



Charoen Pokphand Foods Plc.



"Creating quality and delightful dishes for every customer"



August 16, 2016



1H16

RESULTS BRIEFING

MEMBER OF

**Dow Jones
Sustainability Indices**

In Collaboration with RobecoSAM



Contents

Kitchen of The World	Business Overview	02
	1H16 Results Briefing	08
	Financial Highlights	13
	Future Plan	15
	Appendix	
	A: 3Yr Historical Results B: Product & Raw Materials Price Trend C: Product Sample & Retail Outlet Format D: Highlights - 2Q16 Results E: Export Destination	



CPF Investment Highlights

- One of the World's leading listed animal feed manufacturers, swine producers, and shrimp integrated business
- Diversified portfolio with operations in 14 countries catered to over 3 billion population, and exports to more than 30 countries
- Multi-species of animal proteins (mainly poultry, swine and shrimp)
- Member of "SET 50" : Ticker "CPF" under Agro & Food Industry Sector
- Member of Dow Jones Sustainability Index (Emerging Markets)
- Growth Platform
 - : Globalization by establishing operations in foreign markets, including M&A
 - : Value-added business by expanding portfolio towards more value added and innovated products to serve rising new market demands



Company Facts (as of June 30, 2016)

Vision : “Kitchen of the World”

- Portfolio**
- 4 Listed Investments onboard (HKSE:00043, HKSE:3839, TWSE: 1215, SET:CPALL)
 - 24 Series of Debentures listed on Thai Bond Market Association “TBMA”

Highlights

Market Cap : THB 208,711 million or ~USD5.9 billion
(as of August 11, 2016)

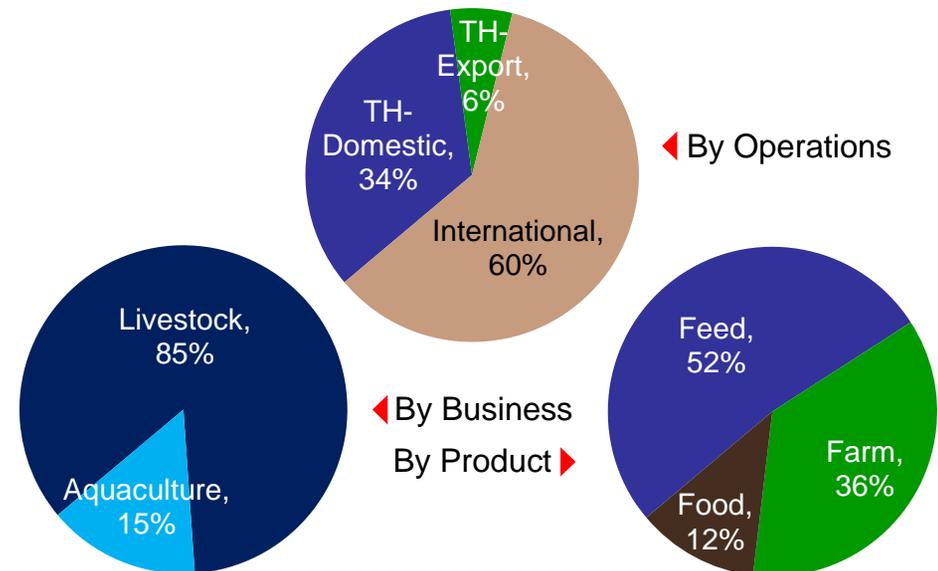
FY15 Sales : THB421 billion or ~USD 12.0 billion

Capital : 7,743 million shares (paid-up),
par value of THB.1.00 per share

Book Value : THB16.59* per share (as of June 30, 2016)

Shareholders : Charoen Pokphand Group Ltd. 45.40%
of Paid-Up Capital (as of May 4, 2016)

Credit Rating : “A+” with “Stable” Outlook (as of March 31, 2016)



Note: USD1 = THB 35.07 (as of August 11, 2016)

* Exclude Non-Controlling Interests (NCI)



CPF Operational Structure



1H16 : Sales: THB 222,289 m

Net Profit: THB 7,780 m

39% of Sales

61% of Sales

CPF Thailand

CPF International

Associates & Joint Ventures

33% of Sales

Domestic

6% of Sales

Export

38% of sales

23% of sales

**CPP- HKSE:43
(50.43%)***

21% of sales

17% of sales

China

Vietnam

India	(99.99%)
TW:1215 CPE Taiwan	(32.67%)
Turkey	(100.00%)
CP Cambodia	(100.00%)
Russia	(99.99%)
RBPI	(69.70%)
S&W	(79.99%)
Malaysia	(99.99%)
Philippines	(99.99%)
Laos	(99.99%)
China (Aqua)	(100.00%)
CTEI	(50.43%)
UK	(52.00%)
Belgium (Tops Food)	(84.08%)
Tanzania	(99.99%)

SET: CP ALL	(34.78%)
CPH (Malaysia)	(49.75%)
CP Aqua (India)	(31.70%)
Arbor	(49.98%)
Ross	(49.99%)
Nava84	(25.00%)
CP Meiji	(59.99%)
BHJ Kalino Food AB	(15.08%)
Group of CPP's Associate Companies & Joint Ventures	

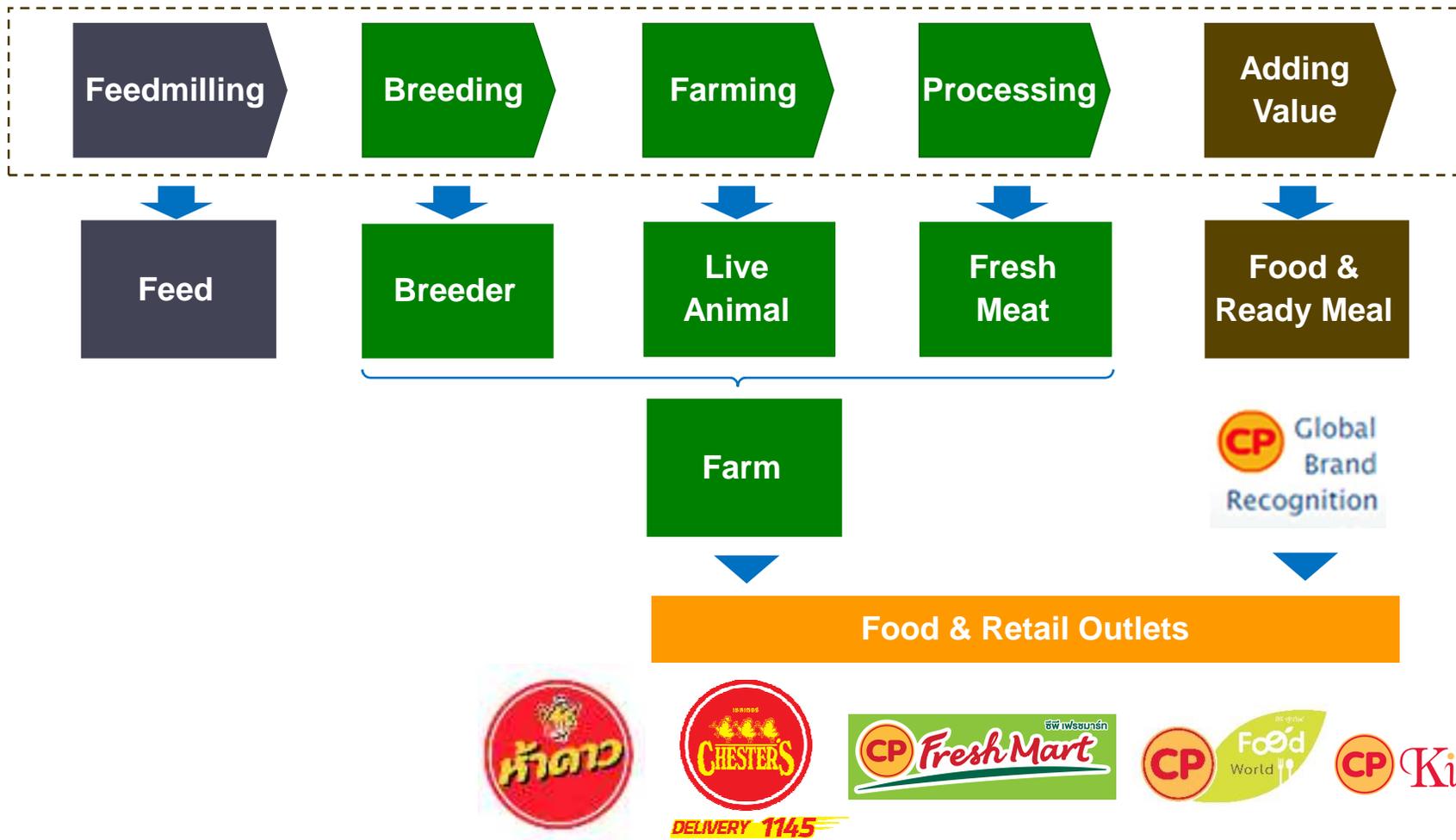
Note: % represent percent holding by CPF both direct and indirect

** Based on total issued shares*



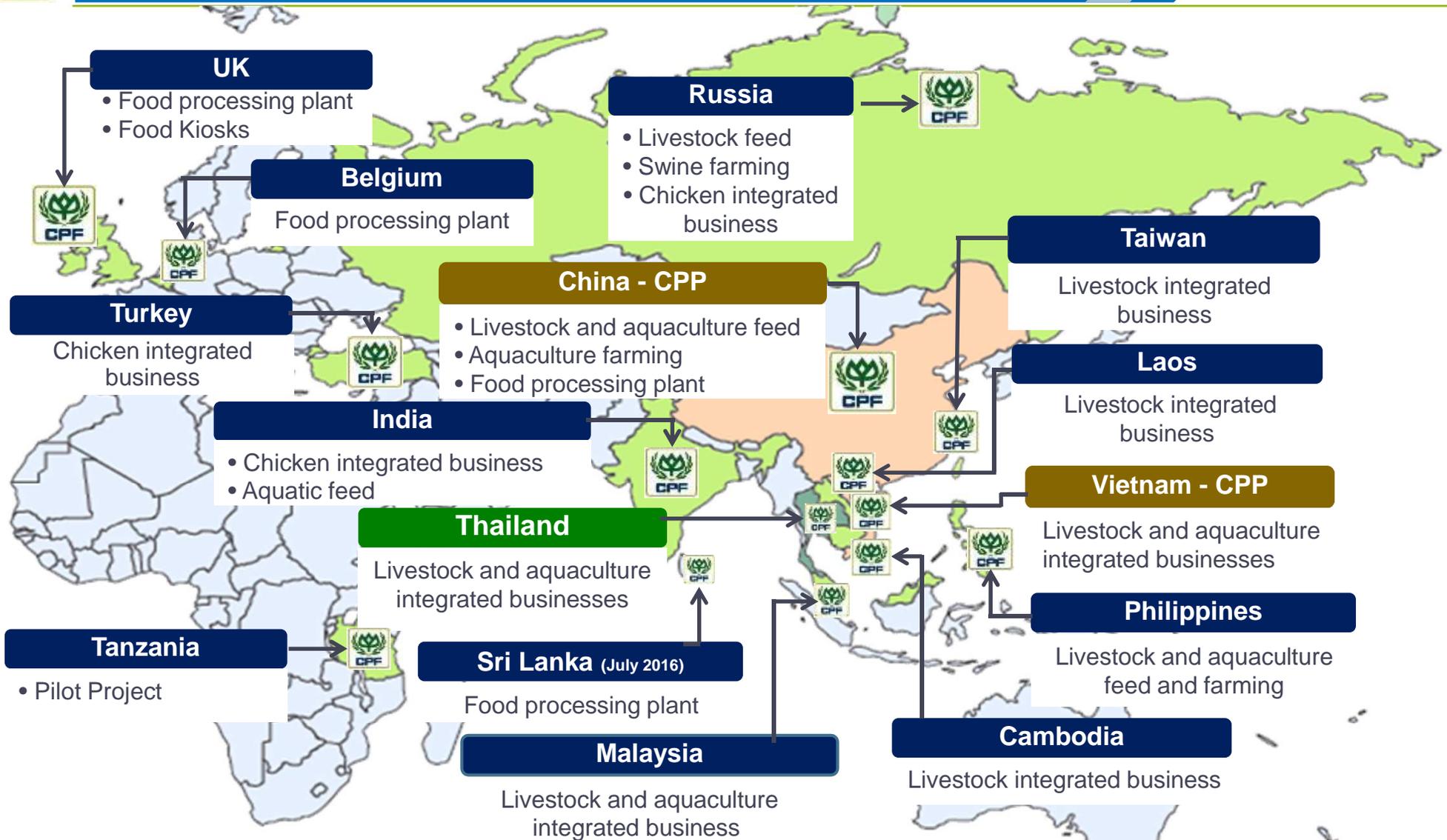
Vertically Integrated Business Model

Integrated operating platform for safety & quality control
Livestock (Broiler, Layer, Swine, Duck) and aquaculture (Shrimp & Fish)





