August 8, 2014 **Minor International Public Company Limited**

Management Discussion and Analysis

Overview
2Q14 and 1H14 Performance

Minor International Public Company Limited ("MINT") continued to report solid financial performance in the second quarter of 2014 amidst the ongoing Thailand political events. 2Q14 consolidated revenues and net profit grew by 11% and 44% y-y respectively, attributable to improved performance of restaurant and hotel & mixed-use businesses, together with the gain from the fair value adjustment of MINT's investment in Serendib Hotels PLC ('Serendib') in Sri Lanka, following MINT's increased shareholding. Stripping out the gain from fair value adjustment which resulted from the change of "available-for-sale investment" to "investment in associate" of Bt 87m before tax (Bt 69m after tax), MINT reported strong core revenues and net profit growth of 10% and 28% y-y respectively, thanks to the Company's concerted expansion and diversification strategy over the past few years. In 2Q14, restaurant services posted the highest revenue growth of 14% due to the strong organic business operations from the turnaround of same-store-sales growth to the positive territory, together with disciplined outlet expansion and increased franchised fee. Hotel & mixed-use business showed an 11% revenue growth in 2Q14 from the same period last year, primarily from the strong performance of overseas and Thailand's provincial hotel operations, together with hotel management business and Anantara Vacation Club.

In 2Q14, restaurant business contributed 46% of total revenue. Hotel & mixed-use business accounted for 45% of total revenue while retail trading and contract manufacturing contributed the remaining 9%.

Revenue Breakdown

Bt million	2Q14	2Q13	%Chg
Restaurant Services	4,230	3,725	14%
Hotel & Mixed-Use	4,083	3,690	11%
Retail Trading & Contract Manufacturing	810	836	-3%
Total Revenue	**9,123**	**8,252**	**11%**

In 1H14, MINT reported total revenues of Bt 19,753m, an increase of 10% from the same period last year. The growth was attributable to strong performance of restaurant and hotel & mixed-use business units.

In terms of revenue breakdown in 1H14, restaurant and hotel & mixed-use businesses accounted for 43% and 48% of total revenues, respectively. Retail trading and contract manufacturing contributed another 9%.

Revenue Breakdown

Bt million	1H14	1H13	%Chg
Restaurant Services	8,537	7,603	12%
Hotel & Mixed-Use	9,406	8,484	11%
Retail Trading & Contract Manufacturing	1,811	1,801	1%
Total Revenue	**19,753**	**17,888**	**10%**

MINT reported 2Q14 EBITDA growth of 22% to Bt 1,667m. Excluding gain on the reclassification of investment in Serendib, MINT's 2Q14 core EBITDA grew by 16% y-y, with stable EBITDA margin of 17%. While restaurant and hotel & mixed-use businesses saw healthy EBITDA growth of 14% and 34% respectively, retail trading and contract manufacturing business reported a decline in EBITDA by 23% y-y, because of declining sales of contract manufacturing business from delayed ordering of key customers, together with lower profitability of fashion business as a result of promotional sales.

In 2Q14, restaurant and hotel & mixed-use businesses accounted for 43% and 54% of total EBITDA, respectively. Retail trading & contract manufacturing contributed the remaining 3% of total EBITDA.

EBITDA Breakdown

Bt million	2Q14	2Q13	%Chg
Restaurant Services	725	634	14%
Hotel & Mixed-Use	892	665	34%
Retail Trading & Contract Manufacturing	50	64	-23%
Total EBITDA	**1,667**	**1,364**	**22%**
EBITDA Margin	**18%**	**17%**	

In 1H14, MINT reported EBITDA of Bt 4,242m, an 8% growth over the same period last year. Excluding gain on the reclassification of investment in Serendib, MINT's 1H14 core EBITDA increased by 6% y-y. The increase in EBITDA was a result of better performance of overseas and upcountry hotels, hotel management services and Anantara Vacation Club, together with the continued expansion of restaurant business, which more than offset the lower operating leverage from the contract manufacturing business.

Hotel & mixed-use business represented 62% of total EBITDA in 1H14, while restaurant business accounted for 34%. Retail trading and contract manufacturing business accounted for the remaining 4%.

