Date: 10 November 2017

Subject: Reporting on the Company’s Financial Performance for Quarter 3/2017

To: President of the Stock Exchange of Thailand

Siam Makro Public Company Limited (“the Company”) would like to announce the financial performance of the Company and its subsidiaries for the third Quarter of 2017 ended September 30, 2017 which has been reviewed by the Certified Public Account as follows;

**Summary of Consolidated Financial Results**

<table>
<thead>
<tr>
<th></th>
<th>Q3/60</th>
<th>Q2/60</th>
<th>Q3/59</th>
<th>YoY (+)/(-)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>44,892</td>
<td>44,550</td>
<td>41,307</td>
<td>+3,585</td>
</tr>
<tr>
<td>Total revenues</td>
<td>45,879</td>
<td>45,430</td>
<td>42,203</td>
<td>+3,676</td>
</tr>
<tr>
<td>Gross profit</td>
<td>4,517</td>
<td>4,221</td>
<td>4,014</td>
<td>+503</td>
</tr>
<tr>
<td>EBITDA</td>
<td>2,490</td>
<td>2,179</td>
<td>2,383</td>
<td>+107</td>
</tr>
<tr>
<td>Net profit</td>
<td>1,447</td>
<td>1,231</td>
<td>1,408</td>
<td>+39</td>
</tr>
<tr>
<td>Earnings per share</td>
<td>0.30</td>
<td>0.26</td>
<td>0.29</td>
<td>+0.01</td>
</tr>
<tr>
<td>Number of stores</td>
<td>120</td>
<td>116</td>
<td>108</td>
<td>+12</td>
</tr>
</tbody>
</table>

**Revenues**

For the third quarter of 2017, the Company and its subsidiaries’ consolidated sales were Baht 44,892 million, grew by Baht 3,585 million or 8.7% from the same period of last year. This was primarily owing to 1) an increase of Makro’s sales due to new stores which have been operated since 2016 and the first nine-month period of 2017 while the same-store sales growth (SSSG) grew at 2.2%, 2) sales from Siam Food Services Limited (SFS) and Indoguna Group which has been realized since late January 2017 and 3) sales from Indoguna Vina Food Service Company Limited (Vietnam).
In this quarter, there was 4 newly opened stores including 2 Makro Foodservice stores; Udomsuk and Ramkhamhaeng (Sammakorn), and 2 Makro Food shops; Thonglor and Sirimangkalajan Chiang Mai, as a result, at the end of Q3/2017, the Company has 120 stores nationwide, comprising 77 Makro stores, 18 Makro Foodservice stores, 12 Eco Plus stores, 5 Makro Food shops and 8 Siam Frozen shops with total sales space of 715,372 square meters.

Aggregating with Baht 763 million and Baht 224 million from revenue from rendering of services and other income, respectively, the Company and its subsidiaries registered total income at Baht 45,879 million, grew by Baht 3,676 million or 8.7% from the same period of prior year. The growth of other income of Baht 61 million or rose 37.2% from mainly from the same period of previous year mainly due to a revenue from 12th Makro HoReCa.

**Distribution Costs and Administrative Expenses**

For the third quarter of 2017, the Company and its subsidiaries’ consolidated distribution costs and administrative expenses totaled Baht 3,615 million or equivalent to 7.9% of total revenue, increased by Baht 550 million or 18.0% from same quarter last year. This was derived from an increase of distribution costs by 11.3% from the same period last year, resulting from the new stores opened since 2016. In addition, administrative expenses surged by 44.9% mainly due to international expansion expenses and expenses recognition from Indoguna Group as well as people development cost and business development to support the Company’s business expansion.

**Net Profit**

In Q3/2017, the Company and its subsidiaries’ consolidated profit before finance costs and income tax expense was Baht 1,889 million, grew by Baht 44 million or 2.4% compared to the same quarter last year. This was derived from a better gross profit margin resulting from an increase in participation of higher margin products. After offsetting with finance costs of Baht 91 million, up by 22.6% from the same period of previous year owing to increased borrowing for business operation and food service business expansion, as well as income tax of Baht 359 million, the Company and its subsidiaries registered net profit of Baht 1,447 million or Baht 0.30 per share, rose by 2.8% from the same quarter last year.
For the first nine-month period of 2017, the Company and its subsidiaries had the total revenue of Baht 137,872 million and distribution costs and administrative expenses were at Baht 10,662 million. After the deduction of finance costs of Baht 262 million and income tax of Baht 1,018 million, as a result, the Company and its subsidiaries had net profit of Baht 4,300 million or Baht 0.90 per share, improved by 13.3% compared to the same period of the previous year.

Please kindly be informed accordingly.

Yours faithfully,

Siam Makro Public Company Limited

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(Saowaluck Thithapant)
Group Chief Financial and Shared Services Officer

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