



Management Discussion and Analysis

For the Financial Results of Quarter 3 Year 2016

Ended September 30, 2016

Note: This Management Discussion and Analysis (MD&A) was made to disclose information and the vision of the management in order to assist investors to better understand the company's financial status and operation. It also supports the "Good Corporate Governance Project" of the Securities and Exchange Commission (SEC).

An English version of the MD&A has been prepared from the Thai version. In the event of a conflict or a difference in interpretation between the two languages, the Thai version shall prevail.

The objective of this MD&A is to present the information and the explanation of financial status and operating results as of the date hereof. However, the information provided in this MD&A may vary if any factors or situation are changed in the future; the investors are, therefore, required to have their own discretion regarding the usage of this information for any purpose. For further detail, please contact Investor Relations Section of the Electricity Generating Public Company Limited at Tel: 662-998-5145-8 or Email: ir@egco.com

Management Discussion and Analysis

1. Significant events in the Third Quarter of 2016

1.1 The progress in construction projects

1.1.1 *Progress of construction*

- **Chaiyaphum Wind Farm Company Limited**, (EGCO holds a 90% ownership interest.), a wind power plant project located in Chaiyaphum province, has entered into the PPA with EGAT with the contracted capacity of 80 MW. The project is subsidized with an adder of 3.50 Baht per KWh for 10 years from the Power Department Fund Management Division, Office of the Energy Regulatory Commission (OERC). The construction of the project has progressed 95.06%. (The construction plan was 99.93%). The commercial operation date is scheduled in December 2016.
- **Klongluang Utilities Company Limited**, (EGCO holds a 99.99% ownership interest.), is a cogeneration power plant project, TJ Cogen, with the installed capacity of 115 MW. The project is located in Klongnueng sub-district, Klonglaung district, Pathumthani province. TJ Cogen has entered into the PPA with EGAT for 25 years with the contracted capacity of 90 MW. Additionally, the project has the 7 years contract with industrial user to sell 12 MW of electricity along with 13 tonnes per hour of steam output. The construction of the project has progressed 80.19%. (The construction plan was 80.15%). The commercial operation date is scheduled in June 2017.
- **Banpong Utilities Company Limited**, (EGCO holds a 99.99% ownership interest.), consists of 2 cogeneration power plant projects: SK Cogen and TP Cogen, with the installed capacity of 125 MW each. The projects are located in Thapha sub-district, Banpong district, Ratchaburi province. SK Cogen and TP Cogen have entered into the PPAs with EGAT for 25 years with the contracted capacity of 90 MW each. Additionally, the projects have the 20 years contract with industrial user to sell 40 MW of electricity along with 100 tonnes per hour of steam output. The construction of the project has progressed 74.57%. (The construction plan was 76.28%). The commercial operation date are scheduled in October 2017.

- **Masinloc Power Plant Project Unit 3**, an expansion unit of **Masinloc Power Partners CO., LTD. (MPPCL)**, (EGCO holds a 49% indirect ownership interest.), is a 335 MW (gross) supercritical coal-fired power plant, which will be co-located at the same campus of the existing 630 MW (2x315) plant Unit1-2 in Zambales province, Luzon of the Philippines. The project held a groundbreaking ceremony as well as issued a notice to proceed for the construction on March 3, 2016. Power Supply Agreements for 119 MW has been executed and lodged with the Energy Regulatory Commission (ERC) for final approval. The project targets for 85% contracted by commercial operation date. The project is in the process of soil excavation for a base of main equipment. The commercial operation date is scheduled in mid 2019.

- **Xayaburi Project**, a project of the **Xayaburi Power Company Limited (Xayaburi)**, (EGCO holds a 12.50% ownership interest.), is a hydro power plant project, Run-of-River, in the Laos People's Democratic Republic (Laos PDR). Xayaburi has entered into the PPA with EGAT with the contracted capacity of 1,220 MW. The construction of the project has progressed 69.78%. (The construction plan was 57.35%). The commercial operation date is scheduled in October 2019.

