Management Discussion and Analysis

Overview

1Q16 Performance

Minor International Public Company Limited ("MINT") reported consolidated revenue and net profit growth in 1Q16 of 30% and 66% y-y respectively. MINT recorded special gains which are gains from bargain purchases of (1) the Tivoli Hotels & Resorts in the amount of Bt 1,932m in 1Q16 and (2) Sun International hotels in Africa in the amount of Bt 650m in 1Q15. Such gains echoed MINT's ability to make investments at the purchase prices that are significantly lower than their fair market values. Excluding the aforementioned gains, MINT's core revenue and profit exhibited y-y growth of 21% and 9% respectively in 1Q16. Such growth was attributable to the outstanding performance of both restaurant and hotel businesses, as well as the incremental revenues and earnings from new investments.

In 1Q16, hotel & mixed-use business showed a strong revenue growth of 36% y-y. Excluding special gains, core revenue of hotel & mixed-use business rose 18% y-y, thanks to the strong performance of Thailand hotels and Oaks in Australia, additional revenue from Tivoli hotels acquired in February 2016, and sales of The Residences by Anantara, Layan, Phuket. By the same token, restaurant business posted an impressive revenue growth of 28% y-y, led by the strong performance of Thailand and China hub and the additional revenue from the consolidation of Minor DKL in Australia. Excluding Australia performance, revenue of the restaurant business increased by 11% y-y in 1Q16. Lastly, revenue from retail trading & contract manufacturing business increased by 4% y-y in 1Q16, attributable to the revenue recovery of both retail trading & contract manufacturing businesses.

Excluding special gain in 1Q16, hotel & mixed-use business contributed 51% of total revenue. Restaurant business contributed 42%, while retail trading & contract manufacturing business contributed the remaining 7%.

Revenue Breakdown

Bt million	**1Q16**	**1Q15**	**%Chg**
As Reported			
Restaurant Services	5,841	4,567	28%
Hotel & Mixed-Use	9,040	6,652	36%
Retail Trading & Contract Manufacturing	964	924	4%
Total Revenue	**15,846**	**12,143**	**30%**
Core			
Restaurant Services	5,841	4,567	28%
Hotel & Mixed-Use	7,108	6,002	18%
Retail Trading & Contract Manufacturing	964	924	4%
Total Revenue	**13,914**	**11,493**	**21%**

MINT reported 1Q16 EBITDA of Bt 5,243m, a 57% growth over the same period last year. Excluding special gains, 1Q16 core EBITDA grew 23% y-y from both restaurant and hotel & mixed-use businesses. Restaurant business showed strong EBITDA growth of 26% y-y in 1Q16, driven by robust operations of Thailand and China hub, together with the consolidation of Australia hub's performance following the increase in shareholding in Minor DKL in November 2015. Core EBITDA of hotel & mixed-use business increased by 24% y-y in 1Q16, thanks to the hotels in Thailand, which continued to experience solid performance, and the substantial earnings from sales of the residential business. However, retail trading & contract manufacturing business experienced a decline in 1Q16 EBITDA by 14% y-y, mainly because of the promotional discounts on past season's inventory and higher sales and marketing expenses to drive sales. Core EBITDA margin improved from 23.4% in 1Q15 to 23.8% in 1Q16 because of the improved margin of hotel & mixed-use business.

In 1Q16, hotel & mixed-use and restaurant businesses accounted for 66% and 32% of total core EBITDA, respectively. Retail trading & contract manufacturing business contributed the remaining 2% of total core EBITDA.

