Management Discussion and Analysis

Overview

2Q11 and 1H11 Performance

Minor International Public Company Limited ("MINT") reported a significant improvement in 2Q11 performance compared to last year, with total revenues of Bt 6,271m, a remarkable growth of 55% y-y. This is due primarily to additional revenue sources from MINT's new initiatives, including the recent acquisition of Oaks Hotels and Resorts Limited ("Oaks") in Australia and sales of real estate development, together with strong organic growth of all business units, whereas in 2Q10, MINT suffered from political riot in April – May 2010. During the quarter, MINT successfully acquired 100% ownership of Oaks and began to consolidate Oaks' financial performance in June 2011. Oaks is one of the largest hotel and resort operators in Australia, with 36 properties, over 5,000 rooms under management throughout Australia, New Zealand and Dubai. With only one month consolidation in 2Q11, Oaks' revenues from operation of Bt 347m accounted for 5.5% of MINT's total revenues in this quarter. In addition to the contribution from Oaks, revenues from sales of real estates, which include the sales of St. Regis Residences and Anantara Vacation Club, MINT's timeshare business, are also key growth drivers this quarter. In addition, all of MINT's remaining businesses, restaurant, hotel, retail trading and contract manufacturing, also reported healthy revenue growth. Revenues from restaurant business were up by 15% in 2Q11, with every brand exhibiting positive same store sales growth. Revenues from retail trading and contract manufacturing also increased by 36% in 2Q11, with same store sales growth of 53%.

In 2Q11, revenues contribution from hotel & mixed-use business increased to 42% of total revenue, from 25% in 2Q10. Restaurant business, still the largest revenue contributor, accounted for 46% while retail trading and contract manufacturing contributed the remaining 12% in 2Q11

Revenue Breakdown

Bt million	**2Q11**	**2Q10**	**%Chg**
Restaurant Services	2,849	2,471	15%
Hotel & Mixed-Use	2,642	1,010	162%
Retail Trading & Contract Manufacturing	779	574	36%
Total Revenue*	**6,271**	**4,055**	**55%**

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

MINT reported 1H11 total revenues of Bt 12,957m, an increase of 38% from the same period last year. The growth was due to strong performances of all business units and revenues from real estate development business.

In terms of revenue breakdown in 1H11, restaurant and hotel & mixed-use businesses accounted for 45% and 43% of total revenues, respectively. Retail trading and contract manufacturing contributed another 12%.

Revenue Breakdown

Bt million	**1H11**	**1H10**	**%Chg**
Restaurant Services	5,812	5,236	11%
Hotel & Mixed-Use	5,526	2,876	92%
Retail Trading & Contract Manufacturing	1,619	1,269	28%
Total Revenue*	**12,957**	**9,381**	**38%**

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

In 2Q11, MINT reported EBITDA of Bt 1,072m, a 74% growth over the same period last year, higher than revenues growth. EBITDA margin increased from 15% in 2Q10 to 17% in 2Q11, primarily from the improvement in EBITDA margin of the hotel & mixed use business. Despite the one-time start-up expenditures of two new equity hotels, Anantara Kihavah in Maldives and St. Regis Hotel & Residence in Bangkok, the strong performances of existing hotels and higher profitability of other mixed-use businesses helped to offset the start-up costs of these new hotels.

EBITDA contribution of the hotel & mixed-use business increased to 55% in 2Q11, compared to 33% in 2Q10. Restaurant business accounted for 40% of total EBITDA in

2Q11, while retail trading and contract manufacturing contributed another 5% of total EBITDA.

EBITDA Breakdown

Bt million	**2Q11**	**2Q10**	**%Chg**
Restaurant Services	431	390	11%
Hotel & Mixed-Use	584	204	186%
Retail Trading & Contract Manufacturing	57	23	149%
Total EBITDA	**1,072**	**617**	**74%**
EBITDA Margin	**17%**	**15%**	

In 1H11, EBITDA contribution of the hotel & mixed-use business increased to 60% from 51% in 1H10, while restaurant business accounted for 35% of total EBITDA in 1H11. Retail trading and contract manufacturing contributed another 5% of total EBITDA.

