

SE-EDUCATION PUBLIC COMPANY LIMITED
and its subsidiaries
Review report and interim financial statements
For the three-month and nine-month periods ended
30 September 2012 and 2011

**Independent Auditor's Report on Review of Interim Financial Information
To the Shareholders of SE-EDUCATION PUBLIC COMPANY LIMITED**

I have reviewed the accompanying consolidated statements of financial position of SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries as at 30 September 2012, the related consolidated statements of income and comprehensive income for the three-month and nine-month periods ended 30 September 2012 and 2011, and the consolidated statements of changes in shareholders' equity and cash flows for the nine-month periods ended 30 September 2012 and 2011, as well as the condensed notes to the consolidated financial statements, and have also reviewed the separate financial information of SE-EDUCATION PUBLIC COMPANY LIMITED for the same periods. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my reviews.

Scope of review

I conducted my reviews in accordance with Thai Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my reviews, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.

Statement of financial position as at 31 December 2011 for comparative purposes

I have previously audited the consolidated financial statements of SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries and the separate financial statements of SE-EDUCATION PUBLIC COMPANY LIMITED for the year ended 31 December 2011 in accordance with Thai Standards on Auditing, and expressed an unqualified opinion on those statements under my report dated 22 February 2012. The consolidated and separate statements of financial position as at 31 December 2011, as presented herein for comparative purposes, formed an integral part of those financial statements. I have not performed any other audit procedures subsequent to the date of the above report.

Pimjai Manitkajohnkit
Certified Public Accountant (Thailand) No. 4521

Ernst & Young Office Limited
Bangkok: 7 November 2012

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statements of financial position

As at 30 September 2012 and 31 December 2011

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2012 (Unaudited but reviewed)	31 December 2011 (Audited)	30 September 2012 (Unaudited but reviewed)	31 December 2011 (Audited)
Assets					
Current assets					
Cash and cash equivalents	4	526,840	570,314	512,230	540,048
Current investments	5	167,669	178,856	167,669	178,856
Trade and other receivables	6	124,024	132,414	122,234	116,604
Short-term loan to subsidiaries	3	-	-	42,044	15,024
Inventories	7	369,121	396,082	367,887	394,433
Other current assets		50,603	39,925	49,632	37,644
Total current assets		1,238,257	1,317,591	1,261,696	1,282,609
Non-current assets					
Restricted bank deposits and other investments	8	12,578	12,390	12,578	12,390
Investments in subsidiaries	9	-	-	69,432	69,432
Investments in associate	10	26,795	27,044	100	100
Property, plant and equipment	11	963,657	844,502	731,339	656,326
Leasehold right on land	3	7,121	7,372	-	-
Leasehold rights on buildings	12	101,716	110,295	101,716	110,295
Intangible assets	13	4,038	5,343	3,842	5,110
Prepaid book copyright and translation fee		26,656	27,179	26,656	27,179
Rental guarantee and deposit		99,504	92,243	99,504	92,243
Other non-current assets		8,836	15,031	8,806	14,806
Total non-current assets		1,250,901	1,141,399	1,053,973	987,881
Total assets		2,489,158	2,458,990	2,315,669	2,270,490

The accompanying notes are an integral part of the financial statements.

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statements of financial position (continued)

As at 30 September 2012 and 31 December 2011

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2012 (Unaudited but reviewed)	31 December 2011 (Audited)	30 September 2012 (Unaudited but reviewed)	31 December 2011 (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	3, 14	1,510,029	1,500,207	1,502,394	1,494,765
Short-term loans from other person		-	3,400	-	-
Income received in advance recognisable within one year	15	9,193	28,949	-	-
Income tax payable		4,282	34,178	4,282	34,178
Current portion of provision for long-term employee benefits		4,194	6,122	4,194	6,122
Other current liabilities	16	39,974	37,958	38,754	36,903
Total current liabilities		1,567,672	1,610,814	1,549,624	1,571,968
Non-current liabilities					
Income received in advance	15	3,254	5,303	-	-
Long-term loans		72,060	64,600	-	-
Provision for long-term employee benefits, net of current portion		40,207	39,620	38,589	38,185
Other non-current liabilities		9,065	8,510	8,975	8,465
Total non-current liabilities		124,586	118,033	47,564	46,650
Total liabilities		1,692,258	1,728,847	1,597,188	1,618,618
Shareholders' equity					
Share capital	17				
Registered					
356,313,243 ordinary shares of Baht 1 each (31 December 2011: 323,921,130 ordinary shares of Baht 1 each)		356,313	323,921	356,313	323,921
Issued and paid-up					
356,313,209 ordinary shares of Baht 1 each (31 December 2011: 323,921,130 ordinary shares of Baht 1 each)		356,313	323,921	356,313	323,921
Share premium		149,421	149,421	149,421	149,421
Retained earnings					
Appropriated - statutory reserve	18	35,631	35,627	35,631	35,627
Unappropriated		170,416	143,795	154,480	127,431
Other components of shareholders' equity		22,636	15,472	22,636	15,472
Equity attributable to owners of the Company		734,417	668,236	718,481	651,872
Non-controlling interests of the subsidiaries		62,483	61,907	-	-
Total shareholders' equity		796,900	730,143	718,481	651,872
Total liabilities and shareholders' equity		2,489,158	2,458,990	2,315,669	2,270,490

The accompanying notes are an integral part of the financial statements.

