

SF 013/14

12 February 2015

Subject: Management Discussion and Analysis (MD&A)

To: President

The Stock Exchange of Thailand

Siam Future Development Public Company Limited would like to clarify the operating results for the year 2014 ended 31 December 2014, compared with the same period last year.

The Details of Revenues, Cost & Expenses, and Net Profit are as follows:

1. Revenues

Rental and service income of Baht 1,318.94 Million increased by Baht 19.66 Million or 1.51% from the same period last year because of contractually increase in rental and service income .

Revenue from finance lease contracts of Baht 21.67 Million increased by 14.26 Million or 192.88% because the company had new long term tenant and renew land lease contract of B-quik Meng Jai.

Other income of Baht 26.02 Million decreased by Baht 7.67 Million because of decreasing in miscellaneous income.

Shared profit from a joint venture, Mega Bangna Project of Baht 475.06 Million increased by Baht 183.48 Million or 62.93% because of contractually increase in rental and service income and common area income.

Total Revenues of Baht 1,868.59 Million increased by Baht 210.68 Million or 12.71% from the same period last year according to the above reasons.

Revenues			
(Millions Baht)	2014	2013	Changed (%)
Rental and service income	1,319	1,299	2%
Revenue from finance lease contracts	22	7	192%
Finance and interest income	27	26	4%
Other income	26	34	(23%)
Share profit from joint venture	475	292	63%
Total revenues	1,869	1,658	13%

2. Cost and Expenses

Cost of rental and services of Baht 550.28 Million decreased by Baht 12.05 Million or 2.14% from the same period last year because decrease in utilities cost as a result of energy saving program.

Cost of finance lease contract of Baht 13.19 Million increased by 8.65 Million Baht or 190.36% because of new long term tenant.

Fair value adjustment on investment property of Baht 165.17 Million increased by 10.31 Million or 6.66% because of decrease in market price of investment property.

Selling General and administrative expenses of Baht 225.54 Million increased by 20.14 Million Baht or 9.80% because event marketing and human resources development expenses.

Total Cost and Expenses of Baht 954.18 Million increased by Baht 27.03 Million or 2.92% from the same period last year according to the above reasons.

Expense			
(Million Baht)	2014	2013	Changed (%)
Cost of rental and service	550	562	(2%)
Cost of finance lease contracts	13	5	190%
Fair value adjustment on investment property, net	165	155	7%
Selling General and administrative expense	205	186	10%
Managements' remuneration	21	19	7%
Total expenses	954	927	3%

3. Net Profit

Net profit of Baht 700.23 Million increased by Baht 188.37 Million or 36.80% from the same period last year because of the reasons above.

Net profit			
(Million Baht)	2014	2013	Changed (%)
Net profit	700	512	37%

Please be informed accordingly.

Sincerely Yours,

(Mr. Somnuk Pojkasemsin)

President