

No. TTW/037/12

30 January 2012

Subject        Explanation of the 2011 operating result as compared to that of 2010  
To                The President  
                    The Stock Exchange of Thailand

The operating results of Thai Tap Water Supply Public Company Limited (“the Company”) and its subsidiaries for the year ended 31 December 2011 and 2010 are Baht 2,113.0 million and Baht 2,062.9 million, respectively. As compared to those of the previous year, the company and its subsidiaries show the increase in their operating result by 2.4%. The Company hereby clarifies the significant changes as follows:

1.        The revenue from selling tap water increased by Baht 151.1 million or representing an increase of 3.5% because

          a. The revenue from selling tap water of the Company increased by Baht 55.7 million or 1.9% due to the rising water tariff from the previous year.

          b. The revenue from selling tap water of Pathum Thani Water Company Limited (“PTW”) increased by Baht 95.4 million or 6.9% because PTW’s sell volume of tap water rose by 4.2 million cubic meters or 3.4% along with its increasing water tariff from the previous year.

2.        The Cost of sales and services increased by Baht 29.0 million or 2.2% because of the rise in PTW’s tap water sell volume as cited above. Other expenses related to the flood protection increased by Baht 11.3 million along with the rise in land lease for tap water distribution by Baht 3.3 million.

3.        Selling and administration expense increased by Baht 25.0 million or 12.7% because of the advertisement, marketing activities by Baht 7.8 million. The employee expenses rose by Baht 15.3 million.

4.        Financial expenses increased by Baht 75.8 million, or 17.1%. because 2011’s borrowing interest rate increased by 1.3% as compared to last year.

5. The corporate income tax increased by Baht 29.2 million, or increasing by 16.1% because PTW' operating results increased and PTW's 2008 additional expenses of corporate income tax (assessed by the revenue department) by Baht 15.8 million in 2011.

Please be informed accordingly.

Yours Faithfully,

(Somkiat Pattamamongkolchai)  
Accounting and Finance Director