Management Discussion and Analysis

Overview

4Q11 and 2011 Performance

Despite the widespread flooding in the North and Central Thailand in October – November 2011, Minor International ("MINT") proved that yet again, it is resilient to unexpected events and reported the best-ever net profit of Bt 2,880m in 2011. The outstanding result was attributable to

1) Strong performance of hotel and mixed-use business, as a result of
    a. Improvement in 2011 occupancies of hotels outside of Bangkok and overseas throughout the year
    b. Consolidation of newly acquired business, Oaks Hotels & Resorts in Australia ("Oaks")
    c. Robust performance of mixed-use businesses, where sales of both residential properties and point-based vacation club exceeded budget amidst economic challenges
2) Steady growth of restaurant business throughout the year, despite the floods in the fourth quarter
3) One-time gain on fair value adjustment of S&P investment

Note that even without gain on fair value adjustment of S&P investment and one-time expense, MINT still saw its core net profit improve significantly by 55% in 2011.

During 4Q11, MINT recognized additional expenses relating to the flood including financial support to affected employees and write-off charges of damaged inventory and assets, totaling Bt 238m. The majority of such write-off stemmed from retail trading and contract manufacturing business while hotel & mixed-use and restaurant businesses saw only marginal impact in terms of asset and inventory write-off.

MINT's subsidiary, Minor Corporation, temporarily suspended the production of its household consumer products as its NMT manufacturing facility ("NMT") in Navanakorn Industrial Estate was shut down due to the severe flooding in the area. Nonetheless, the plant resumed its partial operation in December 2011, ahead of schedule. While there was no physical damage to the Company's hotel properties, domestic hotels experienced reservation cancellation as travel advisories were issued for Bangkok and many provinces identified as affected by the floods. On the other hand, restaurant business reported an impressive same-store-sales growth of 7% in 4Q11, although at one time, over 120 restaurants were closed primarily because the access to these outlets was flooded.

4Q11 revenues increased by 39% to Bt 7,345m, despite the major flooding during the period as MINT's businesses are more diversified, primarily with the consolidation of Oaks' performance in Australia and the strong contribution from sales of real estate development. MINT's hotel and restaurant businesses also saw an increase in revenues. Retail trading business, on the other hand, was the most impacted by the flooding and saw loss of revenues from the temporary closure of NMT manufacturing plant.

Revenue contribution from hotel & mixed-use business increased to 53% of total revenue, from 35% in 4Q10. Restaurant business, now the second largest revenue contributor, accounted for 40% while retail trading and contract manufacturing contributed another 7% in 4Q11.

Revenue Breakdown

Bt million	**4Q11**	**4Q10**	**%Chg**
Restaurant Services*	2,954	2,704	9%
Hotel & Mixed-Use	3,875	1,853	109%
Retail Trading & Contract Manufacturing	516	739	-30%
Total Revenue**	**7,345**	**5,296**	**39%**

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

MINT reported 2011 total revenues of Bt 28,332m, an increase of 48% from the same period last year. The growth was due to 1) 7-months consolidation of Oaks, 2) revenues from real estate development business, 3) strong performances of all business units and 4) gain on fair value adjustment of S&P investment.

In terms of revenue breakdown in 2011, hotel & mixed-use and restaurant businesses accounted for 45% and 41% of total revenues, respectively. Retail trading and contract manufacturing contributed another 10%. Gain on fair value adjustment of S&P investment accounted for the remaining 4%.

Revenue Breakdown

Bt million	**2011**	**2010**	**%Chg**
Restaurant Services*	11,697	10,540	11%
Hotel & Mixed-Use	12,657	5,870	116%
Retail Trading & Contract Manufacturing	2,923	2,680	9%
Gain on fair value adjustment of S&P investment	1,054	0	N/A
Total Revenue**	**28,332**	**19,089**	**48%**

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

In 4Q11, MINT reported EBITDA of Bt 1,369m, a 30% growth over the same period last year. The increase was due primarily to the strong performances of mixed-use businesses which over-compensated for one-time expenses and loss of business during the flood. As a result, hotel & mixed-use business and restaurant business accounted for 77% and 36% of total EBITDA in 4Q11, respectively. On the other hand, with the 2-months closure of NMT facility and write-off expenses of flooded assets and inventory, retail trading and contract manufacturing incurred negative EBITDA in 4Q11.

