

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 to produce and supply electricity and steam to industrial customers in the MIE¹ Area and SEIP² Area. As of September 30, 2015, we had a total generating capacity of 3,207 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 the first 9 months of 2015, adjustments to reflect Financial Lease accounting standard from old standard are:

- Net adjustment to exclude Availability Payment (Baht -1,413.5 million) and depreciation (Baht +251.8 million) of Baht -1,161.7 million
- Net adjustment to include Financial Lease income of Baht +595.1 million
- Net adjustment on Deferred Tax of Baht +107.7 million

As a result, consolidated net profit for the first 9 months of 2015, under the new accounting standard, was Baht 6,461.4 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 7,934.3 million in the first 9 months of 2015, a 3.7 per cent increase from Baht 7,650.0 million in the first 9 months of 2014.

Revenues

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

	Revenues					
	Year to Date Ended September 30,					
	2015		2014		Difference	
	(Million Baht)	(%)	(Million Baht)	(%)	(Million Baht)	(%)
Revenues from Sales of Goods and Rendering of Services						
Electricity						
Sales to EGAT by IPPs.....	16,536.4	32.6	20,839.6	37.2	(4,303.1)	(20.6)
Sales to EGAT by SPPs.....	13,335.4	26.3	13,640.6	24.3	(305.2)	(2.2)
Sales to Industrial Customers.....	12,803.6	25.2	13,359.8	23.8	(556.2)	(4.2)
Financial Lease Income (Glow IPP).....	595.1	1.2	1,031.6	1.8	(436.4)	(42.3)
Total.....	43,270.6	85.3	48,871.6	87.2	(5,601.0)	(11.5)
Steam	5,990.0	11.8	6,345.5	11.3	(355.6)	(5.6)
Other Products	353.0	0.7	347.2	0.6	5.8	1.7
Total	49,613.6	97.8	55,564.4	99.1	(5,950.8)	(10.7)
Other Incomes.....	1,123.2	2.2	500.4	0.9	622.8	>100
Total Revenue.....	50,736.7	100.0	56,064.8	100.0	(5,328.0)	(9.5)

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.

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 asset(revenues) or liability(expenses)"

The following table demonstrates our volumes of electricity and industrial utilities sold for the indicated periods:

	Volumes Sold			
	Year to Date Ended September 30,			
	2015	2014	Difference	%
Electricity dispatch (GWh)				
To EGAT by IPPs	6,327.1	7,934.7	(1,607.6)	(20.3)
To EGAT by SPPs	4,206.6	4,077.6	129.0	3.2
To Industrial Customers.....	3,831.7	3,880.7	(49.0)	(1.3)
Total.....	14,365.4	15,893.0	(1,527.6)	(9.6)
Steam (thousands of tons).....	5,556.4	5,600.7	(44.3)	(0.8)
Processed water (thousands of cubic meters).....	9,695.7	9,579.7	116.0	1.2
Chilled water (thousands of refrigerated tons).....	10,622.2	10,911.8	(289.6)	(2.7)

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 September 30, 2015, we were party to a total of 77 power supply agreements with 60 industrial customers in respect of an aggregate of 743 MW of electricity.

Steam Sales

We sell steam to our industrial customers under our steam supply agreements. As of September 30, 2015, 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 September 30, 2015, 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 September 30, 2015, 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 Sales of electricity to EGAT, under IPP program, consist of Availability Payment and Energy Payment whereas sales of electricity to EGAT, under SPP program, consist of Capacity Payment and Energy Payment.

Expenses

Our expenses consist of cost of goods sold and selling and administrative expenses. The following table demonstrates 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 September 30,					
	2015		2014		Difference	
	(Million Baht)	(%)	(Million Baht)	(%)	(Million Baht)	(%)
Cost of Goods Sold						
Fuel						
Natural Gas.....	24,849.3	61.9	28,493.5	65.1	(3,644.2)	(12.8)
Coal.....	6,047.3	15.1	7,615.9	17.4	(1,568.6)	(20.6)
Diesel.....	52.7	0.1	32.8	0.1	19.9	60.6
Maintenance	1,760.3	4.4	1,275.5	2.9	484.8	38.0
Depreciation and Amortization.....	3,221.6	8.0	3,505.5	8.0	(284.0)	(8.1)
Other.....	2,381.9	5.9	2,333.9	5.3	47.9	2.1
Total Cost of Goods Sold.....	38,313.0	95.4	43,257.2	98.8	(4,944.3)	(11.4)
Selling and Administrative Expenses						
Depreciation and Amortization.....	21.9	0.1	23.7	0.1	(1.8)	(7.7)
General.....	480.1	1.2	510.2	1.2	(30.1)	(5.9)
Total Selling and Administrative Expenses.....	502.0	1.3	533.9	1.2	(31.9)	(6.0)
Other Expenses.....	1,333.3	3.3	4.8	0.0	1,328.5	>100
Total Expenses	40,148.2	100.0	43,795.9	100.0	(3,647.7)	(8.3)

