

May 15, 2015.

The President & Director,
THE STOCK EXCHANGE OF THAILAND (SET)
Rajada-Pisek Road, Klong Toey, Bangkok.

Dear Sirs;

**Subject: Clarifications relating to CENTEL' s
Q1/2015 Operating Performance Results exceeding 20% Year-on-Year**

In compliance with the regulations of the SET, dated November 19, BE 2536, relating to the requirements for the preparation and reporting of financial statements of listed companies, together with the required clarification for any Year-on-Year (YoY) variances in a listed company' s operating performance results that exceed 20% for any comparable periods, the CENTRAL PLAZA HOTEL plc. (CENTEL) wishes to inform and clarify to the SET as below.

For the 3 months Q1/2015 period ending March 31, 2015, the Company and its Subsidiary Companies (CENTEL) achieved a 66.1% increase in total consolidated Net Profit compared to the period last year, which analysis and summary of the consolidated Q1/2015 Financial Statements are as follows:

(in Baht – Milion)	Q1/2015		Q1/2014		YoY Changes (increase + / decrease -)	
	Baht	%	Baht	%	Baht	%
Revenues - Hotels Business	2,586.7	50.2%	2,229.6	48.2%	+357.1	+16.0%
Revenues - Food business	2,412.9	46.8%	2,286.4	49.4%	+126.5	+5.5%
Other income	156.2	3.0%	109.5	2.4%	+46.8	+42.7%
TOTAL CONSOLIDATED REVENUES	5,155.8	100.0%	4,625.5	100.0%	+530.3	+11.5%
Cost of sales – Hotels Business	(843.3)	(16.4%)	(719.1)	(30.9%)	+124.2	+17.3%
Cost of sales – Food Business ⁽¹⁾	(1,168.8)	(22.7%)	(1,141.1)	(49.7%)	+27.7	+2.4%
TOTAL COST OF SALES ⁽¹⁾	(2,012.1)	(39.0%)	(1,860.2)	(40.2%)	+151.9	+8.2%
Less: Selling & General Administrative Expenses	(1,679.5)	(32.6%)	(1,618.4)	(35.0%)	+61.1	+3.8%
Add: Share of profits/(loss) from investments (based on the equity method)	19.6	0.4%	24.4	0.5%	-4.8	-19.6%
EBITDA	1,483.8	28.8%	1,171.3	25.3%	+312.5	+26.7%
Less: Depreciation & Amortization	(391.6)	(7.6%)	(380.5)	(8.2%)	+11.1	+2.9%
EBIT	1,092.3	21.2%	790.8	17.1%	+301.4	+38.1%
Less: Cost of Finance	(99.4)	(1.9%)	(119.2)	(2.6%)	-19.8	-16.6%
Less: Corporate income tax	(114.8)	(2.2%)	(130.8)	(2.8%)	-16.0	-12.2%
Less: Net Profit /(Loss) from Non Controlling Interest	(68.9)	(1.3%)	(63.6)	(1.4%)	+5.3	+8.3%
Add: Revenues from amortization of deferred rental income (CGBS)	24.7	0.5%	24.7	0.5%	-	-
NET PROFIT/(LOSS)	833.8	16.2%	501.9	10.9%	+331.9	+66.1%
Gross Profit /% Gross margin	2,987.5	59.8%	2,655.9	58.8%	+331.6	+12.5%

(1) Cost of Sales EXCLUDING depreciation & amortization that are allocated as cost of sales

1. TOTAL REVENUES

In Q1/2015, the Company and its Subsidiary Companies achieved total consolidated revenues of Baht 5,155.8 million (compared to Baht 4,625.5 million in Q1/2014), representing an increase of Baht 530.3 million, or 11.5%, year-on-year (YoY) with the following details:

Hotels Business

Total Q1/2015 revenues for the Hotels Business increased by Baht 357.1 million, or 16.0% YOY compared to the same period last year, mainly due to the fact that, in 2014, the ongoing unsettled political situation, associated political rallies and demonstrations in Bangkok and the provinces negatively impacted the tourism sector. However, in 2015 the political situation started to be more peaceful and stable, resulting in improved and increased international tourist arrivals. Thus, the Company' s Hotels Business achieved an overall Average Occupancy (OCC) of 85.3% (an increase of 9.7 % compared to Q1/2014), while achieved Average Room Rate (ARR) was Baht 5,782.11 with these key hotels achieving increased total revenues :

- Centara Grand and Bangkok Convention Center at Central World and Centara Grand Central Ladprao, Bangkok, achieving increased total revenues of Baht 227.6 million and Baht 70.4 million respectively.

Additionally, the Kata Phuket Hotel Co. Ltd., - in which the Company increased its investment by a further 49.0% (from the previous direct equity shareholding of 50%) in October 2014, resulting in a total equity shareholding of 99% and making it a fully owned Subsidiary Company instead of a joint business entity and now being consolidated with that of the Company – achieved total Q1/2015 revenues of Baht 59.6 million.

Food Business

Total Q1/2015 revenues for the Food Business increased by Baht 126.5 million, or 5.5 %,YoY. This is mainly due to increased revenues derived from the continuing addition of (25) new outlets for the various QSR brands during this period, ongoing launch of new ' combo menu' sets offerings and campaigns to accumulate loyalty points for redeeming to purchase various products at special discounted prices, as well as from sustained promotions and advertising activities on TV, in magazines and via other media together with ongoing development/improvement of new products and menu offerings and price adjustments for some QSR brands. As at the end of Q1/2015, the Food Business group had a total of 777 QSR outlets, with achieved Same-Store-Sales growth of +0.6% and Total-System-Sales growth of +5.6%YoY (compared to -1.8% and +6.3%YoY respectively) for the same period last year.

