

makro

Cash & Carry



ANNUAL REPORT 2010
SIAM MAKRO PUBLIC COMPANY LIMITED

SUSTAINABLE GROWTH

2010
Total Consolidated
Revenues

+13.1 %

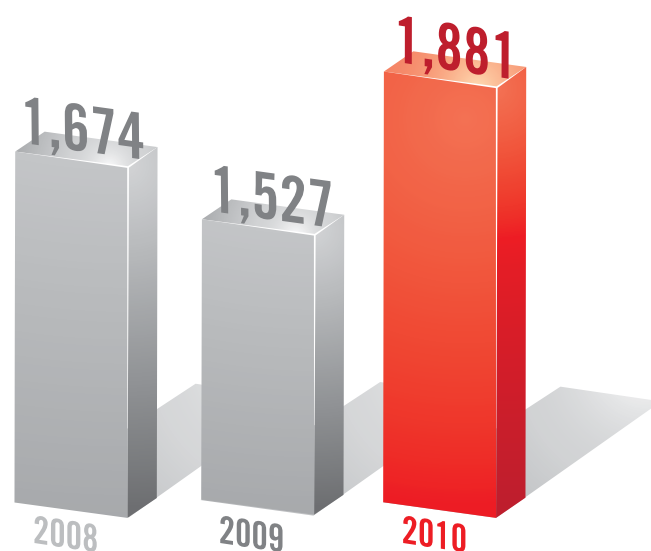
Over 2009



2010 Net Profit

+23.2 %

Over 2009



2010 Total Assets

+11.2 %

Over 2009



CONTENTS

Message from the Chairman and Chief Executive Officer	10
Makro Cash and Carry	12
Makro Retailer Alliance (“MRA”) Project	14
Format and Assortment Development	16
People Development	19
Health & Safety Development	20
Distribution Centers Development	22
Annual Events	24
We Contribute to the Society	26
Siam Food Services	30
Company Profile	33
Financial Highlights	34
Audit Committee’s Report	36
Management Discussion and Analysis	38
Industry and Competitive Environment	40
Looking to the Future	41
Risk Factors	42
History and Major Development	44
Other Information	46
Report of the Board of Directors’ Responsibilities for Financial Statements	84
Financial Statements	85
Makro, Siam Frozen and Siam Food Services Locations	135

CORPORATE PHILOSOPHY



Keep Things
Simple



Go for Niche
and Market
Share



Manage
Change



Listen, Learn
and React



Look for the
Unusual



Growth
through
Performance



Invest in
People



VISION

Makro in Thailand always strives to continue to be the leading Cash & Carry operator, distributing Food and Non Food products to our registered customers, providing the best buying conditions and solutions for our professional customers.



MISSION

- We shall continue to be 1st choice supplier to food professional customers.
- We shall be the one-stop supplier for our professional customers; Retailers, HoReCa (Hotel, Restaurant and Catering) and Service Providers.
- We shall always fulfil and maintain our customers' satisfaction, providing quality products at competitive prices with full availability to our core customers.
- We shall work in collaboration with our business partners for the continuous improvement of efficiency, giving an increase in mutual benefits for all parties.
- We shall operate our business professionally, committing ourselves to the principles of good corporate governance, by recognising the importance of our human resources, the good relationship with our community and society and the appropriate added value for our stakeholders.



MESSAGE FROM THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER



Mr. Arsa Sarasin
Chairman



Mrs. Suchada Ithjarukul
Chief Executive Officer

2010 was another challenging year for Thailand and its economy. Following economic contraction of 2.3% in 2009, the country recovered strongly and closed the year with a growth of 7.8%. This was supported by government stimulus package, strong export growth, improved consumer confidence and recovery of tourism in the last quarter. Despite the positive economic figures, the country was adversely affected by political turmoil in second quarter, severe drought followed by worst flood in many decades and currency appreciation against US dollar.

2010 has been a remarkable year for Siam Makro where we achieved 13.1% growth in top line and 23.2% in bottom line amidst several negative factors mentioned above. This was a result of relentless contribution of our people and also previously implemented projects are paying off.

Siam Makro commenced our first step into the third decade of operation in 2010. We initiated several development projects to build foundation for sustainable growth and for us to achieve our mission “to continue to be 1st choice supplier to food professional customers”.

One of the projects was the enhancement of the Eco Plus concept that was geared to better serve HoReCa (Hotel, Restaurant and Catering) customers. The pilot store was a success and the best practice have been applied in other new stores in similar environment. This was reflected in the remodeling of a store in Hang Dong, Chiang Mai, where merchandising and assortment have been improved to include specialty features like wine corner, coffee solution, sashimi counter, international food, etc

Additionally, we developed a frozen shop under the name “Siam Frozen” which sells mostly frozen product with an aim to provide easy access for food professionals who

are further away from Makro stores. The pilot shop was launched in November in Chiang Mai.

An important factor that supports sustainable growth is Human Resource Development. We implemented new matrix organisation structure to help accelerate development of food service assortment and improve staff competency. Succession planning and training for talent continued during the year.

The efficiency of the new Distribution Center (“DC”) for Dry Food and Non Food inaugurated in 2009 has motivated suppliers to participate in our DC exceeded our expectation. This prompted us to initiate DC extension project in 2010 which was completed in the first quarter of 2011. We also planned to build additional DC in the same area to cope with our future growth.

Another crucial development is the launch of Customer Intimacy project. This initiative aims to increase customer satisfaction and this concept has been communicated throughout the organisation.

The Business Continuity Management (“BCM”) program was completed in May 2010, just in time to provide the Company some comfort during political unrest. This project includes the establishment of Alternate Site and Disaster Recovery Site to ensure that critical business functions can continue if disaster occurs. The next phase of BCM project has been initiated to cover more functions.

In 2010, the Company expanded four stores in Kamphang-phet, Kanchanaburi, Lopburi and Nong Khai, most of which are in Eco Plus platform. The Company finished the year with 48 branches. We will continue to explore expansion opportunity in line with our sustainable growth objective.

MESSAGE FROM THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

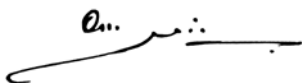
Makro aspires to be the solution provider to food professionals and we continue to organise Makro HoReCa event and Retail Expo to provide professional knowledge to our members and interested people. Both events were held at Impact Exhibition Centre, Muang Thong Thani, and were attended by over 100,000 visitors. The Makro Retailer Alliance (“MRA”) continues to be implemented with an aim to enhance the capability of our small retailer customers to ensure they are competitive in the current challenging environment. The MRA University Project also gave university students opportunity to gain retail experience and also helped small retailers in their shop improvement.

The Company recognises the importance of contribution to Thai society and has participated in many beneficial projects. The most notable activity was the contribution to the flood relief effort. Makro supported various foundations and government bodies in a form of donation, providing basic necessities at discounted price and helped to deliver to the affected area. In addition, our MRA team and store staff also assisted small retailers in some areas that were affected by the flood like Hat Yai, Nakhon Ratchasima, etc.

2011 is expected to be another challenging year with lingering political conflict and continual global economic situation. The economic growth is expected to be lower than that of 2010. However, the Company will put emphasis on format development and people which will be centered on talent management and succession planning. This is to ensure that Siam Makro will continue to be the leading Cash and Carry operator in Thailand.

With the potential issuance of Retail or Wholesales Operating Act, we expect future expansion and business operation will become more difficult. We hope to get support from local communities for expansion in the future.

We would like to thank our business partners including our valued customers and suppliers, shareholders, Board of Directors, employees and management for their continual support that made 2010 a remarkable year for Siam Makro.



Mr. Arsa Sarasin
Chairman



Mrs. Suchada Ithijarakul
Chief Executive Officer

MAKRO CASH & CARRY

Makro is a membership based modern cash and carry operator primarily serving specific groups of professional customers including small retailers, HoReCa and Services. Our business model is to be the solution provider for our customers' business requirement by supplying the right assortment at the right price from our current 48 branches throughout Thailand.

Type of Makro Stores

Makro stores are groups according to format and type of focused customers.

Store Type	2008	2009	2010
Classic	39	40	40
Eco Plus	-	1	5
Eco	2	3	3
Total	41	44	48

Classic Store : Typical cash & carry structure designed to serve professional customers with selling area ranging between 5,500-12,000 sqm. The focused customer groups are small retailers, HoReCa and Services.

Eco Plus : This type of store is designed to serve food professionals both small retailers and HoReCa, which is in line with Company strategy. Most of the selling space is dedicated to food product for HoReCa and small retailers. This will be the main concept for future expansion to differentiate Makro from competitors.

Eco : This type of store is designed to serve HoReCa customers in the tourist cities like Phuket, Samui and Krabi. Majority of the selling space is dedicated to food product and both assortment and product display are tailored for HoReCa requirement.

MAKRO CASH & CARRY

Core Makro Customers

Small Retailers : They are small traditional retailers selling basic consumer goods located throughout the country. Major groups include grocery stores, mom & pop stores, minimart, etc.

HoReCa : They are Hotel, Restaurant and Catering and Food Stalls, majority of which are medium to small operators serving a wide range of cuisine.

Service : They are service businesses and government offices including corporate offices, schools, hair salons, printing shops, laundry shops, etc.



Customer Development

Customer Development is one of the main pillars of Makro business model. Capitalising on our customer database with over 2 million registered members, we are able to determine and understand our core customers' diverse requirement via our continuous communication with them. This is an essential element to ensure our success in the market place.

Assortment and Price Competitiveness

Assortment is key to our ability to attract and retain our core customer base. Our customers must be satisfied that our stores carry the required products at the right price. Our target customer groups have special and differing buying needs. Through close observation of customer buying patterns and constant communication with them, we are responsive to the different demands of our core customer base. As we expand into new areas, we can adapt our product offering to the specific needs of the customers in each location.

Price competitiveness is vital to our success and to our ability to attract and stay the supplier of choice for our core customer base. The ability to price competitively is achieved through a variety of factors including price surveys, improved internal cost management and our ability to work with our suppliers.

Low Cost Structure

The Company maintains a low cost structure by actively searching for additional cost optimisation and improvement in operational efficiency. Initiatives from previous years continued to be implemented i.e. effective margin management, aging stocks and stock financing, energy saving, inventory management, etc.

MAKRO RETAILER ALLIANCE (“MRA”)

The main objective of MRA is to continuously provide small food retailers, both Makro and non Makro members, with retail management knowledge and recommend commercial tools required to increase their competitive edge throughout their business life-cycle and to help form a strong independent retailer's network. With this, the Company established a dedicated MRA team to be the driving force and set up MRA Centre at Makro Lardprao to be a place where small food retailers or small entrepreneurs can seek advice on retail business issues. It is equipped with an advisory area, a seminar room and sample of a typical retail shop to provide participants with sample layout, assortment, merchandising, various equipment and inventory storage. MRA Centre also features miniature models of various retail shop sizes with estimated investment cost along with initial information for interest parties.



- MRA staff visited customers and provided free advice

Notable MRA activities in 2010 included providing advisory services, assisted small food retailers in shop improvement, arranged training and seminars in key provinces, continued University Project, organised 3rd Retail Expo and initiated the “New Generation Retailer Business Idea” contest.



- University Project : MOU signing ceremony



- University Project : University students assisted in small food retailer shop improvement

MAKRO RETAILER ALLIANCE (“MRA”)



• Mr. Athin Usanakornkul (Hope) the winner of New Generation Retailer Business Idea Contest



• Hope's valve added business



• Hope's own brand drinking water

The objective of the New Generation Retailer Business Idea contest was to search for new generation of small food retailers who inherited the business from their parents. They should also possess innovative business ideas or new management style that will make them successful in the current competitive environment. These young entrepreneurs will also serve as inspiration to other new generation retailers to continue operating their business profitably and efficiently.

This contest attracted contestants nationwide who submitted their current successful practice or their plan to improve their businesses. The information was reviewed by a panel of judges from different line of expertise i.e. university lecturers, Makro's key suppliers, representatives from the media and Makro's staff.

The winner of the above contest in 2010 is a 28 year old entrepreneur who has operated his family business for 3 years. He clearly demonstrated his dedication towards his business and showed modern retail management skills with the following key attributes:

- Positive thinking
- Innovative
- Good management skill
- Openness to try different kind of businesses
- Good customer service mind by providing product and services required by customers



FORMAT AND ASSORTMENT DEVELOPMENT



Makro's success is contributed by our continuous development of our operation and our people. Notable projects in 2010 has been the development of new format and assortment, people, health & safety and Distribution Centers ("DC").

Format and Assortment Development is one of the key factors for us to continue to be the 1st choice supplier for food professional customers as we will be able to address our core customers' requirement better. These developments have been focused on serving the HoReCa customers



• Household and catering equipment for professional



• Full range of frozen food



• Cheese & Deli Counter

better while maintaining the strength of our small retailers business. The launch of Eco Plus store was such example where the area for fresh food has been increased substantially to accommodate expanded assortment. It is also placed in the most accessible area to improve shopping



• Extensive wine range

convenience for the customers. With the new layout, assortment has to be developed as well in order to fulfill the concept. 2010 has seen the introduction of more diverse



• Coffee Solution

FORMAT AND ASSORTMENT DEVELOPMENT

and up-market HoReCa range including wine/cocktail/mocktail, coffee solution, sashimi counter, import & local beef counter, international food, cheese & deli counter and full line of frozen food.



• Beef Counter



• Sashimi Counter

SIAM FROZEN SHOP

A new small frozen shop has been developed under the name "Siam Frozen", selling mostly frozen products. The pilot shop was opened in November 2010 in Chiang Mai. The aim of this shop is to expand our market coverage, increase customer base and capitalise on our market leader position in frozen food, which is a fast growing segment. Food professional customers who live further away from Makro can have easier access to quality frozen food product which can be available throughout the year regardless of the season.



• Pilot Siam Frozen shop in Talad Muang Mai, Chiang Mai

PEOPLE DEVELOPMENT



- Product knowledge training by food specialists in butchery, Indian food and wine

Siam Makro recognises that human resource development is pivotal not only for our today's success but also to ensure sustainable growth in the future. At the foundation, we implemented Matrix Organisation in order to transform ourselves to become more customers driven and support our future growth.

It is crucial for the staffs to be adequately trained to perform their role effectively. The Company provided extensive training programs on a wide range of areas to improve staffs competency including management skill, product knowledge, customer service mind, etc.



HEALTH & SAFETY DEVELOPMENT



- Makro audited suppliers and provided advice to improve their standard



procedure. This is to continuously improve the product safety standard from the manufacturer through to the point of sales. Makro goes to the source to ensure product safety by auditing suppliers and helping them improve their manufacturing standard to comply with domestic regulatory requirement or up to international standard. This is especially vital for our own brand products. Quality Assurance and Quality Control had also been integrated into our standard operating procedure both at stores and at DC to improve the food safety standard and we have been awarded several certifications both international and domestic since.

Food Safety Development

With the increasingly regulated environment coupled with customers becoming more aware of product safety, the Company sees the importance of this and developed and implemented Quality Assurance and Quality Control



HEALTH & SAFETY DEVELOPMENT



- Area closed while machine is working to avoid customer injury.



- Safety gears provide to staff to ensure safety



- Annual fire drill and evacuation exercise

In-Store Safety Development

Safety also extends beyond product to include the store operation. This is to ensure a safe environment for both our customers and our staffs. This is achieved by creating awareness among the staffs with constant communication,

embedding safety into standard operating procedure, provided them with safety training as well as necessary safety gear.

DISTRIBUTION CENTERS DEVELOPMENT



• Dry Food & Non Food DC extension while it was under construction. This section was completed in March 2011

Logistics is a fundamental part of Makro's business strategy to boost operational efficiency and support business growth. Both the Dry Food and Non Food DC and the Fresh Food DC have added value through better inventory management at stores therefore reflected a more constant supply, reduces out of stock and shrinkage.



DISTRIBUTION CENTERS DEVELOPMENT



The efficiency of the Dry Food and Non Food DC has prompted suppliers to participate in the program such that the volume growth exceeded our initial expectation. To cope with this, the Company initiated a project to extend the current DC building and handling capacity to accommodate

medium term requirement. This extension was completed in the first quarter of 2011. To address long term requirement, the Company already commenced another study project to build additional DC within the same area to increase handling capacity to maintain efficiency.



ANNUAL EVENTS



5th Makro HoReCa

Makro organised the 5th Makro HoReCa event in March 2010 at Impact Exhibition Centre. The event was a success as it was attended by over 35,000 visitors and supported by 262 suppliers. The objective of this event was to reinforce Makro's position as professional food service operator. The event also aims to provide the visitors with exposure to updated product knowledge, new business ideas, new menu, new industry trend and other knowledge related

to HoReCa business. One of the highlights was culinary contest with the winner receiving Honorable Trophy from Her Royal Highness Princess Soamsawali which attracted hundred of contestants nationwide. The event also featured full range of activities including cooking demonstration by celebrated chefs, seminars led by industry experts, product tasting, consultation booths, etc.



ANNUAL EVENTS



ตลาดนัดโชห่วยครั้งที่ ๓

ต่อยอดอนาคต...กำหนดปัจจุบัน...สืบสานอดีต

3rd Retail Expo

The Company's success since the beginning has been largely due to the continual support of the small retailers and Makro therefore continue to organise the Retail Expo to create awareness of our commitment to this group of operators. The 3rd Retail Expo was held at Impact Exhibition Centre in September 2010 in cooperation with 125 business alliance and this event was also a success with over 75,000 visitors over the 4 days. The concept of this event was "Build up the Future, Define the Present and

Inherit the Past" and it was organised in retro atmosphere featuring the evolution of small retail shops through different eras; past, present and future. It also showcased the MRA activities including consultation booths, shop improvement, etc. Other activities included announcement of the winner of "New Generation Retailer Business Idea" contest, seminars by experts, suppliers showcasing their products, entertainment programs, etc.



WE CONTRIBUTE TO THE SOCIETY

Besides being responsible to our customers, staffs, business alliance and shareholders, Makro also takes our responsibility to the society seriously. Throughout 2010, the Company and our staffs participated in various activities and placed emphasis on supporting the communities.



Flood Relief :

Thailand was badly affected by the worst flood in many decades following heavy downpours and overflowing reservoirs. This caused a widespread damage to people livelihood and farmland in 39 provinces. During the height of the impact, Makro recognised urgency of the situation and proactively collaborated with several charitable organisations such as Rajaprajanugroh Foundation under The Royal Patronage and The Rotary Clubs as well as governmental bodies in providing the relief efforts to the flood victims. This included donating basic necessities and cash as well as supplying products at discounted price and helped organised delivery to the affected areas.



WE CONTRIBUTE TO THE SOCIETY



- Makro staff distributed aid relief set to flood victims



- Makro staff helped small retailers to clean their shops

Makro also recognised the need of the flood victims to gain back their livelihood after the water has subsided. We therefore focused our effort on supporting the small retailers and dispatched our MRA Team to some affected areas promptly. The MRA Team, together with Makro store staffs, helped the small retailers in Hat Yai city and Nakhon Ratchasima area to get back into business quickly by helping in cleaning up their shops and arranging the shelves.



WE CONTRIBUTE TO THE SOCIETY



Blanket for rural communities :

As 2010 was an unusually cold year for many parts of Thailand, Makro initiated a Blanket Project to raise fund to purchase blankets. The Company encouraged the employees to donate and the Company matched the amount. The blankets were distributed to rural areas in 16 provinces that were affected by the cold spell in Northern and Northeastern region.



Royal Projects :

The Company continues to support the “Royal Projects” under the royal patronage of both H.M. the King and H.M. the Queen by helping to distribute the product in our stores countrywide. Some of the organisations include Doi Kham, Tapasa Foundation and various agricultural projects under the royal patronage of H.M. the Queen.

WE CONTRIBUTE TO THE SOCIETY



Lead Free Noodle Pot :

Makro is well aware of the danger posted by lead found in substandard old traditional noodle pots which will lead to lead contamination in food or liquid resulting in long term health damage to the consumers. With this in mind, Makro, in corporation with Satien Stainless Steel, manufacturer of Zebra brand cookware, and The Rotary Club of Bangkok Vibhavadi, initiated "Lead Free Noodle Pot Project" with the objective to provide product with proper safety standard to the society, to improve quality of life and to offer consumers' right protection. Under this project, Makro, Zebra and Rotary Club donated noodle pots to the Laksi community in Bangkok. Additionally, Makro also created Trade-in project to persuade customers to trade-in their old noodle pots for new lead free ones.

SIAM FOOD SERVICES

SIAM FOOD SERVICES



SFS is the leading provider of premium food products, value-added services and logistic services to the hospitality and food service industry nation-wide. It specialises in supplying high quality frozen and chilled product i.e. meat, seafood, poultry, potato, dairy, seasonings, etc. SFS operates

from 4 locations: Bangkok, Ko Samui, Pattaya and Phuket. The principal customers are from HoReCa and retail sectors and these include major independent and multinational restaurants, hotels, contract food service operators and hypermarkets.



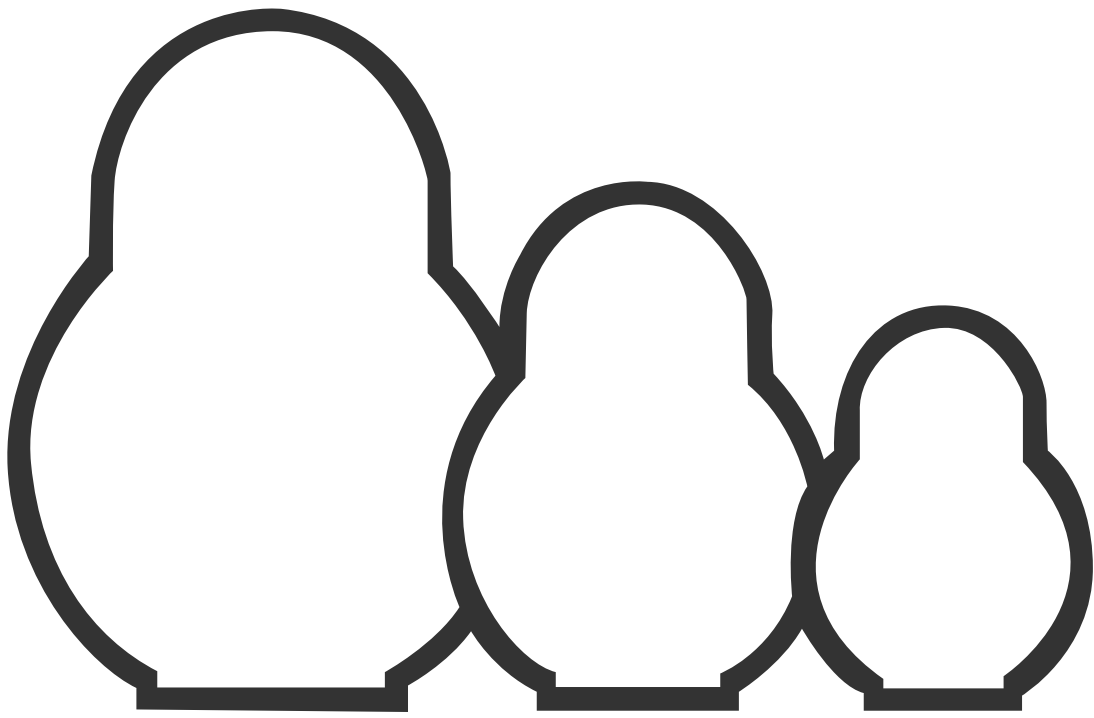
SIAM FOOD SERVICES



The economic growth in the past decade has seen a growing middle class with higher disposable income, coupled with continual development in Thai tourism and hospitality industry, are leading to well-developed food service industry. SFS is ideally positioned to be the leader in this expanding market with its market understanding, wide product offering and exceptional product knowledge. The temperature controlled facilities in 3 key locations allows SFS to deliver very high quality product to its clients country wide.

2010 has been a successful year for SFS as it closed the year with total sales of Baht 981 million and net profit of Baht 22 million with impressive top line growth from

2009 by 24.1%. The good result was contributed by improvement in the penetration into the QSR segment (Quick Service Restaurant), which is less affected by drop in tourism industry. Additionally, there has been an improvement in business system, personnel fulfillment and assortment line up. With the expected improvement in consumer spending and recovery in tourism in 2011, the management envisages SFS to keep on improving its business operation, human resource development and customer development and at the same time pursue new business opportunities to ensure its continual market leadership.



▲ go and grow

COMPANY PROFILE

The principle business of Siam Makro Public Company Limited (“the Company”) is the operation of membership based Cash and Carry Trade Centres, registered under the name of “Makro”, throughout Thailand. The Company was established in May 1988 and its shares were listed on the Stock Exchange of Thailand in August 1994 with a total registered share capital of 240 million shares and has par value of Baht 10 each fully paid-up. As at the end of 2010, there are 48 Makro stores of varying sizes, 9 stores are located within the Greater Bangkok area and 39 stores are in the provinces. Each store is ideally positioned geographically to be easily accessible by all its customers. Every store offers a product range and assortment designed specifically for their members' needs and expectations.

