



**INTERHIDES PUBLIC CO.,LTD.**

**บริษัท อินเตอร์ไฮด์ จำกัด (มหาชน)**



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May 13, 2015

Subject : Management Discussion and Analysis of Q1/2015 ended at March 31, 2015

To : Director and Manager

The Stock Exchange of Thailand

According to the Company's 1<sup>st</sup> quarter income statement ended at March 31, 2015, the Company and its subsidiary recorded net profit of Baht 64.45 million while the same period in last year, the Company and its subsidiary recorded net profit of Baht 56.72 million, increased of Baht 7.73 million or 13.63%, mainly due to the following reasons :

1. Sales and service revenue in Q1/2015 was recorded at Baht 617.96 million compared with Sales and service revenue in Q1/2014 at Baht 436.59 million, increased by Baht 181.37 million or 41.54%. The main reason was the increase in sales both domestic sales and export sales from Car makers since Q3/2014.
2. Cost of sales and service in Q1/2015 was Baht 517.83 million or 83.80% of Sales and service revenue, compared with Q1/2014 at Baht 342.35 million or 78.41% of Sale and service revenue. Increased in Cost of sales and service mainly varied from higher in Sales volume and the higher cost of hides. So, gross profit margin in Q1/2015 reduced to 16.20% of sales and service revenue.
3. Selling and administrative expense in Q1/2015 was Baht 34.16 million or 5.53% of sales and service revenue, compared with Q1/2014, selling and administrative expense was recorded at Baht 28.02 million or 6.42% of sales and service revenue. In Q1/2015, the Company and its subsidiary had the efficiency in cost control, so selling and administrative expense slightly increased.
4. In Q1/2015, the Company and its subsidiary recorded Gain on FX at Baht 6.17 million ,compared with Baht 2.06 million in Q1/2014.

Please be informed accordingly,

Your sincerely,

Ms. Chutima Busayapoka

Deputy Managing Director