



CENTRAL PLAZA HOTEL plc.

INVESTOR RELATIONS NEWSLETTER - Q3/2011 & Jan – Sept/2011 (November 2011)

EXECUTIVE SUMMARY

CENTRAL PLAZA HOTEL plc. (CENTEL) SUSTAINS PERFORMANCE GROWTH TREND
for the Q3/2011 period with a 122% YoY increase in Net Profit.

Given the sustained and dramatic revival of the tourism & travel industry (with international arrivals continuing to increase by 26%YoY in Q3/11) – and thus also the hotels sector - together with the continued positive YTD Q3/11 trend in GDP growth and consumer confidence that is helping to drive ongoing growth in the food services business sector, during the Q3/2011 period CENTEL has managed to sustain its operating performance results growth trend by achieving total consolidated revenues of Baht 2,800.1 million (a 30%YoY increase).

This 30% YoY increase in total Q3/11 consolidated revenues is derived from a 32.6%YoY increase in the Hotels Business revenues and a 28.2%YoY increase in the Food Business revenues, both of which businesses helped drive the achievement of its solid Q3/11 consolidated Net Profit of Baht 31.9 million – compared to a Net Loss of Baht 144.2 million for the same period last year - or equal to an increase of Baht 176.1 million or 122.1% YoY (please refer to the chart below).

CENTEL's Consolidated Financial Highlights – Q3/11 vs Q3/10

<i>(in Baht : million)</i>	Q3/11	Q3/10 <i>restated</i>	% YoY Change
Hotels Business	1,170.0	882.1	+ 32.6%
Food Business	1,630.1	1,271.6	+ 28.2%
TOTAL REVENUES	2,800.1	2,153.8	+ 30.0%
EBITDA	480.2	243.8	+ 96.9%
NET PROFIT/(LOSS)	31.9	(144.2)	+ 122.1%

Source : CENTEL's audited financial statements

Therefore, taking into consideration the cumulative operating performances of 3 consecutive Quarters of 2011 – all of which showed very solid positive results – to date for the 9 month (Jan-Sept) period of this year, CENTEL has achieved (please refer to the chart below) :

- total consolidated revenues of Baht 8,431.2 million - an increase of 25.5% over the same period last year, with total Hotels Business revenues of Baht 3,739.4 million (an increase of 27.9%YoY) and total Food Business revenues of Baht 4,691 million (an increase of 23.6%YoY).
- total Net Profit of Baht 475.4 million – equal to an increase of Baht 620.7 million or 427.1% over the same period last year, which saw a Net Loss of Baht 145.3 million.

CENTEL's Consolidated Financial Highlights

YTD Jan-Sept 2011 vs 2010

(Baht – Million)	YTD Jan-Sept/11	YTD Jan-Sept/10 <i>Restated</i>	% YoY Change
Hotels Business	3,739.4	2,924.5	+ 27.9%
Food Business	4,691.8	3,795.0	+ 23.6%
TOTAL REVENUES	8,431.2	6,719.5	+ 25.5%
EBITDA	1,791.4	1,111.3	+ 61.2%
NET PROFIT/(LOSS)	475.4	(145.3)	+ 427.1%

Source : CENTEL's audited Financial Statements

BUSINESS ENVIRONMENT

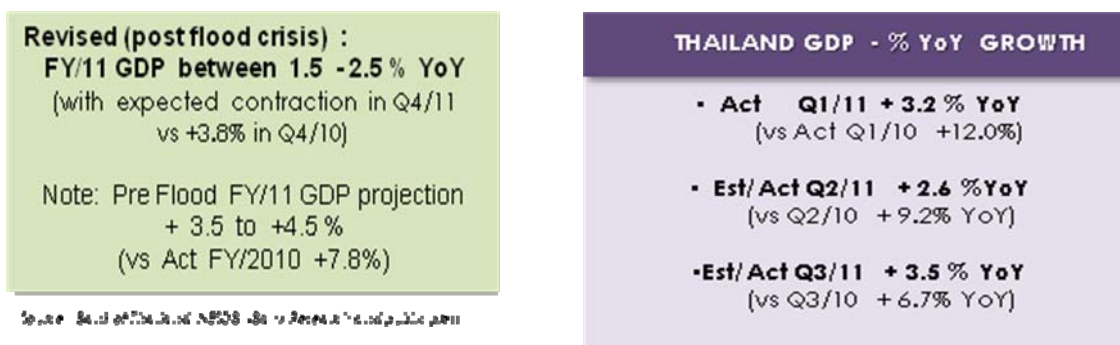
POLITICAL & ECONOMIC BACKGROUND

Subsequent to the June general election and smooth transition from the Democratic Party's coalition to a Phue Thai Party led Government under Prime Minister Yingluk Shinawatra (the first ever woman PM for Thailand), relative political stability has been re-established.

