

IDR10/2016

August 10, 2016

Re: Notification on the Difference of Operating Results for the Second Quarter of 2016
by More Than 20 Percent from the Same Period of the Previous Year

CP ALL Public Company Limited

To: The President

The Stock Exchange of Thailand

CP ALL Public Company Limited (the Company or CPALL) would like to explain the increased operating results exceeding 20% from the same period of the previous year in the Company's consolidated financial statement for the second quarter ended June 30, 2016.

The operating results in the second quarter of 2016 has reported net profit of Baht 4,196 million, an increase from Baht 3,140 million in the second quarter of 2015, or an increase of 33.6 percent due to the followings:

Total Income

Total income for the second quarter of 2016 were Baht 114,629 million, an increase from Baht 100,676 million in the second quarter of 2015, or an increase of 13.9 percent due to the followings:

- 1) Expansion of 7-Eleven stores from 8,469 stores in the second quarter of 2015 to 9,252 stores in the second quarter of 2016, while same store sales growth posted of 5.0 percent for the second quarter of 2016.
- 2) An increase of revenue from sales of goods of Makro due to their store expansion.

Gross Margin

Gross profit to total income increased from 24.4 percent in the second quarter of 2015 to 24.9 percent in the second quarter of 2016 due to productivity enhancement and product assortment mix management.

Selling, General and Administrative Expenses

Selling, a general and administrative (SG&A) expense to total revenue increased from 18.4 percent in the second quarter of 2015 to 18.7 percent in the second quarter of 2016. Such increase was mainly due to sales promotion of 7-Eleven business which attracted the customers very well attributable to a decent level of sales growth.

EBIT and Net Profit

EBIT of the Company and subsidiaries of the second quarter of 2016 was Baht 7,142 million, increasing 18.0 percent from the second quarter of 2015 and net profit was Baht 4,196 million, increasing 33.6 percent from the same period of last year. This was mainly due to an increase of revenues and a decrease of interest expenses.

Please be informed accordingly.

Sincerely yours,

(Mr. Kriengchai Boonpoapichart)

Vice President

Authorized to sign on behalf of the Company