EBITDA Breakdown

Bt million	**1H14**	**1H13**	**%Chg**
Restaurant Services	1,433	1,350	6%
Hotel & Mixed-Use	2,653	2,392	11%
Retail Trading & Contract Manufacturing	156	172	-9%
Total EBITDA	**4,242**	**3,914**	**8%**
EBITDA Margin	**21%**	**22%**	

MINT reported net profit of Bt 617m in 2Q14, up 44% y-y. Excluding gain on the reclassification of investment in Serendib, MINT showed core net profit growth of 28% y-y, higher than increase in revenues and EBITDA, as a result of lower finance costs, together with normalized effective tax rate in 2Q14 after the implementation of deferred tax accounting standard. Net profit margin excluding the gain from reclassification of investment in Serendib also increased to 6% in 2Q14 from 5% in 2Q13. Consequently, MINT's 1H14 net profit grew by 11% y-y. Excluding gain on the reclassification of investment in Serendib, 1H14 net profit increased by 7% y-y, with net profit margin remaining stable at 10%.

Net Profit

Bt million	**2Q14**	**2Q13**	**%Chg**
Total net profit	617	429	44%
Net Profit Margin	**7%**	**5%**	
	1H14	**1H13**	**%Chg**
Total net profit	2,037	1,838	11%
Net Profit Margin	**10%**	**10%**	

Major Developments in 2Q14

	Developments
Restaurant	• Opened 24 outlets, net q-q, majority of which were The Coffee Club, Thai Express and Dairy Queen outlets • Invested 70% in Swensen's operations in India, converting the existing franchised outlets to 70% owned outlets. Devyani International, Swensen's franchisee in India, maintains the remaining 30% shareholding
Hotel & Mixed-Use	• Increased investment in Serendib Hotels PLC from 19.8% to 22.7%, which resulted in a change in status of the investment recorded in MINT's balance sheet from "available-for-sale investment" to "investment in associate" and a recognition of gain on fair value adjustment of Bt 87m before tax (Bt 69m after tax) in the income statement • Oaks launched a new property under MLR, WRAP in Melbourne, Australia • Transferred and recorded revenues for 2% of total sellable area of St. Regis Residences

Segment Performance

Restaurant Business

At the end of 2Q14, MINT's total restaurants reached 1,592 outlets, comprising 820 equity-owned outlets (52% of total), and 772 franchised outlets (48% of total). 1,036 outlets (65% of total) are in Thailand, while the remaining 556 outlets (35% of total) are in Australia, New Zealand, Singapore, China, India, Middle East, Maldives, Egypt and other countries in South East Asia. Twenty-eight outlets were opened in 2Q14, while four outlets were closed.

In this quarter, MINT invested 70% in Swensen's Indian operations, changing the franchised operations in India to 70%-owned operations. Devyani International, the franchisee in India, continues to be MINT's partner with the remaining 30% shareholding. With the current four outlets in India, MINT sees vast potential for expansion in the country with its high population and GDP growth, together with strong domestic consumption.

Restaurant Outlets by Owned Equity and Franchise

	2Q14	Chg q-q	Chg y-y
Owned Equity	820	12	57
- Thailand	681	7	41
- Overseas	139	5	16
Franchise	772	12	116
- Thailand	355	8	60
- Overseas	417	4	56
Total Outlets	**1,592**	**24**	**173**

Restaurant Outlets by Brand

	2Q14	Chg q-q	Chg y-y
The Pizza Company	315	4	23
Swensen's	305	1	20
Sizzler	52	1	6
Dairy Queen	378	5	58
Burger King	37	1	6
The Coffee Club	360	8	32
Ribs and Rumps	13	-1	1
Thai Express	83	5	16
Riverside	32	0	9
Others*	17	0	2
Total Outlets	**1,592**	**24**	**173**

* Others include restaurants at the airport under MINT's 51% JV, Select Service Partner

Brand Performance Analysis

In 2Q14, total-system-sales (including sales from franchised outlets) increased by 12.4% y-y, driven by same-store-sales growth of 1.5% from the apparent turnaround of Thailand hub and the continued stable performance of Australia hub, together with outlet expansion of 12% y-y.

In 2Q14, Thailand hub showed the strongest same-store-sales growth of 3.7%, from MINT's marketing efforts to maintain the leading position in the industry, together with the recovery of domestic consumption alongside improving confidence from the easing political situation and signs of stabilization of the economy since the National Council of Peace and Order's economic and social policies have been put in place. As a result, most of the brands in Thailand saw a y-y turnaround, from negative same-store-sales growth in 1Q14 to positive growth in 2Q14. Thailand hub also saw the strongest total-system-sales growth of 15% in 2Q14.