EBITDA Breakdown

Bt million	1Q16	1Q15	%Chg
As Reported			
Restaurant Services	1,051	838	26%
Hotel & Mixed-Use	4,107	2,401	71%
Retail Trading & Contract Manufacturing	85	98	-14%
Total EBITDA	**5,243**	**3,337**	**57%**
EBITDA Margin	**33.1%**	**27.5%**	
Core			
Restaurant Services	1,051	838	26%
Hotel & Mixed-Use	2,175	1,751	24%
Retail Trading & Contract Manufacturing	85	98	-14%
Total EBITDA	**3,311**	**2,687**	**23%**
EBITDA Margin	**23.8%**	**23.4%**	

In 1Q16, MINT reported net profit of Bt 3,575m, a 66% growth y-y. Excluding special gains, 1Q16 core net profit increased by 9% y-y, while core net profit margin declined from 13.1% in 1Q15 to 11.8% in 1Q16.

Net Profit

Bt million	1Q16	1Q15	%Chg
As Reported			
Total net profit	3,575	2,157	66%
Net Profit Margin	**22.6%**	**17.8%**	
Core			
Total net profit	1,643	1,507	9%
Net Profit Margin	**11.8%**	**13.1%**	

Major Developments in 1Q16

	Developments
Restaurant	• Opened 8 outlets, net q-q, majority of which were in India and at Don Mueang International Airport in Bangkok
Hotel & Mixed-Use	• Completed the acquisition of the entire Tivoli portfolio, consisting of fourteen hotels across Portugal and Brazil, the operating platform and the Tivoli Hotels & Resorts brand. • Assumed management letting rights of Oaks Woollongabba in Australia • Soft-opened AVANI Riverside Bangkok Hotel • Added 3 units of Anantara Vacation Club's inventory in Phuket • Transferred and recorded sales of two units of The Residences by Anantara, Layan, Phuket

Segment Performance

Restaurant Business

At the end of 1Q16, MINT's total restaurants reached 1,859 outlets, comprising 961 equity-owned outlets (52% of total), and 898 franchised outlets (48% of total). Of total, 1,191 outlets (64% of total) are in Thailand, while the remaining 668 outlets (36% of total) are in Australia, New Zealand, Singapore, China, Middle East, the Maldives, Egypt, UK and other countries in Asia.

Restaurant Outlets by Owned Equity and Franchise

	1Q16	Chg q-q	Chg y-y
Owned Equity	961	4	95
- Thailand	780	5	73
- Overseas	181	-1	22
Franchise	898	4	37
- Thailand	411	2	22
- Overseas	487	2	15
Total Outlets	**1,859**	**8**	**132**

Restaurant Outlets by Brand

	1Q16	Chg q-q	Chg y-y
The Pizza Company	363	1	28
Swensen's	323	4	13
Sizzler	56	1	4
Dairy Queen	407	-3	23
Burger King	60	3	17
The Coffee Club	431	3	12
Ribs and Rumps	14	0	0
Thai Express	91	0	8
Riverside	51	-2	7
Breadtalk	24	0	5
Others*	39	1	15
Total Outlets	**1,859**	**8**	**132**

* Others include restaurants in UK under the brands "Grab" and "Patara", and restaurants at the airport under MINT's 51% JV, Select Service Partner

Hub Performance Analysis

Total-system-sales (including sales from franchised outlets) increased by 8.8% y-y in 1Q16, from same-store-sales growth of 0.9%, led by the remarkable performance of Thailand hub and China hubs, together with the outlet expansion of 8% y-y.

In 1Q16, Thailand hub showed the strongest same-store-sales growth of 3.0%, reassuring MINT's leading position in the industry amidst the ongoing pressure from the domestic consumption slowdown. The Pizza Company and Burger King continued to be the two key brands that showed notable same-store-sales growth in 1Q16. The Pizza Company reported impressive same-store-sales growth of 8.7%, as a result of the successful buy-one-get-one free (BOGO) campaign, together with the continued success of the Crispy Thin Pizza and 48 dine-in special menus. Burger King's strong increase in same-store-sales was attributable to higher customer count primarily from increased domestic traffic and effective marketing campaigns. The two softer-performing brands in the quarter were Swensen's and Dairy Queen, which were more impacted by the prolonged domestic economic slowdown as consumers cut back their consumption in the light snacks sector. The same-store-sales growth of 3.0%, together with continued outlet expansion, resulted in Thailand hub's strong total-system-sales growth of 14.3% in 1Q16.

