MANAGEMENT DISCUSSION AND ANALYSIS

Overview

1Q12 Performance

Minor International Public Company Limited ("MINT") again posted record quarterly revenues of Bt 8,849m, an increase of 32% y-y. MINT reported net profit of Bt 1,276 million, an impressive growth of 55% y-y. The increase was driven primarily by robust performances of hotels and restaurants, together with 100% consolidation of Oaks Hotels & Resorts ("Oaks") in Australia and Thai Express in Singapore. In 1Q12, hotel & mixed-use and restaurant businesses reported substantial y-y revenue growths of 60% and 16%, respectively. Hotel & mixed-use's revenue and profit in 1Q12, excluding the consolidation of Oaks, were MINT's record high, even higher than in any quarter of 2007 – 2008, which were the pre-crisis period. 1Q12 average Revenue per Available Room (RevPar) of most hotels under Minor Group improved y-y, while all food brands saw compelling same store sales growth for both domestic and overseas restaurants. Although revenue of retail trading business slightly increased y-y, revenue of contract manufacturing declined as Navasri Contract Manufacturing plant ("NMT") resumed only partial operation since flooding in late 2011.

Revenue contribution from hotel & mixed-use business increased to 52% of total revenue in 1Q12, from 43% in 1Q11, as a result of improvement of the hotel business, together with Oaks consolidation. Restaurant business, now the second largest revenue contributor, accounted for 39% while retail trading and contract manufacturing contributed the remaining 9% in 1Q12.

Revenue Breakdown

Bt million	1Q12	1Q11	%Chg
Restaurant Services	3,451	2,963	16%
Hotel & Mixed-Use	4,609	2,876	60%
Retail Trading & Contract Manufacturing	789	840	-6%
Total Revenue*	**8,849**	**6,679**	**32%**

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

In 1Q12, MINT reported EBITDA of Bt 2,245m, a 49% growth over the same period last year. The increase was due primarily to solid performances of hotel & mixed-use and restaurant businesses. As a result, hotel & mixed-use business and restaurant business accounted for 69% and 26% of total EBITDA in 1Q12, respectively. Retail trading & contract manufacturing contributed the remaining 5% of total EBITDA.

EBITDA Breakdown

Bt million	1Q12	1Q11	%Chg
Restaurant Services	583	467	25%
Hotel & Mixed-Use	1,559	975	60%
Retail Trading & Contract Manufacturing	103	64	61%
Total EBITDA	**2,245**	**1,506**	**49%**
EBITDA Margin	**25%**	**23%**	

MINT reported net profit of Bt 1,276m in 1Q12, up 55% y-y. The growth rate of net profit exceeded that of total revenues due to the improved profitability of all business units. As a result, net profit margin improved from 12% in 1Q11 to 14% in 1Q12.

Net Profit

Bt million	1Q12	1Q11	%Chg
Total net profit	1,276	823	55%
Net Profit Margin	**14%**	**12%**	

Major Developments in 1Q12

	Developments
Restaurant	• Opened 7 outlets, net: 3 of which were equity outlets, while the other 4 were franchised outlets • Fully consolidated Thai Express' performance after MINT acquired the remaining 30% stake in late 2011
Hotel & Mixed-Use	• Transferred and recorded 1Q12 revenues for 8% of total sellable area of St. Regis Residence, in addition to another residential unit of the Estates Samui in January 2012 • Anantara Vacation Club added two villas in Phuket to its inventory portfolio
Retail Trading	• Launched the Singapore-based footwear brand, Pedro, at Central Festival Pattaya. Pedro offers a wide range of modern luxury footwear and accessories. • Closed down all points of sale under Laneige brand, hence, number of total points of sales declined from 246 at the end of 2011 to 240 at 1Q12

Segment Performance

Restaurant Business

At the end of 1Q12, MINT's total restaurants reached 1,264 outlets, comprising 717 equity-owned outlets (57% of total), and 547 franchised outlets (43% of total). Of total, 841 food outlets (67% of total) are in Thailand, while the remaining 423 outlets (33% of total) are located in Australia, New Zealand, China, Middle East, India and several countries in Asia. Twenty new outlets were opened in 1Q12, while thirteen outlets were closed. Over half of closed outlets were Thai Express outlets as part of the plan to continue the rationalization of its business.