With a large registered member base distributed all over the country, the Company continues to successfully operate its principle business of providing solution to a multitude of clientele operating in a wide range of industries. The main

focus being small to medium size businesses, predominantly small retailers, HoReCa (Hotel, Restaurant and Catering), institutions, professional customers and also the service sectors.

The Company has one 99.9% owned subsidiary company, Siam Food Services Limited (“SFS”). SFS is a leading provider of premium food products, value-added services and logistic services to the hospitality and food service industry nation-wide. It specialises in supplying high quality frozen and chilled product i.e. meat, seafood, poultry, potato, dairy, seasonings, etc. SFS currently operates from 4 locations; Bangkok, Pattaya, Ko Samui and Phuket.

The Company's office is located at 3498 2nd Floor, Lardprao Road, Klongchan, Bangkok, Bangkok 10240. Telephone 0-2375-7000, 0-2723-1000 Facsimile 0-2375-2927. Website: www.siammakro.co.th

FINANCIAL HIGHLIGHTS

Siam Makro Public Company Limited

As at 31 December

Unit : Baht Million				Change (%)	
	2010	2009	2008	2010/2009	2009/2008
Total assets	25,347	23,421	18,695	8.2	25.3
Total liabilities	16,227	14,781	11,945	9.8	23.7
Share capital	2,400	2,400	2,400	0.0	0.0
Shareholders' equity	9,120	8,640	6,750	5.6	28.0
Sales	85,673	75,768	70,790	13.1	7.0
Total revenues	87,921	79,513	73,180	10.6	8.7
Gross profit	6,136	4,963	4,600	23.6	7.9
Net profit for the year	1,920	3,210 **	1,701	(40.2)	88.7
Earnings per share for the year (Baht)	8.00	13.37	7.09	(40.2)	88.6
Par value per share (Baht)	10.00	10.00	10.00	0.0	0.0
Book value per share (Baht)	38.00	36.00	28.13	5.6	28.0
Dividend per share (Baht)	7.00 *	5.75	6.50	21.7	(11.5)
Net profit margin for the year (%)	2.2	4.0	2.3		
Return on equity (%)	21.6	41.7	25.7		
Return on total assets (%)	7.9	15.2	9.1		
Dividend pay out ratio (%)	87.5	43.0	91.7		

Remark :

* Dividend per share include the followings.

- 1) Interim dividend of Baht 2.00 per share and Baht 1.25 per share were fully paid on September 3, 2010 and December 9, 2010 respectively.
- 2) Proposed final dividend of Baht 3.75 per share for shareholders' approval on April 20, 2011 bringing total dividend for 2010 to Baht 7.00 per share.

** 2009 Net profit included dividend income from subsidiary in statement of income of Company of Baht 1,774 million.

FINANCIAL HIGHLIGHTS

Siam Makro Public Company Limited and its subsidiaries

As at 31 December

Unit : Baht Million				Change (%)	
	2010	2009	2008	2010/2009	2009/2008
Total assets	25,492	22,922	20,631	11.2	11.1
Total liabilities	16,316	14,187	12,103	15.0	17.2
Share capital	2,400	2,400	2,400	0.0	0.0
Shareholders' equity	9,176	8,735	8,528	5.0	2.4
Sales	86,459	76,423	72,139	13.1	5.9
Total revenues	88,664	78,408	74,310	13.1	5.5
Gross profit	6,311	5,081	4,853	24.2	4.7
Net profit for the year	1,881	1,527	1,674	23.2	(8.8)
Earnings per share for the year (Baht)	7.84	6.36	6.98	23.3	(8.9)
Par value per share (Baht)	10.00	10.00	10.00	0.0	0.0
Book value per share (Baht)	38.23	36.40	35.53	5.0	2.4
Dividend per share (Baht)	7.00 *	5.75	6.50	21.7	(11.5)
Net profit margin for the year (%)	2.1	1.9	2.3		
Return on equity (%)	21.0	17.7	19.9		
Return on total assets (%)	7.8	7.0	8.1		
Dividend pay out ratio (%)	89.3	90.4	93.2		

Remark :

* Dividend per share include the followings.

- 1) Interim dividend of Baht 2.00 per share and Baht 1.25 per share were fully paid on September 3, 2010 and December 9, 2010 respectively.
- 2) Proposed final dividend of Baht 3.75 per share for shareholders' approval on April 20, 2011 bringing total dividend for 2010 to Baht 7.00 per share.

AUDIT COMMITTEE'S REPORT

Siam Makro Public Company Limited's Audit Committee comprises of three independent Directors who have the required qualifications and are independent in compliance with the SET's requirements. The members of the Audit Committee are Mr. Athaporn Khaimarn, Chairman, Mr. Chavalit Uttasart and Mr. Thira Wipuchanin, Committee Members

During the year 2010, the Audit Committee had totaling 4 meetings. A summary of the attendance of each member of the Audit Committee was as follows:

Name	Number of Attendance
1. Mr. Athaporn Khaimarn	4
2. Mr. Chavalit Uttasart	4
3. Mr. Thira Wipuchanin	4

The management and external auditors were invited to attend each meeting to discuss various issues of concerns. The major matters discussed are as follows:

Preparation of Financial Statements

1. Review the quarterly and annual financial statements and consolidated financial statements of the Company and its subsidiaries for the year 2010 with executives and auditors to ensure that financial statements of both the Company and its subsidiaries were in accordance with generally accepted accounting principles and that information was adequately and completely disclosed in a reliable manner.
2. Review the disclosure of related party transactions between the Company and its subsidiaries to ensure that the Company complied with business criteria required by the Stock Exchange of Thailand.

Internal Control System

3. Review the Company's internal control systems and internal audit system to ensure that they are suitable and efficient, and to determine an independent of the internal audit unit.
4. Review internal audit plan and audit findings for the year 2010 reported by Internal Audit Department.

AUDIT COMMITTEE'S REPORT

5. Jointly with the external auditors, the internal auditor and the Company's management, review material issues relating to internal controls and operations procedures of the Company.

Related Party Transactions

6. Review related party transactions that may cause a conflict of interest to the Company and found that they were real and carried out during a normal course of business and the Company carried them out according to a good corporate governance policy.

Selection of the Company's external auditors

7. Consider, select and nominate independent persons to be the Group external auditors and consider proposed audit fees together with the Company's Board of Directors, as well as to attend a non-management meeting with the external auditors once a year.

Law and Regulations compliance

8. Review the Company's compliance according to laws governing securities and exchange, regulations of the Stock Exchange of Thailand and other legislations relating to its business and found that they were fully complied.

The Audit Committee, having reviewed the operations, is of the opinion that the Company diligently pursued the good corporate governance policy, resulting in an adequate internal control system with no significant weakness. Related party transactions which may lead to conflict of interest were actual transactions found during a normal course of business carried out for the Company's maximum benefit. No unusual item with material essence was found. The Company also fully complied with all the rules and regulations. For the financial statements during the accounting period that ended 31 December 2010 were properly done. Information was adequately disclosed and in line with the accounting standards and there was no incident that depicted items with financial impacts.



(Mr. Athaporn Khaimarn)
Chairman of the Audit Committee
Siam Makro Public Company Limited

MANAGEMENT DISCUSSION AND ANALYSIS

Economic Environment

Thai economy recovered from the 2009 slump and grew 7.8% in 2010. This recovery was supported by disbursement of stimulus package, recovery in tourism industry and improved consumer and investor confidence. Additionally, manufacturing, exports, private investment and consumption improved while farm income rose from higher price of agricultural product. Nevertheless, the political unrest in the 2nd quarter, severe drought and severe flood had dampening effect on the economy as well. The headline inflation for the year was 3.3% while core inflation was 1.0%.

Revenue

Consolidated sales increased by Baht 10,036 million to Baht 86,459 million, up 13.1% from Baht 76,423 million in 2009, higher than economic growth during the period. The sales growth reflected continuous development in various areas like customer development and assortment development as well as additional sales from 7 new stores opened since last half of 2009. On same store basis, Makro's sales grew 6.9%.

Total consolidated revenue was Baht 88,664 million, an increase of 13.1% from Baht 78,408 million in 2009. This was a result of the above sales increase and increase in service income of 9.1%.

Gross Profit

The gross profit percentage to total sales improved from 6.6% last year to 7.3% this year or an increase of 24.2% in absolute amount. This was attributable to previously implemented projects that are geared towards food service are paying off i.e. effective margin management, customer development, ownbrand development and improvement in new store performance.

Selling and Administrative Expenses

Total selling and administrative expenses for 2010 was Baht 5,641 million, an increase of 18.0% from 2009. This represents 6.4% of total revenue, slightly higher than 6.1% in 2009. Majority of the increase was in the selling expense and this was mostly due to expenses of 7 new stores opened since last half of 2009. The rest are in administrative expense and most of the increase was in the personnel related expense to cope with new organisation structure as well as additional provision for staff benefits.

Net Income

The consolidated income before financing costs and taxation was Baht 2,875 million, an increase of Baht 590 million or 25.8% over 2009. Income after taxation was Baht 1,881 million representing an increase of 23.2% over 2009.

Earnings per Share

Earnings per share were Baht 7.84 for 2010 compared to Baht 6.36 per share in 2009. This indicates an increase of 23.2% over 2009 reflecting continuous improvement in net operational income.

Financial Status

The Company's financial status as of 31 December 2010 indicated a strong financial position. This was due to significant increase in operating cash flow derived from higher profit before taxation and improvement in working capital position. Consolidated total assets were Baht 25,492 million, an increase of Baht 2,570 million from Baht 22,922 million in 2009. The increase in asset position was mostly due to increase in cash and cash equivalent generated from higher operating cash flow and new stores investment.

The significant improvement in cash position from 2009 of Baht 2,286 million was contributed by higher profit before tax, efficient working capital management and additional borrowing. This was despite dividend payment of Baht 1,440 million during the year and fixed asset investment of Baht 1,466 million from business expansion.

MANAGEMENT DISCUSSION AND ANALYSIS

Current Liabilities increased from 2009 by Baht 2,089 million was mostly due to additional trade payable, increased in short-term borrowing, higher tax payable and accrued expenses. The increase in trade payable of Baht 1,463 million was due to increase in trade volume compared to 2009 as well as increase in overall payable days from higher participation of products that has longer credit term. The increase in short-term borrowing of Baht 387 million was to accommodate investment in the future.

There have been no increase in share capital during the year and the share capital remains unchanged at Baht 2,400 million, consisting of 240 million shares with a par value of Baht 10 each fully paid up.

The debt to equity ratio (D/E ratio) increased from 1.6 in 2009 to 1.8 in 2010. This was mostly a result of increased accounts payable from higher trade volume in December.

The Group has adequate cash and credit line facility to support future expansion and business acquisitions should appropriate opportunities be identified.

Total shareholders' equity have increased by Baht 441 million from 2009 due mainly to higher earning after tax during the year in excess of the dividend payment of Baht 1,440 million during 2010.

Dividend

The Company has a policy to pay dividend equivalent to 40% of net income after tax. In 2010, dividend has been paid out in the following order.

- A final dividend in respect of 2009 of Baht 2.75 per share amounting to Baht 660 million was approved at the Annual General Shareholders' Meeting on 29 April 2010 and fully paid on 27 May 2010
- A 2010 interim dividend from current net profit after tax for the six-month period ended 30 June 2010 of Baht 2.00 per share amounting to a total of Baht 480 million was approved at the Board of Directors' meeting on 6 August 2010 and was fully paid on 3 September 2010.

- A 2010 interim dividend from current net profit after tax for the nine-month period ended 30 September 2010 of Baht 1.25 per share amounting to a total of Baht 300 million was approved at the Board of Directors' meeting on 11 November 2010 and was fully paid on 9 December 2010.
- On 17 February 2011, the Board of Directors of the Company unanimously resolved to propose a final dividend in respect of 2010 of Baht 3.75 per share amounting to Baht 900 million to the Annual General Shareholders' Meeting for approval and to be paid on 19 May 2011.

Share Price

The closing share price for the Company at 31 December 2010 was Baht 170.00. The Company was capitalised at Baht 40,800 million, increased by Baht 19,800 million from Baht 21,000 million at the end of 2009, representing an increase of 94.3%.

Audit Committee

In accordance with the regulations of the Stock Exchange of Thailand, the Company has formed an Audit Committee comprising three independent directors. The report of the Audit Committee is set out on page 36.

Corporate Governance

The Company is committed to the implementation of Good Corporate Governance practice, and a report on our application of the Principles of Good Corporate Governance is set out on page 75.

INDUSTRY AND COMPETITIVE ENVIRONMENT

The retail and wholesale sector in Thailand continues to be one of the important components driving GDP of the country. There has been significant development in this sector over the years leading to continual expansion of players who operate in various segments. This industry is becoming increasingly more competitive as players responded to consumers' behaviors with various kind of promotions, loyalty campaign, value added service, etc to encourage higher and continuous spending.

Makro operates in the Cash & Carry segment and there is no prominent direct competitor. Nevertheless, although Tesco Lotus, Big C and Carrefour are hypermarket but as Makro and these players are considered Large Trading Format and they often operate in the same catchment area, they are considered indirect competitors. In 2010, these players continued to increase their market coverage as each inaugurated new stores as follows; Tesco Lotus 5 stores, Big C 2 stores and Carrefour 4 stores. As at the end of 2010, number of branches of each of the Large Trading Format players are Tesco Lotus 122 (Hypermarket and Value format) Big C 71 and Carrefour 43.

Apart from the indirect competitors mentioned above that are competing against us, the convenient stores as well as small format of Tesco Lotus, Tesco Express, are also competing against our small retailer customers. Their aggressive expansion is having an impact on our customers and therefore impacting our operation. As at the end of 2010, 7 Eleven, the biggest convenient store operator, had 5,888 stores while Tesco Express had 546 stores.

There has been a significant development in retail industry in late 2010 as Big C Thailand acquired Carrefour Thailand. With this consolidation of market players, it is expected that the competitive landscape will intensify. Furthermore, the draft Retail and Wholesales Business Act continues to be pursued by the government to become a law. If this legislation comes into effect, it will impose additional requirements on expansion as well as additional operational control leading to increased complexity and cost of doing business in the future

LOOKING TO THE FUTURE



The economy recovered strongly in 2010 and is expected to continue growing in 2011 with expected growth of 3.5-4.5%, subject to continual political stability. Private investment and consumption is expected to improve from recovery in confidence and export is expected to maintain. The positive economic outlook provided a good foundation for Makro to continue developing our business to achieve our mission “to continue to be 1st choice supplier to food professional customers”.

In 2011, the Company will continue with the development theme with specific focus on business growth, moving the company to become more customer centric and human resource development. The business growth objective

is expected to be realised by organic growth of existing stores, accelerate the maturity of new stores as well as expanding new branches, despite the potential issuance of the Retail and Wholesales Business Act. At the same time, some older stores will be renovated to revitalise them. To become more customer centric, the Company aims to improve customer service mindset of our staffs, customer touch points, health & safety, develop differentiated assortment to address customers’ diverse requirement as well as expand DC capacity to ensure sufficient supply. The human resource development will focus on ensuring that we have quality people to support our future growth objective and this will be centered on fulfillment, succession planning and competency improvement.

RISK FACTORS

Risks to a business can be strategic, financial, compliance, regulatory, natural, operational or systems. Major risks we currently face include those derive from external environment including economic & political, natural disaster and legislation and from internal factor including product, people and system.

Economic & political and natural disaster

Cash & Carry business is sensitive to changes in external environment to various degrees. The economic contraction in 2009, political unrest in second quarter in 2010, drought and severe flood have dampening effect on both local consumer confidence and tourism industry. The impact of these incidents was far reaching and affected a wide range of industry. Makro was also impacted but as majority of our business consists of basic necessities and fresh food products as well as our well distributed locations, we are partly shielded from the negative factors.

Legislation

Our business is subject to more than 30 legislations and may become increasingly more regulated in the future as more related legislations are in the process of being issued.

The growth of the modern wholesales and retail sector in Thailand in the last decade, whilst benefiting the Thai consumers, has been perceived to have adverse impact on

small retailers. Zoning Law, Building Control Act and related notifications were issued in 2003 and these legislations have significantly curtailed operators' ability to grow through expansion within built up urban areas.

The reinforcement of Competition Act in 2003 focusing on market domination and unfair trade practices and the guidelines for determination of Trade Practices between Wholesale-Retail Business operator and Manufacturer or Distributor also created hurdles within our business operations.

The Ministry of Commerce imposed strict regulation on the price of consumer goods by virtue of the Act on Prices of Goods and Services B.E. 2542 (1999) which it continuously applied throughout 2010. This was despite significant fluctuation in commodity prices.

The Alcohol Beverage Control Act, by Ministry of Health, came into effect in February 2008 with an aim to reduce social problems caused by alcohol. This legislation places limitation to the ability to advertise alcoholic products and to organise sales promotion campaign.

The Product Liability Act, by Consumer Protection Board, became enforceable in February 2009. This legislation stipulates that business operators must be liable for damages resulting from unsafe product.

RISK FACTORS

The potential issuance of the Retail and Wholesale Business Act is another risk factor in the business operation. On December 22, 2009, the cabinet agreed in principle with the draft of this legislation and the Council of State was assigned to study the details and wording of this draft. If this legislation becomes enforceable, the operation of the wholesales and retail businesses may be affected particularly in expansion, business hour restriction, etc.

In light of the abovementioned legislations, the Company will have to be more prudent in term of compliance in order to avoid potential risk and this will increase both the level of complexity in operational processes and cost of doing business.

Product

The increasing attention on food safety and food hygiene by our customers and regulators is becoming more evident. As majority of our product are food, we are exposed to contamination as well as potential negative sentiment from general scares i.e. avian flu. To mitigation this, we have put in place quality assurance and quality control procedure, sourced our product from reliable and certified suppliers, imposed strict cleanliness and hygiene standards on our Distribution Centers, stores and staffs.

People

We continuously train and invest in our employees but must compete against other employers to secure the best employees out of a relatively small pool of skilled labour, especially in the provincial areas. There is a risk that we will be unable to recruit and retain employees with the levels of skills that we require. However, we believe that the meritocratic environment that we offer, the support and training programs that we provide, the feeling of teamwork coupled with the family environment that exist amongst our staffs will help reduce our risk.

Business Operating System

We use information technology throughout our organisation and it is fundamental to our ability to do business. Our core operational system are fully computerised and we are exposed to potential adverse impact if our information technology fail or otherwise become corrupted through computer virus, disaster event, etc. Our information technology department is active in ensuring that the Company is properly and effectively safeguarded against such risk. Furthermore, the Business Continuity Management project has been launched and this will ensure that critical business functions can continue in the event of disaster.

HISTORY AND MAJOR DEVELOPMENT



1988

- Set up the Company with the registered capital of Baht 750 million.

1989

- Opened 1st Makro store in Lardprao.

1990

- Opened 3 Makro stores in Chaengwattana, Srinakarin and Bangbon.
- Set up a subsidiary company called Makro Properties Ltd.

1993

- Opened 2 Makro stores in Chonburi and Chiang Mai.

1994

- Increased registered capital to Baht 2,400 million.
- Opened 3 Makro stores in Nakhon Ratchasima, Rangsit and Hat Yai.
- Listed on the Stock Exchange of Thailand.

1995

- Opened 1 Makro store in Udonthani.

1996

- Opened 4 Makro stores in Phitsanulok, Khon Kaen, Surat Thani and Ubol Ratchathani.

1997

- Opened 1 Makro store in Rayong.

1998

- Opened 1 Makro store in Nakhon Sawan.

1999

- Opened 1 Makro store in Charansanitwongse.

2000

- Opened 2 Makro stores in Sathorn and Nakhon Pathom.

2001

- Opened 1 Makro store in Surin.

HISTORY AND MAJOR DEVELOPMENT

2002

- Opened 1 Makro store in Samsen.

2003

- Opened 2 Makro stores in Nakhon Si Thammarat and Chiang Rai.
- Remodeled 3 existing stores (Lardprao, Chaengwattana and Srinakarin) to new format to focus on a wholesale Cash and Carry business and a one-stop shop for food service.

2004

- Opened 6 Makro stores in Sakon Nakhon, Suphan Buri, Chanthaburi, Phuket, Roi Et and Trang.
- Remodeled 7 existing stores (Bangbon, Chonburi, Chiang Mai, Hat Yai, Nakhon Sawan, Sathorn and Samsen) to new format.

2005

- Acquired 100% shares of Siam Food Services Limited.
- Remodeled 9 existing stores (Charansanitwongse, Surat Thani, Nakorn Pathom, Phisanulok, Udonthani, Rangsit, Nakhon Ratchasima, Khon Kaen and Rayong) to new format.

2006

- Remodeled 2 existing stores (Surin and Ubol Ratchathani) to new format.

2007

- Opened 12 Makro stores in Sakaeo, Ko Samui, Buri Ram, Sisaket, Lamphun, Krabi, Phetchaburi, Chaiyaphum, Saraburi, Pran Buri, Chachoengsao and Chiang Mai.
- Remodeled non-food area in 3 stores (Sathorn, Chaengwattana and Bangbon) to have new assortment and display to cope with our strategy in wholesale Cash and Carry business.
- Installed air conditioning and reviewed assortment and display in 3 stores (Sakon Nakhon, Suphan Buri and Roi Et) to enhance customers' satisfaction.
- Launched "Makro Retailer Alliance" (MRA) project to continuously develop our member customers to improve their competitiveness.

2008

- Remodeled non-food area in 4 stores (Chonburi, Chiang Mai, Rangsit and Charansanitwongse) to have new assortment and display to cope with our strategy in wholesale Cash and Carry business.
- Installed air conditioning and reviewed assortment and display in 4 stores (Nakhon Si Thammarat, Chiang Rai, Chanthaburi and Trang) to enhance customers' satisfaction.
- Continued to run "Makro Retailer Alliance" (MRA) project activities by opening a MRA Centre at Makro Lardprao branch as well as organised Retail Expo, training sessions and seminars for small retailers and their successors to improve their competitiveness.

2009

- Opened 3 Makro stores in Ram Inthra, Chumphon and Pattaya.
- Installed air conditioning and reviewed assortment and display in Phuket stores to enhance customers' satisfaction.
- Under "Makro Retailer Alliance" (MRA) project, co-operated with 12 business alliances and 32 leading universities to jointly assist and support small food retailers.
- Entire business transfer of Makro Properties Ltd. to Siam Makro Public Company Limited.

2010

- Opened 4 Makro stores in Kampahangphet, Kanchanaburi, Lopburi and Nong Khai.
- Launched the first pilot frozen shop under the name "Siam Frozen" in Chiang Mai.
- Remodeled Store Hang Dong (Chiang Mai 2) to Eco Plus format.

OTHER INFORMATION

1. General Information of the Company, Subsidiaries and Associated Company

1.1 Siam Makro Public Company Limited

Company registration No. :
0107537000521 (Former no. Bor Mor Jor. 299)

Date of incorporation :
May 10, 1988

Head office :
3498 2nd Floor, Lardprao Road, Klongchan,
Bangkapi, Bangkok 10240
Tel. 0-2375-7000, 0-2723-1000
Fax. 0-2375-2927
Home Page www.siammakro.co.th

Type of business :
Operating cash and carry wholesale business, selling both food and non-food products to registered members

Type and No. of shares :
Registered ordinary shares with number of shares 240,000,000 shares

Registered capital :
240,000,000 shares at a par value of Baht 10 each, totalled Baht 2,400,000,000

Issued and paid-up capital :
240,000,000 shares at a par value of Baht 10 each, totalled Baht 2,400,000,000

1.2 The Subsidiary and Associated Companies

• The Subsidiary Company

(1) Siam Food Services Limited

Company registration No. :
0105527032739 (Former no. 3276/2527)

Date of incorporation :
September 7, 1984

Head office :
2439 Old Paknam Railway Road, Prakhonong,
Klongtoey, Bangkok 10110
Tel. 0-2620-6000
Fax. 0-2620-6001
Home Page www.siamfoodservices.com

Type of business :
Specialising in the import and distribution of value added, temperature controlled, high specification meats, seafood, poultry, potato, dairy and ethnic food products of both international and domestic brand owners. Distribution reach is nationwide to all provinces of Thailand.

