MANAGEMENT DISCUSSION AND ANALYSIS

Overview

3Q11 and 9M11 Performance

Minor International Public Company Limited ("MINT") is pleased to report a significant growth in 3Q11 revenues and net profits, reaching Bt 8,030m and Bt 1,306m, respectively. This was due primarily to the reclassification of investment in S&P Syndicate Pcl. ("S&P") from other long-term investment to investment in associates. MINT made its initial investment in S&P since 2006 and continued to increase its investment until MINT effectively owned 26.28% of S&P's paid up share capital in August 2011. Later that month, MINT announced a voluntary tender offer for the remaining shares of S&P at the offer price of Bt 70 per share. Such offer reflects MINT's intention to hold S&P shares as a long term investment and thus, the accounting treatment for such investment has to be changed accordingly. The Company adjusted fair value of this investment in August 2011 and recognized gain on fair value adjustment of Baht 1,054 million, which is the difference between S&P fair value and MINT's cost of investment, in the income statement of the consolidated and company financial statements. At the end of the voluntary offer on October 13, 2011, MINT's effective shareholding in S&P increased to 31.32%.

In September 2011, MINT, through its 50% Australian associate company, The Coffee Club, concluded a small acquisition of a new food brand, Ribs & Rumps in Australia. Ribs & Rumps currently has 6 equity steakhouses and 2 franchised outlets in UAE and Africa. Going forward, management of The Coffee Club will be responsible for driving the business of Ribs and Rumps.

In addition to the acquisitions, all three of MINT's existing businesses; hotel & mixed-use, restaurant and retail trading, reported satisfactory growths y-y. Sales of real estate continued to be the key revenue driver, as well as Bt 1.2 billion revenue contribution from Oaks Hotels & Resorts ("Oaks") acquired in June 2011. As a result, 3Q11 revenues contribution from hotel & mixed-use business increased to 41% of total revenue, from 27% in 3Q10. Restaurant business, now the second largest revenue contributor, accounted for 36% while retail trading and contract manufacturing contributed another 10% in 3Q11. Gain on fair value adjustment of S&P investment accounted for the remaining 13%.

Revenue Breakdown

Bt million	3Q11	3Q10	%Chg
Restaurant Services	2,880	2,551	13%
Hotel & Mixed-Use	3,307	1,189	178%
Retail Trading & Contract Manufacturing	789	672	17%
Gain on fair value adjustment of S&P investment	1,054	-	N/A
Total Revenue*	**8,030**	**4,412**	**82%**

* Including share of profit from investments in associates and joint ventures
** Dividend income from S&P prior to 3Q11 has been restated from hotel to restaurant business unit

MINT reported 9M11 total revenues of Bt 20,987m, an increase of 52% from the same period last year. The growth was due to gain on fair value adjustment of S&P investment, consolidation of Oaks, revenues from real estate development business and strong performances of all business units.

In terms of revenue breakdown in 9M11, restaurant and hotel & mixed-use businesses accounted for 42% of total revenues each. Retail trading and contract manufacturing contributed another 11%. Gain on fair value adjustment of S&P investment accounted for the remaining 5%.

Revenue Breakdown

Bt million	9M11	9M10	%Chg
Restaurant Services	8,744	7,835	12%
Hotel & Mixed-Use	8,782	4,018	119%
Retail Trading & Contract Manufacturing	2,407	1,941	24%
Gain on fair value adjustment of S&P investment	1,054	-	N/A
Total Revenue*	**20,987**	**13,794**	**52%**

* Including share of profit from investments in associates and joint ventures
** Dividend income from S&P prior to 3Q11 has been restated from hotel to restaurant business unit

In 3Q11, MINT reported EBITDA of Bt 2,257m, a 227% growth over the same period last year. EBITDA margin increased from 16% in 3Q10 to 28% in 3Q11, primarily from gain on fair value adjustment of S&P investment and the improvement in EBITDA margin of the hotel & mixed use business. Excluding the gain from reclassification of S&P investment, 3Q11 EBITDA margin is 17%. Despite the start-up period of two equity hotels opened earlier in the year, Anantara Kihavah in Maldives and St. Regis Hotel & Residence in Bangkok, the strong performances of mixed-use businesses helped to offset the expenses of these new hotels.