Directors

(Unaudited but reviewed)

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries**Statements of income****For the three-month periods ended 30 September 2012 and 2011**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Revenues					
Revenues from sales	3	1,374,368	1,372,115	1,374,300	1,370,344
Income from tuition fees		28,120	26,673	-	-
Interest and dividend income	3	5,092	5,510	5,635	5,510
Other income		7,561	8,176	6,438	7,105
Total revenues		1,415,141	1,412,474	1,386,373	1,382,959
Expenses					
Cost of sales	3	941,017	945,695	941,043	945,514
Cost of services		24,508	23,682	-	-
Selling expenses		263,285	239,562	263,285	239,562
Administrative expenses	3	140,476	126,422	134,313	119,047
Total expenses		1,369,286	1,335,361	1,338,641	1,304,123
Profit before finance cost and corporate income tax					
		45,855	77,113	47,732	78,836
Finance cost	3	(1,147)	(1,030)	(3)	(2)
Profit before corporate income tax		44,708	76,083	47,729	78,834
Corporate income tax		(5,657)	(19,317)	(5,657)	(19,317)
Profit for the period		39,051	56,766	42,072	59,517
Profit attributable to					
Equity holders of the Company		40,316	58,175	42,072	59,517
Non-controlling interests of the subsidiaries		(1,265)	(1,409)		
		39,051	56,766		
(Unit: Baht)					
Earnings per share					
19					
Basic earnings per share					
Profit attributable to equity holders of the Company		0.11	0.16	0.12	0.17

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statements of comprehensive income

For the three-month periods ended 30 September 2012 and 2011

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Profit for the period	39,051	56,766	42,072	59,517
Other comprehensive income:				
Gain (loss) on changes in value of available-for-sale investments	3,735	(5,774)	3,735	(5,774)
Depreciation - surplus on revaluation of asset	(250)	(249)	(250)	(249)
Other comprehensive income for the period	3,485	(6,023)	3,485	(6,023)
Total comprehensive income for the period	42,536	50,743	45,557	53,494
Total comprehensive income attributable to				
Equity holders of the Company	43,801	52,152	45,557	53,494
Non-controlling interests of subsidiaries	(1,265)	(1,409)		
Total comprehensive income for the period	42,536	50,743		

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries**Statements of income****For the nine-month periods ended 30 September 2012 and 2011**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Revenues					
Revenues from sales	3	4,204,806	4,075,019	4,201,562	4,069,454
Income from tuition fees	15	91,799	85,132	-	-
Interest and dividend income	3	15,952	17,375	18,970	19,275
Other income		29,548	26,908	26,684	23,945
Total revenues		4,342,105	4,204,434	4,247,216	4,112,674
Expenses					
Cost of sales	3	2,867,161	2,786,293	2,865,887	2,784,987
Cost of services		70,247	63,540	-	-
Selling expenses		777,789	695,142	777,789	695,142
Administrative expenses	3	418,110	402,709	397,209	382,015
Total expenses		4,133,307	3,947,684	4,040,885	3,862,144
Profit before share of profit from investments in associate, finance cost and corporate income tax					
Share of profit from investment in associate	10	1,750	2,007	-	-
Profit before finance cost and corporate income tax		210,548	258,757	206,331	250,530
Finance cost	3	(3,430)	(3,187)	(11)	(109)
Profit before corporate income tax		207,118	255,570	206,320	250,421
Corporate income tax		(39,618)	(69,748)	(39,618)	(69,748)
Profit for the period		167,500	185,822	166,702	180,673
Profit attributable to					
Equity holders of the Company		166,274	183,190	166,702	180,673
Non-controlling interests of the subsidiaries		1,226	2,632		
		167,500	185,822		
(Unit: Baht)					
Earnings per share					
19					
Basic earnings per share					
Profit attributable to equity holders of the Company		0.47	0.51	0.47	0.51

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statements of comprehensive income

For the nine-month periods ended 30 September 2012 and 2011

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Profit for the period	167,500	185,822	166,702	180,673
Other comprehensive income:				
Gain (loss) on changes in value of available-for-sale investments	7,907	(9,652)	7,907	(9,652)
Depreciation - surplus on revaluation of asset	(743)	(740)	(743)	(740)
Other comprehensive income for the period	7,164	(10,392)	7,164	(10,392)
Total comprehensive income for the period	174,664	175,430	173,866	170,281
Total comprehensive income attributable to				
Equity holders of the Company	173,438	172,798	173,866	170,281
Non-controlling interests of subsidiaries	1,226	2,632		
Total comprehensive income for the period	174,664	175,430		

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statements of changes in shareholders' equity

For the nine-month periods ended 30 September 2012 and 2011

(Unit: Thousand Baht)

