

14 August 2014

Subject : Management Discussion and Analysis of Second quarter ended 30 June 2014
Attn. : Director and Manager
The Stock Exchange of Thailand
Encls. : A copy of Reviewed Financial Statements for the second quarter ended 30 June 2014

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 2014, for your information and publication.

According to the Company's second quarter income statements ended 30 June 2014, the Company and its subsidiaries recorded net profit of 1,985.31 million baht while the same period last year the Company and its subsidiaries recorded net profit of 1,650.15 million baht, increasing of 335.16 million baht or 20.31 % because of the following;

1. In the second quarter of 2014, the Company recorded sales income in an amount of 7,075.22 million baht while the same period last year the Company recorded sales income, in an amount of 5,557.03 million baht, increasing of 1,518.19 million baht or 27.32% from the increase in sales of condominium 968 million baht, single detached houses 541 million baht, land only 125 million baht and decrease in sales of townhouses 116 million baht.
2. In the second quarter of 2014, the Company recorded gross profit margin of 37.22%, while the same period last year the Company recorded gross profit margin of 36.45%, increasing of 0.77% from the better gross profit margin from sales of condominium and townhouses.

The Company's Gross margin is increased 607.77 million baht result from No.1 and 2.

3. In the second quarter of 2014, the Company recorded the rental and services income in an amount of 532.48 million baht while the same period last year recorded 487.80 million baht, increasing 44.68 million baht from the increase in the rental revenue of apartment in USA and the decrease in the domestic rental revenue because of the political crisis.
4. In the second quarter of 2014, the Company recorded gross profit margin from rental and service income of 37.74%, while the same period last year the Company recorded 41.24%, decreasing 3.50%. Gross profit from rental and service income in the second quarter was in an amount of 200.94 million baht while the same period last year gross profit from rental and service was 201.18 million baht, decreasing a little bit.

5. In the second quarter of 2014, Share of profit from investment in associates was 588.60 million baht, decreasing of 16.89 million baht when compared with the same period last year, that the Company recorded share of profit from investment in associates in an amount of 605.49 million baht.
6. In the second quarter of 2014, the Company recorded the administration expenses in an amount of 491.52 million baht while the same period last year recorded 392.92 million baht, increasing 98.6 million baht because of the expenses for public utility maintenance in the amount of 84.1 million baht and the salary and other benefit increasing in the amount of 13 million baht.
7. In the second quarter of 2014, the Company recorded the selling expenses in the amount of 250.56 million baht while the same period last year recorded 213.31 million baht, increasing 37.25 million baht from sales promotion and the discount to boost the sales revenue.
8. In the second quarter of 2014, the Company recorded the income tax expenses in the amount of 370.16 million baht while the same period last year recorded 262.55 million baht, increasing 107.61 million baht from the increasing of the profit.

In the period of 6 months in 2014, the Company and its subsidiaries recorded the net profit margin in the amount of 3,406.23 million baht while the same period last year recorded the net profit margin in the amount of 3,072.18 million baht, increasing 334.04 million baht or 10.87% because of the following;

1. In the 6 months of 2014, the Company recorded sales income in an amount of 12,631.18 million baht while the same period last year the Company recorded sales income, in an amount of 10,873.09 million baht, increasing of 1,758.09 million baht or 16.17% from the increase in sales of condominium 1,528 million baht, single detached houses 283 million baht, land only 153 million baht and decrease in sales of townhouses 206 million baht.
2. In the 6 months of 2014, the Company recorded gross profit margin of 36.39%, while the same period last year the Company recorded gross profit margin of 35.47%, increasing of 0.92% from the better gross profit margin from sales of single detached houses and townhouses.

The Company's Gross margin is increased 739.84 million baht result from No.1 and 2.

3. In the 6 months of 2014, the Company recorded the rental and services income in an amount of 1,020.85 million baht while the same period last year recorded 990.10 million baht, increasing 30.75 million baht from the increase in the rental revenue of apartment in USA and the decrease in the domestic rental revenue because of the political crisis.

4. In the 6 months of 2014, the Company recorded gross profit margin from rental and service income of 36.30%, while the same period last year the Company recorded 42.64%, decreasing 6.34%. Gross profit from rental and service income in the 6 months was in an amount of 370.64 million baht while the same period last year gross profit from rental and service was 422.13 million baht, decreasing in the amount of 51.49 million baht.
5. In the 6 months of 2014, Share of profit from investment in associates was 1,058.97 million baht, decreasing of 22.1 million baht when compared with the same period last year, that the Company recorded share of profit from investment in associates in an amount of 1,036.87 million baht.
6. In the 6 months of 2014, the Company recorded the administration expenses in an amount of 911.81 million baht while the same period last year recorded 770.59 million baht, increasing 141.22 million baht because of the expense for public utility maintenance in the amount of 119.56 million baht and the salary and other benefit increasing in the amount of 28 million baht.
7. In the 6 months of 2014, the Company recorded the selling expenses in the amount of 438.41 million baht while the same period last year recorded 389.11 million baht, increasing 49.3 million baht from sales promotion and the discount to boost the sales revenue.
8. In the 6 months of 2014, the Company recorded the income tax expenses in the amount of 621.81 million baht while the same period last year recorded 520.01 million baht, increasing 101.8 million baht from the increasing of the profit.

Please be informed accordingly.

Yours sincerely,

Mr. Adisorn Thananan-narapool
Managing Director