- **SBPL Project**, a project of **San Buenaventura Power Ltd., Co.**, (EGCO holds a 49% ownership interest.), is a 500 MW supercritical coal-fired power plant, in Mauban, Quezon province of the Philippines. 455 MW of the plant's capacity and energy are contracted to the Manila Electric Company (MERALCO) pursuant to a 20 years power supply agreement which is extendable for up to an additional 5 years. The project is in the process of soil excavation for a base of main equipment. The commercial operation date is scheduled in October 2019.

1.2 Additional Investment in Joint Ventures

- On July 5, 2016, Gen Plus B. V. (Gen Plus), (EGCO holds a 100% indirect ownership interest), has enter into a share subscription agreement to acquire an additional indirect portion of investment in Masin-AES which is the major shareholder of MPPCL. Therefore, EGCO's indirect ownership interest in Masin-AES and MPPCL increased from 44.45% to 49% and from 40.95% to 49%, respectively.

2. Business overview

EGCO Group has invested in the Independent Power Producer (IPP), Small Power Producer (SPP), Very Small Power Producer (VSPP), Coal Mining, Operating and Maintenance (O&M) and Management and Administrative Services (Management Services). Details of each plant are as follows:

(1) Subsidiaries which can be categorized into 2 businesses:

1. Power Generation

1.1 Local power generation

Khanom Electricity Generating Co., Ltd. (KEGCO)	IPP
EGCO Cogeneration Co., Ltd. (EGCO Cogen)	SPP
Roi-Et Green Co., Ltd. (Roi-Et Green)	SPP
Banpong Utilities Co., Ltd. (Banpong)	SPP
Klongluang Utilities Co., Ltd. (Klongluang)	SPP
Chaiyaphum Wind Farm Co., Ltd. (Chaiyaphum)	SPP
SPP Two Co., Ltd. (SPP 2)	VSPP
SPP Three Co., Ltd. (SPP 3)	VSPP
SPP Four Co., Ltd. (SPP 4)	VSPP
SPP Five Co., Ltd. (SPP 5)	VSPP
Yanhee EGCO Holding Co., Ltd. (Yanhee EGCO)	Holding Co.
● Solarco Company Limited (Solarco)	VSPP
Theppana Wind Farm Co., Ltd. (Theppana)	VSPP

1.2 Overseas Power Generation

Quezon Power (Philippines) Limited Co. (Quezon)
Boco Rock Wind Farm Pty Ltd. (Boco Rock)

2. Other businesses

2.1 Local Other Businesses

EGCO Engineering and Service Co., Ltd. (ESCO)	O&M
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2.2 Overseas Other Businesses

Pearl Energy Philippines Operating Inc. (PEPOI)	O&M
Quezon Management Service Inc. (QMS)	Management Services

(2) Associated in overseas power generation business

Star Energy Geothermal Pte. Ltd. (SEG)

(3) Joint Ventures which can be categorized into 2 businesses:

1. Power Generation

1.1 Local power generation

Gulf Electric Public Company Limited (GEC)	Holding Co.
● Gulf Cogeneration Co., Ltd. (GCC)	SPP
● Nong Khae Cogeneration Co., Ltd. (NKCC)	SPP
● Samutprakarn Cogeneration Co., Ltd. (SCC)	SPP
● Gulf Yala Green Co., Ltd. (GYG)	SPP
● Gulf Power Generation Co., Ltd (GPG)	IPP
BLCP Power Limited (BLCP)	IPP
Natural Energy Development Co., Ltd. (NED)	SPP & VSPP
G-Power Source Co., Ltd. (GPS)	VSPP
GIDEC Company Limited (GIDEC)	VSPP

1.2 Overseas power generation

Nam Theun 2 Power Co., Ltd. (NTPC)
San Buenaventura Power Ltd. Co. (SBPL)
Masin-AES Pte. Ltd. (Masin-AES)
● Masinloc Power Partners Co., Ltd. (MPPCL)

2. Others businesses

● **Overseas Other Business**

PT Manambang Muara Enim Co., Ltd. (MME) Coal Mining

(4) Other investments

Other investments comprise long-term investment in securities :

- EGCO holds 18.72% of the outstanding shares in Eastern Water Resources Development and Management Public Company Limited (East Water).
- EGCO holds 12.50% of the outstanding shares in Xayaburi Power Company Limited (Xayaburi).