Restaurant Outlets by Owned Equity and Franchise

	1Q12	Chg q-q	Chg y-y
Owned Equity	717	3	31
- Thailand	623	7	32
- Overseas	94	(4)	(1)
Franchise	547	4	76
- Thailand	218	3	41
- Overseas	329	1	35
Total Outlets	**1,264**	**7**	**107**

Restaurant Outlets by Brand

	1Q12	Chg q-q	Chg y-y
The Pizza Company	285	8	37
Swensen's	266	(1)	20
Sizzler	44	(1)	0
Dairy Queen	263	-	16
Burger King	27	-	0
The Coffee Club*	300	6	27
Thai Express	64	(5)	(4)
Others**	15	-	3
Total Outlets	**1,264**	**7**	**107**

* 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

All brands reported strong same store sales growth throughout the first quarter, from increases in both revenue per customer and customer count. The increases were attributable to a combination of domestic consumption growth and successful marketing strategies.

The two brands that saw notable increases in same store sales were Swensen's and Dairy Queen. Swensen's same store sales grew significantly especially in March as a result of the successful promotion of mango sundae. Dairy Queen's substantial increase in same store sales was attributable to higher customer count and effective marketing campaign.

Thai Express group reported positive same store sales growth in 1Q12, driven primarily by double digit growth of the flagship Thai Express brand, together with the improved performance of other brands under Thai Express group.

As a result of favourable performances across all brands, average same store sales in 1Q12 expanded by 7.6%, while total system sales grew by 16.2%.

Restaurant Business Performance by Brand

Same Store Sales (% chg y-y)	1Q12	1Q11
The Pizza Company	7.4	10.8
Swensen's	15.7	(2.5)
Sizzler	5.5	10.5
Dairy Queen	32.2	5.2
Burger King	6.3	9.8
The Coffee Club	4.3	11.1
Thai Express	2.8	(2.0)
Average	**7.6**	**7.8**

Total System Sales (% chg y-y)	1Q12	1Q11
The Pizza Company	18.5	13.4
Swensen's	25.7	2.6
Sizzler	10.8	12.5
Dairy Queen	43.6	8.9
Burger King	7.6	11.5
The Coffee Club	13.5	16.9
Thai Express	6.7	2.0
Average	**16.2**	**11.9**

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

Financial Performance Analysis

1Q12 restaurant revenues grew by 16% y-y, mainly driven by strong growths from own operation as well as franchise income. MINT's franchise fee grew by 26% y-y as a result of strong performances of franchised The Pizza Company and Swensen's restaurants, together with additional royalty fees from Dairy Queen domestic franchising which was officially launched in 2011. 1Q12 EBITDA exhibited relatively higher growth of 25% compared to increase in revenues, due to the improved cost structure primarily from the lower food costs as a percentage of sales and higher revenue flow-through on the back of operating leverage of key brands. As a result, EBITDA margin improved to 17% in 1Q12 compared to 16% in 1Q11, despite the increase in minimum wage, which has already been implemented since October 2011.

Revenue Breakdown

Bt million	1Q12	1Q11	%Chg
Revenues from Operation*	3,351	2,884	16%
Franchise Fee	100	79	26%
Total Revenues	3,451	2,963	16%
EBITDA	**583**	**467**	**25%**
EBITDA Margin (%)	**17%**	**16%**	

* Includes share of profit and other income

Hotel & Mixed-Use Business

Hotel Business

At the end of 1Q12, MINT owns twenty eight hotels and manages forty seven hotels and serviced suites in ten countries. Altogether, these properties have 9,707 hotel rooms and serviced suites, including 3,287 that are equity-owned and 6,420 that are purely-managed by the Company and its subsidiary, Oaks. Of total, 3,209 rooms in Thailand accounted for 33%, while the remaining 6,498 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

	1Q12	Chg q-q	Chg y-y
Equity-owned*	3,287	-	218
- Thailand	2,371	-	218
- Overseas	916	-	-
Management	6,420	132	5,252
- Thailand	838	-	-
- Overseas**	5,582	132	5,252
Total Hotel Rooms	**9,707**	**132**	**5,470**

* 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

	1Q12	Chg q-q	Chg y-y
Anantara*	2,355	-	496
Four Seasons	505	-	-
Marriott*	782	-	(413)
Oaks	5,163	132	5,163
Avani**	195	-	195
Others**	707	-	29
Total Hotel Rooms	**9,707**	**132**	**5,470**