Type and No. of shares :
Registered ordinary shares with number of shares 450,000 shares

Registered capital :
450,000 shares at a par value of Baht 100 each, totalled Baht 45,000,000

Issued and paid-up capital :
450,000 shares at a par value of Baht 100 each, totalled Baht 45,000,000

• The Associated Company

- None -

OTHER INFORMATION

1.3 Reference Persons

Share Registrar :

Thailand Securities Depository Co., Ltd.
The Stock Exchange of Thailand Building,
62 Ratchadaphisek Road, Klongtoey,
Klongtoey, Bangkok 10110
Tel. 0-2229-2800, 0-2654-5599
Fax. 0-2359-1259

Auditor :

Mr. Prasan Chuapanich
CPA Reg. No. 3051

Mr. Somchai Jinnovart
CPA Reg. No. 3271

Ms. Nangnoi Charoenthaveesub
CPA Reg. No. 3044

PricewaterhouseCoopers ABAS Ltd.
15th Floor, Bangkok City Tower,
179/74-80 South Sathorn Road,
Tung Mahamek, Sathorn, Bangkok 10120
Tel. 0-2286-9999, 0-2344-1000
Fax. 0-2286-5050

Legal Counsel :

Siam City Law Offices Limited
20th Floor, Rajanakarn Building,
183 South Sathorn Road, Yannawa,
Sathorn, Bangkok 10120
Tel. 0-2676-6667-8
Fax. 0-2676-6188-9

Chavalit & Associates Limited
20th Floor, Rajanakarn Building,
183 South Sathorn Road,
Yannawa, Sathorn, Bangkok 10120
Tel. 0-2676-6667-8
Fax. 0-2676-6188-9

OTHER INFORMATION

2. Nature of Business

Revenue Structure of Company Group (Revenue net of inter-group transactions)

Activities/Products/Services	Operate by	Shareholding of Company (%)	2010		2009		2008	
			Mil. Baht	%	Mil. Baht	%	Mil. Baht	%
Makro Cash and Carry								
Sales of consumer goods and other income	Siam Makro Public Company Limited	-	87,841	99.1	77,716	99.1	72,869	98.1
Total			87,841	99.1	77,716	99.1	72,869	98.1
Makro Office Centre ⁽¹⁾								
Sales of goods and services and other income	Makro Office Centre Co., Ltd.	99.99	-	-	-	-	671	0.9
Total			-	-	-	-	671	0.9
Property Rental ⁽²⁾								
Property rental and services and other income	Makro Properties Ltd.	99.99	-	-	3	-	8	-
Total			-	-	3	-	8	-
Importing and trading frozen foods								
Sales of goods and services and other income ⁽³⁾	Siam Food Services Limited	99.99	823	0.9	689	0.9	762	1.0
Total			823	0.9	689	0.9	762	1.0
Grand total			88,664	100.0	78,408	100.0	74,310	100.0

Remark :

- (1) On 28 May 2008, Siam Makro Public Company Limited has entered into a Share Sale and Purchase Agreement in order to sell its shares in Makro Office Centre Co., Ltd. to Office Club (Thai) Co., Ltd. The shares were transferred on 1 June 2008 at the price of Baht 403.4 million.
- (2) Pursuant to the resolution at the Annual General Shareholders' Meeting No.16 (after conversion into a public company limited) of Siam Makro Public Company Limited held on April 29, 2009, approval of the entire business transfer of Makro Properties Ltd. to Siam Makro Public Company Limited on May 31, 2009 ("Business Transfer Date") and the dissolution of Makro Properties Ltd. as well as the registration of the dissolution of Makro Properties Ltd. within December 31, 2009 have been adopted.
- (3) After elimination of sales to Siam Makro Public Company Limited.

OTHER INFORMATION

3. Shareholding Structure and Management

3.1 Shareholders

Major Shareholders

Major shareholders as at the latest book closing date (November 26, 2010)

Name	No. of shares	% of all shares
1.) Siam Makro Holding (Thailand) Ltd.	132,015,140	55.006
2.) Orkam Holding Asia N.V.	22,414,360	9.339
3.) BNP Paribas Securities Services Luxembourg	11,246,300	4.686
4.) Social Security Fund (2 case)	6,737,100	2.807
5.) Thai NVDR Company Limited	3,803,401	1.585
6.) BNP Paribas Securities Services, London Branch	3,546,100	1.478
7.) American International Assurance Company, Limited-Apex	3,466,900	1.445
8.) HSBC (Singapore) Nominees PTE Ltd.	3,180,200	1.325
9.) AYF Dividend Stock Long Term Equity Fund	3,007,200	1.253
10.) CPF Investment Limited	2,421,262	1.009

Major Shareholder Groups

The major shareholder groups as stated on the latest book closing date on November 26, 2010 are as follows :

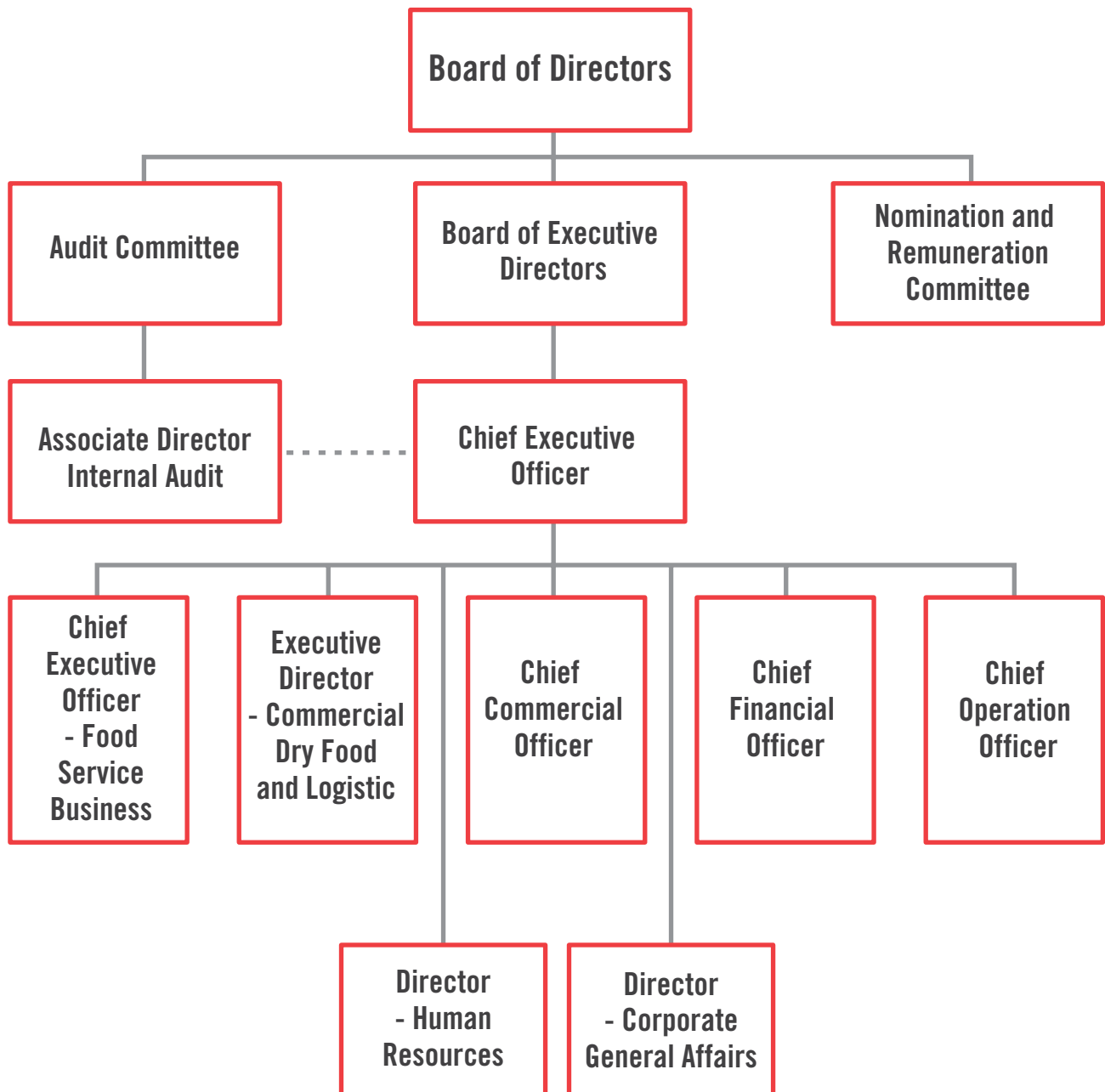
Name	No. of shares	% of all shares
1. SHV Group - Orkam Holding Asia N.V.	22,414,360	9.339
2. Joint venture among SHV Group and other shareholders - Siam Makro Holding (Thailand) Ltd.	132,015,140	55.006

Remark :

1. SHV Group is a major shareholder and has appointed its representatives to be the Company's directors.
2. Investors can visit the Company's website www.siammakro.co.th for more update information before Annual General Shareholders' Meeting.

OTHER INFORMATION

Siam Makro Public Company Limited Organisation Structure as at 31 December 2010



OTHER INFORMATION

3.2 Management

(1) Management Structure

The Company's management structure comprises the Board of Directors, Executive Board, Audit Committee and Nomination and Remuneration Committee.

Board of Directors

Name of Members of the Board of Directors as at December 31, 2010

1. Mr. Arsa Sarasin	Independent Director and Chairman
2. Mrs. Suchada Ithjarukul	Vice Chairman
3. Dr. Prasert Jarupanich	Director
4. Mrs. Saowaluck Thithapant	Director
5. Mr. Stephan Ronald Nanninga	Director
6. Mr. Loic Arthur Bernard Marie Driebeek*	Director
7. Mr. Wouter van der Woerd*	Director
8. Mr. Athaporn Khaimarn	Independent Director
9. Mr. Chavalit Uttasart	Independent Director
10. Mr. Thira Wipuchanin	Independent Director

Remark :

- * Substituted the director who resigned during the year.
- Independent Director means director who is not an executive director, does not involve in the day-to-day operations of the Company, is not major shareholder of the Company and qualified in accordance with the criteria prescribed by the Capital Market Supervisory Board.
- In case of Mr. Chavalit Uttasart, Independent Director and Member of the Audit Committee, Mr. Chavalit Uttasart is the managing director of Siam City Law Offices Ltd. and Chavalit and Associates Ltd. providing the legal service to the Company with the service fee of exceeding 2 Million Baht per annum causing Mr. Chavalit Uttasart's one qualification not being met the required qualifications prescribed by the Capital Market Supervisory Board. The Board of Directors' Meeting of the Company No. 1/2010 held on February 23, 2010 has unanimously resolved to waive the said qualification of Mr. Chavalit Uttasart due to the following reasons:
 - Since Mr. Chavalit Uttasart has good knowledge of the Company's business and the authorities' rules and regulations which relate to the Company's business or may affect the Company and/or its business operation and then the Company is able to be prepared and to properly and immediately comply with the said rules and regulations as well as to proceed with any prevention for any negative effect which may occur. It is therefore necessary for having Mr. Chavalit Uttasart remain the independent director;
 - The Board of Directors opined that the appointment of Mr. Chavalit Uttasart does not affect the performance of his duty and the rendering of his opinion independently. In this regard, the Company has disclosed the said information in the Invitation to Annual General Shareholders' Meeting No. 17 (held on April 29, 2010) in the Agenda on considering and re-electing Mr. Chavalit Uttasart as the independent director.

OTHER INFORMATION

Functions and Responsibilities of Directors

1. To comply with all laws and regulations, all objects and Articles of Association of the Company, and carry out their duties in line with the resolutions of shareholders' meeting in good faith and with care to preserve the interests of the Company and to ensure the management's accountability to shareholders.
2. To implement and direct the Company's policies, as well as monitor and supervise its operations.
3. To follow and monitor the business's performance and the operations of the Company continuously, according to its by-laws and regulations and to be notified by the management of any significant matters regarding the Company's business.
4. To maintain the effectiveness of the Company's internal control and internal audit.

OTHER INFORMATION

Company Secretary

The Board of Directors has appointed Miss Nilobon Tangprasit as the Company Secretary to be responsible for the following proceedings on behalf of the Company or the Board of Directors:

1. Preparing and keeping the following documents:
 - (a) a register of directors;
 - (b) notices calling for the directors' meetings, minutes of the Board of directors' meetings and the annual reports;
 - (c) notices calling for the shareholders' meetings and minutes of the shareholders' meetings.
2. Keeping reports on interest reported by the directors or the executive.
3. Performing any other act as prescribed in the Notification of the Capital Market Supervisory Board.
4. Submitting a copy of the reports on interest (of director/ executive/ related person) to Chairman of the Board and Chairman of the Audit Committee within 7 days from the date on which the Company receives the said reports from the directors and the executive.
5. Performing the duties described above with care and responsibility and in good faith as well as in compliance with the laws, the objectives, the Articles of Association of the Company, and the resolution of the Board of Directors and of the shareholders' meetings.

Biographical Information of the Company Secretary

Miss Nilobon Tangprasit

Position	Company Secretary
Shareholding	None
Relationship with Executives	None
Age	51
<div> <div> Education <ul style="list-style-type: none"> LL.B (Honors), Chulalongkorn University Barrister-at- law (The Institute of Legal Education, Thailand) Certificate in Attorney Assistant Training Program, Litigation/Corporation, UCLA Extension, School of Law, Los Angeles, California, U.S.A. LL.M, Temple University, School of Law, at Philadelphia, Pennsylvania, U.S.A. </div> <div> Working Experience <ul style="list-style-type: none"> 1986-1989 Lawyer (In house), B.Grimm&Co 1989-2004 Partner, International Legal Counsellors Thailand Ltd. 2005-present Director/Partner, Siam City Law Offices Ltd. 2008-present Company Secretary, Siam Makro Plc. </div> </div>	

OTHER INFORMATION

Executive Board

Name of Members of the Executive Board as at December 31, 2010

1.	Mrs. Suchada Ithjarukul	Executive Director and Chief Executive Officer
2.	Mrs. Saowaluck Thithapant	Executive Director
3.	Mr. Stephan Ronald Nanninga*	Executive Director
4.	Mr. Loic Arthur Bernard Marie Driebeek*	Executive Director

Remark :

* Substituted the executive director who resigned during the year.

Functions and Responsibilities of the Executive Board

1. To determine the Company's strategy and business plans of each business including investment, human resources, performance appraisals and remuneration.
2. To prepare budgets and investment projects of each business and submit to the Board of Directors for approval.
3. To follow and monitor the operating performance and the progress of investment projects in each business together with performance report, problems and obstacles encountered and possible solutions to the Board of Directors.
4. To follow and monitor developments in management and risk management system of each business.
5. To follow and monitor human resource development, management promotion and rotation in each business according to the Company's plans.
6. Being the authorised directors whose signatures bind the Company (Joint signatures of two directors affixed by the Company seal).

OTHER INFORMATION

Audit Committee

Name of Members of the Audit Committee as at December 31, 2010

1.	Mr. Athaporn Khaimarn	Chairman of the Audit Committee
2.	Mr. Chavalit Uttasart	Member of the Audit Committee
3.	Mr. Thira Wipuchanin	Member of the Audit Committee

Remark :

Mr. Athaporn Khaimarn, Chairman of the Audit Committee has expertise and experience to review creditability of the financial reports. His working experience is shown on page 62.

Functions and Responsibilities of the Audit Committee

- To review the Company's financial reporting process to ensure that it is accurate and adequate;
- To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, and to determine an independent of the internal audit unit, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit;
- To review the Company's compliance with the law on Securities and Exchange, the SET's regulations, and the laws relating to the Company's business;
- To consider, select and nominate independent persons to be the Company's auditors, and to propose such persons' remuneration, as well as to attend a non-management meeting with the auditors at least once a year;
- To consider the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the SET's regulations, to be ensured that the said transactions are reasonable and made for the highest benefit of the Company;
- To prepare the Audit Committee's report which must be signed by the Audit Committee's Chairman and consist of at least the following information to be disclosed in the Company's annual report:
 - an opinion on the accuracy, completeness and creditability of the Company's financial report,
 - an opinion on the adequacy of the Company's internal control system,
 - an opinion on the compliance with the law on Securities and Exchange, the SET's regulations, or the laws relating to the Company's business,
 - an opinion on the suitability of an auditor,
 - an opinion on the transactions that may lead to conflicts of interests,
 - the number of the Audit Committee meetings, and the attendance of such meetings by each member of the Audit Committee,
 - an opinion or overview comment received by the Audit Committee from its performance of duties in accordance with the charter, and
 - other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's Board of Directors; and
- To perform any other act as assigned by the Company's Board of Directors, with the approval of the Audit Committee.

OTHER INFORMATION

Nomination and Remuneration Committee

Name of Members of the Nomination and Remuneration Committee as at December 31, 2010

1.	Mr. Thira Wipuchanin*	Chairman of the Nomination and Remuneration Committee
2.	Dr. Prasert Jarupanich	Member of the Nomination and Remuneration Committee
3.	Mr. Loic Arthur Bernard Marie Driebeek**	Member of the Nomination and Remuneration Committee

Remark :

* Being the Company's Independent Director.

** Substituted the Member of the Nomination and Remuneration Committee who resigned during the year.

Functions and Responsibilities of the Nomination and Remuneration Committee

1. Select and nominate a suitable and qualified persons to be members of committees with a composition and qualification prescribed by the law/relevant regulations and present its recommendation to the Board of Directors to consider and approve or to present the same to the shareholders' meeting to consider and approve (as the case may be);
2. Consider criteria and determination of remuneration for the Company's directors and the committees appointed by the Board of Directors to be consistent with and suitable to the Company's performance and responsibilities in comparison with the remuneration level of other companies in the same industry. In case the Nomination and Remuneration Committee considers that there should be any change from those adopted by the previous resolution of the shareholders' meeting, the said Committee must present the matter to the Company's Board of Directors to consider for presenting to the shareholders' meeting to consider and approve;
3. Perform other works assigned by the Board of Directors.

The Criteria of Independent Director Selection Qualifications of the Independent Director

The Independent Director must possess qualifications according to the criteria as follows:

1. Holding shares not exceeding one percent of the total number of shares with voting rights of the Company, its parent company, subsidiary companies, associated companies, major shareholder or controlling person of the Company, which shall be inclusive of the shares held by related persons of such independent director;
2. Neither being nor used to being a director who takes part in the management, employee, staff member, advisor who receives a regular salary, or controlling person of the Company, its parent company, subsidiary companies, associated companies, same-level subsidiary companies, major shareholder or of the controlling person of the Company, unless the foregoing status has ended not less than two years. However, such prohibited characteristic shall not include the case where the independent director used to be a government official or advisor of a government unit which is a major shareholder or controlling person of the Company;
3. Not being a person related by blood or by legal registration as father, mother, spouse, sibling, and child, including spouse of child, of the executive, major shareholder, controlling person, or person to be nominated as executive or controlling person of the Company or its subsidiary companies;
4. Neither having nor used to having a business relationship with the Company, its parent company, subsidiary companies, associated companies, major shareholder or controlling person of the Company, in the manner which may interfere with his independent judgement, and neither being nor used to being a significant shareholder or controlling person of any person having a business relationship with the Company, its parent company, subsidiary companies,

OTHER INFORMATION

associate companies, major shareholder or controlling person of the Company, unless the foregoing relationship has ended not less than two years.

The term 'business relationship' under the first paragraph shall include any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or granting or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, and any other similar actions, which result in the Company or its counterpart being subject to indebtedness payable to the other party in the amount of three percent or more of the net tangible assets of the Company or twenty million Baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the method for calculation of value of connected transactions under the Notification of the Capital Market Supervisory Board governing rules on connected transactions mutatis mutandis. The consideration of such indebtedness shall include indebtedness occurred during the period of one year prior to the date on which the business relationship with the person commences;

5. Neither being nor used to being an auditor of the Company, its parent company, subsidiary companies, associated companies, major shareholder or controlling person of the Company, and not being a significant shareholder, controlling person, or partner of the audit firm which employs auditors of the Company, its parent company, subsidiary companies, associated companies, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years;
6. Neither being nor used to being any professional service provider including a legal counselor or financial advisor who receives service fee of exceeding two million Baht per year from the Company, its parent company, subsidiary companies, associated companies, major shareholder or controlling person of the Company, and not being a significant shareholder, controlling person or partner of the aforementioned professional service provider, unless the foregoing relationship has ended not less than two years;
7. Not being a director appointed as representative of directors of the Company, major shareholder or shareholder who is related to major shareholder;
8. Not undertaking any business of the same nature as and competing with that of the Company or its subsidiary companies or not being a significant partner in a partnership or being a director who takes part in the

management, employee, staff member, advisor who receives regular salary or holding shares exceeding one percent of the total number of shares with voting rights of other companies which undertake businesses of the same nature as and competing with that of the Company or its subsidiary companies;

9. Not having any other characteristics which cause the inability to render independent opinions with regard to the Company's business operations. Independent Director with qualifications described in 1-9 above may be empowered by the Board of Directors to make decision for the business operation of the Company, its parent company, subsidiary companies, associated companies, the same-level subsidiary companies, major shareholder or the controlling person of the Company in the form of collective decision.

In case the person appointed by the Company as the Independent Director is person having or used to having business relationship or providing professional service with value of exceeding those prescribed in item 4 or item 6, the Board of Directors may consider waiving this disqualification if the Board opines that the appointment of the said person does not affect his duty performance and his rendering of independent opinion and the Company has disclosed the following information in the notice calling for the shareholders' meeting on agenda regarding the appointment of the said Independent Director:

- (a) Manner of business relationship or professional service causing the said person not being qualified under the prescribed criteria;
- (b) Reason and necessity to maintain or to appoint the said person as the independent director;
- (c) Opinion of the Company's Board of Directors to nominate the said person as the independent director.

Independent Director Nomination

Independent Director Nomination is as in the clause of Directors Nomination on page 68

OTHER INFORMATION

Biographical Information of the Company's Directors



**Mr. Arsa
Sarasin**

Position	Independent Director and Chairman
Shareholding	18,900 shares (no change)
Relationship with Executives	None
Age	74

Education

- B.A. in Business Administration,
Boston University, U.S.A.
- Certificate in Director Accreditation Program
initiated by the Thai Institute of Directors

Working Experience

- **1994-1999**
Independent Director and Honorary Chairman,
Siam Makro Plc.
- **1999-2007**
Chairman,
Siam Makro Plc.
- **1992-present**
Chairman,
Thai-Asia Pacific Brewery Co., Ltd.
- **1998-present**
Chairman,
Padaeng Industry Plc.
- **1999-present**
Independent Director and
Member of the Audit Committee,
Charoen Pokphand Foods Plc.
- **2001-present**
Director,
The Siam Cement Plc.
- **2007-present**
Independent Director and Chairman,
Siam Makro Plc.

OTHER INFORMATION



**Mrs. Suchada
Ithijarukul**

Position	Vice Chairman, Executive Director, and Chief Executive Officer	
Shareholding	None	
Relationship with Executives	None	
Age	58	

Education

- Bachelor Degree in Accountancy (Second Class Honours), Chulalongkorn University
- Certificate in Director Certification Program initiated by the Thai Institute of Directors

Working Experience

- **1995-2001**
Finance Director,
Siam Makro Plc.
- **1996-present**
Executive Director
Siam Makro Plc.
- **2001-2010**
President,
Siam Makro Plc.
- **2001-present**
Vice Chairman,
Siam Makro Plc.
- **2005-present**
Director,
Siam Food Services Limited
- **2010-present**
Chief Executive Officer,
Siam Makro Plc.



**Mrs. Saowaluck
Thithapant**

Position	Executive Director and Chief Financial Officer	
Shareholding	None	
Relationship with Executives	None	
Age	55	

Education

- Bachelor Degree in Accountancy (Second Class Honours), Thammasat University
- Bachelor Degree in Laws, Thammasat University
- Master Degree in Accountancy, Thammasat University
- Certificate in Director Accreditation Program initiated by the Thai Institute of Directors

Working Experience

- **1997-1999**
Vice President-Accounting and Finance,
Premier Enterprise Plc.
- **1999-2002**
Senior Vice President-Accounting and Finance,
Premier Group of Companies
- **2002-2010**
Finance Director,
Siam Makro Plc.
- **2004-present**
Executive Director
Siam Makro Plc.
- **2005-present**
Director,
Siam Food Services Limited
- **2010-present**
Chief Financial Officer,
Siam Makro Plc.

OTHER INFORMATION



**Mr. Stephan
Ronald Nanninga**

Position	Executive Director
Shareholding	None
Relationship with Executives	None
Age	53

Education

- Master Degree in Law (Rotterdam)
- Master Degree in Business Administration (Delft)

Working Experience

- **1993**
Branch Manager/ Member of the Board,
Technische Unie B.V.
- **1999**
Group Managing Director Distribution Europe,
CRH Nederland B.V.
- **2007-present**
Member of the Executive Board of Directors,
SHV Holdings N.V.
- **2008-present**
Executive Director,
Siam Makro Plc.



**Mr. Loic Arthur
Bernard Marie
Driebeek**

Position	Executive Director and Member of the Nomination and Remuneration Committee
Shareholding	None
Relationship with Executives	None
Age	59

Education

- M.B.A. Economics, University of Rotterdam

Working Experience

- **2000-2003**
Executive Board,
Van Leeuwen Pipe and Tube Group, the Netherlands
- **2003-2004**
Senior Vice President,
SHV Gas, the Netherlands
- **2004-present**
Chief Executive Officer,
SHV Gas, the Netherlands
- **May 2010-present**
Executive Director and Member of the Nomination
and Remuneration Committee,
Siam Makro Plc.
- **2010-present**
Senior Vice President,
SHV Gas, the Netherlands

OTHER INFORMATION



**Mr. Wouter
van der Woerd**

Position	Director
Shareholding	None
Relationship with Executives	None
Age	52

Education

- Human Resources Management, VNO de Baak, Noordwijk
- Business Economics (post Bachelor), NIVE, Utrecht

Working Experience

- **1998-2007**
Director/ shareholder,
Mandev Benelux B.V.
- **2007-present**
Human Resources Director,
SHV Holdings N.V.
- **Nov 2010-present**
Director,
Siam Makro Plc.