Gain on fair value adjustment of S&P investment was the largest EBITDA contributor in 3Q11, with 47% contribution. Hotel & mixed-use business and restaurant business accounted for 34% and 17% of total EBITDA in 3Q11, respectively. Retail trading and contract manufacturing contributed another 2% of total EBITDA.

EBITDA Breakdown

Bt million	**3Q11**	**3Q10**	**%Chg**
Restaurant Services	389	389	-
Hotel & Mixed-Use	758	265	186%
Retail Trading & Contract Manufacturing	56	36	56%
Gain on fair value adjustment of S&P investment	1,054	-	N/A
Total EBITDA	**2,257**	**690**	**227%**
EBITDA Margin	**28%**	**16%**	

* Dividend income from S&P prior to 3Q11 has been restated from hotel to restaurant business unit

In 9M11, EBITDA contribution of the hotel & mixed-use business was stable at 47%, while restaurant business accounted for 28% of total EBITDA in 9M11. Retail trading and contract manufacturing contributed another 4% of total EBITDA. Gain on fair value adjustment of S&P investment contributed the remaining 21%.

EBITDA Breakdown

Bt million	**9M11**	**9M10**	**%Chg**
Restaurant Services	1,340	1,300	3%
Hotel & Mixed-Use	2,266	1,180	92%
Retail Trading & Contract Manufacturing	177	97	82%
Gain on fair value adjustment of S&P investment	1,054	-	N/A
Total EBITDA	**4,836**	**2,577**	**88%**
EBITDA Margin	**23%**	**19%**	

* Dividend income from S&P prior to 3Q11 has been restated from hotel to restaurant business unit

With the gain from reclassification of S&P investment, consolidation of Oaks and the improvement of organic businesses, MINT reported net profit of Bt 1,306m in 3Q11, up 935% y-y, resulting in an increase in net profit margin to 16%. Its 9M11 net profit was Bt 2,408m, up 199% y-y. Excluding the gain from reclassification of S&P investment, 3Q11 and 9M11 net profit margins are 4% and 7%, respectively.

Net Profit

Bt million	**3Q11**	**3Q10**	**%Chg**
Total net profit	1,306	126	935%
Net Profit Margin	**16%**	**3%**	
	9M11	**9M10**	**%Chg**
Total net profit	2,408	804	199%
Net Profit Margin	**11%**	**6%**	

* Dividend income from S&P prior to 3Q11 has been restated from hotel to restaurant business unit

Major Developments in 3Q11

	Developments
Restaurant	• Opened 35 outlets, net: of which, 14 were equity outlets, while the remaining 21 were franchised outlets • Completed the acquisition of Ribs and Rumps in Australia • Opened the first franchised Swensen's in the Philippines, the first franchised Coffee Club restaurant in China and the first franchised Thai Express restaurant in Korea
Hotel & Mixed-Use	• Consolidated full-quarter performance of Oaks Hotels & Resorts in Australia • Recorded Bt 550m sales of St. Regis Residences and Anantara Vacation Club as well as rental income from The Estate Samui
Retail Trading	• All points of sale at Central Ladprao reopened following the grand opening of the shopping center in August 2011

Segment Performance

Restaurant Business

At the end of 3Q11, MINT's total food outlets reached 1,204 outlets, comprising 696 equity-owned outlets (58% of total), and 508 franchised outlets (42% of total). Of total, 799 food outlets (66% of total) are in Thailand, while the remaining 405 outlets (34% of total) are located in Australia, New Zealand, Singapore, China, Middle East, India and Asia. Forty one new outlets were opened in 3Q11, while six outlets were closed. The outlet closure was due in part to the conversion of Dairy Queen equity stores into franchised stores and in part to the closure of Dairy Queen Grill & Chill concept.

