MANAGEMENT DISCUSSION AND ANALYSIS

Overview

1Q11 Performance

Minor International Public Company Limited ("MINT") reported record 1Q11 performance, with total revenues of Bt 6,686m, an impressive 26% increase y-y. Every business unit, namely restaurant, hotel & mixed-use and retail trading & contract manufacturing showed improvement against 1Q10 performance, which was also a very strong quarter. Despite several challenges from natural disasters in its markets, e.g. Australia, New Zealand and the South of Thailand, each of MINT's businesses continued to grow autonomously. In addition, revenues and profits in this quarter were further propelled by contribution from two mixed-use businesses, namely residential property development and timeshare. Upon the completion of St. Regis Hotel & Residence, in 1Q11, MINT started to transfer the ownership and recorded revenues of some of the residential units pre-sold in 2010. Timeshare project under MINT's own brand, Anantara Vacation Club, also took off since the beginning of the year. The two new initiatives combined reported total sales from real estates of Bt 908m.

As a result, contribution of revenues from hotel & mixed-use business increased to 43% of total revenue in 1Q11 from 35% in 1Q10. Restaurant business, still the largest revenue contributor, accounted for 44% while retail trading and contract manufacturing contributed the remaining 13% in 1Q11.

Revenue Breakdown

Bt million	**1Q11**	**1Q10**	**%Chg**
Restaurant Services	2,963	2,765	7%
Hotel & Mixed-Use	2,883	1,866	55%
Retail Trading & Contract Manufacturing	840	696	21%
Total Revenue*	**6,686**	**5,326**	**26%**

*Including share of profit from investments in associates and joint ventures

In 1Q11, MINT reported EBITDA of Bt 1,506m, an increase of 19% y-y, primarily from the improvement in EBITDA of hotel & mixed-use and retail trading & contract manufacturing businesses. EBITDA of restaurant business declined slightly by 1% y-y due partly to the increase in personnel expenses to accommodate business expansion. EBITDA of hotel and mixed use business increased by 28% y-y, although the revenues grew at a higher rate of 55% y-y due primarily to the pre-operating expenses of two hotels, Anantara Kihavah in the Maldives which was opened in February 2011 and the St. Regis Bangkok which was opened in April 2011, as well as selling & marketing expenses of Anantara Vacation Club and St. Regis Residence. Excluding the pre-opening expenses, hotel & mixed-use EBITDA would have grown in line with their revenues. EBITDA of retail trading & contract manufacturing business increased by 67% y-y due mainly to the recovery in contract manufacturing business, along with strong same store sales growth of the retail trading business.

EBITDA contribution of the hotel & mixed-use business increased to 65%, while restaurant business accounted for 31% of total EBITDA in 1Q11. Retail trading and contract manufacturing contributed another 4% of total EBITDA.

EBITDA Breakdown

Bt million	**1Q11**	**1Q10**	**%Chg**
Restaurant Services	467	471	-1%
Hotel & Mixed-Use	975	761	28%
Retail Trading & Contract Manufacturing	64	38	67%
Total EBITDA	**1,506**	**1,270**	**19%**
EBITDA Margin	**23%**	**24%**	

In addition to the reasons mentioned above, MINT's effective tax rate declined to 14% in 1Q11 from 21% in 1Q10, as MINT's subsidiaries operating two new hotels and Anantara Vacation Club do not pay tax as they are still loss-making entities. As a result, MINT reported its highest-ever quarterly net profit of Bt 823m in 1Q11, up 37% y-y.

Net Profit			
Bt million	**1Q11**	**1Q10**	**%Chg**
Total net profit	823	600	37%
Net Profit Margin	**12%**	**11%**	

Major Developments in 1Q11

	Developments
Restaurant	• Opened 9 outlets, net: 1 is equity-owned and 8 are franchised • Opened the first 6 Dairy Queen's franchised outlets in the South of Thailand
Hotel & Mixed-Use	• Opened Anantara Kihavah, Maldives, the first wholly-owned Anantara hotel outside of Thailand • Started the management of Anantara Rasananda, Pa Ngan Island • Made an investment in Oaks Hotels & Resorts Limited (OAK ASX), Australia in March 2011. To date, MINT has 54.3% relevant interest in Oaks shares. • Recorded Bt 908m sales of St. Regis residences and Anantara Vacation Club
Retail Trading	• Signed manufacturing contracts with new customers; production is expected to begin in a few months
Corporate	• Issued Bt 1,500m 7-year debentures in March 2011 with a fixed coupon rate of 4.57% per annum

Segment Performance

Restaurant Business

At the end of 1Q11, MINT's total food outlets reached 1,157 outlets, comprising 686 equity-owned outlets (59% of total), and 471 franchised outlets (41% of total). Of total, 768 food outlets (66% of total) are in Thailand, while the remaining 389 outlets (34% of total) are located in Australia, New Zealand, Singapore, China, Middle East, India and South East Asia. Sixteen new outlets were opened in 1Q11, while seven non-performing outlets were closed as part of the company's plan to enhance profit. Four of the outlets that were closed are non-performing Thai Express outlets in Singapore and Malaysia, as part of the firm's plan to improve the performance of Thai Express.