**Dr. Prasert
Jarupanich**

Position	Director and Member of the Nomination and Remuneration Committee
Shareholding	10 shares (no change)
Relationship with Executives	None
Age	62

Education

- Ph. D. in Industrial Engineering and Management,
Oklahoma State University
- Certificate in Director Certification Program
initiated by the Thai Institute of Directors

Working Experience

- **1988-2007**
Director,
Siam Makro Plc.
- **1988-present**
Director,
CP ALL Plc.
- **2007-2010**
Independent Director,
Siam Makro Plc.
- **2008-2009**
Chairman of the Nomination and
Remuneration Committee,
Siam Makro Plc.
- **2010-present**
Director,
Siam Makro Plc.
Member of the Nomination and Remuneration
Committee
Siam Makro Plc.

OTHER INFORMATION



**Mr. Athaporn
Khaimarn**

Position	Independent Director and Chairman of the Audit Committee	
Shareholding	None	
Relationship with Executives	None	
Age	66	

Education

- Associate member of the Institute of Chartered Accountants in Australia
- Associateship in Accounting from Western Australia Institute of Technology (Now, Curtin University of Technology)
- Certificate in Director Accreditation Program initiated by the Thai Institute of Directors
- Certificate in Director Certification Program initiated by the Thai Institute of Directors

Working Experience

- **1992-1996**
Managing Director,
Price Waterhouse, Bangkok
- **Present**
Independent Director and
Chairman of the Audit Committee,
Goodyear (Thailand) Plc.
- **1999-present**
Independent Director and
Chairman of the Audit Committee,
Siam Makro Plc.



**Mr. Chavalit
Uttasart**

Position	Independent Director and Member of the Audit Committee	
Shareholding	None	
Relationship with Executives	None	
Age	62	

Education

- LL.B. (Second Class Honours),
Chulalongkorn University
- Barrister-At-Law, The Institute of Legal Education
- Barrister-At-Law, Gray's Inn, London
- Certificate in Director Accreditation Program initiated by the Thai Institute of Directors
- Certificate in Director Certification Program initiated by the Thai Institute of Directors

Working Experience

- **1977-2005**
Director,
International Legal Counsellors Thailand Ltd.
- **2005-present**
Managing Director,
Siam City Law Offices Limited
Managing Director,
Chavalit & Associates Limited
- **1999-present**
Independent Director and
Member of the Audit Committee,
Siam Makro Plc.
- **2009-present**
Independent Director and
Member of the Audit Committee,
Internet Thailand Plc.

OTHER INFORMATION



**Mr. Thira
Wipuchanin**

Position	Independent Director, Member of the Audit Committee, and Chairman of the Nomination and Remuneration Committee	
Shareholding	None	
Relationship with Executives	None	
Age	61	

Education

- B.Sc. in Economic and Business Administration,
University of Wisconsin-Stevens Point, U.S.A.
- Certificate in Director Certification Program
initiated by the Thai Institute of Directors
- Certificate in Audit Committee Program
initiated by the Thai Institute of Directors

Working Experience

- **1990-1994**
Thailand Representative,
Prudential Asset Management Asia Ltd.
- **1995-1997**
Senior Vice President,
Premier Group of Companies
- **1998-2004**
Senior Executive Vice President,
Export - Import Bank of Thailand
- **Present**
Independent Director and Chairman,
Interhides Plc.
- **Present**
Independent Director and
Member of the Audit Committee,
Precious Shipping Plc.
- **Present**
Independent Director and
Chairman of the Audit Committee,
Bangkok First Investment & Trust Plc.
- **Present**
Independent Director and
Chairman of the Audit Committee,
United Palm Oil Industry Plc.
- **2003-present**
Independent Director and
Member of the Audit Committee,
Siam Makro Plc.
- **2008-2009**
Member of the Nomination
and Remuneration Committee,
Siam Makro Plc.
- **2010**
Chairman of the Nomination
and Remuneration Committee,
Siam Makro Plc.

OTHER INFORMATION

Biographical Information of the Company's Executives



**Mr. Lin,
Chi-Lung**

Position	Chief Executive Officer - Food Service Business
Shareholding	None
Relationship with Executives	None
Age	47

Education

- Business Manager Courses, Chung-Shin University
- Certificate in Director Certification Program initiated by the Thai Institute of Directors

Working Experience

- **1990-2001**
Fresh Food Manager,
Wellcome Taiwan Dairy Farm
- **2001-2003**
Commercial Director (Food),
Makro Taiwan
- **2003-2010**
Commercial Director (Fresh Food),
Siam Makro Plc.
- **2007-present**
Executive Director,
Siam Food Services Limited
- **2010-present**
Chief Executive Officer - Food Service Business,
Siam Makro Plc.



**Mr. Philip
William Cox**

Position	Executive Commercial Director Dry Food and Logistics
Shareholding	None
Relationship with Executives	None
Age	65

Education

- Attended the Sydney University to study Business Administration

Working Experience

- **1989-1997**
Managing Director,
Mah Boonkrong Sirichai Supermarket Co., Ltd.
- **1997-2007**
Commercial Director (Dry Food),
Siam Makro Plc.
- **2007-2010**
Executive Commercial Director
(Dry Food and Supply Chain Management),
Siam Makro Plc.
- **2005-present**
Director,
Siam Food Services Limited

OTHER INFORMATION



**Mr. Jean-Michel
de Geyer**

Position	Chief Commercial Officer
Shareholding	None
Relationship with Executives	None
Age	52

Education

- Master Degree in Business Administration, Institut Supérieur de Gestion (ISG, Paris)

Working Experience

- **1996-2005**
Marketing and Merchandise Director, Carrefour
- **2005-2007**
CEO Giant Hypermarket, Dairy Farm
- **2009-Aug 2010**
Offer Director, Kingfisher Group
- **Sep 2010-present**
Chief Commercial Officer, Siam Makro Plc.



**Mr. Thomas
Leslie Hammer**

Position	Chief Operation Officer
Shareholding	None
Relationship with Executives	None
Age	56

Education

- Business Administration, San Diego College

Working Experience

- **2000-2003**
Executive Vice President, Price Smart China Enterprises, China
- **2003-2005**
Vice President and Business Unit General Manager, China Resource Vanguard Co., Ltd., China
- **2006-2008**
Executive Director/ Retail Business Unit General Manager, Great Dreams Cartoon Group Ltd., China
- **2009-2010**
Sales & Operation Director, Siam Makro Plc.
- **Present**
Chief Operation Officer, Siam Makro Plc.

OTHER INFORMATION



**Mrs. Boonsin
Srilertchaipanij**

Position	Corporate General Affairs Director
Shareholding	None
Relationship with Executives	None
Age	57

Education

- B.A. Faculty of Arts (First Class Honours), Chulalongkorn University
- Certificate in Director Certification Program initiated by the Thai Institute of Directors
- Certificate in Finance for Non-Finance Director initiated by the Thai Institute of Directors

Working Experience

- **1992-1997**
Vice President-Administration & Personnel, Christiani & Nielsen (Thai) Plc.
- **1998-2010**
Human Resources Director, Siam Makro Plc.
- **2001-2004**
Director, Siam Makro Plc.
- **2005-present**
Director, Siam Food Services Limited
- **May-Dec 2007**
Director, Siam Makro Plc.
- **Present**
Corporate General Affairs Director, Siam Makro Plc.

OTHER INFORMATION

Details of the Board of Directors and Executives in the Company and its Subsidiaries and/ or Related Companies as at December 31, 2010

Company Name	Siam Makro Plc.	Subsidiary Company	Related Company
Name		A	B
Mr. Arsa Sarasin	1, 6		
Mrs. Suchada Ithijarukul	2, 3, 5	4	
Dr. Prasert Jarupanich	4, 10		
Mrs. Saowaluck Thithapant	4, 5	4	
Mr. Stephan Ronald Nanninga	4, 5		5
Mr. Loic Arthur Bernard Marie Driebeek	4, 5, 10		
Mr. Wouter van der Woerd	4		
Mr. Athaporn Khaimarn	6, 7		
Mr. Chavalit Uttasart	6, 8		
Mr. Thira Wipuchanin	6, 8, 9		
Mrs. Boonsin Srilertchaipanij		4	
Mr. Philip William Cox		4	
Mr. Lin, Chi-Lung		5	

Remark :

Positions

- 1 = Chairman
- 2 = Vice Chairman
- 3 = Chief Executive Officer
- 4 = Director
- 5 = Executive Director
- 6 = Independent Director
- 7 = Chairman of the Audit Committee
- 8 = Member of the Audit Committee
- 9 = Chairman of the Nomination and Remuneration Committee
- 10 = Member of the Nomination and Remuneration Committee

Subsidiary Companies

A = Siam Food Services Limited

Related Companies

B = SHV Holdings N.V.

OTHER INFORMATION

Details of Directors of Subsidiary Company as at December 31, 2010

Subsidiary Company	Siam Food Services Limited
Directors Name	
Mrs. Suchada Ithjarukul	Director
Mrs. Boonsin Srilertchaipanij	Director
Mrs. Saowaluck Thithapant	Director
Mr. Philip William Cox	Director
Mr. Lin, Chi-Lung	Director
Miss Thanyamas Vorachart	Director

(2) Directors Nomination

The Company grants an opportunity to minority shareholders to nominate the suitable and qualified persons to be considered for selection as directors of the Company in advance pursuant to the Company's criteria before the Annual General Meeting of Shareholders for the year 2011.

The Nomination and Remuneration Committee is responsible for selection and nomination the suitable and qualified persons as directors or independent directors of the Company. The deliberation of the Committee is presented to the Board of Directors for consideration. The Board of Directors then presents its opinion to the shareholders' meeting to consider and approve. The resolution on the election of the directors must be adopted by an affirmative vote of a majority vote of the total votes of shareholders attending the meeting and being entitled to vote pursuant to criteria and procedures described in the Company's Articles of Association as follows:

- A shareholder shall have a number of votes which is equivalent to the number of shares held by him;
- Each shareholder may exercise all the votes he has under clause a), to elect one or more persons as directors but he may not split his votes among any such persons;

- The persons receiving the highest number of votes in the respective order of the votes shall be elected as directors up to the total number of directors required or to be elected at such time. In the event that a number of persons receiving an equal number of votes for the last directorship exceed the number of directors the Company required or to be elected at such time, the chairman of the meeting shall have a casting vote.

If the directorship become vacant for any reason other than by rotation, the board of directors shall elect a person who is qualified and not having a prohibited characteristics as provided in Section 68 of the Public Limited Company Act B.E. 2535 as director to fill the vacancy at the subsequent board of directors meeting unless the remaining term of the director is less than 2 months. The director who fills the vacancy shall retain his office only for the remaining term of the office of the director whom he replaces. The resolution of the board of directors shall consist of not less than three-fourth of the votes of the remaining number of directors.

OTHER INFORMATION

(3) Remuneration of the Executives in 2010

Financial Remuneration

- (a) The 13 directors (including director who resigned during the year) of the Company received fee of Baht 11.72 million. The directors' remuneration rates in 2010 are as follows.

Name	Remuneration Rate
1. Mr. Dhanin Chearavanont (Resigned during the year)	100,000 Baht/ Month
2. Mr. Arsa Sarasin	120,000 Baht/ Month
3. Mrs. Suchada Ithjarukul	80,000 Baht/ Month
4. Dr. Prasert Jarupanich	80,000 Baht/ Month
5. Mrs. Saowaluck Thithapant	80,000 Baht/ Month
6. Mr. Stephan Ronald Nanninga	80,000 Baht/ Month
7. Mr. Willem Hendrikus van Leeuwen (Resigned during the year)	80,000 Baht/ Month
Mr. Loic Arthur Bernard Marie Driebeek (Substituted)	80,000 Baht/ Month
8. Mr. Dennis Casey (Resigned during the year)	80,000 Baht/ Month
Mr. Wouter van der Woerd (Substituted)	80,000 Baht/ Month
9. Mr. Athaporn Khaimarn	110,000 Baht/ Month
10. Mr. Chavalit Uttasart	90,000 Baht/ Month
11. Mr. Thira Wipuchanin	90,000 Baht/ Month
Other Remuneration of Directors	None

- (b) The 6 executive directors (including director who resigned during the year) received the remuneration as member of the Board of Directors. (include in point (a) above)
- (c) The 8 executives received remuneration in the form of salary and bonus with total amount of Baht 107.0 million.

Other Remuneration

In 2010 the Company paid 8 executives other remuneration in the amount of Baht 36.87 million. The remuneration consists of the Company's contributed provident fund (3 % of salary) and the expatriate executives' expenses i.e. house rent, utility bills, telephone expenses, income tax payable, life insurance premium, travelling expenses, severance payment upon retirement etc.

The above executive remuneration is based on cash basis which has been paid during the year. This amount is different from the amount stated in the consolidated and Company financial statements, which comply with the Thai Generally Accepted Accounting Principles under the Accounting Act of B.E. 2543.

OTHER INFORMATION

Directors and Executives' Shareholding Status in the Company and Affiliated Companies as at December 31, 2010

Name and Position	Company/Affiliated Company	No. of shares held	Increase/Decrease
1.) Mr. Arsa Sarasin Independent Director and Chairman	Siam Makro Plc.	18,900	No change
2.) Dr. Prasert Jarupanich Director	Siam Makro Plc.	10	No change

(4) Practice of Best Code for Directors of Listed Companies

In compliance with the Code of Best Practice for Directors of Listed Companies of the Stock Exchange of Thailand, the Company's Board of Directors has been performing their duties according to the roles and responsibilities in compliance with laws and regulations, objectives and Articles of Association of the Company as well as the resolutions of shareholders' meetings with honesty and care to preserve the interests of the Company, and have accountability to shareholders. The Board of Directors has implemented and directed the Company's policies, monitored and supervised its operations as well as continuously followed and monitored the business's performance and the operations of the Company, according to its by laws and regulations. In addition, the Board of Directors has maintained the adequacy of the Company's internal control and internal audit in order to ensure the effectiveness of the Company's operation.

(5) Supervision on Insider Trading

In order to prevent securities trading by using inside information and to prevent criticism on the appropriateness of insider purchases or sales, the Company has supervisions and limitations on the use of the Company's information for personal benefit, as well as for securities trading. The Company will keep confidential, material information which are not known to the public, and will be revealed only to related senior executives. Senior executives who are able to access material information which is not known to the public must report their purchases and sales of the Company's securities pursuant to the regulations of the SEC and SET, Re: Rules, Conditions and Procedures Governing the Preparation and Disclosure of Reports on Securities Holding. Furthermore, the preparation and distribution of documents related to such secret information will be done only by appropriate and related officers of the Company.

OTHER INFORMATION

In addition, the Company has policy and made regular internal and public announcements and notifications on the core values of the Company relating to the lawful and ethical conduct. In particular, the use of material secret information, which may affect the trading of securities, as well as gaining of personal benefit when dealing in securities. Such misconduct by revealing material and internal information of the Company for personal benefit is strictly prohibited. According to the Company's policy, it is prohibited for the management and employee to use the inside information for their own benefit. Our policy stipulates that each employee avoid any abuse of insider knowledge and any mixing of personal and business interests, and the appearance of such an abuse or conflict of interest. A strict obligation of secrecy applies.

(6) The Opinion of the Board of Directors Concerning Internal Control of the Company and Its Subsidiaries

The Company's Board of Directors, which composes of the Company's Audit Committee, opined that the financial systems, financial reports and financial audit of the Company and its subsidiaries are reliable under

adequate and appropriate internal control system. The Company's internal audit department continuously monitors its internal control system to ensure the adequacy and effective implementation of the internal process in accordance with the Company's policy.

(7) Dividend Payment Policy

Unless it is feasible to do so, the Company's Board of Directors intends to propose to shareholders' meeting for approval of the Company to pay dividend not less than 40 percent of its net profit after income tax, subject to annual operating performance. Starting from the financial year of December 31, 1994.

In addition, the dividend payment policy of the subsidiaries, the Board of Directors of the subsidiaries shall consider paying the dividend on occasion.

OTHER INFORMATION

4. Related Transactions with the Conflict of Interested Persons

In 2010 the Company had incurred transactions with the conflict of interested persons. The related transactions are shown on page 111 in clause 9 “Related Party Transactions” of Notes to the Consolidated and Company Financial Statements for the years ended 31 December 2010 and 2009 which is audited by the certified public accountant.

Feature of Relationships and Related Transactions

1. Purchase of intangible assets

The Company has been granted rights to use anti virus software from overseas affiliated company, being members of the SHV Group as follows:

Company Name	Feature of Relation	Amount (Baht Mil.)
SHV Holdings N.V.	Affiliated company	0.7
Total		0.7

2. Service expenses

The Company has been granted rights to use software and trademarks, management services and technical assistance in auction purchasing, maintenance services for application software and granted the rights to use virtual private networking among group of SHV companies from overseas affiliated companies, being members of SHV Group as follows:

Company Name	Feature of Relation	Amount (Baht Mil.)
1. Orkam Asia Trademark AG	Affiliated company	148.2
2. Orkam Asia Management AG	Affiliated company	6.0
3. SHV Holdings N.V.	Affiliated company	2.2
4. Orkam South America Management AG	Affiliated company	0.2
Total		156.6

Pricing Policy of Related Transactions

- Purchase of intangible assets represents software license fees for the use of anti virus software of which the fee is EUR 17,447.88, as specified in the agreement. The Company considered this to be on a reasonable basis.
- Service expenses i.e. software license fees, royalty fees for the use of such trademarks, management fees with regard to auction purchasing, maintenance service fees and virtual private networking service fees used among group of SHV companies are as specified in the agreements. The Company considered the fees to be on a reasonable basis and they are as follows:

OTHER INFORMATION

- a) Royalty fee for the use of trademarks is 0.5 percent of sales volume of the first 10 stores of the Company subtracted by value of goods return and VAT. The agreement is valid for 1 year. However, the Company reserves the right to renew the agreement every year and have the right to use such trademarks and service marks in business operations.
- b) Software license fee is NLG 50,000 (or EUR 22,689 in equivalent) for each Makro new store. The payment is made once a new store is opened. The agreement is valid for 1 year and is renewable annually. Regarding the benefit from this license, the Company obtains specific IT software which is necessary to its business operations.
- c) Annual membership fees in relation to cost sharing for the shared use of auction tools were charged proportionally to the auction volumes made by the Company amounting to USD 7,000. The agreement is for unlimited period of time, unless party shall terminate the agreement by written notice. Regarding the benefit from this service agreement, the Company receives auction purchasing services.
- d) Maintenance fee regarding business intelligence application is charged at EUR 750 per user and annual maintenance fee is 25% of the total user license fee. The agreement is for unlimited period of time, unless party shall terminate the agreement by written notice. Regarding the benefit from this service agreement, the Company receives maintenance services for the application software.
- e) Virtual private networking service fee is EUR 20,000. The agreement is for unlimited period of time, unless party shall terminate the agreement by written notice. Benefit from this service is data transfer security among group of SHV companies.

Necessity and Reasons of Related Transactions

1. The purchase of intangible assets represents software license fees for the use of anti virus software. The benefit from this agreement is that the Company is able to use the anti virus software at a lower cost than acquiring the software directly from the licensor.
2. In respect of service expenses i.e. software license fees, royalty fees for the use of such trademarks, management fees with regard to auction purchasing, maintenance service fees and virtual private networking service fees used among group of SHV companies, the Company has been supported in technical service and management for the Company's core business operations by overseas affiliated companies and costs of the use of system and software are cheaper than local system and software development.

OTHER INFORMATION

Measures or Procedures for Approving Transactions and Policy for Future Transactions

The related transactions are incurred only when required as normal course of doing business and for the benefit of the Company. Purchase of intangible assets and the use of software license and trademarks, management services and technical assistance in auction purchasing, maintenance services for application software and granted the rights to use virtual private networking among group of SHV companies are necessary for business operations. Such transactions are reviewed by our Audit Committee and the Audit Committee is of the opinion that transactions are on the fair and reasonable basis. The transactions must be approved by our Board of Directors which is in line with the Company's Articles of Association before the transactions are taken. In the future, the Company and its subsidiaries have policy to incur the related transactions when and only if its business operations are required to do so and receive the approval from the Board of Directors before entering into those related transactions. Terms and conditions of all transactions will be treated in the same manner as the other third-party transactions.

In addition, the Company's Board of Directors unanimously approved in principle the Company and its subsidiaries to enter into the transactions with a director, an executive or a related person provided that such transactions consist of the same commercial terms as those an ordinary person would agree with any unrelated counterparty under the similar circumstances, on the basis of commercial negotiation and without any dependent interest resulted from the status of the director, executive or related person. Details are as follows :

1. Purchase of Goods

The Company and its subsidiaries have purchased the goods from the related companies which are related by having the same directors and/or the same group of shareholders. In this regard, the said purchase of goods is in line with normal business conditions and treated in the same manner as other unrelated businesses, and bases on the market price.

2. Use of Service

The Company and its subsidiaries have obtained the legal consulting service from Siam City Law Offices Co., Ltd. and Chavalit & Associates Limited which are the businesses having the co-directors. In this regard, the said service transactions are as specified in agreement and are on a reasonable basis for the Company and its subsidiaries.

3. Sale of Goods

The Company and its subsidiaries have sold the goods to the directors and the executives under the normal business conditions and treated in the same manner as other unrelated persons in the similar circumstance, and based on the market price.

In addition, the purchase of intangible assets namely software licenses and the use of services namely the use of software license and trademarks, management services and technical assistance in auction purchasing, maintenance services for application software, and granted the right to use virtual private networking among group of SHV companies from overseas affiliated companies, which are the companies of SHV Group, as specified in the agreements. The Company considered these agreements to on reasonable basis.

OTHER INFORMATION

5. Corporate Governance

5.1 Rights of Shareholders

- (1) The Board of Directors established a policy regarding corporate governance which has recognised the importance of the rights of shareholders including the preservation of the fundamental right to be received by the shareholders, the equitable treatment with transparency and fairness under the legislative and regulatory framework as well as the code of business conduct and the appropriate and efficient management for creation of the most effect to the Company's shareholders.
- (2) The Company emphasises and respects the Rights of Shareholders by complying with the criteria prescribed by the law. In 2010 there was Annual General Shareholders' Meeting, dated 29 April 2010 held at Parichart Room, Radisson Hotel, No. 92, Rama 9 Road, Bangkok Subdistrict, Huay Kwang District, Bangkok. For the year 2010 the Company allowed minority shareholders to propose additional agenda in advance before the 2011 Annual General Shareholders' Meeting and to nominate suitable and qualified persons to be considered for selection as directors of the Company in advance during 15 November 2010 to 20 December 2010. Details and criteria were posted on the Company's website www.siammakro.co.th and also notified to the shareholders through the online news system of the Stock Exchange of Thailand.
- (3) The Company has authorised Thailand Securities Depository Co., Ltd., the Company's Share Registrar as the Share Registrar, to send the meeting invitation notice for the 2010 Annual General Shareholders' Meeting together with the supporting information of the meeting agenda to the shareholders in advance of 16 days. The Board of Director' opinions were completely provided in each agenda of the meeting notice.
- (4) The Company promulgated the meeting notices on the Company's website www.siammakro.co.th prior to the 2010 Annual General Shareholders' Meeting date in advance of 34 days and also notified through the online news system of the Stock Exchange of Thailand on the promulgation of such meeting notices on the Company's website. The minutes of meeting was promulgated on such website after 13 days from the meeting date.
- (5) The 2010 Annual General Shareholders' Meeting was attended by the Company's 8 directors including the Audit Committee. The Company's auditor and legal counselor also attended the said meeting. The Chairman of the meeting declared to the meeting the number/ proportion of shareholders and proxy holders attending the meeting, the voting practice and counting methods from the commencement of the meeting proceeding and the voting arrangement according to the numerical order of the agenda described in the meeting notice. There was no other agenda than those specified in the meeting notices (no other agenda). The meeting was proceeded with pursuant to the Articles of Association and correctly and completely recorded in order to be examined by the shareholders. The Company provided an equal chance to the shareholders to make any inquiry, and express their opinions according to the agenda of the meeting and the matters proposed. The Company also answered all the questions raised at the Shareholder's meeting.
- (6) The shareholders attending the meeting after the commencement of the meeting are entitled to vote in the agenda for which the matters are being considered and the resolution has not yet been voted.

