

# Charoen Pokphand Foods Plc.



**CP**

*Spaghetti*  
*Make my day*

เมนูมือพิเศษง่ายๆ  
กับคนที่คุณรัก ด้วยสปาเก็ตตี้ชีส

**CP**

*Spaghetti*

สปาเก็ตตี้ไก่ ครีมซอสเห็ด  
มืออร่อย รสเข้มข้น



- **Quick Facts**
- **2012 Results**
- **December 31, 2012 Financial Status**
  - **Appendix**
    - A: Product sample & retail outlet format
    - B: Highlights : Q412 Results
    - C: 3Yr Historical Results



**1. Leading Global Fully Integrated Agro-Industrial and Food Company**

**2. Well-Diversified product portfolio with operation in 12 countries covered > 3 billion populations**

**3. Capturing strong growth opportunity in emerging markets**

**4. Continuous investment to capture future growth**

**5. Financial flexibility**

**6. Stakeholders priorities**

# Quick Facts (as of December 31, 2012)



**Vision : Kitchen of the World**

**Position**

- Member of “**SET50**”, Ticker “**CPF**” under Agro-Industrial & Food Sector
- Ranked **1215** in **Y2012 Forbes Global 2000** list of the World’s Biggest Company
- Listed on “**MSCI**”– *MSCI Thailand, MSCI Asia Free, MSCI Asia Free ex-Japan, MSCI Asia Pac Free, MSCI AC World ex US, MSCI AC World Free, MSCI EM Asia, MSCI Global Emerging Markets, MSCI Far East Free, MSCI Far East Free-ex Japan*
- 3 Listed Investments (HKSE:00043, SET:CPALL, TWSE: 1215)
- 13 Series of Debentures listed on “Thai Bond Market Association”

## Highlights

<b>Vision</b>	: Kitchen of the World	<b>FY12 Sales</b>	: THB357 billion or ~USD 11.9 billion
<b>Market Cap</b>	: THB 247,498 million or ~USD8.2 billion (as of February 22, 2013)	<b>Operations</b>	: 36% Thailand-Domestic 9% Thailand-Export 55% International
<b>Capital</b>	: 7,743 million shares (paid-up), par value of THB.1.00 per share	<b>Business</b>	: 81% Livestock / 19% Aquaculture
<b>Shareholders</b>	: Charoen Pokphand Group Ltd. 46.2% of Paid-Up Capital (as of August 27, 2012)	<b>Product</b>	: 56% Feed / 32% Farm / 12% Food



Note: USD1 = THB 30.05 (as of February 22, 2013)

## Acquisition

- Markin Jernih Sdn. Bhd. in Malaysia
- CPP in HKSE
- Chester's in Thailand

## Capacity Expansion

- Thailand : accelerated food & retail production and distribution channels
- International : market expansion & business diversification

## New Retail Development

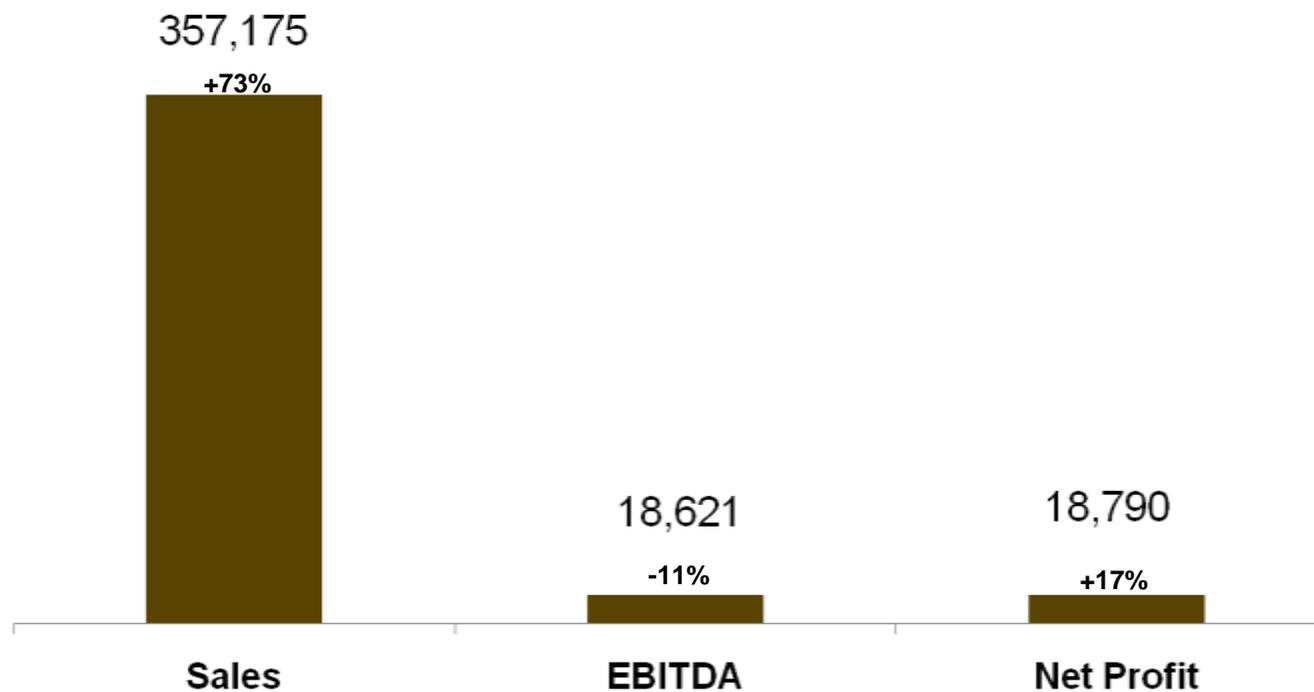
- Thailand : Super Convenience Store, Food-Court, Food Kiosk
- International : Five Stars Business in Vietnam, India and Laos

- Oversupply in domestic area
- Global economic not in favor
- Jumped of raw material cost by US drought in 2H2012
- EMS (Early Mortality Syndrome) in Shrimp

