

- Translation -

No. TTW/366/10

2 August 2010

Subject Explanation of the operating result of the second quarter 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 second quarter 2010 is Baht 540.8 million, increased by Baht 142.7 million, or 35.8% YoY. The Company hereby clarifies the importance changes as follows:

1. Total revenue from tap water sales increased by Baht 84.9 million, or 8.5% YoY because

a. The revenue from the Company's tap water sales increased by Baht 70.3 million or 10.6% YoY because

1) The Company's sales volume increased by 3.4 million cubic meters or 12.7% YoY;

2) Selling price increased from the previous year;

3) In August 2009, the Company acquired the rights to operate tap water and waste water treatment plant at Bangpa-In Industrial Estate ("BIE"). Therefore in this quarter, the Company has the revenue from tap water sale at BIE amount of Baht 37.1 million (Q2'2009 : the Company did not have this item.)

b. The revenue from tap water sales of the Company's subsidiary - Pathum Thani Water Co., Ltd. ("PTW") – increased by Baht 14.6 million, or 4.4% YoY from the increase in sales volume by 2.7 million cubic meters, or increase 9.1% YoY. The revenue increased less than the sales volume because PTW's tariff in 2010 decreased by 4.4% from that of 2009.

2. Total revenue from service increased by Baht 7.3 million or 71.3% YoY, because of the revenue from waste water treatment service at BIE amount of Baht 9.7 million (Q2'2009 : the Company did not have this item.)

3. Selling and administration expenses increased by Baht 5.7 million or 17.1% YoY because of the increase in advertising, public relation and marketing expenses of the Company and its subsidiaries amount of Baht 2.2 million, and the increase in employee expenses amount of Baht 3.5 million.

4. Management benefit expenses decrease by Baht 7.2 million, or 42.5% YoY because the directors' bonus for the year 2008, total amount of Baht 6.6 million, was booked in the second quarter of 2009.

5. Amortization of the rights to operate tap water and waste water treatment plant at BIE increased by Baht 9.3 million, or 100.0% YoY because in August 2009, the Company acquired rights to operate tap water and waste water treatment plant at BIE for the period of 30 years. Such rights will be amortized by unit of production method over the period.

6. Financial expenses decreased by Baht 7.4 million, or 6.7% YoY because in October 2009, the Company borrowed Baht 3,600 million from commercial banks to prepay PTW's all long-term loans. According to long-term loans of PTW, PTW paid interest at interest rate of MLR-0.5% p.a. while the Company loaned to PTW Baht 3,100 million with the interest rate of MLR-2.0% p.a. As the result, PTW made cost of fund saving of 1.50% p.a. or amount of Baht 14.0 million.

7. Corporate income tax decreased by Baht 74.0 million, or 60.1% YoY because in the second quarter of 2009, PTW recorded corporate income tax of year 2008 and corporate income tax of the first quarter 2009 total amount of Baht 82.0 million.

Please be informed accordingly.

Yours Faithfully,

(Somkiat Pattamamongkolchai)

Accounting and Finance Director