

29 February, 2016

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

Dear Sirs;

In compliance with the Stock Exchange of Thailand' s (SET) regulations, dated 19 November, BE 2536, relating to the requirements for the preparation and reporting of financial statements of listed companies together with the required clarifications for 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.

1. Overview Summary

For full year 2015, the Company and Subsidiary Companies achieved total consolidated revenues of

Baht 19,216.1 million (compared to Baht 18,282.8 million for 2014), representing an increase of Baht 933.2 million or 5.1% YoY. The revenue mix between Hotels Business and the Food Business full year 2015 was 47% : 53 %, respectively (compared to 46% : 54% for full year 2014)

About 78% of total increase in revenue is derived from hotel business. Revenue from hotel business increased by Baht 737.0 million or 9.2% YoY. In 2014, the political rallies adversely affected the performance of hotels in particular in Bangkok and nearby locations such as Pattaya and Hua Hin. As the situation gradually improved and almost back to stability in 2015, we have seen the big jump in number of international tourist arrivals in this year. The total number of tourist arrivals in 2015 stood at 29.9 million, representing 20.4% YoY growth. As a result, the hotels achieved an occupancy rate at 80.5%, or 5.7% point increase YoY. Bangkok hotels enjoyed the highest growth in occupancy rate, compared to other location.

Apart from this, Kata Phuket Hotel Co. Ltd., in which the Company made further investments in October 2014 to acquire an additional 49% equity (from a former 50% equity ownership) and thus now owns a total of 99% equity ownership, resulted in that company becoming a full Subsidiary Company and having to consolidate its operating performance and financial results.

In 2015, the Company has started its major renovation work for Centara Grand Island Resort and Spa Maldives. About 70% of the rooms have been completed the renovation work in 2015. We have planned to complete the renovation of the remaining units in the low season (around 2nd and 3rd quarter) in 2016.

Food' s revenue increased by Baht 193.7million or 2% YoY (compared to the growth of 9.33% in 2014). Key drivers of the growth were from number of outlets expansion (net at 11 outlets), sales of premium and CRG Plus card. As at 31 December 2015, food business had 792 outlets and had the Same-Store-Sales Growth of -0.7% (compared to 1.4% in 2014).

EBITDA increased by Baht 636.1 million or 17.8% YoY, driven by an improvement in EBITDA margin of both hotel and food business. EBITDA margin in 2015 of hotel business was at 32.6% (compared to 31.7% in 2014) and for food business was at 12.4% (compared to 9.4% in 2014).

The Company reported the net profit at Baht 1,675.7million, representing 41% growth YoY.

The Company wishes draw your attention to the Independent Auditor' s Report as below.

In note 3 to the Financial Statement, the Company and its Subsidiary Companies changed accounting policy for property, plant and equipment by applying the cost model - instead of using the revalued amount; whereby the Company has retrospectively restated its financial statement accordingly.

While, Note 5. a) 2) to the Financial Statements explains about the uncertainty regarding the rental rates charged following the extension of the sub-lease rental agreement between a Subsidiary Company and a Joint Venture Company that ended as at September 2014; whereby as at 31 December, 2015 both these companies were still in negotiations about the rental rates to be charged. As such, the rental rates recognized in the accounts may be different from the eventual rental rates agreed to.

Additionally, the Company has recognized other comprehensive income(loss) for Q4/2015, which is a net loss figure, from defined benefit plan actuarial losses, totaling Baht 66.1 million, net of income tax payments totaling Baht 52.9 million (Please see associated details stated in the Financial Statements for the year.)