Other revenues

Other revenues for Q1/2015 consisted of income from hotel management services, together with rental and other services income and income received from cooperative marketing programs; whereby the hotel management services income is derived from the Company managing hotel properties of other parties under the Hotel Management Agreements.

2. COSTS OF SALES and GROSS PROFIT

For Q1/2015, the Company and its Subsidiary Companies had total costs of sales of Baht 2,012.1 million (compared to Baht 1,860.2 million in Q1/2014), resulting in an achieved Gross Margin of 59.8% (compared to 58.8% in Q1/2014), with details for the respective business groups as follows :

Business Group	Q1/2015 (2558)			Q1/2014 (2557)			% Yoy Changes in the Costs of Sales
	Cost of Sales (Baht -Mln)	Gross Profit (Baht - Mln)	Gross Margin (%)	Cost of Sales (Baht -Mln)	Gross Profit (Baht -Mln)	Gross Margin (%)	
Hotels Business	843.3	1,743.4	67.4%	719.1	1,510.5	67.7%	+17.3%
Food Business*	1,168.8	1,244.1	51.6%	1,141.1	1,145.4	50.1%	+2.4%
TOTAL*	2,012.1	2,987.5	59.8%	1,860.2	2,655.9	58.8%	+8.2%

* Note: Cost of Sales EXCLUDING depreciation & amortization that are allocated as cost of sales

Hotels Business

For Q1/2015, the Company and its Subsidiary Companies had total costs of sales relating to the Hotels Business of Baht 843.3 million, comprising of direct costs - such as, costs in providing guest rooms services together with costs of F&B, salaries and benefits for direct staff headcount, and consumables, which, relative to total Hotel Business revenues, represents an achieved Gross Margin of 67.4% (compared to 67.7% in Q1/2014). This marginal YOY decrease in the Gross Margin was mainly due the Q1/2015 average room rates (ARR) of Baht 5,782 decreased from Baht 6,103 in Q1/2014

Food Business

For Q1/2015, the Company and its Subsidiary Companies had total costs of sales relating to the Food Business of Baht 1,168.8 million, comprising of direct costs - such as, costs of food and beverage, salaries and benefits for direct staff headcount, and consumables; which, relative to total Food Business revenues, represents an achieved Gross Margin of 51.6% (compared to 50.1% in Q1/2014). This YoY increase in the Gross Margin is primarily due the decreased direct costs of sales, resulting from the pricing changes in the ' combo' menu sets promotions, together with increases in the overall selling prices.

3. SELLING AND GENERAL ADMINISTRATIVE EXPENSES

Selling and General Administrative expenses of the Company and its Subsidiary Companies is comprised of staff salaries and benefits, hotel properties management expenses, facilities rental costs, costs for credit cards usage, QSR franchise and royalty fees; whereby total Q1/2015 Selling and General Administrative expenses was Baht 1,679.5 million, an increase of Baht 61.1 million, or 3.8%, YoY; and is equal to 32.6% (compared to 35.0% in Q1/2014) of the total consolidated revenues. The YoY increase in the total Selling and General Administrative expenses is mainly due to additional costs related to the ongoing expansion of new QSR outlets (totaling 25) during this period.

4. SHARE OF PROFIT FROM INVESTMENTS (based on the equity method)

In Q1/2015, the Company and its Subsidiary Companies recognized the share of Net Profit from its investments (based on the equity method), totaling Baht 19.6 million, representing a YoY decrease of Baht 4.8 million. This is primarily due to the Hotels business expanding its operations; whereby, on October 7, 2014, the Company increased its investment in the Kata Phuklet Hotel Co, Ltd. by a further 49.0% (from the previous direct equity shareholding of 50%), resulting in a total equity shareholding of 99% and changing its status from being an equity holding in a joint business entity to becoming a fully-owned Subsidiary Company.

5. CONSOLIDATED EBITDA and NET PROFIT

For Q1/2015, the Company and its Subsidiary Companies achieved total consolidated EBITDA of Baht 1,483.8 million, an increase of Baht 312.5 million, or 26.7%, YoY; and is equal to 28.8% of the total Q1/2015 consolidated revenues, increasing from the corresponding figure of 25.3% in Q1/2014). While total Q1/2015 consolidated Net Profit was Baht 833.8 million, a significant increase of Baht 331.9 million, or 66.1%,YoY, which resulted from positive total revenues increases for both the Hotels Business and the Foods Business groups.

Lastly, given that economic and political situations having possible negative impacts on the tourism industry and the hotels business, the CENTEL Group has maintained its efforts in finding various measures to reduce overall costs and expenses - such as, negotiating with key suppliers, together with implementing energy costs savings programs together with ongoing costs management and controls procedures. Additionally, the CENTEL Group plans to explore additional sources of revenues, through focusing on further expanding its the hotels management services activities, together with its current core strategies, for its Food Business, in adding new QSR outlets and new QSR brand concepts, together with ongoing development of new products and menu offerings as well as sustained proactive marketing activities.

For your information.

Respectfully Yours,



(Dr. Ronnachit Mahattanapruet)
Senior Vice President, Finance & Administration.