EBITDA Breakdown

Bt million	**1H11**	**1H10**	**%Chg**
Restaurant Services	899	861	4%
Hotel & Mixed-Use	1,559	965	62%
Retail Trading & Contract Manufacturing	121	61	98%
Total EBITDA	**2,578**	**1,887**	**37%**
EBITDA Margin	**20%**	**20%**	

With the improvement of organic businesses as well as revenues from new initiatives together with improved margins, MINT reported net profit of Bt 279m in 2Q11, up 254% y-y, resulting in an increase in net profit margin to 4%. 1H11 net profit was Bt 1,102m, up 63% y-y.

Net Profit

Bt million	**2Q11**	**2Q10**	**%Chg**
Total net profit	279	79	254%
Net Profit Margin	**4%**	**2%**	
	1H11	**1H10**	**%Chg**
Total net profit	1,102	678	63%
Net Profit Margin	**9%**	**7%**	

Major Developments in 2Q11

	Developments
Restaurant	• Opened 12 outlets, net: 16 franchised outlets were opened, of which, 4 outlets were converted from equity stores • Opened the first franchised the Pizza Company outlet in Vietnam, in addition to the existing 3 Swensens outlets
Hotel & Mixed-Use	• Opened Thailand's first St. Regis Hotel & Residence in Bangkok • Introduced the first Anantara hotel in Vietnam, Anantara Mui Ne • Completed the acquisition of Oaks Hotels & Resorts, Australia • Recorded Bt 577m sales of St. Regis residences and Anantara Vacation Club

Segment Performance

Restaurant Business

At the end of 2Q11, MINT's total food outlets reached 1,169 outlets, comprising 682 equity-owned outlets (58% of total), and 487 franchised outlets (42% of total). Of total, 779 food outlets (67% of total) are in Thailand, while the remaining 390 outlets (33% of total) are located in Australia, New Zealand, Singapore, China, Middle East, India and South East Asia. Twenty six new outlets were opened in 2Q11, while fourteen outlets were closed. The outlet closure was due in part to the conversion of Dairy Queen equity stores into franchised stores and the closure of certain loss making stores of Thai Express.

Restaurant Outlets by Owned Equity and Franchise

	2Q11	**Chg q-q**	**Chg y-y**
Owned Equity	682	-4	-4
- Thailand	592	1	5
- Overseas	90	-5	-9
Franchise	487	16	50
- Thailand	187	10	33
- Overseas	300	6	17
Total Outlets	**1,169**	**12**	**46**

Restaurant Outlets by Brand

	2Q11	Chg q-q	Chg y-y
The Pizza Company	252	4	9
Swensen's	249	3	19
Sizzler	44	0	1
Dairy Queen	248	1	10
Burger King	27	0	3
The Coffee Club	270	5	20
Thai Express	64	-4	-9
Others	15	3	-7
Total Outlets	**1,169**	**12**	**46**

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

Brand Performance Analysis

Total system sales (including sales from franchised outlets) increased by 17% y-y in 2Q11, driven by strong same store sales growth of 12% and 46 outlet expansion y-y. All brands reported positive same-store-sales growth in 2Q11, driven by increase in both revenue per customer and number of customers. Such growth is attributable to the successful implementation of sales and marketing activities, e.g. new promotional campaign for the 10th year anniversary of the Pizza Company and new digital distribution channels.

Same store sales growth of Thai Express, based in Singapore, became positive in 2Q11 after closure of several non-performing outlets as part of its rationalization plan.

On the back of strong sales momentum since the beginning of the year, 1H11 same store sales and total system sales growths showed significant improvement compared to the same period last year. Same store sales grew 10%, while total system sales grew 15%.