Further, the positive economic climate has continued from Q1/11 and Q2/11 with both exports as well as revived private investment and consumption driving this economic growth trend to date – despite the limited impact from the Japanese tsunami crisis (in March) and the slower than expected global (US and the EU) economic recovery. Thus, Q3/11 GDP growth (at 3.5%YoY) was better than Q2/11; and with this positive trend, it was expected that Thailand would end up with a FY/2011 GDP growth of 4 – 5%.

However, since late September, due to a combination of 'perfect storm' factors – a prolonged period of unusually high rain fall resulting from 3 consecutive tropical typhoons during July/August that filled up the major dams in Northern and Central Thailand to the brink, belated and poor water management measures by the incumbent Government officials, and the preoccupation of the current new Phue Thai Party Government with other political priorities, the Central plains (the agricultural heartland of Thailand) and then the Greater Bangkok as well as the immediate surrounding provinces (the industrial heartland of Thailand) has been extensively flooded with the water run-off from the Northern on a massive scale. It has turned out to be the most pervasive and devastating flood catastrophe in Thailand for more than 50 years.

Major cities in the Central provinces and many large-scale industrial estates in the surrounding provinces of Greater Bangkok – where major Japanese and large local industrial plants producing automotive components and electronic device parts that feed the key automotive and electronics assembly plants elsewhere in Thailand and worldwide - were completely flooded, and have remained so since early October.



And as a result of attempting to manage and minimise the massive volume of the Northern flood water run-off from entering and disrupting businesses in central CBD Bangkok, most of these industrial and suburban outer Bangkok areas are expected to remain flooded till at least end-November; whereby much of the major export-related industrial activities in the outer Bangkok areas as well as most of the suburban Bangkok communities have been very badly affected by the flood waters – with many businesses having to evacuate their manufacturing plants as well as many households having to abandon their homes and take refuge elsewhere for the past 5 to 6 weeks, thus totally disrupting vital export-related business activities and livelihoods.

The total damage to business assets and homes, loss of export and local business opportunities, and the eventual costs of rehabilitating and reviving businesses is expected to amount to as much as Baht 900 billion – if not more. This catastrophically adverse economic impact is expected to result in a GDP *contraction* in Q4/11 (possibly up to 3%) and, thus, a maximum FY/2011 GDP growth of only 1.5 -2.5%, at best – compared to a pre-flood crisis GDP growth of +3.5 - 4.5% YoY.

And, thereafter, depending upon how fast and how effective the Government and private sectors can reestablish investor confidence as well as fast track business rehabilitation and revival activities, FY/2012 GDP growth may bounce back to its pre-flood crisis trend of 4 – 5% YoY (please refer to the chart above).

THE TOURISM & TRAVEL INDUSTRY

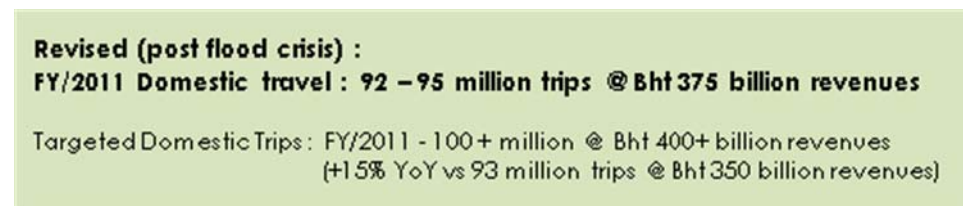
After a very strong and dramatic rebound from a very bad 2010 (as a result of prolonged political turmoil in CBD Bangkok and key tourists hot spots), Thailand's tourism & travel industry has achieved sustained and solid YoY growth of over 50% and 26% respectively during both Q2/11 and Q3/11.

