



TIPCO 030/2015

14 November 2015

Re: Management discussion and analysis (MD&A) for the 3rd quarter of 2015
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 3rd quarter of 2015 in accordance with reviewed Consolidated Financial Statement as of September 30, 2015. The highlighted key performance were set forth as follow;

Sales and services revenues

The consolidated sales and services revenues in the 3Q/2015 were Baht 1,180.9 million compared with Baht 1,488.1 million in 3Q/2014, declined by Baht 307.2 million or 20.6% YoY mainly from the export of canned pineapple declined due to the shortage of raw materials.

Nine-month performance comparison, sales and services revenues on 9M/2015 were Baht 3,914.0 million compared with Baht 4,333.3 million in 9M/2014, declined moderately by baht 419.3 million or 9.7% from the export of canned pineapple declined due to the shortage of raw materials.

Cost of goods sold

Cost of goods sold in 3Q/2015 were Baht 753.9 million compared with Baht 988.0 million in the 3Q/2014, a significant decrease by Baht 234.2 million or 23.7% YoY as a consequence of sale decrease. However, gross profit margin improved to 36.2% in this quarter from 33.6% in 3Q/2014 as all businesses provided higher gross profit margin.

For nine-month performance, cost of goods sold declined to Baht 2,637.5 million from Baht 2,955.9 million in 9M/2014, dropped by Baht 318.3 million or 10.8% as sale decrease. Hence, gross profit dropped to Baht 1,276.5 million from Baht 1,377.7 million in 9M/2014, a decrease by Baht 101.0 million or 7.3%. On the other hand, the consolidated gross profit margin showed a slight improvement to 32.6% from 31.8% last year.

Selling and Administrative Expenses

In this quarter, selling and administrative expenses improved to Baht 450.5 million from Baht 556.6 million in the 3Q2014, dropped by Baht 106.1 million or 19.1% YoY

For nine-month performance, selling and administrative expenses dropped slightly to Baht 1,353.1 million from Baht 1,559.8 million, dropped by Baht 206.8 million or 13.3% in accordance with sale drop.



The consolidated net profit attributable to the equity holders of the parent for 3Q/2015 were Baht 314.3 million compared with Baht 75.9 million in 3Q/2014, a significant increase by Baht 238.4 million or 314.2% YoY mainly resulted from share of profit from investment in associated company. Disregarding of share of profit from investment in associated company, net profit from core business showed an improvement of Baht 18.3 million.

For nine-month performance, net profit attributable to the equity holders of the parent showed a considerable improvement to Baht 995.6 million from Baht 91.7 million in 9M/2014 or rose by Baht 903.8 million or 985.5%. Disregarding of share of profit from investment in associated company, net profit from core business also improved significantly by Baht 122.7 million.

Financial Position

Asset

As of 30 September 2015, the Company reported total asset of Baht 6,054.2 million, grew from Baht 5,521.5 million by the year end 2014, or increased by Baht 532.8 million or 9.6% due largely to an increase in investments in associated company by Baht 827.7 million.

Liabilities

As of 30 September 2015, a dramatic drop in total liabilities to Baht 2,231.7 million from 2,766.5 by the year end 2014, or dropped by Baht 534.8 million as a result of repayment on bank overdrafts and short-term loans from financial institutions.

Equities

As of 30 September 2015, the Company's total shareholders equity grew to Baht 3,822.5 million from Baht 2,755.0 million by the year end 2014, or increased by Baht 1,067.6 million mainly from a substantial increase in an unappropriated retained earnings by Baht 995.6 million.

Please kindly be informed accordingly

Sincerely yours,

Ekaphol Pongstabhon

Managing Director