Restaurant Business Performance by Brand

Same Store Sales (% chg y-y)

	2Q11	2Q10	1H11	1H10
The Pizza Company	9.7	2.6	10.4	0.8
Swensen's	8.4	3.5	2.9	5.2
Sizzler	22.3	3.7	16.3	4.4
Dairy Queen	15.6	5.6	10.6	4.9
Burger King	34.0	0.6	19.9	5.5
The Coffee Club	12.8	1.4	12.0	1.7
Thai Express	1.0	-6.2	-0.4	-11.0
Average	**12.3**	**1.4**	**10.0**	**1.2**

Total System Sales (% chg y-y)

	2Q11	2Q10	1H11	1H10
The Pizza Company	13.7	3.4	13.5	2.0
Swensen's	17.5	3.1	10.1	5.1
Sizzler	24.5	11.6	18.4	14.8
Dairy Queen	21.9	10.3	15.6	10.6
Burger King	30.7	2.0	19.5	11.4
The Coffee Club	19.0	14.0	18.0	15.7
Thai Express	4.7	-4.3	3.5	-3.6
Average	**17.4**	**7.2**	**14.6**	**8.4**

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

Financial Performance Analysis

2Q11 restaurant revenues grew 15% y-y, mainly driven by strong 12% same store sales growth, together with continued outlet expansion and 50% growth in share of profit from The Coffee Club. Revenues from Thai Express also grew 10% y-y from the successful implementation of profit rationalization plan. Despite an 11% growth in 2Q11 EBITDA, EBITDA margin slightly declined from 16% in 2Q10 to 15% primarily due to the increase in personnel expenditure to accommodate business expansion.

1H11 restaurant revenues increased by 11%, as a result of strong same store sales growth as well as outlet expansion. Similar to 2Q11, EBITDA margin slightly declined to 15% in 1H11 from 16% in 1H10 because of higher personnel expenditure.

Revenue Breakdown

Bt million	2Q11	2Q10	%Chg
Revenues from Operation*	2,762	2,401	15%
Franchise Fee	87	70	24%
Total Revenues	2,849	2,471	15%
EBITDA	431	390	11%
EBITDA Margin (%)	15%	16%	
	1H11	**1H10**	**%Chg**
Revenues from Operation*	5,646	5,102	11%
Franchise Fee	166	134	24%
Total Revenues	5,812	5,236	11%
EBITDA	899	861	4%
EBITDA Margin (%)	15%	16%	

* Includes share of profit and other income

Hotel & Mixed-Use Business

Hotel Business

After the consolidation of Oaks, MINT owns twenty eight hotels and manages forty five hotels and serviced suites in ten countries. Altogether, these properties have 9,646 hotel rooms and serviced suites, including 3,296 that are equity-owned and 6,350 that are purely-managed by the Company and its subsidiary, Oaks. Of total, 3,218 rooms in Thailand accounted for 33%, while the remaining 6,428 rooms or 67% are located in Australia, New Zealand, Maldives, Indonesia, Sri Lanka, Vietnam, Africa, and the Middle East.

In addition to the acquisition of Oaks which doubles number of properties and rooms under Minor Hotel Group's portfolio, MINT also opened two new hotels in 2Q11. One is wholly-owned, St. Regis Hotel & Residence in Bangkok, while the other is managed and will be rebranded into MINT's brand, Anantara Mui Ne, on the southeast coast of Vietnam.