Singapore hub reported strong total-system-sales growth of 4.9%, although same-store-sales growth was negative in 2Q14. Moreover, its 2Q14 net profit increased by 44% from the effective cost control. Singapore's negative same-store-sales growth was a result of Poulet's rapid outlet expansion in its second year of operation, which resulted in some decline in the sales of the existing outlets, together with constant change in consumer taste which resulted from intense competition of new food concepts. In order to respond to the quick change in consumer taste and ultimately to increase customer count and overall sales, in July 2014, Minor Food Group Singapore launched two new food concepts, "Basil by Thai Express" and "SIFU Hong Kong Bunnery" in addition to continuous change of its menus.

In China, similar to Poulet in Singapore, Riverside expanded the number of outlets aggressively especially in Shanghai since MINT's acquisition in 2012, resulting in some decrease in sales of existing outlets. Despite its negative same-store-sales growth, China hub continued to showed notable total-system-sales growth of 16.8% in 2Q14.

1H14 same-store-sales growth was flat y-y, where positive same-store-sales growth in 2Q14 helped offset the negative same-store-sales growth in 1Q14. 1H14 total–system-sales continued to grow by 10.8%.

Restaurant Business Performance by Brand

%	2Q14	2Q13	1H14	1H13
Average Same-Store-Sales Growth	1.5	1.1	(0.2)	2.6
Average Total-System-Sales Growth	12.4	13.9	10.8	13.8

Note: Calculation based on local currency to exclude the impact of foreign exchange

Financial Performance Analysis

2Q14 total restaurant revenues grew by 14% y-y, driven by both revenues from operation and franchise fee. Revenues from operation increased by 13% as a result of strong organic operations, together with disciplined outlet expansion. Franchise fee grew by 25% y-y as a result of continued growth of franchising business of three brands – The Pizza Company, Swensen's and Dairy Queen. 2Q14 EBITDA grew at a rate of 14%, in line with revenue growth.

As a result, EBITDA margin remained stable at 17% for both 2Q14 and 2Q13.

By the same token, 1H14 total restaurant revenues grew by 12% y-y from the continued expansion of the equity outlets and growth of the franchise business. 1H14 restaurant EBITDA increased by 6%, slower than the increase in revenues as Thailand hub faced lower operating leverage in 1Q14 when same-store-sales dipped alongside industry-wide slowdown in domestic consumption. As a result, EBITDA margin was 17% in 1H14 compared to 18% in 1H13.

MINT expects that consumer confidence in Thailand will strengthen as the political climate improves, and will drive consumption and performance of its restaurant business in the near term. The return of private and public investment together with a series of economic and social policies implemented by the National Council for Peace and Order is expected to lead to the gradual recovery of economic conditions, further strengthening consumption patterns over the medium and long term. MINT also believes that the opening of new restaurant outlets alongside business expansion of major retail operators, together with continued growth of the Company's franchise business, will contribute to strong performance of the restaurant business in the second half of this year.

Revenue Breakdown

Bt million	**2Q14**	**2Q13**	**%Chg**
Revenues from Operation*	4,078	3,604	13%
Franchise Fee	152	121	25%
Total Revenues	4,230	3,725	14%
EBITDA	**725**	**634**	**14%**
EBITDA Margin	**17%**	**17%**	
	1H14	**1H13**	**%Chg**
Revenues from Operation*	8,242	7,351	12%
Franchise Fee	295	253	17%
Total Revenues	8,537	7,603	12%
EBITDA	**1,433**	**1,350**	**6%**
EBITDA Margin	**17%**	**18%**	

* Includes share of profit and other income

Hotel & Mixed-Use Business

Hotel Business

At the end of 2Q14, MINT owns 38 hotels and manages 71 hotels and serviced suites in fourteen countries. Altogether, these properties have 13,179 hotel rooms and serviced suites, including 3,869 that are equity-owned and 9,310 that are purely-managed by the Company's brands including Anantara, AVANI, Oaks, Per AQUUM and Elewana. Of the total, 3,728 rooms in Thailand accounted for 28%, while the remaining 9,451 rooms or 72% are located in Australia, New Zealand, Maldives, China, Indonesia, Sri Lanka, Vietnam, Malaysia, Cambodia, Tanzania, Kenya, Mozambique and the United Arabs Emirates.