2. Analysis of CENTEL' s operating performance results for full year 2015, compared to full year 2014

(in Baht - million)	Full year 2015 (2558)		Full year 2014 (2557)		Changes YoY increase + / decrease -	
	Baht	%	Baht	%	Baht	%
Revenues -Hotels Business	8,728.2	45.4%	7,991.2	43.7%	+737.0	+9.2%
Revenues - Food Business	10,094.5	52.5%	9,900.8	54.2%	+193.7	+2.0%
Other income	393.4	2.1%	390.9	2.1%	+2.5	+0.6%
TOTAL CONSOLIDATED REVENUES	19,216.1	100.0%	18,282.8	100.0%	+933.2	+5.1%
Cost of Sales –Hotels business	(3,321.6)	(17.3%)	(2,972.1)	(16.2%)	+349.5	+11.8%
Cost of Sales – Food Business ⁽¹⁾	(4,779.1)	(24.9%)	(4,884.0)	(26.6%)	-104.9	-2.1%
TOTAL COST OF SALES ⁽¹⁾	(8,100.7)	(42.2%)	(7,856.1)	(42.8%)	+244.6	+3.1%
Less: Selling & General Administrative Expenses	(6,935.0)	(36.1%)	(6,880.4)	(37.6%)	+54.6	+0.8%
Add: Share of Profit/(Loss) from investments (by the equity method)	28.6	0.1%	26.4	0.1%	+2.2	+8.2%
Consolidated EBITDA	4,209.0	21.9%	3,572.8	19.5%	+636.1	+17.8%
Less: Depreciation & Amortization costs	(1,607.8)	(8.4%)	(1,587.7)	(8.7%)	-20.1	+1.3%
EBIT	2,601.1	13.5%	1,985.1	10.9%	+616.0	+31.0%
Less: Cost of Finance	(404.6)	(2.1%)	(455.3)	(2.5%)	-50.7	-11.1%
Less: Corporate Income Tax	(431.0)	(2.2%)	(366.4)	(2.0%)	+64.6	+17.6%
Less: Share of Net Profit (by the equity method) from non-controlling interests	(88.0)	(0.5%)	(108.9)	(0.6%)	-20.9	-19.2%
Add: Revenue from amortization of deferred rental income (CGBS)	100.3	0.5%	100.3	0.5%	-	-
CONSOLIDATED NET PROFIT/(LOSS) from normal operations	1,777.9	9.3%	1,154.8	6.3%	+623.0	+53.9%
Extraordinary Items:						
Add: Share of Profit/(Loss) from investments in the (by the equity method) in a Property Fund based on reappraised value of the assets	(102.2)	(0.5%)	(69.4)	(0.4%)	+32.8	+47.3%
Add: Profit/(Loss) from purchase of business and appraised fair market value of the investment assets	-	-	103.1	0.6%	-103.1	-100.0%
CONSOLIDATED TOTAL NET PROFIT/(LOSS)	1,675.7	8.7%	1,188.5	6.5%	+487.1	+41.0%
Note: Gross Profits / % Gross Margin	10,722.1	57.0%	10,035.9	56.1%	+686.2	+6.8%

(1) Cost of Sales EXCLUDES depreciation and amortization costs that are allocated as Costs of Sales

(1) Revenues

The Company and Subsidiary Companies derived its total consolidated operating revenues from 2 core business groups – namely: the Hotels Business and the Food Business – that achieved an overall total revenues mix for full year 2015 of 47% : 53 %(compared to 46% : 54% for full year 2014) for the Hotels and Food Business groups respectively.

For full year 2015, the Company and Subsidiary Companies achieved total consolidated revenues of Baht 19,216.1 million (compared to Baht 18,282.8 million for 2014), representing an increase of Baht 933.2 million or 5.1% YoY, with details as shown below.

Hotel Business :

As at 31 December 2015, the Company had the hotel under its management of 62 hotels (12,899 rooms); of which, 40 hotels (7,720 rooms) are hotels that are currently under operation and the remaining 22 hotels (5,179 rooms) are under construction. For those already in operation, 15 hotels (3,812 rooms) are owned by the Company and the remaining 25 hotels (3,908 rooms) are hotel under management contracts.