Consolidated financial statements

	Equity attributable to the parent's shareholders										
					Other components of equity						
					Other comprehensive income			Total other components of shareholders' equity	Total equity attributable to the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
	Retained earnings		Surplus on revaluation of investments	Surplus (deficit) on changes in value of available-for-sale investments	Other changes by the owners						
	Issued and fully paid-up share capital	Share premium				Appropriated	Unappropriated				
Balance as at 1 January 2011	323,921	149,421	35,627	161,686	(2,991)	27,086	(6,643)	17,452	688,107	59,103	747,210
Dividend paid (Note 20)	-	-	-	(204,072)	-	-	-	-	(204,072)	-	(204,072)
Total comprehensive income for the period	-	-	-	183,190	(9,652)	(740)	-	(10,392)	172,798	2,632	175,430
Discount on capital resulting from change in shareholding ratio in subsidiary transferred to retained earnings	-	-	-	(6,643)	-	-	6,643	6,643	-	-	-
Balance as at 30 September 2011	<u>323,921</u>	<u>149,421</u>	<u>35,627</u>	<u>134,161</u>	<u>(12,643)</u>	<u>26,346</u>	<u>-</u>	<u>13,703</u>	<u>656,833</u>	<u>61,735</u>	<u>718,568</u>
Balance as at 1 January 2012	323,921	149,421	35,627	143,795	(10,625)	26,097	-	15,472	668,236	61,907	730,143
Increase in share capital from issuance of stock dividend (Notes 17, 20)	32,392	-	-	(32,392)	-	-	-	-	-	-	-
Dividend paid (Note 20)	-	-	-	(107,257)	-	-	-	-	(107,257)	-	(107,257)
Total comprehensive income for the period	-	-	-	166,274	7,907	(743)	-	7,164	173,438	1,226	174,664
Unappropriated retained earnings transferred to statutory reserve (Note 18)	-	-	4	(4)	-	-	-	-	-	-	-
Resulting from change in shareholding ratio of equity attributable to non-controlling interests of the subsidiaries due to the decrease in the subsidiary's share capital	-	-	-	-	-	-	-	-	-	(650)	(650)
Balance as at 30 September 2012	<u>356,313</u>	<u>149,421</u>	<u>35,631</u>	<u>170,416</u>	<u>(2,718)</u>	<u>25,354</u>	<u>-</u>	<u>22,636</u>	<u>734,417</u>	<u>62,483</u>	<u>796,900</u>

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Statements of changes in shareholders' equity

For the nine-month periods ended 30 September 2012 and 2011

(Unit: Thousand Baht)

Separate financial statements

					Other components of equity			
					Other comprehensive income		Total other components of shareholders' equity	Total shareholders' equity
					Surplus (deficit) on changes in value of available-for-sale investments			
	Issued and fully paid-up share capital	Share premium	Retained earnings			Surplus on revaluation of assets		
		Appropriated	Unappropriated					
Balance as at 1 January 2011	323,921	149,421	35,627	141,058	(2,991)	27,086	24,095	674,122
Dividend paid (Note 20)	-	-	-	(204,072)	-	-	-	(204,072)
Total comprehensive income for the period	-	-	-	180,673	(9,652)	(740)	(10,392)	170,281
Balance as at 30 September 2011	<u>323,921</u>	<u>149,421</u>	<u>35,627</u>	<u>117,659</u>	<u>(12,643)</u>	<u>26,346</u>	<u>13,703</u>	<u>640,331</u>
Balance as at 1 January 2012	323,921	149,421	35,627	127,431	(10,625)	26,097	15,472	651,872
Increase in share capital from issuance of stock								
dividend (Notes 17, 20)	32,392	-	-	(32,392)	-	-	-	-
Dividend paid (Note 20)	-	-	-	(107,257)	-	-	-	(107,257)
Total comprehensive income for the period	-	-	-	166,702	7,907	(743)	7,164	173,866
Unappropriated retained earnings transferred to statutory reserve (Note 18)			4	(4)			-	-
Balance as at 30 September 2012	<u>356,313</u>	<u>149,421</u>	<u>35,631</u>	<u>154,480</u>	<u>(2,718)</u>	<u>25,354</u>	<u>22,636</u>	<u>718,481</u>

The accompanying notes are an integral part of the financial statements.