OTHER INFORMATION

5.2 Equitable Treatment of Shareholders

- (1) For the year 2010 the Company allowed minority shareholders to propose additional agenda in advance before the 2011 Annual General Shareholders' Meeting and to nominate suitable and qualified persons to be considered for selection as directors of the Company in advance during 15 November 2010 to 20 December 2010. Details and criteria were posted on the Company's website www.siammakro.co.th and also notified to the shareholders through the online news system of the Stock Exchange of Thailand.
- (2) The meeting notices have already been delivered together with all the supporting documents to the meeting's agenda. The Company has also supported the shareholders to use the proxy forms to enable the shareholders to determine its direction to vote and to be entitled to vote for election of an individual director in the agenda on appointment of directors.
- (3) The shareholders may appoint any other person or the Company's independent directors as proxy holders to attend the meeting. The Company proposes the shareholders to appoint independent directors who are the Audit Committee Members as the said proxy holders. The explanations and details of the Audit Committee are provided in the meeting notices. In this regard, in the Annual General Shareholders' Meeting for the year 2010, there were 64 shareholders appointing the Chairman of the Audit Committee and the member of the Audit Committee who were the independent directors proposed by the Company as their proxy holders to vote at the meeting. In addition, the Company equally facilitated and treated the shareholders in such shareholders' meeting.
- (4) The Company provides rules and announcements notified regularly to the management, the officers and the relevant persons on the Company's principle regarding legal conduct and business ethics applied both within the Company and to the third persons especially on the keep of confidentiality and the protection of use of inside information. The details of which are provided in the topic on 'Supervision on Insider Trading' on page 70.

5.3 Role of stakeholders

- (1) The Company emphasises on the right of every group of stakeholders. The Company shall comply with the provisions of the law in order to maintain the right of any group of stakeholders and to properly coordinate the joint benefit as follows;

Shareholders :

The Company will transparently operate the business and be willful to constantly build the long-term growth and good remuneration to the shareholders.

Customers :

The Company intends to continuously seek and increase the variety of products and services to be consistent with the customers' need for their highest satisfaction and increase of their trust and to supervise the quality of the products and services as well as to regularly import the services' standard.

Employees :

The Company has had a policy emphasising on human resource training and development for their opportunity to grow in the career path. To achieve the said policy, the Company has cooperated with the Institute for Skill Development, Ministry of Labour and Social Welfare to arrange the training for the skill upgrade of the employees in every level to become the outstanding, qualified and efficient employees and be ready for working promotion to the higher level. Moreover, the Company also has a policy to pay the remuneration based on the job value and work performance including the fair welfare to the employees. The remuneration and the welfare of the Company will be at the same or the higher level than those of the labour market of the same industry. In addition, the Company has also had a policy regarding the Occupational Safety and Workplace Environmental Management and has set up the Occupational Safety and Working Environmental Section comprising the Committee of Occupational Safety and Working Environmental, the Occupational Safety Officer at Supervisory Level, and the Occupational Safety Officer at Executive Level. The Company has adequately and appropriately proceeded with the Occupational Safety and Workplace Environmental Procedures in order to be saved from the loss of lives, the injury from

OTHER INFORMATION

accidents and the illnesses related to work performance.

Trading Partners and Creditors :

The Company intends to equally treat the trading parties and adhere to the fundamental of fairness in considering the parties' joint benefit and the compliance with the parties' mutual agreement. In addition, the Company has strictly complied with the agreements made with all creditors and also paid the debts under the terms and conditions specified in the said agreements.

Competitors :

The Company operates the business under the framework of international competition rules and the laws relating to trade competition practice principle. It does not commit any confidential infringement or any fraudulent acquisition of competitors' trade secret. It also does not destroy competitors with any dishonest method. In this regard, in the past year, the Company did not have any disputes regarding matters with respect to the trade competitors.

Society and Environment :

The Company realises on the importance of the society and environment where we live. The Company, then, promotes every store to always be jointly responsible for the society by cooperating in any activity of the community and any public activities including developing the education, society and environment. Moreover, the Company has determined a policy for energy conservation as a guideline for energy operation and to promote the efficiency consumption of energy for the highest benefit which will assist in reducing global warming crisis.

- (2) The Company provided any channel to employees and/ or any person to be able to notify sources or matters regarding the performance or non-performance under the Company's policy or the business ethic to the responsible person directly and safety.

5.4 Disclosure and Transparency

- (1) In addition to disclosing information as specified in relevant regulations through the channel of the Stock Exchange of Thailand, Annual Statements (Form 56-1) and Annual Report, the Company discloses information both in Thai and English via other channel such as the Company's website, the information of which is regularly updated.
- (2) Regarding the relationship with the investors, the Board of Directors emphasises the transparent, accurate and complete disclosure of information to the investors, both shareholders and related parties by authorising Chief Financial Officer to communicate with the institution investors, the shareholders, the general analysts and the relevant authorities. Moreover, the Company regularly organises the investors and the analysts meeting once of every quarter after the disclosure of the operating results to the Stock Exchange of Thailand.
- (3) The Board of Directors provides the Report of the Board of Directors' Responsibilities for Financial Statements as exhibited on page 84 together with the Auditor's Report in the Annual Report.
- (4) Details on the disclosure of roles, duties and responsibilities of the Board of Directors of the Company, the Executive Board, the Audit Committee and the Nomination and Remuneration Committee, the directors' terms, the Board of Directors' meetings and the policy on payment of the remuneration to directors and the executives are described in item 5.5 'Responsibilities of the Board'.

OTHER INFORMATION

5.5 Responsibilities of the Board

(1) Board Structure

- (1.1) The Board of Directors consists of 10 directors, which numbers are suitable for the business size, having the Chairman being an independent director with no relationship with any Executive and is not the Managing Director in order to separate the duties to determine the governance policy and the management's routine work. There is the balance of power for the Non-Executive Directors as follows:

- a) Executive Directors
(the authorised signatory)
4 persons
- b) Executive Director
(not the authorised signatory)
1 person
- c) Non-Executive Directors
5 persons
 - Director being Non-Audit Committee 1 person
 - Independent Directors being Non-Audit Committee 1 person
 - Independent Directors being Audit Committee 3 persons

The Board of Directors opined that 4 Independent Directors (including the Chairman of the Board) being 40 percent of all directors qualified under the definition on page 56. In this regards, the Board of Directors, having opined that Mr. Athaporn Khaimarn, an independent director having accounting and financial knowledge, appointed him to be Chairman of the Audit Committee.

- (1.2) The Board of Directors has appointed Miss Nilobon Tangprasit as the Company Secretary. The details of which are described in the topic on 'Company Secretary' on page 53.
- (1.3) For the efficiency of directors' performances, each director of the Company has strictly complied with the rule on acting as a director of the listed companies not exceeding 5 companies.

(2) Committees

The Board of Directors has appointed the Committees to assist in the Company's corporate governance as follows:

- (2.1) Audit Committee consisting of 3 independent directors being Mr. Athaporn Khaimarn, Chairman of the Audit Committee, Mr. Chavalit Uttasart and Mr. Thira Wipuchanin, the Audit Committee Members. There is the Associate Director - Internal Audit being the Audit Committee Secretary. The additional details of which are described in the topics on the 'Audit Committee Report' on page 36 and on the 'Audit Committee' on page 55.
- (2.2) Nomination and Remuneration Committee is described in the topic on 'Nomination and Remuneration Committee' on page 56.

(3) Roles and Responsibilities of the Board of Directors

- (3.1) The Board of Directors established a policy on Corporate Governance with an intention to perform its duties in accordance with the said principle. In this regard, the Company's operational policy and direction as well as the supervision of the Management was implemented to effectively proceed with the said policy for the best interest of the Company and the shareholders as well as for the transparency and fairness to the shareholders within the legal framework and the business ethic. Moreover, the Board of Directors emphasises the Company's internal control and audit systems.
- (3.2) The Company's Board of Directors participates in the determination of the Company's visions, business plans and budgets and the supervision of the Management's operation to ensure efficient and effective implementation of the business plans and budgets in order to optimise economic value to the business and stability to its shareholders. Roles, duties and responsibilities of the Board of Directors, Executive Board, Audit Committee and Nomination and Remuneration Committee are described in topic on 'Management Structure' on page 51.

OTHER INFORMATION

- The Board of Directors also approves financial transactions with respect to investment of the Company other than those required approval of shareholders pursuant to regulations of the SEC, SET and the Public Limited Companies Act B.E. 2535.
- (3.3) With respect to the term of service of the Board of Directors, the Company arranges the rotation retirement of one third of directors at each of an annual general meeting held by the Company. In this regard, the director in charge for the longest period of time shall be terminated. The director retired by rotation is able to be reelected to his position.
- (3.4) The Business Ethics Guideline was established by the Company for strict compliance by the management and employees to ensure that they conduct their duties to the Company, interested parties, the public and society in an honest, just and unprejudiced manner. The Company closely monitors the performance compliance with the Business Ethics and disciplinary actions imposed against any violators.
- (3.5) Transactions with potential conflict of interest have been described in topic 'Related Transactions with the Conflict of Interested Persons' on page 72. Such transactions are disclosed in the notes to quarterly and annual financial statements under 'Related Party Transactions'. The financial statements have been reviewed by the Audit Committee and approved by the Board of Directors.
- (3.6) Transactions falling under the category of the Company's interconnected transactions must be reviewed and approved by the Board of Directors and must be in compliance with relevant SEC and SET regulations.
- (3.7) The Board of Directors emphasises on importance of the efficient system of internal control both at the management level and at the operational level. Therefore, it prescribed duties and operational authorities of the employees and Management in writing, and monitors the use of the Company's properties to the highest benefit. It also separates duties of the operators, and the supervisors monitoring and evaluating the operators to properly create the balance and the examination between each other. In addition, the Company has an internal control on the financial system by providing the financial report system to be presented to the responsible Management. Moreover, the Company has an internal audit to ensure that the performance of the main operation and the Company's important financial transactions have efficiently been implemented pursuant to the prescribed guideline. The Internal Audit Division directly reports to the Audit Committee.
- (3.8) The Company's Board of Directors emphasises the great importance to the risk management and determines as well as evaluates the risk of the Company's business operation. The Company provides a questionnaire on the risk management of each side of the business operation. The management of each department is an evaluator of the risk and the external auditor reviews the questionnaire having been answered by the said management whether or not the answer is correct. In addition, the preventive measure and the management of the risk including the risk effecting to the Company's operation are prescribed to guarantee the stability of the Company's existence.

OTHER INFORMATION

(4) Board of Directors' Meetings

The Board of Directors' Meetings are regularly held every 3 month. The extra meetings are also held as necessary. The agenda of the meetings are clearly specified in advance. The agenda on considering the report of the Audit Committee and the financial statements are provided regularly. In this regard, the Company arranges for the notice of meeting together with agendas for the meeting and other documents to be delivered to the Board of Directors in advance of 7 days to enable the Board of Directors to have enough time to review the information before the meeting. In the year 2010, the Board of Directors had totaling 5 Board of Directors' Meetings on the ordinary and

extra meetings. A summary of the attendance of the Board of Directors' meeting of each director is listed out in table below.

The Minutes of all the meetings were recorded in writing, certified by the Board of Directors and kept to be ready for inspection by the Board of Directors or other related parties.

Furthermore, in the year 2010, the Company's Audit Committee comprised of three independent directors has attended the non-management meeting with the external auditors.

Name	Position	Term of Service	Number of Attendance
1. Mr. Dhanin Chearavanont (Resigned in interval)	Independent Director and Honorary Chairman		-
2. Mr. Arsa Sarasin	Independent Director and Chairman	April 2008 - April 2011	5
3. Mrs. Suchada Ithjarukul	Vice Chairman	April 2009 - April 2012	5
4. Dr. Prasert Jarupanich	Director	April 2008 - April 2011	5
5. Mrs. Saowaluck Thithapant	Director	April 2009 - April 2011	5
6. Mr. Stephan Ronald Nanninga	Director	April 2010 - April 2013	3
7. Mr. Willem Hendrikus van Leeuwen (Resigned in interval)	Director		-
Mr. Loic Arthur Bernard Marie Driebeek (1) (Substituted)	Director	May 2010 - April 2012	2
8. Mr. Dennis Casey (Resigned in interval)	Director		3
Mr. Wouter van der Woerd (2) (Substituted)	Director	Nov 2010-April 2012	1
9. Mr. Athaporn Khaimarn	Independent Director and Chairman of the Audit Committee	April 2010-April 2013	4
10. Mr. Chavalit Uttasart	Independent Director and Member of the Audit Committee	April 2010-April 2013	4
11. Mr. Thira Wipuchanin	Independent Director and Member of the Audit Committee	April 2010-April 2013	5

Remarks :

- (1) Substituted the director who resigned during the year according to the resolution of the Board of Directors' Meeting No. 2/2010 dated 13 May 2010.
- (2) Substituted the director who resigned during the year according to the resolution of the Board of Directors' Meeting No. 4/2010 dated 11 November 2010.

OTHER INFORMATION

(5) Board of Directors Self Assessment

The Board of Directors has arranged the self assessment of their performances at least once a year. The Board of Directors collaboratively evaluate the performances and problems so as to reflect the performance efficiency and to subsequently seek the direction for improvement and solutions.

(6) Remuneration for Directors and the Management

a) Directors' Remuneration

The Company has clearly and transparently determined the directors' remuneration to be consistent with and suitable to the Company's operation and responsibilities by comparing with remuneration levels of other companies in the same industry fields. The said remuneration shall be approved by the shareholders' meeting.

b) Management's Remuneration

The Company has determined the Management's remuneration in compliance with the principle and policy of the Company in considering the Company's operating result and the performance of each individual Management.

c) Details of remuneration of the Directors and Management in 2010

Details have been described in the topic on 'Remuneration of the Executives in 2010' on page 69.

(7) Board of Directors and the Management Training

The Board of Directors realised the importance of the training of Directors and Management in respect of the Good Corporate Governance and has attended seminars and training courses held by the Thai Institute of Directors. In addition, the Company has invited outsiders specialising on the Good Corporate Governance to provide lectures to the Company's directors in order to continuously improve their performances and apply the acquired knowledge to the Company.

OTHER INFORMATION

6. Auditors' Remuneration in 2010

Audit fee

The Company and its subsidiary paid audit fee to the audit firm in the fiscal year 2010 as the following details.

Company	Audit Firm	Audit Fee (Baht)
Siam Makro Plc.	PricewaterhouseCoopers ABAS Ltd.	4,346,600*
Subsidiary Company	PricewaterhouseCoopers ABAS Ltd.	729,304

Remark :

* Excluding the remuneration in the case of the auditors attending the observation on the stock count during the year at each branch of the Company of Baht 464,168.

OTHER INFORMATION

Non-audit fee

The Company and its subsidiary paid non-audit fee i.e. Risk Assessment, Other Consultation Engagement not relating to Auditing Services, Tax and Legal Consulting Services, Actuarial Consulting Services and Engagement to Perform Agree-upon Procedures to the audit firm; namely, PricewaterhouseCoopers ABAS Ltd. for the fiscal year 2010 as the following details.

Company	Non-Audit Service	Service Providers	Paid (Baht)	Contingent Expenses (Baht)
Siam Makro Plc.	Risk Assessment	PricewaterhouseCoopers ABAS Ltd.	190,000	-
Siam Makro Plc.	Other Consultation Engagement not relating to Auditing Services ⁽¹⁾	PricewaterhouseCoopers ABAS Ltd.	100,000	-
Siam Makro Plc.	Other Consultation Engagement not relating to Auditing Services ⁽²⁾	PricewaterhouseCoopers ABAS Ltd.	1,041,000	1,100,000
Siam Makro Plc.	Tax and Legal Consulting Services	PricewaterhouseCoopers Legal & Tax Consultants Ltd.**	350,000	350,000
Siam Makro Plc.	Actuarial Consulting Service	PricewaterhouseCoopers FAS Ltd.**	-	500,000
Siam Food Services Limited	Engagement to Perform Agree-upon Procedures ⁽³⁾	PricewaterhouseCoopers ABAS Ltd.	30,000	-
Siam Food Services Limited	Actuarial Consulting Service	PricewaterhouseCoopers FAS Ltd.**	-	50,000
Total			1,711,000	2,000,000

Remark :

- (1) Training services for the accounting standards and financial reporting standards that will be effective in 2011
- (2) Accounting advice on International Financial Reporting Standards ("IFRS") conversion for the financial statements of Siam Makro Public Company Limited, which was an on-going services from 2009
- (3) Attendance of inventory destruction observation of Siam Food Services Limited during 2010
- ** These service providers are in the same group with the audit firm

REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS

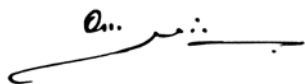
The Board of Directors of Siam Makro Public Company Limited has provided the financial statements showing the Company's financial status and business operation result for the year 2010 under the Public Company Act B.E. 2535 (A.D. 1992) and Rules and Regulations of the Stock Exchange of Thailand. The Board of Directors is responsible for the consolidated and Company financial statements presented in this annual report. The Board of Directors confirms that the aforementioned financial statements are in accordance with Thai Generally Accepted Accounting Principles, using appropriate accounting policy consistently employed by the Company as well as applying careful judgement and best estimation. Important information is adequately disclosed in the notes to financial statements.

The Board of Directors has provided and maintained an efficient internal control system to ensure that accounting

records are accurate, complete and adequate to protect its assets and uncover weaknesses in order to prevent fraud or materially irregular operations.

The Board of Directors has appointed an Audit Committee, which consists of Independent Directors responsible for the quality of financial statements, internal control system and law compliance, whose comments on these issues are readily included in the Audit Committee Report in this annual report.

The Board of Directors is of opinion that the Company's overall internal control system has functioned up to the satisfactory level and rendered credibility and reliability to the consolidated and Company financial statements for the year ended December 31, 2010.



Mr. Arsa Sarasin
Chairman



Mrs. Suchada Ithijarukul
Chief Executive Officer

SIAM MAKRO PUBLIC COMPANY LIMITED

CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

31 DECEMBER 2010

AUDITOR'S REPORT

To the Shareholders of Siam Makro Public Company Limited

I have audited the accompanying consolidated and company balance sheets as at 31 December 2010, and the related consolidated and company statements of income, changes in shareholders' equity and cash flows for the year then ended of Siam Makro Public Company Limited and its subsidiary, and of Siam Makro Public Company Limited, respectively. The Company's management is responsible for the correctness and completeness of information in these financial statements. My responsibility is to express an opinion on these financial statements based on my audit. The consolidated and company financial statements for the year ended 31 December 2009 of Siam Makro Public Company Limited and its subsidiaries, and of Siam Makro Public Company Limited, respectively, were audited by another auditor in the same firm as myself, whose report dated 23 February 2010 expressed an unqualified opinion on those statements.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the consolidated and company financial statements referred to above present fairly, in all material respects, the consolidated and company financial positions as at 31 December 2010, and the consolidated and company results of operations, and cash flows for the year then ended of Siam Makro Public Company Limited and its subsidiary, and of Siam Makro Public Company Limited, respectively, in accordance with generally accepted accounting principles.



Prasan Chuaphanich
Certified Public Accountant (Thailand) No. 3051
PricewaterhouseCoopers ABAS Limited

Bangkok
17 February 2011

BALANCE SHEETS

As at 31 December 2010 and 2009

	Notes	Consolidated		Company	
		2010	2009	2010	2009
		Baht	Baht	Baht	Baht
ASSETS					
Current Assets					
Cash and cash equivalents	7	5,293,591,135	3,007,843,979	5,243,541,382	2,982,425,930
Trade accounts receivable, net	8	144,484,815	125,048,073	4,949,321	4,708,974
Advances and short-term loans to a related party	9.4	-	-	137,232,822	784,831
Inventories, net	10	5,898,395,429	5,931,668,785	5,745,187,429	5,797,268,479
Purchase discounts receivable		464,525,486	510,063,310	464,525,486	510,063,310
Current portion of leasehold right	15	30,104,241	30,104,241	30,104,241	30,104,241
Other current assets, net	11	396,040,243	282,232,261	391,863,049	281,015,120
Total Current Assets		12,227,141,349	9,886,960,649	12,017,403,730	9,606,370,885
Non-Current Assets					
Investments in subsidiaries	12	-	-	269,764,379	980,405,679
Property, plant and equipment, net	13	12,406,377,236	12,152,272,798	12,386,008,188	12,131,017,891
Land held for sale or future development, net	14	135,500,000	135,500,000	135,500,000	135,500,000
Leasehold right, net	15	502,710,889	532,815,130	502,710,889	532,815,130
Goodwill, net	16	167,384,412	167,384,412	-	-
Other intangible assets, net	17	45,016,538	31,765,015	29,516,320	22,218,996
Other non-current assets		7,536,777	14,876,441	5,614,492	12,270,189
Total Non-Current Assets		13,264,525,852	13,034,613,796	13,329,114,268	13,814,227,885
Total Assets		25,491,667,201	22,921,574,445	25,346,517,998	23,420,598,770

The notes to the consolidated and company financial statements form an integral part of these financial statements.

BALANCE SHEETS

As at 31 December 2010 and 2009

		Consolidated		Company	
		2010	2009	2010	2009
	Notes	Baht	Baht	Baht	Baht
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Liabilities					
Short-term loans from financial institutions	18	1,200,000,000	812,578,216	1,200,000,000	700,000,000
Trade accounts payable					
Third parties		12,812,074,184	11,349,214,949	12,735,155,464	11,272,265,375
Related party	9.3	-	-	26,581,913	32,554,694
Total trade accounts payable		12,812,074,184	11,349,214,949	12,761,737,377	11,304,820,069
Advances from related parties	9.5	76,119,267	72,280,818	76,075,202	72,998,264
Note payable to a subsidiary from the entire business transfer	9.6	-	-	-	770,199,028
Other current liabilities					
Other accounts payable		495,398,693	613,152,632	479,656,126	605,707,845
Income tax payable		448,444,056	339,800,295	443,301,552	337,991,400
Accrued expenses		679,566,471	526,317,736	667,996,653	517,320,038
Current portion of liabilities under financial lease, net	19	19,413,985	15,750,216	19,413,985	15,750,216
Others		217,834,356	131,139,047	214,710,115	129,679,073
Total Current Liabilities		15,948,851,012	13,860,233,909	15,862,891,010	14,454,465,933
Non-Current Liabilities					
Liabilities under financial lease, net	19	135,401,360	153,447,030	135,401,360	153,447,030
Provision for employee benefits	20	194,444,441	133,539,089	191,507,065	133,269,652
Other non-current liabilities		36,877,543	39,294,905	36,823,813	39,241,176
Total Non-Current Liabilities		366,723,344	326,281,024	363,732,238	325,957,858
Total Liabilities		16,315,574,356	14,186,514,933	16,226,623,248	14,780,423,791

The notes to the consolidated and company financial statements form an integral part of these financial statements.

BALANCE SHEETS

As at 31 December 2010 and 2009

	Notes	Consolidated		Company	
		2010	2009	2010	2009
		Baht	Baht	Baht	Baht
LIABILITIES AND SHAREHOLDERS' EQUITY (Cont'd)					
Shareholders' Equity					
Share capital	22				
Authorised share capital					
Ordinary shares, 240,000,000 shares of par Baht 10 each		2,400,000,000	2,400,000,000	2,400,000,000	2,400,000,000
Issued and paid-up share capital					
Ordinary shares, 240,000,000 shares of paid-up Baht 10 each		2,400,000,000	2,400,000,000	2,400,000,000	2,400,000,000
Premium on share capital		3,290,152,068	3,290,152,068	3,290,152,068	3,290,152,068
Retained earnings					
Appropriated					
Legal reserve	23	240,000,000	240,000,000	240,000,000	240,000,000
Unappropriated		3,245,940,777	2,804,907,444	3,189,742,682	2,710,022,911
Total Shareholders' Equity		9,176,092,845	8,735,059,512	9,119,894,750	8,640,174,979
Total Liabilities and Shareholders' Equity		25,491,667,201	22,921,574,445	25,346,517,998	23,420,598,770

The notes to the consolidated and company financial statements form an integral part of these financial statements.