Hotel Rooms by Owned Equity and Management

	2Q11	Chg q-q	Chg y-y
Equity-owned*	3,296	227	410
- Thailand	2,380	227	227
- Overseas	916	-	183
Management	6,350	5,182	5,662
- Thailand	838	-	480
- Overseas	5,512	5,182	5,182
Total Hotel Rooms	**9,646**	**5,409**	**6,072**

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

Hotel Room by Brand

	2Q11	Chg q-q	Chg y-y
Anantara	1,948	89	647
Four Seasons	505	-	-
Marriott	1,195	-	-
Oaks	5,093	5,093	5,093
Others	905	227	332
Total Hotel Rooms	**9,646**	**5,409**	**6,072**

Hotel Brand Performance Analysis

In 2Q11, Minor Hotel Group's average occupancy and average daily rates showed an improvement y-y across all brands, especially Four Seasons group, which was forced to close one of its hotels in Bangkok for almost two months due to the political demonstrations in 2Q10. Since the return of the political stability, Bangkok hotels have shown significant improvement in their occupancy rates. As a result, average hotel occupancy increased from 41% in 2Q10 to 52% with an improvement in ADR of 4%, on a like-for-like basis, not accounting for new hotels opened since December 2010. As 2Q11 is part of Thailand's low season for tourism, overall average occupancy, taking into account newly opened hotels, was 49%. Together with the first quarter performance, 1H11 average occupancy increased from 51% last year to 54% and ADR remained flat y-y.

Even though number of tourist arrivals in 1H11 increased substantially y-y, the increase is attributable to regional travelers whose average length of stay is normally shorter than the Westerners. MINT's sales and marketing strategies are being adjusted to match the preference of corresponding demand, e.g. building relationships with worldwide wholesale markets, attracting MICE market, catering promotional packages to each region to fit their traveling pattern. As a result, MINT expects to continue to see the recovery in hotel performance.

Hotel Business Performance by Brand

	Occupancy (%)			
	2Q11	**2Q10**	**1H11**	**1H10**
Marriott	62	54	70	65
Anantara	44	41	46	44
Four Seasons	47	15	53	39
Others*	30	27	32	30
Average**	**49**	**41**	**54**	**51**

	ADR (Bt/night)			
	2Q11	**2Q10**	**1H11**	**1H10**
Marriott	3,241	3,135	3,798	3,975
Anantara	6,347	5,980	7,455	7,548
Four Seasons	7,565	11,777	8,730	9,877
Others*	7,193	7,289	9,164	9,674
Average	**5,301**	**4,940**	**6,133**	**6,143**

Notes: * Others include St. Regis Bangkok, Naladhu Maldives and Harbour View Vietnam
** Average occupancy on a like-for like basis is 52% for 2Q11 and 58% for 1H11

Revenue from 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. The hotels in Maldives, Tanzania and Kenya all saw improvements in their occupancy rates.

Hotel Revenue Performance Analysis

MINT's revenues from hotel operations more than doubled in 2Q11 due mainly to the consolidation of Oaks, additional revenues from the new hotels and improvement of existing hotels, compared to lower revenues in 2Q10 as the hotels were affected by the political unrest. Oaks reported revenues from operation of Bt 347m in June 2011. In addition, there was a one-time fair value adjustment in Oaks' acquisition of Bt 203m, as the first 20% investment was made at AUD 0.35 per share, the price which was much lower than the remaining 80% stake at AUD 0.52 per share. The value of the first 20% was adjusted based on the price of the majority stake. Therefore, the fair value adjustment must be recognized according to the Thai accounting standard on business combinations. Hence, MINT consolidated a total of Bt 550m revenues from Oaks in 2Q11. Nevertheless, even without Oaks, revenues from hotel operations still increased by 60% due to the openings of two new owned hotels in the Maldives and Bangkok and the improved performance of all existing hotels.

In 1H11, revenues from hotel operations increased by 47% as a result of continued improvement in the sentiment of Thailand tourism, the opening of two new hotels as mentioned above, as well as the consolidation of Oaks.

