

IDR04/2016

February 29, 2016

Re: Notification on the Incremental of Net Profit FY2015 by More Than 20 Percent from the Same Period of the Previous Year of 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 incremental of net profit exceeding 20% from the same period of last year in the Company's consolidated financial statements for the year ended December 31, 2015.

#### Total Revenue

Total revenue in FY2015 increased to Baht 405,893 million, compared to Baht 371,301 million in FY2014, or up 9.3 percent due to the followings:

- 1) Expansion of 7-Eleven store, number of stores increased to 8,832 stores in FY2015, compared to 8,127 stores in FY 2014, or up 8.7 percent, while same store sales growth in FY2015 posted of 0.9 percent;
- 2) An increment of revenue from sales of goods of Siam Makro due to their store expansion.

#### Gross Profit

In FY2015, gross profit were Baht 85,299 million, up 11.8 percent from last year due to the growth of sales revenue from convenience store business, Siam Makro business and other supporting businesses. As per the consolidated financial statements, gross margin increased to 21.8 percent in FY2015, compared to 21.3 percent in FY2014.

#### Selling, General and Administrative Expenses (SG&A)

In FY2015, SG&A expenses were Baht 73,905 million, an increase of 7.5 percent from last year. Meanwhile, SG&A to total revenue decreased to 18.2 percent in FY2015, compared to 18.5 percent in FY2014, detail of major expenses according to consolidated financial statements as below :

- 1) Personnel expenses were Baht 24,821 million, up 12.5 percent from last year, mainly due to the store expansion from both convenience store business and Siam Makro business.
- 2) Store management fees were Baht 14,017 million, up 9.7 percent from last year, mainly due to an increase in the number of franchise stores and higher revenue from sales.
- 3) Depreciation expenses were Baht 6,694 million, up 17.1 percent from last year, mainly due to store expansion.

Other SG&A expenses such as utility expenses, advertising and promotion expenses and others were also increased but at level lower than the revenue growth. Other SG&A expenses were vary to sales growth and increase in number of stores .

#### Operating Profit and Net Profit

Operating profit in FY2015 was Baht 25,469 million, up 20.7 percent from last year and net profit was Baht 13,682 million or earnings per share of Baht 1.52, up 34.1 percent from last year.

Please be informed accordingly.

Sincerely yours,

(Mr. Kriengchai Boonpoapichart)

Vice President

Authorized to sign on behalf of the Company