Hotel Rooms by Owned Equity and Management

	2Q14	**Chg q-q**	**Chg y-y**
Equity-owned*	3,869	0	565
- Thailand	2,229	0	0
- Overseas	1,640	0	565
Management	9,310	51	1,807
- Thailand	1,499	0	641
- Overseas	7,811	51	1,166
Total Hotel Rooms	**13,179**	**51**	**2,372**

* Equity owned includes all hotels which are majority-owned and joint ventures

Hotel Rooms by Ownership

	2Q14	**Chg q-q**	**Chg y-y**
Owned Hotels	2,753	0	182
Joint Venture	1,116	0	383
Managed	3,404	0	1,224
MLR*	5,906	51	583
Total Hotel Rooms	**13,179**	**51**	**2,372**

* Properties under Management Letting Rights in Australia and New Zealand

Hotel Brand Performance Analysis

Thanks to its diversified hotel portfolio, in 2Q14, MINT's system-wide revenues per available room ("RevPar") increased by 10% y-y, compared to Thailand industry's RevPar which decreased by 21% y-y. The RevPar growth is primarily attributable to strong performance of MINT's overseas hotels as well as performance of MINT's non-Bangkok Thai hotels, both of which offset weaker performance of hotels in Bangkok amidst political uncertainty. Excluding hotels in Bangkok, 2Q14 RevPar rose by a larger magnitude of 19%. MINT's overseas hotels (excluding Oaks) witnessed the strongest performance with average RevPar surging by more than 70%, led by hotels under management contract and joint-venture. The increase in RevPar of managed hotels was attributable to a combination of better performance of existing hotels, such as Anantara Uluwatu in Bali and Anantara Sanya in China, together with addition of relatively higher RevPar hotels, including Anantara Al Yamm, Anantara Dubai the Palm and Per AQUUM hotels. Hotels in Thailand's major tourist destinations outside of Bangkok saw average 2Q14 RevPar growth of 4% y-y, attributable to occupancy rates of high 50's%, together with strong growth in average daily rates ("ADR") of 8%.

Owned-hotels portfolio, which accounted for 40% of hotel and mixed-use revenues in 2Q14, reported y-y RevPar decrease of 7% in 2Q14, primarily due to Thailand's political uncertainty which resulted in slowdown in tourist arrivals principally to Bangkok. While the occupancy declined by 10% y-y because of the Bangkok hotels, ADR increased by 12% y-y. The hotels which saw ADR increase of over 20% in 2Q14 were Anantara Bophut Samui after the renovation during April – November in 2013, Anantara Golden Triangle, Anantara Kihavah in the Maldives and AVANI Kalutara in Sri Lanka. Excluding Bangkok hotels, system-wide RevPar of owned-hotels rose by 4% y-y in 2Q14.

Oaks, contributing 31% of 2Q14 hotel and mixed-use revenues, saw RevPar decline by 5% in Australian dollar term. While occupancy slightly declined by 3% y-y primarily from the slowdown of demand in June, the ADR remained stable at AUD 156. Taking in the impact of the exchange rate translation, Oaks' 2Q14 RevPar declined 3% in Thai Baht term compared to the same period last year.

Revenue contribution of management contract to MINT's hotel and mixed-use revenue doubled, from 2% in 2Q13 to 4% in 2Q14. System-wide RevPar of management contract portfolio increased by 60% y-y in 2Q14, led by hotels in China, Indonesia and United Arab Emirates, together with the addition of new higher RevPar hotels including hotels under Per AQUUM brand and new managed hotels in the Middle East.

By the same token, system-wide RevPar in 1H14 increased by 9% y-y. Stripping out Bangkok hotels, RevPar rose by a larger magnitude of 17%, thanks to the overseas as well as non-Bangkok Thai hotels which helped offset the impact from domestic political event and economic slowdown.