China hub successfully turned its performance around in 1Q16 and reported positive same-store-sales growth of 2.0% for the first time in two years. The robust growth is primarily attributable to the solid performance of Riverside outlets especially in Beijing, as well as the continued success of Sizzler. Sizzler was able to uphold the strong momentum through its marketing efforts to highlight the value proposition of its main dishes and salad bar menu. With 6 equity outlets, net added, or an 11% growth y-y, China hub reported total-system-sales growth of 13.4% in 1Q16.

Australia hub reported moderate total-system-sales growth of 2.2% in 1Q16 as a result of cautious outlet expansion. The hub's operations, especially in Queensland where half of its outlets are located, were put under pressure by the challenging macro conditions. As a result, same-store-sales declined slightly by 0.6%. Australia hub will continue to expand its outlets cautiously and strengthen profitability through the full integration of Veneziano Coffee Roasters amidst challenging market environment. With MINT's increased shareholding in Minor DKL last year, the Australia hub will be able to take advantage of MINT's global operating platform and operational excellence going forward.

Singapore hub continued to experience pressure from the slowdown of its economy, together with high competition of new food concepts. While same-store-sales growth and total-system-sales growth were still negative in 1Q16, the trend showed an improvement from the previous quarter. Nevertheless, Singapore hub continued to be profitable. As part of MINT's effort to turnaround the hub's performance, MINT continued to proceed with the renovation of Thai Express brand. The Singapore hub started off with 3 outlets fully renovated by the end of 2015, with the aim to complete a total of 15 outlets by the end of 2016. Singapore hub will pause its expansion, rationalize its portfolio by selectively closing down non-performing stores, and focus on cost control and operational efficiency to strengthen its profitability.

Restaurant Business Performance

%	1Q16	1Q15
Average Same-Store-Sales Growth	0.9	0.6
Average Total-System-Sales Growth	8.8	17.9

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

Financial Performance Analysis

1Q16 total restaurant revenues grew by 28% y-y, driven by both the revenues from operation and franchise fee. Revenues from operation increased by 23% as a result of strong performance of Thailand and China hub, disciplined expansion of equity outlets by 11% y-y, and the consolidation of Minor DKL's operation. Franchise fee grew impressively by 155% y-y from continued growth of franchising business, especially The Pizza Company in Thailand, and the consolidation of Minor DKL's franchise fees. For comparison purposes, excluding the performance of the Australia hub, which was recorded as share of profit in 1Q15 and consolidation in 1Q16, revenue from operation increased by 11% y-y while franchise fee grew by 9% y-y.

Restaurant business reported 1Q16 EBITDA of Bt 1,051m, increasing 26% y-y, due mainly to higher operating leverage of Thailand and China hubs and the increased shareholding in Minor DKL. EBITDA margin slightly declined from 18.3% in 1Q15 to 18.0% in 1Q16, primarily because of the change in accounting method of Minor DKL from share of profit, where profitability flows through to the bottom line, to consolidation. Excluding the performance of Australia hub, EBITDA margin slightly increased from 17.7% in 1Q15 to 17.8% in 1Q16.

MINT is confident in the outlook of the restaurant business for the rest of 2016. MINT will continue to implement its proactive product and marketing strategies and tactical initiatives to ensure strong growth momentum amidst the slowdown of global economy. In addition, MINT will drive operational excellence and global supply chain management across all hubs to improve efficiency and profitability in the future.

