

- Translation -

No TTW/359/11

1 August 2011

Subject Explanation of the operating result of the 2011 second quarter as compared with 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 2011 and 2010 second quarter are Baht 545.9 million and Baht 540.8 million, respectively. As compared with the operating results of the Company and its subsidiaries for the second quarter of 2010, the operating results of the Company and its subsidiaries increased by 0.9%. The Company hereby clarifies the significant changes as follows:

1. Total water sales increased by Baht 36.1 million or representing an increase of 3.3% because

a. The water sales of the Company increased by Baht 17.9 million or representing an increase of 2.5% mainly due to the increase in selling price adjustment from the previous year.

b. The water sales of Phatum Thani Water Company Limited (“PTW”) increased by Baht 18.2 million or representing an increase of 5.2% because its sale volume increased by 0.5 million cubic meters or representing an increase of 1.6% and its selling price increased from the previous year.

2. The Cost of sales and services increased by Baht 17.3 million or representing an increase of 5.7% because the main production cost, chemical and electricity cost, of the Company and PTW increased by Baht 11 million. Such cost increase caused from low quality of raw water and increase in electricity rate compared to second quarter of 2010.

3. Financial expenses increased by Baht 24.1 million or representing an increase of 23.5% because in the 2010 second quarter, interest expenses of Baht 15.1 million were capitalized in the cost of plant capacity and transmission improvement. Furthermore, interest

rate of long-term loans from banks of the 2011 second quarter increased by 1% compared to second quarter of 2010.

Please be informed accordingly.

Yours Faithfully

(Somkiat Pattamamongkolchai)
Accounting and Finance Director