



บริษัท ล้ำสูง (ประเทศไทย) จำกัด (มหาชน)
Lam Soon (Thailand) Public Company Limited

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November 7, 2014

**Subject: To submit the Interim Management Discussion and Analysis
For the three-month period ended 30 September 2014**

To: Directors and Managers of the Stock Exchange of Thailand

Lam Soon (Thailand) Pcl. (LST) and its subsidiaries would like to inform the operating results for the three-month period ended 30 September 2014, which had the Profit attributable to equity holders of the Company Baht 129.07 million, compared to the same period of 2013 with the net profit at Baht 102.33 million, increase Baht 26.73 million or 26.12%.

The Company would like to submit the management discussion and financial performance analysis and explanation for the three-month period ended 30 September 2014.

Please be kindly informed.

Sincerely yours,

(Miss Anchalee Suebchantasiri)
Managing Director

CC: The Securities and Exchange Commission

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Interim Management Discussion and Analysis For the three-month period ended 30 September 2014

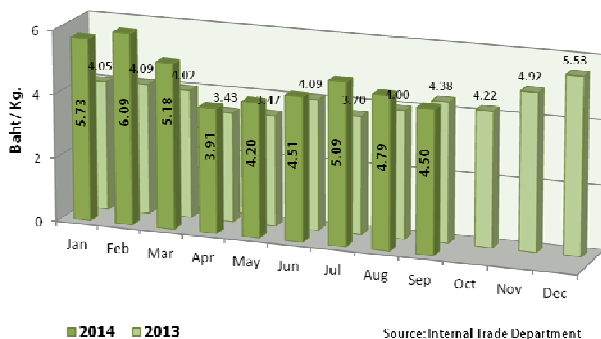
INDUSTRY OVERVIEW Q3/2014

Fresh Fruit Bunch (FFB) produced nationwide in Q3/14 was around 2.90 million MT which was lower than 3.25 million MT produced in Q3/13. This was mainly because of the lack of rainfall for several months at the beginning of the year, causing the seasonal shift of output. Combining with the more intense competition between crushing mills, the average FFB price in Q3/14 was at 4.79 Baht/Kg., increasing by 19% YoY (Q3/13 : 4.03) and the average CPO price was at 25.48 Baht/Kg., increasing by 6% YoY (Q3/13 : 24)

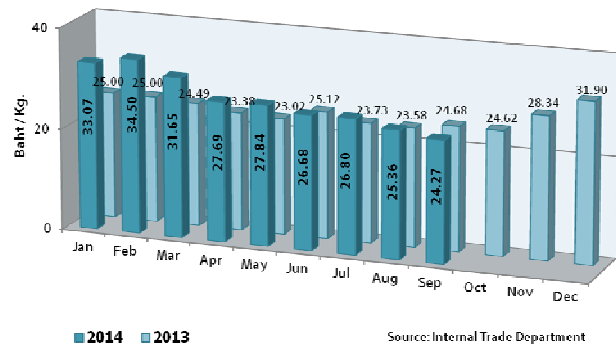
In the meantime, CPO price in global market slightly decreased when compared with Q3/13 due to the bearish soybean price resulting from the ample supply of soybean, coupled with the less concern over the El Nino weather phenomenon at the year end. Palm oil stock in Malaysia gradually piled up but the implementation of Bio-Diesel B5 for the whole country has been delayed from July 2014. As a result, the Malaysian government announced in early September to scrap an export tax from 4.5% on palm oil for two months (September and October) to boost shipments and reduce the accumulated stock, followed by Indonesia announcing the same in October for the same reason.

The decline in price during Q3/14 widened the price gap between the CPO from local and global market. Therefore, palm oil export during Q3/14 was only 63,817 MT, compared with 163,377 MT at Q3/13. The CPO stock in the Kingdom as of September 2014 remained at 335,125 MT, slightly decreasing when compared with 345,995 MT in June 2014, but gained when compared with 310,664 MT in September 2013.

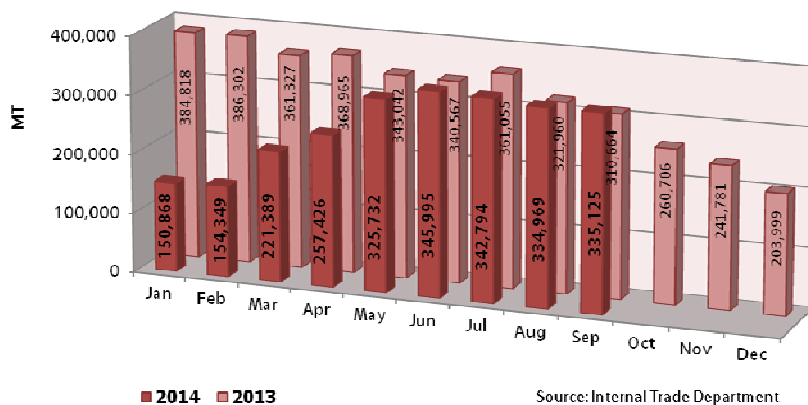
FFB Price movement in 2014
(17% OER; delivery to major crushing mills)



CPO Price movement in 2014 (Delivery to Refinery)



Stock of CPO Equivalent in 2014



Interim Management Discussion and Analysis For the three-month period ended 30 September 2014

Q3/2014 Financial performance analysis and explanation

Sales value for the three-month period ended 30 September 2014 of the Company increased by 25.89% when compared with the same period of 2013. This was due to an increase in average selling price at 14.54% besides that sales volume increased by 11.35%, resulted from an increase in CPO price by 7.47%. Therefore, gross profit for the period was raised to 11.32 million Baht and net profit increased by 48 million Baht or 45.95% when compared with the same period of last year.

