

MINT REPORTS 11% CORE NET PROFIT INCREASE FOR 9M16

Minor International (“MINT”) announced 9M16 core net profit of Baht 3,229 million, an 11% increase from 9M15 core net profit of Baht 2,901 million, driven by the performance of MINT’s restaurant and hotel businesses. Including the non-recurring items, which demonstrate MINT’s acquisition capabilities and are required to be recognized in its financial statements under Thai Generally Accepted Accounting Principles (Thai GAAP), namely, a revaluation gain contribution from MINT’s Tivoli acquisition in 1Q16, a fair value adjustment of MINT’s investment in BreadTalk Group in Singapore in 2Q16, and revaluation gain contribution Sun International hotels portfolio and Oaks Elan Darwin acquisitions in 9M15, MINT reported 9M16 net profit of Baht 5,297 million, a 46% increase from Baht 3,621 million in 9M15. For 3Q16, excluding non-recurring items, core net profit increased to Baht 990 million, a 16% increase from Baht 854 million in 3Q15. This year-on-year growth was attributable to the performance of MINT’s restaurant and hotel operations in Thailand, earnings contributions of the Tivoli hotel portfolio in Portugal during its high season and full consolidation of MINT’s two hotels in Zambia.

Minor Hotels reported 9M16 core net profit (excluding non-recurring items) increase of 11% from 9M15. This growth reflected solid operational performance of MINT’s hotel portfolio and residential business. For 3Q16, excluding non-recurring items, Minor Hotels’ core net profit increased by 16% year-on-year, attributable to earnings contributions from the Tivoli hotels portfolio in Portugal (the acquisition of which was completed in early 2016), with third quarter being its high season, the good performance of MINT’s Thailand hotels, together with the increased earnings contribution from MINT’s two hotels in Zambia following Minor Hotels increasing its shareholding in such hotels from 50% to 100% in July 2016. System-wide revenue per available room (RevPar) of MINT’s owned hotels increased by 8% year-on-year in 3Q16, led by healthy performance of the Tivoli portfolio in Portugal, where occupancy reached 85% for the quarter. Owned hotels in Thailand also reported solid RevPar growth, attributable to overall strong performance of hotels in major tourist destinations, particularly in Bangkok and northern Thailand. Going into fourth quarter, Minor Hotels is cautious of its domestic operations as activities have slowed down during the mourning period of His Majesty King Bhumibol Adulyadej. Although Thailand remains an attractive destination for tourism in the medium and long term, Minor Hotels anticipates the domestic business to soften in the coming fourth quarter compared to the same period last year, in particular the MICE segment. Outside of Thailand, with continued global economic uncertainties, Brazil and Maldives remain challenging in the short term.

Minor Food reported 9M16 core net profit (excluding non-recurring item) growth of 16% year-on-year. This growth reflected the strong performance of Minor Food’s Thailand and China hubs, and higher earnings contributions from Minor DKL in Australia following Minor Food’s increase in shareholding in the company from 50% to 70% in November 2015. For 3Q16, net profit increased by 17% year-on-year. Minor Food’s operations in Thailand continued to be strong in 3Q16, with same-store-sales growth of 5.8% led by the outstanding performance of The Pizza Company. Minor Food’s China hub showed continuous operational improvement in 3Q16, driving same-store-sales growth of 4.4% year-on-year. With overall group-wide same-store-sales growth of 3.0% in 3Q16, together with outlet expansion of 8% year-on-year, Minor Food reported total-system-sales growth of 11.3% in 3Q16. As Thailand contributes 59% of Minor Food’s revenue in 9M16, Minor Food is watchful of the potential drop of domestic consumer sentiment in 4Q16, as MINT and the nation mourn during this period. In addition, Singapore hub continues to undergo portfolio restructuring in order to withstand the economic slowdown and high competition in the country.

Minor Lifestyle reported a year-on-year net profit decrease of 37% in 9M16, primarily due to pre-opening expenses for its two new brands, Brooks Brothers and Kojima Premium Denim, in 2Q16 as Minor Lifestyle continues to invest in the growth of its brand portfolio. In addition, earlier in 2016, many fashion brands offered deep discount end-of-season sales campaigns, in light of other retailers’ aggressiveness to liquidate their inventory, resulting in temporary pressures on margins. However, in 3Q16, Minor Lifestyle is seeing improving trends, with a net profit decline of 15% year-on-year. Minor Lifestyle continues to pursue opportunities to selectively add new brands to its portfolio, which is expected to improve its performance in the long term.

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 1,900 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 155 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 23 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, Etam, Charles & Keith, Pedro, Radley, Anello, Red Earth, Zwilling J.A. Henckels and ETL Learning. For more information, please visit www.minorinternational.com.

	PERFORMANCE (Bt m)					
	3Q16	3Q15 (Restated)	% Change	9M16	9M15 (Restated)	% Change
Total Revenues	13,959	11,087	26%	42,570	33,167	28%
Cost of Sales	4,862	3,920	24%	14,433	11,419	26%
Selling & Administrative	6,380	5,038	27%	18,010	14,636	23%
EBITDA	2,716	2,129	28%	10,128	7,111	42%
Depreciation & Amort.	1,027	813	26%	2,826	2,256	25%
EBIT	1,689	1,317	28%	7,302	4,856	50%
Interest Expenses	399	313	27%	1,191	957	24%
Earnings Before Tax	1,290	1,004	28%	6,111	3,899	57%
Corporate Tax	244	56	338%	644	201	220%
Minority Interest	56	25	125%	170	77	122%
Net Profit as Reported	990	923	7%	5,297	3,621	46%
Core Net Profit	990	854	16%	3,229	2,901	11%
Fully Diluted EPS as Reported (Bt)	0.2236	0.2097	7%	1.2003	0.8225	46%
Fully Diluted Shares (mn)	4,428	4,402	1%	4,413	4,402	0%

Note: Share of profit is included in other revenues

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