

IDR02/2014

March 12, 2014

Re: Notification on the Difference of Total Revenue for the Year 2013 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 total revenue exceeding 20% from the same period of the previous year in the Company's consolidated financial statements for the year ended December 31, 2013.

Total Revenue

Total revenue for the year 2013 were Baht 284,670 million, an increase from Baht 197,816 million in the year 2012, or an increment of 43.9 percent due to the followings:

- 1) The acquisition of Siam Makro Public Company Limited during the year 2013. Thus the Company recorded Makro performance from July –December 2013 of Baht 66,726 million;
- 2) Expansion of 7-Eleven stores from 6,822 stores in the year 2012 to 7,429 stores in the year 2013, an increment of 8.9 percent;
- 3) Same store sales growth excluding phone card of 5.7 percent in the year 2013 comparing year on year.

Gross Margin

Gross margin excluding phone card of the Company's convenience store business increase from 25.4 percent in 2012 to 25.6 percent in 2013 due to an increased mix of high margin products

In the meantime, total gross margin in the consolidated financial statement decreased from 25.8 in 2012 to 22.6 in 2013 due to the record of gross margin from Makro business which generated lower gross margin than convenience store business in the second half the year

Selling, General and Administrative Expenses

SG&A to total revenue of the convenience store business increased from 22.6 percent in the year 2012 to 25.3 percent in the year 2013 due to expenses related to the acquisition of Makro such as arrangement fees, financial advisory fees, legal fees, and hedging costs incurred since the second quarter of 2013.

Meanwhile, SG&A to total revenue in the consolidated financial statement decreased from 22.1 percent in 2012 to 20.7 percent in 2013 due to the consolidation of Makro's SG&A in the second half of the year and Makro's SG&A to total revenues was lower than that of the convenience store business.

Operating Profit and Net Profit

Operating profit was Baht 15,135 million, increasing 8.2 percent from that of 2012 and net profit was Baht 10,537 million, decreasing 4.6 percent comparing year on year because of the increased interest expense of Baht 2,214 million.

Please be informed accordingly.

Sincerely yours,

(Mr. Kriengchai Boonpoapichart)
Vice President
Authorized to sign on behalf of the Company