Thus, given this current positive trend (with a YTD (Jan-Sept)/2011 total of 14.4 million international arrivals) and the fact that Q4 is traditionally the peak tourist season for Thailand, it was expected that total FY/2011 international tourist arrivals would peak at over 19.0 million - more that the TAT's FY/11 target of 18.0+ million, which was already a solid YoY gain of 15% . And the TAT, as part of its 3 year plan, was targeting to achieve an ambitious target of 26 - 30.0+ million international arrivals and a total of 140 – 150 million domestic trips by the year 2014/15.

All of this has facilitated the very solid operating results of those active in the tourism and hotels business sectors – as can be seen in their respected reported performance results during the 3 quarters to date of 2011, stimulating further investments and expansion of many international as well as local hotel chain operators.

However, as with other key economic sectors of Thailand, the tourism & travel industry - including the MICE market segment will also be adversely impacted by the major flood crisis of 2011.

As the devastating flood crisis continues from early October through November and may be prolonged into early/mid December, FY/2011 total international arrivals is now expected to be NOT more than 17.7 – 18.0 million – as a result of a decrease of between 1.0 - 1.5 million during Q4/11 (please refer to the chart below). At the same time the MICE market – which accounts for up to 750,000 international visitors attending various events and total revenues of Baht 50 – 60 billion annually – will see a decline in MICE-related visitors and revenues.



Source: Board of Tourism and Travel Statistics / Bangkok Post and other public data

Similarly, domestic travel by Thais and other local residents (many of whom will now be very much preoccupied with rehabilitating and reviving their disrupted businesses as well as damaged homes rather than take extended holidays at the yearend) will also be adversely affected; whereby only 92 – 95 million trips (almost the same as that of FY/2010) may be achieved for FY/2011 instead of the pre-flood crisis target of 100+ million trips.

In all, the 2011 flood catastrophe could mean a total loss of key tourism-related revenues of Baht 20 -25+ billion for the year.

And it will take much proactive confidence building and aggressive marketing promotions activities on the part of the Government, the TAT and other tourism and travel -related organisations to lure back tourists as well as to promote those *other* key tourist destinations in Thailand that are not at all affected by the flood – all of which will help achieve these revised and lower FY/2011 targets as well as to subsequently revive the tourism & travel sectors for the high Q1/12 season and to ensure that none of the major planned tourism & travel related or MICE events during 2012 will be cancelled.

HOTEL BUSINESS SECTOR

Given the strong and positive pre-flood crisis tourism trend, many new and existing international hotel operator chains continue to enter the Thai market or to expand their existing managed properties network under the strategy of segmenting the market and developing multi-brands/categories to attract a wide customer base –

with the 3-star and budget hotel categories as well as the boutique properties (targeting the upper market segment) are expanding the fastest.

At the same time, while international chains are entering and/or expanding into Thailand, many prominent Thai hotel chains (ie: CENTEL, MINT, DUSIT, AMARI-ONYX) are themselves expanding overseas – through own investments or hotel properties management services under their respective own multi-brands and categories – into key Asia/Pacific-ASEAN and Middle East tourist destinations (ie: China, Vietnam, Indonesia, Australia, Philippines and the Maldives).

However, in many key destination markets (eg: Chiangmai, Phuket, and Samui) there is already an oversupply of hotel rooms; and the TAT is being urged to quickly develop more tourism attractions and magnets to facilitate increased travel to fill up such oversupply capacities. Central CBD Bangkok will also have a oversupply of hotel rooms in the short term – whereby over the next 2 to 3 years between 5,000 – 6,000 new hotel rooms (of varying categories and brands) will come on stream in addition to the officially registered 60,000 rooms available at present.

FOOD SERVICES/QSR BUSINESS SECTIONS

The sustained positive GDP growth trend since late 2010, resulting increased consumer confidence and willingness to spend, has driven the continued growth of the Thai food services business – which, like the hotels business operators, has to date facilitated the sustained solid operating results of those active in the food services industry and the QSR business sector during the first 3 Quarters 2011. This industry sector continued to expand by 12 – 15% YoY during the pre-flood crisis period. Meanwhile, new QSR brand (especially Japanese and Korean food) concepts continue to be launched together with ongoing expansion of existing major QSR brands.

