



TIPCO 020/2016

13 May 2016

Re: Management discussion and analysis (MD&A) for the first quarter of 2016
To: The President
The Stock Exchange of Thailand

Tipco Foods Public Company Limited or "TIPCO" would like to report and clarify the operating results for the first quarter of 2016 in accordance with reviewed Consolidated Financial Statement as of March 31, 2016. The highlighted key performance were set forth as follow;

Sales and services revenues

The consolidated sales and services revenues in the 1Q/2016 were Baht 1,396 million compared with Baht 1,074 million in 1Q/2015, a significant increase by Baht 322 million or 30% Year-on-Year (YoY). The growth in sales and services revenues mainly came from an improvement in processed fruit business.

Cost of goods sold

Cost of goods sold in 1Q/2016 were Baht 1,035 million compared with Baht 812 million in the 1Q/2015, increased by Baht 223 million or 27% YoY as a consequence of sale increase.

For gross profit, in this quarter, the company recorded the gross profit of Baht 361 million (accounted for 26% of sales and services revenues) compared with Baht 262 million in the 1Q/2015 (accounted for 24% of sales and services revenues), grew by Baht 99 million or 38%.

Selling and Administrative Expenses

In this quarter, selling and administrative expenses were Baht 286 million (accounted for 20% of total revenues) from Baht 268 million (accounted for 23% of total revenues) in the 1Q2015, increased by Baht 18 million or 7% YoY while the proportion of selling and administrative expenses to total revenues dropped.

Net Profit

The consolidated net profit attributable to the equity holders of the parent for 1Q/2016 were Baht 348 million compared with Baht 319 million in 1Q/2015, increased by Baht 29 million or 9% YoY mainly resulted from an improvement in processed fruit business. Moreover, disregarding of share of profit from investment in associated company, net profit from core business also improved by Baht 21 million or 50% YoY.

**Financial Position****Asset**

As of 30 March 2016, the Company reported total asset of Baht 6,908 million, grew from Baht 6,715 million by the year end 2015, or increased by Baht 193 million or 3% due largely to an increase in investments in associated company by Baht 221 million.

Liabilities

As of 30 March 2016, a slight drop in total liabilities to Baht 2,633 million from Baht 2,734 million by the year end 2015, dropped by Baht 101 million or 4% as a result of repayment on bank overdrafts and short-term loans from financial institutions.

Equities

As of 30 March 2016, the Company's total shareholders equity rose to Baht 4,275 million from Baht 3,981 million by the year end 2015, increased by Baht 294 million or 7% mainly from a increase in an unappropriated retained earnings.

Please kindly be informed accordingly

Sincerely yours,

Ekaphol Pongstabhon

Managing Director