

Translation

February 28, 2008

Subject: Report of performance for the year ended December 31, 2007
compared with December 31, 2006
Attention: Managing Director
The Stock Exchange of Thailand

Dusit Thani Public Company Limited hereby reports the performance according to the consolidated statements of income for the years ended December 31, 2007 compared with the year ended December 31, 2006 as follows:

Operating results

For the year ended December 31, 2007, the operations of the Company and subsidiaries before interest and income tax had net income of Baht 259.88 million, compared to last year which had income before interest and income tax of Baht 366.15 million, (not included the compensating income from terminating agreement of Baht 113.28 million), decreased by Baht 106.27 or 29%. After deducting interest expense of Baht 87.53 million and income tax of Baht 40.04 million, the income after income tax was Baht 132.31 million. As a result, net profit after minority interest of Baht 10.37 million was Baht 121.94 million, increased from last year by Baht 5.87 million (not included the compensating income from terminating agreement, after deducted income tax and net profit of minority interest), increased by 5.06%, and earnings per share was Baht 1.44, which resulted from the following:

1. Revenue from sales and services

The owned hotels under Dusit Group and Royal Princess Group had revenues from sales and services totalling Baht 3,026.37 million, increased from the same period of last year by Baht 177.65 million, or 6.24%.

2. Management service income

The Company and subsidiaries had management service income of Baht 118.77 million, decreased from last year by Baht 11.92 million, or 9.12% which resulted from the hotel under Royal Princess Groups: Pathumwan Princess terminated the hotel management agreement prior to the expiry date, and entered into a franchise agreement under the brand "Royal Princess". Such franchise agreement is in effect from September 1, 2006. As a result, such revenue was decreased. However, the management service income under Dusit and Royal Princess Groups managed by the Company and subsidiaries had better revenues.

3. Interest income

The Company and subsidiaries had interest income decreased from last year by Baht 5.56 million.

4. Others

The Company and subsidiaries had other income of Baht 128.46 million, increased from last year by Baht 37.46 million, or 41.16%. The main increases are technical services, membership cards and others of the Company and subsidiaries. In addition, there is income arising from non operation resulted from the written off invalid liabilities: expenses during the development process of subsidiary of Baht 5.34 million and negative investment in subsidiary of Baht 7.38 million.

5. Cost of sales and services

The Company and subsidiaries had cost of sales and services amounted to Baht 1,602.82 million, or 52.96% of revenue from sales and services, which its portion similar to last year, which had cost of sales and services amounted to Baht 1,468.81 million, or 51.56% of revenue from sales and services.

6. Selling and administrative expenses

The Company and subsidiaries had selling and administrative expenses amounted to Baht 922.36 million, increased from last year by Baht 127.36 million, or 16.02%. The increase resulted from the increase of promotion and marketing expenses, the implement and development of central reservation system, re-branding of the Company and employee expenses to support the expansion of business both in Thailand and overseas. During year 2007, the Company had signed 3 agreements to manage hotels in Thailand which are 1. DusitD2 Baraquada, Pattaya, 2. The Eight Heaven, Phang Nga and 3. DusitD2, Samui, and in overseas 5 agreements which are 1. Dusit Dubai Palm Jumeirah, 2. Dusit Residence Marina, Dubai, 3. P-9 Abu Dhabi, 4. Pearl Coast Premier Hotel Apartments, which managed by Dusit Residence and 5. The Lake View, New Cairo, Egypt. Moreover, there are another 12 projects which are in considering process. In addition, Le Cordon Bleu Dusit Co., Ltd. had grand opening on July 6, 2007 which caused expenses increased by Baht 6.32 million.

7. Depreciation and amortization

After the renovation of hotels under Dusit and Royal Princess Groups were partially completed, and D2hotel were completed. Therefore, depreciation of the Company and subsidiaries for the year ended December 31, 2007 was amounted to Baht 520.24 million and for last year was Baht 475.44 million, increased by Baht 44.80 million, or 9.42%.

8. Interest expenses

The Company and subsidiaries had interest expenses amounted to Baht 87.53 million, increased from last year by Baht 5.91 million, or 7.25%. Such interest was paid to financial institutions for borrowing of the Company and subsidiaries for their hotel renovation.

Financial position

The consolidated balance sheets of the Company and subsidiaries as of December 31, 2007, total assets was Baht 6,515.22 million, increased from December 31, 2006 by Baht 209.27 million, whereas total liabilities as of December 31, 2007 was Baht 2,401.48 million, increased from December 31, 2006 by Baht 177.81 million. The debt to equity ratio was 0.62:1. In addition, the unappropriated retained earnings was Baht 1,221.36 million, and book value was Baht 45.86 per share.

Clarification

The effect of change in investment accounting policy

The Company has changed the accounting method in recording investments in subsidiary and associated companies in the separate financial statements from equity method to cost method as per Thai Accounting Standard No.44 which effects from January 1, 2007. As a consequence, the Company has restated the last year's comparative financial statements retrospectively, as if the cost method had always been in use. Therefore, the 2006 comparative figures are prepared on the assumption that the new accounting method has been applied. The Company has recorded the investment in subsidiary and associated companies at historical cost in the separate financial statements, which income from investment will be recorded when dividends are declared by subsidiary and associated companies. As such, which to net profit in the separate financial statements to be different from those in the consolidated financial statements. The net profit for the year ended December 31, 2007 presented in the consolidated statement of income was Baht 121.94 million, while in the separate statement of income was Baht 281.87 million. Moreover, the effect of this change in investment accounting policy will be as follows:

1. The net profit for the year ended December 31, 2007 presented in the separate statement of income stated increase by Baht 159.93 million (increased by Baht 1.89 per share) and for the year ended December 31, 2006 decreased by Baht 150.42 million (decreased by Baht 1.82 per share). This was due to the separate financial statements which did not include share of profits from investments using the equity method transactions but recognized dividend from subsidiaries as income.
2. Investment in subsidiary and associated companies, other related transactions and retained earnings in the balance sheets as of January 1, 2007, presented in the separate financial statement, net decreased by Baht 1,016.90 million. The accumulated change from the change in this accounting policy has been presented in "Cumulative effect of changes in accounting policies" in the separate statement changes in shareholders' equity.

Nonetheless, this is merely a change in accounting policy for investments in subsidiary and associated companies in the separate financial statements, not a change in any fundamental factors affecting the Company's business.