However, the flood crisis impact during late Q3/11 and going into Q4/11(which is traditionally the festive yearend season) is expected to somewhat slow down this growth trend to perhaps 10 – 12% YoY - both due to forced closures of and inaccessibility to many commercial complexes or suburban community malls where the majority of QSR outlets are located. Additionally, during the peak of the flood crisis and for part of the post-flood period, consumer spending sentiments will also be dampened to a certain extent.

CENTEL's HOTELS BUSINESS

During Q3/2011, in line with the continued positive tourism and travel industry trends, whereby, despite increased levels of competition from newer properties coming into the market and targeting various segments – especially in some key destinations (ie: Chiangmai, Bangkok, Phuket and Samui), the hotels industry sector's key operating indicators (AoC, ARR and RevPar) – continue to improve (please refer to chart below).

Note: Thailand's Hotel's Industry :

- Q3/11 AOC 56.9 % (vs 46.7 % in Q3/10)
- Q3/11 ARR Bht 1,640 (vs Bht 1,562 in Q3/10)
- Q3/11 RevPAR Bht 933 (vs Bht 729 in Q3/10)

Source : CENTEL, Sothailand, TAT

In Q3/2011, CENTEL's Hotels Business also continued to maintain its positive growth trend, achieving better than the industry-wide operations averages as described above (please refer to the chart below), ie:

- Total consolidated revenues Q3/11 : Baht 1,170.0 million (a 32.6% YoY INCREASE), and
YTD Jan-Sept/2011 : Baht 3,739.4 (a 27.9% YoY INCREASE),

CENTEL's HOTEL BUSINESS - Q3/2011	
Avg Occupancy	AOC 62.5 % (vs 53.2 % in Q3/10)
Avg Room Rates	ARR Bht 3,135 (vs Bht 2,834 in Q3/10)
CENTEL's RevPAR	Bht 1,960 (vs Bht 1,508 in Q3/10)

- Average Occupancy (AoC) of 62.5% , which is much improved when compared to Q3/10's AoC of 53.2%, mainly due to the Centara Grand & Bangkok Convention Centre at Central World returning to its normal operations (achieving an AoC of 78.9%, compared to 45.7% for Q3/10 during the prolonged period of political unrest) as well as a very positive AoC achieved by the new Centara Grand Beach Resort, Phuket.
- Average Room Rates (ARR) achieved of Baht 3,165 per room night (or an increase of 10.6% YoY), resulting from the solid performances of the Centara Grand Beach Resort, Pattaya, the Centara Grand Beach Resort, Phuket and the revived operations of the Centara Grand and Bangkok Convention Centre at Central World.

On-line visits (at an average of 26,000 views per day) and bookings remain strong – with over 43,000 room nights or more than Baht 157 million being transacted during Q3 period (or a YoY increase of 56% and 70% respectively). And CENTEL is continually upgrading the on line visitor/customer experience through sustained web-site upgrades throughout this and next year. Additionally, the new 'social media' department (via Facebook) is building up a strong following and becoming an effective marketing/distribution tool.

Source markets and key destination market outlooks :

A stronger than normal flow of Australia and New Zealand visitors was seen in Q3/11, while the Russia, Asia (Chinese, Singapore, Hong Kong) as well as India source markets continue to remain strong – with key destinations being Bangkok, Pattaya and Phuket. Key destinations outlook as at end Q3/2011 are :

- **Bangkok**
Strong growth trend (in leisure and MICE markets) – especially now that both Bangkok, properties are back to full operations, although towards the end of Q3/11 some - hopefully, short term - adverse impact from the flood crisis is being felt as overall positive trends to date slows down somewhat
- **Pattaya**
Centara Grand Mirage Beach Resort Pattaya continues to be popular, and Pattaya is seeing continued growth from the Russia source market as a result of increased air capacity. And with plans to add more properties (of varying product types and categories) in this key destination, CENTEL should remain competitive.
- **Hua Hin/Chaam**
Traditional end year demand remains strong, although renovations at CENTEL's property through to December may have some slight impact.
- **Samui**
Rising AOC is being seen, resulting from CENTEL's revised marketing strategy – but overall this key destination remains very, very competitive due to new properties coming on stream and adding up to 2,000 rooms by end 2012.

