



CHRISTIANI & NIELSEN  
(TRANSLATION)

Ref: CNT/SEC/005/2011

11 August 2011

Subject: Explanation of the 2<sup>nd</sup> quarter 2011's operating result which has varied by 20%  
over or under that of the preceding year  
To: The Secretary  
The Office of the Securities and Exchange Commission

Christiani & Nielsen Thai PCL. would like to explain the reasons for the actual operating result varying by 20% from the preceding year.

The Company would like to inform that for the three-month period ended 30 June 2011, the Separate Financial Statement net profit of Baht 40 million decreased from the same quarter in the previous year by Baht 67 million. Mainly because, as inflation increases, the ratio of construction cost to revenue from construction project increased which resulted in a decrease of the gross profit of Baht 60 million, furthermore, in year 2011, administrative expenses of increasing the amount of Baht 8 million and in year 2010 has reversed the cost of corporate income tax of Baht 16 million. However, in year 2011 the Company has dividends from its subsidiary amounting to Baht 11 million and interest income arising from investments in government bonds and treasury bills including other income increased by Baht 5 million, in financing costs of the Company down from year 2010 by Baht 1 million.

For the six-month period ended 30 June 2011, the Separate Financial Statement shows net profit of Baht 95 million decrease from the same quarter in the previous year by Baht 126 million, as gross profit decreased by reasons mentioned above by Baht 158 million, administrative expenses increased by Baht 10 million. However, in 2011, the Company had other income of dividends from its subsidiary amounting Baht 19 million, reversal of allowance for doubtful accounts of Baht 10 million. Interest income and other income increased by 11 million and the financial costs of the company declined from the year 2010 by a total of Baht 1 million.

For the three-month period ended 30 June 2011, the Consolidated net profit of Baht 28 million decreased from the same quarter in previous year by Baht 76 million, as the gross profit decreased and administrative expenses of the Company increased from the same quarter in the previous year by Baht 60 million and Baht 6 million respectively and in year 2011, a decrease of reversal for corporate income tax of Baht 16 million. The interest income and other income increase of Baht 4 million and financial expenses of the company declined by Baht 1 million.

The Consolidated Financial Statement, the net profit of Baht 75 million, a decrease compared from the same quarter in the previous year of Baht 142 million, due to a gross profit decline and administrative expenses increased from the last year as the reasons mentioned above, resulting in gross profit decreased from year 2010 of Baht 158 million and Baht 9 million respectively. In year 2011, the Company has reversal of allowance for doubtful accounts of Baht 10 million, interest on the investments in government bonds and treasury bills increase of Baht 8 million as well as other income and gains from foreign exchange increased by 5 million. Furthermore in financial expenses and expenses declined from year 2010 by Baht 2 million.

Please be informed accordingly.

Yours faithfully,  
**Christiani & Nielsen (Thai) Public Company Limited**

– Signature –  
(Mr. Surasak Osathanugraha)  
Director and Company Secretary

CC: Vice President, Listed Company Department  
The Stock Exchange of Thailand