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries**Statements of cash flows****For the nine-month periods ended 30 September 2012 and 2011**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cash flows from operating activities				
Profit before tax	207,118	255,570	206,320	250,421
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	85,710	81,424	77,084	73,333
Reversal of allowance for doubtful accounts and goods return	(23,764)	(338)	(23,080)	(299)
Adjustment of accounts receivable	(34)	(138)	(34)	(138)
Expense from lost goods	13,698	11,085	13,698	11,085
Reversal of allowance for stock obsolescence	(1,456)	(9,827)	(1,380)	(9,827)
Share of profit from investments in associate	(1,750)	(2,007)	-	-
Expense from donated goods	14,149	18,426	14,149	18,426
Expense from stock destruction	7,827	5,804	7,827	5,804
Provision for long-term employee benefits	4,945	7,455	4,762	7,084
Loss (gain) on sales and write-off equipment	644	543	580	(1,048)
Amortised leasehold right on land and buildings	8,830	10,306	8,579	10,055
Adjustment from clearing accounts payable and coupon payable	(2,532)	(4,673)	(2,532)	(4,673)
Interest expenses	3,430	3,187	11	109
Interest income	(10,350)	(9,258)	(11,368)	(9,158)
Dividend income	(5,602)	(8,117)	(7,602)	(10,117)
Profit from operating activities before changes in operating assets and liabilities	300,863	359,442	287,014	341,057
Operating assets (increase) decrease				
Trade and other receivables	12,368	19,639	(2,336)	19,661
Short-term loan to subsidiaries	-	-	(27,020)	(5,000)
Inventories	(7,257)	11,719	(7,748)	11,358
Prepaid expenses	(11,651)	(17,270)	(11,429)	(16,889)
Compensation receivable from the insurance claim	19,820	-	19,820	-
Other current assets	(2,268)	(5,377)	(3,149)	(5,329)
Prepaid book copyright and translation fee	523	(3,774)	523	(3,774)
Rental guarantee and deposit	(7,261)	(8,891)	(7,261)	(8,891)
Other non-current assets	6,195	(15,422)	6,000	(15,278)
Operating liabilities increase (decrease)				
Trade accounts payable	24,120	94,212	21,876	93,858
Income received in advance	(21,805)	(26,847)	-	-
Accrued expenses	(13,083)	13,996	(13,001)	14,809
Other payables	(1,176)	8,852	(1,176)	8,852
Other current liabilities	4,548	992	4,383	1,095
Provision for long-term employee benefits	(6,286)	(634)	(6,286)	(634)
Other non-current liabilities	555	755	510	805
Cash flows from operating activities	298,205	431,392	260,720	435,700
Cash paid for interest expenses	(3,430)	(3,187)	(11)	(109)
Cash paid for corporate income tax	(66,404)	(90,235)	(66,404)	(90,235)
Net cash flows from operating activities	228,371	337,970	194,305	345,356

The accompanying notes are an integral part of the financial statements.

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries**Statements of cash flows (continued)****For the nine-month periods ended 30 September 2012 and 2011**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cash flows from investing activities				
Decrease in current investments	19,094	12	19,094	12
Interest income	9,830	9,275	10,848	9,175
Dividends income	7,602	10,117	7,602	10,117
Acquisition of land and equipment	(204,790)	(372,680)	(152,001)	(356,586)
Proceeds from sales of equipment	260	1,476	235	1,470
Acquisition of intangible assets	(456)	(785)	(456)	(765)
Net cash flows used in investing activities	(168,460)	(352,585)	(114,678)	(336,577)
Cash flows from financing activities				
Decrease (increase) in restricted bank deposit and other investme	(188)	207	(188)	207
Repayment of short-term loan from other person	(3,400)	(1,000)	-	-
Repayment of long-term loan from related person	-	(1,400)	-	-
Cash receipt from long-term loan	7,460	-	-	-
Dividend paid	(107,257)	(204,072)	(107,257)	(204,072)
Net cash flows used in financing activities	(103,385)	(206,265)	(107,445)	(203,865)
Net decrease in cash and cash equivalents	(43,474)	(220,880)	(27,818)	(195,086)
Cash and cash equivalents at beginning of period	570,314	720,045	540,048	681,847
Cash and cash equivalents at end of period (Note 4)	526,840	499,165	512,230	486,761

Supplemental cash flows information

Non-cash transactions

Increase (decrease) in revaluation surplus on changes in value of available-for-sale investments	7,907	(9,652)	7,907	(9,652)
Purchase of property, plant and equipment for which cash has not been paid	4,242	4,694	4,211	4,571
Depreciation surplus on revaluation of asset under shareholder's equity	(743)	(740)	(743)	(740)
Issuance of stock dividend	32,392	-	32,392	-

The accompanying notes are an integral part of the financial statements.

SE-EDUCATION PUBLIC COMPANY LIMITED and its subsidiaries

Notes to interim financial statements

For the three-month and nine-month periods ended 30 September 2012 and 2011

1. General information

1.1 Corporate information

SE-EDUCATION PUBLIC COMPANY LIMITED (“the Company”) is a public company incorporated and domiciled in Thailand. The Company listed on the Stock Exchange of Thailand on 29 April 1993. The Company’s registered office is located at No. 1858/87-90 TCIF Tower Building, 19th Floor, Bangna-Trad Road, Bangna Sub-District, Bangna District, Bangkok, and its distribution center is situated at 99 Moo 1, Kingkaew Road, Tambon Rajatewa, Bangplee District, Samutprakarn.

The Company and its subsidiaries operate its business in Thailand and engage in the following businesses:

1. Operate SE-ED Book Center and network stores which consist of various university bookstores in Bangkok and other provinces as well as the network and sales area in various forms.
2. Distribute both books published by SE-ED and other publishers to bookstores all over the country and to other sales channels.
3. Publish book as well as academic and educational journals, provide services for display advertisements to be published in the Company's monthly magazine and provide the printing service for other parties.
4. SE-ED Learning Center organises the youth camp known as "SE-ED Kiddy Camp, learning activities for the youth and training courses and seminars for the public.
5. Plearnpattana School, a private school offering courses for students from pre-kindergarten to Matayom 6.

1.2 Basis for preparation of the interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2009) "Interim Financial Reporting", with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, income, comprehensive income, changes in shareholders' equity and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language financial statements.

1.3 Basis of consolidation

These consolidated interim financial statements are prepared by applying the same basis as that applied for the preparation of the consolidated financial statements for the year ended 31 December 2011, with there being no changes in the structure of shareholding in a subsidiaries during the current period.

1.4 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2011.

