

No TTW/189/12

27 July 2012

Subject Explanation of the operating result of the 2012 second quarter as compared with that of 2011

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 2012 and 2011 second quarter are Baht 567.4 million and Baht 545.9 million, respectively. As compared with the operating results of the company and its subsidiaries for the 2011 second quarter, the operating results of the Company and its subsidiaries increased by 3.9%. The Company hereby clarifies the significant changes as follows:

1. Revenue for selling tap water increased by Baht 78.3 million or representing an increase of 7.0% because

a. The water sales of the Company increased by Baht 46.9 million or representing an increase of 6.3% due mainly to the rise in sale volume by 2.7 million cubic meters or representing an increase in 9.1% along with the increase in selling price from the previous year.

b. The water sales of Phatum Thani Water Company Limited (“PTW”) increased by Baht 31.4 million or representing an increase of 8.5% because its sale volume increased by 1.4 million cubic meters or representing an increase of 4.3% and its selling price increased from the previous year.

2. The Cost of sales and services increased by Baht 26.6 million or representing an increase of 8.3% because the Company and its subsidiaries’ main production cost such as electricity cost, increased by Baht 25.3 million because of the rise in sale volume and the increase in electricity charge rate as compared with the 2011 second quarter.

3. Selling and administrative expenses increased by Baht 16.0 million or representing an increase of 33.2% due to the increase in legal fee and front-end fees by Baht 3.1 million along with the rising of employee expenses by Baht 2.7 million, and insurance premium by Baht 6.8 million.

4. The share of loss from investment in associated company is Baht 29.3 million mainly due to decrease in net profit of second quarter of 2012 of Southeast Asia Energy Company Limited ("SEAN"), a subsidiary company of CK Power Limited ("CKP"). The decrease in SEAN's net profit is mainly due to unrealized loss on exchange rate of Baht 140 million from USD loan.

5. Financial expenses increased by Baht 22.9 million or representing an increase of 18.1 % because interest expenses of Baht 16.6 million from 2,760-million-Baht loan for investment in CKP and increase in interest rate of long term loans by 0.7% as compared with the 2011 second quarter.

6. The corporate income tax decreased by Baht 11.5 million or representing an decrease of 22.7 because the income tax rate reduced from 30% to 23%.

Please be informed accordingly.

Yours Faithfully

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