

Translation

February 27, 2015

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

Attention: Managing Director

The Stock Exchange of Thailand

The Company hereby reports the performance of the consolidated financial statements for the year ended December 31, 2014 compared with the year ended December 31, 2013. These financial statements complied with the effective Thai Financial Reporting Standards for the periods beginning on or after 1 January 2014.

In 2014 consolidated financial statement compared to 2013, the financial statement of Dusit Thani College which indirectly invested of 86.79% by the Company is included in these consolidated financial statements. The Company had re-evaluated the control in Dusit Thani College and concluded that Dusit Thani College is a subsidiary of the Company. As such, in the 3rd quarter 2014, the Company consolidated the financial statements of Dusit Thani College in the Company's consolidated financial statements and restated the consolidated financial statements retrospectively, and later resubmitted the restated financial statements for the year ended December 31, 2013 compared to year 2012.

In 2014, the Thailand tourism business was affected by the political unrest which sparked to May coup and later declared the Martial Law, as such the declining of tourists to Thailand, especially for foreign-MICE moved to other countries from uncertainty with the safety as insurance may not cover this matter. In addition, the slowdown revival of world economy impacted to several key markets such as Russia facing the sanction from Europe, Japan and China which significantly affected to hotel business of the Company.

For the year ended December 31, 2014, the Company has net loss of Baht 20.64 million, decreased from net profit of last year by Baht 184.34 million, or 112.61%. The decrement mainly resulted from revenue of hotel business decreased by Baht 274.22 million, or 6.04%, mainly from declining revenue of Dusit Thani Bangkok over Baht 270 million. However, the Company has revenues from overseas, Dusit Thani Maldives increased by Baht 103 million, from education business increased more Baht 58 million, and from management service income increased more 52 million.

The performance for the year ended December 31, 2014 compared with year ended December 31, 2013 is summarized as follows:

Unit: Million Baht				
Description	2013	2014	Variance	%
Revenues:				
- Hotel business	3,379.19	3,087.96	(291.23)	-8.62
- Hotel business under DTCPF	1,162.33	1,179.34	17.01	1.46
- Education business	470.45	529.29	58.84	12.51
- Others business	422.13	520.76	98.63	23.36
- Hotel management service	65.06	117.85	52.79	81.14
- Others	357.07	402.91	45.84	12.84
Total revenues	5,434.10	5,317.35	(116.75)	-2.15
Profit (loss) before interest, income tax and depreciation (EBITDA)	889.03	759.11	(129.92)	-14.61
%	16.36	14.28		
Depreciation, interest and income tax	691.40	745.86	54.46	7.88
Net profit (loss)	197.63	13.25	(184.38)	-93.30
Net profit – Non-controlling interests	33.93	33.89	(0.04)	-0.12
Net profit (loss) – Equity holders of the parents	163.70	(20.64)	(184.34)	-112.61
Earnings (loss) per share (Baht)	1.94	(0.24)	(2.18)	-112.61

The Company's performance is segregated by business segments as follows:

- Hotel business: for the year ended December 31, 2014, the revenues decreased from last year more Baht 291 million, or 8.62%. The significant decrement of revenues was from Dusit Thani Bangkok located in the midst of the rally and off road. Therefore, the overall revenues from hotel business in Thailand during such period decreased. However, in the 4th quarter, the some tourists returned, so the hotel revenues, especially from hotels under Dusit Princess Group, was increased by Baht 29 million, or 7% and revenues from overseas hotels slightly increased from last year, revenues from Dusit Thani Maldives increased by Baht 103 million, or 16%. Dusit Thani Manila was partially closed for huge renovation (after last renovations in many years ago), so its revenues decreased more Baht 90 million. Consequently, in 2014, revenues from hotel business decreased, and not achieved the budgeted.

- Hotel business under DTCPF: for the year ended December 31, 2014, the revenues increased from last year more Baht 17 million, mainly from Dusit Thani Laguna increased more Baht 12 million.

- Education business: for the year ended December 31, 2014, increased from last year more Baht 58 million, or 12.51%, resulted from Dusit Thani College by Baht 43 million and Le Cordon Bleu Dusit Co., Ltd, a joint-venture culinary school by Baht 11 million and management service in education in Philippines increased by Baht 4 million.

- Hotel management service: for the year ended December 31, 2014, increased from last year more Baht 52 million, or 81.14%; from Dusit Thani Lake View Cairo, Dusit Thani Dubai and 2 new hotels: Dusit Thani Abu Dhabi, in United Arab Emirates started operating in July 2013 and dusitD2 Phuket Resort started operating in February 2014.

These 2 management hotels were opened according to the Company's plan and strategy in distribution of revenues only in Thailand, but spread to overseas for higher revenues.