EBITDA Breakdown

Bt million	**4Q11**	**4Q10**	**%Chg**
Restaurant Services	492	449	10%
Hotel & Mixed-Use	1,050	553	90%
Retail Trading & Contract Manufacturing	-173	55	-416%
Total EBITDA	**1,369**	**1,056**	**30%**
EBITDA Margin	**19%**	**20%**	

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

2011 MINT EBITDA grew by 71% to Bt 6,201m. Excluding gain on fair value adjustment of S&P investment of Bt 1,054m and one-time goodwill impairment charge for investment of China business of Bt 93m in 3Q11, MINT EBITDA still increased by 44%. 2011 hotel and mixed-use EBITDA increased by 91% on the back of the Company's efforts to expand and diversify its hotel and mixed-use portfolio through acquisition of Oaks and sales of real estate development. Restaurant EBITDA, excluding gain on fair value adjustment of S&P investment and one-time goodwill impairment, increased by 10%, in line with revenue growth. Retail trading and contract manufacturing EBITDA declined by 97% as a result of the write-off related to floods in 4Q11.

In 2011, EBITDA contribution of the hotel & mixed-use business increased from 48% to 53%, while restaurant business accounted for 30% of total EBITDA in 2011. The one-time gain on S&P and impairment in China accounted for the remaining 17%.

EBITDA Breakdown

Bt million	**2011**	**2010**	**%Chg**
Restaurant Services	1,923	1,746	10%
Hotel & Mixed-Use	3,313	1,735	91%
Retail Trading & Contract Manufacturing	4	152	-97%
Gain on fair value adjustment of S&P investment	1,054	0	N/A
Goodwill impairment of China business	-93	0	N/A
Total EBITDA	**6,201**	**3,633**	**71%**
EBITDA Margin	**22%**	**19%**	

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

Despite Bt 238m additional expenses relating to the flood, MINT reported net profit of Bt 472m in 4Q11, up 9% y-y. However, such expenses took a toll on net profit margin, causing it to decline to 6%. 2011 net profit was Bt 2,880m, up 133% y-y. Excluding the gain from reclassification of S&P investment and one-time goodwill impairment of China business, 2011 net profit increased by 55% with net profit margin of 7%.

Net Profit

Bt million	**4Q11**	**4Q10**	**%Chg**
Total net profit	472	432	9%
Net Profit Margin	**6%**	**8%**	
	2011	**2010**	**%Chg**
Total net profit	2,880	1,236	133%
Net Profit Margin	**10%**	**6%**	

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

Major Developments in 4Q11

	Developments
Restaurant	• Purchased the remaining 30% stake in Thai Express, Singapore • Opened 54 outlets, net: of which, 15 were equity outlets, while the remaining 39 were franchised outlets • Opened the first equity Thai Express restaurant in China and first franchise Xin Wang restaurant in the Philippines • Opened the sixth outlet of TCC in Pattaya
Hotel & Mixed-Use	• Successfully rebranded Bangkok Marriott Resort & Spa to Anantara Bangkok Riverside Resort & Spa • Launched the first Avani hotel, Avani Bentota Resort & Spa, formerly known as Hotel Serendib and Serendipity Bentota, in Sri Lanka and later launched Avani Kalutara Resort & Spa, formerly known as Kani Lanka Resort & Spa, in Sri Lanka. • Transferred and recorded 4Q11 revenues for 11% of total sellable area of St. Regis Residence, resulting in full year 2011 recognition of almost 50% of total sellable area • Opened the famous contemporary Japanese restaurant, Zuma, at St. Regis Hotel Bangkok, making it the sixth venue for the global brand.
Retail Trading	• Opened 8 points of sale, following the grand opening of Central Rama 9 in December 2011 • Redefined the focus of retail trading brands and divested the investment in AmorePacific (Laneige cosmetics). The divestment was completed in early January 2012.

