

L-WAVE ENT 65/14

11 November 2014

Subject : Explanation the cause of change in profit (loss) and MD&A on the Company's operation of Q3/2014

To : The President of The Stock Exchange of Thailand

According to the reviewed consolidated financial statements by the auditor of WAVE Entertainment Public Company Limited, Q3/2014 shown as follows:-

The Group's total revenue for the three-month period ended 30 September 2014 mainly represents revenue from language institute of Efficient English Services Ltd, TV program and concert and events with a total of Baht 215.06 million, rose Baht 180.90 million or represent 529% increased from prior year. The Group's total revenue for the nine-month period ended 30 September 2014 was at Baht 364.24 million. An incremental of Baht 181.10 million represent 99% increased from prior year.

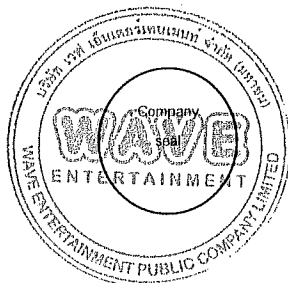
The Group's total costs for the three-month period ended 30 September 2014 was at Baht 149.96 million. An incremental of Baht 128.93 million represents 613% increased from prior year. The Group's total costs for the nine-month period ended 30 September 2014 was at 267.18 million. An incremental of Baht 136.79 million was in line with an increase in revenue from language institute, TV program and concert and events.

Total selling and administrative expenses for the nine-month period ended 30 September 2014 was 134.18 million. The majority of an incremental of Baht 79.68 from prior year mainly represent an increase in staff cost and marketing expenses.

Despite unfavorable impact from political and economic unrest throughout in 2014, the Group has received share of nine-month period profit from its investment in TSE of Baht 189.89 million. An incremental of Baht 231.27 million compared to prior period represent 559%. The Group's net profit for the three-month period ended 30 September 2014 was Baht 24.81 million which represents 130% increase from prior year. The Group's net profit for the nine-month period ended 30 September 2014 was Baht 146.07 million which represents 412% increase from prior year.

As at 30 September 2014, the Group's total assets was Baht 1,788.81 million. An incremental from prior year of Baht 1260.59 million, or 238%, represents increase in total current assets of Baht 90.70 million and increase in total non-current assets of Baht 1,169.89 million. The Group's total liabilities increased Baht 1,114.52 million or 1,693%. An increase in the Group's total liabilities represents increase in long-term borrowings from financial institutions, unearned income and accrued expenses. The Group's total equity increase by Baht 146.07 million mainly represent share of profit from associate.

Please be informed accordingly.



Yours sincerely,

Mr. Matthew Kichodhan
Chairman and CEO