As of September 30, 2016, EGCO Group's portfolio consists of 23 operating power plants, with a total contracted capacity of 4,049 MW equity.

3. Report and Analysis of the Operating Results

For focusing on the operating performance, EGCO would like to present analysis of the operation result excluding the impact of Lease Income and Income from Service Concession as follows :

Summary of operating results for Q3/2016, Ended of September 30,2016

Unit : Million Baht

	<i>Power Generation</i>		<i>Others</i>		<i>Total</i>		<i>Change Increase (Decrease)</i>	
	<i>Quarter 3</i>		<i>Quarter 3</i>		<i>Quarter 3</i>		<i>Quarter 3</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>	<i>Amount</i>	<i>%</i>
Total Revenues	8,059	5,782	251	271	8,310	6,053	2,257	37%
Total Expenses	(7,178)	(4,770)	(225)	(235)	(7,403)	(5,005)	2,398	48%
Share of Profit (Loss)	1,857	1,612	17	-	1,874	1,612	262	16%
NCI* before FX	-	2	-	-	-	2	(2)	(100%)
Profit (Loss) before FX								
deferred income tax and impairment	2,738	2,626	43	36	2,781	2,662	119	4%
Deferred income (expense) tax	(173)	(233)	(1)	-	(174)	(233)	59	25%
Profit (Loss) before FX	2,565	2,393	42	36	2,607	2,429	178	7%
FX	446	(2,614)	-	4	446	(2,610)	3,056	117%
Net Profit (loss)	3,011	(221)	42	40	3,053	(181)	3,234	1,787%

* NCI: Non-Controlling Interests

Profit from operation of EGCO Group before FX, deferred income tax and allowance for impairment of assets for Q3/2016 were 2,781 million Baht, increasing by 119 million Baht comparing to Q3/2015, which came from an increase in power generation business of 112 million Baht and an increase in other business of 7 million Baht. See more details in 3.1 and 3.2 as below;

3.1 The Analysis of the Operating Results in Power Generation business

Profit (loss) before FX, deferred income tax and allowance for impairment of assets for Q3/2016 of power generation business increased by 112 million Baht, comparing to that of Q3/2015, mainly due to an increase in the operating results of KEGCO, SEG, NTPC, Quezon, Masin-AES and GPG. On the other hand, those of EGCO and BLCP decreased as follows:

KEGCO

● **Khanom Power Plant Project Unit 4:**

Unit : Million Baht

	<u>Quarter 3</u>		<u>Change Increase (Decrease)</u>	
	<u>2016</u>	<u>2015</u>	<u>Amount</u>	<u>%</u>
<i>Electricity revenue</i>				
- Availability Payment (AP)	1,273	-	1,273	100%
- Energy Payment (EP)	2,808	-	2,808	100%
Other income	1	-	1	100%
Total revenues	4,082	-	4,082	100%
<i>Cost of sale</i>	(3,193)	-	3,193	100%
Other expenses	(329)	(35)	294	840%
Total expenses	(3,522)	(35)	3,487	9,963%
Profit (Loss) before FX deferred income tax and impairment	560	(35)	595	1,700%

● **Khanom Power Plant Project Unit 2 and 3:**

Unit : Million Baht

	<u>Quarter 3</u>		<u>Change Increase (Decrease)</u>	
	<u>2016</u>	<u>2015</u>	<u>Amount</u>	<u>%</u>
<i>Electricity revenue</i>				
- Availability Payment (AP)	-	336	(336)	(100%)
- Energy Payment (EP)	-	15	(15)	(100%)
Other income	3	55	(52)	(95%)
Total revenues	3	406	(403)	(99%)
<i>Cost of sale</i>	-	(305)	(305)	(100%)
Other expenses	(34)	(60)	(26)	(43%)
Total expenses	(34)	(365)	(331)	(91%)
Profit (Loss) before FX deferred income tax and impairment	(31)	41	(72)	(176%)

- **KEGCO** : Khanom Power Plant Project Unit 4 commenced its Commercial Operation Date on June 19, 2016. Whereas, PPA of Khanom Power Plant Unit 2 and Unit 3 was expired and its operation stopped on the same day.

