

IDR06/2014

May 7, 2014

Re: Notification on the Difference of Total Revenue for the First Quarter of 2014 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 percent from the same period of the previous year in the Company's consolidated financial statements for the first quarter ended March 31, 2014.

Total Revenue

Total revenue for the first quarter of 2014 was Baht 89,326 million, or an increase of 68.8 percent from the same period of the previous year due to the followings:

- 1) The acquisition of Siam Makro Public Company Limited during the year 2013 and thus the Company recorded Makro performance since July 2013. Revenue contribution from Makro for the first quarter of 2014 was Baht 35,218 million;
- 2) Expansion of 7-Eleven stores from 7,041 stores in the first quarter of 2013 to 7,651 stores in the first quarter of 2014, an increment of 8.7 percent;

Gross Margin

Gross margin excluding phone card of the Company's convenience store business increase from 25.4 percent in the first quarter of 2013 to 25.7 percent in the first quarter of 2014 due to an increased mix of high margin products

In the meantime, total gross margin in the consolidated financial statement decreased from 25.9 in the first quarter of 2013 to 20.9 in the first quarter of 2014 due to the record of lower gross margin from Makro business than the convenience store business.

Selling, General and Administrative Expenses

SG&A to total revenue of the convenience store business increased from 22.3 percent in the first quarter of 2013 to 26.3 percent in the first quarter of 2014 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 21.9 percent in the first quarter of 2013 to 18.4 percent in the first quarter of 2014 due to the consolidation of Makro's SG&A 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 4,725 million, increasing 20.1 percent from the same period of the previous year and net profit was Baht 2,705 million, decreasing 15.1 percent comparing year on year because of finance charges of Baht 1,346 million.

Please be informed accordingly.

Sincerely yours,

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