Financial Performance

Bt million	1Q16	1Q15	%Chg
Revenues from Operation*	5,448	4,413	23%
Franchise Fee	394	154	155%
Total Revenues	5,841	4,567	28%
EBITDA	**1,051**	**838**	**26%**
EBITDA Margin	**18.0%**	**18.3%**	

* Includes share of profit and other income

Hotel & Mixed-Use Business

Hotel Business

At the end of 1Q16, MINT owns 67 hotels and manages 80 hotels and serviced suites in twenty two countries. Altogether, these properties have 19,006 hotel rooms and serviced suites, including 8,751 that are equity-owned and 10,255 that are purely-managed under the Company's brands including Anantara, AVANI, Oaks, PER AQUUM, Tivoli and Elewana. Of the total, 3,977 rooms or 21% are in Thailand, while the remaining 15,029 rooms or 79% are located in Australia, New Zealand, the Maldives, China, Indonesia, Sri Lanka, Vietnam, Malaysia, Cambodia, Tanzania, Kenya, Mozambique, Zambia, Namibia, Lesotho, Botswana, Qatar, the United Arab Emirates, Seychelles, Brazil, and Portugal.

Hotel Rooms by Owned Equity and Management

	1Q16	Chg q-q	Chg y-y
Equity-owned*	8,751	1,179	2,190
- Thailand	2,478	249	249
- Overseas	6,273	930	1,941
Management	10,255	113	-56
- Thailand	1,499	0	0
- Overseas	8,756	113	-56
Total Hotel Rooms	**19,006**	**1,292**	**2,134**

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

Hotel Rooms by Ownership

	1Q16	Chg q-q	Chg y-y
Owned Hotels	6,566	1,179	1,759
Joint Venture	2,185	0	153
Managed	3,998	88	295
MLR*	6,257	25	-73
Total Hotel Rooms	**19,006**	**1,292**	**2,134**

* Properties under Management Letting Rights in Australia and New Zealand

Hotel Performance Analysis

Owned-hotels portfolio, which accounted for 55% of hotel & mixed-use revenues in 1Q16, reported y-y organic revenues per available room ("RevPar") increase of 2% in 1Q16 due to the outstanding performance of owned hotels in Thailand. Hotels in Thailand continued to leverage on the strong tourism growth, with RevPar of Thailand owned hotels growing by 8% y-y in 1Q16. Outside of Thailand, organic RevPar of the owned overseas hotels portfolio declined by 8% y-y, mainly due to the soft performance of owned hotels in Africa amidst economic slowdown, and in Brazil, where the performance was impacted by the hotel renovation, together with the weakening of the Brazilian reals. With the inclusion of the Tivoli portfolio in Portugal, system-wide RevPar of owned hotels dropped by 24% y-y as the new hotels commanded lower RevPar than the average of MINT's owned hotels. Furthermore, the low tourist season, which runs from November to March in Portugal, also put pressure on system-wide RevPar of MINT's owned hotels in 1Q16. Nonetheless, MINT expects the renovation of some of the key Tivoli properties post-acquisition to lead to higher room rates and RevPar going forward.

Oaks, contributing 20% of 1Q16 hotel & mixed-use revenues, reported high occupancy rate of 77% and ADR increase of 6% y-y in Australian dollar term to AUD 179, resulting in RevPar growth of 9% y-y. With the stable exchange rate, Oaks's 1Q16 RevPar also increased by 9% y-y in Thai Baht term.

Revenue contribution of management contract to MINT's hotel & mixed-use revenue was 4% in 1Q16. System-wide RevPar of management contract portfolio increased by 8% y-y in 1Q16, led by hotels in Qatar, the United Arab Emirates, and Thailand. Organic RevPar of managed hotels (excluding new hotels) also grew by 9% y-y in 1Q16.

In summary, in 1Q16, MINT's overall system-wide RevPar decreased by 2% y-y primarily from the low season nature of newly acquired Tivoli hotels and the lower RevPar of other new overseas hotels during their ramp-up stage than the average of MINT's existing hotels. Excluding new hotel additions, MINT's organic RevPar of its entire hospitality portfolio increased by 6% y-y in 1Q16.