Key Hotel Statistics (Owned Hotels)

OCC	FY14	FY15	Chg
BKK	61.6%	81.3%	19.7%
Upcountry	78.9%	79.6%	0.7%
Maldives	90.6%	86.2%	-4.4%
Total - Thailand	73.7%	80.1%	6.4%
Total	74.8%	80.5%	5.7%
ARR			
BKK	3,112	3,248	4.4%
Upcountry	3,987	4,017	0.7%
Maldives	17,455	19,133	9.6%
Total - Thailand	3,766	3,781	0.4%
Total	4,855	4,809	-1.0%
RevPar			
BKK	1,917	2,642	37.8%
Upcountry	3,146	3,197	1.6%
Maldives	15,814	16,495	4.3%
Total - Thailand	2,775	3,030	9.2%
Total	3,632	3,872	6.6%

Total revenues for the Hotels Business Group increased by Baht 737.0 million or by 9.2% YoY. The primary reason for this increase was that in 2014 hotels located in Bangkok and nearby provinces (such as in Pattaya and Hua Hin) were adversely affected by the political rallies; however for 2015, the overall political situation was more peaceful and stable, resulting in an increase in total international tourist arrivals to Thailand. The Group' s achieved average occupancy (OCC) was 80.5%, an increase of 5.7 percentage points YoY. OCC at 80.5% is at historical high for the Group. As such, the main hotels achieving increased revenues were: the Centrara Grand and Bangkok Convention Center at Central World and the Centara Grand Central Ladprao, Bangkok, with an increase in total full year 2015 revenues of Baht 403.6 million and Baht 171.3 million respectively. By location, hotels in Bangkok had the highest Revpar growth of 37.8%, driven by both OCC growth at 19.7% point and ARR growth at 4.4%.

OCC and ARR for hotel in upcountry increased by 0.7% point and 0.7%, respectively. This resulted in overall Revpar growth of 1.6%. A thin growth in Revpar for upcountry hotels was mainly due to high competition in certain market such as Pattaya and Phuket.

An increase in ARR of hotel in Maldives at about 4.3% was mainly driven by the appreciation of USD against Thai Baht. The reduction in OCC rate was mainly due to renovation work in 2015.

Food Business :

Total revenues for the Food Business Group increased by Baht 193.7 million or 2.0% YoY. The primary reason for this increase was the net addition of 11 new QSR outlets (for the respective existing QSR brands, together with the reopening of existing outlets that were closed last year for renovation), as well as sales of premium products and CRG Plus loyalty cards together with continuing increased advertising and promotions campaigns through TV channels, print media and other various media. Thus, as at the end of 2015, the Food Business had a total of 792 QSR outlets, as well as an achieved Total-System-Sales (TSS) growth of +2.0% YoY and an achieved Same-Store-Sales (SSS) decline of -0.7% (compared to +9.33% and +1.4% in 2014 respectively).

Statistics of SSS and TSS

	SSS		TSS	
	FY14	FY15	FY14	FY15
Top 4 Brands	1.8%	-1.4%	9.4%	1.2%
Others	-2.8%	6.1%	8.5%	8.1%
Average	1.4%	-0.7%	9.3%	2.0%

Other income : Total other income increased by Baht 2.5 million (or 0.6%) YoY; whereby this income is comprised of revenues derived from providing hotels management services for properties owned by other parties, who hire the Company to manage their hotel properties under the Hotel Management Agreements, as well as rental income, revenues from providing various other services, income received from cooperative marketing programs, and compensation received from insurance policies.

(2) Cost of Sales and Gross Profit

For 2015, the Company and Subsidiary Companies had total costs of sales of Baht 8,100.7 million (compared to Baht 7,856.1 million in 2014), which is equal to a gross margin of 57.0% (compared to 56.1% in 2014); whereby details for the respective business groups are as follows:

Business Group	Full year 2015 (2558)			Full year 2014 (2557)			% changes YoY in Cost of Sales
	Cost of Sales (Baht million)	Gross Profit (Baht million)	Gross Margin (%)	Cost of Sales (Baht million)	Gross Profit (Baht million)	Gross Margin (%)	
Hotels Business	3,321.6	5,406.6	61.9%	2,972.1	5,019.0	62.8%	+11.8%
Food Business	4,779.1	5,315.4	52.7%	4,884.0	5,016.8	50.7%	-2.1%
TOTAL*	8,100.7	10,722.1	57.0%	7,856.1	10,035.8	56.1%	+3.1%

*Cost of Sales and Gross Profit EXCLUDES depreciation and amortization costs that are allocated as Costs of Sales

Hotels Business

For 2015, the Company and Subsidiary Companies had total cost of sales for the Hotels Business Group of Baht 3,321.6 million, comprising of direct costs - such as, costs in providing guest rooms services together with costs of F&B, salaries and benefits for the direct staff, and consumables – which resulted in a gross profit margin of 61.9% relative to the total Hotels Business revenues (compared to 62.8% in 2014). This YoY decrease in the gross margin is mainly due to the decrease in achieved average room rate (ARR) of Baht 4,809 from Baht 4,855 in the previous year.