STATEMENTS OF INCOME

For the years ended 31 December 2010 and 2009

	Notes	Consolidated		Company	
		2010	2009	2010	2009
		Baht	Baht	Baht	Baht
Revenues					
Sales	9.1	86,459,272,667	76,423,056,375	85,672,664,003	75,767,530,304
Service income	9.1	1,728,312,929	1,583,986,771	1,716,810,255	1,576,169,687
Other income	9.1	476,027,844	401,442,152	469,037,355	394,685,950
Capital gain from liquidation of a subsidiary	12.2	-	-	62,410,445	-
Dividend income	9.1, 12	-	-	-	1,774,148,479
Total revenues		88,663,613,440	78,408,485,298	87,920,922,058	79,512,534,420
Expenses					
Cost of sales	9.2	80,148,344,238	71,342,290,804	79,536,810,853	70,804,653,812
Selling expenses	9.2	4,538,437,981	3,997,951,524	4,488,578,857	4,086,717,603
Administrative expenses	9.2	935,719,370	679,162,189	831,090,333	592,841,305
Management benefit expenses	27	166,469,905	104,758,764	166,469,905	104,758,764
Total expenses		85,788,971,494	76,124,163,281	85,022,949,948	75,588,971,484
Profit before finance costs and income tax	24	2,874,641,946	2,284,322,017	2,897,972,110	3,923,562,936
Finance costs		(34,981,546)	(49,127,009)	(32,086,836)	(47,059,787)
Profit before income tax		2,839,660,400	2,235,195,008	2,865,885,274	3,876,503,149
Income tax		(958,627,067)	(708,160,213)	(946,165,503)	(666,779,992)
Net profit for the year		1,881,033,333	1,527,034,795	1,919,719,771	3,209,723,157
Basic earnings per share	25				
Net profit for the year		7.84	6.36	8.00	13.37

The notes to the consolidated and company financial statements form an integral part of these financial statements.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the years ended 31 December 2010 and 2009

		Consolidated			
Note		Issued	Premium on	Retained	Total
		and paid-up	share capital	earnings	
		share capital	share capital		
		Baht	Baht	Baht	Baht
2009					
	Opening balance	2,400,000,000	3,290,152,068	2,837,872,649	8,528,024,717
	Net profit for the year	-	-	1,527,034,795	1,527,034,795
	Dividends	-	-	(1,320,000,000)	(1,320,000,000)
	Closing balance	2,400,000,000	3,290,152,068	3,044,907,444	8,735,059,512
2010					
	Opening balance	2,400,000,000	3,290,152,068	3,044,907,444	8,735,059,512
	Net profit for the year	-	-	1,881,033,333	1,881,033,333
	Dividends	-	-	(1,440,000,000)	(1,440,000,000)
	Closing balance	2,400,000,000	3,290,152,068	3,485,940,777	9,176,092,845

		Company			
Note		Issued	Premium on	Retained	Total
		and paid-up	share capital	earnings	
		share capital	share capital		
		Baht	Baht	Baht	Baht
2009					
	Opening balance	2,400,000,000	3,290,152,068	1,060,299,754	6,750,451,822
	Net profit for the year	-	-	3,209,723,157	3,209,723,157
	Dividends	-	-	(1,320,000,000)	(1,320,000,000)
	Closing balance	2,400,000,000	3,290,152,068	2,950,022,911	8,640,174,979
2010					
	Opening balance	2,400,000,000	3,290,152,068	2,950,022,911	8,640,174,979
	Net profit for the year	-	-	1,919,719,771	1,919,719,771
	Dividends	-	-	(1,440,000,000)	(1,440,000,000)
	Closing balance	2,400,000,000	3,290,152,068	3,429,742,682	9,119,894,750

The notes to the consolidated and company financial statements form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

For the years ended 31 December 2010 and 2009

		Consolidated		Company	
		2010	2009	2010	2009
	Notes	Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit before income tax		2,839,660,400	2,235,195,008	2,865,885,274	3,876,503,149
Adjustments for :					
Depreciation	13	983,726,333	867,898,447	975,751,125	861,324,989
Amortisation of intangible assets	17	16,096,401	24,782,568	12,985,874	24,322,437
Amortisation of leasehold right	15	30,104,241	30,104,241	30,104,241	30,104,241
Write-off building and equipment	13	6,975,230	3,348	6,975,230	-
Write-off prepaid withholding tax		-	415,414	-	-
Interest income		(16,713,670)	(9,975,873)	(17,176,174)	(13,258,889)
Finance costs					
- interest expenses from borrowings		19,755,578	41,318,701	16,860,868	39,251,479
- interest expenses under finance lease		15,225,968	7,808,308	15,225,968	7,808,308
(Gain) loss on disposals of property, plant and equipment		(4,771,623)	862,749	(3,823,034)	862,749
Capital gain from liquidation of a subsidiary	12	-	-	(62,410,445)	-
Dividend received from a related party	9.1, 12	-	-	-	(1,774,148,479)
Allowance for loss from write-off of fixed assets	13	31,750,000	-	31,750,000	-
Allowance for obsolete and shrinkage inventories		(6,693,903)	12,813,071	(6,215,202)	9,434,460
Allowance for inventory cost in excess of net realisable value		18,693	331,345	-	-
Provision for employee benefits	20	81,530,950	28,586,501	78,863,011	28,706,647
Others		9,704,135	(1,223,921)	13,593,023	(100,997)
Changes in operating assets and liabilities					
Trade accounts receivable		(15,547,854)	(28,168,193)	(240,347)	(1,564,185)
Advances to a related party		-	-	(1,447,991)	(63,491)
Inventories		39,948,566	(327,435,177)	58,296,252	(396,354,378)
Purchase discounts receivable		45,537,824	(50,205,680)	45,537,824	(50,205,680)
Other current assets		(114,791,403)	268,117,922	(111,831,350)	267,222,742
Other non-current assets		7,339,664	-	6,655,697	-
Trade accounts payable - third parties		1,462,859,235	1,741,142,065	1,462,890,089	1,714,366,453

The notes to the consolidated and company financial statements form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS (CONTINUED)

For the years ended 31 December 2010 and 2009

	Note	Consolidated		Company	
		2010	2009	2010	2009
		Baht	Baht	Baht	Baht
Cash flows from operating activities (Cont'd)					
Changes in operating assets and liabilities (Cont'd)					
Trade accounts payable - related party		-	-	(5,972,781)	15,111,329
Advances from related parties		3,838,449	2,399,441	3,693,721	2,416,292
Other accounts payable		63,905,245	78,858,368	56,798,189	78,588,658
Accrued expenses		149,556,418	90,012,410	150,160,685	89,127,893
Other current liabilities		74,094,493	46,594,717	71,458,755	45,477,839
Other non-current liabilities		(2,417,363)	-	(2,417,363)	-
Employee benefits paid	20	(20,625,598)	(3,122,988)	(20,625,598)	(3,122,988)
Cash generated from operating activities		5,700,066,409	5,057,112,792	5,671,325,541	4,851,810,578
Interest received		16,704,885	9,992,791	17,167,388	14,112,258
Interest paid		(16,063,262)	(40,787,749)	(13,137,534)	(37,979,573)
Income tax paid		(849,983,306)	(674,615,506)	(840,855,351)	(628,736,595)
Net cash generated from operating activities		4,850,724,726	4,351,702,328	4,834,500,044	4,199,206,668

The notes to the consolidated and company financial statements form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS (CONTINUED)

For the years ended 31 December 2010 and 2009

		Consolidated		Company	
		2010	2009	2010	2009
	Notes	Baht	Baht	Baht	Baht
Cash flows from investing activities					
Increase in investment in a subsidiary	12.1	-	-	-	(35,000,000)
Purchase of property, plant and equipment		(1,466,415,384)	(1,513,919,415)	(1,458,005,639)	(1,506,586,757)
Purchase of other intangible assets		(24,014,585)	(25,966,738)	(17,438,800)	(16,420,731)
Cash received from disposals of property, plant and equipment		9,458,057	11,231,603	8,487,289	11,231,603
Dividend received from a related party		-	-	-	118,998,479
Net repayment (payments) loans from related parties	9.4	-	-	(135,000,000)	174,129,275
Net deposits received		-	(3,244,963)	-	(2,216,809)
Net cash used in investing activities		(1,480,971,912)	(1,531,899,513)	(1,601,957,150)	(1,255,864,940)
Cash flows from financing activities					
Net short-term loans from financial institutions		387,421,784	(402,174,041)	500,000,000	(450,000,000)
Payments on finance lease payable		(31,427,442)	(15,169,394)	(31,427,442)	(15,169,394)
Dividends paid	26	(1,440,000,000)	(1,320,000,000)	(1,440,000,000)	(1,320,000,000)
Net cash used in financing activities		(1,084,005,658)	(1,737,343,435)	(971,427,442)	(1,785,169,394)
Net increase in cash and cash equivalents		2,285,747,156	1,082,459,380	2,261,115,452	1,158,172,334
Cash and cash equivalents, opening balance		3,007,843,979	1,925,384,599	2,982,425,930	1,824,243,596
Cash received from the entire business transfer of a subsidiary	12.2 b)	-	-	-	10,000
Cash and cash equivalents, closing balance		5,293,591,135	3,007,843,979	5,243,541,382	2,982,425,930

The notes to the consolidated and company financial statements form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS (CONTINUED)

For the years ended 31 December 2010 and 2009

		Consolidated		Company	
		2010	2009	2010	2009
	Notes	Baht	Baht	Baht	Baht
Non cash transactions					
Investing activities:					
Purchase of property, plant and equipment unpaid		154,040,031	339,363,151	154,009,963	338,626,804
Purchase of other intangible assets unpaid		4,338,250	674,314	2,441,247	674,314
Purchase of equipment under finance lease	13	1,819,574	176,558,332	1,819,574	176,558,332
Net transactions of the returned capital from subsidiary dissolution	12.2	-	-	773,051,745	-
Net asset and liabilities from the entire business transfer of a subsidiary	12.2 b)	-	-	-	770,199,028

The notes to the consolidated and company financial statements form an integral part of these financial statements.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2010 and 2009

1 General information

Siam Makro Public Company Limited ("the Company") was incorporated in Thailand on 10 May 1988, changed its status to a public company on 11 February 1994 and was subsequently listed on the Stock Exchange of Thailand on 11 August 1994. For reporting purposes, the Company and its subsidiaries are referred to as the Group.

The Company's principal business is the operation of Cash and Carry Trade Centres throughout Thailand, under the name "Makro", selling food and non-food products to registered members, predominantly small and medium size businesses, retailers, caterers, professional and service sectors and institutions.

The Company has two subsidiaries:-

- a) Siam Food Services Limited is an importing and trading frozen foods company and providing services such as freight, delivery, rental and storage.
- b) Makro Properties Limited is a land investment company that purchases the land and leases them to Makro to build stores. According to the resolution of the Annual General Meeting of shareholders on 29 April 2009, the Company completed the entire business transfer of Makro Properties Limited on 31 May 2009 and on 27 May 2010, the liquidator of Makro Properties Limited has registered the completed liquidation with the Department of Business Development, Ministry of Commerce, as disclosed in Note 12.2.

The registered office of the Company is located at 3498 2nd Floor, Lard Prao Road, Klongchan, Bangkok, Bangkok 10240.

As at 31 December 2010, the Company operates 48 stores (2009 : 44 stores).

The consolidated and company financial statements have been approved for issue by the board of directors on 17 February 2011.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2010 and 2009

2 Accounting policies

The principal accounting policies adopted in the preparation of these consolidated and company financial statements are set out below.

2.1 Basis of preparation

The consolidated and company financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards ("TAS") issued under the Accounting Professions Act B.E. 2547, and the financial reporting requirements by the Securities and Exchange Commission under the Securities and Exchange Act.

The consolidated and company financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported periods. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

An English version of the consolidated and company financial statements has been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2010 and 2009

2 Accounting policies (Cont'd)

2.2 The new accounting standards, new financial reporting standards and amended accounting standards and accounting framework

a) The accounting framework

The amended accounting framework is effective on 26 May 2010.

b) The new accounting standards, new financial reporting standards and amended accounting standards

The following new accounting standards, new financial reporting standards and amended accounting standards are mandatory for the accounting periods beginning on or after 1 January 2011 and 1 January 2013, but the Group has not early adopted them:

Effective for the accounting period beginning on or after 1 January 2011

TAS 1	(Revised 2009)	Presentation of Financial Statements
TAS 2	(Revised 2009)	Inventories
TAS 7	(Revised 2009)	Statement of Cash Flows
TAS 8	(Revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10	(Revised 2009)	Events after the Reporting Period
TAS 11	(Revised 2009)	Construction Contracts
TAS 16	(Revised 2009)	Property, Plant and Equipment
TAS 17	(Revised 2009)	Leases
TAS 18	(Revised 2009)	Revenue
TAS 19		Employee Benefits
TAS 23	(Revised 2009)	Borrowing Costs
TAS 24	(Revised 2009)	Related Party Disclosures
TAS 26		Accounting and Reporting by Retirement Benefit Plans
TAS 27	(Revised 2009)	Consolidated and Separate Financial Statements
TAS 28	(Revised 2009)	Investments in Associates
TAS 29		Financial Reporting in Hyperinflationary Economies
TAS 31	(Revised 2009)	Interests in Joint Ventures
TAS 33	(Revised 2009)	Earnings per Share
TAS 34	(Revised 2009)	Interim Financial Reporting
TAS 36	(Revised 2009)	Impairment of Assets

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2010 and 2009

2 Accounting policies (Cont'd)

2.2 The new accounting standards, new financial reporting standards and amended accounting standards and accounting framework (Cont'd)

b) The new accounting standards, new financial reporting standards and amended accounting standards (Cont'd)

Effective for the accounting period beginning on or after 1 January 2011 (Cont'd)

TAS 37	(Revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38	(Revised 2009)	Intangible Assets
TAS 40	(Revised 2009)	Investment Property
TFRS 2		Share-based Payment
TFRS 3	(Revised 2009)	Business Combinations
TFRS 5	(Revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6		Exploration for and Evaluation of Mineral Resources
TFRIC 15		Agreements for the Construction of Real Estate

Effective for the accounting period beginning on or after 1 January 2013

TAS 12		Income Taxes
TAS 20	(Revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21	(Revised 2009)	The Effects of Changes in Foreign Exchange Rates

The Group's management has determined that the new accounting standards, new financial reporting standards and amended accounting standards will not significantly impact the financial statements being presented, except for TAS 12 Income Taxes, which deals with taxes on income, comprising current tax and deferred tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, using tax rates and tax law that have been enacted or substantively enacted by the end of the reporting period. Deferred taxes are measured based on the temporary difference between the tax base of an asset or liability and its carrying amount in the financial statements and using the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax law that have been enacted or substantively enacted by the end of the reporting period. The Group will apply this standard from 1 January 2013 retrospectively with an expectation to incur of deferred tax account and changes in retained earnings and income tax expense. The Group's management is currently assessing the impact of applying this standard.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2010 and 2009

2 Accounting policies (Cont'd)

2.3 Investments in subsidiaries

Subsidiaries are those entities in which the Group has an interest of more than one half of the voting rights or otherwise has power to exercise control over the operations. Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. All intercompany transactions and balances between group companies are eliminated. Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

Investments in subsidiaries in the company financial statements are presented by the cost method of accounting.

A list of the Group's principal subsidiaries and the effects from the entire business transfer of a subsidiary are shown in Note 12.

2.4 Foreign currency translation

Items included in the financial statements of each entity in the Group are measured using Thai Baht. The consolidated financial statements are presented in Thai Baht.

Foreign currency transactions in the Group are accounted for at the exchange rates prevailing at the date of the transactions. The outstanding monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the balance sheet date. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statements of income. The Group has limited exposure to foreign currency transactions by using forward exchange contracts and such balances are translated at year end exchange rates.

2.5 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities not over three months, but not include deposit with bank which held to maturities.

2.6 Trade accounts receivable

Trade accounts receivable are carried at original invoice amount and subsequent measurement is based on the remaining amount less allowance for doubtful receivables by reviewing outstanding amounts at the year end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written off during the year in which they are identified and recognised in the statements of income as selling and administrative expenses.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2010 and 2009

2 Accounting policies (Cont'd)

2.7 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined by the first-in first-out basis. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and shrinkage inventories.

2.8 Investments

The Group classifies its investments in debt securities as held-to-maturity securities. Those investments with fixed maturity that the management has the intent and ability to hold to maturity are included in current assets when the maturity date is less than 12 months from balance sheet date and included in non-current assets when the maturity date is longer than 12 months.

Investments in debt securities which are classified as held-to-maturity securities are carried at amortised cost.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, the impairment loss is charged to the statements of income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged to the statements of income.

2.9 Property, plant and equipment

All property, plant and equipment are initially recorded at cost, and are stated at cost less accumulated depreciation.

Depreciation is calculated on the straight-line method to write-off the cost of each asset, except for land which is considered to have an indefinite life, to its residual value over the estimated useful life as follows:

Leasehold improvement	20 - 30 years
Building and building improvement	10, 20 years
Equipment	3 - 10 years
Computer	3 years
Vehicle	5 years

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2010 and 2009

2 Accounting policies (Cont'd)

2.9 Property, plant and equipment (Cont'd)

Repairs and maintenance are charged to the statements of income during the financial year in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

Gains and losses on disposals of property, plant and equipment are determined by comparing proceeds with carrying amount and are included in operating profit.

2.10 Land held for sale or future development

Land held for sale or future development is recorded at cost less allowance for impairment of assets.

2.11 Leasehold right

Leasehold right is initially recorded at cost, and are stated at cost less accumulated amortisation. The amortisation is calculated on the straight-line method over the period of lease agreement (25 - 30 years).

2.12 Intangible assets

2.12.1 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiaries undertaking at the date of acquisition. Goodwill on acquisitions of subsidiaries is reported in the consolidated balance sheet as an intangible asset. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash generating units for the purpose of impairment testing. The allocation is made to those cash generating units or group of cash generating units that are expected to benefit from the business combination in which the goodwill arose.

2.12.2 Other intangible assets

Other intangible assets represent computer software for internal use. The cost includes cost of software development and software license fee. Other intangible assets are amortised using the straight-line method over their estimated useful lives, which range from 2 - 5 years.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2010 and 2009

2 Accounting policies (Cont'd)

2.13 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Property, plant and equipment and other non-financial assets, including land held for sale or further development and other intangible assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount which is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the smallest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.14 Leases - where the Group is the lessee

Leases of equipment which substantially transfer all the risks and rewards of ownership are classified as finance leases. Finance leases also include service agreements which involve dedicated assets solely used by the Group and having commitment in case the agreement is prematurely terminated. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the statement of income over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The equipment acquired under finance lease concept is depreciated over the useful life of the assets.

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statements of income on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Leases - where the Group is the lessor

Assets leased out under operating leases are included as land in the balance sheets. Rental income (net of any incentives given to lessee) is recognised on a straight-line basis over the lease term.

2.15 Income taxes

The Group calculates income taxes according to the Revenue Code and records them on accrual basis. The Group does not recognise income taxes payable or receivable in future periods in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2010 and 2009

2 Accounting policies (Cont'd)

2.16 Employee benefits

Provision for employee benefits

i) Pension fund benefit

The Group operates a pension scheme for employees who joined the Company before the 1st of January 2003 and choose to retain the benefits of the original scheme. Employees, upon resignation or retirement from the Company after having completed 3 years of service, shall be entitled to receive cash payment equivalent to their prevailing salary multiplied by the number of years of service, but not exceeding the equivalent of 10 months of final salary.

ii) Severance benefit

Under Labor Laws applicable in Thailand and Group's employment policy, all employees completing 120 days of service are entitled to severance pay on termination or retrenchment without cause or upon retirement age of 60. The severance pay will be at the rate according to number of years of service as stipulated in the Labor Law which is currently at a maximum rate of 300 days of final salary.

iii) Additional benefit related to provident fund

The Group operates an employee benefit scheme under which employees who are members of the Group's provident fund, being a defined contribution plan, for at least 9 years are entitled to receive additional contribution from the Group on their resignation or retirement from employment with the Group. Employees, who are member of the provident fund for at least 9 years, shall be entitled to receive an additional 50% of the contributions made by the Group on their behalf.

The Group recognises liabilities in respect of these defined benefit plans at the present value of the defined benefit obligations at the balance sheet date adjusted for actuarial gains/losses. These defined benefit obligations are calculated by independent actuaries using the projected unit credit method. The present value of the defined benefit obligations is determined by the estimated future cash outflows using interest rates of government bonds which have terms to maturity approximating the terms of the related liability.

Actuarial gains and losses arising from experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred), changes in actuarial assumptions and amendments to employee benefits plans are charged as expenses or credited to the statements of income.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2010 and 2009

2 Accounting policies (Cont'd)

2.16 Employee benefits (Cont'd)

Provident fund

The Group operates a provident fund, being a defined contribution plan, the assets for which are held in a separate trust fund. The provident fund is funded by payments from employees and by the Group. The Group's contributions to the provident fund are charged to the statements of income in the years to which they relate.

2.17 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

2.18 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and service net of output tax, rebates and discounts, and after eliminating sales within the Group for the consolidated financial statements. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer. Revenue from rendering services is recognised in the accounting period in which the services are rendered.

Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group. Dividends are recognised when the right to receive payment is established.

2.19 Dividends

Dividends are recorded in the consolidated and Company's financial statements in the period when declared by the board of directors and/or approved by the shareholders of related companies.

2.20 Segment reporting

The segmental reporting has been prepared based on the Group's method of internal reporting, which is presented by business segment of the Group's operations.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2010 and 2009

3 Financial risk management

3.1 Financial risk factors

3.1.1 Interest rate risk

The Group encounters interest rate risk through its exposure to interest rate fluctuations on its cash and short-term investments but such risks do not carry significant impact.

3.1.2 Foreign currency exchange risk

The Group has limited exposure to foreign currency exchange fluctuations on purchasing of goods and services and these purchases are not significant in the ordinary course of business. The Group manages this risk through forward exchange contracts. Foreign currency exchange trading for speculative purpose is prohibited.

3.1.3 Credit risk

The Group has no significant concentrations of credit risk relating to its cash, short-term investments, trade receivables, amounts due from a related party and loans to a related party as the Group primarily operates on cash and carry basis in which most transactions are cash sales. In addition, the Group places its cash and short-term investments with high quality financial institutions. The Group's policies are designed to limit exposure with any one financial institution and to invest excess cash in low risk investment instruments. The Group has not experienced any losses on such accounts. The subsidiaries have in place credit policies not to provide credit for any companies considered high risk of collections.

3.1.4 Liquidity risk

The Group manages its liquidity risk by holding sufficient cash and short-term investments for operating expenses.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2010 and 2009

3 Financial risk management (Cont'd)

3.2 Accounting for financial instruments

Financial instruments carried on the balance sheet include cash and cash equivalents, trade receivables and payables, amounts due from/to related parties, loans to a related party, short-term loans from financial institutions and note payable to a subsidiary from the entire business transfer. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Foreign currency forward contracts establish the exchange rate at which the Group will pay foreign currency amounts on a predetermined future date. The foreign currency amount receivable under these contracts are translated at the year end exchange rate. Unrealised gains or losses that result from the translation are recognised in the statements of income. Any premium or discount equal to the difference between the spot exchange rate and the forward rate arising at the inception of the contract is amortised over the life of the contract.

3.3 Fair value

Fair values of financial instruments are accounted for at their carrying amounts because of the short maturities of these instruments, therefore, they are not considered a significant risk in the Group's future cash flows.

4 Critical accounting estimates, assumption and judgements

Estimates, assumption, and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of management's estimates.

4.2 Property, plant and equipment and intangible assets

Management determines the estimated useful life and residual value for the Group's property, plant and equipment and intangible assets. Management will revise the depreciation charge where useful life and residual value are different to previously estimated, or it will write off or write down technically obsolete assets or idle assets that have been abandoned or sold.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2010 and 2009

4 Critical accounting estimates, assumption and judgements (Cont'd)

4.3 Employee benefits

The Group has commitment on pension fund benefit, severance benefit, additional benefit related to provident fund. The present value of employee benefit liabilities recognised in the balance sheet is determined on an actuarial basis utilising various assumptions. The assumptions used in determining the net year cost for employee benefits include discounted rate, future basis salary increase, service years, employee turnover rate, and others. Any changes in these assumptions will impact the net periodic cost recorded for employee benefits.

On an annual basis, the Group determines the appropriate discount rate, which represents the interest rate that should be used to determine the present value of future cash flows currently expected to be required to settle the employee benefits. In determining the appropriate discount rate the Group considers the current yields on high quality corporate fixed-income investments in Thailand.

5 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

6 Financial information by business segments

For the year ended 31 December 2010

	Wholesale and Retail Business	Land Rental Business	Elimination	Total
	Million Baht	Million Baht	Million Baht	Million Baht
Sales	86,459	-	-	86,459
Service income and other income	2,205	-	-	2,205
Total revenues	88,664	-	-	88,664
Profit from operation	2,875	-	-	2,875
Finance costs				(35)
Profit before income tax				2,840
Income tax				(959)
Net profit				1,881
Depreciation and amortisation	1,030	-	-	1,030
Property, plant and equipment, net				
as at 31 December 2010	12,406	-	-	12,406
Other assets				13,086
Total assets as at 31 December 2010				25,492

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2010 and 2009

6 Financial information by business segments (Cont'd)

For the year ended 31 December 2009

	Wholesale and Retail Business Million Baht	Land Rental Business Million Baht	Elimination Million Baht	Total Million Baht
Sales	76,423	-	-	76,423
Service income and other income				
- Third parties	1,982	3	-	1,985
- Related parties	-	128	(128)	-
	1,982	131	(128)	1,985
Total revenues	78,405	131	(128)	78,408
Profit from operation	2,159	130	(5)	2,284
Finance costs				(49)
Profit before income tax				2,235
Income tax				(708)
Net profit				1,527
Depreciation and amortisation	923	-	-	923
Property, plant and equipment, net				
as at 31 December 2009	12,152	-	-	12,152
Other assets				10,770
Total assets as at 31 December 2009				22,922

Sales to third parties and related parties are carried out at market price.

Property, plant and equipment of each business are for its own operations. Other assets comprise mainly cash and cash equivalents, inventories, advances and loans to a related party.