# Y2012 Results



Unit: THB, M



GPM 12% down 4.8% y-o-y  
OPM 4% down 5.1% y-o-y

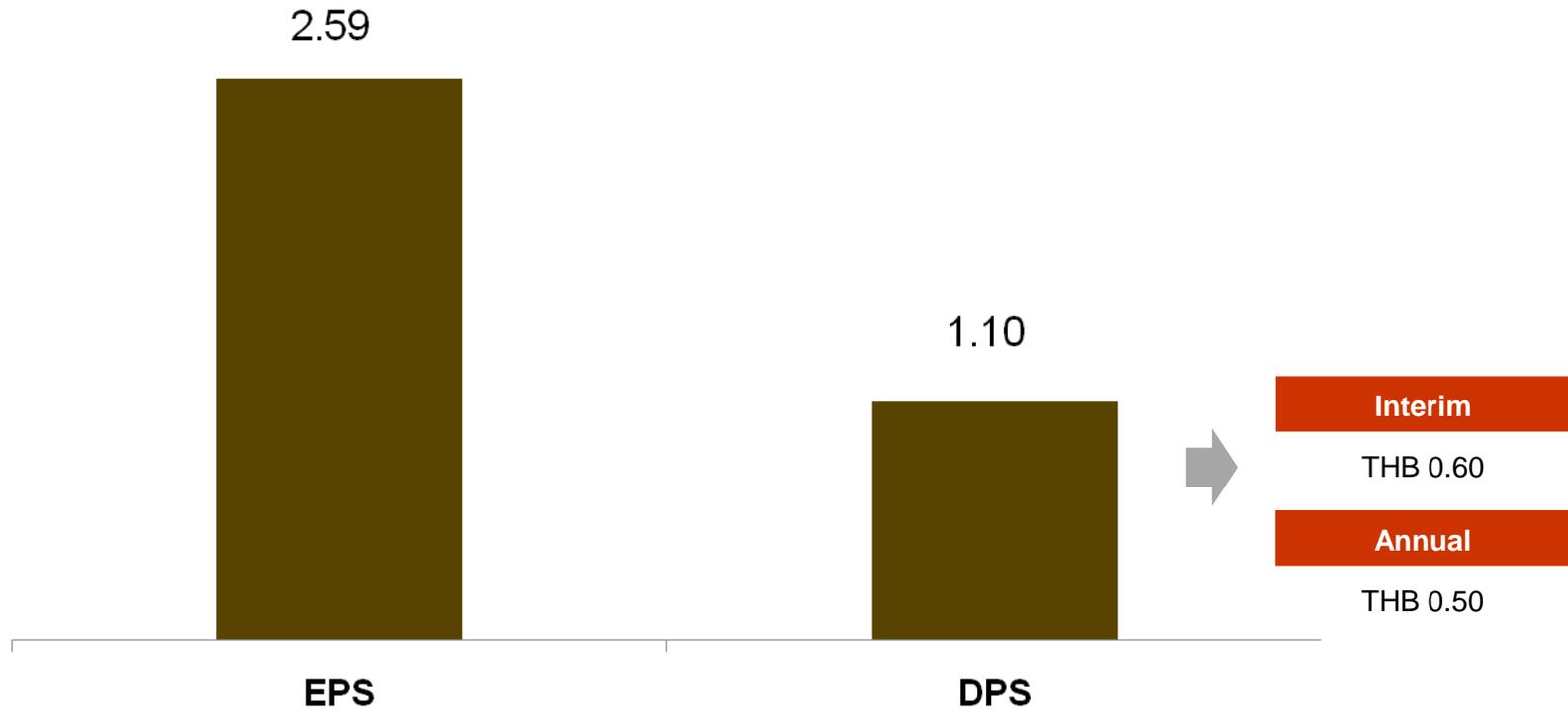
EBITDA Margin 5.2% down 4.9% y-o-y

NPM 5.3% down 2.6% y-o-y

# Y2012 Return to Shareholders



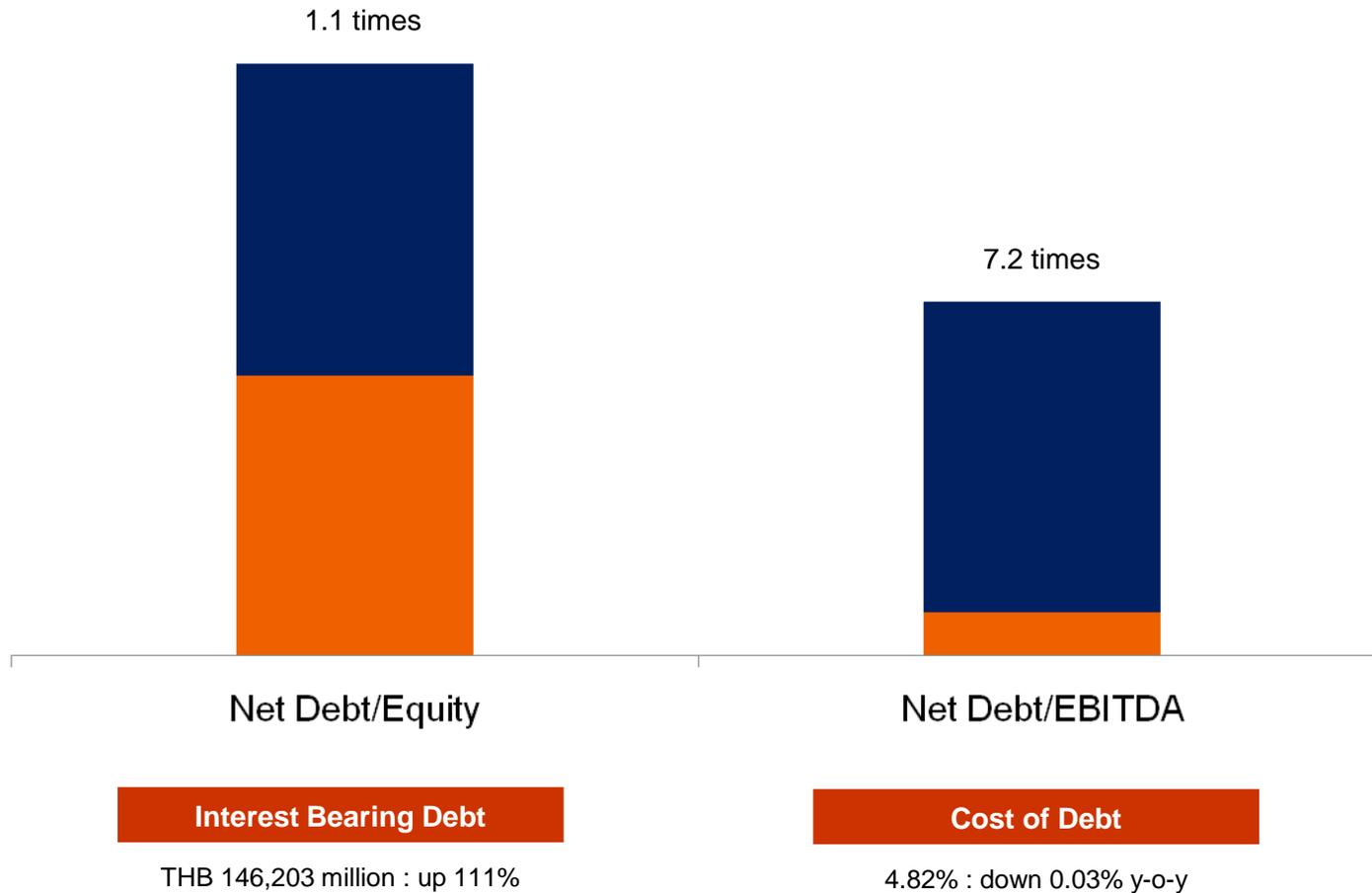
Unit : THB Per Share



# Y2012 Financial Status



Unit: THB, M



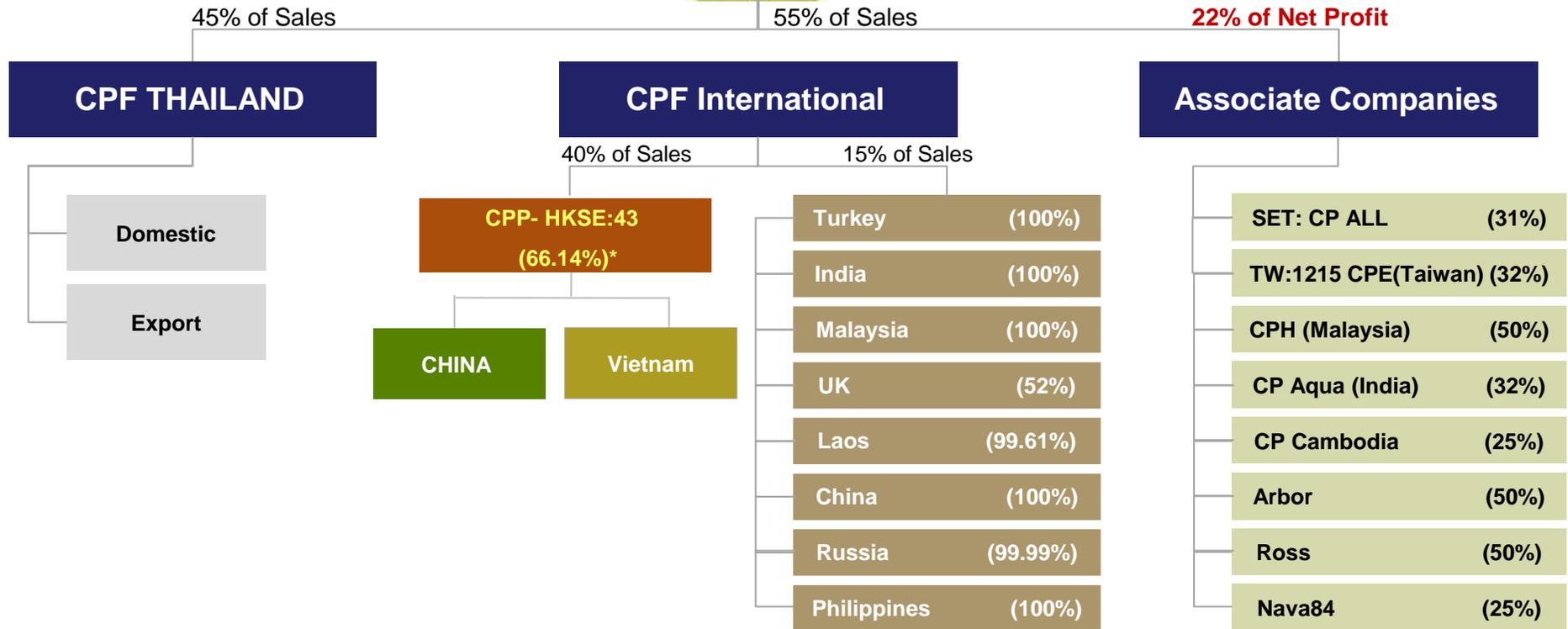
# CPF Operations : Y2012



## CPF Operational Structure



**FY2012 :** Sales = 357,175 MB  
Net Profit = 18,790 MB



Note: % represent percent holding by CPF both direct and indirect

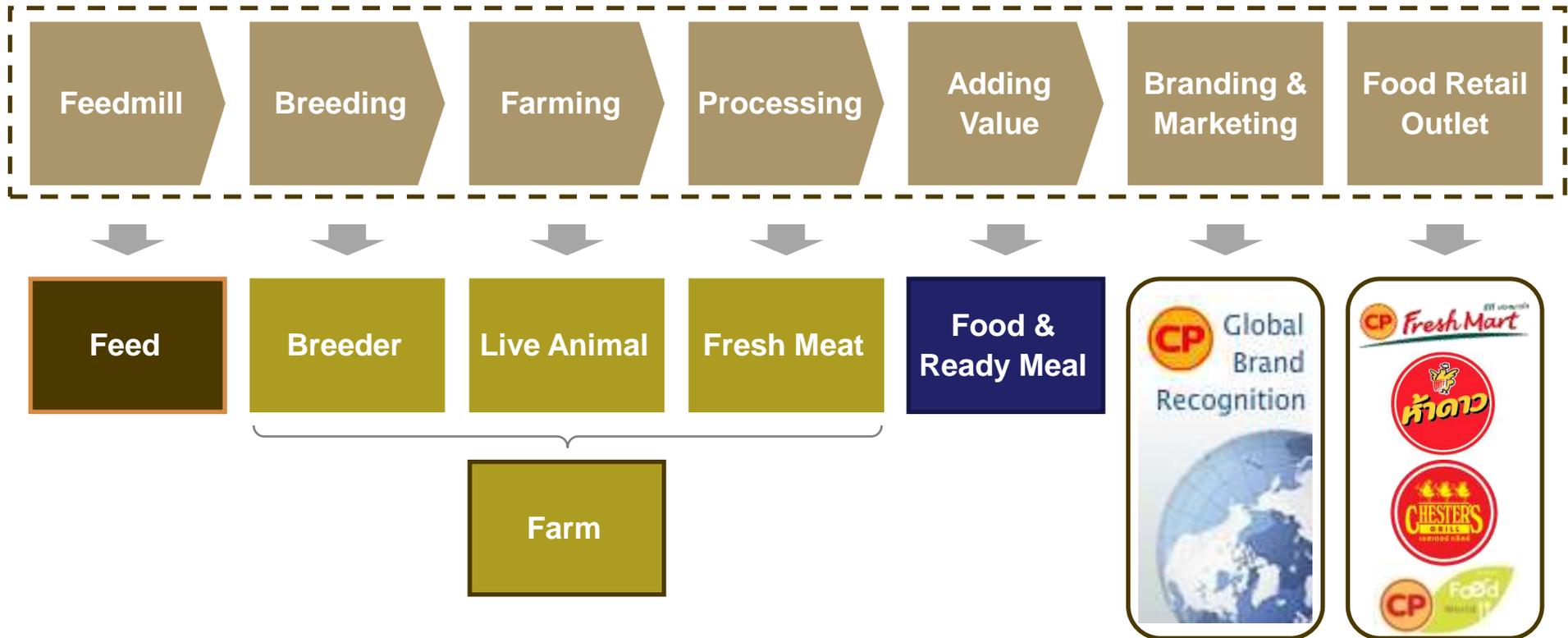
\* Based on ordinary shares only



# Fully Integrated Business Model : From Feed to Food



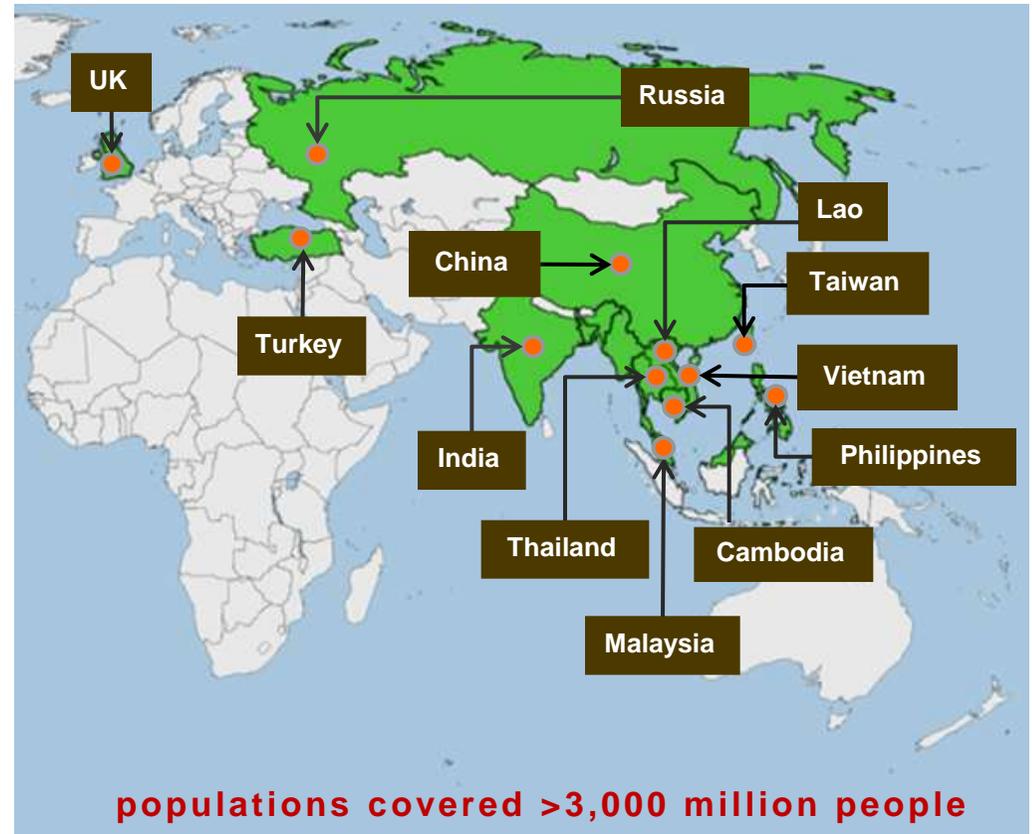
Vertically Integrated Operating Platform with concern on environment  
Livestock (Broiler, Layer, Swine, Duck) Aquaculture (Shrimp & Fish)



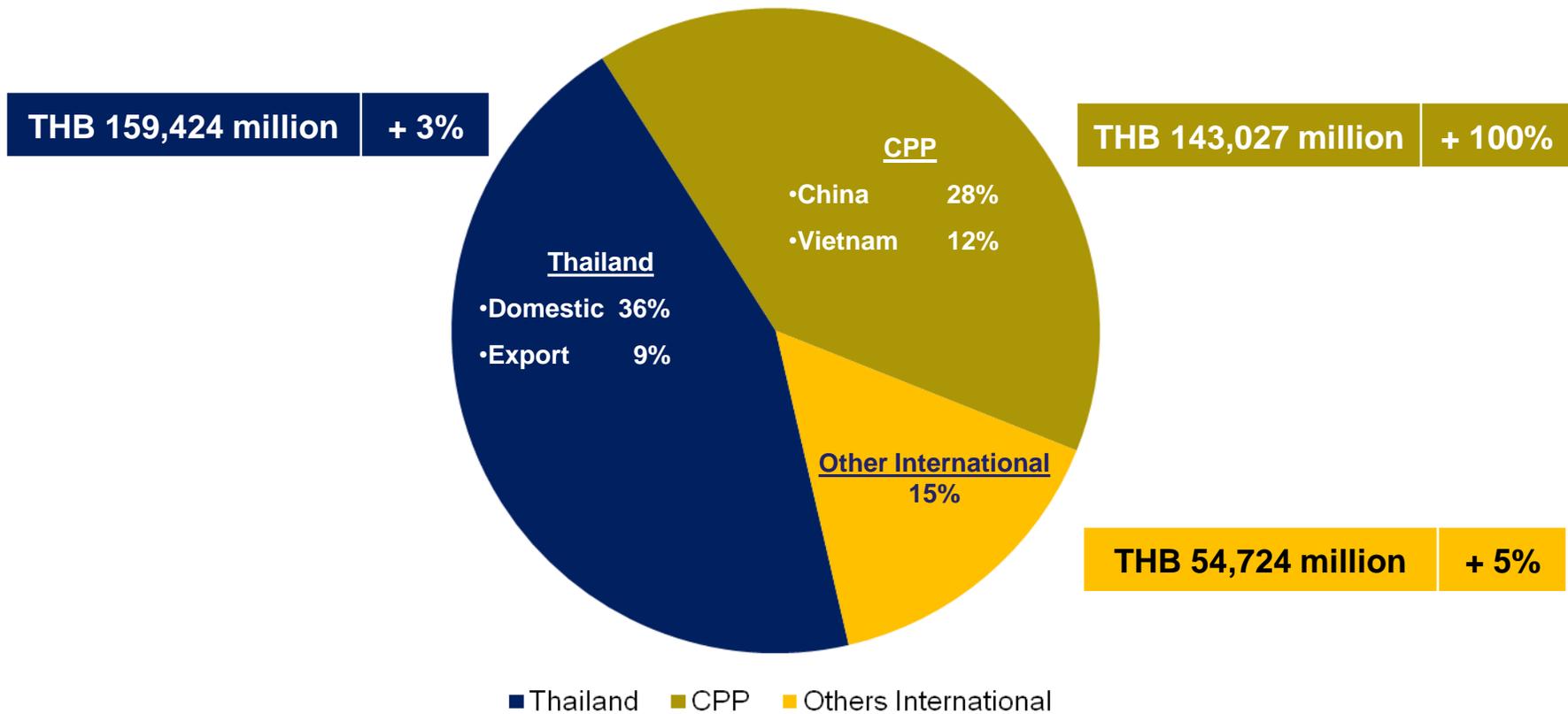
*Unique Value Chain for Safety & Quality Control*

## Leading Foothold in Asia with Well-Established Position in High Growth Potential Markets

Countries	Controlled Year	Livestock	Aquaculture
Thailand	1978	Feed, Farm, Food	Feed, Farm, Food
China	2012	Feed	Feed
Vietnam	2012	Feed, Farm, Food	Feed, Farm, Food
UK	2002	Distributor & Chilled Plant	
Turkey	2004	Feed, Farm, Food	-
India	2005	Feed, Farm, Food	Feed, Farm
Malaysia	2005	Feed, Farm, Food	Feed, Farm, Food
Laos	2006	Feed, Farm, Food	-
Russia	2006	Feed, Farm	-
Philippines	2007	Feed, Farm	Feed, Farm
