

29 February 2016

Subject : Management Discussion and Analysis of the year ended 31 December 2015  
Attn. : Director and Manager  
The Stock Exchange of Thailand  
Encls. : A copy of Audited Financial Statements for the year ended 31 December 2015

The Company, Land and Houses Public Company Limited, would like to submit the audited financial statements for period of the year ended 31 December 2015, for your information and publication.

In the year 2015, the Company and its subsidiaries recorded the net profit in the amount of 7,920.2 million baht while the same period last year recorded the net profit in the amount of 8,423.1 million baht, decreasing 502.9 million baht or 5.97% because of the following;

1. In 2015, the Company recorded sales income in an amount of 24,223.14million baht while the same period last year the Company recorded sales income, in the amount of 26,036.70 million baht, decreasing of 1,813.56 million baht or 6.97% .
2. In 2015, the Company recorded gross profit margin of 33.93%, while the same period last year the Company recorded gross profit margin of 35.38%, decreasing of 1.45% as a result from the decrease in sales and gross profit margin of single detach houses.

The Company's gross profit decreased by 992.18 million baht because of the decrease in sales and gross profit margin.

3. The details of rental and services income in 2015 are as the follows:

Million baht

	2015	2014
Rental and services income	2,036.49	2,279.88
Cost	1,309.05	1,380.41
Gross margin	727.44	899.47

4. In 2015, the Company recorded the profit from sales of assets of 2,276.83 million baht. The profit amount of 2,036.88 million baht came from sales of the Grand Center Point Hotel-Terminal 21 and the rest coming from sales of the apartment building in California, U.S.A., decreasing of 871.37 million baht when compare to the same period last year, which the Company recorded the profit from sales of the Terminal 21 Shopping Center in the amount of 3,148.20 million baht.
5. Share of profit from investment in associates in 2015, was 2,436.60 million baht, increasing of 226.38 million baht when compared to the same period last year, which the Company recorded share of profit from investment in associates in the amount of 2,210.22 million baht.
6. The administration expenses in 2015, was 1,807.51 million baht while the same period last year was 2,014.89 million baht, decreasing 207.38 million baht because in 2014 there were the higher expenses of advisory fee for RIET establishment in the amount of 117.5 million baht and the reserve for lawsuit case in the amount of 83.6 million baht.
7. The selling expenses in 2015, was 887.71 million baht while the same period last year was 997.55 million baht, decreasing 109.84 million baht due to the decrease of advertisement and sales promotion expenses.
8. The financial costs in 2015, was 304.70 million baht while the same period last year was 503.07 million baht, decreasing 198.37 million baht due to the decrease of interest rate.
9. The income tax expenses in 2015, was 1,601.39 million baht while the same period last year was 1,864.18 million baht, decreasing 262.79 million baht.

Please be informed accordingly.

Yours sincerely,

Mr. Adisorn Thananan-narapool  
Managing Director