Segment Performance

Restaurant Business

At the end of 2011, MINT's total restaurants reached 1,257 outlets, comprising 711 equity-owned outlets (57% of total), and 546 franchised outlets (43% of total). Of total, 831 food outlets (66% of total) are in Thailand, while the remaining 426 outlets (34% of total) are located in Australia, New Zealand, China, Middle East, India and several countries in Asia. Fifty seven new outlets were opened in 4Q11, while three outlets were closed.

Restaurant Outlets by Owned Equity and Franchise

	4Q11	Chg q-q	Chg y-y
Owned Equity	711	15	26
- Thailand	616	16	25
- Overseas	95	(1)	1
Franchise	546	38	83
- Thailand	215	16	45
- Overseas	331	23	38
Total Outlets	**1,257**	**54**	**109**

Restaurant Outlets by Brand

	4Q11	Chg q-q	Chg y-y
The Pizza Company	277	16	29
Swensen's	267	10	25
Sizzler	45	-	1
Dairy Queen	263	11	20
Burger King	27	-	1
The Coffee Club*	294	14	32
Thai Express	69	3	(2)
Others**	15	-	3
Total Outlets	**1,257**	**54**	**109**

* 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

Despite the flood, total system sales (including sales from franchised outlets) increased by 13% y-y in 4Q11, driven by strong same store sales growth of 7% and 109 outlet expansion y-y. Most brands reported strong same store sales growth although some stores were temporarily closed as store accessibility was limited by the floods.

Thai Express group continued to report negative same store sales growth in 4Q11. Although the flagship brand, Thai Express, continued to do well with same store sales of 3% in 4Q11, Xin Wang brand saw negative same store sales growth as the brand recently went through management change. Nevertheless, Xin Wang same store sales is seeing an improving trend in November and December of 2011. It should see further improvement once the new management team settles in. Despite the negative same store sales of -1.6%

of Thai Express group for the year 2011, Thai Express still reported healthy net profit of S$8m.

For the year 2011, same store sales and total system sales growths remained strong compared to the same period last year. 2011 same store sales grew 9%, while total system sales grew 14%.

Restaurant Business Performance by Brand

Same Store Sales (% chg y-y)

	4Q11	4Q10	2011	2010
The Pizza Company	11.3	8.6	11.7	4.0
Swensen's	-0.3	1.7	3.6	2.6
Sizzler	5.0	4.3	11.8	5.7
Dairy Queen	20.7	11.7	16.7	7.5
Burger King	16.9	1.4	21.8	3.7
The Coffee Club	5.5	9.8	8.8	5.7
Thai Express	-3.7	1.6	-1.6	-5.3
Average	**6.5**	**6.8**	**9.0**	**3.7**

Total System Sales (% chg y-y)

	4Q11	4Q10	2011	2010
The Pizza Company	18.2	11.8	15.6	5.9
Swensen's	8.6	6.0	11.8	3.9
Sizzler	8.3	12.0	14.5	15.0
Dairy Queen	30.8	16.0	23.8	12.5
Burger King	6.9	4.5	17.1	6.6
The Coffee Club	13.7	17.9	15.8	16.7
Thai Express	-0.3	1.4	0.9	-1.0
Average	**12.7**	**11.8**	**14.1**	**9.8**

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

Financial Performance Analysis

4Q11 restaurant revenues grew 9% y-y, mainly driven by strong same store sales growth, together with continued outlet expansion. 2011 restaurant revenues, excluding gain on fair value adjustment of S&P investment, grew by 11%. EBITDA margin declined slightly to 16% because of higher personnel and marketing expenses earlier in the year.