CPF Leading Footprints



- Operations and investment in 14 countries catered to > 3 billion population
- Export to more than 30 countries across 5 continents with 17 representative offices



1H16 Summary

Challenges

- Turnaround in shrimp business
- Global and Thailand economic uncertainties
- The impact of natural disasters in 1H16 (i.e. drought, climate changes, floods)

Latest Activities

Finance

- Issuance of THB 16,000 m debenture by CPF Thailand on Jan, 2016 (@ Avg. 3.65%)
- Issuance of THB 9,060 m debenture on Apr, 2016 (@ Avg. 3.25%)
- Issuance of THB 13,000 m debenture by CPF Thailand on July, 2016 (@ Avg. 3.34%)

Acquisition

- Acquired 100% in Hubei Chai Tai Co., Ltd on May 11, 2016 (approx. THB 561 m)
- Announcing the acquisition of 30% in Banner Infant Dairy Products on June 29, 2016 (approx. THB 3,080 m)
- Announcing the acquisition of 12% in Qingdao Yi Bang on June 29, 2016 (approx. THB 1,405 m)
- Acquired 80% in Norfolk Foods in Sri Lanka on July 14, 2016 (approx. THB 141 m)



1H16 Results Highlights

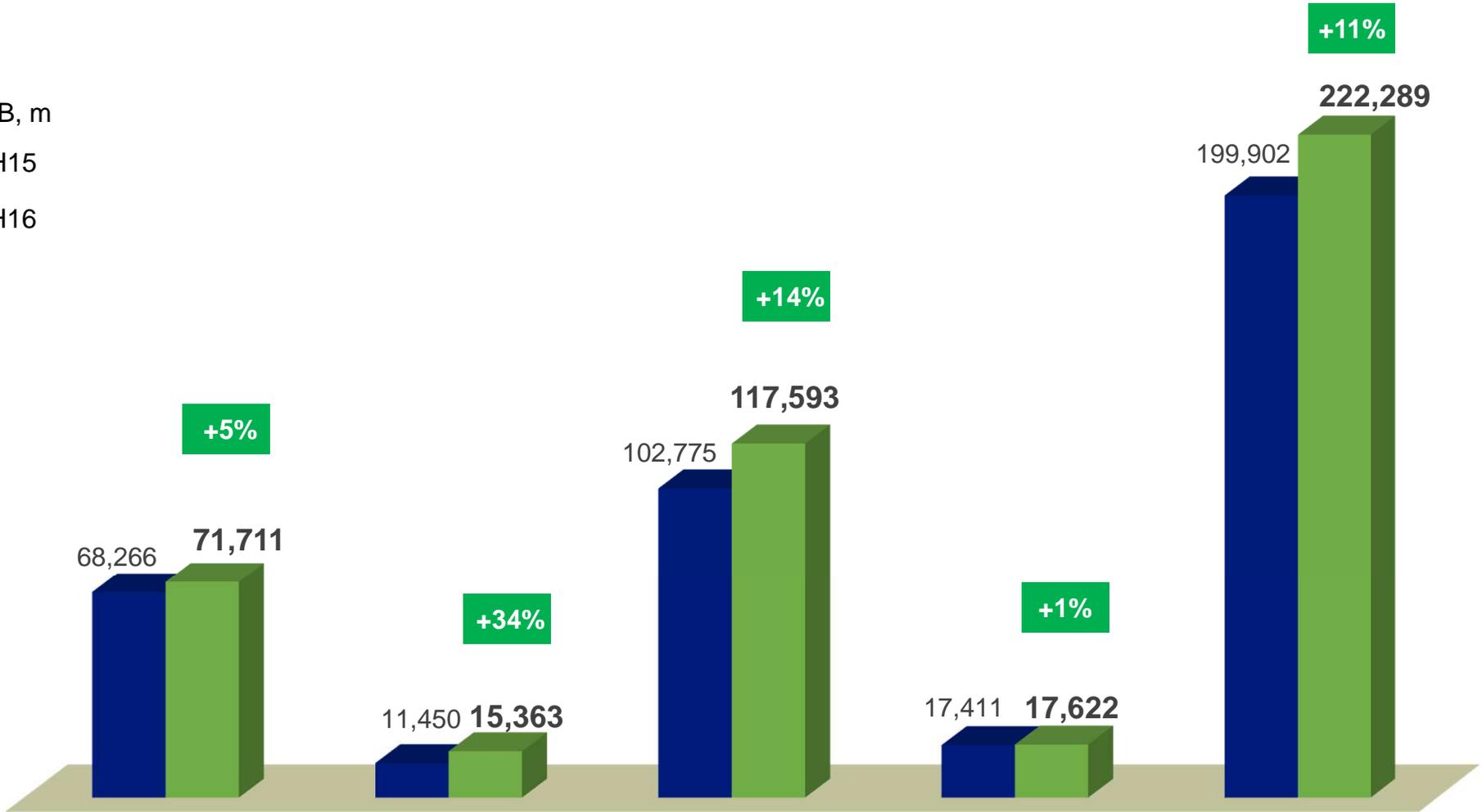
- Revenue increased 11% y-o-y to THB 222,289m in 1H16
- Gross Profit increased 41% y-o-y to THB 36,803m in 1H16, Gross profit margin increased from 13.1% in 1H15 to 16.6% in 1H16.
- EBITDA increased 119% y-o-y from THB 10,571m in 1H15 to THB 23,181m in 1H16.
(EBITDA margin increased from 5.3% in 1H15 to 10.4% in 1H16)
- Net profit increased 31% y-o-y from THB 5,939m to THB 7,780m in 1H16.
(Net profit margin increased from 3.0% in 1H15 to 3.5% in 1H16)



1H16: Sales & Gross Profit Margin by Business

In THB, m

■ 1H15
 ■ 1H16



Thai-Livestock

Thai-Aqua

Overseas-Livestock

Overseas-Aqua

TOTAL

GPM

11.3%

16.2%

-0.1%

12.3%

15.8%

18.3%

12.7%

10.3%

13.1%

16.6%

OPM

2.6%

7.2%

-13.9%

3.0%

5.6%

9.7%

5.7%

3.2%

3.5%

7.9%



1H16: Consolidated Sales Structure

Sales Breakdown

	1H15	% to Sales	1H16	% to Sales	% Change
Thailand	79,716	40%	87,074	39%	9%
<i>Domestic</i>	68,014	34%	73,605	33%	8%
<i>Export</i>	11,702	6%	13,469	6%	15%
China	50,605	25%	47,242	21%	-7%
Vietnam	33,292	17%	37,297	17%	12%
Others	36,289	18%	50,676	23%	40%
Total	199,902	100%	222,289	100%	11%



1H16: Consolidated Sales Structure by Business

Sales Breakdown

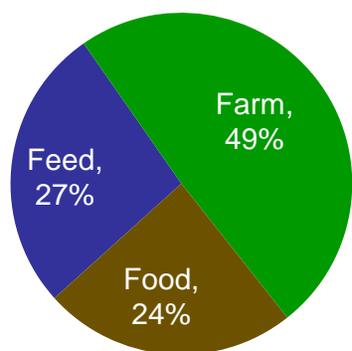
	Livestock			Aqualculture			Total		
	1H15	1H16	%Change	1H15	1H16	%Change	1H15	1H16	%Change
Thailand	68,266	71,711	5%	11,450	15,363	34%	79,716	87,074	9%
<i>Domestic</i>	58,905	60,447	3%	9,109	13,158	44%	68,014	73,605	8%
<i>Export</i>	9,361	11,264	20%	2,341	2,205	-6%	11,702	13,469	15%
China	46,494	43,370	-7%	4,111	3,872	-6%	50,605	47,242	-7%
Vietnam	28,914	33,264	15%	4,378	4,033	-8%	33,292	37,297	12%
Others	27,367	40,959	50%	8,922	9,717	9%	36,289	50,676	40%
Total	171,041	189,304	11%	28,861	32,985	14%	199,902	222,289	11%
% of Total Sales	86%	85%		14%	15%		100%	100%	



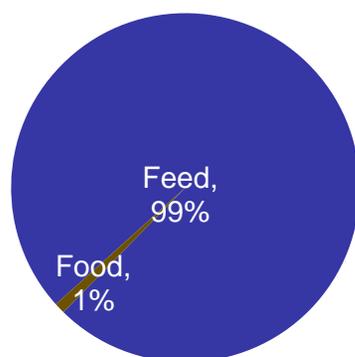
1H16: Consolidated Sales by Products

Sales Breakdown by Products

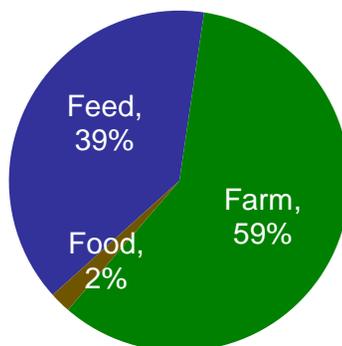
	Feed			Farm			Food			Total		
	1H15	1H16	%Change	1H15	1H16	%Change	1H15	1H16	%Change	1H15	1H16	%Change
Thailand	25,234	23,663	-6%	34,661	42,624	23%	19,821	20,787	5%	79,716	87,073	9%
<i>Domestic</i>	25,129	23,590	-6%	31,947	39,117	22%	10,938	10,898	0%	68,014	73,605	8%
<i>Export</i>	105	73	-30%	2,714	3,507	29%	8,883	9,889	11%	11,702	13,469	15%
China	50,605	46,607	-8%	0	0	0%	0	635	100%	50,605	47,242	-7%
Vietnam	13,803	14,494	5%	18,425	21,902	19%	1,064	901	-15%	33,292	37,297	12%
Others	15,543	19,148	23%	18,072	28,388	57%	2,674	3,141	17%	36,289	50,677	40%
Total	105,185	103,912	-1%	71,158	92,914	31%	23,559	25,463	8%	199,902	222,289	11%



