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13 November 2015

Attention: President
The Stock Exchange of Thailand

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

Overview3Q15 Performance

Thai economy in 3Q15 remained sluggish. Exports dropped QoQ, following the economic slowdown in China and ASEAN countries. The private consumption continued to weak purchasing power, particularly of agricultural sector. The tourism sector decelerated after the bombing incident at Ratchaprasong in the mid-August 2015. However, the number of tourists throughout this quarter expanded mainly from the Chinese tourists. Overall retail market also had no sign of recovery. Consumers were cautious in their spending due to weak economy condition. Meanwhile, retailers continue to use sales promotion to boost their sales revenue.

As of 30 September 2015, the Company operated 40 stores nationwide, comprising of 10 stores in Bangkok, 30 stores in the upcountry, as well as, operated 2 stores in Vietnam.

In 3Q15, the Company had total income of Baht 6,891 million, increasing by 7.7%. The net profit was Baht 397 million, increasing by Baht 45 million or 12.7%. The details are as follow:

Income

In the 3Q15 the company had total net income of Baht 6,891 million, increasing by Baht 493 million or 7.7% from the same period of last year. This can be summarized as follow;

- The revenue from sales of goods was Bath 6,031 million, increasing by Baht 256 million or 4.4% from the same period of last year. This was mainly due to sales revenue from new stores opening in 2014, and sales of the grand opening 2 branches were Rayong in May and Burirum in July.
- The investment income was Baht 639 million, increasing by Baht 205 million or 47.2% from the same period of last year. This was mainly due to an increase in rental income from the new Lifestyle Centers in 2014 and Burirum branch as well as higher rental income from existing rental area.



- The other income was Baht 221 million, increasing by Baht 32 million or 16.6% from the same period of last year. This was mainly due to an increase in income related to rental areas in Lifestyle Centers and promotion income.

Cost of Sales of Goods(COGS)

- COGS amounted to Baht 4,588 million, increasing by Baht 168 million or 3.8% from the same period of last year. The COGS accounted for 76.1% of net sales, declined from 76.5% from the same period of last year. The Company provided appropriate marketing campaigns and well controlled trade discount in a proper level in order to maintain its profitability.

Gross profit was Baht 1,443 million, increasing by Baht 89 million or 6.6% from the same period of last year.

Selling and Administrative Expenses (SG&A)

- SG&A expenses totaled Baht 1,844 million, increasing by Baht 263 million or 16.6% 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 90 million, decreasing by Baht 5 million or 5.3% from the same period of last year. This was mainly due to an earnings growth in CRC Sport Co., Ltd. While, the share of profit from Power Buy Co., Ltd. declined from the same period of last year.

Net Profit

- Net profit totaled Baht 439 million, increasing by Baht 40 million or 10.0% from the same period of last year. This was mainly due to an additional in rental income and the efficient of expense management. However, the core net profit (net profit excluding share of profit of associates) totaled Baht 308 million, increasing Baht 50 million or 19.3% from the same period of last year.

Overview 9M15 performance

- The revenues from sale of goods amounted to Baht 17,927 million, increasing by Baht 711 million or 4.1% YoY. The net profit amounted to Baht 1,452 million, increasing by Baht 120 million or 9.0% 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 September 2015 compared to 31 December 2014)

Assets

The total assets amounted to Baht 24,048 million, increasing by Baht 946 million or 4.1%. This can be summarized as follow;

- Cash, cash equivalents and current investment decreased by Baht 947 million due to expenditure of construction of new stores, trade accounts payable and dividend payment.
- Trade accounts receivable decreased by Baht 220 million mainly due to the repayment of rental from tenants.
- Non-current assets increased by Baht 1,834 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 10,543 million, increasing by Baht 481 million or 4.8%. This can be summarized as follow;

- Trade accounts payable decreased by Baht 526 million as the Company paid previous ordered goods.
- The other payables decreased by Baht 271 million due to expenditure of construction cost of new stores.
- The long-term loan from financial institution increased by Baht 1,503 million due to new store expansion.

The shareholders' equity amounted to Baht 13,505 million, increasing by Baht 465 million or 3.6%.

Capital Structure

- As of 30 September 2015, the Company's capital structure comprised of total liabilities of Baht 10,543 million and total shareholders' equity of Baht 13,505 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 3Q15, the Company opened 1 new Lifestyle Centers at Burirum.

For the fourth quarter of the year 2015, the Company targets to open 2 new Lifestyle Centers



Statements of Comprehensive Income
(for 3 month period)

(Unit : Million Baht)

	3Q15	3Q14	% Change
Revenue from sales of goods	6,031	5,774	4.4%
Total income	6,891	6,398	7.7%
Cost of sales of goods	4,588	4,420	3.8%
Selling and administrative expenses	1,844	1,581	16.6%
Share of profit of associates	90	95	-5.3%
Net profit	397	353	12.7%
Core net profit*	308	258	19.3%

Statements of Financial Position

(Unit : Million Baht)

	30-Sep-15	31-Dec-14	% Change
Cash and cash equivalents	939	1,833	-48.8%
Other current assets	2,793	2,787	0.2%
Non-current assets	20,316	18,482	9.9%
Total assets	24,048	23,102	4.1%
Current liabilities	8,741	9,757	-10.4%
Total liabilities	10,543	10,062	4.8%
Total equity	13,505	13,040	3.6%

Financial Ratios

	3Q15	3Q14
Gross profit margin (%)	23.9%	23.5%
Net margin (%)	6.6%	6.1%
Core net profit margin* (%)	5.1%	4.5%
Return on equity (%)	15.8%	15.9%
<i>(Annualized)</i>		
Return on assets (%)	9.2%	10.2%
<i>(Annualized)</i>		
	30-Sep-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,

Mr. Dissatat Wisetvara

Authorized Person to Disclose Information