

24 February 2015

Subject : Management Discussion and Analysis of the year ended 31 December 2014
Attn. : Director and Manager
The Stock Exchange of Thailand
Encls. : A copy of Audited Financial Statements for the year ended 31 December 2014

The Company, Land and Houses Public Company Limited, would like to submit the audited financial statements for period of the year ended 31 December 2014, for your information and publication.

In the year 2014, the Company and its subsidiaries recorded the net profit margin in the amount of 8,423.07 million baht while the same period last year recorded the net profit margin in the amount of 6,478.40 million baht, increasing 1,944.67 million baht or 30.02% because of the following;

1. In 2014, the Company recorded sales income in an amount of 26,036.70 million baht while the same period last year the Company recorded sales income, in the amount of 22,939.49 million baht, increasing of 3,097.21 million baht or 13.50% .
2. In 2014, the Company recorded gross profit margin of 35.38%, while the same period last year the Company recorded gross profit margin of 35.76%, decreasing of 0.38%.

The Company's Gross profit increased by 1,008.79 million baht because of the increasing of Sales.

3. In 2014, from divestment of The Terminal 21 Shopping Center to LHSC Real Estate Investment Trust at the amount of 6,058 million baht, the Company recorded the profit in the amount of 1,510.80 million baht while the minority interest recorded the remaining profit amount of 1,007.20 million baht.
4. The rental and services income in 2014, was 2,279.88 million baht while the same period last year recorded 2,135.96 million baht, increasing 143.92 million baht (increasing 6.74%) as the following details:

Million baht			
Year	Revenue in Thailand	Revenue in U.S.A.	Total
2014	2,002	92	2,280
2013	2,044	278	2,136
Increase(decrease)	(42)	186	144
%Increase(decrease)	(2.06)	204.35	6.74

In first half of 2014, the rental and services income of the Company generated in Thailand is decreased due to a political crisis. The rental and services income generated in U.S.A. increasing as a result of the acquisition of a new apartment.

5. Gross profit margin from rental and service income in 2014, was 39.45%, while the same period last year was 41.33%, decreasing 1.88%. Gross profit from rental and service income in 2014 was in the amount of 899.47 million baht while the same period last year gross profit from rental and service was 882.79 million baht.
6. Share of profit from investment in associates in 2014, was 2,210.22 million baht, increasing of 101.46 million baht when compared with the same period last year, which the Company recorded share of profit from investment in associates in the amount of 2,108.76 million baht.
7. The administration expenses in 2014, was 2,014.89 million baht while the same period last year was 1,645.06 million baht, increasing 369.83 million baht because of the reserve for law case in the amount of 83.6 million baht, the salary and other benefit increasing in the amount of 121.90 million baht and the expense for public utility maintenance in the amount of 119.40 million baht.
8. The selling expenses in 2014, was 997.55 million baht while the same period last year was 908.37 million baht, increasing 89.18 million baht from sales promotion and the discount to boost the sales revenue.
9. The income tax expenses in 2014, was 1,864.2 million baht while the same period last year was 1,101.6 million baht, increasing 762.6 million baht. The increasing of income tax mainly due to the profit from sales of the Terminal 21 Shopping Center.

Please be informed accordingly.

Yours sincerely,

Mr. Adisorn Thananan-narapool
Managing Director