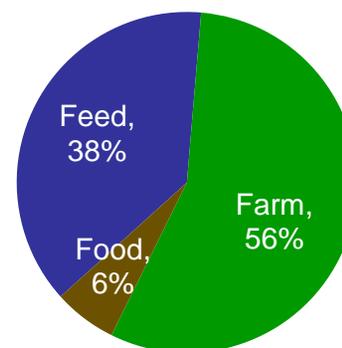
1H16 Thailand



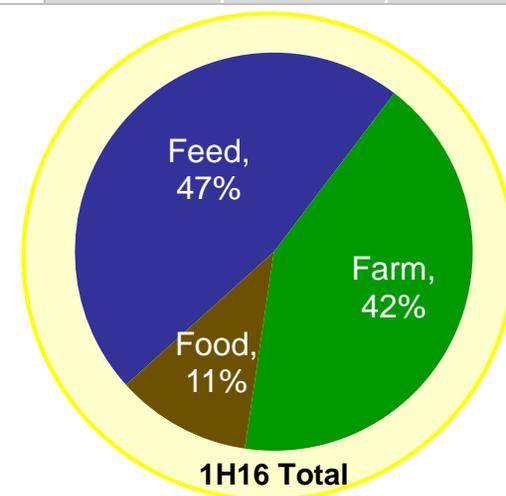
1H16 China



1H16 Vietnam



1H16 Others



1H16 Total



1H16: Consolidated Income Statement Highlight

	Quarter 1			Quarter 2			6 Months		
	2015	2016	%Chg.	2015	2016	%Chg.	2015	2016	%Chg.
Net sales	96,224	105,513	10%	103,678	116,776	13%	199,902	222,289	11%
Gross Profit Margin (%)	12.6%	15.6%		13.5%	17.4%		13.1%	16.6%	
EBITDA	5,029	10,075	100%	5,542	13,106	136%	10,571	23,181	119%
EBITDA Margin	5.2%	9.5%		5.3%	11.2%		5.3%	10.4%	
EBIT	2,467	6,930	181%	2,772	9,715	250%	5,239	16,645	218%
EBIT Margin	2.6%	6.6%		2.7%	8.3%		2.6%	7.5%	
Share in Profit of Associates	1,267	1,553	23%	1,230	1,665	35%	2,497	3,218	29%
Financial Costs	(2,174)	(2,600)	20%	(2,364)	(2,587)	9%	(4,538)	(5,187)	14%
Income Taxes Expense	(612)	(1,695)	177%	(757)	(3,120) ⁽²⁾	312%	(1,369)	(4,815)	252%
NET PROFIT	2,956	3,764	27%	2,983	4,016	35%	5,939	7,780	31%

EPS (THB)	0.40	0.51		0.40	0.54		0.80	1.05	
# of capital shares ⁽¹⁾	7,388	7,388		7,388	7,388		7,388	7,388	
Paid-Up Capital	7,743	7,743		7,743	7,743		7,743	7,743	
Dividend (THB/Share)							0.30	0.50	

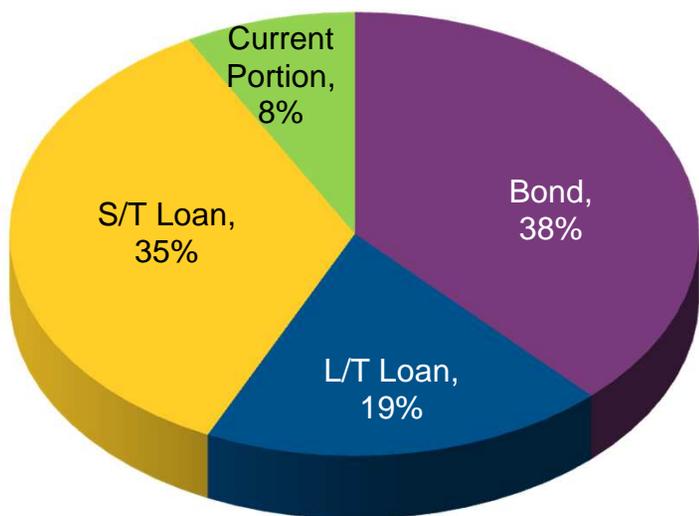
Note: (1) # of capital shares = No. of the Weighted-avg. shares

(2) Including adjustment from the change in tax calculation of 2010-2015 of THB 1,245 m. Please see more detail in Note 14 to Financial statements of 1H 2016

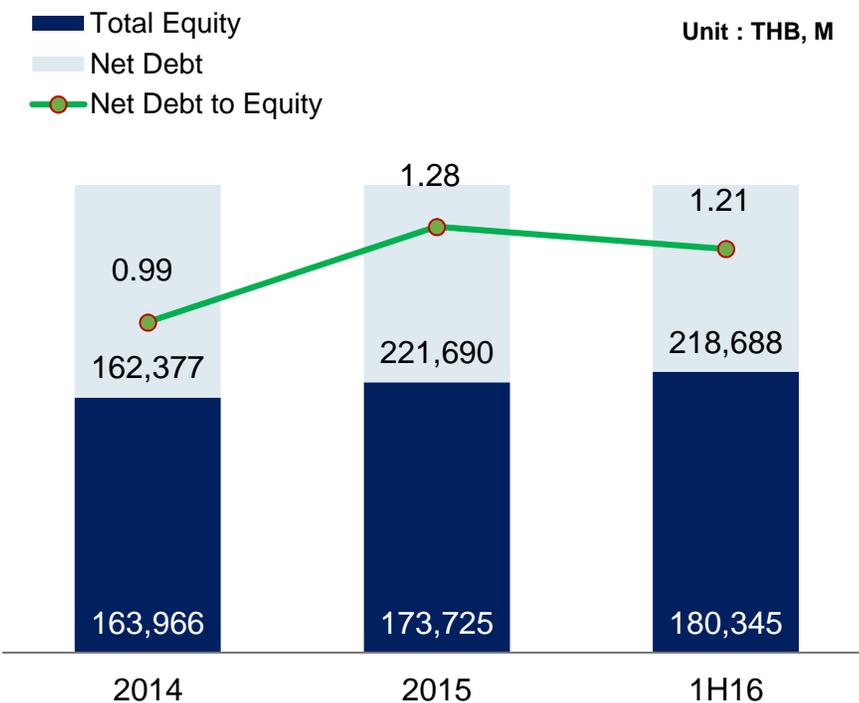


Financial Status

Interest Bearing Debt : THB 249,881 m



Net Debt to Equity



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

Cost of Debts	2014	2015	1H16
	4.41%	4.14%	4.22%

Bond Rating “A+” with “Stable” Outlook
 by Tris Rating Co., Ltd



Y2016 Key Highlights

Target Growth

Expect +10 to 15% Sales Growth

Sales



Key Drivers

- Improvement of shrimp business
- Improvement of meat price
- Slightly lower raw material costs
- Expansion of existing international operations
- Mergers and Acquisitions (M&A)

Investment

- 5Yr Capex of THB 50,000 million (excluding CPP) ; cautiously investment for growth
 - **Thailand** : add value to existing businesses
 - **International** : diversification & market expansion



Appendix A: Highlights : 3Yr Historical Results



Consolidated Income Statement Highlight

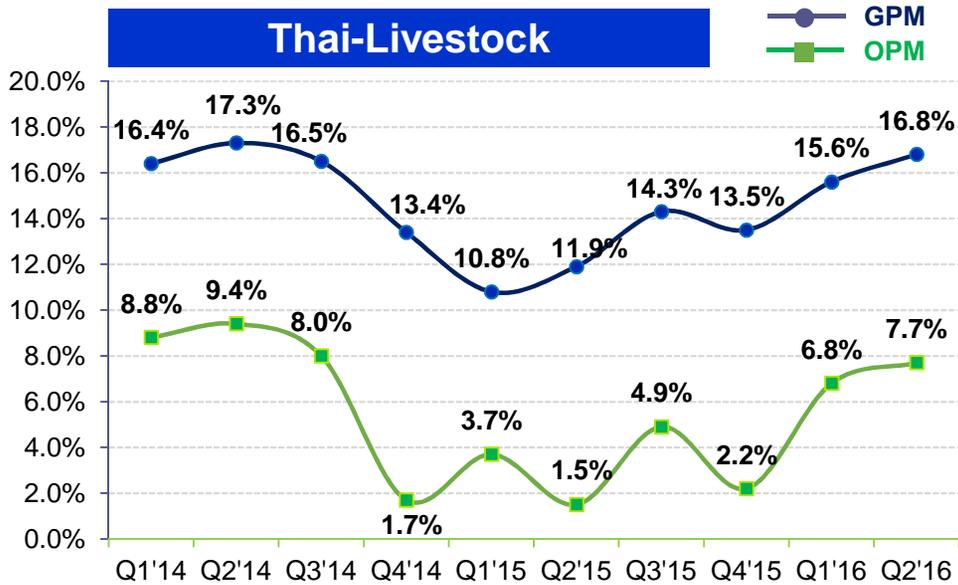
	Full Year				
	2013	2014	% Change	2015	% Change
Net sales	389,251	426,039	9%	421,355	-1%
Gross Profit Margin (%)	10.0%	13.4%		13.8%	
Gain on fair value adjustment	-	-	-	-	-
EBITDA	13,039	27,513	111%	26,433	-4%
EBIT	4,495	17,548	290%	14,926	-15%
Share in Profit of Associates	4,947	4,869	-2%	5,221	7%
Financial Costs	(7,937)	(8,903)	12%	(9,614)	8%
Income Taxes Expense	(133)	(3,649)	2,644%	(3,654)	0%
Gain / (Loss) from FX	(219)	(356)	61%	1,348	479%
NET PROFIT	7,065	10,562	49%	11,059	5%
EPS (THB)	0.96	1.43		1.50	
# of capital shares **	7,388	7,388		7,388	
Paid-Up Capital	7,743	7,743		7,743	
Dividend (THB/Share)	0.50	0.75		0.75	

