

L-WAVE ENT 36/57

14 May 2014

Subject : Management Discussion and Analysis for Q1/2014

To : President of the Stock Exchange of Thailand

Wave Group would like to provide details and explanation on changes of consolidated profit (loss) in quarter 1 of 2014 as shown in the audited consolidated financial statements.

Operating Results :

Group revenue was Baht 17.89 million, a 83% drop YoY. In this quarter, there were no income from production of motion pictures, production of Soap Operas and delayed timing of scheduled concerts versus previous year due to unfavorable political and economic situation.

Costs of sales and services dropped Baht 59.04 million, a 79% drop YoY, in line with the drop in sales and services income.

Overall SG&A rose Baht 3.08 million or 20% rise YoY due to due diligence expenses on new investment projects.

As a result, Wave Group consolidated operations lost Baht 1.64 million, a 106% increase in loss compared to the same period of last year.

Financial Status :

Total assets of the Group dropped 5% YoY due to the Baht 52.36 million drop of company's accounts receivables, a 79% drop.

Total liabilities dropped 35.6% YoY, as a result of the Baht 22.6 million drop in accounts payables and other payables, a 73% drop.

Net operating cash flow for Q1 2014 rose Baht 41.35 million, or 139% increase YoY as there was a drop in overall accounts receivables.

Yours Sincerely,



Mr. Matthew Kichodhan and Ms. Piyawadee Maleenont
Directors