Taiwan	2009	Feed, Farm, Food	-
Cambodia	2011	Feed, Farm, Food	-



# 2012: Consolidated Sales by Operations



THB 159,424 million + 3%

THB 143,027 million + 100%

THB 54,724 million + 5%

Total Sales THB 357,175 million + 73%

# 2012: Consolidated Sales Structure

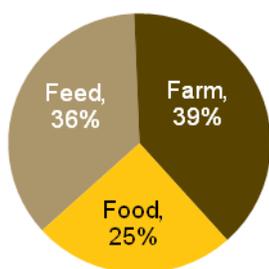


2012 Sales Breakdown			
	2011	2012	% Change
<b>Thailand</b>	154,149	159,424	3%
<i>Domestic</i>	125,558	128,562	2%
<i>Export</i>	28,591	30,862	8%
<b>China</b>	-	99,411	100%
<b>Vietnam</b>	-	43,616	100%
<b>Others</b>	51,950	54,724	5%
<b>Total</b>	<b>206,099</b>	<b>357,175</b>	<b>73%</b>

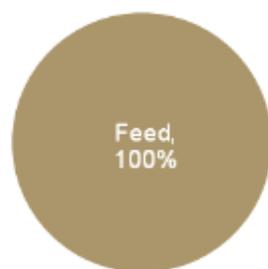
# 2012: Consolidated Sales by Products



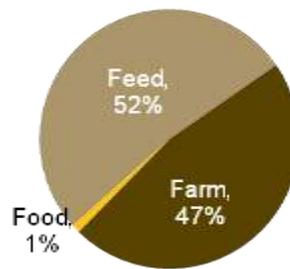
2012 Sales Breakdown by Products												
	Feed			Farm			Food			Total		
	2011	2012	%	2011	2012	%	2011	2012	%	2011	2012	%
<b>Thailand</b>	53,166	56,815	+7%	64,456	62,369	-3%	36,527	40,240	+10%	154,149	159,424	+3%
<i>Domestic</i>	51,704	56,471	+9%	58,349	54,817	-6%	15,505	17,274	+11%	125,558	128,562	+2%
<i>Export</i>	1,462	344	-76%	6,107	7,552	+24%	21,022	22,966	+9%	28,591	30,862	+8%
<b>China</b>	0	99,411	+100%	0	0	-	0	0	-	0	99,411	+100%
<b>Vietnam</b>	0	22,621	+100%	0	20,401	+100%	0	594	+100%	0	43,616	+100%
<b>Others</b>	25,994	26,289	+1%	23,371	25,786	+10%	2,585	2,649	+2%	51,950	54,724	+5%
<b>Total</b>	<b>79,160</b>	<b>205,136</b>	<b>+159%</b>	<b>87,827</b>	<b>108,556</b>	<b>+24%</b>	<b>39,112</b>	<b>43,483</b>	<b>+11%</b>	<b>206,099</b>	<b>357,175</b>	<b>+73%</b>