Hotel Business Performance by Ownership

(System-wide)	Occupancy (%)			
	2Q14	**2Q13**	**1H14**	**1H13**
Owned Hotels	51	61	57	70
Joint Venture	51	52	53	54
Managed	50	51	53	55
MLR*	72	75	74	77
Average	**60**	**66**	**64**	**70**
MINT's Portfolio in Thailand	**48**	**62**	**54**	**70**
Industry Average in Thailand**	**48**	**60**	**N/A**	**N/A**

(System-wide)	ADR (Bt/night)			
	2Q14	**2Q13**	**1H14**	**1H13**
Owned Hotels	6,301	5,650	7,557	6,562
Joint Venture	17,428	11,895	21,387	15,232
Managed	7,234	4,405	7,493	4,843
MLR*	4,727	4,635	4,847	4,769
Average	**6,004**	**4,998**	**6,527**	**5,494**
MINT's Portfolio in Thailand	**4,594**	**4,479**	**5,252**	**5,136**
Industry Average in Thailand**	**1,734**	**1,725**	**N/A**	**N/A**

(System-wide)	RevPar (Bt/night)			
	2Q14	**2Q13**	**1H14**	**1H13**
Owned Hotels	3,199	3,446	4,332	4,566
Joint Venture	8,964	6,178	11,356	8,221
Managed	3,613	2,254	3,988	2,685
MLR*	3,388	3,498	3,578	3,662
Average	**3,618**	**3,280**	**4,152**	**3,819**
MINT's Portfolio in Thailand	**2,183**	**2,784**	**2,843**	**3,608**
Industry Average in Thailand**	**823**	**1,038**	**N/A**	**N/A**

*Properties under Management Letting Rights in Australia and New Zealand
**Source for Industry Average: Bank of Thailand

Hotel Performance Analysis

In 2Q14, revenue of hotel and related services operations, which included revenue from owned hotels, Oaks and spa services, increased by 8% y-y. Excluding the one-time gain from fair value adjustment of investment in Serendib, core revenues from hotel and related services operations increased by 5% in 2Q14 y-y, mainly from the outstanding performances of owned hotels in the provinces of Thailand and overseas, where organic RevPar increased by 3% and 22% respectively, together with the addition of hotel rooms in 2Q14 y-y; i.e. Anantara Phuket Layan and Anantara Angkor, and the reopening of Anantara Bophut Samui and

Anantara Veli in the Maldives after temporary closure for renovation.

During 2Q14, MINT increased its investment in Serendib Hotels PLC in Sri Lanka from 19.8% to 22.7%, resulting in a change in the status of the investment in Serendib from "available-for-sales investment" to "investment in associate". Consequently, MINT recognized the gain on fair value adjustment of Bt 87m before tax (Bt 69m after tax) in its 2Q14 income statement.

2Q14 management income increased significantly by 88% due mainly to the remarkable performance of managed hotels in the Maldives and United Arab Emirates, together with the addition of new hotels, which resulted in an increase in number of rooms by 56% y-y.

By the same token, 1H14 revenue from hotel and related services operations grew by 6% y-y (excluding gain on the reclassification of investment in Serendib), due to the strong operations of owned hotels in the provinces of Thailand and overseas, together with the addition of hotel rooms y-y from both new hotels and reopening of two hotels after the temporary closure for renovation. Management income increased significantly by 185% y-y from the outstanding performance of managed hotels in the Maldives and United Arab Emirates, together with the addition of new hotel rooms.

Mixed-Use Business & Performance Analysis

One of MINT's mixed-use business is plaza and entertainment business. The Company owns and operates three shopping plazas, namely; (1) Royal Garden Pattaya, (2) Turtle Village Shopping Plaza Phuket and (3) Royal Garden Plaza Bangkok. Since April 2013, Royal Garden Plaza Bangkok has been temporarily closed for renovation, together with the construction of the flagship AVANI Hotel and convention center in Bangkok. In addition, MINT is the operator of eight entertainment outlets, namely (1) Ripley's Believe It or Not Museum; (2) 4D Moving Theater; (3) Haunted Adventure; (4) Infinity Maze; (5) The Louis Tussaud's Waxworks; (6) surreal journey Scream in the Dark; (7) Ripley's Sky Rider; and (8) Ripley's The Vault. Despite the loss of revenues from the temporary closure of Royal Garden Plaza Bangkok, revenues from plaza and entertainment business increased by 7% y-y to Bt 150m in 2Q14 and 3% y-y to Bt 298 m in 1H14.

The other mixed-use business that is the bigger contribution to MINT's hospitality business is the real estate business, which comprises residential development and vacation club. MINT's residential development business develops and sells properties in conjunction with the development of some of its hotels. The first project is the Estates Samui, consisting of 14 villas, adjacent to MINT's Four Seasons Hotel in Samui. The second project is St. Regis Residences, with 53 residential units located above St. Regis Hotel Bangkok. To date, 10 villas of the Estates Samui and 92% of the sellable area of St. Regis Residences have been sold. Next project in the pipeline is The Residences by Anantara, Phuket, which will be launched in the fourth quarter of this year. Additional residential development projects are being considered to ensure continuous pipeline of MINT's real estate business.

