

13 August 2015

Subject : Management Discussion and Analysis of Second quarter ended 30 June 2015  
Attn. : Director and Manager  
The Stock Exchange of Thailand  
Encls. : A copy of Reviewed Financial Statements for the second quarter ended 30 June 2015

The Company, Land and Houses Public Company Limited, would like to submit the reviewed financial statements for period of the second quarter ended 30 June 2015, for your information and publication.

According to the Company's second quarter income statements ended 30 June 2015, the Company and its subsidiaries recorded net profit of 1,704.40 million baht while the same period last year the Company and its subsidiaries recorded net profit of 1,985.31 million baht, decreasing of 280.91 million baht or 14.15% because of the following;

1. In the second quarter of 2015, the Company recorded sales income in an amount of 5,395.24 million baht while the same period last year the Company recorded sales income, in an amount of 7,075.22 million baht, decreasing of 1,679.98 million baht or 23.74%.
2. In the second quarter of 2015, the Company recorded gross profit margin of 33.96%, while the same period last year the Company recorded gross profit margin of 37.22%, decreasing of 3.26% as a result of a decrease of sales of single detach house and a decrease of gross profit margin from sales of condominium.

The Company's gross margin is decreased 800.98 million baht result from No.1 and 2.

3. Details of the Company's rental and services income compared to last year are as follows:

(million baht)

	Quarter 2 <sup>nd</sup> /2015	Quarter 2 <sup>nd</sup> /2014
Rental and services income	489.34	532.48
Cost	286.40	331.54
Gross profit	202.94	200.94

4. In the second quarter of 2015, the Company recorded net profit after tax from sales of an apartment building in USA. in an amount of 203.60 million baht.
5. In the second quarter of 2015, Share of profit from investment in associates was 567.64 million baht, while the same period last year the Company recorded share of profit from investment in associates in an amount of 588.60 million baht. decreasing of 20.96 million baht
6. In the second quarter of 2015, the Company recorded the administration expenses in an amount of 426.65 million baht while the same period last year recorded 491.52 million baht, decreasing 64.87 million baht as a result of the Company's expenses control.
7. In the second quarter of 2015, the Company recorded the selling expenses in the amount of 210.63 million baht while the same period last year recorded 250.56 million baht, decreasing 39.93 million baht as the advertisement expenses and sales promotion expenses is decreased.
8. In the second quarter of 2015, the Company recorded finance cost in an amount of 88.21 million baht while the same period last year recorded 131.19 million baht, decreasing 42.98 million baht because the interest rate is reduced.
9. In the second quarter of 2015, the Company recorded income tax expenses in an amount of 263.70 million baht, decreasing of 106.46 million baht compared to the same period last year that the Company recorded income tax expenses in an amount of 370.16 million baht.

In the period of 6 months in 2015, the Company and its subsidiaries recorded the net profit in an amount of 3,049.74 million baht while the same period last year recorded the net profit margin in an amount of 3,406.23 million baht, decreasing 356.49 million baht or 10.47% because of the followings;

1. In the first six months of 2015, the Company recorded sales income in an amount of 10,608.95 million baht while the same period last year the Company recorded sales income, in an amount of 12,631.18 million baht, decreasing of 2,022.23 million baht or decreasing 16.01%.
2. In the first six months of 2015, the Company recorded gross profit margin of 33.20%, while the same period last year the Company recorded gross profit margin of 36.39%, decreasing 3.19% as a result of a decrease of sales of single detach house and a decrease of gross profit margin from sales of condominium.

The Company's gross profit is decreased 1,074.87 million baht result from no. 1 and 2.

3. In the first six months of 2015, the Company recorded net profit after tax from sales of an apartment building in USA. in an amount of 203.60 million baht.
4. Details of the Company's rental and services income compared to last year are as follows:

(million baht)

	Quarter 2 <sup>nd</sup> /2015	Quarter 2 <sup>nd</sup> /2014
Rental and services income	971.81	1,020.85
Cost	584.06	650.21
Gross profit	387.75	370.64

5. In the first six months of 2015, the Company recorded the administration expenses in an amount of 874.19 million baht while the same period last year recorded 911.81 million baht, decreasing 37.62 million baht as a result of the Company's expenses control.
6. In the first six months of 2015, the Company recorded the selling expenses in the amount of 405.59 million baht while the same period last year recorded 438.41 million baht, decreasing 32.82 million baht as the sales promotion expenses is decreased.
7. In the first six months of 2015, the Company recorded finance cost in an amount of 142.53 million baht while the same period last year recorded 305.51 million baht, decreasing 162.98 million baht because the interest rate is decreased.
8. In the first six months of 2015, the Company recorded income tax expenses in an amount of 508.79 million baht, decreasing of 113.02 million baht compared to the same period last year that the Company recorded income tax expenses in an amount of 621.81 million baht.

Please be informed accordingly.

Yours sincerely,

Mr. Adisorn Thananan-narapool  
Managing Director