On 31 May 2009, the Company acquired the entire business of Makro Properties Limited. Consequently, the Company included the operational results of Makro Properties Limited in its consolidated land rental business segment up to the transfer date.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2010 and 2009

7 Cash and cash equivalents

	Consolidated		Company	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Cash in hand	902,339,905	710,656,570	902,312,886	710,555,070
Deposits held at call with banks	1,092,164,788	1,977,214,489	1,042,142,054	1,951,897,940
Central bank bond	3,299,086,442	319,972,920	3,299,086,442	319,972,920
	<u>5,293,591,135</u>	<u>3,007,843,979</u>	<u>5,243,541,382</u>	<u>2,982,425,930</u>

The weighted average effective interest rates of deposits held at call with banks were 0.10% - 1.00% per annum (2009 : 0.10% - 1.50% per annum).

Investments in debt securities represent central bank bond having weighted average effective interest rates of 0.96% - 1.91% per annum (2009 : 0.71% - 1.94% per annum), having a maturity of three months or less when purchased.

During the year, other income includes interest income from investments in debt securities as follows:

	Consolidated		Company	
	2010	2009	2010	2009
	Million Baht	Million Baht	Million Baht	Million Baht
Investments in debt securities				
Interest income	12.6	5.5	12.6	5.5

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2010 and 2009

8 Trade accounts receivable, net

	Consolidated		Company	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Gross trade accounts receivable	145,853,672	130,305,818	4,949,321	4,708,974
<u>Less</u> allowance for doubtful accounts	(1,368,857)	(5,257,745)	-	-
Trade accounts receivable, net	<u>144,484,815</u>	<u>125,048,073</u>	<u>4,949,321</u>	<u>4,708,974</u>

Outstanding trade accounts receivable as at 31 December can be analysed as follows:

	Consolidated		Company	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Up to 3 months	144,189,278	124,472,315	4,847,442	4,515,451
3 - 6 months	249,312	634,130	101,879	193,523
6 - 12 months	400,732	563,398	-	-
Over 12 months	1,014,350	4,635,975	-	-
Total	145,853,672	130,305,818	4,949,321	4,708,974
<u>Less</u> allowance for doubtful accounts	(1,368,857)	(5,257,745)	-	-
Trade accounts receivable, net	<u>144,484,815</u>	<u>125,048,073</u>	<u>4,949,321</u>	<u>4,708,974</u>

9 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

SHV Group has certain control over the plan and the policies of the Company and its subsidiaries through the nomination to the board of directors and the shareholders' meeting for approval of the appointment of 5 directors from the Company's total number of 10 persons, 4 of whom are executive directors and 1 is non-executive director. Therefore, members of the SHV Group are considered to be related parties.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2010 and 2009

9 Related party transactions (Cont'd)

Feature of relationships and related transactions

Transactions with subsidiaries

Trading transactions with and services from subsidiaries are carried out under commercial terms and conditions. They are treated in the same manner as unrelated parties and are presented at market price.

The rental income and expenses charges in respect of land and buildings as specified in the agreement between the Company and subsidiaries are based on the cost of the land and buildings plus related expenses which can be compared to the available market price. Cost of the land and buildings means acquisition cost and related expenses mean other related expenses incurred in bringing them into working condition for their intended use.

Management services provided by the Company are charged at agreed price upon the actual service rendered to subsidiaries on the basis of an agreed annual fee.

The Company has entered into a trading agreement with a subsidiary to collect discount and service fee based on goods purchased on the basis of an agreed annual fee. The agreement is valid for 1 year and expired on 31 December 2010.

The Company has entered into an agreement with a subsidiary to use its trademarks. The fee for the use of the trademarks represents a percentage of total sales under the trademark used.

The Company has entered into a service agreement with a subsidiary. The service fee is charged at agreed price on the basis of an agreed annual fee. The service agreement is valid for 1 year and expired on 31 December 2009.

Transactions with other related parties

Purchase of intangible assets

The Company has been granted rights to use anti virus software from overseas affiliated company, being members of the SHV Group, which is SHV Holding N.V. The anti virus software license fee is EUR 17,447.88. Regarding the benefit from this agreement, the Company is able to use the anti virus software at a lower cost than acquiring the software directly from the licensor.

Service expenses

The Company has been granted rights to use software and trademarks, received consultation services in relation to own brand development, management services and technical assistance in auction purchasing, maintenance services for application software and granted the rights to use virtual private networking among group of SHV companies from both local and overseas affiliated companies within the SHV Group, which are Orkam Asia Management AG, Orkam Asia Trademark AG, Orkam South America Management AG and SHV Holding N.V. respectively.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2010 and 2009

9 Related party transactions (Cont'd)

Transactions with other related parties (Cont'd)

Service expenses (Cont'd)

Software license fees, royalty fees for the use of such trademarks, consultation service fees in relation to own brand development, management fees with regard to auction purchasing and maintenance service fees and virtual private networking service fees used among group of SHV companies and are as specified in the agreements. The Company considered the fees to be on a reasonable basis and they are as follows:

- a) Royalty fee for the use of trademarks represents a percentage of its sales. The agreement is valid for 1 year. However, the Company reserve the right to renew the agreement every year and have the right to use such trademarks and service marks in business operations.
- b) Software license fee is NLG 50,000 (or EUR 22,689 in equivalent) for each Makro new store. The payment is made once a new store is open. The agreement is valid for 1 year and is renewable annually. Regarding the benefit from this license, the Company obtains specific IT software which is necessary to its business operations.
- c) Annual membership fees in relation to cost sharing for the shared use of auction tools were charged proportionally to the auction volumes made by the Company amounting to USD 7,000. The agreement is for unlimited period of time, unless party shall terminate the agreement by written notice. Regarding the benefit from this service agreement, the Company receives auction purchasing services.
- d) Maintenance fee regarding business intelligence application is charged at EUR 750 per user and annual maintenance fee is 25% of the total user license fee. The agreement is for unlimited period of time, unless party shall terminate the agreement by written notice. Regarding the benefit from this service agreement, the Company receives maintenance services for the application software.
- e) Virtual private networking service fee is EUR 20,000. The agreement is for unlimited period of time, unless party shall terminate the agreement by written notice. Benefit from this service is data transfer security among group of SHV companies.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2010 and 2009

9 Related party transactions (Cont'd)

The following material transactions were carried out with related parties:

9.1) Sales of goods, service income, other income and dividend income

For the years ended 31 December	Consolidated		Company	
	2010	2009	2010	2009
	Million Baht	Million Baht	Million Baht	Million Baht
Sales of goods:				
Subsidiary	-	-	14.5	14.7
Service income and other income:				
Subsidiaries	-	-	7.0	8.2
Other related party	-	0.1	-	0.1
	-	0.1	7.0	8.3
Dividend income:				
Subsidiary	-	-	-	1,774.1

9.2) Purchases of goods, intangible assets and service expenses

For the years ended 31 December	Consolidated		Company	
	2010	2009	2010	2009
	Million Baht	Million Baht	Million Baht	Million Baht
Purchases of goods:				
Subsidiary	-	-	179.9	120.2
Purchases of intangible assets:				
Other related party	0.7	-	0.7	-
Service expenses:				
Subsidiary	-	-	-	127.9
Other related parties	156.6	147.1	156.6	147.1
	156.6	147.1	156.6	275.0

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2010 and 2009

9 Related party transactions (Cont'd)

The following material transactions were carried out with related parties: (Cont'd)

9.3) Outstanding balances arising from purchases of goods

	Consolidated		Company	
	2010	2009	2010	2009
	Million Baht	Million Baht	Million Baht	Million Baht
Trade accounts payable to a related party				
Subsidiary	-	-	26.6	32.6

9.4) Advances and short-term loans to a related party

	Consolidated		Company	
	2010	2009	2010	2009
	Million Baht	Million Baht	Million Baht	Million Baht
Advances to				
Subsidiary	-	-	2.2	0.8
Short-term loans to a related party				
Subsidiary	-	-	135.0	-
Total advances and short-term loans to a related party	-	-	137.2	0.8
Movements of short-term loans to subsidiaries are as follows:				
Opening balance	-	-	-	135.0
Increase during the year	-	-	135.0	100.0
Decrease from the entire business transfer (Note 12.2 b))	-	-	-	(60.9)
Repayments during the year	-	-	-	(174.1)
Closing balance	-	-	135.0	-

As at 31 December 2010, short-term loans to a subsidiary were Baht 135.0 million promissory notes. Baht 100.0 million is due as at 21 October 2011 and Baht 35.0 million is due at call. The interest rate charged was referenced to the borrowing loan's interest rate of the Company from financial institutions plus management charge.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2010 and 2009

9 Related party transactions (Cont'd)

The following material transactions were carried out with related parties: (Cont'd)

9.4) Advances and short-term loans to a related party (Cont'd)

	Consolidated		Company	
	2010	2009	2010	2009
	Million Baht	Million Baht	Million Baht	Million Baht
Movements of long-term loan to a subsidiary are as follows:				
Opening balance	-	-	-	100.0
Decrease during the year	-	-	-	(100.0)
Closing balance	-	-	-	-

9.5) Advances from related parties

	Consolidated		Company	
	2010	2009	2010	2009
	Million Baht	Million Baht	Million Baht	Million Baht
Advances from related parties				
Subsidiary	-	-	-	0.7
Other related parties	76.1	72.3	76.1	72.3
	76.1	72.3	76.1	73.0

9.6) Note payable to a subsidiary from the entire business transfer (Note 12.2 b))

	Consolidated		Company	
	2010	2009	2010	2009
	Million Baht	Million Baht	Million Baht	Million Baht
Note payable to a subsidiary from the entire business transfer				
Subsidiary	-	-	-	770.2

As at 31 December 2009, the outstanding balance of this note payable was Baht 770.2 million, which was issued to a subsidiary to pay for the entire business transfer and was due on 28 February 2010. The interest rate charged was based on the six-month fixed deposits interest rate of a commercial bank.

During 2010, the Company repaid the outstanding balance of the note payable of Baht 770.2 million by offsetting with the returned capital amounts by a subsidiary as disclosed in Note 12.2.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2010 and 2009

10 Inventories, net

	Consolidated		Company	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Finished goods	6,010,601,884	6,074,089,516	5,896,279,494	5,954,575,746
Goods-in-transit	49,638,478	26,099,412	-	-
	6,060,240,362	6,100,188,928	5,896,279,494	5,954,575,746
<u>Less</u> allowance for obsolete and shrinkage inventories	(161,494,895)	(168,188,798)	(151,092,065)	(157,307,267)
allowance for inventory cost in excess of net realisable value	(350,038)	(331,345)	-	-
Inventories, net	<u>5,898,395,429</u>	<u>5,931,668,785</u>	<u>5,745,187,429</u>	<u>5,797,268,479</u>

11 Other current assets, net

	Consolidated		Company	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Accrued income	249,494,955	187,741,306	249,494,955	187,740,212
Other receivables	36,867,852	34,734,726	36,670,114	34,253,745
Others	118,899,276	67,985,862	114,919,820	67,250,796
Total	405,262,083	290,461,894	401,084,889	289,244,753
<u>Less</u> allowance for doubtful accounts of other receivables	(9,221,840)	(8,229,633)	(9,221,840)	(8,229,633)
Other current assets, net	<u>396,040,243</u>	<u>282,232,261</u>	<u>391,863,049</u>	<u>281,015,120</u>

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2010 and 2009

12 Investments in subsidiaries

Subsidiaries	Business	Relationship	Company					
			Paid-up capital	Ownership % Interest	Investment value		Dividend received	
					under cost method		for the year ended	
					31 December	31 December	31 December	
					2010	2009	2010	2009
			(Baht'000)		(Baht'000)	(Baht'000)	(Baht'000)	(Baht'000)
Makro Properties Limited	Land investment & property leasing	Being shareholder and under the same management	-	-	-	710,641	-	1,774,148
Siam Food Services Limited	Importing and trading frozen foods, provide services such as freight, delivery, rental and storage	Being shareholder and management participation	45,000	99.99	269,765	269,765	-	-
					269,765	980,406	-	1,774,148

12.1) Additional investment in a subsidiary - Siam Food Services Limited

In June 2009, the Company increased its investment in Siam Food Services Limited, a wholly owned subsidiary, in the amount of Baht 35 million and consequently, the registered capital of Siam Food Services Limited became Baht 45 million. The Company's shareholding proportion remains the same at 99.99%.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2010 and 2009

12 Investments in subsidiaries (Cont'd)

12.2) Entire business transfer of a subsidiary - Makro Properties Limited

The Annual General Meeting of Shareholders on 29 April 2009, adopted a resolution to approve the entire business transfer of Makro Properties Ltd, a subsidiary, to the Company on 31 May 2009 and dissolution of Makro Properties Limited by 31 December 2009. During 2010, the subsidiary returned the capital by offsetting with the debts arisen from the entire business transfer, and the Company has recorded capital gain from liquidation of a subsidiary amounting to Baht 62.4 million in the statement of income of the Company. The details of the net transactions were as follows:

	Company Baht'000
Net transferred assets as at 31 May 2009	770,199
<u>Add</u> Increase in shareholders' equity during 1 June 2009 to 2 March 2010 (the date of returned capital)	2,852
Total returned capital from liquidation of a subsidiary	773,051
Investment in a subsidiary	710,641
Capital gain from liquidation of a subsidiary	62,410

The significant terms and conditions of the Entire Business Transfer Agreement are as follows:

a) Transferred assets and liabilities

On 31 May 2009, Makro Properties Limited ("the transferor") agreed to transfer its entire business and Siam Makro Public Company Limited ("the transferee") agreed to acquire the entire business including the transferor's assets, liabilities, and commitments. The transferor agreed to submit the details of assets and liabilities to the transferee at the book value of the audited financial statements as at 31 May 2009 within 30 June 2009.

b) Transfer price

The transferor and the transferee agreed to the transfer price of the entire business at net book value of transferor's accounting records as of 31 May 2009 with the following details:

	Baht
Assets	
Cash and cash equivalents	10,000
Advances to parent company	1,094,631
Other current assets	107,695
Land	2,790,029,418
Total assets	2,791,241,744

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2010 and 2009

12 Investments in subsidiaries (Cont'd)

12.2) Entire business transfer of a subsidiary - Makro Properties Limited (Cont'd)

b) Transfer price (Cont'd)

	<u>Baht</u>
Liabilities	
Short-term loan from parent company	60,870,725
Income tax payable	31,697,726
Dividends payable	1,774,150,000
Deposits for land lease	153,395,342
Other current liabilities	928,923
Total liabilities	<u>2,021,042,716</u>
Net transferred assets	<u>770,199,028</u>

c) Transfer date

At 23.59 Hours on 31 May 2009.

d) Term of payment

Transferee agreed to pay the transfer price to the transferor on 28 August 2009 by issuing a promissory note with maturity of 6 months from the issuing date. The interest rate is based on the six-month fixed deposits interest rate with a commercial bank.

e) The cessation of business and dissolution of the transferor

Transferor agreed to cease operating the business from the transfer date and proceed with the dissolution registration of the transferor within the end of year 2009.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2010 and 2009

12 Investments in subsidiaries (Cont'd)

12.2) Entire business transfer of a subsidiary - Makro Properties Limited (Cont'd)

In addition, there was a special resolution adopted at the Extraordinary General Meeting of Shareholders of the transferor on 30 September 2009 approving the dissolution of the transferor and the appointment of the liquidator with the remuneration of Baht 100,000. The liquidator has already proceeded with the dissolution registration of the transferor on 30 September 2009. The Company proposed the name of the said liquidator at the said Extraordinary General Meeting of Shareholders of the transferor since the Company is a shareholder holding 99.99% shares. In addition, since the liquidator has to be liable under the law regarding the liabilities of the transferor and the distribution of the capital refund to the shareholders for 2 years period as from the registration date of liquidation completion. The liquidator therefore requested the Company as a shareholder of the transferor holding 99.99% shares of the transferor for agreeing to pay the liquidator the damages if there is any claim by any person against the liquidator as a result of his act as the transferor's liquidator. The Company has already issued a letter dated 30 September 2009 on its agreement to pay the said damages to the liquidator pursuant to an approval from the Company's Board of Directors' Meeting on 7 August 2009 which authorised the executive directors to negotiate and agree with the liquidator on the said liability of the liquidator.

On 27 May 2010, the liquidator of Makro Properties Limited has registered the completed liquidation with the Department of Business Development, Ministry of Commerce.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2010 and 2009

13 Property, plant and equipment, net

	Consolidated						
	Building &						
	Leasehold	building improvement	Equipments &		Construction		
	Land improvement	improvement	computer		Vehicle	in progress	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht
At 31 December 2008							
Cost	5,014,704,579	57,539,727	6,443,876,881	6,547,802,519	53,498,743	16,643,664	18,134,066,113
Less accumulated depreciation	-	(28,947,444)	(2,657,576,749)	(4,385,126,351)	(27,170,183)	-	(7,098,820,727)
Net book value	5,014,704,579	28,592,283	3,786,300,132	2,162,676,168	26,328,560	16,643,664	11,035,245,386

For the year ended 31 December 2009

Opening net book value	5,014,704,579	28,592,283	3,786,300,132	2,162,676,168	26,328,560	16,643,664	11,035,245,386
Additions	584,743,168	-	86,402,296	452,678,775	3,034,495	870,164,825	1,997,023,559
Reclassification, net	-	-	252,541	1,184,419	(1,436,960)	-	-
Transfer in (out)	159,195	-	334,244,419	302,080,452	1,554,135	(638,038,201)	-
Write-off, net	-	-	(31)	(3,316)	(1)	-	(3,348)
Disposals, net	-	-	(5,479,403)	(6,614,948)	(1)	-	(12,094,352)
Depreciation charge (Note 24)	-	(2,409,165)	(307,909,727)	(549,621,626)	(7,957,929)	-	(867,898,447)
Closing net book value	5,599,606,942	26,183,118	3,893,810,227	2,362,379,924	21,522,299	248,770,288	12,152,272,798

As at 31 December 2009

Cost	5,599,606,942	57,539,727	6,841,214,214	7,077,052,153	49,799,353	248,770,288	19,873,982,677
Less accumulated depreciation	-	(31,356,609)	(2,947,403,987)	(4,714,672,229)	(28,277,054)	-	(7,721,709,879)
Net book value	5,599,606,942	26,183,118	3,893,810,227	2,362,379,924	21,522,299	248,770,288	12,152,272,798

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2010 and 2009

13 Property, plant and equipment, net (Cont'd)

	Consolidated						
	Building &						
	Leasehold	building improvement	Equipments &	computer	Vehicle	Construction	Total
	Land	improvement	improvement	computer	Vehicle	in progress	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht
For the year ended 31 December 2010							
Opening net book value	5,599,606,942	26,183,118	3,893,810,227	2,362,379,924	21,522,299	248,770,288	12,152,272,798
Additions	84,163,148	-	57,570,052	355,787,908	22,042,445	763,348,285	1,282,911,838
Reclassification, net	-	(9,062,349)	9,062,349	(1,669,403)	-	-	(1,669,403)
Transfer in (out)	148,880	-	521,204,457	480,905,671	-	(1,002,259,008)	-
Write-off, net	-	-	(1,955,753)	(5,019,477)	-	-	(6,975,230)
Disposals, net	(580,094)	-	(1,177,899)	(2,928,432)	(9)	-	(4,686,434)
Depreciation charge (Note 24)	-	(758,276)	(314,966,395)	(659,613,337)	(8,388,325)	-	(983,726,333)
Allowance for loss from write-off fixed assets	-	-	(20,000,000)	(11,750,000)	-	-	(31,750,000)
Closing net book value	<u>5,683,338,876</u>	<u>16,362,493</u>	<u>4,143,547,038</u>	<u>2,518,092,854</u>	<u>35,176,410</u>	<u>9,859,565</u>	<u>12,406,377,236</u>
As at 31 December 2010							
Cost	5,683,338,876	18,316,223	7,440,989,743	7,429,632,602	64,299,801	9,859,565	20,646,436,810
Less accumulated depreciation allowance for loss from write- off fixed assets	-	(1,953,730)	(3,277,442,705)	(4,899,789,748)	(29,123,391)	-	(8,208,309,574)
	-	-	(20,000,000)	(11,750,000)	-	-	(31,750,000)
Net book value	<u>5,683,338,876</u>	<u>16,362,493</u>	<u>4,143,547,038</u>	<u>2,518,092,854</u>	<u>35,176,410</u>	<u>9,859,565</u>	<u>12,406,377,236</u>

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2010 and 2009

13 Property, plant and equipment, net (Cont'd)

	Company						
	Building &						
	Leasehold	building	Equipments &		Construction		
	Land improvement	improvement	computer		Vehicle	in progress	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht
At 31 December 2008							
Cost	2,224,675,161	57,539,727	6,416,072,662	6,528,448,489	39,847,092	16,005,713	15,282,588,844
Less accumulated depreciation	-	(28,947,444)	(2,640,713,346)	(4,371,019,457)	(16,913,908)	-	(7,057,594,155)
Net book value	2,224,675,161	28,592,283	3,775,359,316	2,157,429,032	22,933,184	16,005,713	8,224,994,689
For the year ended 31 December 2009							
Opening net book value	2,224,675,161	28,592,283	3,775,359,316	2,157,429,032	22,933,184	16,005,713	8,224,994,689
Additions	584,743,168	-	86,402,296	451,409,571	3,034,495	863,823,594	1,989,413,124
Asset acquired from the entire business transfer (Note 12.2 b))	2,790,029,418	-	-	-	-	-	2,790,029,418
Transfer in (out)	159,195	-	334,244,419	301,442,501	-	(635,846,115)	-
Disposals, net	-	-	(5,479,403)	(6,614,947)	(1)	-	(12,094,351)
Depreciation charge (Note 24)	-	(2,409,165)	(304,679,860)	(547,574,529)	(6,661,435)	-	(861,324,989)
Closing net book value	5,599,606,942	26,183,118	3,885,846,768	2,356,091,628	19,306,243	243,983,192	12,131,017,891
As at 31 December 2009							
Cost	5,599,606,942	57,539,727	6,816,638,524	7,053,650,966	40,381,587	243,983,192	19,811,800,938
Less accumulated depreciation	-	(31,356,609)	(2,930,791,756)	(4,697,559,338)	(21,075,344)	-	(7,680,783,047)
Net book value	5,599,606,942	26,183,118	3,885,846,768	2,356,091,628	19,306,243	243,983,192	12,131,017,891

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2010 and 2009

13 Property, plant and equipment, net (Cont'd)

	Company						
	Building &						Total
	Leasehold	building improvement	Equipments &		Construction		
	Land improvement		computer	Vehicle	in progress		
	Baht	Baht	Baht	Baht	Baht	Baht	Baht
For the year ended 31 December 2010							
Opening net book value	5,599,606,942	26,183,118	3,885,846,768	2,356,091,628	19,306,243	243,983,192	12,131,017,891
Additions	84,163,148	-	57,570,052	353,274,873	16,852,014	763,348,285	1,275,208,372
Reclassification, net	-	(9,062,349)	9,062,349	(1,077,465)	-	-	(1,077,465)
Transfer in (out)	148,880	-	521,204,457	476,118,575	-	(997,471,912)	-
Write-off, net	-	-	(1,955,753)	(5,019,477)	-	-	(6,975,230)
Disposals, net	(580,094)	-	(1,177,899)	(2,906,259)	(3)	-	(4,664,255)
Depreciation charge (Note 24)	-	(758,276)	(311,963,585)	(655,640,106)	(7,389,158)	-	(975,751,125)
Allowance for loss from write-off fixed assets	-	-	(20,000,000)	(11,750,000)	-	-	(31,750,000)
Closing net book value	<u>5,683,338,876</u>	<u>16,362,493</u>	<u>4,138,586,389</u>	<u>2,509,091,769</u>	<u>28,769,096</u>	<u>9,859,565</u>	<u>12,386,008,188</u>
As at 31 December 2010							
Cost	5,683,338,876	18,316,223	7,416,414,052	7,399,708,577	53,032,143	9,859,565	20,580,669,436
Less accumulated depreciation	-	(1,953,730)	(3,257,827,663)	(4,878,866,808)	(24,263,047)	-	(8,162,911,248)
allowance for loss from write-off fixed assets	-	-	(20,000,000)	(11,750,000)	-	-	(31,750,000)
Net book value	<u>5,683,338,876</u>	<u>16,362,493</u>	<u>4,138,586,389</u>	<u>2,509,091,769</u>	<u>28,769,096</u>	<u>9,859,565</u>	<u>12,386,008,188</u>

As at 31 December 2010, certain plant and equipment items have been fully depreciated but are still in use. The original cost before deducting accumulated depreciation of those assets amounted to Baht 3,586 million (2009 : Baht 3,286 million) in the consolidated financial statements, and Baht 3,560 million (2009 : Baht 3,258 million) in the company financial statements.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2010 and 2009

13 Property, plant and equipment, net (Cont'd)

As at 31 December 2010 and 2009, "Additions" shown above includes leased assets where the Company is a lessee under a finance lease recognition as following details:

	Consolidated / Company	
	2010	2009
	Baht	Baht
Leased assets under a finance lease recognition	178,377,906	176,558,332
<u>Less</u> accumulated depreciation	(32,221,239)	(10,333,634)
Net book value	<u>146,156,667</u>	<u>166,224,698</u>