Hotel Business Performance by Ownership

(System-wide)	**Occupancy (%)**	
	1Q16	**1Q15**
Owned Hotels	62	72
Joint Venture	43	48
Managed	69	66
MLR*	77	75
Average	**67**	**70**
MINT's Portfolio in Thailand	81	77
Industry Average in Thailand**	**70**	**69**
(System-wide)	**ADR (Bt/night)**	
	1Q16	**1Q15**
Owned Hotels	6,696	7,550
Joint Venture	13,525	11,902
Managed	7,605	7,424
MLR*	4,592	4,309
Average	**6,431**	**6,359**
MINT's Portfolio in Thailand	**5,732**	**5,564**
Industry Average in Thailand**	**2,329**	**2,348**
(System-wide)	**RevPar (Bt/night)**	
	1Q16	**1Q15**
Owned Hotels	4,161	5,460
Joint Venture	5,764	5,729
Managed	5,280	4,910
MLR*	3,531	3,245
Average	**4,337**	**4,431**
MINT's Portfolio in Thailand	**4,647**	**4,271**
Industry Average in Thailand**	**1,627**	**1,608**

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

Hotel Performance Analysis

1Q16 core revenues from hotel and related services operations grew by 19% y-y, driven by the outstanding performance of owned hotels in Thailand, stable growth of Oaks, together with the additional revenue from newly acquired Tivoli hotel portfolio. Owned hotels in the provinces of Thailand reported solid revenue growth of 13% y-y, backed by strong tourism trend in Thailand. Oaks continued to perform well with 8% revenue growth y-y. Additionally, the consolidation of the newly acquired Tivoli hotel portfolio significantly drove the revenue growth of owned overseas hotels by 66% y-y. Lastly, 1Q16 management income increased by 12% y-y, attributable to the solid performance of managed hotels in the Middle East and Thailand, together with the additional management fee from newly managed hotels.

Mixed-Use Business & Performance Analysis

One of MINT's mixed-use businesses 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) Riverside Plaza Bangkok. In addition, MINT is the operator of eight entertainment outlets in Pattaya, 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) Ripley's Scream in the Dark; (7) Ripley's Sky Rider; and (8) Ripley's The Vault. 1Q16 revenues from plaza and entertainment business decreased by 4% y-y to Bt 129m, mainly attributable to the soft performance of the Royal Garden Pattaya, which was affected by lower consumer spending power from the economic slowdown.

The other mixed-use business that provides a 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, 11 villas of the Estates Samui and all units of St. Regis Residences have been sold. The latest project is The Residences by Anantara, Layan, Phuket, with 15 villas next to Anantara Layan Phuket Resort. In 1Q16, MINT recorded sales of 2 villas, bringing the total villas sold to 5 villas to date. In addition, Anantara Chiang Mai Serviced Suites, a 50% joint-venture project with U City PCL (formerly Natural Park PCL), is expected to be completed and sold out in 2016. 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 (AVC). At the end of 1Q16, AVC has a total inventory of 140 units in Samui, Phuket and Bangkok in Thailand, Queenstown in New Zealand, Bali in Indonesia, and Sanya in China. While AVC's number of members increased by 23% y-y to 7,195 members at the end of 1Q16, revenue growth was put under pressure by the new business model launched since the second half of 2015. While the package size has been reduced in order to attract additional members, the new business model allows for cash flow stream acceleration and lower bad debt. MINT expects the new package to temporarily affect sales growth and profitability of AVC in the short term, but both the profitability and balance sheet will be strengthened in the long term.

Overall, revenues from real estate development increased by 20% y-y in 1Q16, primarily from the recognition of revenues from the sale of two villas of The Residences by Anantara, Layan, Phuket.

