

No. Kor Bor Ror. 018/2014

August 13, 2014

President

The Stock Exchange of Thailand

Re : Clarification on the company's over 20% change in its operating results for 2nd quarter, 2014

Dear Sir,

Thai Wacoal Public Company Limited wishes to hereby provide clarification on the company's consolidated operating results for 2nd quarter, 2014, together with its accumulated operating results during the first 6 months of 2014, ending June 30, 2014, to the SET, according to the details as follows :

For 2nd quarter, 2014

The company could achieve higher net profits of Baht 102.87 million, representing a 20.79% or Baht 17.71 million increase over the same period a year earlier. Such net profits improvement could be largely attributed to the factors as follows :

1. The company could achieve total sales revenue of Baht 954.29 million, representing a slight increase of 2.66% or Baht 24.70 million compared to the same period last year. It could be largely attributed to its higher export sales revenue of Baht 325.09 million, representing an increase of 30.11% or Baht 75.23 million, mainly due to higher orders volume from both Japan and the U.S.
2. The company posted gross profits of Baht 208.41 million, representing an increase of 5.64% or Baht 11.13 million from the same period last year, due to higher sales revenue.
3. The company recorded other revenue of Baht 33.31 million, representing an increase of 17.29% or Baht 4.91 million compared to the same period last year, largely due to unrealized gain on trading securities of Baht 4.51 million.

4. The company posted the reversal of loss on impairment of investments of Baht 0.04 million, as against the impairment of investments of Baht 7.72 million set a year earlier, leading to lower expenses by an amount of 7.76 million, compared to the same period last year.
5. The company posted lower other expenses by an amount of Baht 6.96 million, largely due to the unrealized loss on trading securities.
6. The company posted higher corporate income tax of Baht 12.18 million, representing an increase of 156.90% or a Baht 7.44 million, largely due to higher earnings before income tax.

For the accumulated 6 months of 2014

For the 1st half of 2014, the company could achieve net profits of Baht 181.23 million, representing a 11.65% or Baht 18.91 million increase over the same period a year earlier, which could be largely attributed to the factors as follows :

1. The company posted sales revenue of Baht 1,813.67 million, representing a decline of 5.83% or Baht 112.38 million compared to the same period a year earlier. It could be largely attributed to its lower domestic sales revenue of Baht 1,181.85 million, representing a substantial decline by 14.86% or Baht 206.35 million, mainly due to Thai's economy slowdown.
2. The company posted higher gross profits of Baht 414.50 million, representing an increase of 2.23% or Baht 9.05 million from the same period last year, largely due to significant growth of 17.47% in its export sales revenue and supported by Baht appreciation, leading to higher gross profits in export sales revenue.

3. The company posted the reversal of loss on impairment of investments of Baht 0.99 million, as against the impairment of investments of Baht 10.85 million set a year earlier, leading to lower expenses by an amount of 11.84 million compared to the same period last year.
4. The company recorded lower other expenses by an amount of Baht 6.96 million, largely due to the unrealized loss on trading securities.
5. The company posted higher corporate income tax of Baht 32.74 million, representing a 28.49% or a Baht 7.26 million increase over, largely due to higher earnings before income tax.

The company hereby reports to the SET accordingly.

Sincerely yours,

Onanong Saengpumpong

Mrs. Onanong Saengpumpong

Company Secretary