

Translation

March 2, 2010

Subject: Report of performance for the year ended December 31, 2009  
compared with the ended December 31, 2008

Attention: Managing Director  
The Stock Exchange of Thailand

Dusit Thani Public Company Limited hereby reports the performance for the year ended December 31, 2009 compared with the year ended December 31, 2008 as presented in the consolidated statement of income, as follows:

### **Operating results**

For the year ended December 31, 2009, the Company and subsidiaries had net loss of Baht 114.58 million. After attributing net loss to minority interest of Baht 6.62 million, net loss of the shareholders' equity was Baht 107.97 million, decreased from the same period of last year by Baht 324.59 million. Net loss of Baht 114.58 million was included loss on impairment of property, premises and equipment of Baht 61.60 million. Net loss before such loss on impairment of the Company was Baht 52.98 million. After appraising hotels based on discounted cash flows of 9 hotels owned by the Company and subsidiaries and there were two hotels, namely DusitD2 Chiang Mai and Dusit Princess Korat, their discounted cash flows were less than their carrying values by Baht 57.44 million and Baht 4.16 million respectively. According to Thai Accounting Standard 36 (revised 2007), "Impairment of Asset" by Baht 57.44 million and Baht 4.16 million respectively; therefore, the Company only recorded the impaired hotels as expenses this year. These two hotels impaired because they located at high competition areas and need to lower their selling prices. Moreover, tourism industry is declined, especially in Chiang Mai, number of rooms supply has increased in last 2-3 years while tourists were continually decreased.

The operating for this year, the Company has net loss of Baht 52.98 million, compared to year 2008 by excluding gain on sales, had net profit of Baht 56.23 million. The decrease in operating resulted from the impact by political problem since late 2008 continuing up to present, the Global financial crisis and the effect of the swine influenza 2009 (H1N1) affected to the decrease of tourism industry, while number of hotels and serviced apartment rooms are increased. There are lots of price competitions in hotel business. The Company had implemented many sale promotions to increase the revenues during the third quarter, including cost and expenses management according to the business-regression period. However, this could not make the Company's operating be profitable. For management service income from hotels in Thailand also decreased because these management hotels have been impacted same as the Company. Management service income from overseas hotels, such as Dusit Thani Dubai also decreased because the hotel business in United Arab Emirates is in the regression period up to the end of fourth quarter of 2009.

The operating results for the year ended December 31, 2009 compared with last year, consists of the following:

#### 1. Revenue from sales and services

The Company and subsidiaries had revenues from sales and services amounted to Baht 2,777.38 million, consisting of revenue from hotels amounted to Baht 2,641.67 million and from other income of Baht 135.71 million. Such revenue decreased from the same period of last year by Baht 419.74 million, or 13% which derived from the decrease in hotel business of Baht 420.15 million by the effects of political problem since late 2008.

#### 2. Cost of sales and services

The Company and subsidiaries had cost of sales and services amounted to Baht 1,527.71 million or 55% of revenue from sales and services, compared to the same period of last year which amounted to Baht 1,698.69 million or 53% of revenue from sales and services. The amount of cost of sales and services decreased while its percentage increased because the decrease ratio of cost was lower than revenue. Cost of sales and services comprised variable and fixed cost and partially of fixed cost were salary and related expenses which had not much decreased.

The gross profit was Baht 1,249.67 million or 45% of revenue from sales and services, decreased from the same period of last year which was Baht 1,498.43 million or 47% of revenue from sales and services.

#### 3. Other income

The Company had other income amounted to Baht 273.25 million, decreased from the same period of last year by Baht 257.41 million, consisted of the following:

##### - Management service income

The Company and subsidiaries had management service income amounted to Baht 87.12 million, decreased by Baht 28.46 million or 25%. The management service income from hotels in Thailand decreased by 10% and in overseas decreased by 34%. The major cause resulted from the regression of hotel business in United Arab Emirates. However, in 2009, the Company had revenues from managing serviced apartment: Dusit Residence, Dubai Marina which opened in November 2008.

##### - Other income

The Company and subsidiaries had other income, such as interest income, dividend and others amounted to Baht 186.12 million, compared to the same period of last year by excluding gain on sale of land of Baht 243.09 million, increased by Baht 14.14 million.

#### 4. Selling expenses

The Company and subsidiaries had selling expenses, such as marketing, promotion and advertising expenses, etc. amounted to Baht 325.86 million or 12% of revenue from sales and services, increased from the same period of last year by Baht 24.58 million or 8%. Even though the revenue from sales and services decreased, the Company needs to spend on sale promotion and advertising budget in order to push up sales volume for current and future periods.

#### 5. Administrative expense

The Company had administrative expenses decreased from the same period of last year by Baht 120.06 million or 19% because the Company has decreased some fixed expenses related to employees and consulting expenses for future investing projects.

#### 6. Loss on impairment of property, premises and equipment

The Company and subsidiaries has considered for impairment of hotel assets by estimating the recoverable amount determined by independent appraiser and compared with value in use. For 2009, this impairment was recorded by Baht 61.60 million.

#### 7. Depreciation and amortization

As some existing assets were fully depreciated but were still in use, therefore, depreciation expenses decreased from the same period of last year by Baht 27.91 million, or 5%.

#### 8. Financial expenses

The financial expenses of the Company and subsidiaries represent interest expenses amounted to Baht 51.77 million, decreased from the same period of last year by Baht 20.43 million or 28%. Such interests was paid to financial institutions which borrowed by the Company and subsidiaries for their hotel renovations. During the year, interest rates decreased and the Company and subsidiaries repaid their loan principals according to the loan agreements, as such, interest expenses decreased.

## **Financial position**

The consolidated balance sheet of the Company and subsidiaries as of December 31, 2009 presented total assets of Baht 5,607.05 million, decreased from the balance as of December 31, 2008 by Baht 333.15 million. The major decrement resulted from non-current assets; premises and equipment decreased because of depreciation and allowance for impairment, and prepaid rental of land and building exceeding one year-net decreased because of amortization according to the lease period. During the year, the Company and subsidiaries had repaid their long-term loans, as such, total liabilities as of December 31, 2009 was Baht 1,584.86 million, decreased from balance as of December 31, 2008 by Baht 219.80 million. The debt to equity ratio as of December 31, 2009 was 0.42:1. In addition, the unappropriated retained earnings was Baht 1,202.53 million, and book value was Baht 45.05 per share.

## **Additional clarification**

According to the disclosure in Note 2.6 to the financial statements regarding the Thai Accounting Standards, the Company's management assessed and determined that the revised Thai Accounting Standards do not impact significantly to the financial statements being presented.