



บริษัท ซีเ็ดยูเคชั่น จำกัด (มหาชน)
SE-EDUCATION PUBLIC COMPANY LIMITED

Management Discussion and Analysis

As of September 30, 2012

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Management Discussion and Analysis: SE-ED

1. OVERVIEW

The bookstore branches expansion for Q3 of 2012, the Company opened 15 new branches of SE-ED Book Center. As of September 30, 2012, there were a total of 429 active branches and 28 points of sale.

The government announced that, effective in April 2012, the minimum wage would be adjusted to THB 300 per day in 7 pilot provinces while in other provinces the minimum wage would increase by 39.5%. At the same time there is news that the minimum salary of civil servants with a bachelor degree will be increased to THB 15,000 per month. As a result the Company, which has a large proportion of employees in the operation level, needs to revise and adjust salaries for employees in every department so that the payment structure remains competitive in the labor market. The Company's business also yields moderate gross profits while the Company cannot set prices for most products. Consequently, the Company's operation cost is higher than the growth rate of revenue.

The Adjustment in 2012 New Store Plan

As the economy is in recession while the competition is more aggressive, the Company has decided to revise and suspend the plan to open a number of new stores in department stores this year. Instead of opening 64 new stores according to the original plan, the Company will open only 49 stores this year. So far 39 new stores are already open.

The resolution from the Board of Directors meeting is as follows:

- **Approval of the interim dividend payment**

To approve the interim dividend payment for operating performance of quarter 3/2012 from July 1, 2012 to September 30, 2012. The board of directors has agreed to pay dividend at THB 0.10 per share, to the amount of 356,313,209 shares from net profit portion from the separate financial statement. The names of shareholders listed for the right to receive the dividend is scheduled to be announced on November 22, 2012 and, by the section 225 in Securities and Exchange Act, the names of shareholders will be compiled by closing the shareholders register book on November 23, 2012. The payment of dividend will be made on December 6, 2012.

- **To re-appoint The Recruitment and Remuneration Committees**

To re-appoint three of recruitment and remuneration committees the directors whose tenure has ended of November, 2012 for another term. The Director of recruitment and remuneration committees as follow:

		<u>Term of Holding Office</u>
Chairman of the recruitment and remuneration committees	Mr. Somboon Chinsawananon	2 year (s)
Director of the recruitment and remuneration committees	Mr. Vorasit Pokachaiyapat	2 year (s)
Director of the recruitment and remuneration committees	Mr. Wattana Chiengkul	2 year (s)

This will be effective since December, 2012.

2. BUSINESS SUMMARY

Bookstore Business

The company has still expanded its bookstore business by continuously opening new SBC branches to provide more convenient access to books for Thai people and to support for the business's growth in the future. As a result, the Company remains the one of the top bookstores with the highest sales revenue in the country. During Q3/2012 the Company opened 15 new branches located in Lotus C.K. Pluak Dang Rayong, Meechoke Plaza Chiang Mai, Lotus Rayong Town, Home Pro Nakhornswan, Lotus Plang Yao Chachoengsao, Big C Loey, Big C Satul, Lotus Hua Hin Hua Na Prachuabkirikan, Lotus Don Thong Chachoengsao, Home Pro Mahachai Samutsakorn, Lotus Pak Tor Ratchaburi, Big C Mukdaharn, Lotus Wat Prai Fah Patumthani, The Scene Town in Town Bangkok and Lotus Nakorn In Nonthaburi. This led to the total of 457 branches, including 429 active branches, 4 franchises and 28 points of sale. Several active branches were also renovated and modernized to boost the sales and profits.