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 Goods Sold Breakdown⁽¹⁾					
	Year to Date Ended September 30,					
	2015		2014		Difference	
	(Million Baht)	(%)	(Million Baht)	(%)	(Million Baht)	(%)
IPP Facilities						
Natural Gas	5,218.9	44.2	7,625.5	49.4	(2,406.6)	(31.6)
Coal.....	4,127.8	35.0	5,432.9	35.2	(1,305.1)	(24.0)
Diesel.....	49.6	0.4	29.1	0.2	20.5	70.4
Maintenance.....	615.9	5.2	262.0	1.7	353.8	>100
Depreciation and Amortization.....	1,116.9	9.5	1,374.2	8.9	(257.3)	(18.7)
Others.....	670.7	5.7	712.0	4.6	(41.3)	(5.8)
Total Cost of Goods Sold.....	11,799.8	100.0	15,435.6	100.0	(3,635.8)	(23.6)
Cogeneration Facilities						
Natural Gas.....	19,630.3	74.0	20,868.0	75.0	(1,237.7)	(5.9)
Coal.....	1,919.5	7.2	2,183.0	7.8	(263.5)	(12.1)
Diesel.....	3.1	0.01	3.7	0.01	(0.6)	(16.8)
Maintenance.....	1,144.5	4.3	1,013.5	3.6	130.9	12.9
Depreciation and Amortization.....	2,104.6	7.9	2,131.4	7.7	(26.7)	(1.3)
Others.....	1,711.2	6.5	1,622.0	5.8	89.2	5.5
Total Cost of Goods Sold.....	26,513.1	100.0	27,821.6	100.0	(1,308.4)	(4.7)

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 Goods Sold*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 portion of operating expenses, accounted for 61.9 per cent of our total expenses in the first 9 months of 2015.

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

	Average Effective Cost of Natural Gas⁽¹⁾			
	Year to Date Ended September 30,			
	2015	2014	Difference	
	(Bt/mmBTU)	(Bt/mmBTU)	(Bt/mmBTU)	(%)
Average cost				
To Glow IPP	316.6	325.5	(8.9)	(2.7)
To Cogeneration facilities ⁽²⁾	315.7	331.5	(15.8)	(4.8)

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 15.1 per cent of our total expenses in the first 9 months of 2015.

The following table demonstrates average coal costs for the periods indicated:

	Average Cost of Coal⁽¹⁾			
	Year to Date Ended September 30,			
	2015	2014	Difference	
	(\$/ton)	(\$/ton)	(\$/ton)	(%)
IPP facilities				
Equivalent coal price @ 6,322 kcal/kg ^{(2) (AR)}	81.9	98.0	(16.1)	(16.4)
Freight costs ⁽³⁾	9.9	12.9	(3.1)	(23.7)
Cogeneration facilities				
Equivalent coal price @ 6,700 kcal/kg ^{(2) (AD)}	68.5	82.3	(13.7)	(16.7)
Freight costs ⁽³⁾	8.0	8.8	(0.8)	(9.2)

Note:

- (1) This average cost of coal was excluded cost of biomass mix.
- (2) This equivalent coal price is not actual reference coal price of each facility. It is derived from our actual average coal price (accounted also for inventory) converted into equivalent price at stated calorific value.
- (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 demonstrates the energy production levels and heat rates of our facilities for the periods indicated:

	Production and Heat Rates	
	Year to Date Ended September 30,	
	2015	2014
Glow IPP		
Equivalent energy production (GWh).....	2,348	3,359
Fuel consumption (mmBTU, HHV).....	16,493,944	23,434,148
Heat rate (BTU/kWhe, HHV).....	7,025	6,977
GHECO-One		
Equivalent energy production (GWh).....	3,642	4,111
Fuel consumption (mmBTU, HHV).....	32,336,328	36,705,984
Heat rate (BTU/kWhe, HHV).....	8,879	8,929
Cogeneration facilities (MIE) ⁽¹⁾		
Allocated energy production (GWh equivalent) ⁽²⁾		
Gas-fired cogeneration facilities.....	6,468	6,457
Coal-fired cogeneration facilities.....	1,830	1,827
Fuel consumption (mmBTU, HHV)		
Gas-fired cogeneration facilities.....	52,214,657	52,621,206
Coal-fired cogeneration facilities	19,088,892	19,105,253
Allocated heat rates (BTU/kWhe, HHV)		
Gas-fired cogeneration facilities	8,073	8,149
Coal-fired cogeneration facilities ⁽³⁾	10,430	10,455
Cogeneration facilities (SEIP)		
Equivalent energy production (GWh) ⁽²⁾	1,202	1,247
Fuel consumption (mmBTU, HHV).....	9,859,057	10,225,234
Heat rate (BTU/kWhe, HHV).....	8,200	8,203

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

First 9 months of 2015 compared to First 9 months of 2014

Revenues

Revenues from sales of goods and the rendering of services and other incomes that ended September 30, 2015, were Baht 50,736.7 million in the first 9 months of 2015, a 9.5 per cent decrease from Baht 56,064.8 million in the first 9 months of 2014. The decreases were attributable to the following factors:

- Revenue received from EGAT by Glow IPP, under IPP scheme, during the first 9 months of 2015, accounted for Baht 7,409.7 million, a 28.1 per cent decrease from Baht 10,301.4 million compared to the same period of previous year. The important drivers of decreasing were lower power dispatch to EGAT, a decrease of 30.1 per cent from 3,359 GWh to 2,348 GWh for the first 9 months of 2014 and 2015, respectively and lower availability payment rate, even though Thai Baht had depreciated which had positive effect on USD-linked revenue during the first 9 months of 2015.

However, with the adoption of Financial lease, sales of electricity to EGAT recorded in financial statement consisting of financial lease income accounted for Baht 595.1 million and revenue from sales accounted for Baht 5,996.2 million.

- Sales of electricity to EGAT by GHECO-One, under IPP scheme, accounted for Baht 9,933.5 million in the first 9 months of 2015, a decline of 13.7 per cent from Baht 11,513.9 million compared to the same period in 2014. These declines were largely due to planned major maintenance performed during the first quarter (during 1st January until early February 2015), resulting in both lower availability payment and lower power dispatch to EGAT which decreased by 11.4 per cent to 3,642 GWh from 4,111 GWh.
- Sales of electricity to EGAT and EDL by Houay Ho Power (HHPC), under IPP scheme, accounted for Baht 606.8 million in the first 9 months of 2015, a 24.3 per cent decrease from Baht 801.2 million in the same period of previous year. These decreases were mainly due to a 27.5 per cent decrease in volume dispatch to EGAT and EDL from 465 GWh to 337 GWh.
- Sales of electricity to EGAT by our cogeneration facilities, under SPP scheme, accounted for Baht 13,335.4 million in the first 9 months of 2015, a decline of 2.2 per cent from Baht 13,640.6 million, when compared to the same period in the prior year. These declines during the first 9 months of 2015 were mostly due to a 4.5 per cent decrease in energy payment as a result of 4.8 per cent lower in gas price, whereas power dispatch to EGAT was higher by 3.2 per cent.
- Sales of electricity to industrial customers by our cogeneration facilities accounted for Baht 12,803.6 million in the first 9 months of 2015, a 4.2 per cent decrease from Baht 13,359.8 million compared to the same period of previous year. These decreases were mainly due to lower electricity tariff by 3.0 per cent relative to a decrease in PEA Ft (0.10 Baht/kWh in Jan., 0.10 Baht/kWh in May and 0.03 Baht/kWh in Sep.) and lower electricity sale volume to industrial customers by 1.3 per cent from 3,880 GWh to 3,832 GWh.
- Sales of steam to industrial customers by our cogeneration facilities accounted for Baht 5,990.0 million in the first 9 months of 2015, a decrease of 5.6 per cent from Baht 6,345.5 million compared to the same period in the prior year. These decreases were mainly due to a 4.9 per cent lower in selling price as a result of lower gas price and a 0.8 per cent lower in sale volume to 5,556 ktons from 5,600 ktons.
- Sales of other products and services accounted for Baht 353.0 million in the first 9 months of 2015, a 1.7 per cent increase from Baht 347.2 million in the first 9 months of 2014 thanks to an increase in selling price.