Restaurant Outlets by Owned Equity and Franchise

	3Q11	Chg q-q	Chg y-y
Owned Equity	696	14	6
- Thailand	600	8	9
- Overseas	96	6	-3
Franchise	508	21	65
- Thailand	199	12	39
- Overseas	309	9	26
Total Outlets	**1,204**	**35**	**71**

Restaurant Outlets by Brand

	3Q11	Chg q-q	Chg y-y
The Pizza Company	261	9	17
Swensen's	258	9	22
Sizzler	45	1	1
Dairy Queen	252	4	12
Burger King	27	-	3
The Coffee Club*	280	11	29
Thai Express	66	1	-6
Others**	15	-	-7
Total Outlets	**1,204**	**35**	**71**

* The Coffee Club group includes Ribs and Rumps
** 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 14% y-y in 3Q11, driven by strong same store sales growth of 10% and 71 outlet expansion y-y. Most brands reported double-digit same store sales growth, driven by the successful marketing promotion and advertising campaign, resulting in the growths in both revenue per customer and customer count.

During this quarter, Thai Express group returned to negative same store sales growth. Under the group, there are several brands with different food concepts, e.g. Thai Express, Xin Wang Hong Kong Cafe, Shokudo, New York New York, etc. Thai Express, the flagship brand itself continued to report healthy growth. However, some other brands experienced decline in same store sales due to intensified competition in Singapore. Thai Express Group is in the process of implementing the strategies to turnaround those brands.

For 9M11, same store sales and total system sales growths continued to be strong compared to the same period last year. 9M11 same store sales grew 10%, while total system sales grew 15%.

Restaurant Business Performance by Brand

Same Store Sales (% chg y-y)	3Q11	3Q10	9M11	9M10
The Pizza Company	14.7	6.8	11.8	2.6
Swensen's	9.4	-1.9	4.9	2.8
Sizzler	10.5	9.8	14.3	6.2
Dairy Queen	25.4	8.9	15.3	6.1
Burger King	31.0	2.6	23.5	4.6
The Coffee Club	6.5	8.7	10.0	4.2
Thai Express	-1.8	-0.9	-0.9	-7.6
Average	**9.8**	**5.7**	**9.9**	**2.7**

Total System Sales (% chg y-y)	3Q11	3Q10	9M11	9M10
The Pizza Company	17.5	8.8	14.7	4.1
Swensen's	19.0	-0.5	12.8	3.4
Sizzler	13.2	18.0	16.6	15.9
Dairy Queen	33.5	14.6	21.3	11.7
Burger King	23.5	0.4	20.8	7.5
The Coffee Club	13.9	17.3	16.5	16.3
Thai Express	-2.6	1.5	1.4	-1.9
Average	**14.4**	**10.6**	**14.5**	**9.2**

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

Financial Performance Analysis

3Q11 restaurant revenues grew 13% y-y, mainly driven by strong same store sales growth, together with continued outlet expansion. 9M11 restaurant revenues grew by the similar extent. However, during the quarter, Minor Food Group China recognized Bt 93m one-time impairment of goodwill from China acquisition made in 2005. Consequently, 3Q11 EBITDA remained relatively flat y-y at Bt 389m and EBITDA margin was slightly down from 15% in 3Q10 to 14% in 3Q11. Excluding the one-time impairment, EBITDA margin in 3Q11 would have increased to 17%. Nevertheless, 9M11 EBITDA still reported 3% growth to Bt 1,340m with the improvement in EBITDA margin from 15% in 9M10 to 17% in 9M11.

Revenue Breakdown

Bt million	3Q11	3Q10	%Chg
Revenues from Operation*	2,792	2,476	13%
Franchise Fee	88	75	17%
Total Revenues	2,880	2,551	13%
EBITDA	389	389	-
EBITDA Margin (%)	14%	15%	
	9M11	**9M10**	**%Chg**
Revenues from Operation*	8,490	7,626	11%
Franchise Fee	254	209	21%
Total Revenues	8,744	7,835	12%
EBITDA	1,340	1,300	3%
EBITDA Margin (%)	15%	17%	

* Includes share of profit and other income
** Dividend income from S&P prior to 3Q11 has been restated from hotel to restaurant business unit

Hotel & Mixed-Use Business

Hotel Business

After the consolidation of Oaks, MINT owns twenty eight hotels and manages forty seven hotels and serviced suites in ten countries. Altogether, these properties have 9,830 hotel rooms and serviced suites, including 3,296 that are equity-owned and 6,534 that are purely-managed by the Company and its subsidiary, Oaks. Of total, 3,218 rooms in Thailand accounted for 33%, while the remaining 6,612 rooms or 67% are located in Australia, New Zealand, Maldives, Indonesia, Sri Lanka, Vietnam, Africa, and the Middle East.