Revenue Breakdown

Bt million	4Q11	4Q10	%Chg
Revenues from Operation*	2,859	2,622	9%
Franchise Fee	94	83	14%
Total Revenues	2,954	2,704	9%
EBITDA	**492**	**449**	**10%**
EBITDA Margin (%)	**17%**	**17%**	

	2011	2010	%Chg
Revenues from Operation*	11,349	10,248	11%
Franchise Fee	348	292	19%
Total Revenues	11,697	10,540	11%
EBITDA (excl. gain on fair value adjustment of S&P investment and goodwill impairment)	**1,923**	**1,746**	**10%**
EBITDA Margin (%)	**16%**	**17%**	

* Excludes gain on fair value adjustment of S&P investment, 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 9,821 hotel rooms and serviced suites, including 3,287 that are equity-owned and 6,534 that are purely-managed by the Company and its subsidiary, Oaks. Of total, 3,209 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

	4Q11	Chg q-q	Chg y-y
Equity-owned*	3,287	-9	296
- Thailand	2,371	-9	218
- Overseas	916	-	78
Management	6,534	-	5,411
- Thailand	838	-	45
- Overseas**	5,696	-	5,366
Total Hotel Rooms	**9,821**	**-9**	**5,707**

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

** Includes both properties with management contracts and service contracts

Hotel Room by Brand

	4Q11	Chg q-q	Chg y-y
Anantara*	2,355	407	619
Four Seasons	505	-	-
Marriott*	782	-413	-413
Oaks	5,277	0	5,277
Avani**	195	195	195
Others**	707	-198	29
Total Hotel Rooms	**9,821**	**-9**	**5,707**

* Bangkok Marriott has been rebranded to Anantara Bangkok Riverside since November 2011

** Hotel Serendib and Serendipity Bentota and Kani Lanka Resort & Spa have been rebranded to Avani Bentota Resort & Spa and Avani Kalutara Resort & Spa, respectively

Hotel Brand Performance Analysis

In 4Q11, Minor Hotel Group's average occupancy increased by 10% to 68%, primarily as a result of Oaks' high occupancy of 79%. Although average daily rates ("ADR") declined by 9%, attributable to lower ADR of Oaks, the higher occupancy more than compensated for the ADR shortfall, resulting in average revenues per available room ("RevPar") increase of 7% in 4Q11. During the quarter, average occupancy showed an improvement y-y across most brands, except Four Seasons and Others. Four Seasons Bangkok and St. Regis Hotel Bangkok experienced lower occupancies as a result of reservation cancellation caused by concern over the floods throughout the quarter. Nevertheless, for the full year 2011, all brands reported improvements in average occupancies. In terms of average daily rate ("ADR"), all groups except Anantara, showed an improvement in 4Q11. Some of the hotels which were recently rebranded to Anantara in 4Q11 were still temporarily limited in their abilities to increase room rates, right after the rebranding. Further improvement in room rates at these newly rebranded properties should be more visible in 2012.

Hotel Business Performance by Brand

Occupancy (%)

	4Q11	4Q10	2011	2010
Marriott*	65*	65	67*	63
Anantara*	58*	53	52*	47
Four Seasons	42	55	50	45
Oaks	79	N/A	79	N/A
Others**	44	55	45	44
Average	**68**	**58**	**65**	**52**

ADR (Bt/night)

	4Q11	4Q10	2011	2010
Marriott*	4,029	3,890	3,643	3,717
Anantara*	7,239	7,947	6,829	7,248
Four Seasons	9,970	8,176	8,660	8,338
Oaks	4,880	N/A	4,977	N/A
Others**	5,302	3,953	4,925	5,076
Average	**5,483**	**6,015**	**5,385**	**5,695**

RevPar (Bt/night)

	4Q11	4Q10	2011	2010
Marriott*	2,614	2,537	2,450	2,337
Anantara*	4,178	4,212	3,526	3,371
Four Seasons	4,197	4,525	4,325	3,735
Oaks	3,856	N/A	3,917	N/A
Others**	2,335	2,184	2,193	2,254
Average	**3,737**	**3,491**	**3,479**	**2,976**

* Bangkok Marriott has been rebranded to Anantara Bangkok Riverside since November 2011

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

Hotel Performance Analysis

MINT's revenues from hotel operations in 4Q11 doubled due mainly to the consolidation of Oaks, additional revenues from the new hotels and improvement of existing hotels. Similarly, 2011 revenues from hotel operations grew by 88%.