* 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 1Q12, Minor Hotel Group's average occupancy increased by 13% y-y to 73%, mainly from improved occupancies across most brands, particularly for hotels in Thailand, and Oaks' high occupancy of 79%. Average daily rates ("ADR") declined by 9% y-y, attributable to lower ADR of Oaks. Excluding Oaks, the group's ADR increased by 7% y-y, primarily attributable to overseas hotels in the Maldives, Bali, Abu Dhabi, Sri Lanka and Vietnam. Moreover, two new invested hotels opened in 2011, Anantara Kihavah in the Maldives and St. Regis Bangkok, began to report healthy and stable occupancies of 60% - 80%. Hence, 1Q12 average revenues per available room ("RevPar") increased by 11% y-y.

Hotel Business Performance by Brand

Occupancy (%)

	1Q12	1Q11	Change
Marriott*	80	79	1%
Anantara*	65	47	18%
Four Seasons	64	59	5%
Oaks	79	N/A	N/A
Others**	58	62	-4%
Average	**73**	**60**	13%

ADR (Bt/night)

	1Q12	1Q11	Change
Marriott*	4,814	4,243	13%
Anantara*	7,738	8,548	-9%
Four Seasons	9,349	9,678	-3%
Oaks	5,244	N/A	N/A
Others**	6,245	5,203	20%
Average	**6,039**	**6,638**	-9%

RevPar (Bt/night)

	1Q12	1Q11	Change
Marriott*	3,854	3,344	15%
Anantara*	5,039	4,025	25%
Four Seasons	5,969	5,699	5%
Oaks	4,119	N/A	N/A
Others**	3,615	3,229	12%
Average	**4,417**	**3,981**	11%

* 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 1Q12 more than doubled due mainly to 1) the consolidation of Oaks, 2) increased revenues from fully operated Anantara Kihavah in the Maldives and St. Regis hotel Bangkok and 3) the improvement of existing hotels. Excluding Oaks, MINT's revenues from hotel operations still increased by 56%.

Mixed-Use Business & Performance Analysis

MINT's spa business is operated under Anantara, Mandara and Elemis brands. At the end of 1Q12, MINT owns and manages 36 spas in Thailand, China, Maldives, Tanzania, Jordan, UAE, India, Egypt, Vietnam and most recent addition, Korea. In 1Q12, MINT reported a 3% increase in revenues from spa services to Bt 83m despite the closure of 3 managed spas during 2011.

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, consisting of 14 villas, adjacent to MINT's Four Seasons Hotel in Samui. The second project is St. Regis Residences, with 53 residential units located above St. Regis Hotel Bangkok. Another real estate development operation launched in December 2010 is MINT's point-based vacation club under its own brand, Anantara Vacation Club. As at 1Q12, Anantara Vacation Club has total inventory of 27 units, comprising of 20 purpose-built properties adjacent to Anantara Bophut, Samui, four villas in Phuket and three units in Queenstown, New Zealand, of which two villas in Phuket were recently added in 1Q12. The selling momentum of St. Regis residential units continued into 2012, while one villa of the Estates Samui was sold in 1Q12. Moreover, the sale of Anantara Vacation Club tripled in 1Q12, compared to 1Q11. The two real estate businesses, together with rental income from the Estates Samui, reported sales of Bt 903m in 1Q12, a slight decrease of 2% y-y. The decline was due merely to the higher revenues of St. Regis units in 1Q11, as a result of the recognition of the pre-sold units prior to the official launch of the project.

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 six 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 1Q12, revenues from plaza and entertainment business declined slightly by 4% to Bt 150m, partly because the entertainment business in Pattaya saw a decline in customer traffics.

Overall Hotel & Mixed-Use Financial Performance Analysis

With Oaks' revenues of Bt 1,270m, real estate development revenues of Bt 903m and the improved performance of all hotels, MINT's hotel & mixed-use business reported 1Q12 revenue growth of as much as 60% to Bt 4,609m in 1Q12. 1Q12 EBITDA from hotel & mixed-use business also expanded by 60% to Bt 1,559m. EBITDA margin in 1Q12, remained stable at 34%.