Food Business

For 2015, the Company and Subsidiary Companies had total cost of sales for the Food Business of Baht 4,779.1 million, comprising of direct costs - such as, costs of food and beverage, salaries and benefits for the direct staff and consumables – which resulted in a gross profit margin of 52.7% relative to the total Food Business revenues (compared to 50.7% in 2014). This increase in the YoY gross margin is mainly due to lower cost prices for food raw materials, ongoing effective costs management. and some changes to the components of promotional menu – set offerings, as well as increases in selling prices.

(3) Selling and General Administrative Expenses

Selling and general administrative expenses comprise of staff salaries and benefits, hotel properties management expenses, facilities rental costs, costs for credit cards usage, as well as QSR franchise and royalty fees; whereby for FY/2015, the Company and Subsidiary Companies had total selling and general administrative expenses of Baht 6,935 million, representing an increase of Baht 54.6 million or 0.8% YoY; which, relative to total consolidated revenues, is equal to 36.1% (compared to 37.6% in 2014). This overall increase in the total amount of selling and general administrative expenses, compared to the previous year, is mainly due to the increase of 11 new QSR outlets during 2015. However, relative to achieved total consolidated revenues, the overall percentage of total selling and general administrative expenses is lower than that for the previous year, due to the increase in total revenues combined with the continuing improved costs management achieved this year.

(4) Share of Net Profit/(Loss) from investments (by the equity method)

(Excluding: Loss from reappraisal of the value of assets)

In 2015, the Company and Subsidiary Companies recognized the share of net profit (by the equity method) from investments totaling Baht 28.6 million – equal to an increase of Baht 2.2 million or 8.2% YoY. This is mainly due to the increased profit gained by the CTARAF property fund compared to the previous year.

(5) Share of Net Profit/(Loss) from non-controlling interests (by the equity method)

In 2015, the Company and Subsidiary Companies recognized the share of net profit (by the equity method) from non-controlling interests totaling Baht 88.0 million (compared to Baht 108.9 million in 2014) - equal to a decrease of Baht 20.9 million or 19.2% YoY.

(6) Extraordinary Items (for 2015)

Share of loss from investments, by the equity method, in a Property Fund (from an appraisal of the value of assets) - The Company recognized a share of the loss from appraisal assets of Centara Hotels & Resorts Leasehold Property Fund totaling Baht 102.2 million as at the end of 2015 – equal to an increase of Baht 32.8 million from 2014.

Profit from the purchase of a business and from a reappraisal of the fair market value of the investment assets In expanding its Hotels Business, on 7 October, 2014 the Company purchased an additional 49% equity (on top of the 50% equity already owned) in the hotel business of the Kata Hotel Phuket Co. Ltd., resulting in its total shareholding to be 99% and, thus, changing the status of that company to become a full Subsidiary Company.

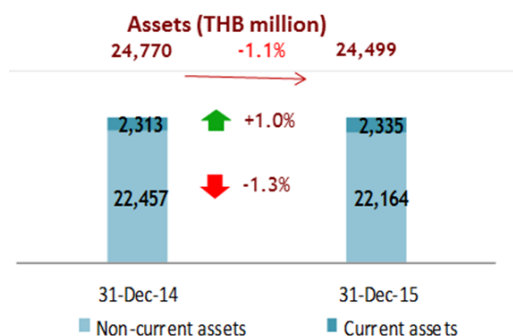
While based on the previous investment, the Company recognized its share of profit/(loss), by the equity method, from the investment in the Joint Venture Company, the abovementioned increased additional investment, thus, made that Joint Venture Company to become a full Subsidiary Company with regard to the accounts as well as resulted in the value of invested assets, that was previously recognized by the equity method, to be reappraised to be at a current fair market value. Based on the abovementioned situation, the Company had to recognize an extraordinary gain totaling Baht 103.1 million, resulting from the purchase of additional equity and required reappraisal of the fair market value of the investments,