Restaurant Outlets by Owned Equity and Franchise			
	1Q11	**Chg q-q**	**Chg y-y**
Owned Equity	686	1	-3
- Thailand	591	-	3
- Overseas	95	1	-6
Franchise	471	8	43
- Thailand	177	7	25
- Overseas	294	1	18
Total Outlets	**1,157**	**9**	**40**

Restaurant Outlets by Brand			
	1Q11	**Chg q-q**	**Chg y-y**
The Pizza Company	248	-	5
Swensen's	246	4	17
Sizzler	44	-	2
Dairy Queen	247	4	9
Burger King	27	1	3
The Coffee Club	265	3	19
Thai Express	68	-3	-5
Others	12	-	-10
Total Outlets	**1,157**	**9**	**40**

*Others include restaurants at the airport under MINT's 50% JV, Select Service Partner

Brand Performance Analysis

Total system sales (including sales from franchised outlets) increased by 12% y-y in 1Q11, driven by strong same store sales growth. Most brands reported positive same-store-sales growths in 1Q11 with an average growth rate of 8% y-y. Swensen's and Thai Express, however, were the only two brands experiencing decline in same store sales. Swensen's saw a decline in same store sales as the brand is temporarily undergoing a transition period for its sales and marketing strategies. Thai Express also experienced slightly negative same store sales in the midst of management's continued efforts to rationalize the brand performance.

Restaurant Business Performance by Brand

Same Store Sales (% chg y-y)	1Q11	1Q10
The Pizza Company	10.8	-0.5
Swensen's	-2.5	6.9
Sizzler	10.5	5.1
Dairy Queen	5.2	4.0
Burger King	9.8	9.4
The Coffee Club	11.1	2.1
Thai Express	-2.0	-16.2
Average	**7.8**	**0.9**

Total System Sales (% chg y-y)	1Q11	1Q10
The Pizza Company	13.4	0.8
Swensen's	2.6	7.0
Sizzler	12.5	18.7
Dairy Queen	8.9	10.8
Burger King	11.5	18.9
The Coffee Club	16.9	17.5
Thai Express	2.0	-2.8
Average	**11.9**	**9.5**

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

Financial Performance Analysis

1Q11 restaurant revenues grew 7% y-y, mainly driven by strong same store sales growth, continued outlet expansion and double-digit profit growth of The Coffee Club. Solid domestic consumption and successful marketing & promotional efforts played a crucial role in driving demand, resulting in strong, double digit growth in same store sales of the group's key brands including The Pizza Company, Sizzler and The Coffee Club. This, together with 43 new franchised outlets y-y, boosted franchise revenues to Bt 79m this quarter from Bt 64m in 1Q10. Economies of scale and effective inventory management supported by a dedicated supply chain management function are still the key factors that enabled MINT to maintain its profitability margins amidst rising food cost concern. The first quarter profitability margin for food group is usually the lowest since MINT promote "buy one, get one free" campaign to celebrate the anniversary of The Pizza Company in March of every year. However, MINT reported 1Q11 EBITDA margin of 16%, a slight drop from 17% in 1Q10 primarily due to the increase in personnel expenditure to accommodate business expansion.

Revenue Breakdown

	1Q11	1Q10	%Chg
Revenues from Operation*	2,884	2,701	7%
Franchise Fee	79	64	25%
Total Revenues	2,963	2,765	7%
EBITDA	467	471	-1%
EBITDA Margin (%)	16%	17%	

*Includes share of profit and other income

Hotel & Mixed-Use Business

Hotel Business

At present, MINT owns twenty seven hotels and manages eight hotels in eight countries. Altogether, these properties have 4,237 hotel rooms, including 3,069 that are equity-owned and 1,168 that are purely-managed by the Company. Of total, 2,991 rooms in Thailand accounted for 71%, while the remaining 1,246 rooms or 29% are located in the Maldives, Indonesia, Sri Lanka, Vietnam, Africa, and the Middle East.