- **Phuket/Krabi**
Solid demand being seen through to end Q1/2012 with an emerging Russia source market; and CENTEL's additional properties here will enable enhanced market capacity for the Group
- **Northern Thailand (Chiangmai)**
The Royal Flora and Fauna Expo (now delayed till December due to the flood crisis) would have uplifted the Chiangmai market – which remains highly competitive due to the current over supply situation.
- **Maldives**
Solid and positive demand and rates trends continue in this market, where CENTEL is now also expanding its presence. Strong Asia (especially Chinese) source market presence is seen.

CENTELs' FOOD BUSINESS

As for the Food Business Group, CENTEL is keeping up with the overall positive market trend, achieving (please refer to the charts below) :

- Total Q3/11 revenues of Baht 1,630.1 million - an increase of 28.2%YoY,
- Total YTD Jan-Sept/2011 revenues of Baht 4,691.8 million – an increase of 23.6%YoY
- Same Stores Sales (SSS) growth of 13.1%YoY (compared to 14.5% for Q3/2010)
- Total Systems Sales (TSS) 28.1%YoY (compared to 18.1% for Q3/2010)

This continuing solid achievement was the result of the ongoing expansion of CENTEL's food retail outlets, sustained marketing and promotions activities together with continued launchings of new products/menu offerings. Additionally, two new Japanese QSR brand concepts were launched : Yoshinoya (1 outlet) and Ootoya (with 33 outlets), which business was bought by the CENTEL Group. Thus, as at the end of the Q3/2011, there was a total of over 580 food retail outlets in operation – compared to 519 as at end Q3/10 (please see chart below).

CENTEL's FOOD BUSINESS – Q3/2011	
Total Systems Sales (TSS)	
▪ Q3/11	+ 23.6% YoY
(vs + 18.1% in Q3/10)	
Same Stores Sales (SSS)	
▪ Q3/11	+ 13.1% YoY
(vs + 14.5% in Q3/10)	

CENTEL's QSR OUTLETS @ Q2/2011	
▪ KFC	162
▪ PEPPER LUNCH	11
▪ CHATBUTON	5
▪ RYU	1
▪ THE TERRACE	6
+ YOSHINOYA	1 *
+ OOTOYA	33 *
▪ MISTER DONUT	258
▪ AUNTIE ANNE'S	85
▪ BEARD PAPA'S	12
▪ COLDSTONE CREAMERY	7
TOTAL QSR OUTLETS	547 + 34 *

Source: CENTEL

FINANCIAL SUMMARY Q3 & YTD (Jan-Sept)/2011

CENTEL has managed to sustain its solid and positive performance trend throughout 2011 to date, achieving (please refer to the chart below) :

- **Total consolidated revenues – with improved balance of revenues mix**
 - For Q3/11 : Baht 2,800.1 million (a 30%YoY INCREASE), with improved gross profits and EBITDA of Baht 480.2 million (a 96.9%YoY INCREASE)
 - YTD Jan-Sept/2011 : Baht 8,431.2 million (a 25.5%YoY INCREASE), with improved gross profits and EBITDA of Baht 1,791.4 million (a 61.2%YoY INCREASE)
- **Total consolidated Net Profit**
 - Q3/11 : Baht 31.9 million (a 122.1%YoY INCREASE) compared to the Net Loss of Baht 144.2 million in Q3/10.
 - YTD Jan-Sept/2011 : Baht 475.4 million (a 427.1% YoY INCREASE) compared to a Net Loss of Baht 145.3 million for the same period last year.
- **Net Cash Flow from Operations. as at end Q3/11, of Baht 1,412.6 million** (compared to Baht 926.7 million as at end Q3/10)