Revenue Breakdown

Bt million	**1Q12**	**1Q11**	**%Chg**
Hotel operations*	3,372	1,644	105%
Management fee	101	79	28%
Spa services	83	81	3%
Plaza & entertainment	150	156	-4%
Real estate development**	903	917	-2%
Total Revenues	4,609	2,876	60%
EBITDA	**1,559**	**975**	**60%**
EBITDA Margin (%)	**34%**	**34%**	

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

Retail Trading and Contract Manufacturing Business

At the end of 1Q12, MINT had 240 retail trading points of sales, a decline of 6 points of sales from 246 at the end of 2011. The decrease was due primarily to the closure of all 12 Laneige outlets as the joint venture that carried the brand was sold back to its principal, netted off with the opening of Charles & Keith, GAP and Pedro outlets.

Of total retail trading outlets, 79% are operated under fashion brands such as Esprit, Bossini, GAP, Charles & Keith, Tumi and Pedro, while another 15% are operated under cosmetics brands such as Red Earth, Bloom and Smashbox.

Retail Trading's Outlet Breakdown

	1Q12	**Chg q-q**	**Chg y-y**
Fashion	190	8	17
Cosmetics	36	(13)	(8)
Others	14	(1)	(2)
Total Outlets	**240**	**(6)**	**7**

In 1Q12, retail trading business reported a healthy revenue growth of 9%, compared to the same period last year. Even with partial recovery of insurance claim on the business interruption from the floods in 4Q11, revenues from contract manufacturing declined by 27%, as the NMT facility only resumed partial operation since the flooding. EBITDA, on the other hand, increased by 61% to Bt 103m, as the insurance payment flowed directly to the bottom line. As a result, EBITDA margin expanded from 8% in 1Q11 to 13% this quarter. Excluding the insurance claim, EBITDA margin from operations remained at 8% in 1Q12.

Retail Trading and Contract Manufacturing's Revenue Breakdown

Bt million	**1Q12**	**1Q11**	**%Chg**
Retail Trading	536	494	9%
Manufacturing	253	346	-27%
Total Revenues	789	840	-6%
EBITDA	**103**	**64**	**61%**
EBITDA Margin	**13%**	**8%**	

Balance Sheet & Cash Flows

At the end of 1Q12, MINT reported total assets of Bt 42,020m, an increase of Bt 1,155m from Bt 40,865m at the end of 2011. The increase was primarily the result of:

1. Bt 191m increase in cash and cash equivalent mainly from Oaks operation and management fees received from managed properties.

2. Bt 690m increase in trade and other receivables from resumed operation of Navasri manufacturing plant, increased sales of Anantara Vacation Club and Oaks.

3. Bt 300m increase in intangible assets from Oaks' acquisition of Management Letting Right ("MLR") and increased goodwill from the acquisition of Grand Hotel.

MINT reported total liabilities of Bt 25,765m, a decrease of Bt 165m from Bt 25,931m at the end of 2011. The decrease was a result of reduction in current liabilities following the repayment of short term loans, netted off with increase in long-term liabilities of Bt 357m mainly to support Oaks' acquisition of MLR and Grand Hotel.

Shareholders' equity increased by Bt 1,320m to Bt 16,254m from Bt 14,934m at the end of 2011 owing mainly to net profit of Bt 1,276m and the exercise of right-offering and ESOP warrants.

As of 1Q12, MINT and its subsidiaries reported cash flows from operations of Bt 1,367m, a slight decrease of Bt 23m y-y. Cash flow paid for investing activities was Bt 1,147m, due primarily to (1) payment of Bt 579m for the acquisitions under Oaks (2) total payment of Bt 123m for inventory development of Anantara Vacation Club and (3) payment of Bt 445m as capital expenditures for hotel and restaurant businesses. The Company reported net cash paid from financing activities of Bt 16m, comprising of (1) net proceeds received from long-term loans of Bt 495m to support Oaks' acquisition and (2) net proceeds of Bt 95m from the exercise of warrants, netted off with (3) Bt 502m and Bt 104m repayment of short-term and long-term loans, respectively. As a result, MINT's net cash and cash equivalents increased by Bt 205m in 1Q12.

Financial Ratio Analysis

MINT's gross profit margin remained stable at 61.1% in 1Q12, while net profit margin improved from 12.3% in 1Q11 to 14.4% in 1Q12 mainly from the improved profitability of restaurant business.

Annualized return on equity increased to 32.7% in 1Q12 from 23.2% in the same period last year. Correspondingly, annualized return on assets was up to 12.3% from 9.8%. The increase of both ratios was a result of significantly improved net profit.