(7) Consolidate Net Profit

For 2015, the Company and Subsidiary Companies achieved a total consolidated net profit of Baht 1,675.7 million, representing an increase of Baht 487.1 million or 41.0% YoY and equal to an overall net profit margin of 8.7% which is also an increase compared to the achieved net profit margin of 6.5% in 2014. The main reason for this increase is the increasing of the revenue and the Company and Subsidiary Companies can more effective manage cost.

3. Analysis of the financial status for 2015 (compared to 2014)

Assets



As at the end of 2015 and 2014, the total assets of the Company and Subsidiary Companies was Baht 24,499.2 million and Baht 24,769.9 million respectively, representing a decrease of Baht 270.5 million or 1.1% YoY that is mainly due to the recognized depreciation and amortization costs of buildings and equipment during 2015.

As at the end of 2015 and 2014, total current assets was Baht 2,235.4 million and Baht 2,312.7 million, equal to 9.5% and 9.3% of the total assets, respectively, which comprises of the following :

- (1) Cash or cash equivalent : As at the end of 2015 and 2014, this totaled Baht 448.3 million and Baht 645.7 million, or equal to 1.8% and 2.6%, respectively; whereby during 2015 there was a decrease in the total cash or cash equivalent as a result of additional investments for land, buildings and equipment together with loan repayments made to a financial institutions.
- (2) Trade receivables from other businesses (net) : As at the end of 2015 and 2014 this totaled Baht 492.6 million and Baht 531.4 million, or equal to 2.0% and 2.2% of total assets, respectively, due to undertaking food business in selling products mostly on a cash payment basis, while the hotel business provided credit to agents and managed hotels with credit terms 15 – 30 days, and average collection period is 15 days.
- (3) Inventory on hand (net): As at the end of 2015 and 2014, this totaled Baht 675.1 million and Baht 635.0 million, or equal to 2.8% and 2.6% of total assets, respectively, mainly due to the Food Business operations having food and ice cream related raw materials as well as consumables inventory on hand, that account for 87% of the overall total amount of inventory on hand.

As at the end of 2015 and 2014, total non-current assets was Baht 22,163.9 million and Baht 22,457.1 million, or equal to 90.5% and 90.7% of total assets respectively. This comprised mostly of land, buildings and equipment, which, as at the end of 2015 and 2014, totaled Baht 18,915.5 million and Baht 19,010.3 million respectively, or equal to a decrease of 5%YoY due to the recognized depreciation and amortization costs for building and equipment during the year.

