

Translation

May 14, 2015

Subject: Clarification for the operating results exceeding 20% from the same period of last year

Attention: Managing Director

The Stock Exchange of Thailand

The Company hereby reports the performance of the consolidated financial statements for the three-month period ended March 31, 2015 compared with the three-month period ended March 31, 2014. These financial statements complied with the effective Accounting Standards for the periods beginning on or after 1 January 2015.

For the period ended March 31, 2014, the Company had restated the consolidated interim financial information by including Dusit Thani College as a subsidiary of the Group, in order to compare with the same period of 2015.

Overview - Market

The first quarter year on year operating performance of the Company has improved primarily due to an increase in foreign tourist arrivals given the negative effect on operating performance in year 2014 as a result of the political situation. The decline in tourism from Europe (mainly Russia) has been mitigated by the increase in Asian visitors.

Financial Reporting & Performance

The performance for the first quarter of 2015 compared to the first quarter of 2014 detailed as follows:

There was a change in our reporting for the first quarter of year 2015 to comply with Thai Financial Reporting Standards (TFRS) 11. The Company has re-evaluated the interests in joint arrangements and reclassified the investment from jointly controlled entity to joint venture. As a consequence, the Group has changed its accounting policy for the investment in joint venture from proportionate consolidation to the equity method. These joint ventures are Le Cordon Bleu Dusit Co., Ltd., Dusit Bird Hotels Pvt. Ltd. and Dusit Fudu Hotel Management (Shanghai) Co., Ltd. Therefore, there has been impact on the recognized assets, liabilities and comprehensive income of the Group.

Unit: Million Baht

Description	Quarter 1/2015	Quarter 1/2014	Variance	%
Revenues:				
- Hotel business	1,340.48	1,278.15	62.33	4.88
- Hotel Management business	37.50	38.04	(0.54)	(1.42)
- Education business	132.59	124.92	7.67	6.14
- Other business	72.86	62.44	10.42	16.69
Total revenues	1,583.43	1,503.55	79.88	5.32
Profit before interest expense, income tax and depreciation (EBITDA)	419.15	327.44	91.71	28.01
%	26.47	21.76		
Depreciation, interest expense and income tax	190.94	197.25	(6.31)	(3.20)
Net profit	228.21	130.19	98.02	75.29
Net profit – Non-controlling interests	30.37	35.54	(5.17)	(14.55)
Net profit – Owners of the Company	197.84	94.65	103.19	109.03
<i>Earnings per share (Baht)</i>	<i>2.34</i>	<i>1.12</i>	<i>1.22</i>	<i>108.93</i>

1. Revenues

For the first quarter of 2015, the Company has total revenues of Baht 1,583.43 million, increased from the same period of last year by Baht 79.88 million, or 5%, consisted of the following:

Hotel business

The Company has revenues from hotel business in the amount of Baht 1,340.48 million, increased from the same period of last year by Baht 62.33 million, or 5%, mainly from Dusit Thani Bangkok (which was most affected from the year 2014 political situation), which had revenues increased from last year by Baht 139 million.

Hotel management business

The Company had revenue from hotel management from other hotels in the amount of Baht 37.50 million, slightly decreased from the same period of last year by Baht 0.54 million, as a result of some overseas hotels managed by the Company.

Education business

The Company had revenue from education business in the amount of Baht 132.59 million, comprised revenues from Dusit Thani College of Baht 113.92 million, slightly increased from the same period of last year, management service in education to Lyceum of the Philippines University of Baht 12.79 million, increased from the same period of last year by Baht 4 million and share of profit from Le Cordon Bleu Dusit Co., Ltd., joint

arrangement by accounting the share of profit from investment by the equity method of Baht 5.8 million, similar amount to the same period of last year.

Other business

Key year on year movements in other business revenue was as follows:

- The share of profit from investments by the equity method - Dusit Thani Freehold and Leasehold Property Fund of Baht 38.09 million, increased from the same period of last year by Baht 11.76 million.
- In addition, the Company had realized the deferred gain on sales of asset held for sale (Dusit Thani Laguna Phuket) to Dusit Thani Freehold and Leasehold Property Fund which deferred since late 2010 of Baht 6.90 million, because the Company provided the guarantee for the minimum rental payment during first 4 years and it was due during this year.

