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10 Aug 2017

Subject: Management's Discussion and Analysis for three months and six months ended 30 June 2017

Attention: President  
The Stock Exchange of Thailand

Robinson Public Company Limited would like to clarify the operating results of the Company and its subsidiaries for three months and six months ended 30 June 2017 as follows:

#### Key highlight in 2Q17

- **Net profit down YoY**-In 2Q17, net profit amounted to Baht 601 million, decreasing by 1.4 % from 2Q16 mainly due to lower sales from slow recovery in consumption and early raining, as well as a pressured gross profit margin from the product transition period. In addition, cost was impacted by new store expansions in 2016 and 2Q17. However, rental income still continued to grow from both existing and new stores.
- **New store in Petchaburi**-The Company opened a new lifestyle center at Petchaburi province in 2Q17. Currently, the Company operates 44 branches in Thailand (11 branches in Bangkok Metropolitan and 33 branches in up-country) and 2 branches in Vietnam.

#### Comparison consolidated financial statement for 3 months ended 30 June 2017 and 30 June 2016

Unit : Million Baht

Consolidated financial statement	2Q17	2Q16	Increase (Decrease)	% Change
Revenue from sale of goods	6,021	6,092	(72)	(1.2%)
Investment income	815	729	87	11.9%
Other income	241	228	13	5.8%
<b>Total income</b>	<b>7,077</b>	<b>7,049</b>	<b>28</b>	<b>0.4%</b>
Cost of sale of goods	4,532	4,560	(29)	(0.6%)
Selling expenses	1,574	1,516	57	3.8%
Administrative expenses	345	318	27	8.5%
Financial costs	16	23	(7)	(29.7%)
<b>Total expenses</b>	<b>6,467</b>	<b>6,418</b>	<b>49</b>	<b>0.8%</b>
Share of profit of associates	129	147	(17)	(11.9%)
<b>Profit before income tax expense</b>	<b>739</b>	<b>777</b>	<b>(38)</b>	<b>(4.9%)</b>
Income tax expense	109	125	16	12.9%
<b>Net profit</b>	<b>601</b>	<b>609</b>	<b>(9)</b>	<b>(1.4%)</b>

#### Financial performance in 2Q17

- **Total sales** — In 2Q17, total sales was Baht 6,021 million, declining by Baht 72 million or 1.2%. due to slow recovery in consumption, impacts from the early raining season, a reduction of government stimulus package compare to prior year, product transitioning period, and store renovations.
- **Investment income**— In 2Q17, the total investment income was Baht 815 million, which increased by Baht 87 million or 11.9% from 2Q16. This is mainly from an increase in rental income from both existing and new lifestyle centers that opened in 2016 and 2017. The occupancy rate was at 98% as of 2Q17.

- **Total income** — In 2Q17, the total revenue was Baht 7,077 million, which increased by Baht 28 million or 0.4% from 2Q16, mainly from an increase in rental income and other income.
- **Gross profit** — In 2Q17, gross profits from sales amounted to Baht 1,489 million, a decrease of Baht 43 million. Gross profit margin was pressured due to product the transitioning period that reduced gross profit margins from 25.1% to 24.7% in 2Q17
- **Selling and Administrative expense (SG&A)** — In 2Q17, selling and administrative expenses amounted to Baht 1,919 million, an increase of Baht 84 million or 4.6% from 2Q16. The increase can be attributed to expenses from new stores that opened in 2016 and 2Q17 as well as store expansion of international and private brands. Depreciation, personnel expenses, and marketing expenses also contributed to these increases. The Company was also able to efficiently control expenses of existing stores.
- **Financial costs**—In 2Q17, finance costs amounted to Baht 16 million, a decrease of Baht 7 million or 29.7% from 2Q16 due to repayment of long term loans.
- **Shares of profit of associates**— In 2Q17, the shares of profit of associates was Baht 129 million, a decrease of Baht 17 million or 11.9% from 2Q16 (which derived from shared profit from Power buy Baht 62 million and Super sport Baht 67 million).
- **Net profit**—In 2Q17, the net profit amounted to Baht 601 million, a decrease of Baht 9 million or 1.4%. This was mainly due to lower sales, the product transitioning period that pressured gross margins, and higher selling and administrative expenses from new stores that opened in 2016 and 2Q17. However investment income still continued to grow.

