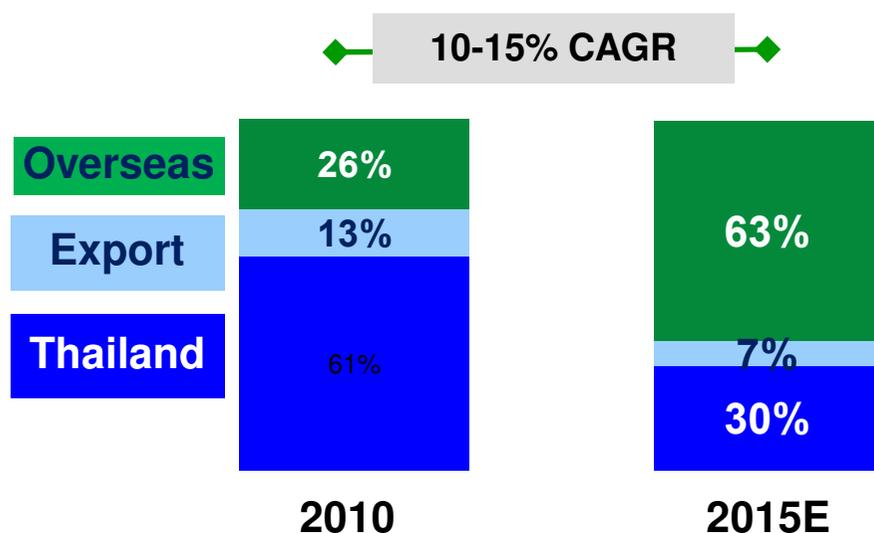
**CPF
THAILAND**

- Leader in domestic and export
- High value-added
- Branding and retail distribution

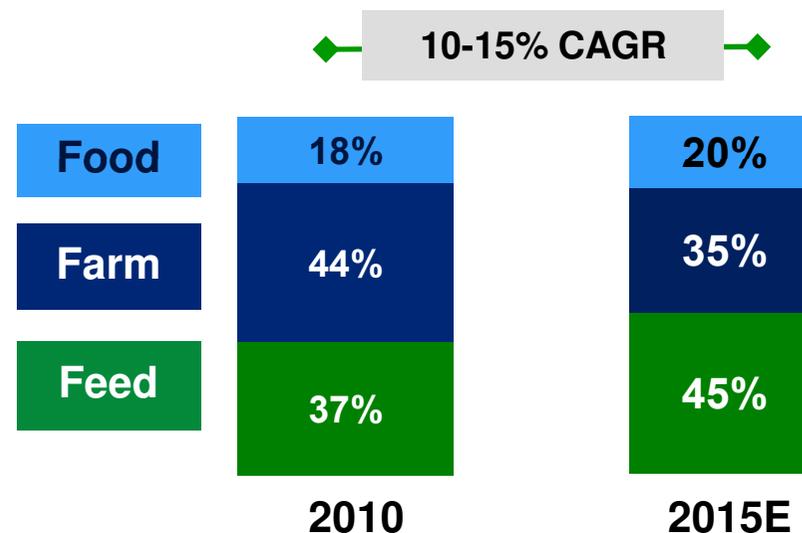
**CPP China
CPV Vietnam
CPF Overseas**

- Leader and dominant player in local market
- Expand into downstream businesses, branding and distribution channels
- Diversify line of business

Revenue Structure by Operation



Revenue Structure by Product



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