3. Liquidity and source of investment funds

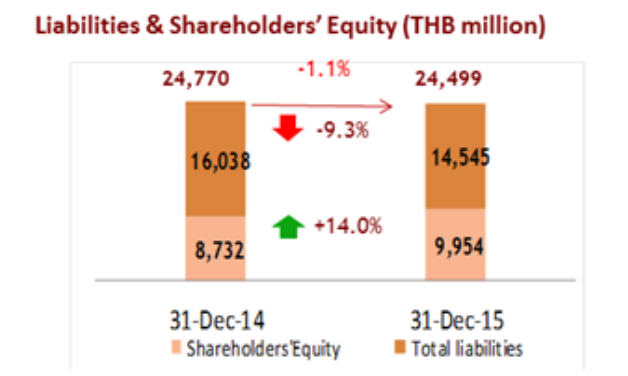
(1) Liquidity and cash flows

Total cash flow from operations of the Company and Subsidiary Companies for 2015 and 2014 was Baht 4,111.2 million and Baht 4,020.8 million respectively. This mainly resulted from the achieved net profit that increased by Baht 466.0 million, while total corporate income tax paid to the Revenue Department totaled Baht 226.6 million and Baht 199.7 million respectively. Total cash flow from operations for 2015 and 2014 consisted of a total outgoing amount of Baht 1,766.4 million and Baht 1,714.2 million respectively, due to ongoing investments for fixed assets such as buildings and equipment, together with payments for leasehold rights. As for cash flow from financing activities for 2015 and 2014, this totaled Baht 2,600.6 million and Baht 2,396.4 million respectively; whereby in 2015 the Company paid dividends totaling Baht 540.0 million, repaid short term loans totaling Baht 942.9 million together with repaying long term loans totaling Baht 1,749.9 million. At the same time, the Company received a total cash amount of Baht 700.0 million from issuing debentures, together with a total cash amount of Baht 385.3 from additional long term loans from financial institutions.

(2) Maintaining liquidity ratio

As at 31 December 2015 and 2014, the Company and Subsidiary Companies had a liquidity ratio of 0.3 times and 0.4 times respectively, with the liquidity ratio as at the end of 2015 decreasing from that of 2014 that is mainly due to debentures with a 1-year maturity coming due totaling Baht 3,300 million. Upon taking into account the ratio of interest bearing debts to total Shareholders' Equity of the Company and Subsidiary Companies for 2015, this equaled to 0.8 times (compared to 1.3 times for 2014). The Company, thus, still has sufficient cash flow to meet its debt and associated interest payment obligations.

(3) Sources of investment funds



Liabilities

Total liabilities, as at the end of 2015 and 2014, was Baht 14,545.0 million and Baht 16,038.4 million respectively; whereby total current liabilities comprised of the following:

- (1) Trade creditors/payables as at the end of 2015 and 2014 totaled Baht 734.6 million and Baht 708.2 million, or equal to 5.1% and 4.4% of total liabilities, respectively. Total trade creditors/payable increased in 2015 partly due to increased purchases of goods corresponding to the overall increase in total revenues.
- (2) Total debentures with a 1-year maturity and coming due increasing by Baht 3,300.0 million, comprising of those debentures coming due for payment in March 2016 totaling Baht 800.0 million and those coming due for payment in September 2016 totaling Baht 2,500.0 million respectively

Non-current liabilities, as at the end of 2015 and 2014, totaled Baht 6,879.1 million and Baht 10,693.9 million respectively; whereby the Company repaid long term loans to financial institutions totaling Baht 1,749.9 million, while receiving additional long term loans totaling Baht 385.3 million. Additionally, the Company received cash from issuing debentures totaling Baht 700.0 million.

Shareholders' Equity

As at the 31 December, 2015, the Company and Subsidiary Companies had total Shareholders' Equity of Baht 9,954.3 million, an increase from the end of 2014 of Baht 1,222.8 million, or 14.0% YoY, resulting from the Company's achieved total net profit, for 2015, of Baht 1,675.7 million while paying out total dividends of Baht 540.0 million.

Additionally, at the Board of Directors Meeting on 25 February, 2016, a resolution was approved to pay a dividend of Baht 0.50 per share for 2015, representing a total dividend payment of Baht 675.0 million; whereby this will be proposed for approval at the Annual General Shareholders Meeting to be held on 28 April, 2016.

5. Debt covenants and obligations management of contingent obligations/liabilities

In 2013, a Subsidiary Company was subject to legal proceedings relating to a consumer lawsuit calling for compensation totaling Baht 50.0 million. Then, on 9 February, 2015 the first court handed down a verdict for the plaintiff to be paid compensation of Baht 0.5 million plus applicable interest. On 22 December, 2015, the Appeals Court handed a verdict endorsing the initial judgment that the Subsidiary Company pay the stated compensation amounts to the plaintiff together with legal fees of Baht 0.2 million; whereby the Company has not yet recognized this compensation liability. However, the Subsidiary Company plans to fully pay out the total compensation amount due within 2016.

6. Factors that will impact future operating performance results

(1) Hotels Business strategies : the core strategy to continue expanding the Hotels Business consists of 3 key components:

1. Investing to building new own-operated hotel properties,
2. Investing in Joint Venture (JV) businesses, through taking a 50% equity in the JV hotel business operations, and
3. Providing hotel management services – both in country and overseas, (ie: Asset Light).

