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14 August 2015

Attention: President
The Stock Exchange of Thailand

Re: Management's Discussion and Analysis (MD&A) and operating results for the second quarter of 2015 of Robinson Department Store Public Company Limited

Overview 2Q15 Performance

Thai economy in 2Q15 remained sluggish QoQ with unimproved key economic numbers. Exports contracted YoY and dropped further QoQ. The low agriculture product prices and droughts adversely affected the farmer income. The private consumption continued to decline. In addition, the consumer confidence index also on the way down and touched the lowest level in the past 13 months. Overall retail market also had no sign of recovery with only 2.8% growth from 3.2% last year (Source: Thai Retailers Association). Consumers were cautious in their spending due to weak economy condition. Meanwhile, retailers continue to use sales promotion to boost their sales revenue. Nonetheless, the expansion from tourism sector and public expenditure are the main drivers that supported the economy.

As of 31 June 2015, the Company operated 39 stores nationwide, comprising of 10 stores in Bangkok, 29 stores in the upcountry, as well as, operated 2 stores in Vietnam.

In 2Q15, the Company had total income of Baht 6,702 million, increasing by 9.5%. The net profit was Baht 440 million, stable YoY. The details are as follow:

Income

In the 2Q15 the company had total net income of Baht 6,702 million, increasing by Baht 582 million or 9.5% from the same period of last year. This can be summarized as follow;

- The revenue from sales of goods was Bath 5,860 million, increasing by Baht 360 million or 6.5% from the same period of last year. This was mainly due to sales revenue from new stores opening in 2014, a success of new store opening in Rayong in May, and sales revenue from the clearance sale promotion before Sriracha branch renovation.



- The investment income was Baht 622 million, increasing by Baht 184 million or 41.9% from the same period of last year. This was mainly due to an increase in rental income from the new Lifestyle Centers in 2014 as well as higher rental income from existing rental area.
- The other income was Baht 220 million, increasing by Baht 39 million or 21.3% from the same period of last year. This was mainly due to an increase in income related to rental areas in Lifestyle Centers.

Cost of Sales of Goods (COGS)

- COGS amounted to Baht 4,420 million, increasing by Baht 265 million or 6.4% from the same period of last year. The COGS accounted for 75.4% of net sales, slightly declined from 75.5% from the same period of last year. The Company provided appropriate marketing campaigns and well controlled trade discount.

Gross profit was Baht 1,440 million, increasing by Baht 94 million or 7.0% from the same period of last year.

Selling and Administrative Expenses (SG&A)

- SG&A expenses totaled Baht 1,720 million, increasing by Baht 228 million or 15.3% from the same period of last year. This was due mainly to expenses of new stores, i.e. depreciation, personnel expense, and utilities expense. Nonetheless, the Company was able to efficiently control expenses of existing stores.

Share of Profit of Associates

- The share of profit of associates was Baht 93 million, decreasing by Baht 29 million or 23.6% from the same period of last year. This was mainly due to the high base of the associates' earnings last year during the World Cup campaign.

Net Profit

- Net profit totaled Baht 440 million, stable YoY. This was mainly due to additional expenses of the new stores and lower share of profit of associates. However, the core net profit (net profit excluding share of profit of associates) totaled Baht 347 million, increasing Baht 28 million or 8.8% from the same period of last year.



Overview 6M15 performance

- The revenues from sale of goods amounted to Baht 11,896 million, increasing by Baht 455 million or 4.0% YoY. The net profit amounted to Baht 1,054 million, increasing by Baht 75 million or 7.7% YoY. This was mainly due to an increase in rental income and the efficient of expense management of existing stores.

Financial Status

(As of 30 June 2015 compared to 31 December 2014)

Assets

The total assets amounted to Baht 22,984 million, decreasing by Baht 119 million or 0.5%. This can be summarized as follow;

- Cash, cash equivalents and current investment decreased by Baht 921 million due to payment of construction of new stores, trade accounts payable and dividend payment.
- Trade accounts receivable decreased by Baht 263 million mainly due to the repayment of rental from tenants.
- Non-current assets increased by Baht 984 million due to an increase in land, property and equipment of new stores and an increase in investments in associates.

Liabilities and Shareholders' Equity

The total liabilities amounted to Baht 9,916 million, decreasing by Baht 146 million or 1.5%. This can be summarized as follow;

- Trade accounts payable decreased by Baht 590 million as the Company paid previous ordered goods.
- The other payables decreased by Baht 463 million due to payment of construction cost of new stores.
- The long-term loan from financial institution increased by Baht 1,000 million due to new store expansion.

The shareholders' equity amounted to Baht 13,067 million, increasing by Baht 27 million or 0.2%.

Capital Structure

- As of 30 June 2015, the Company's capital structure comprised of total liabilities of Baht 9,916 million and total shareholders' equity of Baht 13,067 million; therefore, the Company had liability to equity ratio equal to 0.8 times. While, the company has debt to equity ratio equal to 0.3 times.



Expansion plan

- In 2Q15, the Company opened 1 new store in the big shopping mall at Rayong.

For the second half of the year 2015, the Company targets to open 3 new Lifestyle Centers.

Statements of Comprehensive Income (for 3 month period)

(Unit : Million Baht)

	2Q15	2Q14	% Change
Revenue from sales of goods	5,860	5,500	6.5%
Total income	6,702	6,120	9.5%
Cost of sales of goods	4,420	4,154	6.4%
Selling and administrative expenses	1,720	1,492	15.3%
Share of profit of associates	93	121	-23.6%
Net profit	440	440	-0.1%
Core net profit*	347	319	8.8%

Statements of Financial Position

(Unit : Million Baht)

	30-Jun-15	31-Dec-14	% Change
Cash and cash equivalents	966	1,833	-47.3%
Other current assets	2,552	2,787	-8.4%
Non-current assets	19,466	18,482	5.3%
Total assets	22,984	23,102	-0.5%
Current liabilities	8,613	9,757	-11.7%
Total liabilities	9,916	10,062	-1.5%
Total equity	13,067	13,040	0.2%

Financial Ratios

	2Q15	2Q14
Gross profit margin (%)	24.6%	24.5%
Net margin (%)	7.5%	8.0%
Core net profit margin* (%)	5.9%	5.8%
Return on equity (%)	16.0%	17.2%
<i>(Annualized)</i>		
Return on assets (%)	9.4%	10.9%
<i>(Annualized)</i>		
	30-Jun-15	31-Dec-14
Current ratio (time)	0.4	0.5
Liability to equity ratio (time)	0.8	0.8

*Core net profit is net profit excludes share of profit of associates



Please be informed accordingly
Yours faithfully,

Ms. Suthipa Vacharotayangul
Authorized Person to Disclose Information