Hotel Rooms by Owned Equity and Management

	3Q11	Chg q-q	Chg y-y
Equity-owned*	3,296	-	305
- Thailand	2,380	-	227
- Overseas	916	-	78
Management	6,534	184	5,846
- Thailand	838	-	480
- Overseas**	5,696	184	5,366
Total Hotel Rooms	**9,830**	**184**	**6,151**

* Owned equity rooms includes all hotels with majority-owned and joint ventures
** Includes both properties with management contracts and service contracts

Hotel Room by Brand

	3Q11	Chg q-q	Chg y-y
Anantara	1,948	-	647
Four Seasons	505	-	-
Marriott	1,195	-	-
Oaks*	5,277	184	5,277
Others	905	-	227
Total Hotel Rooms	**9,830**	**184**	**6,151**

* Includes both properties with management contracts and service contracts

Hotel Brand Performance Analysis

In 3Q11, Minor Hotel Group's average occupancy and average daily rates showed an improvement y-y across most brands. Properties in the beach destinations, e.g. Pattaya, Phuket and Samui, propelled the occupancies, while those in Maldives and Bali, drove the room rates. Anantara was the only group reporting a decline in average daily rate in 3Q11 compared to 3Q10 as some newly rebranded hotels are still undergoing the rebranding process, which took some tolls on the rate. By the same token, 9M11 average occupancy were up by 4% while average daily rates remained flat.

Hotel Business Performance by Brand

	Occupancy (%)			
	3Q11	**3Q10**	**9M11**	**9M10**
Marriott	63	56	68	62
Anantara	57	44	49	44
Four Seasons	52	46	53	41
Others	28	28	30	29
Average	**55**	**48**	**54**	**50**
	ADR (Bt/night)			
	3Q11	**3Q10**	**9M11**	**9M10**
Marriott	2,994	2,918	3,548	3,656
Anantara	5,474	5,819	6,653	6,966
Four Seasons	7,450	5,977	8,307	8,412
Others	7,190	6,702	8,271	8,716
Average	**4,934**	**4,590**	**5,702**	**5,638**

Note: Others including St. Regis Bangkok, Naladhu Maldives and Harbour View Vietnam

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.

Hotel Revenue Performance Analysis

MINT's revenues from hotel operations in 3Q11 almost tripled due mainly to the consolidation of Oaks, additional revenues from the new hotels and improvement of existing hotels. Excluding revenues from Oaks and new hotels, the existing hotel operations still reported double digit revenues growth due to the growths in organic occupancy and average daily rate. For 9M11, revenues from hotel operations grew by 82% as a result of better performance of existing hotels, consolidation of Oaks and additional revenues from new hotels.

Mixed-Use Business

MINT's spa business is operated under Anantara and Mandara brands. At the end of 3Q11, MINT owns and manages 36 spas in Thailand, China, Maldives, Tanzania, Jordan, UAE, India, Egypt, Vietnam and recently added Korea. Although there was a closure of three managed spas in 1Q11, MINT still reported a 13% increase in revenues from spa services to Bt 73m in 3Q11, in line with the growth of hotel guests. Spa revenues in 9M11 also increased by 5% to Bt 226m.

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 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 the inventory available for sale in December 2010. The two real estate businesses, together with rental income from the Estate Samui, reported sales of Bt 550m in 3Q11, while only Bt 5m was recognized in 3Q10 for the rental income from The Estate Samui. For 9M11, sales of real estates totaled Bt 2,052m, compared to 9M10 where only Bt 20m 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 3Q11 and 9M11, MINT's plaza and entertainment business reported revenues of Bt 144m and Bt 455m, an 18% and 16% 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 1.2b from Oaks and Bt 550m sales from real estate development, MINT's hotel & mixed use business reported 3Q11 revenue growth of as much as 178% to Bt 3,307m. Despite the expenses of two new hotels, EBITDA margin from hotel & mixed-use business still expanded slightly from 22% in 3Q10 to 23% in 3Q11.