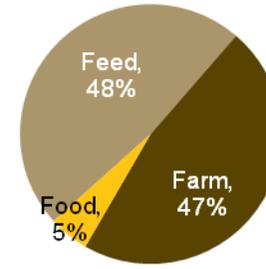
Y12 Thailand



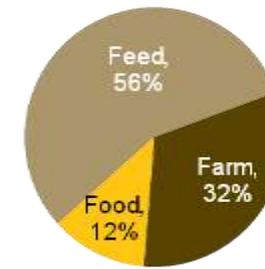
Y12 China



Y12 Vietnam

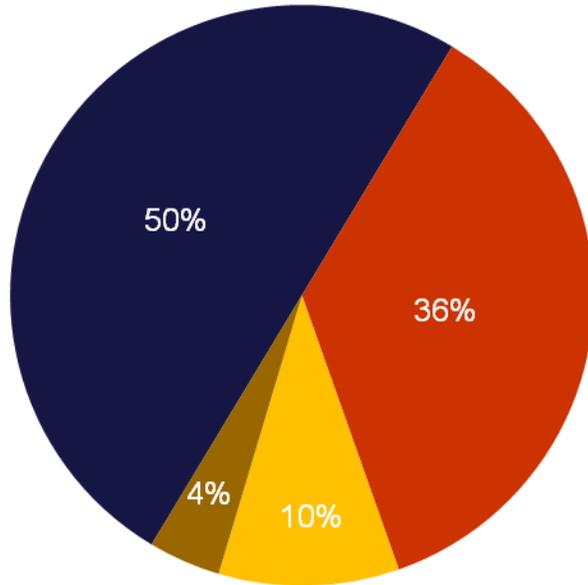


Y12 Other s



Y12 Total

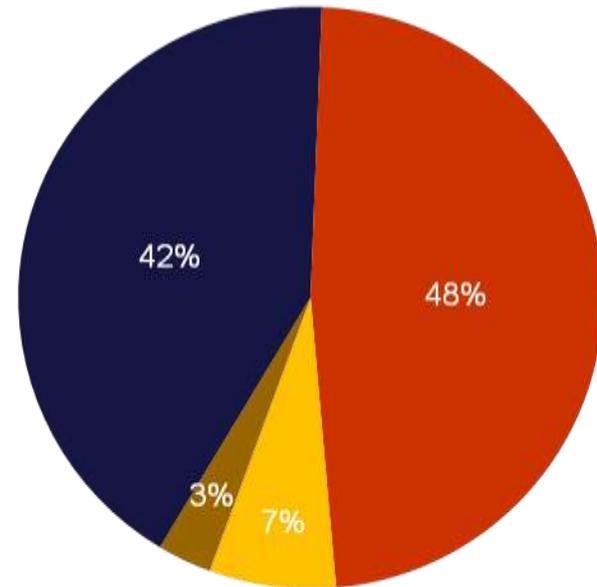
# 2012: Thailand Operations – Export Destination



■ Asia ■ EU ■ USA ■ Others

**Farm**

THB 7,552 million + 24%



■ Asia ■ EU ■ USA ■ Others

**Food**

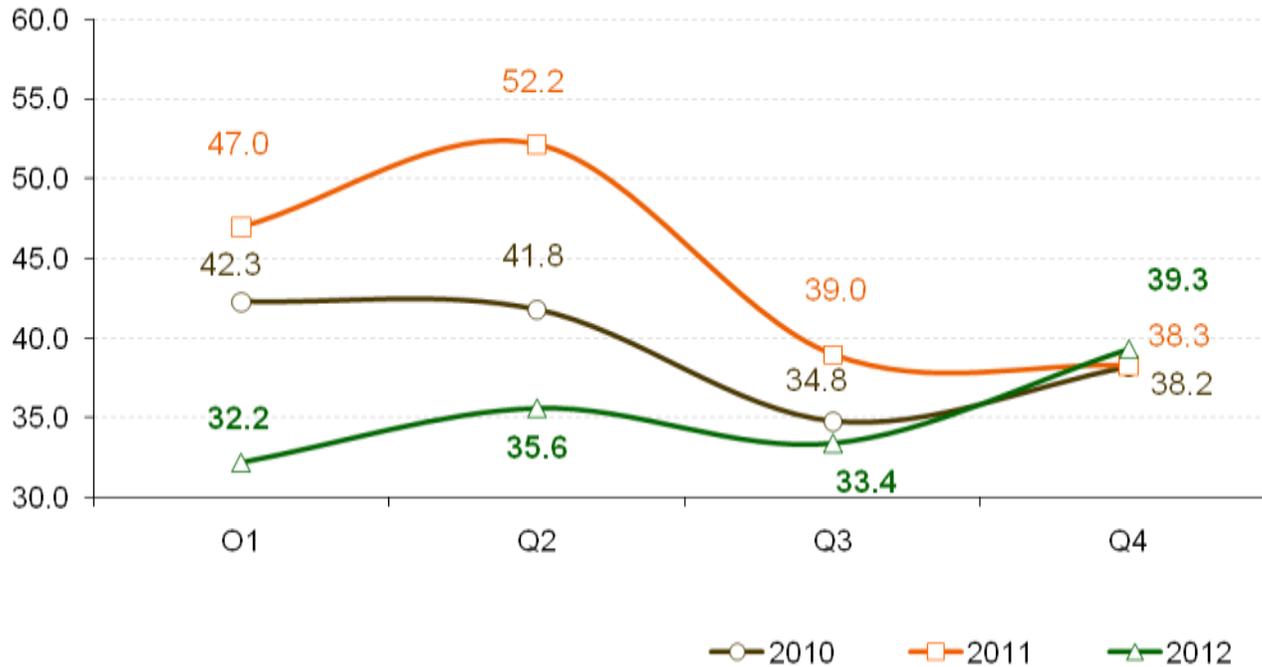
THB 22,966 million + 9%

# Average Market Price: Major Products



Broiler (THB / KG.)

Feb'2013 Price = 36.0



	Avg. Price	% y-o-y
△ 2012	35.09	-20%
□ 2011	44.10	12%
○ 2010	39.29	

# Average Market Price: Major Products



Swine (THB / KG.)

Feb'2013 Price = 67.0



	Avg. Price	% y-o-y
△ 2012	55.67	-16%
□ 2011	66.25	13%
○ 2010	58.65	

Source: CPF

# Average Market Price: Major Products



Fresh Egg (THB / piece)

Feb'2013 Price = 2.8



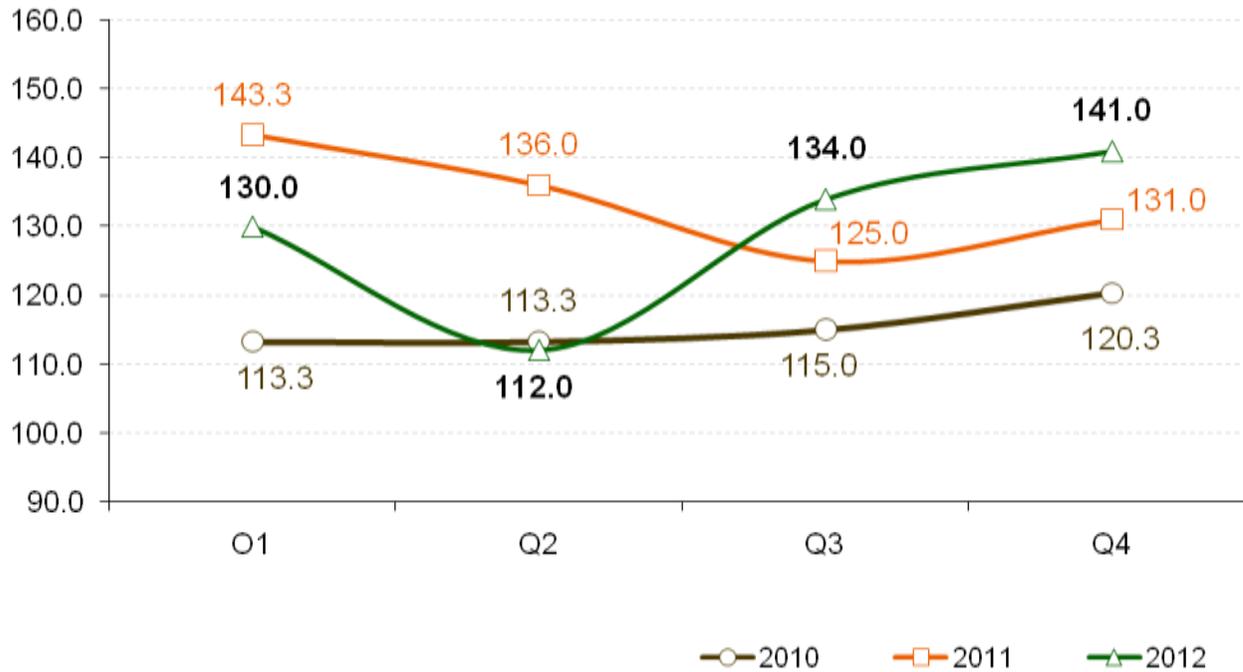
	Avg. Price	% y-o-y
△ 2012	2.36	-17%
□ 2011	2.86	13%
○ 2010	2.53	

# Average Market Price: Major Products



White Shrimp (Size70)

Feb'2013 Price = 155.0



	Avg. Price	% y-o-y
△ 2012	129	-3%
□ 2011	133	15%
○ 2010	116	

Source: CPF

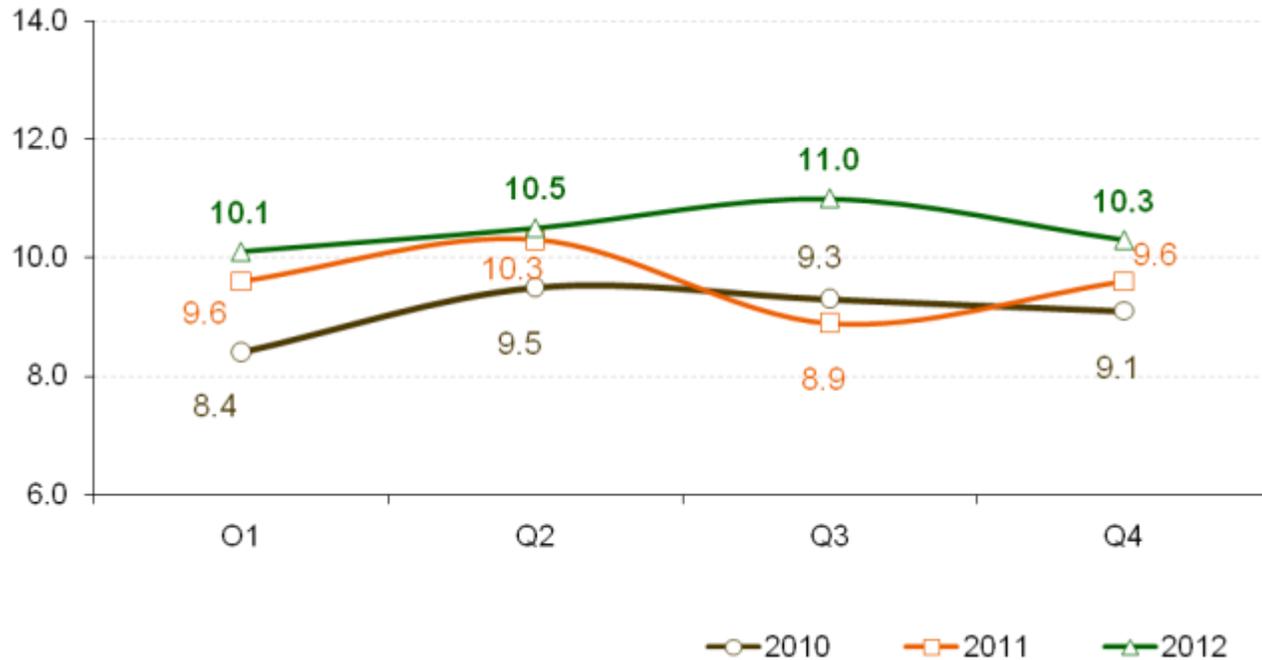


# Average Market Price: Major Feed Raw Materials



Corn (THB / KG.)