Note: ** # of capital shares = No. of the Weighted-avg. shares

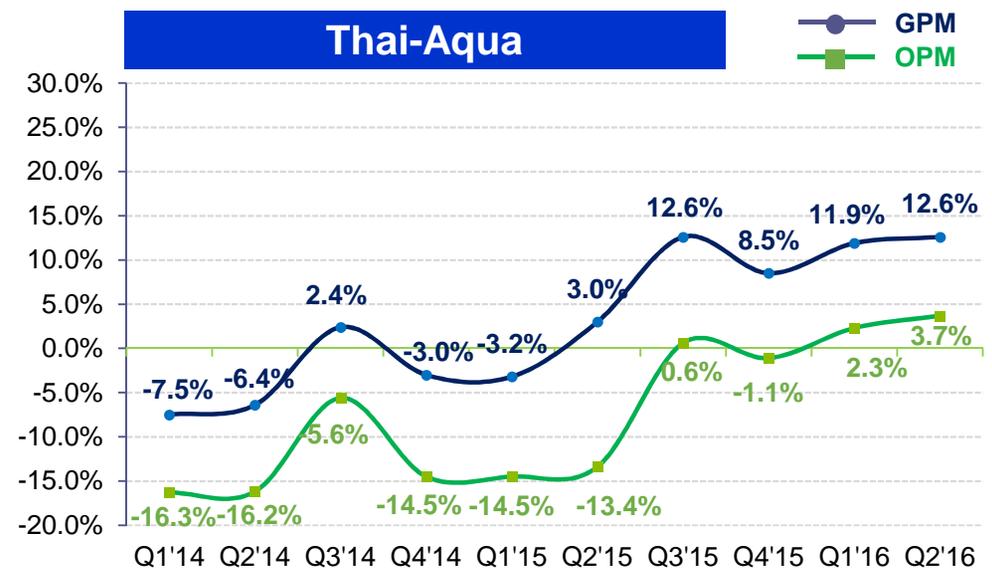


Gross Profit Margin & Operating Profit Margin

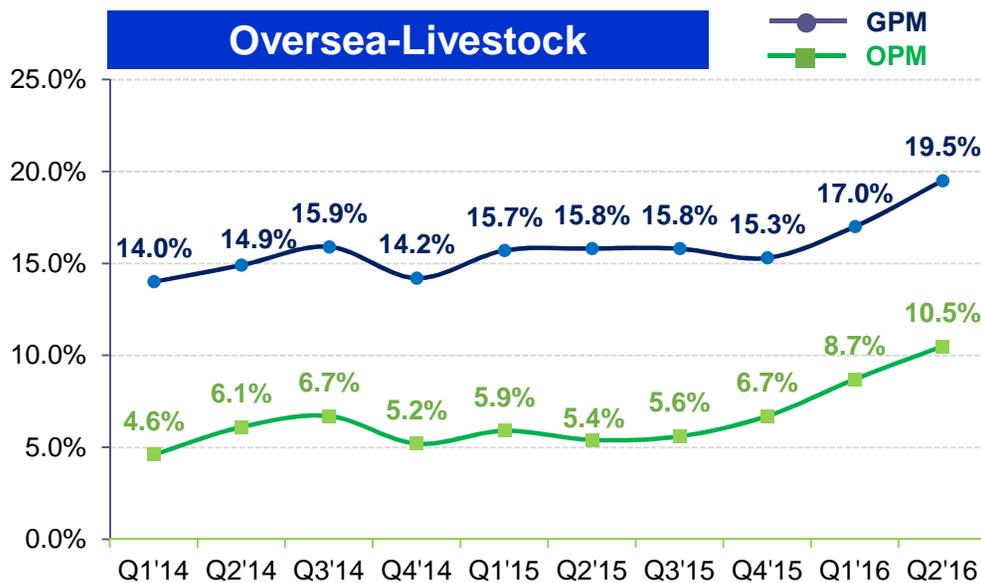
Thai-Livestock



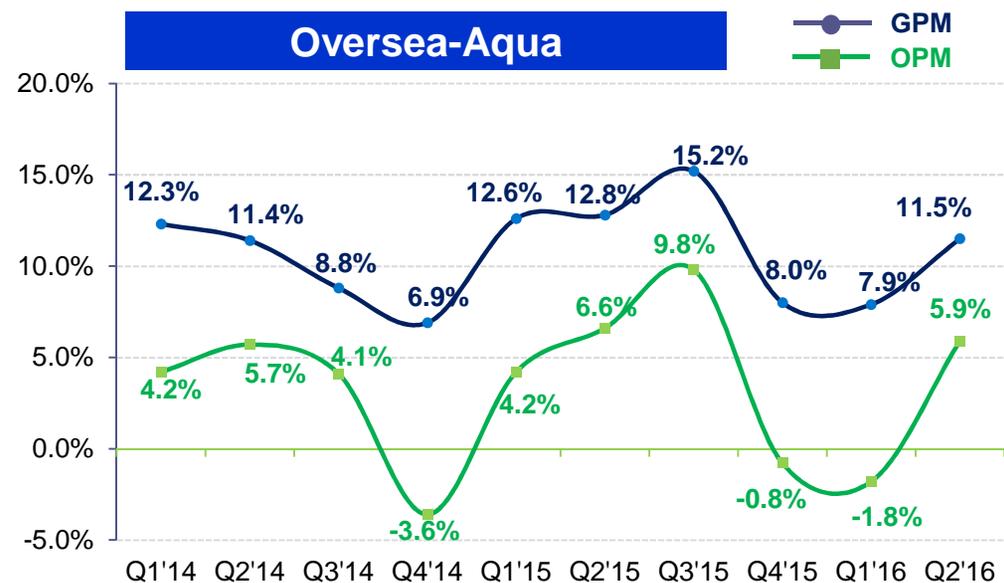
Thai-Aqua



Overseas-Livestock



Overseas-Aqua



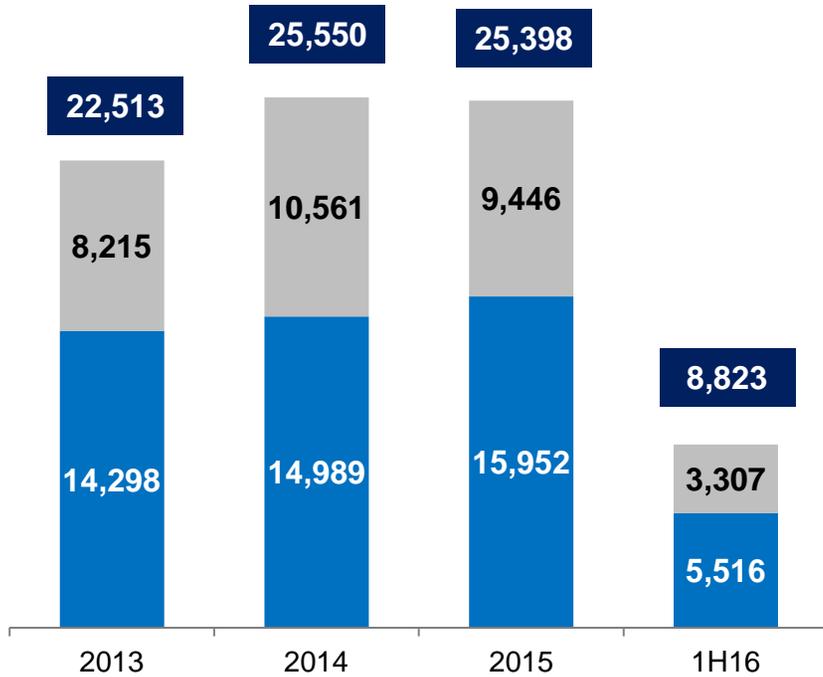


CAPEX & EBITDA

CAPEX

Unit: THB, M

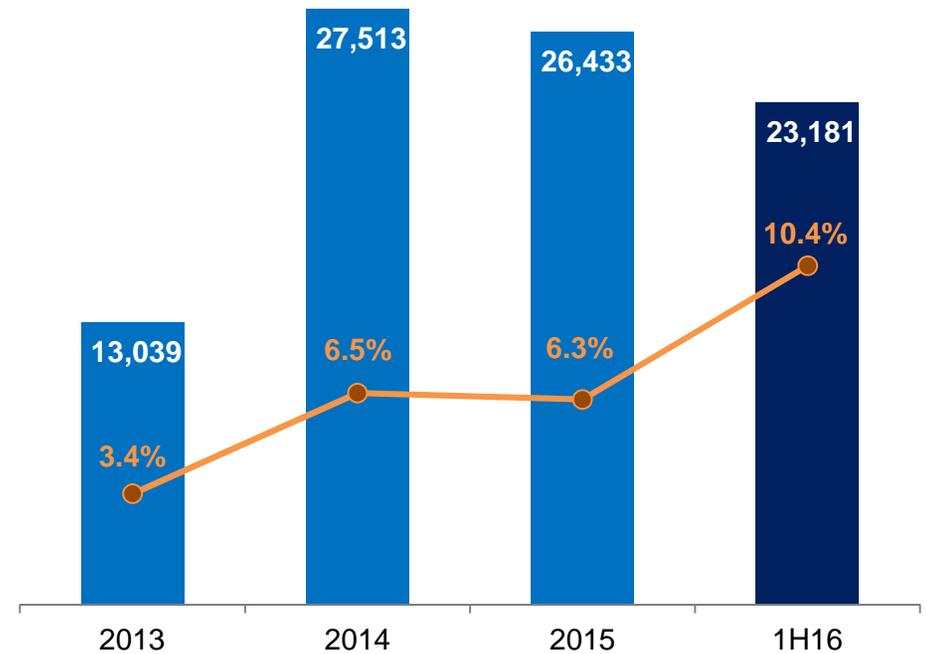
- CPP
- CPF



EBITDA

Unit: THB, M

— EBITDA Margin%





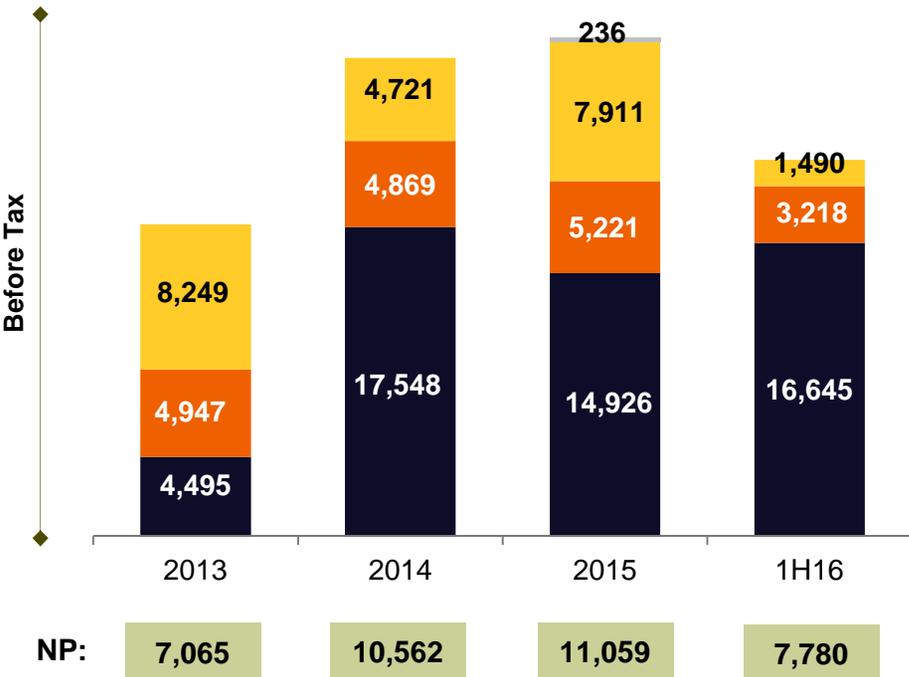
Consolidated Net Profit & ROE & D/EBITDA

Net Profit

Unit: THB, M

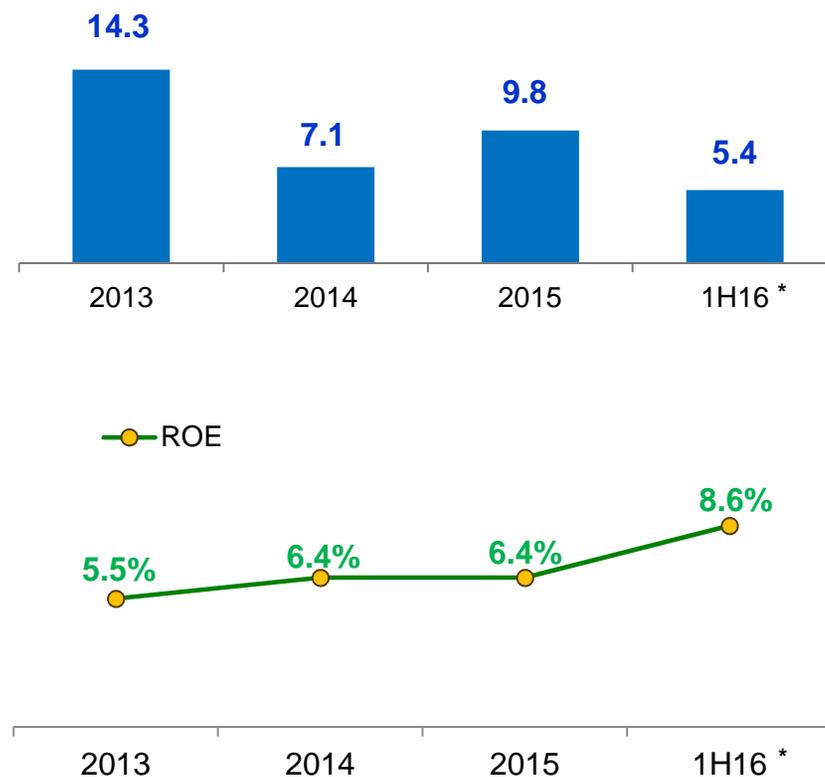
- Gain on fair value adjustment on investment in associates
- Divestment and Dividend
- Equity (Share in Profit of Associates)
- EBIT

CAGR +25%



D/EBITDA & ROE

■ D/EBITDA Ratio (interest Bearing Debt)