Overall Hotel & Mixed-Use Financial Performance Analysis

In 1Q16, total core hotel & mixed-use revenues increased by 18% y-y, from robust growth of hotel and related services and management income, together with the outstanding performance of real estate development. Core EBITDA increased by 24% y-y, higher than the increase in revenues thanks to the high-margin real estate business and the increase of management fee from hotels in the Middle East and Thailand. Consequently, core EBITDA margin rose from 29.2% in 1Q15 to 30.6% in 1Q16.

MINT expects the performance of the hospitality business to remain strong going into the remainder of 2016, with steady growth of operations in Thailand supported by strong tourism trend, together with the benefit from its well-diversified overseas hotel portfolio. The Tivoli hotel portfolio, especially in Portugal, is expected to provide meaningful contribution in second and third quarter of this year, driven by high tourist season in Portugal. The continued growth of The Residences by Anantara, Layan will also propel the growth of the hospitality business.

Financial Performance*			
Bt million	**1Q16**	**1Q15**	**%Chg**
Hotel & related services **	5,412	4,546	19%
Management fee	270	242	12%
Plaza & entertainment	129	135	-4%
Real estate development	1,297	1,079	20%
Total Revenues	**7,108**	**6,002**	**18%**
EBITDA	**2,175**	**1,751**	**24%**
EBITDA Margin	**30.6%**	**29.2%**	

* The table excludes special gains:
(1) Gain from bargain purchases of Sun International hotels of Bt 650m in 1Q15;
(2) Gain from bargain purchases of Tivoli Hotels & Resorts of Bt 1,932m in 1Q16;
** Includes share of profit and other income

Retail Trading and Contract Manufacturing Business

At the end of 1Q16, MINT had 307 retail trading points of sales, an increase of 10 points of sales from 297 points at the end of 1Q15. Of total 307 retail trading outlets, 89% are operated under fashion brands including Esprit, Bossini, GAP, Banana Republic, Charles & Keith, and Pedro, 4% are operated under Red Earth and another 7% are operated under Zwilling J.A. Henckels.

Retail Trading's Outlet Breakdown			
	1Q16	**Chg q-q**	**Chg y-y**
Fashion	273	4	16
Cosmetics	12	-4	-10
Others	22	0	4
Total Outlets	**307**	**0**	**10**

In 1Q16, total retail trading & contract manufacturing revenue increased by 4% y-y due to the recovery of both the retail trading & contract manufacturing businesses. Revenue from retail trading business was bolstered by the high tourist season in Thailand and end-of-season sale promotions. Contract manufacturing business also showed improving sales trend thanks to the success of its efforts to expand its customer base. However, EBITDA of retail trading & contract manufacturing business was put under pressure because of the promotional discounts on past season's inventory and higher sales and marketing expenses to drive revenue. As a result, EBITDA margin decreased from 10.6% in 1Q15 to 8.8% in 1Q16.

Retail Trading and Contract Manufacturing's Revenue Breakdown			
Bt million	**1Q16**	**1Q15**	**%Chg**
Retail Trading	672	655	3%
Manufacturing	292	269	9%
Total Revenues*	**964**	**924**	**4%**
EBITDA	**85**	**98**	**-14%**
EBITDA Margin	**8.8%**	**10.6%**	

* Includes share of profit and other income

Balance Sheet & Cash Flows

At the end of 1Q16, MINT reported total assets of Bt 104,524m, an increase of Bt 8,340m from Bt 96,184m at the end of 2015. The increase was primarily the result of:

1. Bt 11,376m increase in property, plant and equipment due mainly to the consolidation of Tivoli hotels in Portugal, netted off with;
2. Bt 4,774 decrease in land and real estates project for sales, primarily from the reclassification of existing Tivoli hotels in Portugal in 4Q15 to property, plant, and equipment in 1Q16 upon completion of the acquisition, together with reduced inventory of The Residences by Anantara, Layan as a result of the sales of the residential units.