SEG:

Unit : Million Baht

	<u>Quarter 3</u>		<u>Change Increase (Decrease)</u>	
	<u>2016</u>	<u>2015</u>	<u>Amount</u>	<u>%</u>
<i>Electricity revenue</i>	316	45	271	602%
<i>Other income</i>	1	4	(3)	(75%)
Total revenues	317	49	268	546%
<i>Cost of sale</i>	(76)	(74)	2	2%
<i>Other expenses</i>	(58)	(49)	9	18%
Total expenses	(134)	(123)	11	8%
Profit (Loss) before FX deferred income tax and impairment	183	(74)	257	347%

- **SEG** : The operating result was increased by 257 million Baht. This was caused by higher electricity generation, owing to stopped operation of power plant from landslide during July 1 – September 7, 2015. In addition, the electricity revenue was increased by 40% after received the approval of tariff adjustment from PLN.

NTPC:

Unit : Million Baht

	<u>Quarter 3</u>		<u>Change Increase (Decrease)</u>	
	<u>2016</u>	<u>2015</u>	<u>Amount</u>	<u>%</u>
<i>Electricity revenue</i>	886	743	143	19%
<i>Other income</i>	2	1	1	100%
Total revenues	888	744	144	19%
<i>Cost of sale</i>	(233)	(233)	-	-
<i>Other expenses</i>	(204)	(215)	(11)	(5%)
Total expenses	(437)	(448)	(11)	(2%)
Profit (Loss) before FX deferred income tax and impairment	451	296	155	52%

- **NTPC** : The operating result was increased by 155 million Baht due to higher electricity generation, comparing to the same period of previous year. The electricity generation was rose in the 3rd quarter due to a sufficient quantity of water reserve from the first two quarters of the year.

Quezon (Include PEPOI and QMS):

Unit : Million Baht

	<u>Quarter 3</u>		<u>Change Increase (Decrease)</u>	
	<u>2016</u>	<u>2015</u>	<u>Amount</u>	<u>%</u>
<i>Electricity revenue</i>	2,550	2,823	(273)	(10%)
<i>Other income</i>	-	-	-	-
Total revenues	2,550	2,823	(273)	(10%)
<i>Cost of sale</i>	(1,233)	(1,465)	(232)	(16%)
<i>Other expenses</i>	(418)	(479)	(61)	(13%)
Total expenses	(1,651)	(1,944)	(293)	(15%)
Profit (Loss) before FX deferred income tax and impairment	899	879	20	2%

- **Quezon** : The operating result was increased by 20 million Baht mainly due to a decrease in interest expense from repricing of loan interest rates. Whereas, electricity profit was decreased owing to a lower electricity generation, comparing to the same period of previous year.

Masin-AES:

Unit : Million Baht

	<u>Quarter 3</u>		<u>Change Increase (Decrease)</u>	
	<u>2016</u>	<u>2015</u>	<u>Amount</u>	<u>%</u>
<i>Electricity revenue</i>	1,690	1,569	121	7%
<i>Other income</i>	-	-	-	-
Total revenues	1,690	1,569	121	7%
<i>Cost of sale</i>	(892)	(899)	(7)	(1%)
<i>Other expenses</i>	(465)	(355)	110	31%
Total expenses	(1,357)	(1,254)	103	8%
Profit (Loss) before FX deferred income tax and impairment	333	315	18	6%

- **Masin-AES** : The operating result was increased by 18 million Baht mainly due to EGCO's indirect ownership interest in Masin-AES increased from 44.45% to 49% on July 5, 2016.