Current ratio increased from 0.9 as at 31 December 2011 to 1.0 at the end of 1Q12, primarily from the decline in current liabilities. Likewise, net interest bearing debt/ equity declined from 1.3x at the end of 2011 to 1.1x. Annualized interest coverage ratio in 1Q12, however, decreased t0 6.6x from 9.6x in 1Q11 due mainly to the increased interest expenses from the acquisition-related borrowings.

Financial Ratio Analysis

Profitability Ratio	**31-Mar-12**	**31-Mar-11**
Gross Profit Margin (%)	61.13%	61.17%
Net Profit Margin (%)	14.41%	12.32%
Return on Equity (%)*	32.72%	23.15%
Efficiency Ratio	**31-Mar-12**	**31-Mar-11**
Return on Assets (%)*	12.31%	9.79%
Collection Period (days)*	18	14
Liquidity Ratio	**31-Mar-12**	**31-Dec-11**
Current Ratio (x)	1.02	0.89
Leverage & Financial Policy	**31-Mar-12**	**31-Dec-11**
Interest Bearing Debt/Equity (x)	1.21	1.33
Net Interest Bearing Debt/Equity (x)	1.13	1.25
	31-Mar-12	**31-Mar-11**
Interest Coverage (x)*	6.64	9.64

Note: *Annualized

Management's Outlook

Unremitting Momentum for the Remaining of 2012

MINT's 1Q12 revenues and profit grew significantly y-y as a result of solid operations of both hotel and restaurant businesses, and new developments and initiatives the Company laid the foundation of over the past few years; from development of new hotels and mixed-use projects, restaurant expansion to acquisition of a group of overseas hotels. Throughout 2012, MINT expects that such development will bear fruit and continue to generate ample revenues and income, in addition to solid existing operations.

Pipeline Expansion On Track

In addition to 1,264 restaurants, 75 hotels, 2 residential projects, 1 vacation club, 3 shopping plazas and 240 retail points of sales, MINT continues to expand its businesses in 2012 with some key committed development as follows;

Restaurants

Apart from strengthening the operations in Thailand, MINT plans to drive the growth of international franchising in existing markets, e.g. South East Asia, Middle East and India. Thai Express and The Coffee Club, on the other hand, will be the spearheads to penetrate into new markets.

Hotel & Mixed-use

Throughout 2012, MINT plans to open four purely managed hotels under Anantara brand in China, Bali and UAE, while Elewana Afrika plans to open two boutique camps in Kenya. Meanwhile, Anantara Vacation Club is acquiring a property with 18 villas in Bali as AVC inventory.

Retail Trading and Contract Manufacturing

As at the end of April 2012, Navasri Contract Manufacturing plant resumed 70% - 80% of normal production. The plant is expected to resume its full operation by mid-2012.

For retail trading, after the debut of Pedro footwear in Pattaya in the first quarter, MINT opened Pedro's second outlet in Central Plaza Rama 9, Bangkok, in April 2012. Following the success of Charles & Keith, MINT believes Pedro will be another premium alternative of quality footwear for Thai consumers.

Lower Degree of Leverage

Over the past few years, MINT's leverage ratio gradually increased as a result of higher CAPEX to build for the future, including the completion of two new hotels, the investment in real estate projects, the acquisition of Oaks and Ribs and Rumps, as well as increased investment in Thai Express and S&P Syndicate Pcl. ("S&P"). In any case, all of the above investments began to pay off and generated ample cash flows since late 2011. Consequently, net interest bearing debt to equity declined from 1.25x at the end of 2011 to 1.13x in 1Q12.

Despite the challenges that MINT and its employees have been going through during 2009 – 2011, the fast pace of recovery and the ability to post strong profit right after the crisis proved that MINT has strived to meet longer-term objective, i.e. maximizing shareholder's value, rather than focusing merely on today's problems. Regardless of economic and political instabilities over the past few years, MINT remained focused on strengthening its fundamentals, while pursuing expansion targets through the development of new hotels and mixed-use projects, maintaining the standard of existing ones with renovations, or even making sizable acquisitions. Every year, the Company's strategic directions will be set to steer the Company towards its ultimate objective: "To be A Leading International Hospitality and Lifestyle Operator".

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Ms. Trithip Sivakriskul
Corporate Chief Financial Officer