#### Comparison consolidated financial statement for 6 months ended 30 June 2017 and 30 June 2016

Unit : Million Baht

Consolidated financial statement	1H17	1H16	Increase (Decrease)	% Change
Revenue from sale of goods	12,292	12,487	(196)	(1.6%)
Investment income	1,614	1,445	169	11.7%
Other income	455	462	(7)	(1.5%)
<b>Total income</b>	<b>14,360</b>	<b>14,394</b>	<b>(34)</b>	<b>(0.2%)</b>
Cost of sale of goods	9,218	9,348	(129)	(1.4%)
Selling expenses	3,059	2,983	76	2.6%
Administrative expenses	682	615	67	10.8%
Financial costs	36	40	(4)	(9.1%)
<b>Total expenses</b>	<b>12,995</b>	<b>12,986</b>	<b>10</b>	<b>0.1%</b>
Share of profit of associates	277	269	8	2.9%
<b>Profit before income tax expense</b>	<b>1,641</b>	<b>1,678</b>	<b>(36)</b>	<b>(2.2%)</b>
Income tax expense	255	283	28	9.8%
<b>Net profit</b>	<b>1,310</b>	<b>1,295</b>	<b>15</b>	<b>1.1%</b>

#### Financial performance in 1H17

In 1H17, the total income was Baht 14,360 million or a decrease of 0.2% from 1H16. The gross profit was reported at Baht 3,073 million or a decline of 2.1% from 1H16, and gross profit margin reported at 25.0%, a slight decline from last year. Selling and administrative expenses totaled Baht 3,741 million or an increase of 4.0%. Our financial cost was Baht 36 million or a decrease of 9.1% from 1H16. Net profit was reported at Baht 1,310 million or an increase of 1.1% due to higher rental incomes, contribution from associates and lower income tax expenses.





## Comparison financial position for 6 months ended 30 June 2017 and 31 Dec 2016

Unit : Million Baht

Financial position	1H17	FY2016	Increase (Decrease)	% Change
Cash and cash equivalents	1,004	2,219	(1,215)	(54.7%)
Current investments	4	35	(31)	(88.6%)
Other current assets	3,204	3,470	(266)	(7.7%)
Other non-current assets	21,577	21,277	301	1.4%
<b>Total assets</b>	<b>25,790</b>	<b>27,001</b>	<b>(1,211)</b>	<b>(4.5%)</b>
Total current liabilities	7,831	7,367	464	6.3%
Total non-current liabilities	1,910	3,437	(1,527)	(44.4%)
<b>Total liabilities</b>	<b>9,741</b>	<b>10,804</b>	<b>(1,063)</b>	<b>(9.8%)</b>
<b>Total equities</b>	<b>16,049</b>	<b>16,197</b>	<b>(148)</b>	<b>(0.9%)</b>
<b>Total liabilities and equities</b>	<b>25,790</b>	<b>27,001</b>	<b>(1,211)</b>	<b>(4.5%)</b>

In 1H17, total assets amounted to Baht 25,790 million, a decrease of Baht 1,211 million or 4.5% compared to the end of 2016. Total liabilities amounted to Baht 9,741 million, a decrease of Baht 1,063 million or 9.8% compared to the end of 2016. This decrease is due to lower accounts payable, as well as other payable. Shareholders' equity totaled Baht 16,049 million, a decrease of Baht 148 million or 0.9%.

### Capital Structure

As of 30 June 2017, the Company's capital structure comprised of total liabilities of Baht 9,741 million while the interest bearing debt was Baht 3,229 million. Total shareholders' equity totaled Baht 16,049 million. The Company had a liability to equity ratio of 0.6 times, while a net interest bearing debt to equity ratio was at 0.1 times.

### Prospects for the future malls in 2017

Total sale growth momentum in 2H17 is expected to remain challenging due to a slow recovery of economy and consumption. However, further improvement in merchandise mix is expected to support sales. The international brands and house brands products will continue to deliver strong customer positions to support long term growth in earnings and returns. The store expansion plan is still on schedule, with hopes to opening three new stores in Thailand (One lifestyle center in Petchaburi in the first half, another in Kampaengphet, and a department store in Mahachai in the second half). At the end of this year, we will have total forty-six stores Thailand and two stores in Vietnam.

### Financial ratio

Key financial ratio	1H17	1H16
Gross profit margin (%)	25.0%	25.1%
Net profit margin (%)	9.1%	9.0%
Return on equity (%)	19.7%	18.4%
Return on asset (%)	14.2%	13.3%
Current ratio (Time)	0.5	0.6
Liability to Equity ratio (Time)	0.6	0.7



Yours faithfully,

Mr. Dissatat Wisetvara  
Authorized Person to Disclose Information