

MINT ANNOUNCES 60% 1H16 NET PROFIT INCREASE

Minor International (“MINT”) reported net profit of Baht 4,307 million for 1H16, a 60% increase from Baht 2,698 million in 1H15. The increase was principally due to the strong performance of MINT’s restaurant and hospitality businesses, together with a revaluation contribution from the Tivoli acquisition in 1Q16 and a fair value adjustment of investment in BreadTalk Group in Singapore in 2Q16, as required under Thai Generally Accepted Accounting Principles (Thai GAAP). Excluding these non-recurring items and the non-recurring revaluation contribution from the Sun International portfolio acquisition in 1Q15, MINT’s net profit increased by 9% in 1H16 compared to 1H15. For 2Q16, MINT’s reported profit increased by 35% year-on-year. Excluding non-recurring items, 2Q16 net profit rose by 10% year-on-year, primarily driven by the strong performance of the restaurant business’ Thai operations, the hospitality business’ Thailand hotel portfolio, the consolidation of the Tivoli hotel portfolio and contribution from residential sales.

Minor Hotels reported a net profit increase of 73% in 1H16, reflecting its strong acquisition capabilities as well as the solid operational performance of its existing hotel and residential portfolios. Excluding the non-recurring revaluation contributions of Tivoli acquisition in 1Q16 and Sun International hotels portfolio acquisition in 1Q15, Minor Hotels’ 1H16 net profit rose by 8% year-on-year. In 1H16, performance of Thailand hotels, the consolidation of the newly acquired Tivoli portfolio in Portugal and residential sales were the principal drivers of the Minor Hotels’ performance. In 2016, Anantara is celebrating its 15th year anniversary. With Thailand as its established home base, Anantara today has successfully grown its brand footprint internationally across Asia, Middle East, Indian Ocean and Africa, becoming one of the most reputable global hospitality brands in the process. Organic revenue per available room (RevPar) of owned hotels in Thailand (excluding new hotels) increased by 6% in 1H16, led by hotels in upcountry tourist destinations including Phuket, Koh Samui, Chiang Mai and Chiang Rai. The occupancy of Tivoli portfolio in Portugal was nearly 70% in 2Q16, as Portugal builds toward the upcoming high season in the third quarter. With the sale of one unit of the Residences by Anantara Layan Phuket in 2Q16, in addition to the two units sold in 1Q16, real estate revenue increased by 18% in 1H16 year-on-year. Going into the second half of 2016, Minor Hotels’ performance is expected to continue to strengthen. It is expected that performance of Thailand hotels will continue to be strong, supported by high tourist arrivals. Tivoli’s Portuguese portfolio will have its high season in the third quarter and Minor Hotels will further benefit in 2H16 from its full consolidation of the Royal Livingstone by Anantara and AVANI Victoria Falls properties, due to the effective increase in its shareholding from 50% to 100% in July 2016. Moreover, the AVANI brand is experiencing new success, with Minor Hotels having secured management contracts in Khon Kaen, Thailand and Deira, Dubai, UAE under the brand. The contribution from management fees of these two rebranded hotels will commence in 2H16. Minor Hotels will also begin to record revenue from sales of the Anantara Chiang Mai Serviced Suites in 2H16, upon completion of the project. Furthermore, Minor Hotels is confident in the long-term prospects of the Residences by Anantara Layan Phuket as the property prices in Phuket are trending up considerably.

Minor Food reported a net profit increase of 34% in 1H16 and 67% in 2Q16 year-on-year. This increase was primarily a result of the strong performance of Thailand and China hubs, higher profit contribution from Minor DKL in Australia following Minor Food’s increase in shareholding from 50% to 70% in November 2015, as well as the fair value adjustment of investment in BreadTalk Group in Singapore in 2Q16 upon the change of investment status from available-for-sale investment to investment in associate. Excluding the non-recurring fair value adjustment, Minor Food’s net profit increased by 16% in 1H16 and 21% in 2Q16 year-on-year. Minor Food continued to demonstrate its leadership position in Thailand with strong same-store-sales growth of 6.1% in 2Q16, the highest in over three years, led by the outstanding performance of The Pizza Company. Minor Food’s China hub continued to see an improving trend in its performance, with same-store-sales growth as high as 6.9% in 2Q16, which was also the highest in over three years. With overall group-wide same-store-sales growth of 2.3% in 2Q16, together with outlet expansion of 8% year-on-year, Minor Food reported total-system-sales growth of 9.9% in 2Q16. Minor Food expects robust performance for 2H16, with the improvement of Thailand consumer sentiment, together with its market leader position, solid product innovation platform, operational excellence, and the increased shareholding in Minor DKL in Australia.

Minor Retail reported a year-on-year net profit decrease of 41% in 1H16, primarily due to the pre-opening expenses of two new brands, Brooks Brothers and Kojima Premium Denim, which were launched in 2Q16. In addition, many fashion brands offered deep discount end-of-season sales campaigns in light of other retailers' aggressiveness to liquidate their inventory, which resulted in temporary pressure on margins. Nevertheless, Minor Retail should show solid performance in the second half of 2016.

About Minor International: Minor International (MINT) is a global company focused on three core businesses: restaurants, hospitality and lifestyle brands distribution. MINT is one of Asia's largest restaurant companies with over 1,800 outlets operating system-wide in 19 countries under The Pizza Company, Swensen's, Sizzler, Dairy Queen, Burger King, Thai Express, The Coffee Club, Ribs and Rumps, BreadTalk (Thailand) and Riverside brands. MINT is also a hotel owner, operator and investor with a portfolio of 151 hotels and serviced suites under the Anantara, AVANI, Oaks, PER AQUUM, Tivoli, Elewana, Marriott, Four Seasons, St. Regis, Radisson Blu and Minor International brands in 22 countries across Asia Pacific, the Middle East, Africa, the Indian Ocean, Europe and South America. MINT is one of Thailand's largest distributors of lifestyle brands focusing primarily on fashion, cosmetics and contract manufacturing. Its brands include Gap, Banana Republic, Brooks Brothers, Kojima Jeans, Esprit, Bossini, Charles & Keith, Pedro, Red Earth, Zwilling J.A. Henckels and ETL Learning. For more information, please visit www.minorinternational.com.

	PERFORMANCE (Bt m)					
	2Q16	2Q15 (Restated)	% Change	1H16	1H15 (Restated)	% Change
Total Revenues	12,795	9,965	28%	28,611	22,080	30%
Cost of Sales	4,660	3,614	29%	9,570	7,500	28%
Selling & Administrative	5,966	4,706	27%	11,629	9,598	21%
EBITDA	2,169	1,645	32%	7,411	4,982	49%
Depreciation & Amort.	895	708	26%	1,799	1,443	25%
EBIT	1,274	937	36%	5,613	3,539	59%
Interest Expenses	386	327	18%	792	644	23%
Earnings Before Tax	888	610	45%	4,821	2,895	66%
Corporate Tax	102	52	97%	400	145	175%
Minority Interest	55	18	209%	115	52	121
Net Profit as Reported	732	541	35%	4,307	2,698	60%
Core Net Profit	596	541	10%	2,239	2,048	9%
Fully Diluted EPS as Reported (Bt)	0.1657	0.1229	35%	0.9778	0.6128	60%
Fully Diluted Shares (mn)	4,417	4,402	0%	4,405	4,402	0%

Note: Total revenue includes share of profit and other revenue

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