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

For the first 9 months of 2015, we recognized interest income of Baht 32.2 million, a decline of Baht 7.1 million from Baht 39.3 million in the first 9 months of 2014. The interest income was principally attributable to interest earned on cash held in the form of deposits, financial instruments and in reserve accounts under our project financing agreements.

Other items totaled Baht 1,123.2 million, increased by Baht 622.8 million from Baht 500.4 million in the first 9 months of 2014. There were a booking of compensation of GHECO-One delayed completion of Baht 729.8 million in the first 9 months of 2015 and a booking of business interruption claim of CFB3 of Baht 316.6 million which was booked of Baht 250.0 million and Baht 66.6 million in the first quarter and the second quarter of 2015, respectively.

As a result of the foregoing, total revenue in the first 9 months of 2015 accounted for Baht 50,736.7 million, a 9.5 per cent decrease from Baht 56,064.8 million in the first 9 months of 2014.

Expenses

Cost of goods sold was Baht 38,313.0 million in the first 9 months of 2015, a decrease of 11.4 per cent from Baht 43,257.2 million in the first 9 months of 2014. This decrease was attributable to the following factors:

IPP facilities

- IPP facilities' cost of natural gas from Glow IPP was Baht 5,218.9 million in the first 9 months of 2015, a decrease of 31.6 per

cent from Baht 7,625.5 million in the first 9 months of 2014. The majority of decrease in gas cost of GIPP was attributable to lower gas consumption by 29.6 per cent as a result of lower power dispatch to EGAT.

- IPP facilities' cost of coal from GHECO-One was Baht 4,127.8 million in the first 9 months of 2015, a 24.0 per cent decline from Baht 5,432.9 million in the first 9 months of 2014. This decrease was primarily due to lower coal price and lower coal consumption as a result of planned major maintenance performed during the first quarter of 2015.
- IPP facilities' cost of diesel was Baht 49.6 million in the first 9 months of 2015, a Baht 20.5 million increase from Baht 29.1 million compared to the same period in the prior year.
- IPP facilities' maintenance costs were Baht 615.9 million in the first 9 months of 2015, an increase of Baht 353.8 million from Baht 262.0 million in the first 9 months of 2014. These increases were mostly due to major maintenance of GHECO-One.
- IPP facilities' depreciation and amortization costs were Baht 1,116.9 million in the first 9 months of 2015, a 18.7 per cent decrease from Baht 1,374.2 million in the first 9 months of 2014.
- IPP facilities' other costs of goods sold were Baht 670.7 million in the first 9 months of 2015, a 5.8 per cent decrease from Baht 712.0 million compared to the same period of previous year. 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 19,630.3 million in the first 9 months 2015, a 5.9 per cent decrease from Baht 20,868.0 million, when compared to the same period in the prior year. This decrease was mainly due to lower gas price by 4.8 per cent.
- Our cogeneration facilities' cost of coal was Baht 1,919.5 million in the first 9 months of 2015, a decrease of 12.1 per cent from Baht 2,183.0 million compared to the same period of previous year. The decrease was mainly due to lower average coal price at FOB by 16.7 per cent from 82.3 USD/ton to 68.5 USD/ton while coal index also decreased by 15.4 per cent from 85.4 USD/ton to 72.2 USD/ton.
- Our cogeneration facilities' cost of diesel was Baht 3.1 million in the first 9 months of 2015, a decline of 16.8 per cent from Baht 3.7 million compared to the same period in the prior year.
- Our cogeneration facilities' maintenance costs were Baht 1,144.5 million in the first 9 months of 2015, an increase of 12.9 or equivalent to Baht 130.9 million from Baht 1,013.5 million in the first 9 months of 2014. The increase in these maintenance costs was schedule major maintenance of some cogeneration facilities.
- Our cogeneration facilities' depreciation and amortization costs were Baht 2,104.6 million in the first 9 months of 2015, a slight decrease of 1.3 per cent from Baht 2,131.4 million as compared to the same period of previous year.
- Our cogeneration facilities' other costs of goods sold were Baht 1,711.2 million in the first 9 months of 2015, an increase of 5.5 per cent from Baht 1,622.0 million in the first 9 months of 2014. Cogeneration facilities' other costs of sales of goods sold consist mainly of water, chemicals, and general overhead costs as well as contribution to Power Community Development Fund.