2. New accounting standards issued during the period not yet effective

During the current period, the Federation of accounting Professions issued the Thai Financial Reporting Standard No. 8 "Operating Segments", which is effective for fiscal years beginning on or after 1 January 2013.

The Company's management believes that this financial reporting standard will not have any significant impact on the financial statements when it is initially applied.

3. Related party transactions

During the periods, the Company and its subsidiaries had significant business transactions with their related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company, its subsidiaries and those related parties.

(Unit: Thousand Baht)

	For the three-month periods ended 30 September				Transfer pricing policy
	Consolidated financial statements		Separate financial statements		
	2012	2011	2012	2011	
<u>Transactions with subsidiary</u>					
Sales of goods	-	-	140	41	Market price
Interest income	-	-	545	-	MOR per annum
<u>Transactions with associate</u>					
Purchase of goods	222	782	222	782	Market price
<u>Transactions with shareholder and directors of subsidiary</u>					
Lease land expenses	220	252	-	-	Mutually agreed agreement
Amortised land leasehold right	85	84	-	-	Mutually agreed agreement
Interest expenses	-	11	-	-	5% - 6% per annum
<u>Transactions with related companies</u>					
Purchase of goods	42,393	24,849	42,393	24,849	Market price
Goods return	(64,936)	(21,660)	(64,936)	(21,660)	Market price
Sales of goods	536	-	536	-	Mutually agreed price

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September				Transfer pricing policy
	Consolidated financial statements		Separate financial statements		
	2012	2011	2012	2011	
<u>Transactions with subsidiary</u>					
Sales of goods	-	-	453	229	Market price
Interest income	-	-	1,122	-	MOR per annum
<u>Transactions with associate</u>					
Purchase of goods	1,630	2,630	1,630	2,630	Market price
<u>Transactions with shareholder and directors of subsidiary</u>					
Lease land expenses	748	748	-	-	Mutually agreed agreement
Amortised land leasehold right	251	250	-	-	Mutually agreed agreement
Interest expenses	-	29	-	-	5% - 6% per annum
<u>Transactions with related companies</u>					
Purchase of goods	129,248	101,468	129,248	101,468	Market price
Goods return	(125,920)	(79,999)	(125,920)	(79,999)	Market price
Sales of goods	3,502	-	3,502	-	Mutually agreed price

(Unaudited but reviewed)

As at 30 September 2012 and 31 December 2011, the balances of the accounts between the Company, its subsidiaries and its related parties and persons are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2012	31 December 2011	30 September 2012	31 December 2011
<u>Short-term loan to subsidiaries</u>				
Subsidiaries	-	-	42,044	15,024
<u>Leasehold right on land</u>				
Shareholder/director of subsidiary	7,121	7,372	-	-
<u>Trade accounts payable (Note 14)</u>				
Associate	2,378	2,296	2,371	2,296
Shareholders	4,142	3,913	4,142	3,913
Related companies of shareholders	10,785	13,601	10,785	13,601
Total	17,305	19,810	17,298	19,810

Short-term loan to subsidiary is promissory notes from which is payable at call. The subsidiary obtained such loan for the purpose of funding the school building construction and its working capital. Interest is charged at MOR of a commercial bank per annum.

Directors and management's remuneration

For the nine-month periods ended 30 September 2012 and 2011, the Company and its subsidiaries had benefits expense payable to their directors and management

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Short-term employee benefits	25.40	23.88	22.58	21.06
Post-employment benefits	1.13	1.13	1.12	0.98
Total	26.53	25.01	23.70	22.04

(Unaudited but reviewed)

4. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September	31 December	30 September	31 December
	2012	2011	2012	2011
Cash	30,120	26,651	29,901	26,390
Bank deposits with maturity not over 3 months	171,467	180,009	157,076	150,004
Highly liquid investments with an original maturity not over 3 months	325,253	363,654	325,253	363,654
Total	526,840	570,314	512,230	540,048

5. Current investments

(Unit: Thousand Baht)

	Consolidated / Separate financial statements			
	30 September 2012		31 December 2011	
	Cost	Fair value	Cost	Fair value
Available-for-sale securities				
Equity securities	60,000	57,895	79,101	69,628
Debt securities	110,381	109,774	110,380	109,228
Total available-for-sale securities	170,381	167,669	189,481	178,856
Less: Unrealised loss on changes in values of investments	(2,712)	-	(10,625)	-
Current investments - net	167,669	167,669	178,856	178,856

6. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2012	2011	2012	2011
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	72,529	40,582	72,529	40,582
Past due				
Up to 6 months	43,774	57,775	43,021	43,834
6 - 12 months	3,017	3,764	2,653	2,669
Over 12 months	5,235	32,860	3,856	31,195
Total	124,555	134,981	122,059	118,280
Less: Allowance for doubtful debts	(5,988)	(28,620)	(4,507)	(26,455)
Allowance for goods return	(2,015)	(3,147)	(2,015)	(3,147)
Total trade receivables - unrelated parties - net	116,552	103,214	115,537	88,678

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2012	31 December 2011	30 September 2012	31 December 2011
<u>Other receivables</u>				
Advances payment	3,000	2,705	2,924	2,691
Insurance claim receivable	-	19,820	-	19,820
Others	4,472	6,675	3,773	5,415
Total other receivables	7,472	29,200	6,697	27,926
Trade and other receivables - net	124,024	132,414	122,234	116,604

The Company has trade accounts receivable overdue for more than 12 months amounting to Baht 18.15 million, are receivables for which the Company set aside allowance for doubtful debts in 1998. The Company therefore sued such debtor; and Court ordered to declare the debtor bankrupt. Subsequently, in April 2012, the official receiver ordered preparation of accounts presenting cash receipts and cash disbursement, in order to proceed with the first distribution of assets to other creditors who have preferential rights over the Company. In September 2012, such receivable was written-off to bad debt.