9M11 EBITDA margin from hotel & mixed use business declined to 26% from 29% during the same period last year. The decline was due primarily to the pre-opening 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.

Revenue Breakdown

Bt million	**3Q11**	**3Q10**	**%Chg**
Hotel operations*	2,484	944	163%
Management fee	57	53	7%
Spa services	73	66	13%
Plaza & entertainment	144	122	18%
Real estate development**	550	5	N/A
Total Revenues	3,307	1,189	178%
EBITDA	758	265	186%
EBITDA Margin (%)	23%	22%	
	9M11	**9M10**	**%Chg**
Hotel operations*	5,846	3,209	82%
Management fee	202	178	14%
Spa services	226	216	5%
Plaza & entertainment	455	394	16%
Real estate development**	2,052	20	N/A
Total Revenues	8,782	4,017	119%
EBITDA	2,265	1,180	92%
EBITDA Margin (%)	26%	29%	

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 3Q11, MINT had 239 retail trading points of sales, net, an increase by 13 points of sales from 226 at the end of 2Q11, attributable to the reopening of Central Ladprao in August 2011.

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

	3Q11	Chg q-q	Chg y-y
Fashion	177	9	-15
Cosmetics	47	2	-10
Others	15	2	-2
Total Outlets	**239**	**13**	**-27**

Retail trading business remained healthy with almost 30% average same store sales growth for both fashion and cosmetics lines in 3Q11. This was due mainly to the successful planning to maximize profit per square meter.

Contract manufacturing orders from existing key customer have resumed since the beginning of the year, resulting in a 9% and 17% increase in sales from manufacturing in 3Q11 and 9M11, respectively.

Retail Trading and Contract Manufacturing's Revenue Breakdown

Bt million	**3Q11**	**3Q10**	**%Chg**
Retail Trading	488	395	24%
Manufacturing	301	277	9%
Total Revenues	789	672	17%
EBITDA	56	36	56%
EBITDA Margin	7%	5%	
	9M11	**9M10**	**%Chg**
Retail Trading	1,437	1,110	29%
Manufacturing	970	831	17%
Total Revenues	2,407	1,941	24%
EBITDA	177	97	82%
EBITDA Margin	7%	5%	

Balance Sheet & Cash Flows

At the end of 3Q11, MINT reported total assets of Bt 40,426m, an increase of Bt 7,627m from Bt 32,799m at the end of 2010. The increase was the result of:

1. Bt 5,231m increase in assets from the consolidation of Oaks and Bt 616m increase in goodwill arisen from Oaks' acquisition
2. Bt 305m increase in cash and cash equivalents due primarily to the cash proceed from St. Regis Residence sales
3. Bt 1,326m increase in fixed assets of Anantara Kihavah Resort & Spa, Maldives and St. Regis Hotel and Residence, and
4. Bt 66m 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 Serendib Hotels Limited

MINT reported total liabilities of Bt 25,541m, an increase of Bt 6,498m from Bt 19,043m at the end of 2010. The increase was a result of;

1. Bt 2,888m increase in liabilities from the consolidation of Oaks
2. Bt 2,775m 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
4. Bt 389m increase in accounts payable for construction of St. Regis Hotel & Residence

Shareholders' equity increased by Bt 1,129m to Bt 14,885m from Bt 13,756m at the end of 2010 owing mainly to net operating income of Bt 1,536m and the increased capital from Bt 70m exercise of ESOP, netted off with dividend payment of Bt 490m.

For 9M11, MINT and its subsidiaries reported cash flows from operations of Bt 2,806m, an increase of Bt 1,093m y-y. Cash flow paid for investing activities was Bt 4,637m, due primarily to (1) payments of Bt 2,521m for the acquisition of Oaks and additional investments of Bt 58m and Bt 27m in Cyprea Lanka and Serendib Hotels Limited, respectively,

(2) payments of Bt 1,945m for projects under development, namely Anantara Kihavah in the Maldives and St Regis Hotel & Residence and other fixed assets and (3) payment of Bt 112m for software development to support restaurant and retail trading businesses. The Company reported net cash receipts from financing activities of Bt 2,368m, comprising (1) net proceeds from borrowings of Bt 2,795m, primarily resulting from the debenture issuance and increased borrowings to finance Oaks' acquisition and (2) net proceeds from the issuance of additional ordinary shares from the exercise of ESOP warrants of Bt 76m, netted off with (3) dividend payment of Bt 503m. As a result, MINT's net cash and cash equivalents increased by Bt 537m in 9M11.