In 1Q11, MINT announced its initial investment in Oaks Hotels & Resorts Limited ("Oaks"), the manager of thirty seven properties in Australia, New Zealand and Dubai. Oaks was founded in the early 1990's and has become one of Australia's largest hotel and resort operators specializing in serviced apartment management. Oaks brand has become one of Australia's leaders in the fast-growing Australian accommodation market. To date, MINT has 54.3% relevant interest in Oaks shares and is in the process of tender offering for the remaining shares.

In addition to the said acquisition, MINT also opened two new hotels in 1Q11. One is wholly-owned, Anantara Kihavah, Maldives, while the other is managed and will be rebranded into MINT's brand, Anantara Rasananda on Pa-ngan Island.

Hotel Rooms by Owned Equity and Management

	1Q11	Chg q-q	Chg y-y
Equity-owned*	3,069	78	202
- Thailand	2,153	-	-
- Overseas	916	78	202
Management	1,168	44	480
- Thailand	838	44	480
- Overseas	330	-	-
Total Hotel Rooms	**4,237**	**122**	**682**

*Owned equity rooms includes all hotels with majority-owned and joint ventures

Hotel Room by Brand

	1Q11	Chg q-q	Chg y-y
Anantara	1,291	44	480
Four Seasons	505	-	-
Marriott	1,195	-	-
Others	1,246	78	202
Total Hotel Rooms	**4,237**	**122**	**682**

Hotel Brand Performance Analysis

Thailand tourism continued to improve following relative political stability and global economic recovery. Yet, natural disasters from flood, earthquake to tsunami, have taken their tolls on the speed of recovery. Fortunately, MINT's diversified feeder markets and geographic footprint enabled the company to show some comparable growth in average occupancy on a like-for-like basis. Excluding new hotels, 1Q11 average occupancy stood at 64%, a 3% improvement compared to the same period last year. However, with the increase of 682 new rooms y-y while the operation of these new hotels is not yet optimized, overall average occupancy declined slightly to 59% this quarter from 61% in 1Q10.

During 1Q11, beach resorts continued to outperform city and Northern hotels. Despite severe flooding caused by heavy monsoon rain in the Southern provinces of Thailand in March, MINT's hotels in Samui still reported 50% - 70% occupancy. Hotels in Phuket also saw occupancy of 60% - 80% in 1Q11.

Hotel Business Performance by Brand

	Occupancy (%)	
	1Q11	1Q10
Marriott	79	77
Anantara	47	48
Four Seasons	59	63
Others	35	34
Average	**59**	**61**
	ADR (Bt/night)	
	1Q11	**1Q10**
Marriott	4,243	4,566
Anantara	8,552	8,895
Four Seasons	9,678	9,420
Others	12,328	11,580
Average	**6,877**	**6,960**

Note: Others including Naladhu, Maldives and Harbour View, Vietnam

Revenue from the associates (three hotels in Maldives, five hotels in Tanzania, one hotel in Kenya and one hotel in Vietnam) is not included in MINT's revenue from hotel operations, but is recognized as share of profit under the equity method.

Hotel Revenue Performance Analysis

Although average occupancy decreased by 2% from the addition of new hotels, revenue from hotel business increased to Bt 1,573m in 1Q11, a 6% increase y-y as a result of better performance of the existing hotels together with the increase in the number of rooms of equity owned hotels. Management fees increased by 2% to Bt 79m in 1Q11 primarily owing to the outstanding performance of hotels in the Maldives as well as incremental fees from the newly opened hotels.

Mixed-Use Business

MINT's spa business is operated under Anantara and Mandara brands. At the end of 1Q11, MINT owns and manages 34 spas in Thailand, China, Maldives, Tanzania, Jordan, UAE, Turkey, India, Egypt and Vietnam. MINT reported revenues from spa services of Baht 81m in 1Q11, a negligible decline of 0.6% y-y as a result of the closure of three managed spas in 1Q11.

MINT's real estate business develops and sells properties in conjunction with the development of some of its hotels. The first project is the Estate Samui, which is adjacent to MINT's Four Seasons Hotel in Samui, with 14 villas, seven of which were sold during 2006-2008 while the remaining seven villas are available for sale. The second project is St. Regis Residences, with 53 residential units located above St. Regis Hotel Bangkok, which MINT has pre-sold some of the units since 2010. Over half of the pre-sold residences were successfully transferred to their owners in 1Q11. Another real estate development operation is MINT's new timeshare project under its own brand, Anantara Vacation Club. The first 20 purpose-built properties adjacent to Anantara Bophut, Samui, were completed with the inventory available for sale in December 2010, The two real estate businesses, together with rental income from the Estate Samui, combined reported sales of Bt 917m in 1Q11, while only Bt 10m was recognized in 1Q10 for the rental income from The Estate Samui.