GPG :

Unit : Million Baht

	<u>Quarter 3</u>		<u>Change</u> <u>Increase (Decrease)</u>	
	<u>2016</u>	<u>2015</u>	<u>Amount</u>	<u>%</u>
<i>Electricity revenue</i>				
- Availability Payment (AP)	612	558	54	10%
- Energy Payment (EP)	722	1,670	(948)	(57%)
<i>Other income</i>	10	10	-	-
Total revenues	1,344	2,238	(894)	(40%)
<i>Cost of sale</i>	(909)	(1,840)	(931)	(51%)
<i>Other expenses</i>	(156)	(124)	32	26%
Total expenses	(1,065)	(1,964)	(899)	(46%)
Profit (Loss) before FX				
deferred income tax and impairment	279	274	5	2%

- **GPG** : The operating result was increased by 5 million Baht due to an increase in Availability Payment (AP) caused by higher seasoning weight announced by EGAT, which use for electricity revenue calculation, comparing to the same period of previous year. Meanwhile, corporate income tax expense was increased.

EGCO:

Unit : Million Baht

	<u>Quarter 3</u>		<u>Change</u> <u>Increase (Decrease)</u>	
	<u>2016</u>	<u>2015</u>	<u>Amount</u>	<u>%</u>
<i>Electricity revenue</i>	-	-	-	-
<i>Other income</i>	168	1,237	(1,069)	(86%)
Total revenues	168	1,237	(1,069)	(86%)
<i>Cost of sale</i>	-	-	-	-
<i>Other expenses</i>	(993)	(1,151)	(158)	(13%)
Total expenses	(993)	(1,151)	(158)	(13%)
Profit (Loss) before FX				
deferred income tax and impairment	(825)	86	(911)	(1,059%)

- **EGCO** : The operating result was down 911 million Baht, comparing to the 3rd quarter of 2015 which company had profit and corporate income tax expense from EGCOM TARA's Divestment.

BLCP:

Unit : Million Baht

	<u>Quarter 3</u>		<u>Change Increase (Decrease)</u>	
	<u>2016</u>	<u>2015</u>	<u>Amount</u>	<u>%</u>
<i>Electricity revenue</i>				
- Availability Payment (AP)	893	984	(91)	(9%)
- Energy Payment (EP)	1,223	1,475	(252)	(17%)
<i>Other income</i>	21	22	(1)	(4%)
Total revenues	2,137	2,481	(344)	(13%)
<i>Cost of sale</i>	(1,554)	(1,742)	(188)	(10%)
<i>Other expenses</i>	(159)	(196)	(37)	(18%)
Total expenses	(1,713)	(1,938)	(225)	(12%)
Profit (Loss) before FX deferred income tax and impairment	424	543	(119)	(21%)

- **BLCP** : The operating result was decreased by 119 million Baht mainly due to a decrease in Availability Payment (AP) according to the PPA. The electricity profit was also decreased from a scheduled maintenance in this quarter. Meanwhile, interest expense was decreased.

Other Subsidiaries in Power Generation business:

Unit : Million Baht

	<i>Rayong Power Plant</i>		<i>Yanhee EGCO</i>		<i>Roi-Et Green</i>		<i>SPP 2</i>		<i>SPP 3</i>		<i>SPP 4</i>		<i>SPP 5</i>	
	<u>Quarter 3</u>		<u>Quarter 3</u>		<u>Quarter 3</u>		<u>Quarter 3</u>		<u>Quarter 3</u>		<u>Quarter 3</u>		<u>Quarter 3</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<i>Electricity revenue</i>	-	-	315	341	41	37	43	47	44	43	33	33	45	45
<i>Other income</i>	24	11	3	5	-	-	-	1	1	1	-	1	-	1
Total revenues	24	11	318	346	41	37	43	48	45	44	33	34	45	46
<i>Cost of sale</i>	-	-	(80)	(82)	(38)	(54)	(14)	(13)	(13)	(12)	(10)	(10)	(13)	(13)
<i>Other expenses</i>	(36)	(38)	(97)	(105)	(4)	(3)	(13)	(14)	(13)	(14)	(10)	(11)	(12)	(13)
Total expenses	(36)	(38)	(177)	(187)	(42)	(57)	(27)	(27)	(26)	(26)	(20)	(21)	(25)	(26)
Profit (Loss) before FX deferred income tax and impairment	(12)	(27)	141	159	(1)	(20)	16	21	19	18	13	13	20	20

