

Management's discussion and analysis of financial condition and results of operations

Overview

Glow Energy Public Company Limited and its subsidiaries are one of the largest private electricity generators and providers of industrial utilities in Thailand and neighboring country. We operate IPP and cogeneration facilities (most of which operate as SPPs under Thailand's SPP program) and our core business is to produce and supply electricity to EGAT and electricity and steam to industrial customers in the MIE¹ Area and SEIP² Area. As of December 31, 2014, we had a total generating capacity of 3,188 MW of electricity and 1,206 tons per hour of steam.

Starting 2014, Thai accounting standard has adopted international accounting standard related to Financial Lease. The only generating unit of Glow Group affected from this change in accounting standard is Glow IPP, 713 MW gas-fired IPP. Implication of Financial Lease accounting standard included, but not limited to, following key aspects:

- Recording Availability Payment received from EGAT as Financial Lease Income and amortization of Lease Receivables
- Recording of Lease Receivables, rather than Property Plant and Equipment as per old standard, and hence no recording of depreciation expense

However, Energy Payment, gas cost, and other operating costs are recorded essentially with the same method.

For 2014, adjustments to reflect Financial Lease accounting standard from old standard are:

- Net adjustment to exclude Availability Payment (Baht -2,221.8 million) and depreciation (Baht +337.3 million) of Baht -1,884.5 million
- Net adjustment to include Financial Lease income of Baht +1,275.1 million, which consists of retained earning adjustment of Baht +300.9 million and recurring financial lease income of Baht +974.3 million
- Net adjustment on Deferred Tax of Baht +187.6 million

As a result, consolidated net profit of 2014, under the new accounting standard, was Baht 9,138.9 million. However, our normalized net profit³, excluding the adjustment of financial lease accounting, which is the basis used to determine our dividend distribution, was Baht 9,667.9 million in 2014, a 19.9 per cent increase from Baht 8,060.6 million in 2013.

Revenues

We derive our revenues primarily from sales of electricity to EGAT and sales of electricity, steam and clarified and demineralized and chilled water to industrial users in the MIE Area and SEIP Area. The following table breaks down our revenues by source for the periods indicated:

	Revenues					
	Year to Date Ended December 31,					
	2014		2013		Difference	
	(Baht millions)	(%)	(Baht millions)	(%)	(Baht millions)	(%)
Revenues from Sales of Goods and Rendering of Services						
Electricity						
Sales to EGAT by IPPs.....	27,049.6	36.9	26,930.9	38.6	118.7	0.4
Sales to EGAT by SPPs.....	18,251.9	24.9	18,262.9	26.2	(11.0)	(0.1)
Sales to Industrial Customers.....	17,591.5	24.0	15,730.2	22.5	1,861.2	11.8
Financial lease income (Glow IPP).....	1,275.1	1.7	-	-	1,275.1	100.0
Total.....	64,168.1	87.5	60,924.1	87.3	3,244.0	5.3
Steam	8,359.5	11.4	7,856.9	11.3	502.6	6.4
Other Products	463.3	0.6	426.0	0.6	37.3	8.8
Total	72,990.9	99.5	69,207.0	99.2	3,783.9	5.5
Other Income.....	332.8	0.5	564.6	0.8	(231.8)	(41.1)
Total Revenues.....	73,323.7	100.0	69,771.5	100.0	3,552.2	5.1

Our revenues are in part driven by the volumes of electricity and industrial utilities that we produce and sell to our industrial customers in MIE Area and SEIP Area. The following table sets out our volumes of electricity and industrial utilities sold for the indicated periods:

¹Map Ta Phut Industrial Estate in Rayong Province

²Siam Eastern Industrial Park in Pluak Daeng, Rayong Province

³Definition of "Normalized Net Profit" is amended to "Net Profit excluding net exchange gain or loss and net change in deferred tax assets(revenues) or liabilities(expenses)"

	Volumes Sold			
	Year to Date Ended December 31,			
	2014	2013	Difference	%
Electricity dispatch (GWh)				
To EGAT by IPPs	10,390.9	9,549.9	841.0	8.8
To EGAT by SPPs	5,498.8	5,627.5	(128.7)	(2.3)
To Industrial Customers.....	5,099.1	4,718.9	380.2	8.1
Total.....	20,988.8	19,896.3	1,092.5	5.5
Steam (thousands of tons).....	7,384.8	7,118.9	265.9	3.7
Processed water (thousands of cubic meters).....	12,811.6	12,111.1	700.5	5.8
Chilled water (thousands of refrigerated tons).....	14,629.8	13,759.4	870.4	6.3

