



บริษัท คาราบาวกรุ๊ป จำกัด (มหาชน)

393 อาคาร 393 ซิลม ชั้น 7-10

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เลขทะเบียน 0107557000268

February 26, 2015

Subject Clarification on results of business operations for Year 2014
To Director and Manager
Stock Exchange of Thailand

Carabao Group Public Company Limited (CBG) would like clarify the operation results for the year ended 31 December 2013 and 2014, the Group's total revenues amounted to Baht 6,929.4 million and Baht 7,574.6 million, respectively, an increase of Baht 645.2 million or 9.3% with the main reasons as specified below.

(1) The Group's domestic sales of Carabao Dang amounted to Baht 5,310.9 million and Baht 5,276.0 million, respectively, a decrease of Baht 34.9 million or 0.7%. The decrease in domestic sales of Carabao Dang was mainly due to a decrease in sales volume through traditional trade as, during such period, consumers reduced their spending, resulting from the unrecovered economic conditions as a consequence of the political instability in the first half of 2014.

(2) The Group's overseas sales of Carabao Dang amounted to Baht 1,552.0 million and Baht 2,090.6 million, respectively, an increase of Baht 538.6 million or 34.7%. Such increase in sales was mainly due to the growth in overseas sales volume of products in the Group's existing overseas markets, especially, Cambodia, Myanmar and Vietnam. This growth was in line with the Group's strategy to expand their export markets to the CLMV region.

(3) For the year ended 31 December 2014, the Group's sales of Start Plus amounted to Baht 81.8 million. Start Plus is the Group's electrolyte drinks, the sales of which began in Thailand in May 2014.

(4) The Group's other income amounted to Baht 66.5 million and Baht 126.2 million, respectively, an increase of Baht 59.7 million or 89.8 %. Such increase was mainly due to (1) an increase in retail and service income of Baht 25.0 million from the rent of office space in the Group's head office building which began in August 2013, (2) an increase in profit from asset sales of Baht 8.5 million which was a result of the Group's sale of inutilized inventory and assets to third parties, (3) profit from changes in fair value of cross currency and interest rate swap contracts of Baht 10.3 million which was a result of the Group's prevention of risk from US Dollar currency and interest of long-term loan from financial institutions by entering into cross currency and interest rate swap contract with a financial institution and (4) an increase in profit from currency exchange of Baht 21.5 million which was mainly due to the Group's gradual change of borrowed foreign currencies to Thai Baht pursuant to terms and conditions under the loan agreements. Such loans are in a form of trust receipt which is used for purchasing equipment and machinery of APG from abroad.

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For the year period ended 31 December 2013 and 2014, the Group's gross profit amounted to Baht 2,069.8 million and Baht 2,509.8 million, respectively, an increase of Baht 440.0 million or 21.3%. The gross profit margin amounted to 30.2% and 33.7%, respectively. The Group's change in gross profit margin was mainly due to the reasons set out below.

- Domestic market – The Group's domestic gross profit amounted to Baht 1,529.8 million and Baht 1,783.5 million, respectively, an increase of Baht 253.7 million or 16.6%. The gross profit margin amounted to 28.8% and 33.3%, respectively. The increase in gross profit and gross profit margin resulted from improved average selling price compared to last year and decreased costs of raw materials and packaging per unit.

- Overseas market – The Group's overseas gross profit amounted to Baht 539.9 million and Baht 726.3 million, respectively, an increase of Baht 186.4 million or 34.5%. The gross profit margins were 34.8% to 34.7% respectively.

For the year periods ended 31 December 2013 and 2014, the Group's net profit amounted to Baht 626.4 million and Baht 1,011.7 million, respectively, an increase of Baht 385.2 million or 61.5%. The net profit margin amounted to 9.0% and 13.4%, respectively. In 2014, the Group's net profit increased significantly. Such significant growth of net profit was mainly due to (1) increased gross profit and gross profit margin and (2) significant increase in rental and service income. (3) decreased in proportion of costs of sales and administrative expenses to total revenue of the Group. Moreover, the Group had lower financial costs due to decreased loan and repayment of loans from financial institutions in December 2014.

Financial Condition of the year period ended 31 December 2014

For the fiscal year ended 31 December 2013 and 2014, the Group's total assets amounted to Baht 5,309.7 million and Baht 7,063.5 million, respectively, an increase of Baht 1,753.8 million or 33.0%. The increase in total assets was mainly a result of:

1. The Group has an increase of cash, cash equivalents and temporary investment from share premium from IPO.

2. an increase in property, plant and equipment from an investment in (1) net machinery, factory equipment, tools and equipment used in support of manufacturing process of amber glass bottles, Carabao Dang and Start Plus, the construction of APG's amber glass bottle manufacturing factory and CBD's Carabao Dang manufacturing and bottling line expansion and (2) net buildings and buildings improvement from the investment in APG's amber glass bottle manufacturing factory and CBD's warehouse.





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For the fiscal year ended 31 December 2013 and 2014, the Group's total liabilities amounted to Baht 4,162.0 million and Baht 1,034.9 million respectively, a decrease of Baht 3,127.1 million or 75.1%. . For the year period ended 31 December 2014, the Group's liabilities decreased mainly due to (1) decreased trade and other payables, (2) no outstanding balance of both short-term and long-term loans as the Group has repaid all financial institution loans in December 2014.

For the fiscal year ended 31 December 2013 and 2014, the Group's shareholders' equity amounted to Baht 1,147.7 million and Baht 6,028.6 million, respectively, an increase of Baht 4,880.9 million or 425.3% from increase in share capital.

Please be informed accordingly

Sincerely Yours,

Mr.Paiboon Kujareevanich

Deputy Managing Director – Accounting and Finance

/ Company Secretary