Mixed-Use Business

MINT's spa business is operated under Anantara and Mandara brands. At the end of 2Q11, MINT owns and manages 35 spas in Thailand, China, Maldives, Tanzania, Jordan, UAE, India, Egypt and Vietnam. MINT reported revenues from spa services of Baht 70m in 2Q11, an increase of 4% y-y, in line with the growth of hotel guests. Spa revenues in 1H11, however, increased slightly by 1% to Bt 151m as three managed spas were closed 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. The Estate Samui has 14 villas, seven of which were sold during 2006-2008, while the remaining seven villas are still available for sale. The second project is St. Regis Residences, with 53 residential units located above St. Regis Hotel Bangkok. 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 inventory available for sale in December 2010. The two real estate businesses, together with rental income from the Estate Samui, reported revenues of Bt 585m in 2Q11, while only Bt 5m was recognized in 2Q10 for the rental income from The Estate Samui. In 1H11, sales of real estates totaled Bt 1,503m, compared to 1H10 when only Bt 15m was recognized for the rental income.

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 2Q11 and 1H11, MINT's plaza and entertainment business reported revenues of Bt 158m and Bt 314m, a 21% and 15% increase y-y, respectively. 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 Bt 585m sales from real estate development and Bt 550m from Oaks, MINT's hotel & mixed use business reported revenue growth of as much as 162%. Despite the start-up expenditures of two new hotels, EBITDA margin from hotel & mixed-use business still expanded from 20% in 2Q10 to 22% in 2Q11, primarily attributable to higher profitability of the real estate business.

1H11 revenues increased by 92%, primarily from the revenues from real estates, improvement of hotel business and consolidation of Oaks. 1H11 EBITDA margin from hotel & mixed use business decreased from 34% to 28%. The decline was due primarily to 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.

Revenue Breakdown			
Bt million	**2Q11**	**2Q10**	**%Chg**
Hotel operations*	1,763	759	132%
Management fee	66	47	40%
Spa services	70	68	4%
Plaza & entertainment	158	131	21%
Real estate development**	585	5	NM
Total Revenues	2,642	1,010	162%
EBITDA	584	204	186%
EBITDA Margin (%)	22%	20%	
	1H11	**1H10**	**%Chg**
Hotel operations*	3,414	2,316	47%
Management fee	145	125	16%
Spa services	151	149	1%
Plaza & entertainment	314	272	15%
Real estate development**	1,503	15	NM
Total Revenues	5,526	2,876	92%
EBITDA	1,559	965	62%
EBITDA Margin (%)	28%	34%	

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 2Q11, MINT had 226 retail trading points of sales, net, a decline by 4 points of sales from 230 at the end of 1Q11 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			
	2Q11	**Chg q-q**	**Chg y-y**
Fashion	168	-3	-26
Cosmetics	44	-	-12
Others	14	-1	-3
Total Outlets	**226**	**-4**	**-41**

As mentioned earlier, MINT has gradually closed down small and fragmented sales counters in the department stores and opened stand-alone shops that offer all products instead. As a result, sales per square meter continued to improve from Bt 18,500 in 2Q10 to Bt 27,500 this quarter. In addition, same-store-sales and total system sales grew significantly by 53% and 43%, respectively in 2Q11. This was partly due to the comparison against the low base in 2Q10 when political protesters occupied Rajprasong intersection, one of MINT's main sales locations, and caused all points of sales in the area to close down. Therefore, combined with 1Q11 outstanding performance, same store sales and total system sales in 1H11 grew 52% and 30%, respectively.

Contract manufacturing orders from existing key customer have resumed since the beginning of the year, resulting in a 26% and 21% increase in sales from manufacturing in 2Q11 and 1H11, respectively.

As a result of better performance of both business units, 2Q11 revenues from retail trading and contract manufacturing increased by 36% y-y. The improved efficiency of sales per square meter of the retail trading business also resulted in improved EBITDA margin to 7% in 2Q11 from 4% in 2Q10. Similarly, 1H11 revenues increased by 27% and EBITDA margin improved to 7%.