Note : 2015 Including gain on fair value adjustment of investments in associate

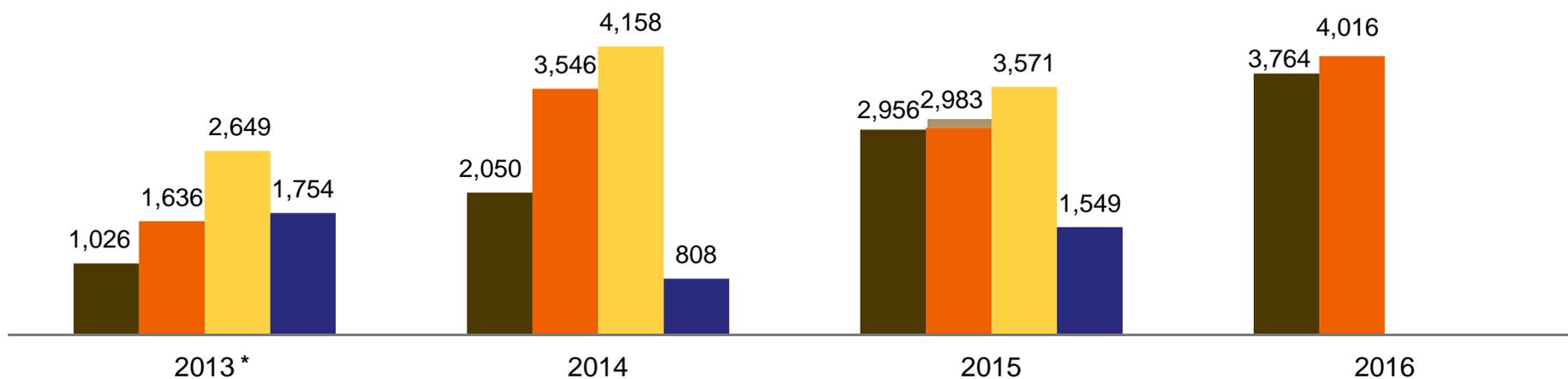
: * Annualized basis



Consolidated Net Profit - Quarterly

Unit : THB, M

■ 1Q ■ 2Q ■ 3Q ■ 4Q



2Q15 ■ Gain on fair value adjustment of investments in associates = 236 MB

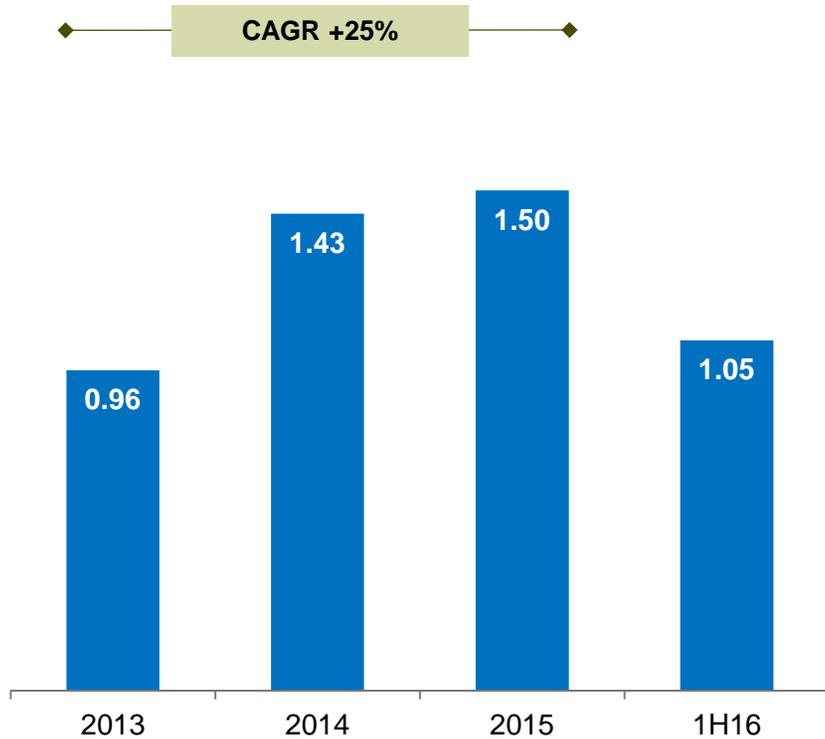
: * Including restate of IFRS basis



EPS & Dividends per Share

Earnings Per Share

Unit : THB Per Share

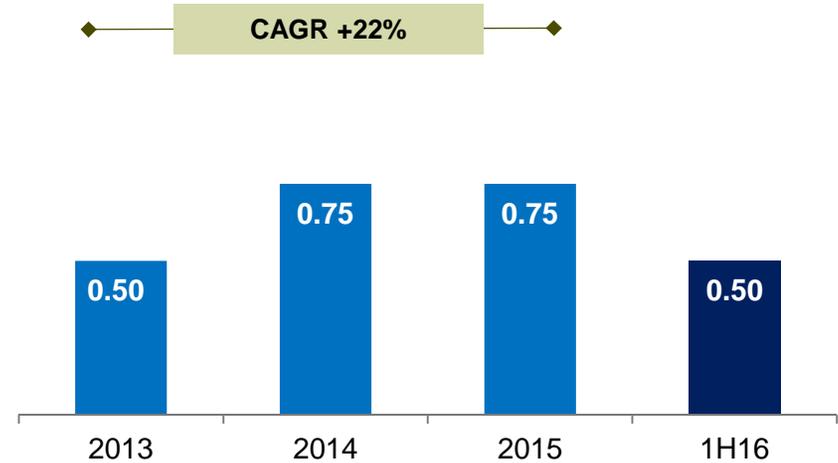


Dividends

Unit : THB Per Share

Dividend Policy

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



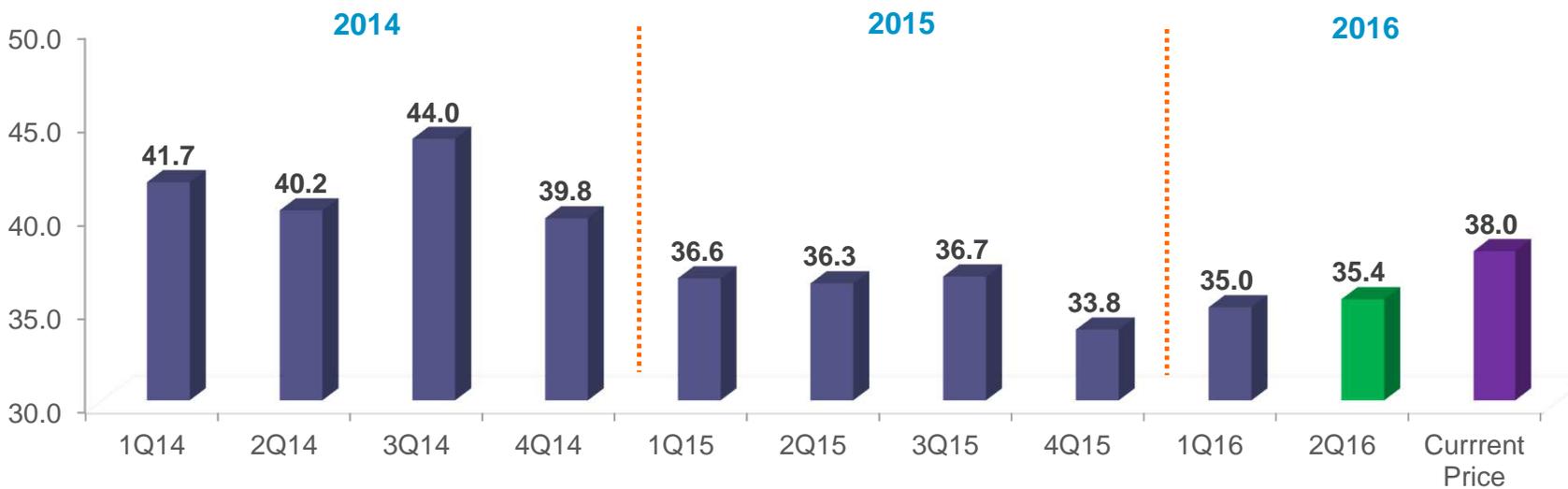


Appendix B: Product & Raw Materials Price Trend



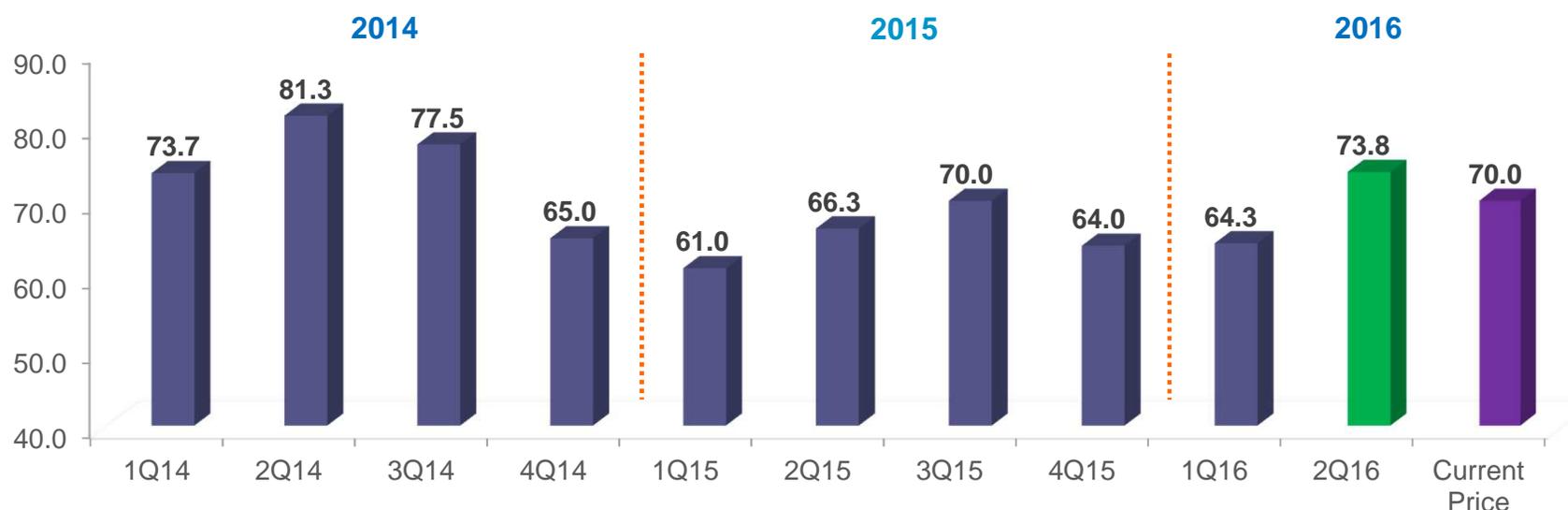
Average Farm Prices – Thailand

Thailand's **Broiler** price (Baht/kg)



Average Price		
2014	2015	2016
41.4	35.8	35.2
% Chg	-13%	-2%

Thailand's **Pork** price (Baht/kg)