- Other income: for the year ended December 31, 2014, increased from last year more Baht 45 million, comprised compensation claim received from insurers under business interruption policy from the impact of political crisis situation occurred in 2010 of Baht 35.35 million, technical service income from various hotel projects and other income of hotels and others.

For the year ended December 31, 2014, selling and administrative expenses comprised expenses from a joint venture company in People's Republic of China and new sale offices in Hong Kong, Shanghai and Beijing in China and Dubai in United Arab Emirates. In addition, there were promotion, public relation expenses as well as employee relations and other administrative expenses which increased from last year 1.8%.

After deducting cost of sales and expenses, the profit before interest, income tax and depreciation (EBITDA) was Baht 759.11 million, decreased from last year by Baht 129.92 million, or 14.61%, mainly from Dusit Thani Bangkok by Baht 125.91 million, or 14.16%.

For the year ended December 31, 2014, interest expenses, income tax, depreciation (including in cost of sales and expenses) was Baht 745.86 million, increased from last year by Baht 54.46 million, mainly from depreciation on renovated and decorated hotel assets for 5-star hotel image.

After deducting interest expenses, income tax, depreciation, the Company's net profit was Baht 13.25 million (including net profit from Dusit Thani College of Baht 77 million). After deducting the profit of non-controlling interest of Baht 33.89 million, net loss contributed to the Company was Baht 20.64 million. Net profitability ratio decreased 0.39%, whereas last year was 3.01%.

Financial Position

The consolidated statement of financial position of the Company and subsidiaries as of December 31, 2014 compared with the balances as of December 31, 2013 were as follows:

Total Assets were Baht 9,065.13 million, decreased by Baht 205.76 million, mainly resulted from the following:

1. The decrease of trade and other receivables by Baht 43.40 million and inventories by Baht 4.01 million, mainly from the decreased in revenues of Dusit Thani Bangkok because of the political crisis.

2. The decrease of other current asset of Baht 5.29 million resulted from transferring advance payment of Baht 25.27 million to deposit for hotel management right in the same amount and value added tax receivable increased by Baht 19.54 million.

3. The decrease of investment properties, property, plant and equipment by Baht 191.49 million, as resulted of depreciation according to their useful period.

4. The decrease of prepaid rental of land and buildings by Baht 86.92 million because of amortization according to the lease period.

5. The decrease of deferred income tax assets by Baht 19.04 million resulted from the decrease of accumulated tax losses.

6. The decrease of intangible assets by Baht 2.53 million resulted from the amortization of computer software during the year of Baht 13.88 million, whereas its cost increased by Baht 11.35 million.

7. The increase of cash and cash equivalents and short-term investments by Baht 102.53 million, resulted from cash flows from consolidating Dusit Thani College of Baht 105.46 million.

8. The increase of investment in associate of Baht 1.73 million, resulted from recording share of net profit from investment in associate by using the equity method and dividend received from DTCPF.

9. The increase of available-for-sale investments by Baht 16.61 million, resulted from the increase of fair value of available-for-sale securities.

10. The increase of deposits for hotel management right of Baht 25.27 million.

Total Liabilities were Baht 3,853.02 million, decreased by Baht 150.00 million, majority resulted from the following:

1. The decrease of short-term loans from financial institutions by Baht 23.70 million, from partially payment.

2. The decrease of short-term loan from related party by Baht 8.50 million.

3. The decrease of income tax payable and other current liabilities by Baht 11.16 million and non-current liabilities by Baht 1.82 million.

4. The decrease of long-term loans by Baht 191.52 million, from repayment during the period.

5. The decrease of deferred rental revenue by Baht 25.43 million
6. The decrease of deferred tax liabilities by Baht 1.25 million.
7. The increase of trade and other payables by Baht 39.44 million, from including cost of sales of Dusit Thani College with the Company.
8. The increase of liabilities under rental guarantee to DTCPF by Baht 12.18 million.
9. The increase of current portion of long-term loans by Baht 55.87 million.
10. The increase of finance lease liabilities by Baht 3.98 million and employee benefits obligations by Baht 1.76 million.

The Equity attributable to owners of the Company was Baht 4,443.29 million, decreased by Baht 87.11 million, resulted from the operations (loss for the year) of Baht 20.64 million, the defined benefit plan actuarial gains for the year of Baht 4.62 million, the measurement gain on available-for-sale investments (fair value) of Baht 13.13 million, rate exchange conversion difference (loss) on the foreign operations of Baht 0.78 million and dividend paid of Baht 85.00 million. The non-controlling interest was Baht 768.82 million, increased by Baht 31.35 million.

Financial ratios

- Debt (excluding deferred rental revenue) to Equity was 0.61 : 1
- Debt (only Interest Bearing Debt) to Equity was 0.34 : 1
- Return on Assets (ROA) was 0.98%.
- Return on Equity (ROE) was -0.46%
- Book value was Baht 52.57 per share.