Revenues from Sales of Goods

Electricity Sales to EGAT

We sell electricity to EGAT under our EGAT power purchase agreements¹. We are currently party to 3 IPP power purchase agreements, in respect of 1,373 MW of electricity located in Thailand and 128 MW of electricity located in Lao PDR in which 126 MW sales to EGAT and 2 MW to Electricite Du Laos (EDL). We are also a party to 11 SPP power purchase agreements and 1 VSPP power purchase agreement (Glow Energy Solar), in respect of an aggregate of 844 MW and 1.55 MW of electricity respectively.

Electricity Sales to Industrial Customers

We sell electricity to our industrial customers under our power supply agreements. As of December 31, 2014, we were party to a total of 75 power supply agreements with 58 industrial customers in respect of an aggregate of 738 MW of electricity.

Steam Sales

We sell steam to our industrial customers under our steam supply agreements. As of December 31, 2014, we were party to a total of 30 steam supply agreements with 21 industrial customers in respect of an aggregate of 1,170 tons per hour of steam.

Processed Water Sales

We sell clarified water and demineralized water to our industrial customers under our water supply agreements. As of December 31, 2014, we were party to a total of 15 water supply agreements with 9 customers in respect of an aggregate of 1,668 cubic meters per hour of water.

Chilled Water Sales

We sell chilled water to our industrial customers under our water supply agreement. As of December 31, 2014, we were party to a total of 2 water supply agreements with 2 customers in respect of an aggregate of 2,050 refrigerated tons of chilled water.

¹ Under IPP program, sell to EGAT consists of Availability Payment and Energy Payment whereas under SPP program sell to EGAT consists of Capacity Payment and Energy Payment.

Expenses

Our expenses consist of cost of sales of goods and selling and administrative expenses. The following table sets out the different components of our expenses by their amount and as a percentage of our total expenses for the periods indicated:

	Expenses					
	Year to Date Ended December 31,					
	2014		2013		Difference	
	(Baht millions)	(%)	(Baht millions)	(%)	(Baht millions)	(%)
Cost of Sales of Goods						
Fuel						
Natural Gas.....	37,277.0	64.2	36,451.3	63.4	825.7	2.3
Coal.....	10,166.9	17.5	9,783.8	17.0	383.2	3.9
Diesel.....	46.2	0.1	120.1	0.2	(73.9)	(61.5)
Maintenance	1,852.3	3.2	1,290.8	2.2	561.5	43.5
Depreciation / Amortization.....	4,674.6	8.0	4,914.7	8.6	(240.1)	(4.9)
Other.....	3,238.9	5.6	3,132.3	5.5	106.6	3.4
Total Cost of Sales of Goods.....	57,255.9	98.6	55,693.0	96.9	1,562.9	2.8
Selling and Administrative Expenses						
Depreciation / Amortization.....	31.5	0.1	33.7	0.1	(2.2)	(6.6)
General.....	741.6	1.3	727.0	1.3	14.6	2.0
Total Selling and Administrative Expenses.....	773.1	1.3	760.8	1.3	12.4	1.6
Other Expenses.....	68.0	0.1	1,010.9	1.8	(943.0)	(93.3)
Total Expenses	58,097.0	100.0	57,464.7	100.0	632.3	1.1

The following table shows a breakdown of our costs for our IPP facilities, on one hand, and for our cogeneration facilities, on the other:

	IPP and Cogeneration Facilities Cost of Sales of Goods Breakdown⁽¹⁾					
	Year to Date Ended December 31,					
	2014		2013		Difference	
	(Baht millions)	(%)	(Baht millions)	(%)	(Baht millions)	(%)
IPP Facilities						
Natural Gas	9,825.7	48.3	11,106.1	53.7	(1,280.4)	(11.5)
Coal.....	7,220.3	35.5	6,152.3	29.8	1,068.1	17.4
Diesel.....	41.2	0.2	115.5	0.6	(74.3)	(64.3)
Maintenance.....	424.1	2.1	259.1	1.3	165.0	63.7
Depreciation/Amortization.....	1,838.8	9.0	2,156.6	10.4	(317.8)	(14.7)
Others.....	972.7	4.8	886.4	4.3	86.4	9.7
Total Cost of Sales.....	20,322.8	100.0	20,675.9	100.0	(353.1)	(1.7)
Cogeneration Facilities						
Natural Gas.....	27,451.3	74.3	25,345.3	72.4	2,106.0	8.3
Coal.....	2,946.6	8.0	3,631.5	10.4	(684.9)	(18.9)
Diesel.....	5.0	0.01	4.7	0.01	0.4	7.9
Maintenance.....	1,428.2	3.9	1,031.7	2.9	396.6	38.4
Depreciation/Amortization.....	2,835.8	7.7	2,758.1	7.9	77.7	2.8
Others.....	2,266.2	6.1	2,245.9	6.4	20.2	0.9
Total Cost of Sales.....	36,933.0	100.0	35,017.1	100.0	1,915.9	5.5