Distribution Business

The company has put more emphasis in the role of the biggest book distributor in the country by representing both Thai and foreign publishers such as MIS Publishing Co.,Ltd., Nation International Edutainment Public Company Limited, Nation Egmont Edutainment Co.,Ltd., Petchprakai Co.,Ltd., Ms. Eumporn Wongwiang, Provision Co.,Ltd., Education Mind Line Multimedia Co.,Ltd., Post Publishing Public Company Limited, Thammasat University press, Bear Publishing Co., Ltd. and Oxford University Press (English Language Teaching Division) for which the Company has been the exclusive distributor in Thailand since 2007. The books from various publishers are supplied to the SE-ED Book Center and Book Variety branches, other bookshops in the Company's distributing network and educational institutions.

Publishing Business

The Company always plans its book publications to meet the market demand and focuses mainly on steady-selling materials with sufficient market share without the concern in the number of titles published annually. The Company's publications are mostly reference books and books needed for the development of Thai people and the country. In the end of 2007 the Company started to publish English extensive reading materials that are fun and easy to read and designed to suit readers' different levels of English skills. The objective of this publication is to help English learners improve their English proficiency by reading. The Company has still continued its extensive reading publications. Up until now the Company has published more than 100 titles that offer varieties to readers from primary to university level to improve all listening, speaking, reading and writing skills.

Moreover, the Company sees the importance of developing and installing various types of communication tools to add more PR channels and distribute products to target groups more suitably, giving the Company more chances to be successful.

3. OPERATING RESULTS

3.1 Operating performance for Q3 (3 months) of 2012 over the same period last year

Table 1 : Operating performance for Q3 (3 months) of 2012 over the same period last year.

(Unit : Million Baht)

Q3 (3M)

Consolidated financial statements

Revenues	2012	2011	Change	(%)
Revenues from sales	1,374.37	1,372.11	2.26	0.16
Income from tuition fees	28.12	26.67	1.45	5.44
Interest and dividend income	5.09	5.51	(0.42)	(7.62)
Other income	7.56	8.18	(0.62)	(7.58)
Total revenues	1,415.14	1,412.47	2.67	0.19
Expenses				
Cost of sales	941.02	945.70	(4.68)	(0.49)
Cost of services	24.51	23.68	0.83	3.51
Selling expenses	263.28	239.56	23.72	9.90
Administrative expenses	140.48	126.42	14.06	11.12
Total expenses	1,369.29	1,335.36	33.93	2.54
Gross profit	436.96	429.40	7.56	1.76
Gross Margin (%)	31.16	30.70		0.46
EBITDA	78.23	107.95	(29.72)	(27.53)
Profit from operation accordance with Cash Flow Statement	60.96	104.36	(43.40)	(41.59)
Net profit of shareholders' equity of parent company	40.32	58.18	(17.86)	(30.70)
EPS (Baht)	0.11	0.16	(0.05)	(31.25)

The Company and its subsidiaries' total revenue for the third quarter (3 months) of 2012, according to the consolidated financial statements worth THB 1,415.14 million compare with the same period last year, grew up 0.19%. While the total revenue, according to the separate financial statements worth THB 1,386.37 million, or up 0.25% compare with the same period last year. In this amount as revenues from sales 1,374.30 million, or up 0.29%.

The growth was the result of increasing sales from 15 new SE-ED Book Center branches for Q3 of 2012 as well as the income from the growing distribution business.

Cost of sales and service according to the consolidated financial statements for the third quarter as of September 30, 2012 worth THB 965.53 million, decreased 0.40%. While the cost of sales, according to the separate financial statements worth THB 941.04 million, decreased 0.47%. The gross margin for the third quarter as of September 30, 2012 worth 31.16%, or up 0.46%.

The Selling and Administrative expense for the third quarter as of September 30, 2012 according to the consolidated financial statement worth THB 403.76 million, or up 10.32%. While the Selling and Administrative expense, according to the separate financial statements worth THB 397.60 million, or up 10.87%. The main drivers were:

- Employee salaries were adjusted the most in 2012 in order to comply with the government's policy. The new policy adjusts the minimum wage to THB 300 per day in 7 pilot provinces and increases the minimum wage in the other provinces by 39.50%, effective in April 2012. The news of the government also increases the minimum salary of civil servants with a bachelor degree to THB 15,000 per month.
- The operation cost including the rental fee and the service fee in accordance to the opening of new stores.