Retail Trading and Contract Manufacturing's Revenue Breakdown			
Bt million	**2Q11**	**2Q10**	**%Chg**
Retail Trading	455	317	44%
Manufacturing	324	257	26%
Total Revenues	779	574	36%
EBITDA	57	23	149%
EBITDA Margin	7%	4%	
	1H11	**1H10**	**%Chg**
Retail Trading	949	717	32%
Manufacturing	670	552	21%
Total Revenues	1,619	1,269	28%
EBITDA	121	61	98%
EBITDA Margin	7%	5%	

Balance Sheet & Cash Flows

At the end of 2Q11, MINT reported total assets of Bt 40,144m, an increase of Bt 7,345m from Bt 32,799m at the end of 2010. The increase was the result of:

1. Bt 5,637m increase in assets from the consolidation of Oaks and Bt 609m increase in goodwill from Oaks' acquisition
2. Bt 1,058m increase in fixed assets of Anantara Kihavah Resort & Spa, Maldives and St. Regis Hotel and Residence, and

3. Bt 70m increase in other long-term investment from the additional investment in Serendib Hotels Limited, Sri Lanka of Bt 27m and the adjustment in fair value of long term investments in S&P Syndicate Company Limited

MINT reported total liabilities of Bt 25,598m, an increase of Bt 6,555m from Bt 19,043m at the end of 2010. The increase was a result of;

1. Bt 3,258m increase in liabilities from the consolidation of Oaks
2. Bt 2,732m increase in long-term borrowings to finance Oaks' acquisition
3. Bt 1,500m increase in the issuance of debentures in March 2011, netted off with loan prepayment of Bt 1,116m.

Shareholders' equity increased by Bt 790m to Bt 14,546m of Bt 13,756m at the end of 2010 owing mainly to appropriated profits of Bt 1,102m and the increased capital of Bt 70m from the exercise of ESOP, netted off with dividend payment of Bt 490m.

For 2Q11, MINT and its subsidiaries reported cash flows from operations of Bt 1,692m, an increase of Bt 525m y-y. Cash flow used in investing activities was Bt 3,685m, due primarily to (1) payment of Bt 2,387m for the acquisition of Oaks and additional investments of Bt 58m and Bt 27m in Cyprea Lanka and Serendib Hotels Limited, respectively and (2) payment of Bt 1,257m for projects under development, namely Anantara Kihavah in the Maldives and St Regis Hotel & Residence and other fixed assets. The Company reported net cash received from financing activities of Bt 2,329m, comprising (1) net proceeds from borrowings of Bt 2,762m, primarily resulting from the debenture issuance to refinance long term loan and increased borrowings to finance Oaks' acquisition and (2) net proceeds from the issuance of additional ordinary shares for the exercise of ESOP warrants of Bt 69m, netted off with (3) dividend payment of Bt 503m. As a result, MINT's net cash and cash equivalents increased by Bt 336m for the six months ending June 2011.

Financial Ratio Analysis

MINT's gross profit margin declined to 60.6% in 1H11 from 62.9% in 1H10. The decline was due mainly to real estate development business, which has relatively lower gross profit margin, since most of its costs of sales were construction expenditures. Nevertheless, net profit margin for 1H11 increased from 7.2% to 8.5%, owing to the improved profitability of all businesses and higher profit margin of real estate business.

Annualized return on equity increased to 15.6% in 1H11 from 11.0% in 1H10. Annualized return on assets also increased to 6.0% from 4.7%. The increase of both ratios was a result of improved net profit.

Current ratio decreased from 1.1x as at 31 December 2010 to 0.8x at the end of 2Q11, primarily from the increase in current portion of long-term borrowings as a result of the consolidation of Oaks. Interest bearing debt/ equity increased from 1.0x at the end of 2010 to 1.3x from the consolidation of Oaks' liabilities as well as increased borrowings to finance Oaks' acquisition. Interest coverage ratio in 1H11 remained stable at 5.8x in both 1H11 and 1H10.

