

IDR03/2015

February 17, 2015

Re: Notification on the Difference of Total Revenue for the Year 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% from the same period of the previous year in the Company's consolidated financial statements for the year ended December 31, 2014.

### **Total Revenue**

Total revenue for the year 2014 were Baht 371,301 million, an increase from Baht 284,670 million in the year 2013, or an increment of 30.4 percent due to the followings:

- 1) The Company recorded Makro performance for 12-month period in 2014 compared to 6-month period in 2013 which Revenue from Makro based on business segment in 2014 was Baht 142,537 million ;
- 2) Expansion of 7-Eleven stores from 7,429 stores in the year 2013 to 8,127 stores in the year 2014, an increment of 9.4 percent;

### **Gross Margin**

Gross margin excluding phone card of the Company's convenience store business increase from 25.6 percent in 2013 to 25.8 percent in 2014 due to an increased mix of high margin products

In the meantime, total gross margin in the consolidated financial statement decreased from 22.6 percent in 2013 to 21.3 percent in 2014 due to a record of Makro performance for the period of 12 months in 2014 VS 6 months performance of 2013 and Makro business generating relatively lower gross margin than that of the convenience store business.

### **Selling, General and Administrative Expenses**

In 2014, the Company and its subsidiaries' selling and administrative expenses were Baht 68,809 million, increasing 16.7 percent year-on-year as detailed below:

- 1) Personnel expenses, which accounted for 25.6 percent of the total SG&A, amounted to Baht 17,647 million.
- 2) Store management expenses, which accounted for 18.6 percent of the total SG&A, increased to Baht 12,774 million following a rise in the number of franchise stores and higher sales. Other SG&A such as depreciation, utility expenses, advertising and promotion expenses were also increased in relation to sales growth and store

expansion of 7-Eleven including expenses related to the acquisition of Makro such as arrangement fees, financial advisory fees, legal fees and hedging costs.

Meanwhile, SG&A to total revenue in the consolidated financial statement decreased from 20.7 percent in 2013 to 18.5 percent in 2014 due to a record of Makro expenses for the period of 12 months in 2014 VS 6-month expenses of 2013 and Makro's SG&A to total revenues generating relatively lower than that of the convenience store business.

### **Operating Profit and Net Profit**

Operating profit of 2014 was Baht 21,049 million, increasing 39.8 percent year-on-year and net profit was Baht 10,154 million or earnings per share of Baht 1.13, decreasing 3.3 percent from net profit in 2013 of Baht 10,503 million or earnings per share of Baht 1.17 due to finance charges of Baht 8,518 million.

Please be informed accordingly.

Sincerely yours,

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