Another real estate business of MINT is the point-based vacation club under its own brand, Anantara Vacation Club. At the end of 2Q14, Anantara Vacation Club had a total of 106 units in Samui, Phuket, Queenstown-New Zealand, Bangkok, Bali and Sanya-China, which is unchanged q-q. Anantara Vacation Club reported strong y-y sales growth of 28% in 2Q14 and 50% in 1H14 from considerably robust increase in number of customers by 58% y-y to 4,661 members at the end of 2Q14. With Anantara Vacation Club's strong sales growth, revenues from real estate development increased by 12% y-y in 2Q14 and flat y-y in 1H14.

Overall Hotel & Mixed-Use Financial Performance Analysis

Total hotel and mixed-use revenues increased by 11% y-y in 2Q14. Excluding the one-time gain on the fair value adjustment of investment in Serendib, total hotel and mixed-use revenues increased by 8% y-y. All hotel and mixed-use businesses reported healthy revenue growth in 2Q14. The group's EBITDA expanded by a larger extent of 34%. Excluding the gain on the reclassification of investment in Serendib, core EBITDA expanded by 21% y-y, and EBITDA margin increased from 18% in 2Q13 to 20% in 2Q14. The expansion of the profitability of the hospitality business was mainly attributable to the higher operating leverage of the provinces and overseas hotels, which more than compensated for the weaker performance of Bangkok hotels during the political uncertainty, together with effective cost control, and higher contribution from the higher-margin hotel management business.

For 1H14, total hotel and mixed-use revenues increased by 11%. Excluding gain on the fair value adjustment of investment in Serendib, total hotel and mixed-use revenues increased by 10% y-y, mainly attributable to increase in revenue from hotel operations, management services and plaza & entertainment. Hotel and mixed-use EBITDA increased by 11% y-y in 1H14. Excluding gain on the fair value adjustment of investment in Serendib, hotel and mixed-use EBITDA increased by 7%, in line with revenue growth. As a result, EBITDA margin remained stable at 28% in 1H14.

With improving political climate, MINT expects tourist arrivals to Thailand to rebound in the second half of 2014. This, combined with continued momentum in its overseas portfolio and future expansion plans, should lead to brighter growth prospects in the quarters to come.

Revenue Breakdown

Bt million	**2Q14**	**2Q13**	**%Chg**
Hotel & related services*	2,937	2,716	8%
Management fee	159	84	88%
Plaza & entertainment	150	139	7%
Real estate development	839	750	12%
Total Revenues	4,083	3,690	11%
EBITDA	**892**	**665**	**34%**
EBITDA Margin	**22%**	**18%**	
	1H14	**1H13**	**%Chg**
Hotel & related services*	6,834	6,368	7%
Management fee	684	240	185%
Plaza & entertainment	298	289	3%
Real estate development	1,590	1,587	0%
Total Revenues	9,406	8,484	11%
EBITDA	**2,653**	**2,392**	**11%**
EBITDA Margin	**28%**	**28%**	

Note: The above figures include share of profit and other income
* From 2Q14 onwards, revenue from spa services has been reclassified as part of revenue from hotel operations. The figures are retrospective in 2Q13 and 1H13.

Retail Trading and Contract Manufacturing Business

At the end of 2Q14, MINT had 281 retail trading points of sales, an increase of 34 points of sales from 247 at the end of 2Q13. Majority of new openings was fashion outlets. Of total 281 retail trading outlets, 86% are operated under fashion brands including Esprit, Bossini, GAP, Charles & Keith, Tumi and Pedro, 8% are operated under Red Earth and another 6% are operated under Henckels.

Retail Trading's Outlet Breakdown

	2Q14	**Chg q-q**	**Chg y-y**
Fashion	242	1	27
Cosmetics	21	1	2
Others	18	1	5
Total Outlets	**281**	**3**	**34**

In 2Q14, total retail trading and contract manufacturing revenues declined by 3% y-y, driven by the decrease in revenues from contract manufacturing business as a result of delayed orders from key customers, largely because of the contraction of domestic consumption. Retail trading business, which is the higher margin business, saw revenues increase of 5% y-y in 2Q14. Nonetheless, the profitability of the retail trading and contract manufacturing business was put under pressure by the adverse impact of national politics, which took its toll on domestic discretionary spending across the industry. Retail trading and contract manufacturing's EBITDA decreased by a larger magnitude of 23% to Bt 50m in 2Q14, resulting in a decrease in EBITDA margin from 8% in 2Q13 to 6% in 2Q14.