Financial Ratio Analysis

Profitability Ratio	**30 Jun 11**	**30 Jun 10**
Gross Profit Margin (%)	60.58%	62.91%
Net Profit Margin (%)	8.50%	7.23%
Return on Equity* (%)	15.57%	11.03%
Efficiency Ratio	**30 Jun 11**	**30 Jun 10**
Return on Assets* (%)	6.04%	4.69%
Collection Period (days) (Quarterly)	16	16
Liquidity Ratio	**30 Jun 11**	**31 Dec 10**
Current Ratio (x)	0.77	1.13
Leverage & Financial Policy	**30 Jun 11**	**31 Dec 10**
Interest Bearing Debt/Equity (x)	1.32	1.04
Net Interest Bearing Debt/Equity (x)	1.22	0.96
	30 Jun 11	**30 Jun 10**
Interest Coverage (x)	5.79	5.83

Note: *Annualized

Management's Outlook

Reinforcing Key Strategies

With over 30 years of experience, MINT continues to expand its business on the back of promising long-term growth strategies, including

1. Continue winning in home markets

For over two decades, MINT has enjoyed being the largest and most diverse QSR operator in Thailand. Its associate and subsidiary, The Coffee Club and Thai Express, also command the leading positions in casual dining markets of Australia and Singapore, respectively. Even with a larger base, MINT still set an aggressive market share aspiration. With the consistent product innovation and service improvement, MINT continues to dominate its home markets.

By the same token, MINT today owns and manages 18 hotels in Thailand under diverse, yet all luxurious, brands; Anantara, Four Seasons, Marriott, JW Marriott and the latest addition, St. Regis. These hotel properties have been named as one of the best hotels not just in Thailand, but in the World, by various travel agencies/ magazines. MINT is well equipped with superior hotels and facilities to accommodate growth of foreign visitors to Thailand. Recently, the Tourism Authority of Thailand revised the forecasted number of tourist arrival to 18 million, up by 13% from 16 million in 2010.

2. Growing own brands

2011 marks the 10th year anniversary of MINT's own the Pizza Company. The number of its outlets has already exceeded 250 across Asia, China to the Middle East.

Apart from the Pizza Company, MINT's other two brands, the Coffee Club and Thai Express, are also expanding into new markets with high growth potential. In July 2011, the Coffee Club opened its first franchised restaurant in China, while Thai Express expects to open an outlet in Beijing by the end of this year.

For hotel group, since its establishment in 2000, Anantara has expanded its portfolio to 16 hotels today in Thailand, Maldives, Abu Dhabi, Bali and Vietnam. By 2013, we aim to operate at least 36 Anantara hotels in China, India, Sri Lanka, Laos, Oman, Mauritius and Morocco in addition to current destinations.

3. Expanding new brands

As part of MINT's long-term strategies, developing and/or acquiring intellectual properties will enable MINT to expand its business coverage much faster with much lower risk. Today, The Pizza Company, The Coffee Club, Thai Express as well as Anantara, together have presence in 21 countries. Realizing the importance of brand ownership, MINT successfully completed the acquisition of Oaks, a well-established brand for serviced suites in Australia, New Zealand and Dubai. With 36 properties and over 5,000 rooms, Oaks is known for its strong distribution network and has the potential to expand outside Australia. Given the increased demand for serviced suites across different regions, MINT can leverage Oaks brand to enter into the new market segments in and outside Thailand.

4. Expanding mixed-use development

On the back of economic expansion and tourism recovery, sales growth of MINT's residential and timeshare businesses echoes the Company's effort to be innovative and responsive to customers' needs. For the first six months of 2011, MINT recorded sales of Anantara Vacation Club and St. Regis residence (excluding rental revenues) of as much as Bt 1,485m, 11% of MINT's total revenues. In addition to providing an incremental revenue source, the integration of hotel and mixed use businesses offers complete range of services and provides reciprocal benefits with more traffic and activities from residential or timeshare guests at their adjacent hotel properties.

With these key strategies in place, MINT will continue to see strong revenues and earnings growths for the rest of the year. Supported by relatively stable political situation and continued economic development, 2011 - 2012 should paint a favorable outlook for all of Minor International's businesses.

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Pratana Mongkolkul

Director