Feb'2013 Price = 10.2



	Avg. Price	% y-o-y
△ 2012	10.46	8%
□ 2011	9.64	6%
○ 2010	9.09	

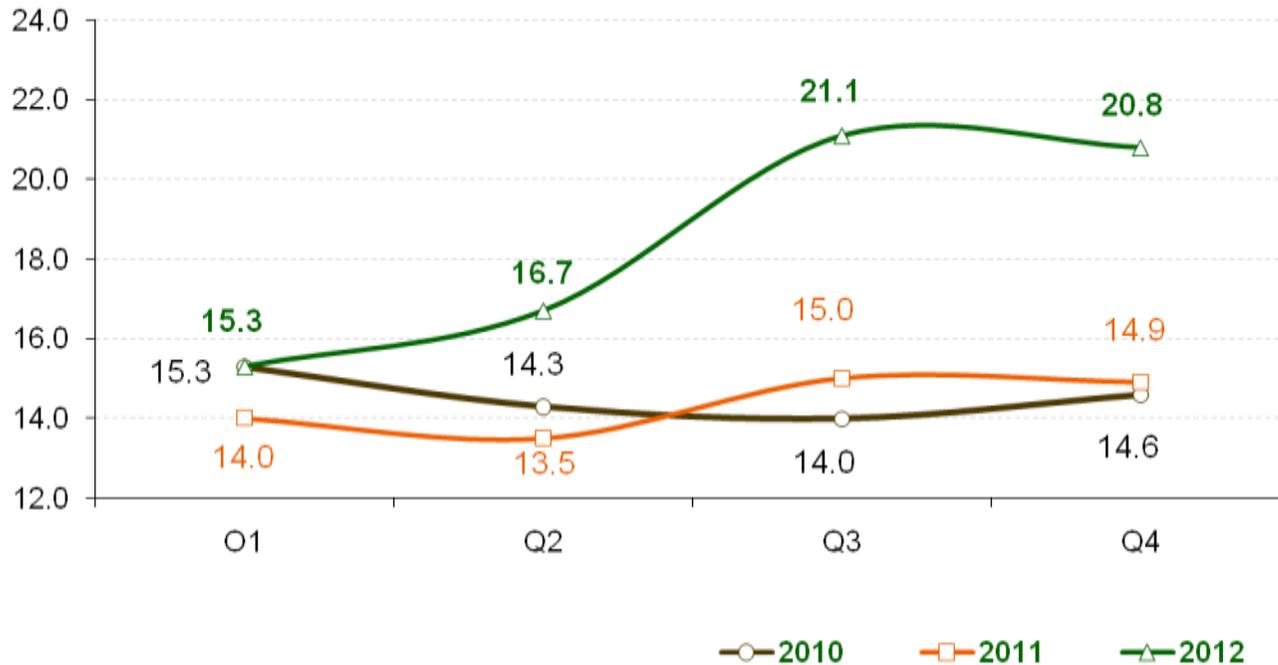
Source: CPF

# Average Market Price: Major Feed Raw Materials



Soybean Meal (THB / KG.)

Feb'2013 Price = 17.9



	Avg. Price	% y-o-y
△ 2012	18.47	29%
□ 2011	14.35	-1%
○ 2010	14.52	

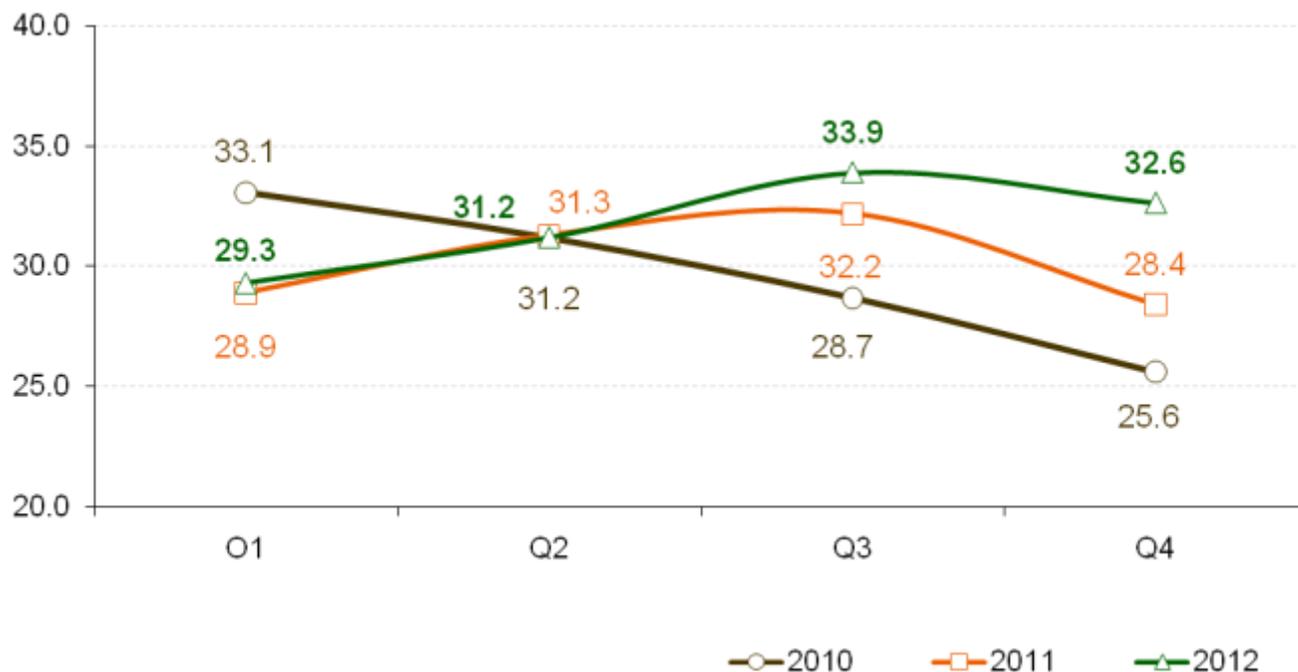
Source: CPF

# Average Market Price: Major Feed Raw Materials



Fishmeal (THB / KG.)