Financial Ratio Analysis

MINT's gross profit margin declined from 62.4% in 9M10 to 59.8% in 9M11. The decline was due mainly to real estate development business. Although the business contributes over Bt 2 billion of sales but it has relatively lower gross profit margin, since most of its costs of sales were construction expenditures. Nevertheless, net profit margin for 9M11 increased from 5.8% to 11.5%, owing mainly to the gain on fair value adjustment of S&P investment and improved profitability of all businesses.

Annualized return on equity increased to 22.4% in 9M11 from 8.6% in 9M10. Annualized return on assets was also up to 8.8% from 3.6%. The increase of both ratios was a result of significantly improved net profit.

Current ratio decreased from 1.1 as at 31 December 2010 to 0.9 at the end of 3Q11, primarily from the increase in current portion of long-term debentures. 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 9M11, however, increased to 5.8x from 5.2x due mainly to the cash proceeds from sales of St. Regis Residence.

Financial Ratio Analysis

Profitability Ratio	**30 Sep 11**	**30 Sep 10**
Gross Profit Margin (%)	59.78%	62.39%
Net Profit Margin (%)	11.48%	5.83%
Return on Equity* (%)	22.42%	8.56%
Efficiency Ratio	**30 Sep 11**	**30 Sep 10**
Return on Assets* (%)	8.77%	3.64%
Collection Period (days) (Quarterly)	16	18
Liquidity Ratio	**30 Sep 11**	**31 Dec 10**
Current Ratio (x)	0.87	1.13
Leverage & Financial Policy	**30 Sep 11**	**31 Dec 10**
Interest Bearing Debt/Equity (x)	1.30	1.04
Net Interest Bearing Debt/Equity (x)	1.18	0.96
	30 Sep 11	**30 Sep 10**
Interest Coverage (x)	5.77	5.22

Note: *Annualized

Management's Outlook

Facing Challenge from Flood

For the past few months, central Thailand has been flooded with massive amounts of water flowing southward toward the capital city, Bangkok, as they make their way to the sea. This flood is the Country's worst in 50 years. To date, it remains to be seen as to when the water level will recede. The flood's effect on MINT's businesses is summarized below.

Hotel: So far, there has been no physical damage at any of MINT's hotel properties, although the business is experiencing some reservation cancellation, particularly for hotels in Bangkok. Travel advisories have been issued for Bangkok and some provinces identified as affected by flooding only, and does not include transits through Suvarnabhumi airport. For the month ended October 2011, average occupancy stood at 57%, a 2% increase from 55% in the same month last year.

Restaurant: At this point, only 10% of MINT's restaurants are facing limitation of access to the stores due to the flood. Minor Food Group's top priority is to ensure all domestic restaurants have sufficient inventory on shelf through a combination of stock building and alternative sourcing. Some of the raw material is either placed in unaffected back-up sites or delivered directly to the restaurants. Business continuity plan is being implemented on schedule.

Fortunately, its cheese and ice cream manufacturing plants are not impacted, hence, ensuring the adequacy of key ingredients, i.e. ice-cream and cheese. Although some affected outlets are temporarily closed, traffics at MINT's other stores remain healthy, especially for those located in shopping malls. As a result, Minor Food Group's domestic same store sales continue to expand by 7% in October 2011.

Retail Trading and Contract Manufacturing: MINT's subsidiary, Minor Corporation, has temporarily suspended the production of its household consumer products as its facility in Navanakorn Industrial Estate is closed due to the flood situation in the area. MINT's retail trading which includes fashion apparels and cosmetics business is also affected. Some of the inventories, which were stocked at the third-party warehouse located in the Bang Pa-In Industrial Estate in Ayudhya, were damaged. Fortunately, the majority of fashion and cosmetics inventories have been shipped to all retail outlets across the country, allowing the business to remain operational. To date, approximately 17% of MINT's points of sale have been closed due to the flood.