Note:

- (1) The data presented herein as the cost of sales of our cogeneration facilities is our consolidated financial results less the results of Glow IPP Co., Ltd., Houay Ho Power Co., Ltd and GHECO-One Co., Ltd. In fact, certain of these amounts are attributable to portions of our business, which are not technically our cogeneration facilities, although these amounts represent only a small portion thereof.

Cost of Sales of Goods*Fuel*

The principal fuels that we use to generate electricity and steam are natural gas and coal. Purchases of natural gas constitute our single largest operating expense, accounting for 64.2 per cent of our total expenses in 2014.

The following table sets out our average gas costs for the periods indicated:

	Average Effective Cost of Natural Gas⁽¹⁾			
	Year to Date Ended December 31,			
	2014	2013	Difference	
	(Bt/mmBTU)	(Bt/mmBTU)	(Bt/mmBTU)	(%)
Average cost				
To Glow IPP.....	326.0	313.3	12.8	4.1
To Cogeneration facilities ⁽²⁾	330.7	323.0	7.7	2.4

Note:

- (1) These are not our actual gas prices, but are derived by taking our total natural gas expenses and dividing by total fuel consumption of the facilities for the periods presented.
- (2) This is a "blended" rate, reflecting principally prices paid to PTT (i) by our cogeneration facilities for gas used to supply electricity to EGAT and industrial customers, (ii) for gas used to fire boilers to generate steam for industrial customers. Each of the prices set out in (i) and (ii) are different. We also purchase small amounts of tail gas from another Thai supplier, which prices are separate and are also factored into the foregoing rates.

Purchases of coal accounted for 17.5 per cent of our total expenses in 2014.

The following table sets out average coal costs for the periods indicated:

	Average Cost of Coal⁽¹⁾			
	Year to Date Ended December 31,			
	2014	2013	Difference	
	(\$/ton)	(\$/ton)	(\$/ton)	(%)
IPP facilities				
Reference coal price @ 6,322 kcal/kg ^{(2) (AR)}	96.8	114.8	(18.0)	(15.7)
Freight costs ⁽³⁾	12.8	13.9	(1.1)	(8.0)
Cogeneration facilities				
Reference coal price @ 6,700 kcal/kg ^{(2) (AD)}	81.1	98.5	(17.4)	(17.6)
Freight costs ⁽³⁾	8.6	8.4	0.2	2.2

Note:

- (1) This average cost of coal was excluded cost of biomass mix.
- (2) These are not our actual coal prices, which are subject to various adjustments under the terms of our coal supply contracts, but a benchmark provided to illustrate the general movements in coal prices over the periods presented.
- (3) These reflect our actual freight and insurance costs.

The key determinants of our fuel expenses are the amounts of electricity and steam produced by our facilities and the efficiency with which we are able to generate such products.

The following table sets out the energy production levels and heat rates of our facilities for the periods indicated:

	Production and Heat Rates	
	Year to Date Ended December 31,	
	2014	2013
Glow IPP		
Equivalent energy production (GWh).....	4,322	5,106
Fuel consumption (mmBTU, HHV).....	30,168,079	35,464,742
Heat rate (BTU/kWhe, HHV).....	6,980	6,946
GHECO-One		
Equivalent energy production (GWh).....	5,509	4,121
Fuel consumption (mmBTU, HHV).....	49,249,922	37,842,567
Heat rate (BTU/kWhe, HHV).....	8,940	9,183
Cogeneration facilities (MIE) ⁽¹⁾		
Allocated energy production (GWh equivalent) ⁽²⁾		
Gas-fired cogeneration facilities.....	8,505	8,035
Coal-fired cogeneration facilities.....	2,515	2,713
Fuel consumption (mmBTU, HHV)		
Gas-fired cogeneration facilities.....	69,231,100	64,736,280
Coal-fired cogeneration facilities	26,248,489	28,519,243
Allocated heat rates (BTU/kWhe, HHV)		
Gas-fired cogeneration facilities	8,140	8,057
Coal-fired cogeneration facilities ⁽³⁾	10,437	10,541
Cogeneration facilities (SEIP)		
Equivalent energy production (GWh) ⁽²⁾	1,662	1,646
Fuel consumption (mmBTU, HHV).....	13,631,749	13,487,758
Heat rate (BTU/kWhe, HHV).....	8,204	8,194