Feb'2013 Price = 29.0

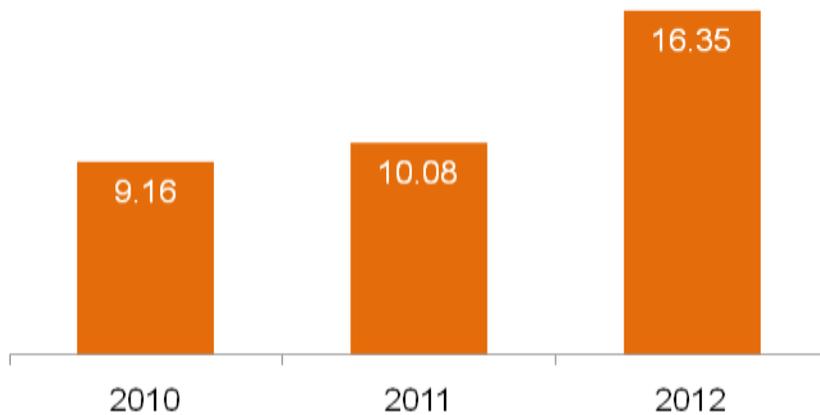


	Avg. Price	% y-o-y
△ 2012	31.78	5%
□ 2011	30.18	2%
○ 2010	29.67	

Source: CPF

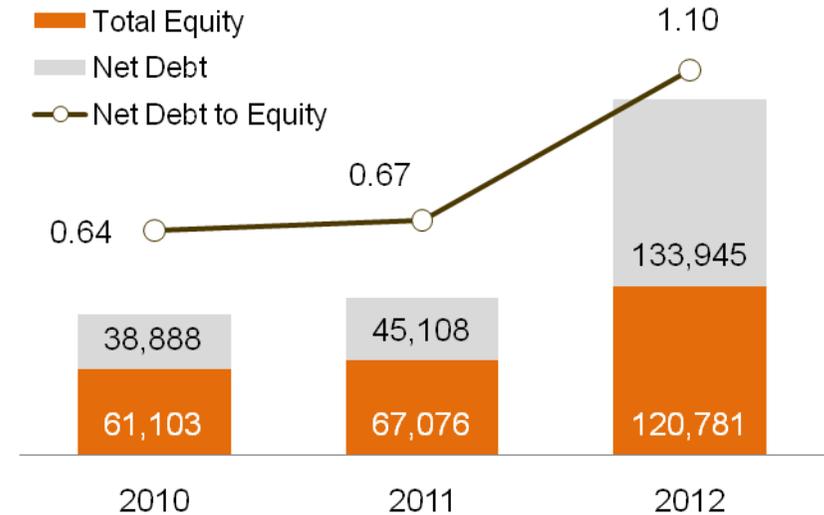
## Book Value Per Share

Unit : THB Per Share



## Net Debt to Equity

Unit : THB, M

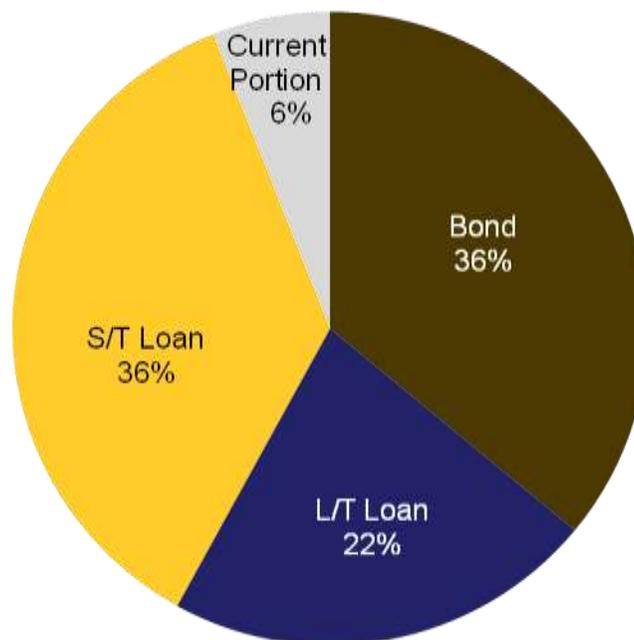


Remark : Net Debt = Interest Bearing Debt - Cash and Cash Equivalents

# Interest Bearing Debt as of December 31, 2012



Interest Bearing Debt : THB 146,203 M



Cost of Debts	2010	2011	2012
	4.00%	4.85%	4.82%

Bond Rating "AA-" with "Stable" Outlook  
by Tris Rating Co., Ltd

## Operations

Sales



+15%

## Company cash flow priority

- The dividend
- Debt reduction
- Acquisition

## M&A

- Target related to core businesses
- Enhancing value to core operations

## Investment

- 3Yr Capex of THB 50,000 million ; cautiously investment for growth
  - Thailand : add on value to existing businesses
  - International : diversification & market expansion

# 5-Year Mission

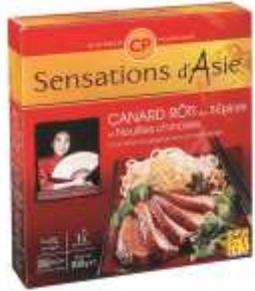


- Accelerate growth by value-added products and in emerging markets
- Cautiously investment with synergy to existing core operations
- Capturing lifestyle changes by strengthening  brand and expanding food business
- Building solid governance foundation
- Good care and share to others



## Appendix A: Product Sample & Retail Outlet Format

# Example of Product Selection





# CP Fresh Mart



# CP Food World



# Chester's





## Appendix B: Highlights : Q412 results



# 2012: Consolidated Income Statement Highlight



	Quarter 1		Quarter 2		Quarter 3		Quarter 4			Full Year		
	2011*	2012	2011*	2012	2011*	2012	2011*	2012	Change %	2011*	2012	Change %
<b>Net sales</b>	45,744	73,480	53,230	92,255	54,446	97,220	52,679	94,220	79%	206,099	357,175	73%
<b>Gross Profit Margin (%)</b>	16.1%	13.6%	18.1%	13.6%	17.9%	11.7%	13.0%	7.9%		16.3%	11.6%	
<b>Gain on fair value adjustment</b>	-	8,673	-	-	-	-	-	-	-	-	8,643	100%
<b>EBITDA</b>	4,286	5,226	6,651	7,127	6,757	5,375	3,175	893	-72%	20,869	18,621	-11%
<b>EBIT</b>	3,142	3,565	5,470	5,274	5,601	3,405	1,917	-999	-152%	16,130	11,245	-30%
<b>Share in Profit of Associates</b>	894	990	1,127	1,086	1,089	1,065	753	998	33%	3,863	4,139	7%
<b>Financial Costs</b>	(404)	(1,175)	(674)	(1,650)	(652)	(1,659)	(702)	(1,894)	170%	(2,432)	(6,378)	162%
<b>Income Taxes Expense</b>	(631)	(587)	(1,035)	(1,492)	(1,085)	(705)	(147)	109	-174%	(2,898)	(2,675)	-8%
<b>Gain / (Loss) from FX</b>	23	(12)	(30)	(6)	20	(62)	183	28	-85%	196	(52)	-127%
<b>NET PROFIT</b>	3,677	12,113	4,844	4,035	5,148	2,404	2,448	238	-90%	16,117	18,790	17%

<b>EPS (THB)</b>	0.55	1.76	0.73	0.55	0.77	0.33	0.30	0.03		2.42	2.59	
<b># of capital shares **</b>	6,656	6,900	6,656	7,388	6,656	7,388	6,656	7,388		6,656	7,266	
<b>Paid-Up Capital</b>	7,520	7,743	7,520	7,743	7,520	7,743	7,520	7,743		7,520	7,743	
<b>Dividend (THB/Share)</b>										1.20	1.10	

Note: \*\* # of capital shares = No. of the Weighted-avg. shares  
 : \* Including restate of IFRS basis

# Q412: Consolidated Sales Structure



Sales Breakdown			
	Q411	Q412	% Change
<b>Thailand</b>	40,256	42,288	5%
<i>Domestic</i>	32,460	32,990	2%
<i>Export</i>	7,796	9,298	19%
<b>China</b>	-	26,337	100%
<b>Vietnam</b>	-	12,380	100%
<b>Others</b>	12,423	13,215	6%
<b>Total</b>	<b>52,679</b>	<b>94,220</b>	<b>79%</b>

# Q412: Consolidated Sales by Products



## Sales Breakdown by Products

	Feed			Farm			Food			Total		
	Q411	Q412	%	Q411	Q412	%	Q411	Q412	%	Q411	Q412	%
<b>Thailand</b>	14,416	14,224	-1%	15,914	16,433	3%	9,926	11,631	17%	40,256	42,288	5%
<i>Domestic</i>	14,029	14,118	1%	14,285	14,279	0%	4,146	4,593	11%	32,460	32,990	2%
<i>Export</i>	387	106	-73%	1,629	2,154	32%	5,780	7,038	22%	7,796	9,298	19%
<b>China</b>	0	26,337	100%	0	0	-	0	0	-	0	26,337	100%
<b>Vietnam</b>	0	6,072	100%	0	6,106	100%	0	202	100%	0	12,380	100%
<b>Others</b>	6,183	6,565	6%	5,643	5,950	5%	597	700	17%	12,423	13,215	6%
<b>Total</b>	<b>20,599</b>	<b>53,198</b>	<b>158%</b>	<b>21,557</b>	<b>28,489</b>	<b>32%</b>	<b>10,523</b>	<b>12,533</b>	<b>19%</b>	<b>52,679</b>	<b>94,220</b>	<b>79%</b>



## Appendix C: Highlights : 3Yr Historical Results



# 2012: Consolidated Income Statement Highlight



	Full Year				
	2010	2011*	Change %	2012	Change %
Net sales	189,049	206,099	9%	357,175	73%
Gross Profit Margin (%)	15.6%	16.3%		11.6%	
Gain on fair value adjustment	-	-		8,643	100%
EBITDA	18,359	20,869	14%	18,621	-11%
EBIT	13,561	16,130	19%	11,245	-30%
Share in Profit of Associates	2,511	3,863	54%	4,139	7%
Financial Costs	(1,824)	(2,432)	33%	(6,378)	162%
Income Taxes Expense	(2,388)	(2,898)	21%	(2,675)	-8%
Gain / (Loss) from FX	1,009	196	-81%	(52)	-127%
NET PROFIT	13,563	16,117	19%	18,790	17%

EPS (THB)	2.04	2.42		2.59	
# of capital shares **	6,656	6,656		7,266	
Paid-Up Capital	7,520	7,520		7,743	
Dividend (THB/Share)	1.05	1.20		1.10	

Note: \*\* # of capital shares = No. of the Weighted-avg. shares  
 : \* Including restate of IFRS basis

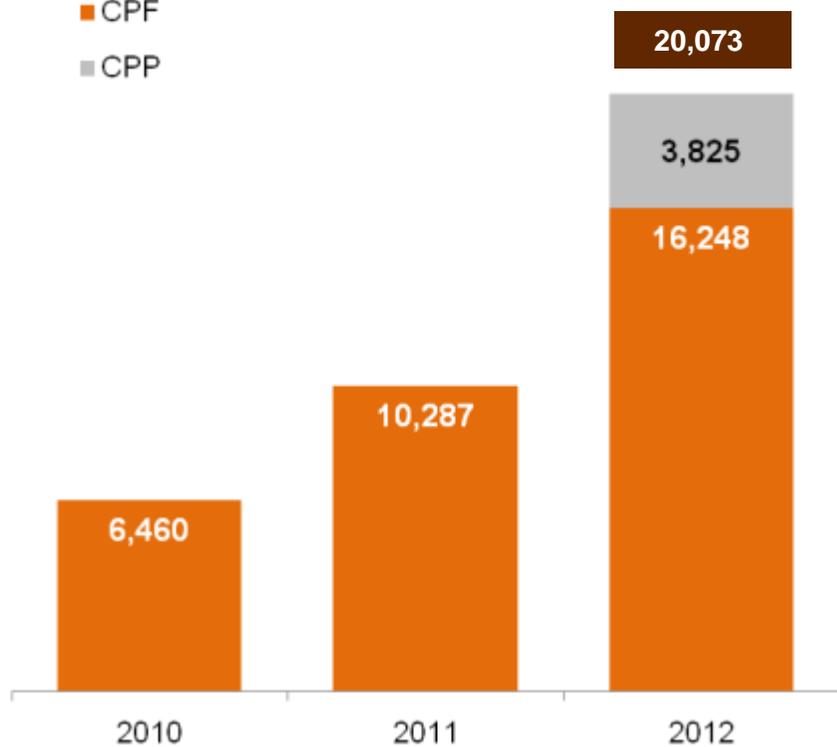
# CAPEX & EBITDA



## CAPEX

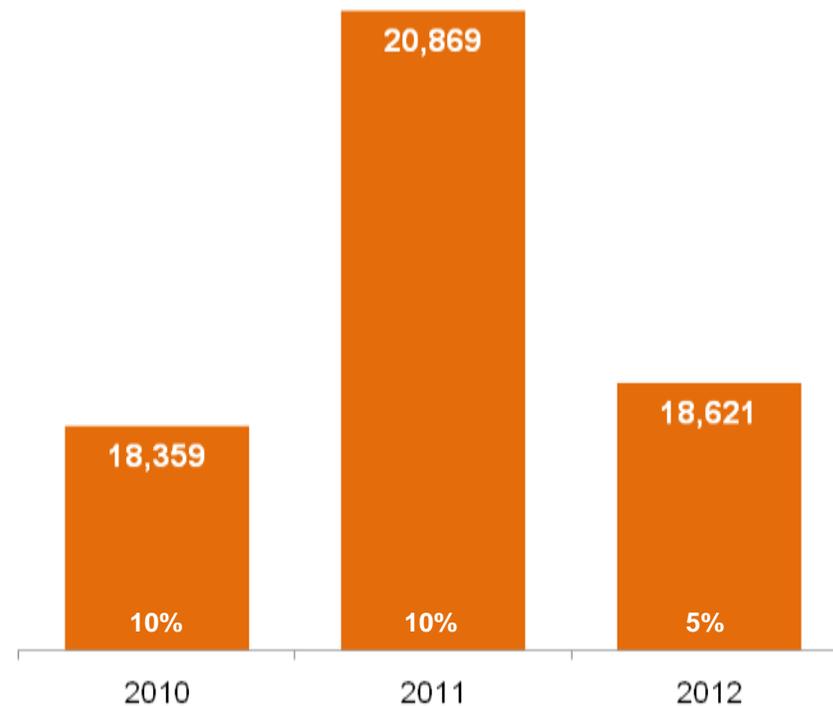
Unit: THB, M

- CPF
- CPP



## EBITDA

Unit: THB, M (% to Sales)