1H14 revenues from retail trading and contract manufacturing grew by 1% y-y, while 1H14 EBITDA decreased by 9%, compared to the same period last year. However, the contribution of retail trading and contract manufacturing businesses to MINT's overall revenue and profit remained modest. Its profit growth shortfall was more than offset by stronger performance of MINT's core hotel & mixed-use and restaurant businesses.

Retail Trading and Contract Manufacturing's Revenue Breakdown			
Bt million	**2Q14**	**2Q13**	**%Chg**
Retail Trading	588	561	5%
Manufacturing	222	275	-19%
Total Revenues	**810**	**836**	**-3%**
EBITDA	**50**	**64**	**-23%**
EBITDA Margin	**6%**	**8%**	
	1H14	**1H13**	**%Chg**
Retail Trading	1,255	1,208	4%
Manufacturing	556	592	-6%
Total Revenues	**1,811**	**1,801**	**1%**
EBITDA	**156**	**172**	**-9%**
EBITDA Margin	**9%**	**10%**	

Balance Sheet & Cash Flows

At the end of 2Q14, MINT reported total assets of Bt 64,928m, an increase of Bt 4,991m from Bt 59,936m at the end of 2013. The increase was primarily the result of:

1. Bt 1,453m increase in short-term investments from the increased investment in marketable securities;
2. Bt 575m increase in trade receivables long-term contracts from the increased sale of Anantara Vacation Club;
3. Bt 895m increase in investments in associates primarily from the increased investment in Serendib Hotels PLC from 19.8% to 22.7% in 2Q14;
4. Bt 1,349m increase in property, plant and equipment, part of which is from the construction of AVANI Bangkok, Oaks' properties including Grand Hotel and increase in Anantara Vacation Club's inventory, together with expansion of restaurant outlets.

MINT reported total liabilities of Bt 37,022m at the end of 2Q14, an increase of Bt 3,960m from Bt 33,062m at the end of 2013. The increase was due mainly to the issuance of 5-year debenture of By 4,500m.

Shareholders' equity increased by Bt 1,031m to Bt 27,906m at the end of 2Q14 from Bt 26,875m at the end of 2013, owing mainly to 1H14 net profit of Bt 2,037m, netted off with dividend payment of Bt 1,406m.

For the 6 months of 2014, MINT and its subsidiaries reported cash flows from operations of Bt 1,763m, a decrease of Bt 490m y-y. Cash flow paid for investing activities was Bt 4,549m, due primarily to increase in short-term investments of Bt 2,600m and normal capital expenditure of hotel, restaurant and other businesses of Bt 2,061m.

The Company reported net cash received from financing activities of Bt 2,097m, comprising primarily of net proceeds from the issuance of 5-year debenture of Bt 4,500m, netted off with net repayment of short-term loan of Bt 1,143m and dividend payment of Bt 1,406m. As a result, MINT's net cash and cash equivalents increased by Bt 121m in 1H14.

Financial Ratio Analysis

MINT's gross profit margin decreased to 57.5% in 1H14 compared to 58.1% in 1H13, from higher depreciation from the new hotels, as the majority of the depreciation of the hotel business is allocated to the cost of goods sold. Excluding depreciation, gross profit remained stable at 61.7% in 1H14 compared to 1H13. Net profit margin was also stable at 10.3% in 1H14.

Annualized return on equity decreased to 14.9% in 1H14 from 17.2% in 1H13 as a result of the significant increase in shareholders' equity from the exercise of warrants and ESOP in 1H13. Annualized return on assets declined to 6.5% in 1H14 from 6.9% in 1H13 because of the increased investments and property, plant, and equipment over the past year to support the Company's expansion.