Other Subsidiaries in Power Generation business (continue) :

Unit : Million Baht

	Theppana		Boco Rock		EGCO Cogen		North Pole*		Others**		Total		Change Increase (Decrease)	
	Quarter 3		Quarter 3		Quarter 3		Quarter 3		Quarter 3		Quarter 3		Quarter 3	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	Amount	%
Electricity revenue	13	14	273	244	418	490	-	-	-	-	1,225	1,294	(69)	(5%)
Other income	-	-	2	2	-	-	1	-	-	-	31	22	9	41%
Total revenues	13	14	275	246	418	490	1	-	-	-	1,256	1,316	(60)	(5%)
Cost of sale	(7)	(7)	(101)	(99)	(353)	(438)	-	-	-	-	(629)	(728)	(99)	(14%)
Other expenses	(7)	(7)	(101)	(135)	(21)	(11)	(7)	(183)	(28)	(11)	(349)	(545)	(196)	(36%)
Total expenses	(14)	(14)	(202)	(234)	(374)	(449)	(7)	(183)	(28)	(11)	(978)	(1,273)	(295)	(23%)
Profit (Loss) before FX deferred income tax and impairment														
	(1)	-	73	12	44	41	(6)	(183)	(28)	(11)	278	43	235	547%

* Withholding Tax on dividend payments from QUEZON and PEPOI were included in other expenses of North Pole.

** Banpong, Klongluang and Chaiyaphum are under construction.

Other Joint Ventures in Power Generation business

Unit : Million Baht

	GPS (JV)		GEC (JV)		NED (JV)		GIDEC (JV)		SBPL* (JV)		Total		Change Increase (Decrease)	
	Quarter 3		Quarter 3		Quarter 3		Quarter 3		Quarter 3		Quarter 3		Quarter 3	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	Amount	%
Electricity revenue	71	76	937	1,142	222	227	24	25	-	-	1,254	1,470	(216)	(15%)
Other income	-	-	4	5	1	9	-	2	-	-	5	16	(11)	(69%)
Total revenues	71	76	941	1,147	223	236	24	27	-	-	1,259	1,486	(227)	(15%)
Cost of sale	(26)	(25)	(800)	(990)	(63)	(63)	(17)	(19)	-	-	(906)	(1,097)	(191)	(17%)
Other expenses	(15)	(17)	(53)	(58)	(39)	(44)	(12)	(6)	(47)	(6)	(166)	(131)	35	27%
Total expenses	(41)	(42)	(853)	(1,048)	(102)	(107)	(29)	(25)	(47)	(6)	(1,072)	(1,228)	(156)	(13%)
Profit (Loss) before FX deferred income tax and impairment														
	30	34	88	99	121	129	(5)	2	(47)	(6)	187	258	(71)	(27%)

* SBPL is under construction.

3.2 The Analysis of the Operating Results in Other businesses

Profit (loss) before FX, deferred income tax and allowance for impairment of assets for Q3/2016 in other businesses were increased by 7 million Baht from Q3/2015 as the following details:

Subsidiaries and Joint Ventures in Other business:

Unit : Million Baht

	ESCO (Sub)		EGCOM Tara* (Sub)		MME (JV)		Total		Change Increase (Decrease)	
	Quarter 3		Quarter 3		Quarter 3		Quarter 3		Quarter 3	
	2016	2015	2016	2015	2016	2015	2016	2015	Amount	%
Revenue	-	-	-	40	126	49	126	89	37	42%
Service income	249	206	-	-	-	-	249	206	43	21%
Other income	2	24	-	1	1	1	3	26	(23)	(88%)
Total revenues	251	230	-	41	127	50	378	321	57	18%
Cost of sale	(202)	(171)	-	(12)	(102)	(43)	(304)	(226)	78	35%
Other expenses	(23)	(45)	-	(7)	(8)	(7)	(31)	(59)	(28)	(47%)
Total expenses	(225)	(216)	-	(19)	(110)	(50)	(335)	(285)	50	18%
Profit (Loss) before FX										
deferred income tax and impairment	26	14	-	22	17	-	43	36	7	19%

* Sold ordinary shares in EGCOM Tara on August 31, 2015.