# Consolidated Net Profit & ROE & D/EBITDA

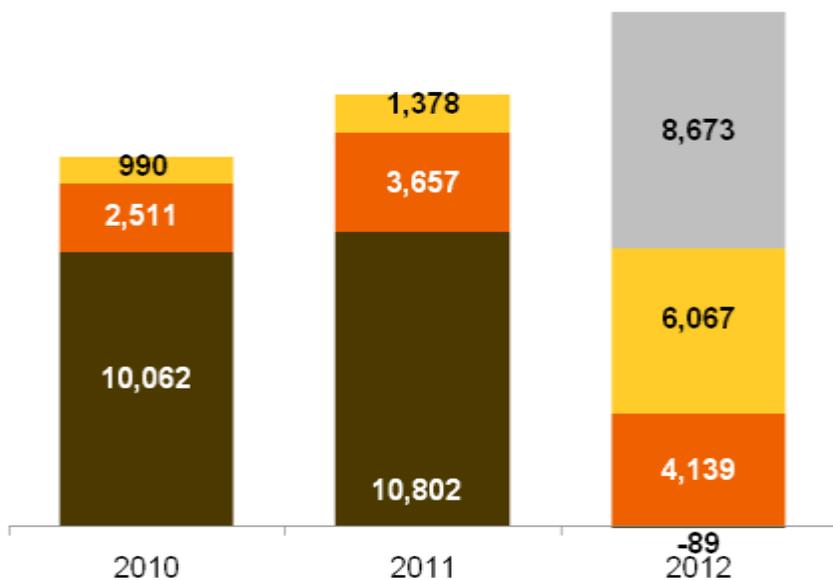


## Net Profit

Unit: THB, M

- Operating
- Equity (Share in Profit of Associates)
- Divestment and Dividend
- Gain on fair value adjustment on investment in associates

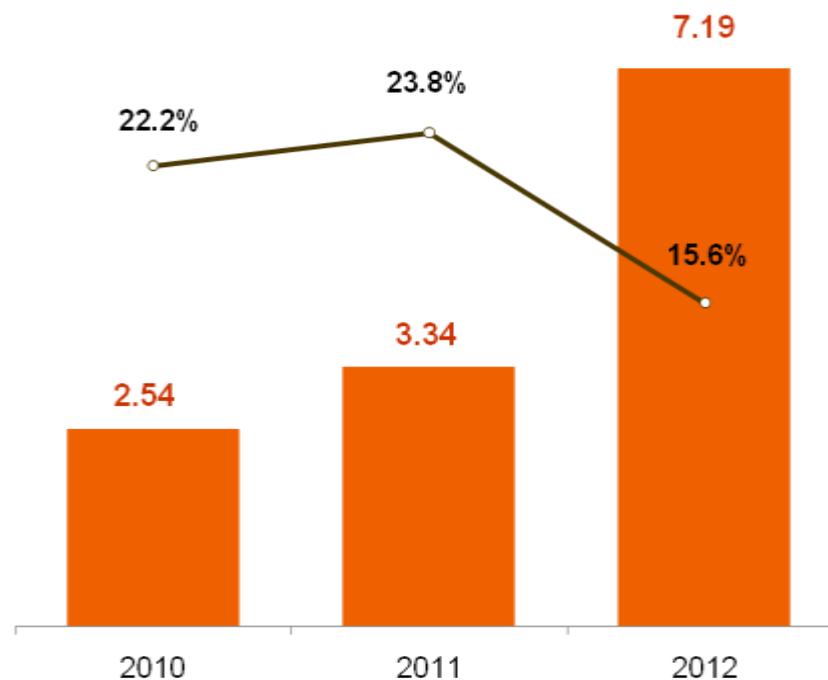
CAGR 18%



NP: 13,563      15,837      18,790

## ROE & D/EBITDA

■ D/EBITDA Ratio (interest Bearing Debt)    —○— ROE



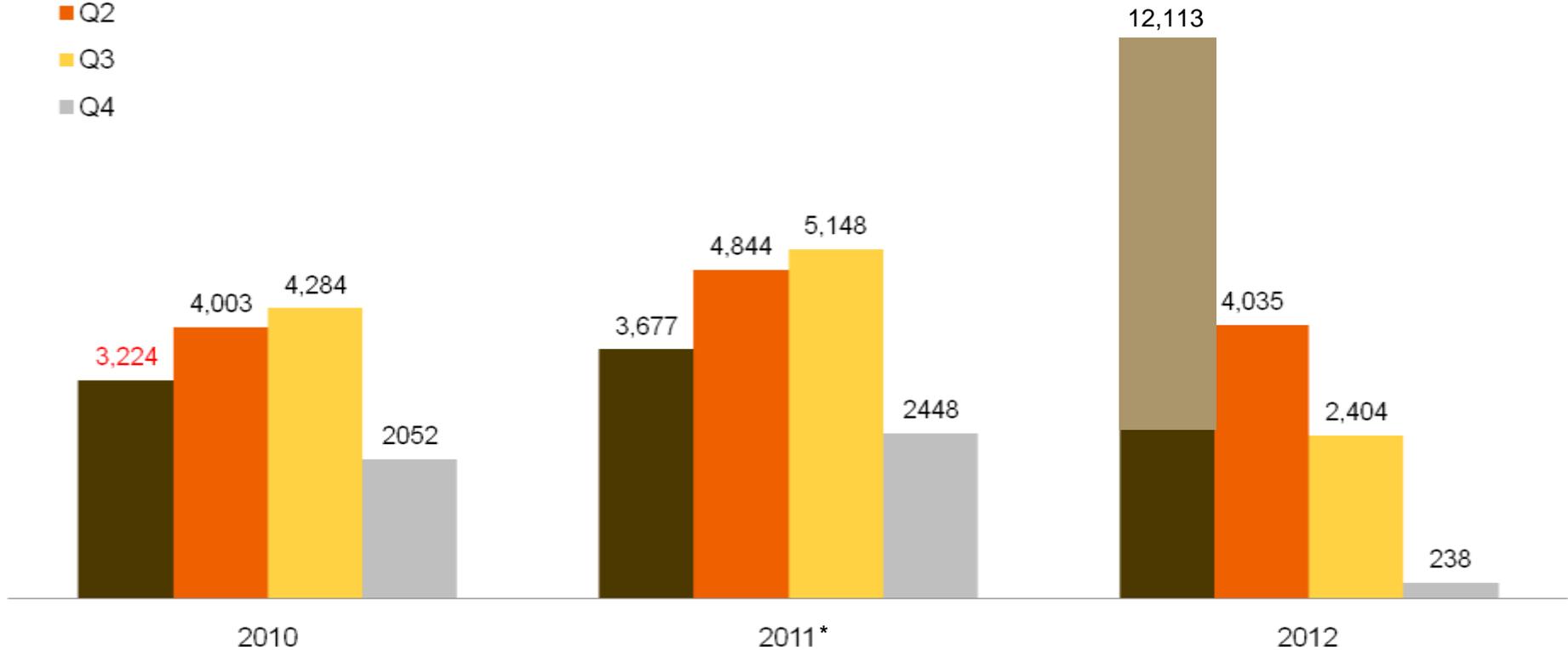
Note : 2012 Including gain on fair value adjustment of investments in associate

# Consolidated Net Profit - Quarterly



Unit : THB, M

- Q1
- Q2
- Q3
- Q4



Note : 1Q12 ■ Gain on fair value adjustment of investments in associates = 8,673 MB