Mixed-Use Business & Performance Analysis

MINT's spa business is operated under Anantara, Mandara and Elemis brands. At the end of 4Q11, MINT owns and manages 36 spas in Thailand, China, Maldives, Tanzania, Jordan, UAE, India, Egypt, Vietnam and recently added Korea. In 4Q11, MINT reported a 9% decline in revenues from spa services to Bt 77m due to the closure of 3 spas during 2011. However, its revenues in 2011 increased slightly by 1% to Bt 298m.

MINT's real estate business develops and sells properties in conjunction with the development of some of its hotels. The first project is the Estates Samui, which is adjacent to MINT's Four Seasons Hotel in Samui, with 14 villas. 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 point-based vacation club under its own brand, Anantara Vacation Club. The first 20 purpose-built properties adjacent to Anantara Bophut, Samui, were completed as the inventory available for sale since December 2010. Another two villas in Phuket and three units in Queenstown, New Zealand were later added as part of Anantara Vacation Club's inventory in

2011. The two real estate businesses, together with rental income from the Estates Samui, reported sales of Bt 801m in 4Q11, while only Bt 216m was recognized in 4Q10 for the first few unit sales of St. Regis Residence Bangkok and some rental income from The Estates Samui. For 2011, sales of real estate development totaled Bt 2,853m, a significant increase compared to only Bt 236m in 2010.

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; (5) The Louis Tussaud's Waxworks; and (6) latest addition, surreal journey Scream in the Dark. In 4Q11, revenues from plaza and entertainment business remained flat at Bt 134m, while its 2011 revenues increased by 12% y-y to Bt 589m.

Overall Hotel & Mixed-Use Financial Performance Analysis

With Oaks' revenues of Bt 1,182m and real estate development revenues of Bt 801m, MINT's hotel & mixed-use business reported 4Q11 revenue growth of as much as 109% to Bt 3,875m. However, EBITDA margin from hotel & mixed-use business declined from 30% in 4Q10 to 27% in 4Q11. The decline was due primarily to the reservation cancellation in 4Q11, especially for hotels in Bangkok, initial operating expenses of two new hotels, Anantara Kihavah in the Maldives which was opened in February 2011 and the St. Regis Bangkok which was opened in April 2011, selling & marketing expenses of Anantara Vacation Club and St. Regis Residence and lower EBITDA margin of Oaks. As a result, 2011 EBITDA margin of hotel & mixed use business also declined to 26% from 30% in 2010.

Revenue Breakdown

Bt million	**4Q11**	**4Q10**	**%Chg**
Hotel operations*	2,736	1,350	103%
Management fee	127	68	86%
Spa services	77	85	-9%
Plaza & entertainment	134	133	0%
Real estate development**	801	216	270%
Total Revenues	3,875	1,853	109%
EBITDA	**1,050**	**553**	**90%**
EBITDA Margin (%)	**27%**	**30%**	

	2011	**2010**	**%Chg**
Hotel operations*	8,587	4,564	88%
Management fee	330	246	34%
Spa services	298	296	1%
Plaza & entertainment	589	527	12%
Real estate development**	2,853	236	1107%
Total Revenues	12,657	5,870	116%
EBITDA	**3,313**	**1,735**	**91%**
EBITDA Margin (%)	**26%**	**30%**	

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

Retail Trading and Contract Manufacturing Business

At the end of 2011, MINT had 247 retail trading points of sales, an increase by 8 points of sales from 239 at the end of 3Q11 from the opening of Central Rama 9 in Bangkok.

Of total retail trading outlets, 74% are operated under fashion brands such as Esprit, Bossini, GAP and Charles & Keith, while 20% are operated under cosmetics brands such as Red Earth, Bloom and Smashbox.

Retail Trading's Outlet Breakdown

	4Q11	**Chg q-q**	**Chg y-y**
Fashion	183	6	-4
Cosmetics	49	2	-5
Others	15	-	-2
Total Outlets	**247**	**8**	**-11**

In 4Q11, several retail points of sales were temporarily closed due to the floods, which limited the accessibility to the stores. In addition, the retail trading business' average same store sales declined by 12% owing primarily to the deteriorated consumer confidence. Moreover, contract manufacturing temporarily ceased the operation for 2 months as its facility was flooded. As a result, revenues from manufacturing and retail trading businesses declined by 80% and 4% in 4Q11, respectively. Revenue loss, together with asset and inventory write-off, resulted in the negative EBITDA of Bt 173m in 4Q11. Nevertheless, on the back of strong 9M11 performance, retail trading and manufacturing revenues in 2011 still increased by 9% and was break-even at EBITDA level.