Another mixed-use business of MINT 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. In addition, MINT is the operator of five entertainment outlets, namely (1) Ripley's Believe It or Not Museum; (2) 4D Moving Theater; (3) Haunted Adventure; (4) Infinity Maze; and (5) The Louis Tussaud's Waxworks. In 1Q11, MINT's plaza and entertainment business reported 1Q11 revenues of Bt 156m, a 10% increase y-y. The increase in revenues was in the same trend as MINT's hotel business as the plazas are located next to hotels and therefore are dependent on hotel guest traffic.

Hotel & Mixed-Use Financial Performance Analysis

With almost Bt 1 billion of sales from real estate development and timeshare project, MINT's hotel & mixed use business reported revenue growth of as much as 55%. However, MINT incurred substantial pre-opening and selling expenses for Anantara Kihavah, St. Regis Hotel & Residence as well as Anantara Vacation Club. Consequently, EBITDA margin for hotel & mixed-use declined from 41% in 1Q10 to 34% in 1Q11.

Revenue Breakdown

	1Q11	1Q10	%Chg
Hotel operations*	1,648	1,555	6%
Management fee	79	77	2%
Spa services	83	83	-1%
Plaza & entertainment	156	141	10%
Real estate development**	917	10	NM
Total Revenues	2,883	1,866	55%
EBITDA	975	761	28%
EBITDA Margin (%)	34%	41%	

Notes: * Includes share of profit and other income
**Includes rental income from the Estate Samui

Retail Trading and Contract Manufacturing Business

At the end of 1Q11, MINT had 233 retail trading points of sales, 25 points of sales closed, net from 258 at the end of 2010 as part of the program to maximize sales per square meter.

Of total retail trading outlets, 74% are operated under fashion brands such as Esprit, Bossini, GAP and Charles & Keith, while 19% are operated under cosmetics brands such as Red Earth, Bloom, Laneige and Smashbox.

Retail Trading's Outlet Breakdown

	1Q11	Chg q-q	Chg y-y
Fashion	173	-14	-30
Cosmetics	44	-10	-13
Others	16	-1	-1
Total Outlets	**233**	**-25**	**-44**

Despite the decline in the number of outlets, retail trading business continued to experience same-store-sales growth of 17% in 1Q11, and total system sales growth of 21%, resulting in increase in revenues of 24% y-y to Bt 494m in 1Q11. Meanwhile, contract manufacturing orders from existing key customer resumed in 1Q11, resulting in a 17% increase in sales from manufacturing this quarter.

Retail Trading and Contract Manufacturing's Revenue Breakdown			
	1Q11	1Q10	%Chg
Retail Trading	494	400	24%
Manufacturing	346	296	17%
Total Revenues	840	696	21%
EBITDA	64	38	67%
EBITDA Margin	8%	6%	

Balance Sheet & Cash Flows

At the end of 1Q11, MINT reported total assets of Bt 34,403m, an increase of Bt 1,604m from Bt 32,799m at the end of 2010. The increase was the result of:

1. Bt 882m increase in cash from the issuance of Bt 1,500m debenture in March, and
2. Bt 333m increase in fixed assets of Anantara Kihavah Resort & Spa, Maldives and St. Regis Hotel and Residence, and
3. Bt 327m increase in other long-term investment from Bt 274m of the initial 14.96% investment in Oaks Hotels & Resorts Limited and the increase in fair value of long term investments in Serendib Hotels Limited, Sri Lanka

MINT reported total liabilities of Bt 19,729m, an increase of Bt 687m from Bt 19,043m at the end of 2010 mainly due to the issuance of Bt 1,500m debentures in March 2011, netted off with loan prepayment of Bt 1,000m. Shareholders' equity increased by Bt 918m to Bt 14,674m from Bt 13,756m at the end of 2010 owing mainly to appropriated profits of Bt 823m and a marked-to-market increase in value of available-for-sales securities.