Notes:

- (1) We present an "allocated" heat rate, which is a deemed heat rate for our cogeneration facilities that we derive by dividing the total fuel energy consumption of such facilities over a specified period of time by the energy produced during such period. This is not a straightforward exercise, particularly with respect of our Glow SPP 2/SPP 3 hybrid facility, where, for purposes of such calculation, we are required to "allocate" the amount of energy produced using steam and the amount of energy used producing gas. We make this allocation on the basis of the contribution of each energy source to total energy input, which involves subjective judgments and the use of simplifying assumptions.
- (2) Includes production of electricity and steam and chilled water (if applicable). For these purposes, steam and chilled water (if applicable) has been converted into MW at a deemed equivalent electrical energy value.
- (3) CFB start-up gas and biomass mixture are charged to the coal heat rates for purposes of the figures presented in this table.

Results of operations

Fiscal Year 2014 compared to Fiscal Year 2013

Revenues

Revenues from sales of goods and the rendering of services included other income was Baht 73,323.7 million in 2014, a 5.1 per cent increase from Baht 69,771.5 million in 2013. The increase was attributable to the following factors:

- Revenue received from EGAT by Glow IPP, under IPP scheme, amounted to Baht 13,193.1 million in 2014, a 8.5 per cent decreased from Baht 14,423.9 million in 2013. This decrease was mainly due to lower power dispatch by EGAT, despite Thai Baht depreciation in 2014 increasing Baht amount received from USD-linked revenue. In 2014, electricity dispatch to EGAT decreased by 15.4 percent from 5,101 GWh to 4,316 GWh.

However, with the adoption of Financial lease, Sales of electricity to EGAT recorded in financial statement consisting of financial lease income amounted of Baht 1,275.1 million and revenue from sales amounted of Baht 10,971.3 million.

- Sales of electricity to EGAT by GHECO-One, under IPP scheme, amounted to Baht 15,021.9 million in 2014, a 25.5 per cent increased from Baht 11,969.6 million in 2013, This increase was mainly due to higher availability, higher power dispatch by EGAT, and Thai Baht depreciation in 2014 increasing Baht amount received from USD-linked revenue. In 2014, electricity dispatch to EGAT increased by 32.6 per cent from 4,121 GWh to 5,463 GWh.
- Sales of electricity to EGAT and EDL by Houay Ho Power (HHPC), under IPP scheme, amounted to Baht 1,056.4 million in 2014, an increase of Baht 519.0 million from Baht 537.4 million in 2013. This increase was mainly due to higher volume sold to EGAT, even though the sale to EGAT just resumed at beginning of February 2014 as a result of transmission line disruption since the fourth quarter 2013. In 2014, electricity dispatch to EGAT and EDL increased by 86.5 per cent from 328 GWh to 612 GWh.
- Sales of electricity to EGAT by our cogeneration facilities, under SPP scheme, amounted to Baht 18,251.9 million in the 2014, a 0.1 per cent decreased from Baht 18,262.9 million in 2013. This decrease was mainly due to lower power dispatch by EGAT because some cogeneration facilities unit had schedule major maintenance. In 2014, Energy Payment decreased by 0.6 per cent as a result of 2.3 per cent decrease in sale volume, despite gas price increase by 2.4 per cent.
- Sales of electricity to industrial customers by our cogeneration facilities amounted to Baht 17,591.5 million in 2014, a 11.8 per cent increased from Baht 15,730.2 million in 2013. This increase was mainly due to higher sale volume and higher electricity tariff as a result of Ft adjustments. In 2014, electricity sale volume to industrial customers increased by 8.1 per cent from 4,719 GWh to 5,099 GWh and sale price increased by 3.5 per cent. Ft was increased by 0.05 THB/kWh in January 2014, 0.10 THB/kWh in May 2014 respectively.
- Sales of steam to industrial customers by our cogeneration facilities amounted to Baht 8,359.5 million in 2014, a 6.4 per cent increased from Baht 7,856.9 million in 2013. This increase was mainly due to 2.6 per cent higher steam tariff due to higher gas price and 3.7 per cent increase in sale volume.
- Sales of other products and services amounted to Baht 463.3 million in 2014, a 8.8 per cent increased from Baht 426.0 million in 2013. This increase was mainly due to higher sale volume and sale price.