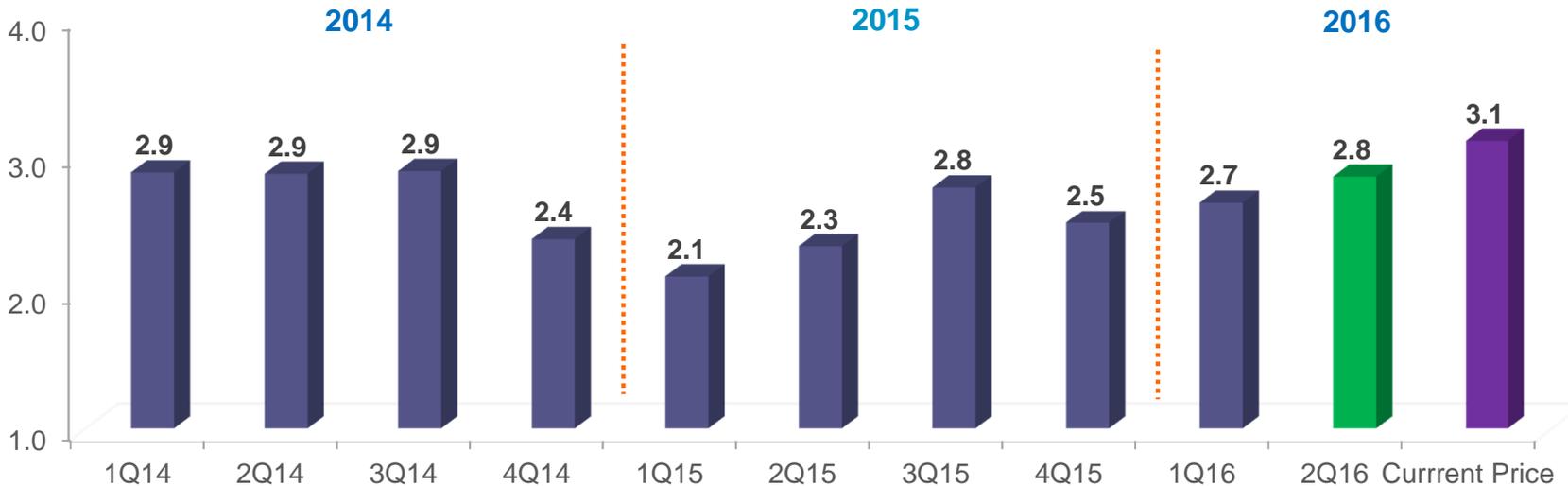


Average Price		
2014	2015	2016
74.4	65.3	69.1
% Chg	-12%	+6%



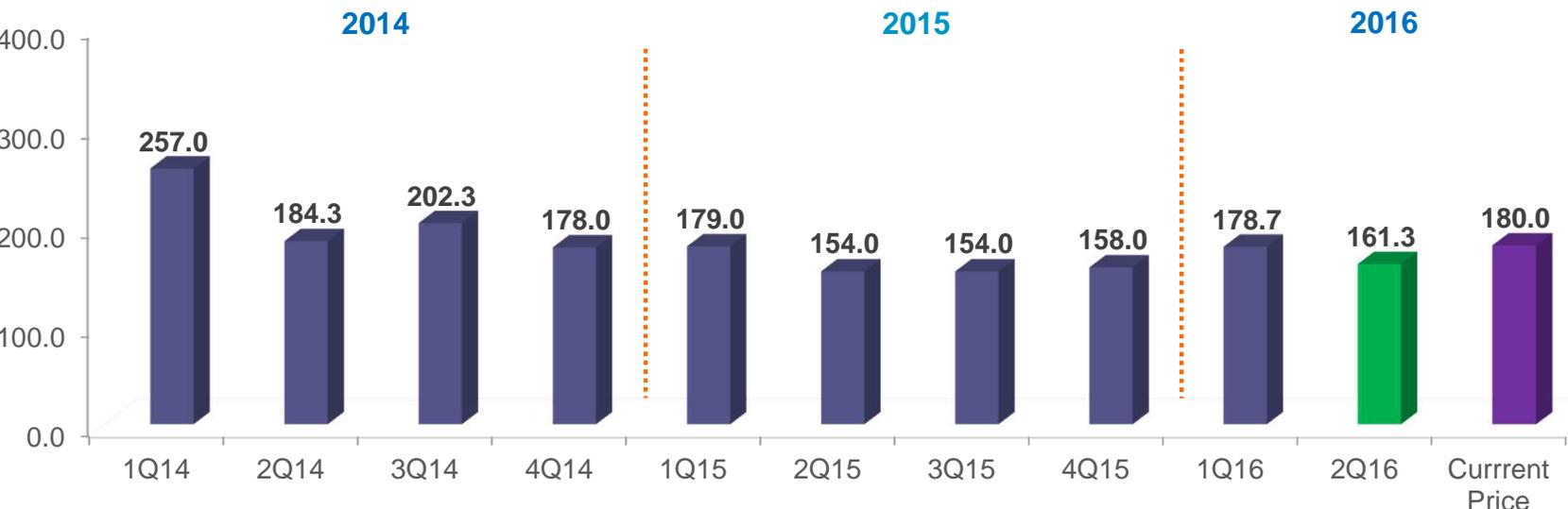
Average Farm Prices – Thailand

Thailand's **Fresh egg** price (Baht/piece)



Average Price		
2014	2015	2016
2.7	2.4	2.7
% Chg	-12%	+13%

Thailand's **White shrimp** price (Size 70)

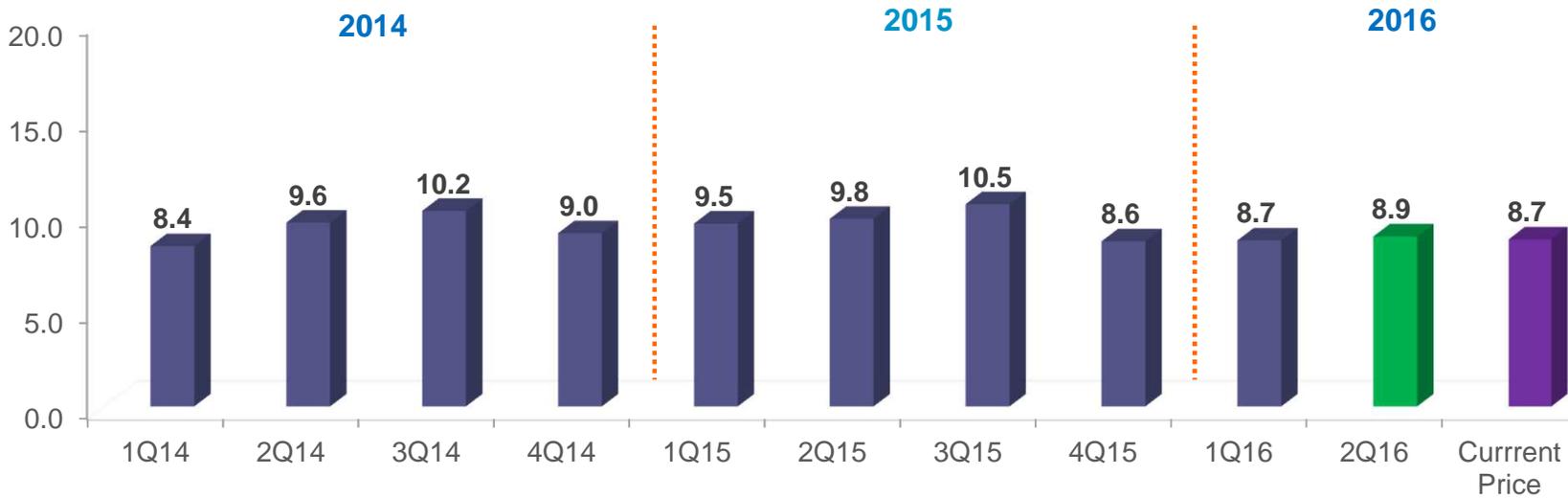


Average Price		
2014	2015	2016
206	161	170
% Chg	-21%	+5%



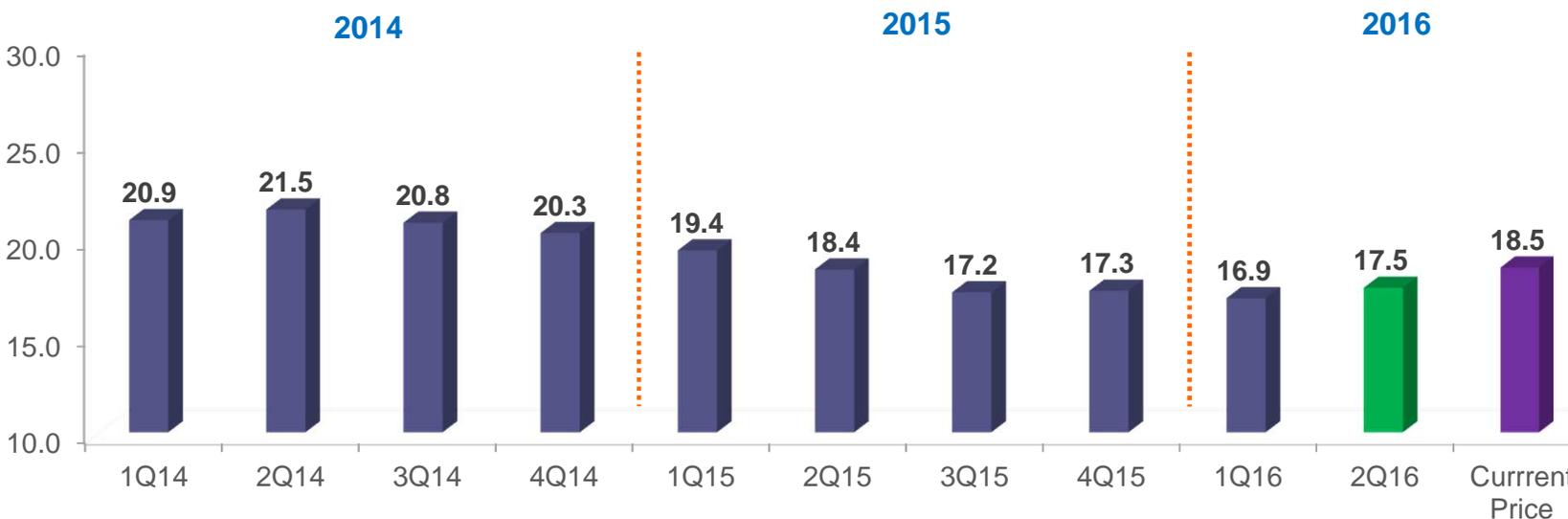
Average Raw Material Prices – Thailand

Thailand's Corn price (Baht/kg)



Average Price		
2014	2015	2016
9.3	9.6	8.8
% Chg	+3%	-9%

Thailand's Soybean Meal price (Baht/kg)

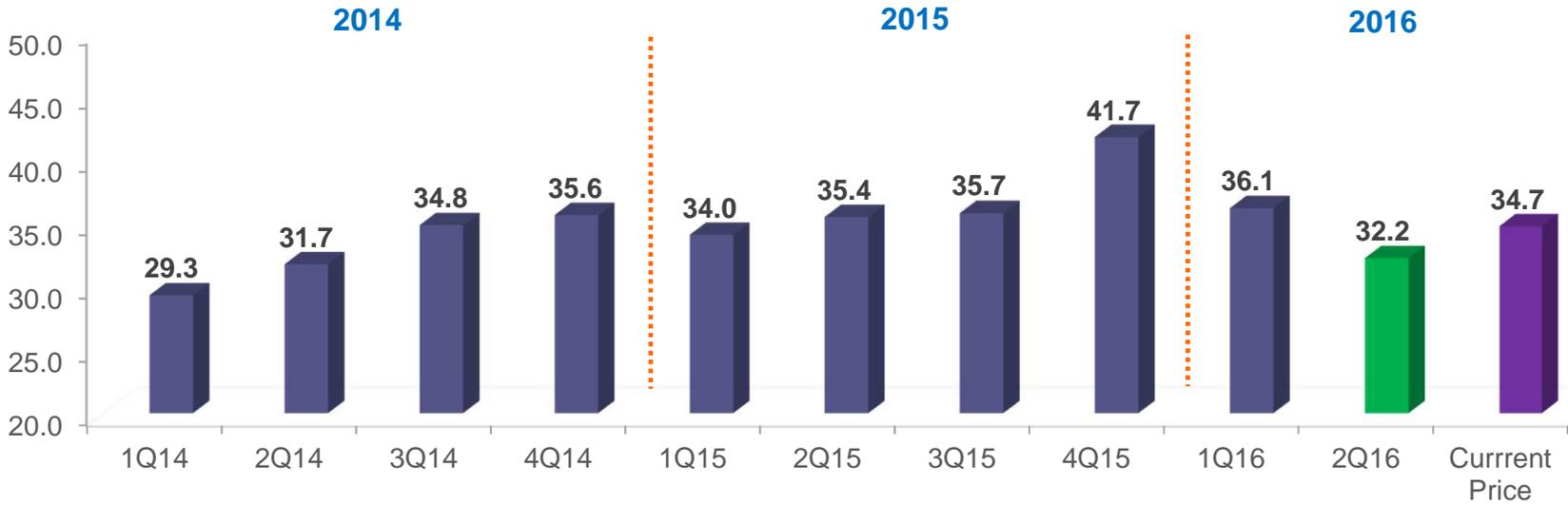


Average Price		
2014	2015	2016
20.9	18.1	17.2
% Chg	-14%	-5%



Average Farm Prices – Thailand

Thailand's Fishmeal price (Baht/kg)