The nine-month period ended September 30,2016

Unit : Million Baht

	Power Generation		Others		Total		Change Increase (Decrease)	
	2016	2015	2016	2015	2016	2015	Amount	%
Total Revenues	17,920	14,268	835	952	18,755	15,220	3,535	23%
Total Expenses	(16,737)	(13,089)	(743)	(744)	(17,480)	(13,833)	3,647	26%
Share of Profit (Loss)	5,783	5,152	22	17	5,805	5,169	636	12%
NCI* before FX	-	5	-	-	-	5	(5)	(100%)
Profit (Loss) before FX deferred income tax and impairment	6,966	6,336	114	225	7,080	6,561	519	8%
Allowance for impairment of assets	(196)	-	-	-	(196)	-	196	100%
Profit (Loss) before FX and deferred income tax	6,770	6,336	114	225	6,884	6,561	323	5%
Deferred income (expense) tax	(152)	(368)	3	-	(149)	(368)	219	60%
Profit (Loss) before FX	6,618	5,968	117	225	6,735	6,193	542	9%
FX	1,024	(3,686)	-	(1)	1,024	(3,687)	4,711	128%
Net Profit (loss)	7,642	2,282	117	224	7,759	2,506	5,253	210%

4. Cash Flow Analysis

As of September 30, 2016 cash and cash equivalents were 5,621 million Baht, decreasing by 3,130 million Baht comparing to December 31, 2015. The details are as follows:

	Unit: Million Baht
Net cash <u>received from</u> operating activities	6,134
Net cash <u>payment for</u> investing activities	(13,732)
Net cash <u>received from</u> financing activities	4,364
Profit from the effect of foreign exchange rate	104
	<hr/>
Net decrease in cash	<u>(3,130)</u>

- **Net cash received from operating activities** was 6,134 million Baht from operating of EGCO and its subsidiaries.

- **Net cash payment for investing activities** was 13,732 million Baht. The amount of 11,156 million Baht were funded for power plant construction costs and development costs of Banpong, Khanom Power Plant Project Unit 4, Klongluang and Chaiyaphum. The equity injection and acquisition in joint ventures were 3,049 million Baht. The short-term and long-term deposits used as collateral was 702 million Baht. The long-term loan and equity injection in Xayaburi were 1,231 million Baht and 405 million Baht. Cash payments for short-term and long-term investments were 358 million Baht. Meanwhile, the dividend received from joint ventures and other company were 3,121 million Baht and interest incomes was 48 million Baht.

- **Net cash received from financing activities** was 4,364 million Baht, resulted from the drawn down loans of 24,993 million Baht. Meanwhile, the principle repayment of short-term and long-term loans were 13,915 million Baht, the dividend payment to shareholders was 3,450 million Baht and interest payment of loans and financing fees were 3,264 million Baht.

5. Financial Ratios

Profitability Ratios

	<u>Quarter 3</u>		<u>Change Increase/(Decrease)</u>
	<u>2016</u>	<u>2015</u>	
Gross Profit Ratio (%)	37.44	35.51	1.93
Operating Profit Ratio before FX (%)	30.53	35.40	(4.87)
Profit Ratio before FX (%)	16.22	16.56	(0.34)
Profit before FX per share (Baht)	4.95	4.61	0.34

Leverage Ratio and Liquidity Ratio

	<u>Quarter 3</u>	<u>Quarter 2</u>	<u>Change Increase/(Decrease)</u>
	<u>2016</u>	<u>2016</u>	
Debt to equity ratio (Time)			
- Consolidated	1.41	1.38	0.03
- Company	0.88	0.83	0.05
Book value per share (Baht)			
- Consolidated	151.87	151.18	0.69
- Company	108.36	110.60	(2.24)
Current ratio (Time)			
- Consolidated	1.21	1.52	(0.31)
- Company	0.57	0.94	(0.37)
Interest Coverage Ratio (Time)			
- Company	4.17	4.79	(0.62)