CENTEL'S FINANCIAL PERFORMANCE RESULTS – Q3/11 & YTD Jan-Sept/2011

(Baht - Millions)	Q3/11	Q3/10 <i>restated</i>	% YoY Change	YTD Jan – Sept 2011	YTD Jan – Sept 2010 <i>restated</i>	% YoY Change
<ul style="list-style-type: none"> • Hotels Business • Food Business 	1,170.0 1,630.1	882.1 1,271.6	+ 32.6% + 28.2%	3,739.4 4,691.8	2,924.5 3,795.0	+27.9% +23.6%
Total Revenues	2,800.1	2,153.8	+ 30.0%	8,431.2	6,719.5	+25.5%
Cost of Sales	1,277.6	995.8	+ 28.3%	3,693.8	2,967.4	+24.5%
Selling & Admin Expenses	1,038.9	900.3	+ 15.2%	2,988.2	2,620.4	+14.0%
Total Costs & Expenses	2,316.5	1,896.1	+ 22.2%	6,681.9	5,587.8	+19.6%
<i>% Total revenues</i>	<i>82.7 %</i>	<i>88.0 %</i>		<i>79.3 %</i>	<i>83.2 %</i>	
Equity Gain/(Loss) : for PFPO, CKR, CKT, RML	(3.4)	(13.9)		42.2	(20.5)	
• EBITDA	480.2	243.8	+ 96.9%	1,791.4	1,111.3	+61.2%
<i>% Total revenues</i>	<i>17.1 %</i>	<i>11.3 %</i>		<i>21.2 %</i>	<i>16.5 %</i>	
Less:						
Depreciation & Amortisation	313.3	304.9	+ 2.8%	860.8	899.7	-4.3%
Interest Expenses	110.0	67.6	+ 62.7%	289.2	213.0	+35.7%
Dividends – for PPF units	2.9	3.1		8.7	9.3	
Corporate Income Tax	45.1	36.3	+ 24.2%	197.9	157.6	+25.6%
Profit/(Loss) before MI & Extraordinary items	8.9	(168.1)	+105.3%	434.9	(168.4)	+ 308.6%
Gain/(Loss) MI etc.	(2.4)	(1.2)		(27.5)	(26.8)	
(Loss) - G'tee PFPO provision	0	0		(9.6)	(12.0)	
Extra equity gain – PFPO	0	0		2.4	(13.2)	
Amortsn -deferred PFPO rental	25.4	25.2		75.2	75.0	
NET PROFIT / (LOSS)	31.9	(144.2)	+ 122.1%	475.4	(145.3)	+427.1%
<i>% Total revenues</i>	<i>1.1 %</i>	<i>- 6.7 %</i>		<i>5.6 %</i>	<i>- 2.2 %</i>	

Source: CENTEL's internal financial statements

OUTLOOK for Full Year 2011 and beyond.

The abovementioned positive operating performance results of CENTEL for the periods ending Q3/2011 and YTD Jan-Sept/2011 indicate the solid success to date of its Hotels Business Group and its Food Business Group as well as underscores the ongoing positive growth trends for both businesses - despite the adverse effects of the current flood crisis in some locations, which is expected to have only a "modest negative impact" on the CENTEL's overall FY/2011 results, since only a limited number of QSR outlets (in the flood-impacted locations) have been forced to close and some hotel booking cancellations have been made whereby CENTEL has many hotels throughout the non-flooded areas of Thailand as well as overseas.

However, CENTEL continues to closely monitor further potential flood-impact developments as well as to assess the situation in order to ensure that the targeted overall FY/2011 performance results for this year can be achieved.

Meanwhile, CENTEL will also continue to focus on its key business strategies of :

- increasing investment for ongoing renovations as well as acquisition of new hotels properties and QSR/foods outlets
- expanding its hotels management services portfolio
- continuing to develop innovative, cost effective sales and marketing channels (ie: on-line web-based direct marketing and reservations capabilities, social media distribution channels)
- diversifying its overall customer base and appeal for both its Hotels and Food Business Groups, through
 - growing its Hotels Business portfolio (through increased own projects investments as well as management services agreements) into new Thai and key Regional travel destinations under a multi-market segmentation and multi-branding business model – especially with planned new overseas properties in Bali, India, Sri Lanka, Philippines, Mauritius and Vietnam between 2011-2013.
 - enhancing its Food Business operations through ongoing launching of new "QSR brand concepts" together with continued expansion of its existing QSR brands outlets, and sustained innovative new menu offerings in each respective QSR brand.
- maintaining effective costs management activities, in order to improve gross margins and overall profitability levels

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