For its subsidiary UPOIC, the overall own crop in Q3/2014 decreased by 44.6% comparing to the same period of 2013. Crop from own planted area decreased by 53.5%, and concession area decreased by 13%. This is due to prolonged drought period since last year until Q1 this year.

Same pattern as the Company's own crop, the Out-grower crops decreased by 10.9% in Q3/2014 due to total FFB crop in the market decreased. The overall own crop also decreased by 23.4%. As such, of the total volume of FFB processed, which decreased by 23.8% from the same period of 2013, 73.1% was from FFB purchased and 26.9% from own estates. (Q3/2013 : 62.8% and 37.2%).

For its subsidiary UFC, Sales value increased by 6.84% when compared with the same period of 2013, resulted from an increase in fruit juice and others.

As explained above, the net profit of equity holders of the Company on a consolidated basis for the three-month period ended 30 September 2014 increased from 102.33 million Baht to 129.07 million Baht, or 26.12% from 2013. Net profit margin for the period was 6.33% (Q3/2013 : 5.73%).

Other major components and changes in Q3/2014 consolidated financial statements are as follows:-

1. Revenues

Revenue from sales : Net Sales under LST and its subsidiaries for the period increased by 250.35 million Baht or 14.18%. Sales of LST itself increased by 345.66 million Baht or 25.89%, deriving from 11.35% increase in sales volume and 14.54% increase in the average selling price due to the increase of CPO cost, the major raw material.

At its subsidiaries, net sales decreased by 95.31 million Baht or 22.12% due to sales of other palm products decreasing by 86.14 million Baht, sales of electricity power increasing by 1.99 million Baht, sales of canned fruits & vegetables decreasing by 50.83 million, sales of fruit juice and others increasing by 83.64 million, and sales of frozen fruits & vegetables decreasing by 43.97 million Baht.

Other income : Income other than those generated by normal operation was 24 million Baht or 1.18% of total revenues, an increase of 4.36 million Baht or 22.19%, which came from refund the guarantee from MEA of LST itself, and income from cold storage rental of its subsidiaries.

2. Cost of sales and expenses

Cost of sales : The Company and its subsidiaries recorded cost of sales for the period at 81.74% of total sales (Q3/2013 : 81.39%). Cost of sales of the Company itself increased from 87.13% in 2013 to 89.10% in 2014 because of higher CPO price explained above.

Plantation subsidiary UPOIC recorded cost of sales at 87.4% of total sales (Q3/2013 : 79.6%), which mainly came from increase in FFB cost.

For its subsidiary UFC recorded cost of sales at 72.79% of total sales (Q3/2013 : 83.41%), which mainly came from cost of fruit juice decrease by 8.84%.

Interim Management Discussion and Analysis

For the three-month period ended 30 September 2014

Selling expenses : The Company and its subsidiaries recorded selling expenses for the period at 162.34 million Baht, an increase of 23.61 million Baht (Q3/2013 : 138.73 million Baht) incurred by A&P and goods transportation expense. Of the amount, 17.89 million Baht was increased from the Company itself and 5.72 million Baht was increased from the subsidiaries.

Administrative expenses : Administrative expenses was 50.58 million Baht (Q3/2013 : 52.76 million Baht), decreasing by 2.18 million Baht. Of the amount, 1.86 million Baht was increased from the Company itself incurred by employee welfare; and 4.04 million Baht was decreased from its subsidiary incurred by loss from retired palms and allowance for doubtful accounts.

Finance cost : Finance cost was recorded at 13.62 million Baht (Q3/2013 : 11.35 million Baht), which increased from interest on loan of the Company.

3. Profits

Gross profit (GP) : GP margin decreased to 18.26% (Q3/2013 : 18.61%). For the Company itself, GP increased by 11.32 million Baht because of the higher sales volume and selling price despite the higher raw material cost. Gross profit of its subsidiaries (UFC) also increased from higher average selling price while lower cost of sales. The GP of the Company and its subsidiaries increased by 39.52 million Baht or 12.03%.

Operating profit : Owing to GP margin increased despite the S&A expenses increased, this resulted in operating profit increasing by 22.52 million Baht.

Net profit : The net profit attributable to equity holders of the Company for the three-month period ended 30 September 2014 increased by 26.73 million Baht or 26.12%, with net profit margin of 6.33% (Q3/2013 : 5.73%).