For 1Q11, MINT and its subsidiaries reported cash flows from operations of Bt 1,416m, an increase of Bt 282m y-y. Cash flow paid for investing activities was Bt 1,013m, due primarily to (1) payments of 670m for projects under development, namely Anantara Kihavah project in the Maldives and St Regis project and other fixed assets and (2) payments of Bt 274m for the initial investment in Oaks Hotels & Resorts Limited and additional investments of Bt 58m in Cyprea Lanka. The Company reported net cash receipts from financing activities of Bt 469m, comprising (1) net proceeds from borrowings of Bt 451m, primarily resulting from the debenture issuance, and (2) proceeds from the issuance of additional ordinary shares from the exercise of ESOP warrants of Bt 20m. As a result, MINT's net cash and cash equivalents increased by Bt 873m in 1Q11.

Financial Ratio Analysis

MINT's gross profit margin declined from 63.8% in 1Q10 to 61.2% in 1Q11 due mainly to real estate development business, which has relatively lower gross profit margin. Nevertheless, net profit margin increased from 11.3% to 12.3%, owing mainly to the improved profitability of all businesses.

Annualized return on equity increased to 24.0% in 1Q11 from 19.3% in 1Q10. Annualized return on assets was also up to 10.5% from 9.0%. The increase of both ratios was a result of improved net profit.

Current ratio increased from 1.1 as at 31 December 2010 to 1.2 at the end of 1Q11, primarily from the increase in cash proceeds from sales of residential property development and debenture issuance. Net debt/equity ratio was 1.0x at the end of 1Q11, while interest coverage ratio decreased from 13.3x to 10.2x due mainly to the net increase in liabilities.

Financial Ratio Analysis		
Profitability Ratio	**31 Mar 11**	**31 Mar 10**
Gross Profit Margin (%)	61.21%	63.82%
Net Profit Margin (%)	12.30%	11.27%
Return on Equity* (%)	24.01%	19.34%
Efficiency Ratio	**31 Mar 11**	**31 Mar 10**
Return on Assets* (%)	10.49%	9.02%
Collection Period (days) (Quarterly)	14	17
Liquidity Ratio	**31 Mar 11**	**31 Dec 10**
Current Ratio (x)	1.23	1.13
Leverage & Financial Policy	**31 Mar 11**	**31 Dec 10**
Interest Bearing Debt/Equity (x)	1.01	1.04
Net Interest Bearing Debt/Equity (x)	0. 87	0.96
	31 Mar 11	**31 Mar 10**
Interest Coverage (x)	10.21	13.31

Note: *Annualized

Management's Outlook

Risks under Control

Over the past 30 months, MINT has been experiencing severe and uncontrollable challenges from political riots to global economic downturn to natural disasters. Yet, it is an opportunity for MINT to focus on its long-term strategy to optimize business portfolio and mitigate unforeseen risks. As a result, neither flooding in Samui or the decline in Japanese tourists to Thailand as a result of the tragedy in their home country has a material impact on MINT's profitability. Over time, MINT's customer mix is becoming more balanced. It no longer relies on any single target market nor does it depend on any specific geography. Also, its diversified business portfolio in hotel, restaurant, retail trading and new additional mixed-use, help the company to become more resilient to the volatile external environment.

Continued Path of Recovery and Further Growth

1Q11 marks a solid beginning for 2011. Strong profitability does not rely solely on any single business. Rather, it is driven by all. We expect the growth momentum to continue for the rest of the year, supported by economic expansion, tourism recovery and MINT's new initiatives and its own expansion plans.

As part of the new business development, MINT has successfully secured ample inventories to fuel growth for the upcoming years. Following the openings of two new hotels in 1Q11, MINT opened St. Regis Hotel & Residence in April, in time to accommodate restored tourist confidence. Moreover, approximately half of the residential units in Bangkok and Samui are available for sale as demand for luxury residence and vacation homes has resumed since late 2010. By the same token, Anantara Vacation Club is building villas in various fascinating destinations, thus accumulating more points to sell over the next few years.

MINT's continuous expansion into new markets and new businesses has provided the company with a great competitive advantage. In addition, the announcement of the investment in Oaks Hotels & Resorts Limited reinforces MINT's strategy in actively looking for growth opportunities in the region. Its successful growth story, both in terms of organic growth and new investments, catches the interest of business partners, property owners, franchisees as well as local and international talents. In 2011, MINT plans to open a total of 6 new hotels under its management in Abu Dhabi, Bali, China, Thailand and Vietnam and at least 80 new franchise outlets for The Pizza Company, Swensen's, Thai Express, The Coffee Club and most importantly, Dairy Queen. A thrive towards operation excellence and the dedication to run non-owned hotels and franchised outlets like our own make MINT an outstanding candidate to be the preferred business partner.

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William E. Heinecke
Director