MINT reported total liabilities of Bt 65,629m at the end of 1Q16, an increase of Bt 5,360m from Bt 60,269m at the end of 2015. The increase was due mainly to the issuance of 5-year debenture of Bt 2,800m and 15-year debenture of Bt 1,200m to support the investment in Tivoli Hotels & Resorts. In addition, other non-current liabilities increased by Bt 813m, primarily due to the consolidation of the Tivoli portfolio.

Shareholders' equity increased by Bt 2,980m from Bt 35,915m at the end of 2015 to Bt 38,895m in 1Q16 owing mainly to 1Q16 net profit of Bt 3,575m, netted off with non-controlling interests amounted Bt 755m, mainly from 30% minority interest arising from the consolidation of Minor DKL in Australia.

For the first 3 months of 2016, MINT and its subsidiaries reported positive cash flows from operations of Bt 1,539m, an increase of Bt 2,615m y-y. This was partly from (1) the decrease in land and real estates project for sales of

Bt 305m in 1Q16, which was back to a more normalized level compared to a significant increase of Bt 2,317m in 1Q15 from the acquisition of four Tivoli hotels in Portugal, netted off with (2) the decrease in trade an other payables of Bt 815m to adjust accrued expenses for the period. Cash flow paid for investing activities was Bt 4,459m, due primarily to investments in subsidiaries, associates, and joint ventures of Bt 2,458m and capital expenditures of hotel, restaurant, and other businesses amounted to 1,877m. The Company reported net cash received from financing activities of Bt 4,296m, comprising primarily of proceeds from the issuance of 5-year and 15-year debentures of Bt 4,000m.

In summary, cash flows from operating, investing and financing activities resulted in MINT's net cash and cash equivalents' increase of Bt 1,375m in 1Q16.

Financial Ratio Analysis

MINT's gross profit margin decreased from 60.3% in 1Q15 to 58.8% in 1Q16, due mainly to the nature of residential development business which has lower gross margin, together with the addition of new hotels which generally have lower margins than MINT's existing hotel portfolio. On the other hand, net profit margin increased from 17.8% in 1Q15 to 22.6% in 1Q16, owning mainly to net bargain purchase gain from business acquisition of Tivoli Hotels & Resorts. Stripping out the special gains, core net margin declined from 13.1% in 1Q15 to 11.8% in 1Q16, primarily because of lower profitability of AVC, plaza and entertainment, and retail trading & contract manufacturing businesses, together with the change in accounting method of Minor DKL from share of profit to consolidation.

Annualized return on equity increased from 28.1% in 1Q15 to 38.2% in 1Q16. Correspondingly, annualized return on assets was up from 11.4% in 1Q15 to 14.2% in 1Q16. The increase of both ratios was a result of significantly improved net profit.

Collection days increased from 58 days in 1Q15 to 61 days in 1Q16, due primarily to the increased receivables from instalment sales of Anantara Vacation Club. The provision for impairment as a percentage of gross current trade receivables decreased from 3.7% at the end of 2015 to 2.9% in 1Q16 due to effective management of current trade receivables across all three businesses. 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 decreased from 50 days in 1Q15 to 47 days in 1Q16 due to higher turnover of restaurant and retail trading businesses. Accounts payable days increased from 43 days in 1Q15 to 49 days in 1Q16, primarily due to higher accounts payable being added from the consolidation of new businesses, including the Tivoli portfolio and Minor DKL, and the extension of credit term by suppliers of the restaurant business.

Current ratio decreased from 1.5x at the end of 2015 to 1.2x in 1Q16 due mainly to a significant decrease in land and real estates project for sales. Interest bearing debt/equity increased slightly from 1.27x at the end of 2015 to 1.28x in 1Q16 from the issuance of the aforementioned debentures of Bt 4,000m to support the Company's expansion. Interest coverage ratio improved from 5.2x in 1Q15 to 5.5x in 1Q16 due to the increase in cash flows from operating activities.