The Company net profit belonging to shareholders' equity of the parent company for Q3 of 2012, according to the consolidated financial statements worth THB 40.32 million, compared with the same period last year, decreased 30.70%. The decrease is due to the rise in sales and management expenses, especially the expenses involving employees. The increasing competition in department stores also leads to the drop of the same-store sales in this quarter.

The net profit according to the separate financial statements worth THB 42.07 million, compared with the same period last year, decreased 29.31%.

3.2 Operating performance for first nine month as 2012 over the same period last year

Table 2 : Operating performance for first nine month as 2012 over the same period last year.

(Unit : Million Baht)

Q3 (9M)				
Consolidated financial statements				
Revenues	2012	2011	Change	(%)
Revenues from sales	4,204.81	4,075.02	129.79	3.19
Income from tuition fees	91.80	85.13	6.67	7.84
Interest and dividend income	15.95	17.37	(1.42)	(8.18)
Other income	29.55	26.91	2.64	9.81
Total revenues	4,342.11	4,204.43	137.68	3.27
Expenses				
Cost of sales	2,867.16	2,786.29	80.87	2.90
Cost of services	70.25	63.54	6.71	10.56
Selling expenses	777.79	695.14	82.65	11.89
Administrative expenses	418.11	402.71	15.40	3.82
Total expenses	4,133.31	3,947.68	185.63	4.70
Gross profit	1,359.20	1,310.32	48.88	3.73
Gross Margin (%)	31.63	31.50		0.13
EBITDA	305.09	350.49	(45.40)	(12.95)
Profit from operation accordance with Cash Flow Statement	300.86	359.44	(58.58)	(16.30)
Net profit of shareholders' equity of parent company	166.27	183.19	(16.92)	(9.24)
EPS (Baht)	0.47	0.51	(0.04)	(7.84)

The Company and its subsidiaries' total revenues for the first nine months of September 30, 2012 according to the consolidated financial statements worth THB 4,342.11 million compare with the same period last year, grew up 3.27%. While the total revenue, according to the separate financial statements worth THB 4,247.22 million, or up 3.27% compare with the same period last year. In this amount as revenues from sales 4,201.56 million, or up 3.25%.

The growth is mostly due to the sales of stores opened in January – December 2011 and 34 stores opened during the first nine months of 2012. The continuous increase of revenue from the distribution business is also accounted for the growth.

Cost of sales and service according to the consolidated financial statements for the first nine months of September 30, 2012 worth THB 2,937.41 million or up to 3.07%. While the cost of goods sold, according to the separate financial statements worth THB 2,865.89 million or up to 2.90%. The gross margin for Q3 of 2012 is worth 31.63%, or up 0.13%. This is due to the sales of high-profit products, such as books published or distributed by SE-ED, increases from the same quarter of last year.

The Selling and Administrative expense for the first nine months of September 30, 2012, according to the consolidated financial statements worth THB 1,195.90 million, or up 8.93%. While the Selling and Administrative expenses, according to the separate financial statements worth THB 1,175.00 million, or up 9.08% as stated in the report of operating performance for the third Quarter of 2012 (Three Months).

The net profit belonging to shareholders' equity of the parent company for the first nine months of September 30, 2012 according to the consolidated financial statements, worth THB 166.27 million, compared with the same period last year, decreased 9.23%. This is because the cost of sales and management has increased, especially the cost of employees in the retail business and distribution center. As the government announced the new minimum wage since April 2012, the Company needed to revise and adjusted wages and salaries for employees in each of the Company's departments so that the payment structure remains competitive in the labor market.

The net profit according to the separate financial statements worth THB 166.70 million, compared with the same period last year, decreased 7.73%.