Selling and administrative expenses in the first 9 months of 2015 accounted for Baht 502.0 million, a 6.0 per cent decrease from Baht 533.9 million in the first 9 months of 2014. These were attributable to the following factors:

- Depreciation and amortization accounted for Baht 21.9 million in the first 9 months of 2015, a 7.7 per cent decrease from Baht 23.7 million in the first 9 months of 2014.
- Other selling and administrative expenses accounted for Baht 480.1 million in the first 9 months of 2015, a 5.9 per cent decrease from Baht 510.2 million in the first 9 months of 2014.

Furthermore, there was net exchange loss of Baht 1,326.6 million in the first 9 months of 2015 due to unfavorable foreign currency translation booked as other expenses while net exchange gain of Baht 252.1 million was booked as other incomes in the first 9 months of 2014. The Foreign Exchange exposure is derived 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 the first 9 months of 2015 were Baht 40,148.2 million, a 8.3 per cent decrease from Baht 43,795.9 million in the first 9 months of 2014.

Profit Before Finance Costs and Income Tax

As a result of the foregoing, our profit before finance costs and income tax in the first 9 months of 2015 was Baht 10,588.5 million, a decrease of 13.7 per cent from Baht 12,268.8 million in the first 9 months of 2014.

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

Finance costs

Our finance costs in the first 9 months of 2015 were Baht 2,297.0 million, a decrease of 10.1 per cent from Baht 2,554.2 million in the first 9 months of 2014. The finance costs consist of interest expenses and financial fees.

Our interest expenses in the first 9 months of 2015 were Baht 2,221.0 million, a decline of 10.0 per cent from Baht 2,468.9 million in the first 9 months of 2014. The decline in interest expenses was mainly due to the reduction in outstanding interest-bearing debt.

Our financial fees in the first 9 months of 2015 were Baht 76.0 million, a decrease of 10.8 per cent from Baht 85.2 million in the first 9 months of 2014.

Income Tax Expenses

Income Tax Expenses are 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 the first 9 months of 2015 were Baht 903.4 million, an increase of Baht 17.7 million from Baht 885.7 million as compared to the same period of 2014. The majority of the increases were mainly due to special income during this period.

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

There was a booking of net change in Deferred Tax Asset (Deferred Tax Revenue) of Baht 71.2 million and Baht 3.0 million in the first 9 months of 2014 and 2015, respectively. Furthermore, net change in Deferred Tax Asset (Deferred Tax Revenue) including the adjustment of deferred tax revenue booked under financial lease of GIPP accounted for Baht 140.7 million and Baht 107.7 million during the first 9 months of 2014 and 2015, respectively.

Profit After Tax

As a result of the foregoing, our profit after tax in the first 9 months of 2015 accounted for Baht 7,391.0 million, a decrease of 17.0 per cent from Baht 8,900.2 million in the first 9 months of 2014.

Minority Interest

There was a net profit attributed to minority interest of Baht 929.6 million in the first 9 months of 2015, while the attribution to minority interest in the first 9 months of 2014 was Baht 1,472.6 million. The minority interest is mainly net profit of GHECO-One attributed to 35% minority shareholders. In the first 9 months of 2015, GHECO-One had net profit of Baht 2,337.7 million, including net exchange loss of Baht 1,044.8 million, while the net profit from GHECO-One in the first 9 months of 2014, was Baht 3,691.3 million, including net exchange gain of Baht 206.9 million.

Net Profit

As a result of the foregoing, our net profit in the first 9 months of 2015 was Baht 6,461.4 million, a decrease of 13.0 per cent from Baht 7,427.6 million in the same period of previous year, whereas net profit excluding the adjustment of financial lease accounting of GIPP was Baht 6,897.4 million in the first 9 months of 2015.

Normalized Net Profit¹

In the first 9 months of 2015, our normalized net profit, which was net income excluding Baht 935.9² million of net foreign exchange loss and deferred tax expenses of Baht 103.6³ million, and excluding the adjustment of financial lease accounting of GIPP, was Baht 7,934.3 million, an increase of 3.7 per cent from Baht 7,650.0 million in the first 9 months of 2014. This normalized net profit is the basis used to determine our dividend distribution.

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Mr. Natthapatt Tanboon-ek
SVP – Treasurer

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.