Our other incomes consist mainly of revenue from interest income and other items.

We recognized interest income of Baht 52.3 million in 2014, a 22.8 per cent decreased from Baht 67.8 million in 2013. The interest income was principally attributable to interest earned on cash held in the form of deposits, instruments and in reserve accounts under our project financing agreements.

Other items in 2014 amounted to Baht 280.4 million decreased by Baht 216.3 million from Baht 496.8 million in 2013. In 2014, there was a business interruption claim of GHECO-One of Baht 98.9 million booked in the second quarter of 2014, whereas in 2013 there was a business interruption claim of GHECO-One of Baht 296.9 million booked in December 2013.

As a result of the foregoing, total revenues in 2014 amounted to Baht 73,323.7 million, a 5.1 per cent increased from Baht 69,771.5 million in 2013.

Expenses

Cost of sales of goods was Baht 57,255.9 million in 2014, a 2.8 per cent increased from Baht 55,693.0 million in 2013. This increase was attributable to the following factors:

IPP facilities

- IPP facilities' cost of natural gas from Glow IPP was Baht 9,825.7 million in 2014, a 11.5 per cent decreased from Baht 11,106.1 million in 2013. This decrease was mainly due to lower gas consumption decreased by a 15.0 per cent as a result of lower power dispatch, despite higher gas price.
- IPP facilities' cost of coal from GHECO-One was Baht 7,220.3 million in 2014, a 17.4 per cent increased from Baht 6,152.3 million in 2013, This increase was mainly due to higher coal consumption as a result of higher power dispatch, despite lower average coal price.

- IPP facilities' cost of diesel was Baht 41.2 million in 2014, a decrease of Baht 64.3 million from Baht 115.5 million in 2013.
- IPP facilities' maintenance costs were Baht 424.1 million in 2014, a 63.7 per cent increased from Baht 259.1 million in the same period of 2013. The increase was mainly due to major maintenance outage performed of GHECO-One.
- IPP facilities' depreciation and amortization costs were Baht 1,838.8 million in 2014, a decrease of Baht 317.8 million from Baht 2,156.6 million in 2013. This decrease was mainly due to the adjustment of depreciation booked under financial lease accounting of GIPP amount of Baht 337.3 million in 2014.
- IPP facilities' other costs of sales of goods were Baht 972.7 million in 2014, a 9.7 per cent increased from Baht 886.4 million in 2013. IPP facilities' other costs of sales of goods consist mainly of water, chemicals, and general overhead costs as well as contribution to Power Community Development Fund.

Cogeneration facilities

- Our cogeneration facilities' cost of natural gas was Baht 27,451.3 million in 2014, a 8.3 per cent increased from Baht 25,345.3 million in 2013. This increase was mainly due to higher gas consumption increased by 5.7 per cent as a result of increased electricity and steam sale volume.
- Our cogeneration facilities' cost of coal was Baht 2,946.6 million in 2014, a 18.9 per cent decreased from Baht 3,631.5 million in 2013. The decrease was mainly due to lower coal consumption as a result of Coal fired units performed schedule major maintenance and a decrease of our average coal price at FOB by 17.6 per cent from 98.5 USD/ton to 81.1 USD/ton while coal index decreased by 15.9 per cent from 100.3 USD/ton to 84.3 USD/ton.
- Our cogeneration facilities' maintenance costs were Baht 1,428.2 million in 2014, an increase of Baht 396.6million from Baht 1,031.7 million in 2013, This increase was mainly due to some cogeneration facilities unit had scheduled major maintenance outage.
- Our cogeneration facilities' depreciation and amortization costs were Baht 2,835.8 million in 2014, a 2.8 per cent increased from Baht 2,758.1 million in 2013.
- Our cogeneration facilities' other costs of sales of goods were Baht 2,266.2 million in 2014, a 0.9 per cent increased from Baht 2,245.9 million in 2013. Cogeneration facilities' other costs of sales of goods consist mainly of water, chemicals, and general overhead costs as well as contribution to Power Community Development Fund.