Collection days increased significantly from 35 days in 1H13 to 54 days in 1H14, due primarily to the increased receivables from instalment sales of Anantara Vacation Club. The provision for impairment as a percentage of gross trade receivables increased from 6.9% in 1H13 to 7.4% in 1H14, as restaurant business was taking the conservative approach in making additional provisions. MINT's inventory comprises primarily raw materials, work-in-process and finished products of the restaurant, retail trading and contract manufacturing businesses, while hotel business has lower level of inventory because of the nature of its business. Inventory days slightly decreased from 48 days in 1H13 to 47 days in 1H14 due to the effective inventory management of restaurant business. Accounts payable days increased to 43 days in 1H14.

Current ratio was flat at 1.0x at the end of 2Q14 compared to end of 2013. Net interest bearing debt to equity increased from 0.7x at the end of 2013 to 0.9x at the end of 2Q14 from the issuance of new debenture in 1Q14 of Bt 4,500m. Interest coverage ratio increased to 6.2x in 1H14 from 5.9x in 1H13 because of the higher cash flow from operations.

Financial Ratio Analysis

Profitability Ratio (3 months)	**30-Jun-14**	**30-Jun-13**
Gross Profit Margin (%)	57.45%	58.13%
Net Profit Margin (%)	10.31%	10.28%
Efficiency Ratio	**30-Jun-14**	**30-Jun-13**
Return on Equity* (%)	14.87%	17.20%
Return on Assets* (%)	6.52%	6.87%
Collection Period* (days)	54	35
Inventory Days*	47	48
Accounts Payable Days*	43	41
Liquidity Ratio	**30-Jun-14**	**31-Dec-13**
Current Ratio (x)	1.00	0.97
Leverage & Financial Policy	**30-Jun-14**	**31-Dec-13**
Interest Bearing Debt/Equity (x)	1.00	0.86
Net Interest Bearing Debt/Equity (x)	0.87	0.74
	30-Jun-14	**30-Jun-13**
Interest Coverage (x) (6 months)	6.18	5.89

Note: *Annualized

Management's Outlook

Quick Economic Recovery from Improving Confidence and Business Sentiment

As the Company enters the second half of 2014, it is encouraged by the pick-up in consumer confidence and business sentiment in the midst of a more stabilized political situation and expected stronger economic recovery. The National Council for Peace and Order has announced its plan to spur business activities, including the tourism promotion, Small & Medium Enterprises support, business development along Thailand's border as well as transportation and infrastructure investments. As a result, the number of tourist arrivals and domestic consumption are expected to recover and remain the important forces in driving the Thai economy in the second half of this year, and will continue to be the foundation for a much stronger growth in 2015.

Continued Expansion throughout the Remaining of 2014

Regardless of economic and political circumstances, MINT has always focused on delivering superior results and thriving to achieve its short-term as well as long-term goals. 1H14 results reflected the Company's discipline to continue moving forward amidst the challenging environment. Clearly, short-term disruption does not distract the Company from its commitment to the 2014 expansion plan that was put in place before any political activities.

In July 2014, Minor Food Group continues to strategically strengthen its business presence through the following initiatives:

- Opened the first SIFU Hong Kong Master Ribs store, a new dining concept, and the first Basil by Thai Express restaurant to enhance the excitement of consumers who desire the authenticity of Thai cuisine, both of which are under Minor Food Group Singapore;
- Opened the first Coffee Club restaurant in one of the World's top tourist destinations, Bali;
- Launched Thai Cuisine Academy in Bangkok in collaboration with S&P Syndicate Pcl. and the renowned Iron Chef Chumpol Jangprai. MINT can leverage this culinary center to ensure its talent pool and create unique great tasting for the development of MINT's Thai cuisine concept;
- Partnered with Breadtalk Group in Singapore to operate Breadtalk's bakery business in Thailand under a 50:50 joint-venture.

Minor Hotel Group also continues with its expansion and diversification strategy. MINT announced the 49% investment in a hotel and mixed-use project, comprising 154-key Radisson Blu Hotel, together with 187-key residential tower and 20,900 sq.m. 21-storey office tower, both of which are under construction, in Maputo, the capital of Mozambique.

On the back of resumed economic and business activities, MINT believes it is well positioned to capitalize on organic expansion as well as merger & acquisition opportunities in existing and new markets. Each of MINT's business units is working to generate healthy top-line and bottom-line growth, while expanding profitability ratios and enhancing returns to shareholders. The strength and resilience of MINT's business portfolio, combined with its strong execution and efficiency, should enhance MINT's capabilities to navigate successfully through any state of business environment.

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Ms. Trithip Sivakriskul
Corporate Chief Financial Officer