Retail Trading and Contract Manufacturing's Revenue Breakdown			
Bt million	**4Q11**	**4Q10**	**%Chg**
Retail Trading	466	483	-4%
Manufacturing	50	256	-80%
Total Revenues	516	739	-30%
EBITDA	**-173**	**55**	
EBITDA Margin	**-33%**	**7%**	
	2011	**2010**	**%Chg**
Retail Trading	1,898	1,593	19%
Manufacturing	1,025	1,087	-6%
Total Revenues	2,923	2,680	9%
EBITDA	**4**	**152**	
EBITDA Margin	**0%**	**6%**	

Balance Sheet & Cash Flows

At the end of 2011, MINT reported total assets of Bt 40,865m, an increase of Bt 8,066m from Bt 32,799m at the end of 2010. The increase was primarily the result of:

1. Bt 5,629m increase in assets from the consolidation of Oaks and Bt 616m increase in goodwill arisen from Oaks' acquisition
2. Bt 1,310m increase in fixed assets of Anantara Kihavah Resort & Spa, Maldives and St. Regis Hotel and Residence, and
3. Bt 445m increase in associates and other long-term investment mainly from the additional investment in Serendib Hotels Limited, Sri Lanka of Bt 27m, additional investment in S&P of Bt 346m, and the acquisition of 25% stake of Tidal Swell (owner of four properties currently managed by Oaks) in Australia under Oaks of Bt 74m

MINT reported total liabilities of Bt 25,931m, an increase of Bt 6,888m from Bt 19,043m at the end of 2010. The increase was a result of;

1. Bt 3,053m increase in liabilities from the consolidation of Oaks, and
2. Bt 2,969m increase in long-term borrowings to finance Oaks' acquisition, and
3. Bt 2,300m increase in the issuance of debentures in March and October 2011, netted off with loan prepayment of Bt 1,116m and debenture repayment of Bt 1,000m

Shareholders' equity increased by Bt 1,179m to Bt 14,935m from Bt 13,756m at the end of 2010 owing mainly to net profit of Bt 1,826m (excluding gain on fair value adjustment of S&P investment) and the increased capital from exercise of ESOP warrants of Bt 90m, netted off with dividend payment of Bt 490m (net of dividend income) and the reduction in minority interest of Bt 383m as MINT acquired the remaining 30% stake in Thai Express .

For the year 2011, MINT and its subsidiaries reported cash flows from operations of Bt 3,813m, an increase of Bt 1,276m y-y. Cash flow paid for investing activities was Bt 6,539m, due primarily to (1) payments of Bt 2,521m for the acquisition of Oaks, and additional investments of Bt 402m in Thai Express, Bt 380m in S&P, Bt 72m in Tidal Swell and Bt 58m in Cyprea Lanka, (2) payments of Bt 2,778m for projects under development in 1Q11, namely Anantara Kihavah in the Maldives and St Regis Hotel & Residence and other fixed assets and (3) payment of Bt 156m for software development to support restaurant and retail trading businesses. The Company reported net cash receipts from financing activities of Bt 2,670m, comprising of (1) net proceeds from borrowings of Bt 3,083m, primarily 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 90m, netted off with (3) dividend payment of Bt 503m. As a result, MINT's net cash and cash equivalents decreased by Bt 55m in 2011.

Financial Ratio Analysis

MINT's gross profit margin declined from 62.3% in 2010 to 61.6% in 2011. The decline was due mainly to real estate development business. Although the business contributes almost Bt 3 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 2011 increased from 6.5% to 10.2%, owing mainly to the gain on fair value adjustment of S&P investment and improved profitability at net margin level of mixed-use business.