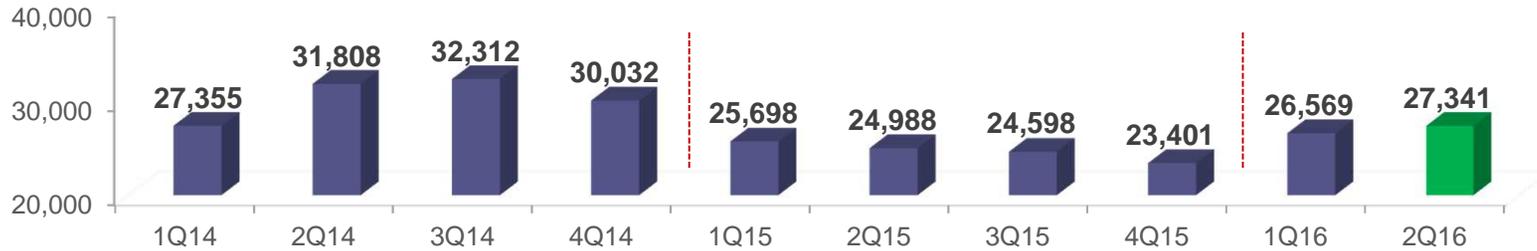


Average Price		
2014	2015	2016
32.8	36.7	34.2
% Chg	+12%	-7%

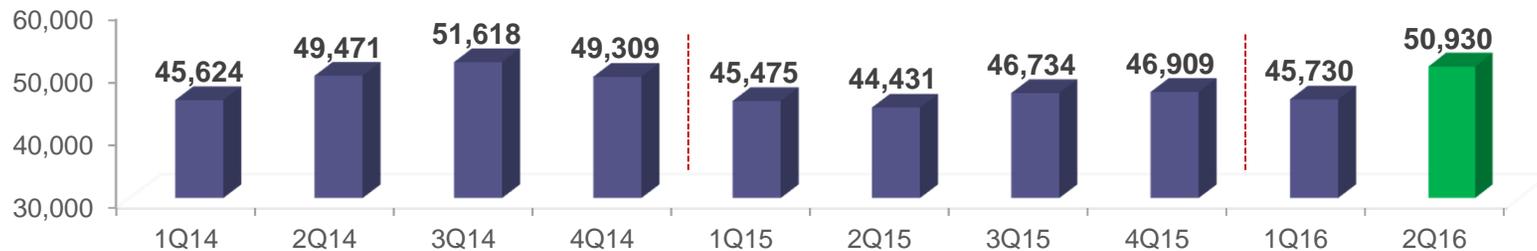
Source: CPF



Vietnam: Average Market Price and Major Feed Raw Materials



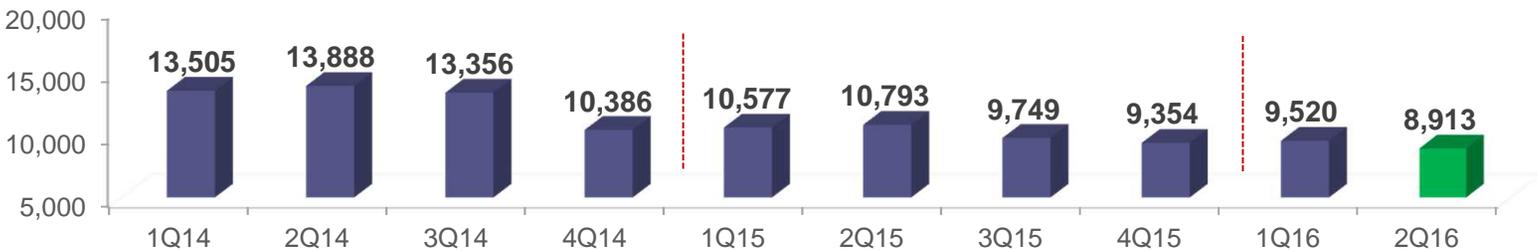
Broiler
(VND/kg)



Swine
(VND/kg)



Corn
(VND/kg)



Soybean Meal
(VND/kg)

Source: CPF

VND 1 = THB 0.0016



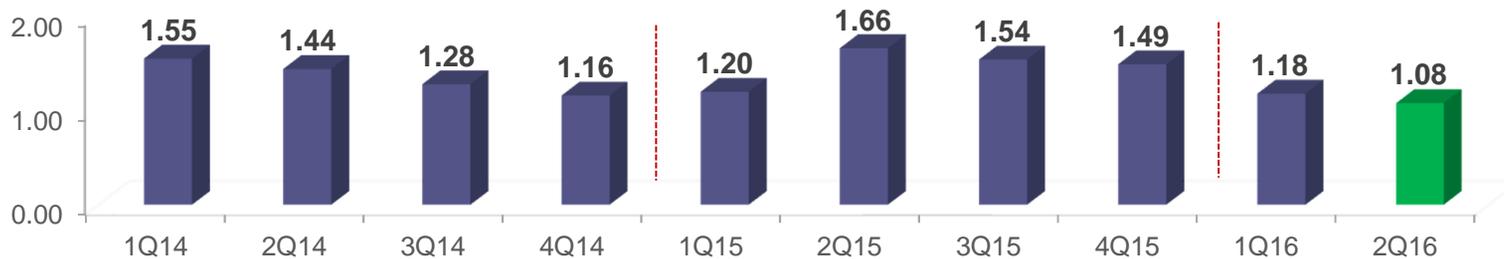
Turkey: Average Market Price and Major Feed Raw Materials



Broiler
(TRY/kg)



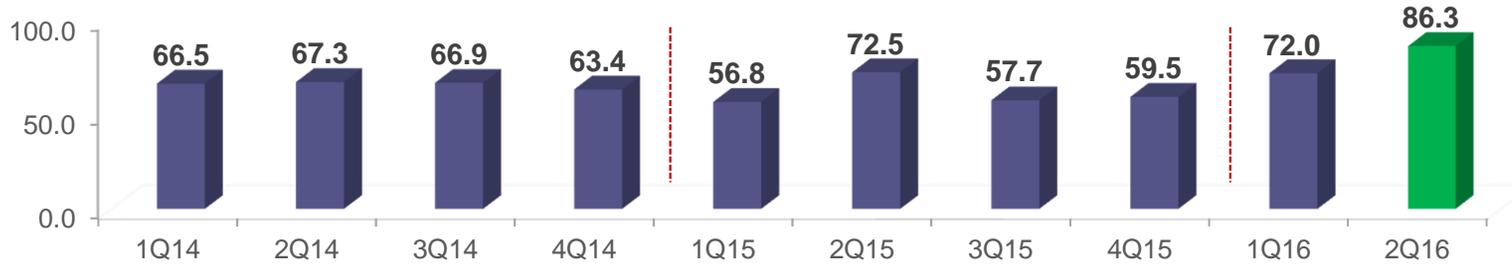
Corn
(TRY/kg)



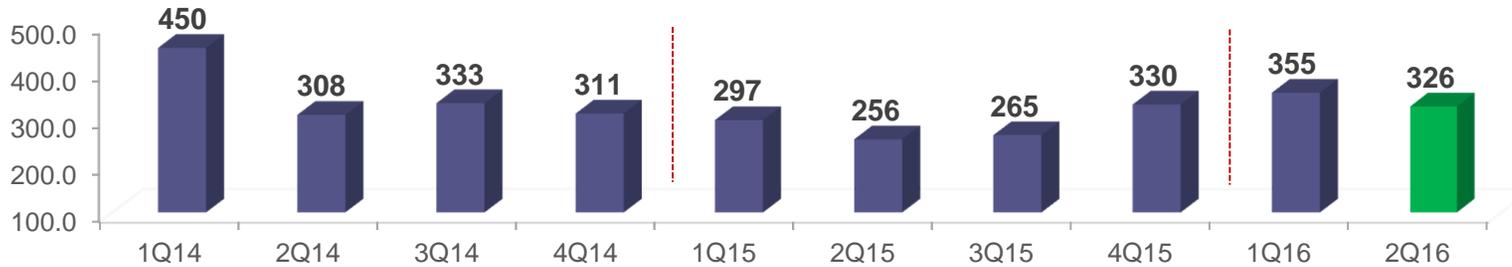
Soybean Meal
(TRY/kg)



India: Average Market Price and Major Feed Raw Materials



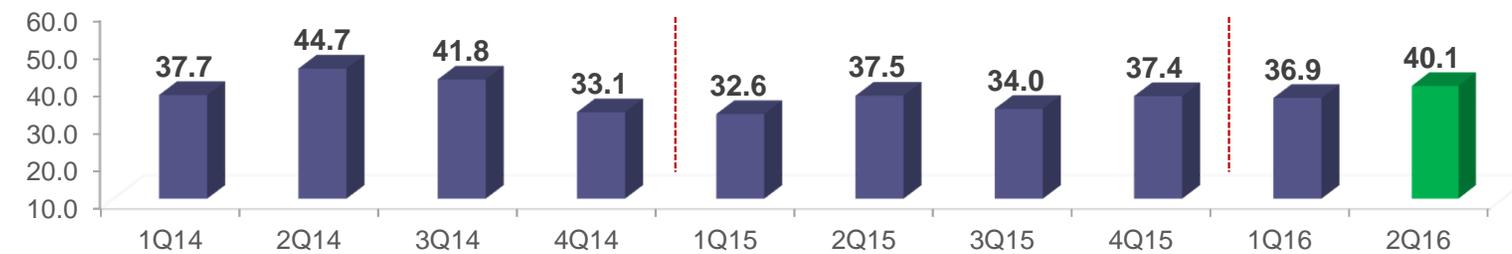
Broiler
(Rs/kg)



Shrimp(60 pieces)
(Rs/kg)



Corn
(Rs/kg)



Soybean Meal
(Rs/kg)

Source: CPF

Rs 1 = THB 0.52



Appendix C: Product Sample & Retail Outlet Format



Food Retail Products





Food Retail Products





Food Service : Five Stars Chain



More Than **6,000** Outlets

Five Star Chicken in Vietnam



Five Star Chicken in India





Food Service : Chester's



201 Outlets





Food Retail Outlets



419 Stores



5 Stores





CP CHOZEN LIMITED

22 Kiosks



Main Dishes	
Red Thai Vegetable	£4.75
Banquet Chicken	£4.95
Green Thai Chicken	£5.85
Sweet & Sour - Chicken	£5.85
Spicy Chicken	£5.85
Teriyaki Chicken	£5.85
Red Thai Beef	£5.85
Katsu Chicken Curry	£5.95
Drinks	

Sides	
Chicken Katsu	£1.75
Veg Gyoza (1)	£1.50
Chicken Gyoza (1)	£1.75
Chicken Karage	£1.75
Steamed Veg Gyoza (1)	£3.50

Sushi	
Omega Sushi	£4.30
Katsu Sushi	£4.95
Medium Sushi	£6.95

Salads
Chicken Teriyaki £5.45
Steamed Salmon £5.95
Chicken Katsu £5.45
See display
boards for
full ranges