2. Cost of sales and services and gross profit

The Company had cost of sales and services in the amount of Baht 822.22 million, increased from the same period of last year by Baht 5.73 million, comprised direct cost, such as cost of room, cost of food and beverage, salary and employee benefits, etc. and cost of services-depreciation and amortization of Baht 153.60 million, increased from the same period of last year by Baht 10.49 million. The comparison with total revenue from sales and services, the gross profit was 32%, increased from the same period of last year due to a focus on cost management and the contribution of the increase in revenue.

3. Selling and administrative expenses

The Company had selling expenses in the amount of Baht 96.19 million, decreased from the same period of last year by Baht 21.01 million and administrative expenses in the amount of Baht 245.56 million, increased from the same period of last year by Baht 3.61 million, mainly from employee relations expenses and other administrative expenses.

After deducted cost of sales and selling and administrative expenses, the earnings before interest, income tax and depreciation and amortization (EBITDA) was Baht 419.15 million, increased from the same period of last year by Baht 91.71 million, or 28.01% with a key driver being the improvement in the Dusit Thani Bangkok. After deducting interest expenses, income tax, depreciation and profit of non-controlling interest, net profit of the Company was Baht 197.84 million, increased from the same period of last year by Baht 103.19 million, or 109.03%, and earnings per share was Baht 2.34.

Financial Position

The consolidated statement of financial position of the Company and subsidiaries as of March 31, 2015 compared with the balances as of December 31, 2014 as follows:

Total Assets were Baht 8,959.57 million, decreased by Baht 52.83 million, mainly resulted from the following:

1. The decrease of inventories by Baht 7.60 million.
2. The decreased of available-for-sale investment by Baht 14.33 million, resulted from the decreased in fair value of available-for-sales securities.
3. The decrease of investment in associate by Baht 3.09 million, resulted from the recognition of share of profit from investment and dividend received from Property Fund.
4. The decrease of investment properties and property, plant and equipment by Baht 90.50 million, mainly resulted from depreciation according to their useful period.
5. The decrease of prepaid rental of land and buildings by Baht 20.95 million, mainly because of amortization according to the lease period.
6. The decrease of deferred income tax assets by Baht 8.36 million, resulted from the decrease of accumulated tax losses.
7. The increase of cash and cash equivalents and short-term investments by Baht 61.37 million, resulted from cash from the operation.
8. The increase of trade and other receivables by Baht 9.05million, resulted from the increase in revenue.
9. The increased of short-term loan to related parties by Baht 17.91 million.
10. The increase of non-current assets by Baht 7.60 million.

Total Liabilities were Baht 3,554.52 million, decreased by Baht 245.76 million, majority resulted from the following:

1. The decrease of bank overdraft and short-term loans from financial institutions by Baht 25.00 million, due to repayments made.
2. The decrease of trade and other payables by Baht 184.17 million, resulted from deposit received decreased by Baht 62.31 million, accrued expenses decreased by Baht 50.66 million, unearned revenue of Dusit Thani College decreased by Baht 70.04 million, Payables from acquisition of assets and other payables decreased by Baht 31.69 million, whereas trade accounts payable increased by Baht 30.53 million.
3. The decrease of liabilities under rental guaranteed by Baht 86.31 million, from the payment to Property Fund.
4. The decrease of deferred gain on sales of assets held for sale by Baht 6.90 million which sold to Property Fund and deferred. This amount was realized as income in this period.
5. The decrease of deferred rental revenue by Baht 6.27 million, resulted from the realization as income according to the lease period.

6. Whereas, the increase of current portion of long-term loan and long-term loans by Baht 41.89 million, because a subsidiary has additional borrowing for its hotel renovation.

7. The increase of other current liabilities by Baht 12.86 million

The Equity attributable to owners of the parent was Baht 4,617.05 million, increased by Baht 173.76 million, mainly resulted from the operations profit by Baht 197.88 million, the measurement loss on available-for-sale investments (fair value) by Baht 11.30 million, and rate exchange conversion difference (loss) on the foreign operations by Baht 12.58 million. The non-controlling interest was Baht 788.00 million, increased by Baht 19.18 million.

Financial ratios

- Debt (excluding deferred rental revenue) to Equity was 0.54 : 1
- Debt (interest bearing debt) to Equity was 0.33 : 1
- Return on Assets (ROA) was 2.84%
- Return on Equity (ROE) was 4.37%
- Book value was Baht 54.62 per share