14 Land held for sale or future development, net

Land held for sale or future development, net represents land amounting to Baht 135,500,000 net of the allowance for impairment loss as follows:

	Consolidated		Company	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Land held for sale or future development	308,572,549	308,572,549	135,500,000	135,500,000
<u>Less</u> allowance for impairment loss	(173,072,549)	(173,072,549)	-	-
Land held for sale or future development, net	<u>135,500,000</u>	<u>135,500,000</u>	<u>135,500,000</u>	<u>135,500,000</u>

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2010 and 2009

15 Leasehold right, net

	Consolidated / Company Baht
As at 31 December 2009	
Cost	830,186,827
<u>Less</u> accumulated amortisation	(267,267,456)
Net book value	562,919,371
<u>Less</u> current portion of leasehold right	(30,104,241)
Leasehold right, net	<u>532,815,130</u>
Transactions during the year ended 31 December 2010	
Opening net book value	562,919,371
Amortisation (Note 24)	(30,104,241)
Closing net book value	<u>532,815,130</u>
As at 31 December 2010	
Cost	830,186,827
<u>Less</u> accumulated amortisation	(297,371,697)
Net book value	532,815,130
<u>Less</u> current portion of leasehold right	(30,104,241)
Leasehold right, net	<u>502,710,889</u>

16 Goodwill, net

	Consolidated	
	2010	2009
	Baht	Baht
Cost	196,922,838	196,922,838
<u>Less</u> accumulated amortisation	(29,538,426)	(29,538,426)
Net book value	<u>167,384,412</u>	<u>167,384,412</u>

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2010 and 2009

17 Other intangible assets, net

	Consolidated		
	Computer software	Computer software under installation	Total
	Baht	Baht	Baht
As at 31 December 2008			
Cost	84,718,580	10,929,364	95,647,944
<u>Less</u> accumulated amortisation	(56,810,281)	-	(56,810,281)
Net book value	27,908,299	10,929,364	38,837,663
Transactions during the year ended 31 December 2009			
Opening net book value	27,908,299	10,929,364	38,837,663
Additions	5,846,099	11,863,821	17,709,920
Transfer in (out)	9,916,304	(9,916,304)	-
Amortisation (Note 24)	(24,782,568)	-	(24,782,568)
Closing net book value	18,888,134	12,876,881	31,765,015
As at 31 December 2009			
Cost	100,144,503	12,876,881	113,021,384
<u>Less</u> accumulated amortisation	(81,256,369)	-	(81,256,369)
Net book value	18,888,134	12,876,881	31,765,015
Transactions during the year ended 31 December 2010			
Opening net book value	18,888,134	12,876,881	31,765,015
Additions	18,451,109	9,227,412	27,678,521
Reclassification, net	1,669,403	-	1,669,403
Transfer in (out)	14,860,081	(14,860,081)	-
Amortisation (Note 24)	(16,096,401)	-	(16,096,401)
Closing net book value	37,772,326	7,244,212	45,016,538
As at 31 December 2010			
Cost	136,310,591	7,244,212	143,554,803
<u>Less</u> accumulated amortisation	(98,538,265)	-	(98,538,265)
Net book value	37,772,326	7,244,212	45,016,538

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2010 and 2009

17 Other intangible assets, net (Cont'd)

	Company		
	Computer software	Computer software under installation	Total
	Baht	Baht	Baht
As at 31 December 2008			
Cost	80,312,151	10,929,364	91,241,515
<u>Less</u> accumulated amortisation	(52,863,995)	-	(52,863,995)
Net book value	<u>27,448,156</u>	<u>10,929,364</u>	<u>38,377,520</u>
Transactions during the year ended 31 December 2009			
Opening net book value	27,448,156	10,929,364	38,377,520
Additions	5,846,099	2,317,814	8,163,913
Transfer in (out)	9,916,304	(9,916,304)	-
Amortisation (Note 24)	(24,322,437)	-	(24,322,437)
Closing net book value	<u>18,888,122</u>	<u>3,330,874</u>	<u>22,218,996</u>
As at 31 December 2009			
Cost	96,074,554	3,330,874	99,405,428
<u>Less</u> accumulated amortisation	(77,186,432)	-	(77,186,432)
Net book value	<u>18,888,122</u>	<u>3,330,874</u>	<u>22,218,996</u>
Transactions during the year ended 31 December 2010			
Opening net book value	18,888,122	3,330,874	22,218,996
Additions	10,426,063	8,779,670	19,205,733
Reclassification, net	1,077,465	-	1,077,465
Transfer in (out)	6,485,254	(6,485,254)	-
Amortisation (Note 24)	(12,985,874)	-	(12,985,874)
Closing net book value	<u>23,891,030</u>	<u>5,625,290</u>	<u>29,516,320</u>
As at 31 December 2010			
Cost	114,798,169	5,625,290	120,423,459
<u>Less</u> accumulated amortisation	(90,907,139)	-	(90,907,139)
Net book value	<u>23,891,030</u>	<u>5,625,290</u>	<u>29,516,320</u>

As at 31 December 2010, certain intangible assets have been fully amortised but are still in use. The original cost before deducting accumulated amortisation of those assets are amounted to Baht 62 million (2009 : Baht 44 million) in the consolidated financial statements, and Baht 57 million (2009 : Baht 40 million) in the company financial statements.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2010 and 2009

18 Short-term loans from financial institutions

	Consolidated		Company	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Promissory notes	1,200,000,000	715,000,000	1,200,000,000	700,000,000
Trust receipts	-	97,578,216	-	-
	<u>1,200,000,000</u>	<u>812,578,216</u>	<u>1,200,000,000</u>	<u>700,000,000</u>

As at 31 December 2010, promissory notes represent promissory notes issued to banks denominated in Thai Baht. The short-term loans bear a fixed interest rates of 1.76% - 2.00% per annum (2009 : 1.42% - 3.05% per annum) and due within October 2011.

As at 31 December 2009, trust receipts are contracted with domestic banks to convert purchases in foreign currency to be short-term loans in Baht. The trust receipts bear interest at the rates of 2.85% per annum.

19 Liabilities under finance lease, net

As at 31 December 2010 and 2009, the Company has recognised equipment under finance lease. The future minimum lease payments, to which the Company is committed, are as follows:

	Consolidated / Company	
	2010	2009
	Baht	Baht
Not later than 1 year	32,559,502	30,338,788
Later than 1 year but not later than 5 years	108,869,413	112,448,513
Later than 5 years	71,459,925	102,367,234
	<u>212,888,840</u>	<u>245,154,535</u>
<u>Less</u> future finance charges on finance lease	(58,073,495)	(75,957,289)
Net present value - liabilities under finance lease	<u>154,815,345</u>	<u>169,197,246</u>
Liabilities under finance lease		
- current	19,413,985	15,750,216
- non-current	135,401,360	153,447,030
	<u>154,815,345</u>	<u>169,197,246</u>

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2010 and 2009

20 Provision for employee benefits

	Consolidated		Company	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Opening balance	133,539,089	108,075,576	133,269,652	107,685,993
Reserve during the year	81,530,950	28,586,501	78,863,011	28,706,647
Payment during the year	(20,625,598)	(3,122,988)	(20,625,598)	(3,122,988)
Closing balance	194,444,441	133,539,089	191,507,065	133,269,652

The determination of provision for employee benefits is based on a number of assumptions, including discounted rate, future basis salary increase, service years, employee turnover rate, and others.

21 Contingencies and commitments

As at 31 December 2010 and 2009, the Company and its subsidiary have contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise. In the ordinary course of business, the Company and its subsidiary have provided guarantees to third parties as follows:

Bank guarantees

As at 31 December 2010 and 2009, banks have provided guarantees on behalf of the Company and its subsidiary, primarily in respect of electricity and rental and service agreement as follows:

	Consolidated		Company	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Bank guarantees	105,114,512	95,517,202	104,111,112	94,513,802

Operating lease agreements

The future minimum payments under operating lease agreements as at 31 December are as follows:

	Consolidated		Company	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Not later than 1 year	167,153,117	150,402,922	159,140,388	141,962,926
Later than 1 year and not later than 5 years	634,615,309	588,815,522	624,902,047	573,113,530
Later than 5 years	1,356,920,546	1,474,508,602	1,356,920,546	1,474,508,602
	2,158,688,972	2,213,727,046	2,140,962,981	2,189,585,058

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2010 and 2009

21 Contingencies and commitments (Cont'd)

Capital commitments

Capital expenditure contracted for at the balance sheet date but not recognised in the financial statements is as follows:

	Consolidated		Company	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Property, plant and equipment	1,197,963,832	437,683,832	1,197,963,832	437,683,832
Computer software	9,171,329	9,715,052	9,171,329	2,540,052

The consolidated and the Company capital commitments as of at 31 December 2010 amounting to Baht 1,207.1 million are related to the purchase of land, fixed assets and intangible assets.

22 Share capital and premium on share capital

As at 31 December 2010 and 2009, the total number of authorised ordinary shares is 240,000,000 shares with a par value of Baht 10 per share. All issued shares are fully paid-up.

	Number of shares	Ordinary shares Baht	Share premium Baht	Total Baht
At 31 December 2008	240,000,000	2,400,000,000	3,290,152,068	5,690,152,068
Issue of shares	-	-	-	-
At 31 December 2009	240,000,000	2,400,000,000	3,290,152,068	5,690,152,068
Issue of shares	-	-	-	-
At 31 December 2010	240,000,000	2,400,000,000	3,290,152,068	5,690,152,068

23 Legal reserve

	Consolidated		Company	
	2010	2009	2010	2009
	Baht	Baht	Baht	Baht
Opening balance	240,000,000	240,000,000	240,000,000	240,000,000
Appropriation during the year	-	-	-	-
Closing balance	240,000,000	240,000,000	240,000,000	240,000,000

Under the Public Companies Act, the Company is required to set aside as a statutory reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is non-distributable as dividends.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2010 and 2009

24 Expenses by nature

The following expenditure items, classified by nature, have been charged in arriving at profit before finance costs and income tax:

	Notes	Consolidated		Company	
		2010	2009	2010	2009
		Baht	Baht	Baht	Baht
Employee costs		1,865,353,133	1,401,834,120	1,806,810,324	1,354,662,814
Depreciation on property, plant and equipment	13	983,726,333	867,898,447	975,751,125	861,324,989
Establishment expenses		893,416,070	803,981,064	883,033,884	795,717,879
Sales promotion expenses		616,762,376	559,343,285	614,354,286	555,158,086
Royalty expenses		163,605,113	153,949,264	163,605,113	158,924,272
Repair and maintenance expenses		138,246,297	127,941,830	136,088,951	125,783,917
Computer expenses		67,244,683	60,394,201	66,184,329	59,963,137
Land rental expenses		50,072,826	48,552,999	50,072,826	170,762,999
Amortisation of leasehold right	15	30,104,241	30,104,241	30,104,241	30,104,241
Amortisation of other intangible assets	17	16,096,401	24,782,568	12,985,874	24,322,437

25 Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year, that is 240,000,000 shares in the year 2010 (2009 : 240,000,000 shares). There are no dilutive instruments in issue.

	Consolidated		Company	
	2010	2009	2010	2009
Net profit (Baht)	1,881,033,333	1,527,034,795	1,919,719,771	3,209,723,157
Weighted average number of ordinary shares (Shares)	240,000,000	240,000,000	240,000,000	240,000,000
Basic earnings per share (Baht)	7.84	6.36	8.00	13.37

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2010 and 2009

26 Dividends

A 2010 interim dividend from current net profit after tax for the nine-month period ended on 30 September 2010 of Baht 1.25 per share amounting to a total of Baht 300 million was approved at the Board of Directors' meeting on 11 November 2010 and fully paid in the fourth quarter of 2010.

A 2010 interim dividend from current net profit after tax for the six-month period ended on 30 June 2010 of Baht 2.00 per share amounting to a total of Baht 480 million was approved at the Board of Directors' meeting on 6 August 2010 and fully paid in the third quarter of 2010.

A dividend in respect of 2009 of Baht 2.75 per share amounting to a total of Baht 660 million was approved at the annual shareholders' meeting on 29 April 2010 and fully paid in the second quarter of 2010.

A 2009 interim dividend from current net profit after tax for the nine-month period ended 30 September 2009 of Baht 1.00 per share amounting to a total of Baht 240 million was approved at the Board of Directors' meeting on 6 November 2009 and fully paid in the fourth quarter of 2009.

A 2009 interim dividend from current net profit after tax for the six-month period ended on 30 June 2009 of Baht 2.00 per share amounting to a total of Baht 480 million was approved at the Board of Directors' meeting on 7 August 2009 and fully paid in the third quarter of 2009.

A dividend in respect of 2008 of Baht 2.50 per share amounting to a total of Baht 600 million was approved at the annual shareholders' meeting on 29 April 2009 and fully paid in the second quarter of 2009.

27 Management benefit expenses

Management benefit expenses represents remuneration paid to the Company's directors in accordance with Section 90 of the Public Limited Company Act, and was approved by the shareholders in the Annual General Meeting. In addition, these expenses also include salaries and related benefits payable to the management whom are defined under the Notification of the Capital Market Supervisory Board as the managers or persons with managerial authority who are among the top four ranked individuals in the Company after the manager, all other persons who occupy a position equivalent to a top four ranking and also included persons with managerial authority in accounting or finance department which is equivalent or upper to department manager.

28 Subsequent events

The Board of Directors' meeting of the Company on 17 February 2011 has unanimously resolved to propose to the Annual General Shareholders' Meeting of the Company for approval Siam Makro Public Company Limited to declare the final dividend payment for the year 2010 at the rate of Baht 3.75 per share. Such declaration of final dividend payment must be approved by the shareholders' meeting.

MAKRO / SIAM FROZEN / SIAM FOOD SERVICES LOCATIONS

MAKRO CASH & CARRY

Siam Makro Public Company Limited, Head Office

3498 2nd Fl., Lardprao Rd., Klongchan,
Bangkapi, Bangkok 10240
Tel : 0-2375-7000, 0-2723-1000 Fax : 0-2375-2927

1. Makro Lardprao Branch

3498 Lardprao Rd., Klongchan,
Bangkapi, Bangkok 10240
Tel : 0-2375-2781-9 Fax : 0-2375-9162

2. Makro Chaengwattana Branch

34/54 Moo 1, Chaengwattana Rd., Klongklear,
Pakkred, Nonthaburi 11120
Tel : 0-2574-0670 Fax : 0-2574-6045

3. Makro Srinakarin Branch

422 Moo 5, Srinakarin Rd., Samrongnua, A. Muang
Samutprakan, Samutprakan 10270
Tel : 0-2383-4104 Fax : 0-2383-4441

4. Makro Bangbon Branch

40/8 Moo 10, Ekachai Ring Road-Petchkasem,
Bangbon, Bangbon, Bangkok 10150
Tel : 0-2416-8080-90 Fax : 0-2416-5974

5. Makro Chonburi Branch

55/3 Moo 2, Sukhumvit Rd., T.Samed,
A.Muang Chonburi, Chonburi 20000
Tel : (038) 279-201 Fax : (038) 279-200

6. Makro Chiang Mai Branch

152 Moo 6, T.Nong-Pa-Krung,
A.Muang Chiang Mai, Chiang Mai 50000
Tel : (053) 116-200-10 Fax : (053) 116-217

7. Makro Nakhon Ratchasima Branch

523 Mittraphap-Nongkai Rd., T.Naimuang,
A.Muang Nakhon Ratchasima, Nakhon Ratchasima 30000
Tel : (044) 230-477-90 Fax : (044) 230-471

8. Makro Rangsit Branch

189 Phaholyothin Rd., T.Prachathipat,
A.Thanyaburi, Pathumthani 12130
Tel : 0-2992-1011-21 Fax : 0-2992-2213

9. Makro Hat Yai Branch

345 Moo 5, Kanjanavanit Rd., T.Kho-Hong,
A.Hat Yai, Songkhla 90110
Tel : (074) 428-320-37 Fax : (074) 210-969

10. Makro Udonthani Branch

207/3 Moo 14, T.Makkhang, A.Muang Udonthani,
Udonthani 41000
Tel : (042) 322-922 Fax : (042) 322-944

11. Makro Phitsanulok Branch

1199 Boromtriokkanart 2 Rd., T.Naimuang,
A.Muang Phitsanulok, Phitsanulok 65000
Tel : (055) 218-765 Fax : (055) 218-764

12. Makro Khon Kaen Branch

195 Moo 17, Mittraphap, T.Naimuang,
A.Muang Khon Kaen, Khon Kaen 40000
Tel : (043) 325-050 Fax : (043) 325-065

13. Makro Surat Thani Branch

216 Moo 4, Chonkasem Rd., T.Makamtey,
A.Muang Surat Thani, Surat Thani 84000
Tel : (077) 219-877 Fax : (077) 219-866

14. Makro Ubol Ratchathani Branch

333 Moo 15, T.Khamyai,
A.Muang Ubol Ratchathani, Ubol Ratchathani 34000
Tel : (045) 281-670-80 Fax : (045) 281-688

15. Makro Rayong Branch

8/2 Moo 3, T.Tubma,
A.Muang Rayong, Rayong 21000
Tel : (038) 875-290-300 Fax : (038) 875-301

16. Makro Nakhon Sawan Branch

67/15 Moo 6, T.Nakhon Sawan East,
A.Muang Nakhon Sawan, Nakhon Sawan 60000
Tel : (056) 325-200-9 Fax : (056) 325-210

MAKRO / SIAM FROZEN / SIAM FOOD SERVICES LOCATIONS

17. Makro Charansanitwongse Branch

521, 521/27 Charansanitwongse Rd.,
Bangkhunsri, Bangkoknoi, Bangkok 10700
Tel : 0-2864-5714-32 Fax : 0-2864-5713

18. Makro Sathorn Branch

1 Narathiwasratchanakarin Rd.,
Thungwatdon, Sathorn, Bangkok 10120
Tel : 0-2676-0676 Fax : 0-2676-1676

19. Makro Nakhon Pathom Branch

86 Moo 13, T.Prongmadua,
A.Muang Nakhon Pathom, Nakhon Pathom 73000
Tel : (034) 200-711-23 Fax : (034) 200-729

20. Makro Surin Branch

4/3 Lukmuang Rd., T. Naimuang
A.Muang Surin, Surin 32000
Tel : (044) 531-759-66 Fax : (044) 531-777

21. Makro Samsen Branch

935/11 Samsem Rd., Thanonnakornchaisri,
Dusit, Bangkok 10300
Tel : 0-2241-8400-8 Fax : 0-2241-8409

22. Makro Nakhon Si Thammarat Branch

93/7 Moo 2, Garome Rd., T. Posadet, A. Muang
Nakhon Si Thammarat, Nakhon Si Thammarat 80000
Tel : (075) 316-680-90 Fax : (075) 316-698

23. Makro Chiang Rai Branch

12 Moo 17, T. Bando, A.Muang Chiang Rai,
Chiang Rai 57000
Tel : (053) 703-688 Fax : (053) 703-679

24. Makro Sakon Nakhon Branch

459 Moo 3, Bankoksomhong Rd., T.Thatchoengchum,
A.Muang Sakon Nakhon, Sakon Nakhon 47000
Tel : (042) 731-078-97 Fax : (042) 731-076-7

25. Makro Suphan Buri Branch

290/2 Moo 4, T.Sanam-Chai,
A.Muang Suphan Buri, Suphan Buri 72000
Tel : (035) 547-250-65 Fax : (035) 547-271

26. Makro Chanthaburi Branch

21/11 Moo 11, T.Plubpla,
A.Muang Chanthaburi, Chanthaburi 22000
Tel : (039) 355-240-54 Fax : (039) 355-257

27. Makro Phuket Branch

77 Moo 5, T.Vichit,
A.Muang Phuket, Phuket 83000
Tel : (076) 249-791-800 Fax : (076) 249-801

28. Makro Roi Et Branch

32/1 Taewapiban Rd., T.Naimuang,
A.Muang Roi Et, Roi Et 45000
Tel : (043) 525-680-90 Fax : (043) 525-692-3

29. Makro Trang Branch

89 Moo 2, T.Khok-Lo,
A.Muang Trang, Trang 92000
Tel : (075) 228-050-60 Fax : (075) 228-061

30. Makro Sakaeo Branch

1000 Suwannasorn Rd., T.Sa Kaeo,
A.Muang Sa Kaeo, Sa Kaeo 27000
Tel : (037) 220-801-18 Fax : (037) 220-822-3

31. Makro Ko Samui Branch

115/52 Moo 6, T.Bo Phut,
A.Ko Samui, Surat Thani 84320
Tel : (077) 960-140-60 Fax : (077) 960-161-2

32. Makro Buri Ram Branch

151 Moo 7, T.Isan,
A.Muang Buri Ram, Buri Ram 31000
Tel : (044) 690-300-28 Fax : (044) 690-329

MAKRO / SIAM FROZEN / SIAM FOOD SERVICES LOCATIONS

33. Makro Sisaket Branch

112 Moo 6 T.Po,
A.Muang Sisaket, Sisaket 33000
Tel : (045) 613-838 Fax : (045) 617-648

34. Makro Lamphun Branch

204 Moo 4, T.Banklang,
A.Muang Lamphun, Lamphun 51000
Tel : (053) 581-285 Fax : (053) 581-333-4

35. Makro Krabi Branch

119 Moo 1, T.Saitai, A.Muang Krabi,
Krabi 81000
Tel : (075) 700-100 Fax : (075) 700-122

36. Makro Phetchaburi Branch

103 Moo 1, T.Huasaphan,
A.Muang Phetchaburi, Phetchaburi 76000
Tel : (032) 771-616 Fax : (032) 771-612-3

37. Makro Chaiyaphum Branch

999 Moo 1, T.Bungkhal,
A.Muang Chaiyaphum, Chaiyaphum 36000
Tel : (044) 818-288 Fax : (044) 818-292

38. Makro Saraburi Branch

66/3 Moo 2, T.Talingchan,
A.Muang Saraburi, Saraburi 18000
Tel : (036) 731-100 Fax : (036) 731-111

39. Makro Pran Buri Branch

567 Moo 3, T.Wangpong,
A.Pran Buri, Prachuap Khiri Khan 77120
Tel : (032) 630-100 Fax : (032) 630-000-1

40. Makro Chachoengsao Branch

21/4 Moo 5, T.Wangtakhean,
A.Muang Chachoengsao, Chachoengsao 31000
Tel : (038) 511-518 Fax : (038) 515-174

41. Makro Chiang Mai 2 Branch

191 Moo 7, T.Maehia,
A.Muang Chiang Mai, Chiang Mai 50100
Tel : (053) 447-799 Fax : (053) 447-804-5

42. Makro Ram Inthra Branch

904 Ram Inthra Rd., Kannayao,
Kannayao, Bangkok 10230
Tel : 0-2540-7171 Fax : 0-2540-7756

43. Makro Chumphon Branch

199 Moo 5, T.Wangpai,
A.Muang Chumphon, Chumphon 86000
Tel : (077) 658-700 Fax : (077) 658-706-7

44. Makro Pattaya Branch

22/24 Moo 11, T.Nong Prue,
A.Bang Lamung, Chonburi 20150
Tel : (038) 053-400 Fax : (038) 053-427

45. Makro Kamphangphet Branch

889 Ratchadamnoen 1 Rd., T.Naimuang,
A.Muang Kamphangphet, Kamphangphet 62000
Tel : (055) 717-777 Fax : (055) 717-912

46. Makro Kanchanaburi Branch

102 Moo 2, T.Tha Lor,
A.Tha Muang, Kanchanaburi 71000
Tel : (034) 699-609 Fax : (034) 699-629

47. Makro Lop Buri Branch

227 Moo 5, T.Tha Sala,
A.Muang Lop Buri, Lop Buri 15000
Tel : (036) 784-884 Fax : (036) 784-908-9

48. Makro Nong Khai Branch

232 Moo 12, T.Pho Chai,
A. Muang Nong Khai, Nong Khai 43000
Tel : (042) 990-818 Fax : (042) 990-553

MAKRO / SIAM FROZEN / SIAM FOOD SERVICES LOCATIONS

SIAM FROZEN

Siam Frozen, Talad Muang Mai Branch

1 Soi 3, Muang Samut Rd., T.Chang Moi,
A.Muang Chiang Mai, Chiang Mai 50300
Tel : (053) 235-536 Fax : (053) 235-537

SIAM FOOD SERVICES

1. Siam Food Services Limited. Head Office

2439 Old Paknam Railway Rd., Prakhonong,
Klongtoey, Bangkok 10110
Tel : 0-2620-6000 Fax : 0-2620-6001

2. Siam Food Services, Ko Samui Branch

115/52 Moo 6, T.Bo Phut, A.Ko Samui,
Surat Thani 84320
Tel : (077) 960-420-2 Fax : (077) 960-423

3. Siam Food Services, Pattaya Branch

22/24 Moo 11, T.Nong Prue,
A.Bang Lamung, Chonburi 20150
Tel : (038) 053-430-2 Fax : (038) 053-433



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makro
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