Summary: As the inundation has not yet come to an end, total damage and potential loss cannot be finalized at this stage. Nonetheless, a significant part of the exposure will be covered by several insurance policies, including Industrial All Risk Insurance and Business Interruption Insurance. Despite the severe flooding, the Company still believes that it can quickly overcome this recent difficulty and continue to show a better performance on the back of strong fundamentals, operating efficiency and most importantly, dedicated team of management and employees.

Preparing Ahead

Develop a profitable portfolio of own brands

Recognizing the strength of brand ownership, MINT is pleased to announce the launch of a new hotel brand, Avani Hotels & Resorts, as a response to an increasingly influential group of travelers who appreciate good design and excellent services but also demand great value. MINT plans to develop Avani brand across Asia, Australia, the Middle East and Africa.

Avani was derived from the Sanskrit word for earth, a meaning which is expressed through a grounded personality and simple sense of style. The first Avani resort will be launched in Sri Lanka. Avani Bentota Resort & Spa, formerly known as Hotel Serendib and Serendipity Bentota, was originally designed by the renowned Sri Lankan architect and considered one of the best hotels in the country.

To strengthen the Avani brand in Sri Lanka, a second Avani hotel will be launched later in 2012 upon the completion of renovations of the Kani Lanka hotel, which was acquired by the Company in August 2010.

Looking forward, Avani will be expanded alongside Anantara, offering superior alternatives to the travelers in the 4-star segment.

Apart from the launch of new hotel brand, MINT also strengthens its food portfolio by the recent acquisition of Ribs and Rumps in Australia. This food concept fills a particular segment in the steakhouse market, offering contemporary casual steakhouse dining with premium quality ingredients at affordable prices. At present, Ribs and Rumps owns and operates six restaurants across Australia and two franchised outlets in UAE and Africa but it is expected to grow exponentially in and outside of the country. Although this acquisition is made through the Company's 50% associate, the Coffee Club, Ribs and Rumps business strategy will be meticulously planned and executed on the back of MINT's expertise in operation excellence and the Coffee Club's strength in driving outlet expansion.

In addition to the launch of new brands, MINT's long-term strategy also includes the internationalization and diversification of its existing brands. For hotel group, MINT has consistently increased the diversity of Anantara portfolio through the rebranding of the following properties;

Anantara Bangkok Riverside

Since the beginning of November 2011, the Bangkok Marriott has become another Anantara flagship property, in line with Anantara Hotels, Resorts & Spas' rapid global expansion into exceptional destinations. Earlier this year, the hotel has completed many enhancements to ensure that the property delivers Anantara's level of luxurious authenticity.

Anantara Rasananda Koh Phangan Villas Resort & Spa

This hotel is MINT's first hotel under management on the island of Phangan in the Gulf of Thailand. The 44 private pool suites and villas showcase unique luxury with the unparalleled service level of Anantara brand.

Anantara Mui Ne, Vietnam

Anantara Mui Ne is located on one of the most beautiful beaches in Vietnam, towards the northeast of Ho Chi Minh City. The resort is designed to reflect traditional Vietnamese style and set amongst tropical landscaping overlooking the ocean.

For restaurant group, The Pizza Company and Swensen's, under the Company's management, have now extended their presence across Asia and the Middle East. Swensen's opened its first franchised outlet in the Philippines in September 2011. MINT's other two brands, i.e. the Coffee Club and Thai Express, are also embarking on their overseas path. After the Coffee Club successfully made its debut in China in 2Q11, Thai Express is expected to follow the footstep and open its first equity store in Beijing by the end of this year. Thai Express also opened its first franchised outlet in Korea this quarter.

In sum, despite many challenges the Company has gone through in the past several years, MINT is still able to maintain its resiliency and ambition to drive further growth. MINT does not only strive to overcome the challenge, but it also aims to continue to beat expectations. The recent flooding in Thailand is merely another temporary obstacle and MINT is confident that it will once again overcome it with great flexibility and ensure the delivery of long-term growths, given the prudent strategy and strong fundamentals.

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Pratana Mongkolkul
Director