With regards to expanding the hotels business according to the strategic components 1) and 2) above, the investment funds will come from generated operating cash flow and also partly from borrowings; while for strategic component 3) the company will make use of its CAPEX funds.

As at the end of December 2015, the Company has in its Hotels Business portfolio a total of 40 hotel properties with a combined total of 7,720 rooms, comprising of: 15 own-operated hotels (with a total of 3,812 rooms) - with 13 hotels (3,560 rooms) located in Thailand and 2 hotels in the Maldives (252 rooms); together with 1 hotel (202 rooms) in Samui, Thailand that is part of the Property Fund, and 25 hotels (3,908 rooms) under the Company' s Hotel Management Services activities – with 21 hotels located in Thailand (3,499 rooms) and 4 hotels (409 rooms) located in 3 overseas locations, ie: in Vietnam, Bali, and Sri Lanka.

Additionally, under the current business operational plans there is a total of 22 hotels properties (with a combined total of 5,179 rooms) under construction or development and to be opened between 2016 – 2019, comprising of :

- 4 own operated hotels (751 rooms) – with 2 properties located in Thailand (415 rooms) under the Company’ s new COSI brand and 2 hotels (300 rooms) located in the Maldives under the Centara brand; whereby all 4 hotels will be opened by the end of 2018
- 18 hotels (4,428 rooms) under the Hotels Management Services agreements - with 7 hotels (1,373 rooms) located in Thailand and 11 hotels (3,055 rooms) located in 7 overseas locations, ie: Bali, Laos, Qatar, Oman, China, Vietnam, and Cuba.

(2) Food Business strategies : The strategies for the Food Business consists of 3 components :

1. Investing to further expand the QSR outlets network, through using operating internal cash flow,
2. Investing in Joint Venture food businesses, and
3. Investing through undertaking M&A activities.

With regard to the strategic components 2) and 3) for the Food Business, investments funds will come from generated operating cash flow as well as partly from borrowings.

As at the end of December 2015, there are 12 QSR brands concepts with a QSR outlets network of 792 outlets – 288 outlets located in Bangkok and neighboring suburban area/provinces together with 504 outlets located in the provinces throughout Thailand; whereby there was a net addition of 11 new outlets (ie: 56 outlets being closed and 45 outlets being opened) compared to the end of the previous year.

With regard to the QSR outlets expansion plans for 2016, there is a target to open a net total of 35 QSR outlets (consisting of 63 new outlets together with total closures of 28 exiting outlets) or an increase of approximately 4% in terms of the QSR outlets network; whereby the new outlets to be opened will still be focused on the existing core QSR brand concepts, namely: KFC, Mister Donut, and Auntie Anne’ s, because these brands are able to appeal to the majority of consumers segments in terms gender and age, as well as are able to expand its outlets both in Bangkok and upcountry provinces.

As for the expansion of the Food Business’ s QSR outlets in the long term, it is expected that and expansion of rate of 8 – 10% per year can be achieved, which includes expansion of existing QSR brand concepts (ie: organic growth) together with additional growth from undertaking M&A activities and/or establishing new Joint Venture businesses

Forward Looking – full year 2016

It is expected that total consolidated revenues from operations for full year 2016 will increase by approximately 5 - 6% year-on-year. This is based on the targeted growth of 9% for total international tourists arrivals, together with the expected overall economic GDP growth of 3 – 4 % YoY for this year, according to the NESDB, as a result of further economic stimulus actions by the Government/Public Sector that will achieve increased investor' s confidence, and then result in increased employment as well as facilitate to drive an increase in people' s demands and consumer spending. With regard to profits for this year, the Company also expects that it will be able to continue to effectively control and manage overall costs, so as to then be able to maintain the same rate of profitability as before.

For the future expansion as mention above, the Company will use cash flow from operation together with the loans .However, the Company will maintain the interest bearing debt to equity not exceeding 1.5 time.

For your information accordingly;

Respectfully Yours,

(Dr. Ronnachit Mahatanapruet)
SVP, Finance and Administration