Return on equity increased to 20.1% in 2011 from 9.6% in 2010. Return on assets was also up to 7.8% from 4.1%. 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 4Q11, 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 2011, however, increased to 5.5x from 5.4x due mainly to the increased net profit. The above mentioned credit ratios are expected to improve partly on the back of future earnings contribution from Oaks.

Financial Ratio Analysis

Profitability Ratio	**31 Dec 11**	**31 Dec 10**
Gross Profit Margin (%)	61.58%	62.30%
Net Profit Margin (%)	10.17%	6.48%
Return on Equity (%)	20.08%	9.58%
Efficiency Ratio	**31 Dec 11**	**31 Dec 10**
Return on Assets (%)	7.82%	4.05%
Collection Period (days)	17	20
Liquidity Ratio	**31 Dec 11**	**31 Dec 10**
Current Ratio (x)	0.89	1.13
Leverage & Financial Policy	**31 Dec 11**	**31 Dec 10**
Interest Bearing Debt/Equity (x)	1.33	1.04
Net Interest Bearing Debt/Equity (x)	1.25	0.96
	31 Dec 11	**31 Dec 10**
Interest Coverage (x)	5.54	5.44

* Excluding gain on fair value adjustment of S&P investment and one-time goodwill impairment, ROE and ROA would be 13.4% and 5.2%.

Management's Outlook

A Promising 2012

After undergoing one of the worst natural disasters in Thailand's history, MINT expects 2012 to be even a stronger year. All businesses showed strong signs of recovery in January 2012, e.g. over 70% average occupancy for hotel portfolio, 11% same store sales growth for restaurant business and sales of the first Estates Samui residence in three years. As a result, MINT expects 2012 to be one of the best years on the back of the following factors;

1. **Organic expansion of current business**
   MINT had one of the strongest first nine-month performances in 2011 prior to the flood. Hotels, restaurants and retail stores were tracking well with the economic expansion and growth in domestic consumption. The flood, unfortunately, temporarily disrupted the growth momentum in the fourth quarter of 2011. However, strong 2011 performance was yet another evidence of MINT's resiliency to unexpected events. The Company's businesses quickly recovered after the flood. The company, its people and operating system have become very adaptive and pro-active after facing various crises over the past few years. While other companies had to shut down some of their operations during the flood due to supply shortage, MINT's hotels and the majority of its restaurants and retail stores continued to satisfy customers with only minimal disruptions, signifying its system is second to none.
2. **Continued momentum of real estate development**
   MINT recognized almost three billion Baht of sales from real estate development, equivalent to 10% of 2011 total revenues. Since the official opening of St. Regis Residence and Anantara Vacation Club in early 2011, sales momentum of both projects has continuously accelerated on the back of good product development and strong sales and marketing team. In January 2012, MINT sold another residential unit of the Estates Samui, in addition to St. Regis Bangkok. With 50% remaining inventory of both residential projects and more inventory in different destinations awaiting to be added into Anantara Vacation Club, MINT expects the performance of real estate development to remain strong.
3. **Better yields from newly start-up businesses**
   2012 will be the second year of operations for MINT's new hotels, Anantara Kihavah in the Maldives and St. Regis Hotel in Bangkok. Throughout 2011, the two hotels have built their strong awareness through multiple awards and accomplishment, resulting in increase in occupancies and average room rates. In 2012, the two hotels are expected to bring in positive contribution whereas they contributed losses in 2011.

Apart from new equity hotels, MINT's acquisitions in 2011 include two businesses in Australia; Oaks Hotels & Resorts and Ribs and Rumps restaurants. While Oaks is looking to expand further in the region with additional rooms under new MLR contracts, Ribs and Rumps recently opened its first new equity outlet since Sep-2011 acquisition. The new store is now one of the brand's top performing outlets in Australia.

4. **Additional source of income from potential new investment**

   Although one of the Company's objectives in 2012 is strengthening the existing businesses, MINT still looks for new business opportunities for greater diversification. The success of Oaks acquisition proves that not only does MINT have the expertise in seeking the right and reasonably-priced target, but also in incorporating the new business under one roof leveraging on excellent operational platform and stringent financial discipline.

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Ms. Trithip Sivakriskul
Corporate Chief Financial Officer