Financial Ratio Analysis		
Profitability Ratio (3 months)	**31-Mar-16**	**31-Mar-15**
Gross Profit Margin (%)	58.8%	60.3%
Net Profit Margin (%)	22.6%	17.8%
Core Net Profit Margin (%)	11.8%	13.1%
Efficiency Ratio	**31-Mar-16**	**31-Mar-15**
Return on Equity* (%)	38.2%	28.1%
Return on Assets* (%)	14.2%	11.4%
Collection Period* (days)	61	58
Inventory Days*	47	50
Accounts Payable Days*	49	43
Liquidity Ratio	**31-Mar-16**	**31-Dec-15**
Current Ratio (x)	1.2	1.5
Leverage & Financial Policy	**31-Mar-16**	**31-Dec-15**
Interest Bearing Debt/Equity (x)	1.28	1.27
Net Interest Bearing Debt/Equity (x)	1.14	1.15
	31-Mar-16	**31-Mar-15**
Interest Coverage (x) (3 months)	5.5	5.2

Note: *Annualized

Management's Outlook

This year, MINT made clear progress on a number of strategic fronts that will strengthen and stabilize its earnings amidst volatile market conditions and global economic uncertainties. With its growingly diversified portfolio and the agility of its operating model, MINT is confident in its ability to consistently deliver solid results. The followings are some highlights of MINT's progress.

Diversifying hotel portfolio to reduce earnings volatility

MINT's successful acquisition of Tivoli Hotels & Resorts, which comprises twelve properties in Portugal and two properties in Brazil, allows MINT to fully benefit from the Tivoli portfolio's strong performance and diversified earnings base. The entire portfolio is expected not only to provide an immediate and meaningful contribution to MINT's earnings, but also to reduce the quarterly earnings volatility of MINT's overall hospitality business. In the past, the hotel business's performance is stronger in the first and fourth quarter of each calendar year given high tourist seasons of MINT's key operating markets; i.e. Thailand, Indian Ocean including the Maldives, and UAE. However, the seasonal pattern of the hospitality industry in Portugal is different from MINT's existing markets with the second and third quarter of each calendar year being its high tourist season. As a result, the addition of the Tivoli hotels will help stabilize the overall earning of MINT's hospitality business throughout the year to a certain degree.

Business agility to drive profitability and strengthen earnings

Minor Food is known for its ability to adapt various tactical strategic initiatives to navigate through challenging market conditions and remain ahead of the competition. In Thailand, MINT focuses on product agility by proactively launching innovative products coupled with effective marketing plans that win over customers. The success of the Pizza Company's new Crispy Thin Pizza and the 48 special menus featured in dine-in outlets are some of the examples. MINT is confident that these ongoing product and marketing efforts across all food brands will enable MINT to maintain the leading position in the industry and consistently deliver robust performance going forward. Outside of Thailand, MINT places emphasis on process agility by streamlining its operations across all its international hubs to increase efficiency and profitability. In Australia, MINT is in the process of enhancing its global supply chain practice through the vertical integration of Veneziano's Coffee Roasters. In China, MINT continues to streamline the support functions to drive operational excellence and cost efficiency. Lastly, in Singapore, MINT is rationalizing its business portfolio and evaluating to close non-performing outlets to restore profitability. MINT is confident that the agility of its operating model will allow it to leapfrog competition and become one of the most profitable restaurant operators.

New opportunities to reinforce diversification strategy

Minor Retail is cautiously considering new opportunities in order to further strengthen its performance amidst challenging macroeconomic conditions in Thailand. In 2Q16, Minor Retail launched Brooks Brothers, the classic American style clothing for men and women and Kojima Denim, a premium fashion jeans brand from Japan. Minor Retail is also in the process of rationalizing its portfolio and non-performing outlets, as well as implementing cost control initiatives to enhance its profitability. With the addition of new brands and portfolio restructuring, sales and net profit of Minor Retail is expected to improve going forward.

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Mr. Chaiyapat Paitoon

Deputy Corporate Chief Financial Officer