4. DIVIDEND PAYMENT POLICY

The company declared a policy to pay dividend no less than 50% of the net profit after the deduction of corporate income tax from the separate financial statements. The payment will be made in the annual general meeting of the year immediately following the operating year.

Table 3 : The dividend payment of 2012, 2011 and 2010 as follow:

Year 2012 operating result (Paid dividend by cash)					
	Resolutions of the Company's Board meeting	Meeting date	Dividends payment date	Dividends Per share (Baht)	Dividend Paid Totaling (Million Baht)
Quarter 1	3/2012	10/05/2012	08/06/2012	0.10	35.63
Quarter 2	4/2012	07/08/2012	06/09/2012	0.10	35.63
Quarter 3	5/2012	07/11/2012	06/12/2012	0.10	35.63
	Total			0.30	106.89
Year 2011 operating result					
1. Paid dividend by cash					
	Resolutions of the Company's Board/ Shareholder meeting	Meeting date	Dividends payment date	Dividends Per share (Baht)	Dividend Paid Totaling (Million Baht)
Quarter 1	2/2011	13/05/2011	10/06/2011	0.10	32.39
Quarter 2	3/2011	09/08/2011	08/09/2011	0.10	32.39
Quarter 3	4/2011	09/11/2011	08/12/2011	0.10	32.39
Quarter 4	1/2012	23/02/2012	24/05/2012	0.11112	35.99
	Total			0.41112	133.16
2. Paid dividend by ordinary shares					
<p>The Company's Board meeting 1/2012 approved and agreed to propose dividend payments in the forthcoming Annual General Meeting in order to approve paying dividend payments of 2011 in ordinary shares, not exceeding 32,392,113 shares in total or THB one (1) per share, and at ratio of ten (10) current shares per one (1) dividend share or can be calculated into THB 0.10 per share, to shareholders.</p>					
Year 2010 operating result (Paid dividend by cash)					
	Resolutions of the Company's Board/ Shareholder meeting	Meeting date	Dividends payment date	Dividends Per share (Baht)	Dividend Paid Totaling (Million Baht)
Quarter 1	2/2010	12/05/2010	11/06/2010	0.10	32.39
Quarter 2	3/2010	09/08/2010	08/09/2010	0.10	32.39
Quarter 3	4/2010	10/11/2010	09/12/2010	0.10	32.39
Quarter 4	1/2011	28/04/2011	27/05/2011	0.43	139.29
	Total			0.73	236.46

5. FINANCIAL POSITION

5.1 Asset Component

Table 4 : Asset Component

(Unit : Million Baht)

Description	Consolidated financial statements					
	September 30, 2012		December 31, 2011		Change	
	Amount	% to Total Assets	Amount	% to Total Assets	Amount	(%)
Assets						
Current assets						
Cash and cash equivalents	526.84	21.17	570.31	23.19	(43.47)	(7.62)
Current investments	167.67	6.74	178.86	7.27	(11.19)	(6.26)
Trade and other receivables	124.03	4.98	132.41	5.38	(8.38)	(6.33)
Inventories	369.12	14.83	396.08	16.11	(26.96)	(6.81)
Other current assets	50.60	2.03	39.93	1.62	10.67	26.72
Total current assets	1,238.26	49.75	1,317.59	53.58	(79.33)	(6.02)
Non-current assets						
Restricted bank deposits and other						
Investments	12.58	0.51	12.39	0.50	0.19	1.53
Investments in associate - net	26.79	1.08	27.05	1.10	(0.26)	(0.96)
Property, plant and equipment - net	963.66	38.71	844.50	34.34	119.16	14.11
Leasehold right on land - net	7.12	0.29	7.37	0.30	(0.25)	(3.39)
Leasehold right on buildings - net	101.72	4.09	110.30	4.49	(8.58)	(7.78)
Intangible assets	4.04	0.16	5.34	0.22	(1.30)	(24.34)
Prepaid book copyright and translation fee	26.66	1.07	27.18	1.11	(0.52)	(1.91)
Rental guarantee and deposit	99.50	4.00	92.24	3.75	7.26	7.87
Other non-current assets	8.83	0.35	15.03	0.61	(6.20)	(41.25)
Total non-current assets	1,250.90	50.25	1,141.40	46.42	109.50	9.59
Total assets	2,489.16	100.00	2,458.99	100.00	30.17	1.23