Selling and administrative expenses in 2014 amounted to Baht 773.1 million, a 1.6 percent increased from Baht 760.8 million in 2013. This was attributable to the following factors:

- Depreciation and amortization amounted to Baht 31.5 million in 2014, a 6.6 per cent decreased from Baht 33.7 million in 2013.
- Other selling and administrative expenses amounted to Baht 741.6 million in 2014, a 2.0 per cent increased from Baht 727.0 million in 2013.

There was net exchange loss in 2014 amounted of Baht 61.7 million, while in 2013 there was net exchange loss of Baht 1,002.7 million. This exchange loss is derived mainly from the US dollar-denominated debt in Glow IPP, GHECO-One and Houay Ho Power¹ which are being served by the US dollar-linked and US dollar revenue from sales of electricity to EGAT.

As a result of the foregoing, our total expenses in 2014 were Baht 58,097.0 million, a 1.1 per cent increased from Baht 57,464.7 million in 2013.

Profit Before Finance Costs and Income Tax

As a result of the foregoing, our profit before finance costs and income tax in 2014 was Baht 15,226.7 million, an increase of 23.7 per cent from Baht 12,306.8 million in 2013.

Finance costs

Our finance costs in 2014 were Baht 3,385.7 million, a decrease of 0.1 per cent from Baht 3,388.7 million in 2013. The finance costs consist of interest expenses and financial fee.

Our interest expenses in 2014 were Baht 3,271.6 million, an increase of 0.4 per cent from Baht 3,259.7 million in 2013.

Our financial fees in 2014 were Baht 114.1 million, a decrease of 11.6 per cent from Baht 129.0 million in 2013.

Income Tax Expenses

¹ Financial Statement of HHPC is presented in US Dollar and be consolidated into our financial statement presented in Thai Baht

Income Tax Expenses is comprised of 2 parts: (a) Current Income Tax Expenses and (b) Net Change in Deferred Tax Asset/Liability (or Net Deferred Tax Revenues/Expenses).

(a) Current Income Tax Expenses

Current income tax expenses in 2014 were Baht 1,116.6 million, a 25.9 per cent increased from Baht 887.1 million in 2013. This increase was mainly due to higher taxable income.

(b) Net Change in Deferred Tax Asset/Liability (or Deferred Tax Revenues/Expenses)

There was a booking of net change in Deferred Tax liability (Deferred Tax Expenses) of Baht 144.2 million and net change in Deferred Tax Asset (Deferred Tax Revenue) of Baht 111.3 million, including the adjustment of deferred tax revenue booked under financial lease of GIPP amount of Baht 187.6 million, in 2013 (restatement) and 2014 respectively.

Profit After Tax

As a result of the foregoing, our profit after tax in 2014 amounted to Baht 10,835.8 million, an increase of 37.4 per cent from Baht 7,886.8 million in 2013.

Minority Interest

There was a net profit attributed to minority interest of Baht 1,696.9 million in 2014, while the attribution to minority interest in 2013 was Baht 672.4 million. The minority interest is mainly net profit of GHECO-One attributed to 35% minority shareholders. In 2014, GHECO-One had net profit of Baht 4,209.4 million, including net exchange loss of Baht 4.6 million, while the net profit from GHECO-One in 2013, was Baht 1,623.1 million, including net exchange loss of Baht 848.7 million.

Net Profit

As a result of the foregoing, our net profit in 2014 was Baht 9,138.9 million, a 26.7 per cent increased from Baht 7,214.4 million in 2013. whereas net profit excluding the adjustment of financial lease accounting of GIPP was Baht 9,539.5 million in 2014.

Normalized Net Profit¹

In 2014, our normalized net profit, which was net income excluding Baht 55.4² million of net foreign exchange loss and deferred tax expenses of Baht 78.3³ million, and excluding the adjustment of financial lease accounting of GIPP, was Baht 9,667.9 million, an increase of 19.9 per cent from Baht 8,060.6 million in 2013. This normalized net profit is the basis used to determine our dividend distribution.

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Mr. Natthapatt Tanboon-ek
Vice President – Finance and Investor Relations

¹ Definition of "Normalized Net Profit" is amended to "Net Profit excluding net exchange gain or loss and net change in deferred tax assets(revenues) or liabilities(expenses)"

² Excluded net foreign exchange gain/loss attributed to minority shareholders in subsidiaries.

³ Excluded deferred tax revenues or expenses attributed to minority shareholders in subsidiaries.