The movements in transactions of allowance for doubtful accounts and allowance for goods return during the nine-month period ended 30 September 2012, are as follows:

(Unit: Thousand Baht)

	Consolidated financial		Separate financial	
	statements		statements	
	Allowance for doubtful debts	Allowance for goods return	Allowance for doubtful debts	Allowance for goods return
Balance as at 31 December 2011	28,620	3,147	26,455	3,147
Add: Allowance made during the period	42	-	42	-
Less: Allowance reversed during the period	(22,674)	(1,132)	(21,990)	(1,132)
Balance as at 30 September 2012	5,988	2,015	4,507	2,015

(Unaudited but reviewed)

7. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2012	31 December 2011	30 September 2012	31 December 2011
Raw material	16,600	23,385	16,600	23,385
Work in process	10,772	9,074	10,772	9,074
Finished goods	450,789	474,119	449,455	472,294
Total	478,161	506,578	476,827	504,753
Less: Allowance for lost goods	(5,454)	(8,199)	(5,454)	(8,199)
Allowance for dilapidated and slow moving	(103,586)	(102,297)	(103,486)	(102,121)
Inventories - net	369,121	396,082	367,887	394,433

Movements in transactions of allowance for lost goods and allowance for dilapidated and slow moving during the nine-month period ended 30 September 2012 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 31 December 2011	110,496	110,320
Add: Allowance made during the period	20,320	20,320
Less: Allowance reversed during the period	(21,776)	(21,700)
Balance as at 30 September 2012	109,040	108,940

8. Restricted bank deposits and other investments

(Unit: Thousand Baht)

	Consolidated/Separate financial statements		Interest rates (% p.a.)
	30 September 2012	31 December 2011	
Fixed deposits with 12 months	9,012	8,824	0.75 - 2.15
Government bonds with 7 years maturity	3,566	3,566	4.00
Total	12,578	12,390	

The Company pledged such fixed deposits and other investments to guarantee electricity use, area rental and distributor as discussed in Note 22.3.

9. Investments in subsidiaries

Details of investments in subsidiaries as presented in the separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Allowance for impairment of investment		Carrying amounts based on cost method – net	
	30	31	30	31	30	31	30	31	30	31
	September 2012	December 2011	September 2012	December 2011	September 2012	December 2011	September 2012	December 2011	September 2012	December 2011
			(%)	(%)						
SE-ED Book Center Co.,Ltd.	100	100	99.93	99.93	100	100	-	-	100	100
Plearn Patt Co.,Ltd.	169,476	170,000	48.97	48.82	83,000	83,000	(13,668)	(13,668)	69,332	69,332
					<u>83,100</u>	<u>83,100</u>	<u>(13,668)</u>	<u>(13,668)</u>	<u>69,432</u>	<u>69,432</u>

10. Investments in associate

(Unit: Thousand Baht)

Company's name	Nature of business	Shareholding percentage		Consolidated financial statements		Separate financial statements			
		30	31	Carrying amounts based on equity method		Carrying amounts based on cost method		Dividend received during the period	
		September 2012	December 2011	September 2012	December 2011	September 2012	December 2011	September 2012	December 2011
		(%)	(%)						
M AND E Co., Ltd.	Printing office, production of technical magazines and engineering manuals	25	25	26,795	27,044	100	100	2,000	2,000
				<u>26,795</u>	<u>27,044</u>	<u>100</u>	<u>100</u>	<u>2,000</u>	<u>2,000</u>

- 1) The Company recognized shares of profit from investment in associate for the nine-month periods ended 30 September 2012 and 2011, from operating results for the year ended 31 December 2011 and 2010 of the associated company, whose financial statements were audited by another auditor. The Company consequently recorded share of profit from investment in associate in the statement of income, in which the equity method is applied to the investment, for nine-month periods ended 30 September 2012 and 2011 amounting to Baht 1.75 million and Baht 2.01 million, respectively, equivalent 1.04% and 1.08% of the profit for the periods in the consolidated statements of income, respectively.

The Company has not recorded investment in the above associated company in the consolidated financial statements for the three-month and nine-month periods ended 30 September 2012 using the equity method because such associated company did not prepare the interim financial statements. However, the effect of these transactions to the consolidated financial statements of the current period is immaterial. (As at 30 September 2012, the investment in such associated company was Baht 26.79 million or equivalent to 1.08% of total assets in the consolidated financial statements).

- 2) The Company recognized shares of profit from investment in associate for the year ended 31 December 2011, from operating results for the year ended 31 December 2010, of the associated company, whose financial statements were audited by another auditor. The Company consequently recorded share of profit from investments in associate in the consolidated statements of income, for the year ended 31 December 2011, (recorded in the second quarter of year 2011) for the amount of Baht 2.01 million equivalent to 0.88% of profit for the year shown in the consolidated financial statements. As at 31 December 2011, the Company had investments in associate of Baht 27.04 million, equivalent to 1.10% of total assets, in the consolidated financial statements.

11. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 30 September 2012 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2011	844,502	656,326
Acquisitions during period - at cost	204,751	151,931
Disposals during period - net book value at disposal date	(294)	(235)
Write - off during period - net book value at write - off date	(610)	(580)
Depreciation for the period	(84,692)	(76,103)
Net book value as at 30 September 2012	<u>963,657</u>	<u>731,339</u>

As the Company chose revaluation method for land and building, when there is an increase in value of assets because of revaluation, only net value of increased book value will be recorded to related assets account alongside revaluation surplus. For the nine-month period ended 30 September 2012, depreciation calculated from such surplus was recorded as surplus in revaluation assets in shareholders' equity totalling Baht 0.74 million (2011: Baht 0.74 million). If the Company opted to record such depreciation and written off on surplus in revaluation assets through the statements of income, the profit of the Company for the nine-month period ended 30 September 2012 would decreased by Baht 0.74 million (2011: Baht 0.74 million), but no significantly effect on earnings per shares.

12. Leasehold rights on buildings

The whole amount of the leasehold on buildings represented leased areas in leading shopping centers. The terms of these leaseholds range between 10 to 30 years. For the nine-month period ended 30 September 2012, the Company amortised leasehold rights as expenses totalling Baht 8.58 million (2011: Baht 10.56 million).

13. Intangible assets

Movements of the intangible assets which are right for software usage fee during the nine-month period ended 30 September 2012 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2011	5,343	5,110
Acquisitions during period - at cost	456	456
Amortisation for the period	(1,761)	(1,724)
Balance as at 30 September 2012	<u>4,038</u>	<u>3,842</u>

14. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 September 2012	31 December 2011	30 September 2012	31 December 2011
Trade accounts payable - related parties (Note 3)	17,305	19,810	17,298	19,810
Trade accounts payable - unrelated parties	1,320,976	1,294,332	1,317,714	1,293,326
Accrued expenses	138,460	151,562	134,125	147,126
Other payables for purchase of machineries	4,242	4,281	4,211	4,281
Other payable	29,046	30,222	29,046	30,222
Total	<u>1,510,029</u>	<u>1,500,207</u>	<u>1,502,394</u>	<u>1,494,765</u>

(Unaudited but reviewed)

15. Income received in advance

(Unit: Thousand Baht)

	Consolidated	
	financial statements	
	30 September 2012	31 December 2011
Income received in advance - not yet recognised	12,447	34,252
Less: Income received in advance recognisable within one year	(9,193)	(28,949)
Net	3,254	5,303

During the nine-month period ended 30 September 2012, movements of income received in advance are as follows:

(Unit: Thousand Baht)

	The initial entrance fee	Education supporting fee	Total
Balance as at 31 December 2011	-	34,252	34,252
Plus: Increase during the period	9,745	60,955	70,700
Less: Income recognition during the period	(9,745)	(82,054)	(91,799)
Less: Returned due to resignation of students	-	(706)	(706)
Balance as at 30 September 2012	-	12,447	12,447

16. Other current liabilities

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2012	31 December 2011	30 September 2012	31 December 2011
Coupon payable	21,736	20,872	21,736	20,872
Accrued withholding tax	5,271	5,168	4,856	4,675
Unearned income	7,237	7,668	7,237	7,668
Others	5,730	4,250	4,925	3,688
Total	39,974	37,958	38,754	36,903

17. Share capital / stock dividend

On 26 April 2012, the Annual General Meeting No.1/2012 of the Company's shareholders passed a resolution to approve the increase in the Company's registered capital from Baht 323,921,130 to Baht 356,313,243 by issuing 32,392,113 additional ordinary shares with a par value of Baht 1 each to support the issuance of a stock dividend, as discussed in Note 20. The Company registered the increase in registered share capital with the Ministry of Commerce on 8 May 2012. The paid-up share capital remains the same as the formal registered capital.

Subsequently, on 24 May 2012, the Company reported the allocation of stock dividend to the Stock Exchange of Thailand and registered the change in its paid-up share capital from Baht 323,921,130 to Bath 356,313,209. The Company registered the change in its paid-up share capital with the Ministry of Commerce on 27 June 2012.

18. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution. On 7 August 2012, the meeting of the Company's Board of Directors No. 4/2012 approved to increase the statutory reserve by Baht 4,404.34 so that the reserve equals 10% of the registered capital.

19. Earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period. The number of ordinary shares of the prior period used for the calculation, as presented for comparative purposes, has been adjusted in proportion to the change in the number of shares as a result of the distribution of the stock dividends of 32.39 million shares on 27 June 2012, as discussed in Note 17, as if the shares comprising such stock dividends had been issued at the beginning of the earliest period reported.