Table 5 : Liabilities and shareholders' equity Component

Description	Consolidated financial statements				(Unit : Million Baht)	
	September 30, 2012		December 31, 2011		Amount	Change (%)
	Amount	% to Total Assets	Amount	% to Total Assets		
Liabilities and shareholders' equity						
Current liabilities						
Trade and other payables	1,510.03	60.66	1,500.21	61.01	9.82	0.65
Short-term loans from other person	-	-	3.40	0.14	(3.40)	(100.00)
Income received in advance recognizable within one year	9.19	0.37	28.95	1.18	(19.76)	(68.26)
Income tax payable	4.28	0.17	34.18	1.39	(29.90)	(87.48)
Current portion of provision for long-term employee benefits	4.19	0.17	6.12	0.25	(1.93)	(31.54)
Other current liabilities	39.98	1.61	37.96	1.54	2.02	5.32
Total current liabilities	1,567.67	62.98	1,610.82	65.51	(43.15)	(2.68)
Non-current liabilities						
Income received in advance	3.25	0.13	5.30	0.22	(2.05)	(38.68)
Long-term loans	72.06	2.89	64.60	2.63	7.46	11.55
Provision for long-term employee benefits, net of current portion	40.21	1.62	39.62	1.61	0.59	1.49
Other non-current liabilities	9.07	0.36	8.51	0.35	0.56	6.58
Total non-current liabilities	124.59	5.01	118.03	4.80	6.56	5.56
Total liabilities	1,692.26	67.99	1,728.85	70.31	(36.59)	(2.12)
Shareholders' equity						
Share capital						
Registered						
356,313,243 ordinary shares of Baht 1 each (31December 2011:323,921,130 ordinary shares of Baht 1 each)	356.31	14.31	323.92	13.17	32.39	10.00
Issued and paid-up						
356,313,209 ordinary shares of Baht 1 each (31December 2011:323,921,130 ordinary shares of Baht 1 each)	356.31	14.31	323.92	13.17	32.39	10.00
Share premium	149.42	6.00	149.42	6.08	-	-
Retained earnings						
Appropriated-statutory reserve	35.63	1.43	35.63	1.45	-	-
Unappropriated	170.42	6.85	143.79	5.85	26.63	18.52
Other components of shareholders' equity	22.64	0.91	15.47	0.63	7.17	46.35
Equity attributable to owners of the Company	734.42	29.50	668.23	27.17	66.19	9.91
Non-controlling interests of the subsidiaries	62.48	2.51	61.91	2.52	0.57	0.92
Total shareholders' equity	796.90	32.01	730.14	29.69	66.76	9.14
Total liabilities and shareholders' equity	2,489.16	100.00	2,458.99	100.00	30.17	1.23

Financial analyses

Total Asset As of September 30, 2012 the company and its subsidiaries had a total asset of THB 2,489.16 million increase of THB 30.17 million or 1.23% from the end of last year. Causes of changing of total assets:

- Property, plant and equipment totaled THB 963.66 million, an increase of THB 119.16 million or 14.11%, due to the purchase of new bookshelves, the costs of store decoration, new computer system installation in the headquarter, and the launch of new branches. The expenses also include the deep foundation installation of the new warehouse on Bangna-Trad Road (k.m.21).
- Other current assets for THB 50.60 million had increased by THB 10.67 million or 26.72%, due to the result of renewal rental of the Company's headquarters office and its warehouse.
- Rental guarantee and deposit for THB 99.50 million increased THB 7.26 million from the opening of 34 new branches.
- Cash and cash equivalents as of September 30, 2012 totals THB 526.84 million, a decrease of THB 43.47 million or -7.62% due to the additional loan to the subsidiary company for school building construction.
- Inventories-net for THB 369.12 million decreased from last year by THB 26.96 million or -6.81% because most of the imported books were discounted during the beginning of a new semester.
- Current investments for THB 167.67 million decreased of THB 11.19 million or -6.26% due to the sale of Bangkok Commercial Property Fund in the whole amount to support the construction of the new warehouse on Bangna-Trad Road (k.m.21).
- Leasehold right on buildings for THB 101.72 million had decreased by THB 8.58 million or -7.78% from a land leasehold amortization.
- Trade and other receivables totals THB 124.03 million, a decrease of THB 8.38 million or -6.33% due to the paid tuition fees from Plearnpattana School.
- Other non-current assets for THB 8.83 million decreasing THB 6.20 million mainly because in 2011 the Company paid for the EA, SA, CAL software system maintenance service in advance as well as the rental fee for stores in Tuk Com group (the section with more than 1 year benefits).The payment will be made in installment according to the term in the rental agreement.

Total liabilities As of September 30, 2012 the Company and its subsidiaries had a total liability of THB 1,692.26 million decreased of THB 36.59 million or -2.12%. Causes of changing of total liabilities:

- Income tax payable for THB 4.28 million, a decrease by THB 29.90 million or -87.48%. This is because the tax rate decreases from 30% to 23% and the income tax of 2011 and the first half of 2012 have been paid.
- Income received in advance recognizable within one year totals THB 9.19 million, a decrease by THB 19.76 million or -68.26%. The decrease is due to the gradual receipt of realized revenue from tuition fees during the accounting period.
- Trade and other payables totals THB 1,510.03 million, an increase by THB 9.82 million or up 0.65%. The increase is due to the distribution accounts payable increase in accordance with the higher sales of distributed products.
- Long-term loans were worth THB 72.06 million, an increase THB 7.46 million, The loan belongs to Plearnpatt Co.,Ltd to spend on the construction of a new school building.

Shareholders' equity As of September 30, 2012 the Company and its subsidiaries had a total shareholders' equity of THB 796.90 million, which the shareholders' equity of parent company worth THB 734.42 million increased of THB 66.19 million. Causes of changing of Shareholders' equity:

- Net profit of shareholders' equity of parent company from operation result Q3 of 2012 amount THB 166.27 million.
- Unrealized loss-securities available for sale decreased by THB 7.91 million because of the sale of Bangkok Commercial Property Fund and the rise of market capitalization of the temporary investment.
- Retained earnings decreased due to the dividend payment as THB 139.65 million.
 - Operation result of Q4/2011 THB 0.11112 per share as THB 35.99 million.
 - Operation result of Q1/2012 THB 0.10 per share as THB 35.63 million.
 - Increasing capital from paying dividend for 4/2011 quarter in the rate of 10 original shares: 1 new share, totaling THB 32.39 million.
 - Operation result of Q2/2012 THB 0.10 per share as THB 35.63 million.
- Retained earnings decreased THB 36.79 million from recognizing expense for employees benefit in long term future according with Thai Accounting Standard adopted in 2011.

5.2 Cash flow

Table 6 : Cash flow for first nine month of 2012 over the same period last year.

	(Unit : Million Baht)			
	Consolidated financial statements			
	9M/2012	9M/2011	Change	(%)
Cash flow received (used) from operation activities	228.37	337.97	(109.60)	-32.43
Cash flow received (used) from investing activities	(168.46)	(352.59)	184.13	-52.22
Cash flow received (used) from financing activities	(103.38)	(206.26)	102.88	-49.88
Cash flow increase (decrease)	(43.47)	(220.88)	177.41	-80.32

Cash Flow Received from Operation Activities for 9M of 2012 was THB 228.37 million as listed below:

- Income from operation increased in the amount of THB 300.86 million:
 - The Net profit before corporate income tax 9M of 2012 in the amount of THB 207.12 million.
 - Adjustments to reconcile profit before tax in the amount of THB 93.74 million (Depreciation and amortization as THB 85.71 million, Expense from donated goods as THB 14.15 million, Expense from lost goods as THB 13.70 million, Amortized leasehold right on land and buildings as THB 8.83 million, Expense from stock destruction as THB 7.83 million, Reversal of allowance for doubtful accounts and goods return as THB (23.76), Interest income as THB (10.35) million and Dividend income as THB (5.60) million).
- Cash flow increased from trade and other receivables decreased amount THB 12.37 million, due to the paid tuition fees from Plearnpattana School.
- Cash flow decreased from inventories increased amount THB 7.26 million, This is due to the increasing orders of SBC nonbook products, especially bags from Huskies International Corporation and in-house products.
- Cash flow decreased from prepaid expenses increased amount THB 11.65 million. Most of the expenses came from the advance payment of office rental fee and insurance premium from extending insurances for branches, head office and warehouse.
- Cash flow increased from compensation receivable from the insurance claim decreased amount THB 19.82 million, due to receiving the compensation in March, 2012 from flood, occurred in the end of 2011.

- Cash flow decreased from rental guarantee and deposit increased by THB 7.26 million from the opening of new 34 stores.
- Cash flow increased from other non-current assets decreased by THB 6.20 million, mainly because in 2011 the Company paid for the EA, SA, CAL software system maintenance service in advance as well as the rental fee for stores in Tuk Com group (the section with more than 1 year benefits). The payment will be made in installment according to the term in the rental agreement.
- Cash flow increased from trade accounts payable increased amount THB 24.12 million, which came from the increase of Distributions trade accounts payable according to the increasing number of branches and sales.
- Cash flow decreased from Income received in advance decreased by THB 21.81 million, due to the gradual receipt of realized revenue from tuition fees during the accounting period.
- Cash flow decreased from accrued expenses decreased amount THB 13.08 million, which came from the bonus payment for employees in March every year as well as other benefit payments.

Cash Flow Used from Investment Activities for 9M of 2012 was THB (168.46) million as listed below:

- Cash flow decreased from purchase of assets as THB 204.79 million. It includes the purchase of new bookshelves, the costs of store decoration, new computer system installation in the headquarter, and the launch of new branches. The expenses also include the deep foundation installation of the new warehouse on Bangna-Trad Road (k.m.21), and the new secondary building construction of the subsidiary company.
- Cash flow increased from current investments decreased amount THB 19.09 million, due to the sale of Bangkok Commercial Property Fund to spend on the warehouse construction.

Cash Flow Used from Financial Activities for 9M of 2012 was THB (103.39) million due to dividend payment for:

- Operation result of Q4/2011 THB 0.11112 per share as THB 35.99 million.
- Operation result of Q1/2012 THB 0.10 per share as THB 35.63 million.
- Operation result of Q2/2012 THB 0.10 per share as THB 35.63 million.

5.3 Financial Ratios

Table 7 : *Financial ratios calculated according to the Office of the Securities and Exchange Commission's formulae. (From the consolidated financial statements)*

		Q3 (9M)	
		2012	2011
LIQUIDITY RATIOS			
Current Ratio	Time	0.79	0.81
Quick Ratio	Time	0.52	0.52
PROFITABILITY RATIOS			
Gross Profit Margin	%	31.63	31.50
Net Profit Margin	%	3.83	4.36
Rate of Return to Equity	%	29.94	38.26
Return on Asset	%	11.29	15.87
FINANCIAL POLICY RATIO			
Debt to Equity Ratio	Time	2.12	2.24
Interest Capability Ratio	Time	79.13	128.93

Signature.....

(Mr. Viboolsak Udomvanich)

Deputy Managing Director and Company Secretary

INVESTOR RELATION

IR@SE-ED.COM

<http://www.se-ed.com/ir>

02-739-8000 # 8