: \* Including restate of IFRS basis

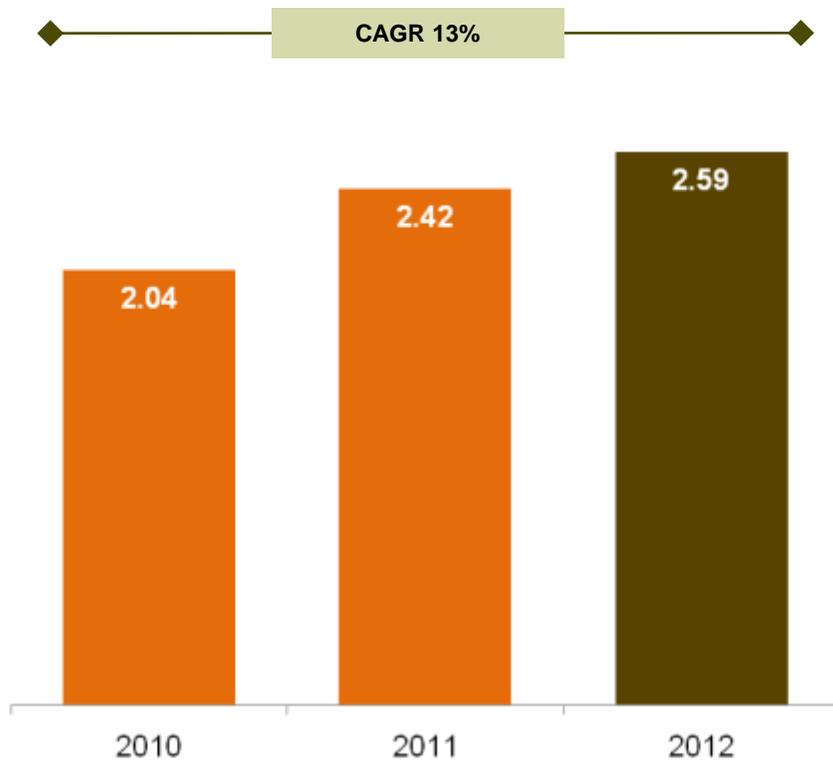


# EPS & Dividends per Share



## Earnings Per Share

Unit : THB Per Share

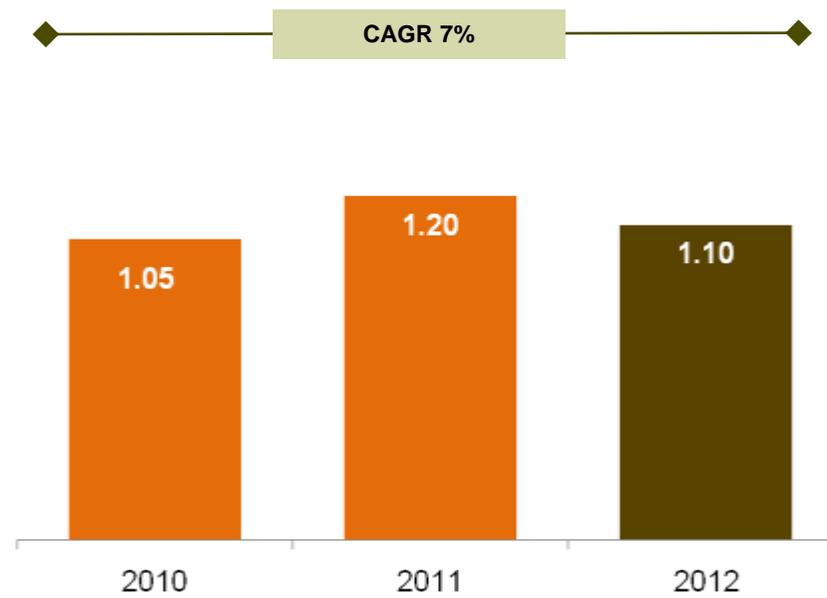


## Dividends

Unit : THB Per Share

**Dividend Policy**

Semi – Annually, minimum of 50% of annual net profit  
(The Company Statement Only)



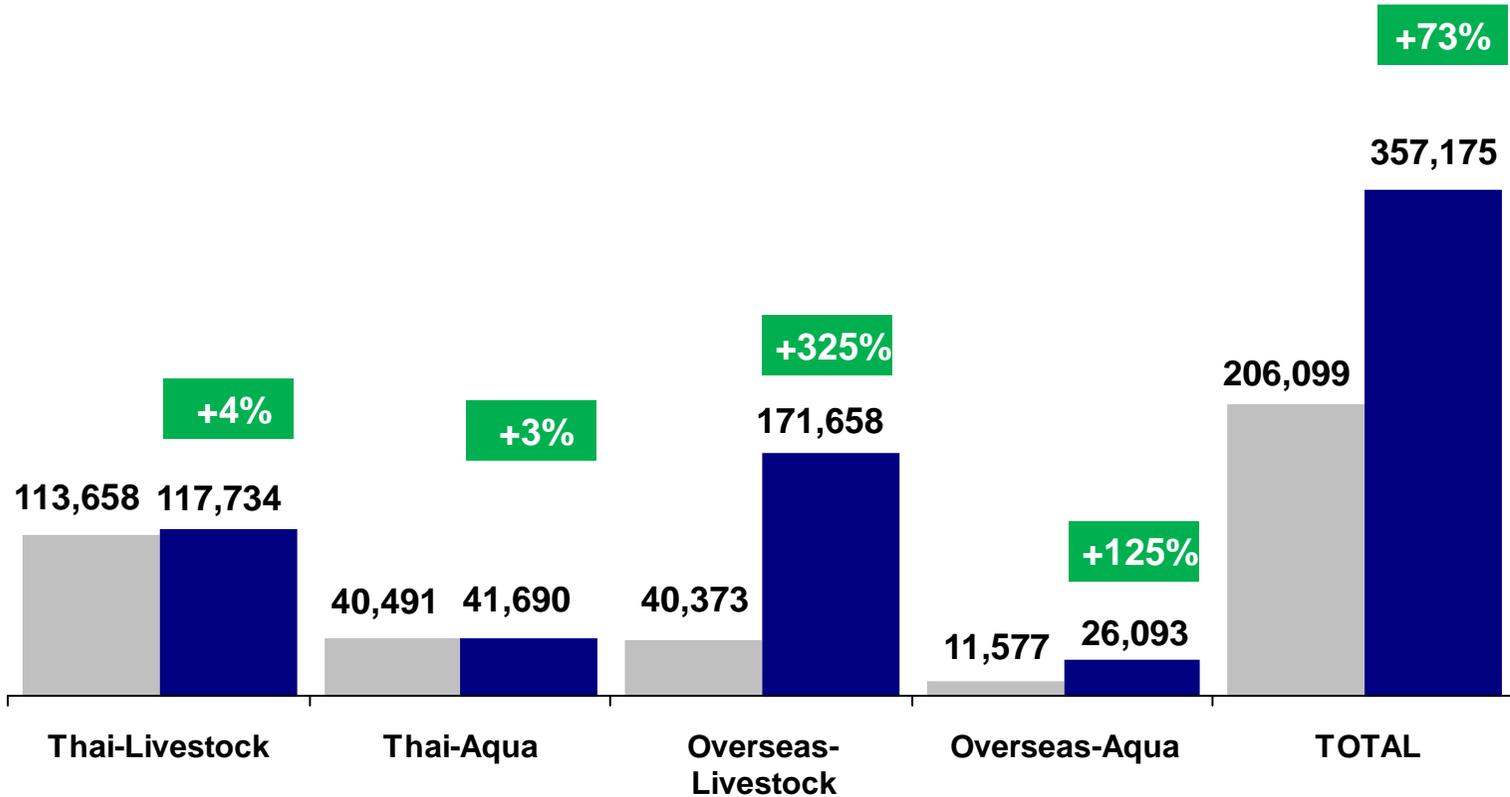
# 2012: Sales & Gross Profit Margin by Business



In THB, m

■ 2011

■ 2012



	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
<b>GPM</b>	17.7%	8.9%	21.9%	18.2%	6.4%	12.1%	17.6%	9.7%	16.3%	11.6%
<b>OPM</b>	10.0%	0.6%	16.7%	12.5%	-1.3%	4.3%	9.4%	3.8%	9.1%	4.0%

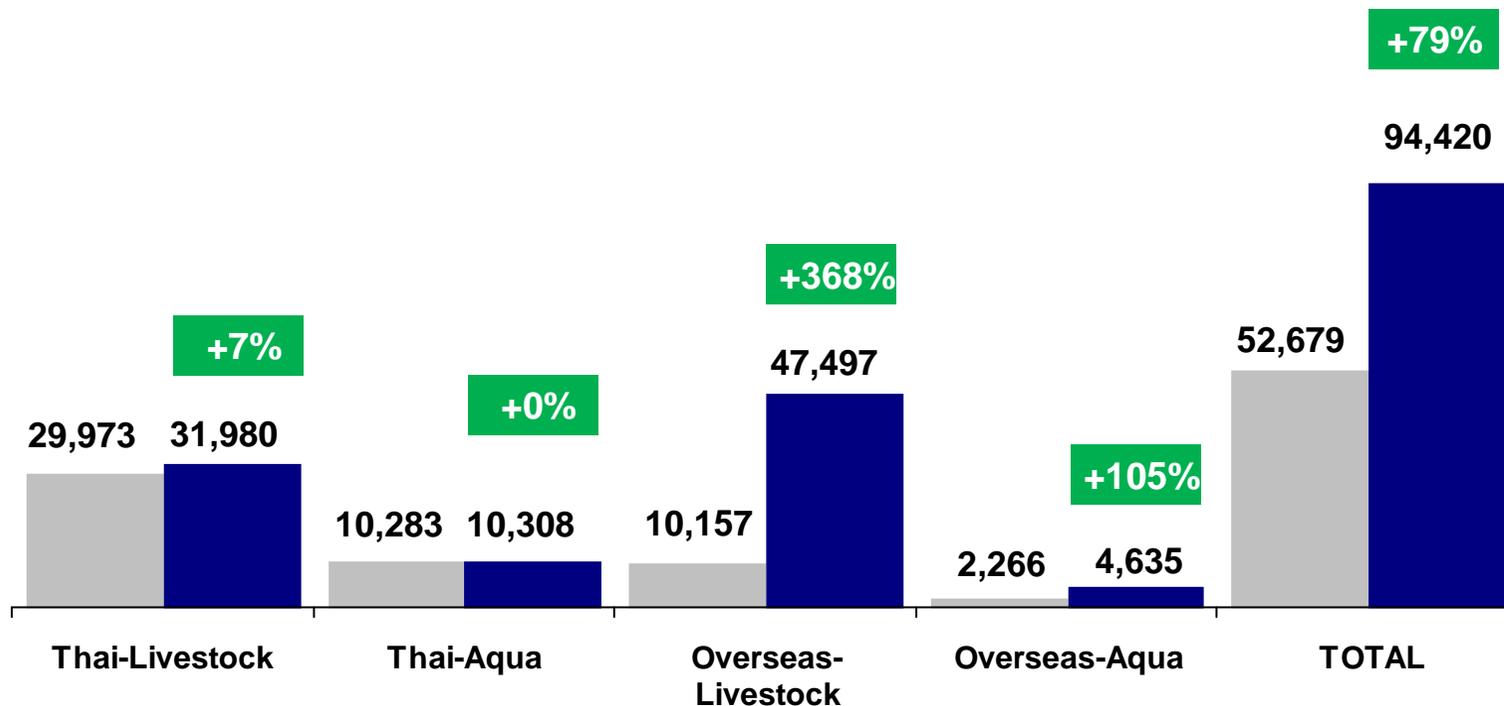
# Q412: Sales & Gross Profit Margin by Business



In THB, m

■ Q411

■ Q412



<b>GPM</b>	13.1%	5.6%	20.3%	7.2%	5.3%	10.2%	13.1%	0.6%	13.0%	7.9%
<b>OPM</b>	5.0%	-2.0%	14.1%	1.0%	-2.5%	2.5%	3.6%	-9.9%	5.3%	0.2%

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