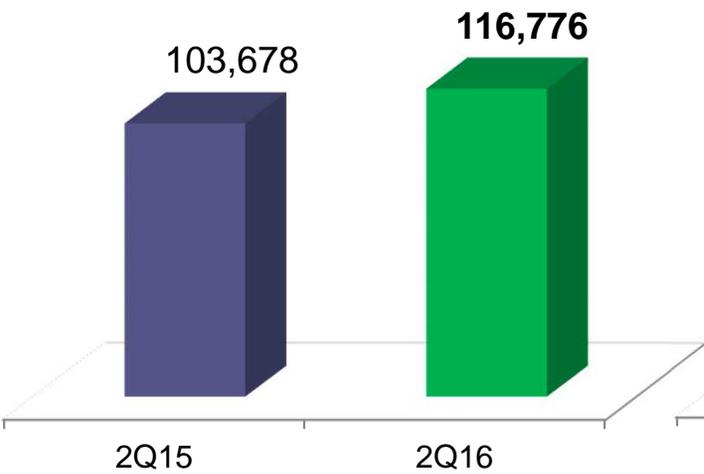
Appendix D: Highlights: 2Q16 results



2Q16 Results Highlights

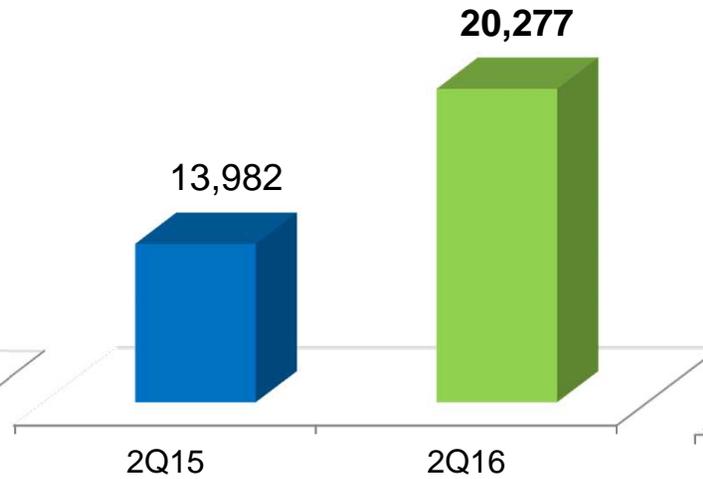
Consolidated Revenue (THB millions)

+13%Y-o-Y



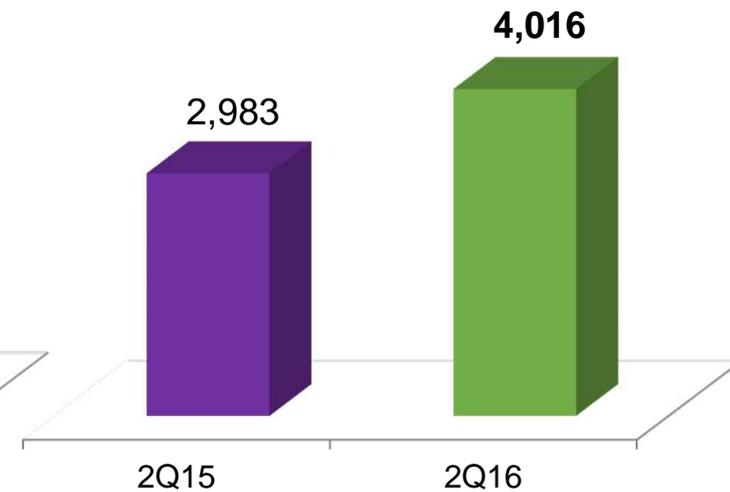
Gross Profit (THB millions)

+45%Y-o-Y



Net Profit (THB millions)

+35%Y-o-Y



Consolidated sales ↑ 13% Y-o-Y

Gross profit margin

2Q15	13.5%
2Q16	17.4%
	%Chg ↑ 3.9%

Net profit margin

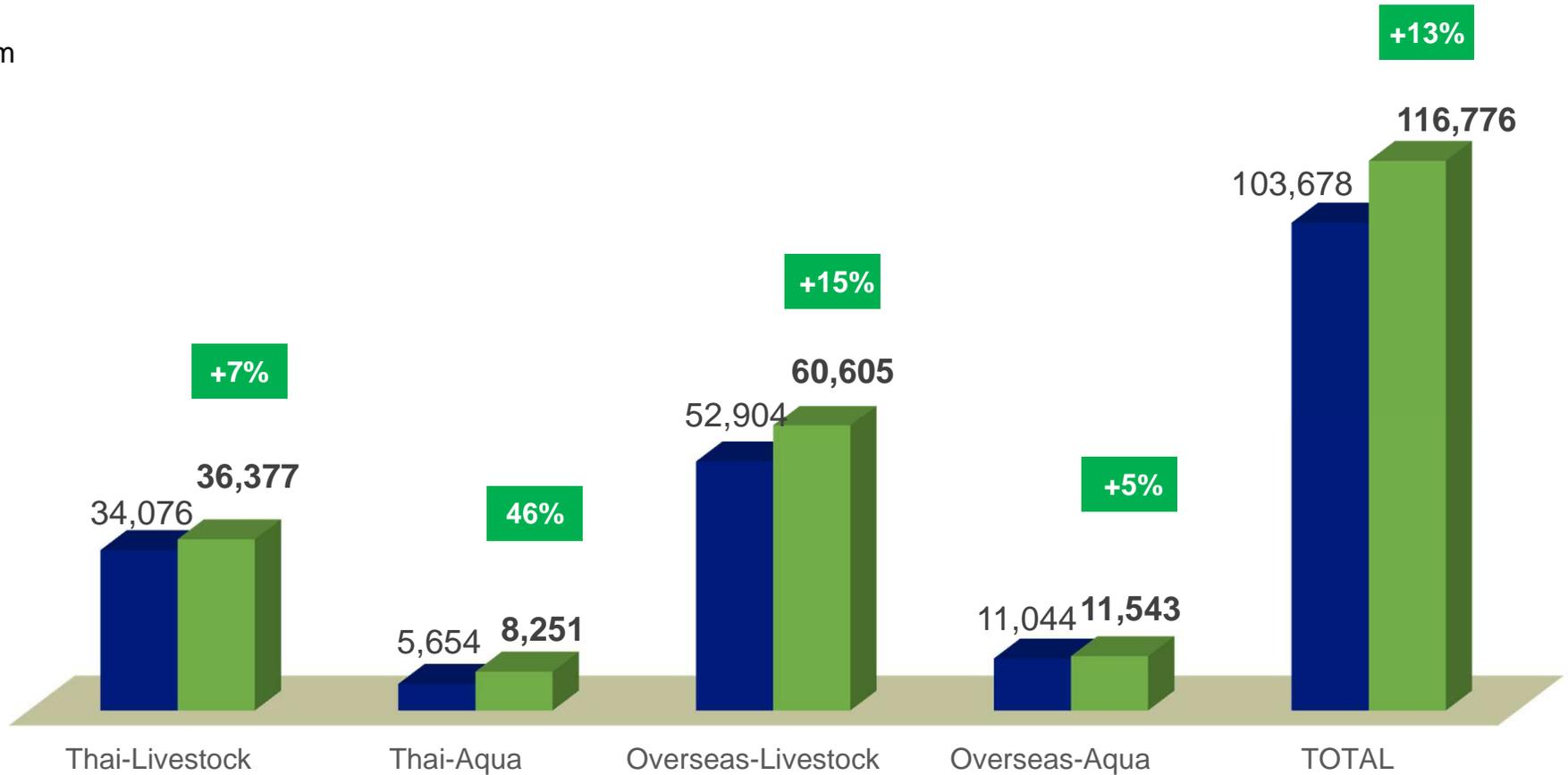
2Q15	2.9%
2Q16	3.4%
	%Chg ↑ 0.5%



2Q16: Sales & Gross Profit Margin by Business

In THB, m

■ 2Q15
 ■ 2Q16



	2Q15	2Q16	2Q15	2Q16	2Q15	2Q16	2Q15	2Q16	2Q15	2Q16
GPM	11.9%	16.8%	3.0%	12.6%	15.8%	19.5%	12.8%	11.5%	13.5%	17.4%
OPM	1.5%	7.7%	-13.4%	3.7%	5.4%	10.5%	6.6%	5.9%	3.2%	8.7%



2Q16: Consolidated Sales Structure

Sales Breakdown

	2Q15	% to Sales	2Q16	% to Sales	% Change
Thailand	39,730	38%	44,628	38%	12%
<i>Domestic</i>	34,131	33%	37,640	32%	10%
<i>Export</i>	5,599	5%	6,988	6%	25%
China	26,724	26%	26,136	23%	-2%
Vietnam	17,146	17%	18,970	16%	11%
Others	20,078	19%	27,042	23%	35%
Total	103,678	100%	116,776	100%	13%



2Q16: Consolidated Sales Structure by Business

Sales Breakdown

	Livestock			Aqualculture			Total		
	2Q15	2Q16	%Change	2Q15	2Q16	%Change	2Q15	2Q16	%Change
Thailand	34,076	36,377	7%	5,654	8,251	46%	39,730	44,628	12%
<i>Domestic</i>	29,393	30,597	4%	4,738	7,043	49%	34,131	37,640	10%
<i>Export</i>	4,683	5,780	23%	916	1,208	32%	5,599	6,989	25%
China	23,408	22,918	-2%	3,316	3,218	-3%	26,724	26,136	-2%
Vietnam	14,850	16,676	12%	2,296	2,294	0%	17,146	18,970	11%
Others	14,646	21,011	43%	5,432	6,031	11%	20,078	27,042	35%
Total	86,980	96,982	11%	16,698	19,794	19%	103,678	116,776	13%
% of Total Sales	84%	83%		16%	17%		100%	100%	



2Q16: Consolidated Sales by Products

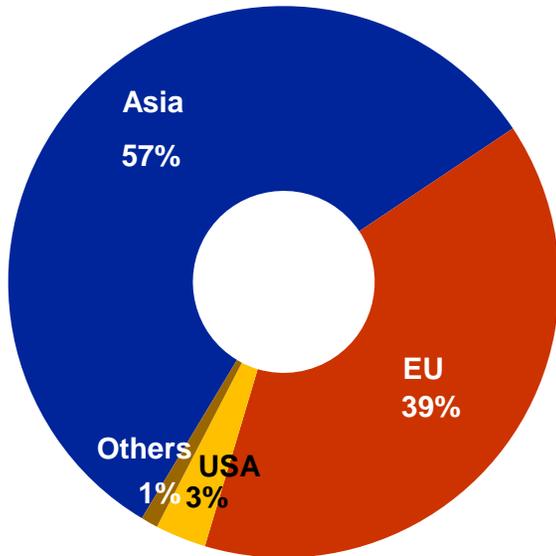
Sales Breakdown by Products												
	Feed			Farm			Food			Total		
	2Q15	2Q16	%Change	2Q15	2Q16	%Change	2Q15	2Q16	%Change	2Q15	2Q16	%Change
Thailand	12,628	11,884	-6%	17,331	22,215	28%	9,771	10,529	8%	39,730	44,628	12%
<i>Domestic</i>	12,584	11,857	-6%	16,073	20,261	26%	5,475	5,522	1%	34,131	37,640	10%
<i>Export</i>	44	27	-39%	1,258	1,954	55%	4,296	5,007	17%	5,599	6,988	25%
China	26,724	25,766	-4%	0	0	0%	0	370	100%	26,724	26,136	-2%
Vietnam	7,097	7,698	8%	9,562	10,851	13%	486	421	-13%	17,146	18,970	11%
Others	8,713	10,757	23%	10,002	14,777	48%	1,364	1,508	11%	20,078	27,042	35%
Total	55,162	56,105	2%	36,895	47,872	30%	11,621	12,828	10%	103,678	116,776	13%



Appendix E: Export Destination



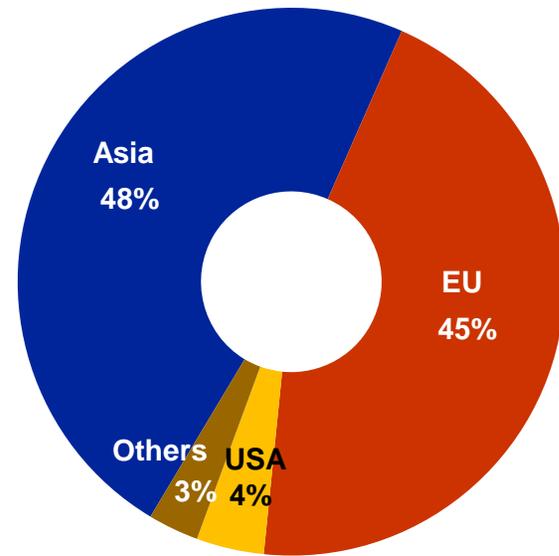
1H16: Thailand Operations – Export Destination



■ Asia ■ EU ■ USA ■ Others

Farm

THB 3,507 million +29%



■ Asia ■ EU ■ USA ■ Others

Food

THB 9,889 million +11%

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