(Unaudited but reviewed)

The following table sets forth the computation of basic earnings per share:

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Profit for the period (Thousand Baht)	40,316	58,175	42,072	59,517
Weighted average number of ordinary shares (Thousand shares)	356,313	356,313	356,313	356,313
Earnings per share (Baht/share)	0.11	0.16	0.12	0.17

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Profit for the period (Thousand Baht)	166,274	183,190	166,702	180,673
Weighted average number of ordinary shares (Thousand shares)	356,313	356,313	356,313	356,313
Earnings per share (Baht/share)	0.47	0.51	0.47	0.51

20. Dividends / stock dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Dividend on the fourth quarter of 2010	Annual General Meeting of the shareholders on 28 April 2011	139.29	0.43
Dividend on the first quarter of 2011	Board of Directors' meeting on 13 May 2011	32.39	0.10
Dividend on the second quarter of 2011	Board of Directors' meeting on 9 August 2011	32.39	0.10
Total dividend paid for the nine-month period ended 30 September 2011		204.07	0.63

(Unaudited but reviewed)

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Stock dividend on the fourth quarter of 2011	Annual General Meeting of the shareholders on 26 April 2012	32.39	0.10
Dividend on the fourth quarter of 2011	Annual General Meeting of the shareholders on 26 April 2012	35.99	0.11
Dividend on the first quarter of 2012	Board of Directors' meeting on 10 May 2012	35.63	0.10
Dividend on the second quarter of 2012	Board of Directors' meeting on 7 August 2012	35.64	0.10
Total dividend paid and stock dividend for the nine-month period ended 30 September 2012		139.65	0.41

21. Segment information

The Company and its subsidiaries' business operations involve two principal segments: (1) book publishing and distributing business and (2) institution of private education. These operations are mainly carried on in Thailand. Below is the consolidated financial information of the Company and its subsidiaries by segment.

(Unit: Thousand Baht)

	For the three-month periods ended 30 September							
	Book publishing and distribution		Institution of private education		Elimination of inter- segment revenues		Consolidation	
	2012	2011	2012	2011	2012	2011	2012	2011
Revenue from external customers	1,374,300	1,370,344	28,328	28,484	(140)	(40)	1,402,488	1,398,788
Segment income	35,659	66,219	(2,455)	(2,795)	(2)	3	33,202	63,427
Unallocated income and expenses:								
Interest and dividend income							5,092	5,510
Other income							7,561	8,176
Financial cost							(1,147)	(1,030)
Corporate income tax							(5,657)	(19,317)
Profit for the period							39,051	56,766

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September							
	Book publishing and distribution		Institution of private education		Elimination of inter- segment revenues		Consolidation	
	2012	2011	2012	2011	2012	2011	2012	2011
Revenue from external customers	<u>4,201,562</u>	<u>4,069,454</u>	<u>95,496</u>	<u>90,926</u>	<u>(453)</u>	<u>(229)</u>	<u>4,296,605</u>	<u>4,160,151</u>
Segment income	160,677	207,308	2,628	5,285	(7)	(126)	163,298	212,467
Unallocated income and expenses:								
Interest and dividend income							15,952	17,375
Other income							29,548	26,908
Share of profit from investments								
in associate							1,750	2,007
Financial cost							(3,430)	(3,187)
Corporate income tax							<u>(39,618)</u>	<u>(69,748)</u>
Profit for the period							<u>167,500</u>	<u>185,822</u>

22. Commitments and contingent liabilities

22.1 Capital commitments

As at 30 September 2012, the Company had capital commitments of approximately Baht 397.73 million, relating to the construction of a new warehouse and distribution center.

22.2 Operating lease commitments

- a) As 30 September 2012, the Company entered into space rental agreements for use as branch offices, totaling 429 branches. The lease periods ranged from 1 to 12 years. For the nine-month period ended 30 September 2012, the total rental and utility fees were approximately Baht 460.2 million per annum. Some of rental fees were calculated from the percentage of sales, while others were fixed rate.
- b) The Company and its subsidiary entered into several lease agreements in respect of the lease of office building space, land, warehouses and vehicles. The terms of the agreements are generally between 1 and 30 years.

As at 30 September 2012, future minimum lease payments required under operating leases contracts were as follows.

	<u>Million Baht</u>
Outstanding commitments:	
In up to 1 year	24.6
In over 1 and up to 5 years	37.1
In over 5 years	45.2

For the nine-month period ended 30 September 2012, the Company recognised rental expenses of Baht 26.3 million.

22.3 Guarantees

As at 30 September 2012 and 31 December 2011, the Company has pledged the bank deposit of Baht 4.4 million to guarantee contractual performance and guarantee rental. In addition, other investments of Baht 2.3 million were pledged to guarantee the electricity usage and rental of head office.

22.4 Long-term service commitments

- a) The Company entered into agent appointment agreement with a foreign company for the contractual period of 1 year commencing from 1 January 2011 to 31 December 2011. When the agreement is expired, if no party inform the cancellation of the agreement in written, the agreement will be automatically extend for more one year, with the same as exist conditions.
- b) The Company entered into three-year contracts allowing the use of copyrights with various authors which can be automatically extended for another three years and agreed to pay, remuneration at the percentage of the number of books published or sold.

23. Event after the reporting period

On 7 November 2012, the meeting of the Company's Board of Director approved a resolution to pay an interim dividend of Baht 0.10 per share to the Company's shareholders from the operating results of the third quarter of 2012, or equivalent to an amount not exceed Baht 35.64 million.

24. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 7 November 2012.