

**ITV Public Company Limited
and its Subsidiaries**

Interim financial statements
and
Review Report of Certified Public Accountant

For the three-month and nine-month periods ended
30 September 2008

Review Report of Certified Public Accountant

To the Board of Directors of ITV Public Company Limited

I have reviewed the accompanying consolidated and separate balance sheets as at 30 September 2008, and the related statements of income for the three-month and nine-month periods then ended, and the related statements of changes in equity and cash flows for the nine-month period then ended of ITV Public Company Limited and its subsidiaries, and of ITV Public Company Limited, respectively. The Company's management is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to issue a report on these financial statements based on my reviews. The consolidated and separate statements of income for the three-month and nine-month periods ended 30 September 2007, and the related statements of changes in equity and cash flows for the nine-month period ended 30 September 2007 of ITV Public Company Limited and its subsidiaries, and of ITV Public Company Limited, respectively, were reviewed by another auditor whose report dated 13 November 2007 stated that, based on his review, he was unable to express a conclusion on such consolidated and separate financial statements because of the significance of the matters as described in note 2 (b) to the financial statements.

I conducted my reviews in accordance with the auditing standard on review engagements. This Standard requires that I plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit in accordance with generally accepted auditing standards. I have not performed an audit and, accordingly, I do not express an audit opinion on the reviewed financial statements.

As mentioned in notes 2 (b) and 13 to the financial statements as at 30 September 2008, the Company's current liabilities exceed its current assets by an amount of Baht 2,506 million and there is a deficit in excess of the share capital of an amount of Baht 2,506 million and the Company's Television Broadcasting Station under a UHF Radio-Television Broadcasting Agreement ("Concession Agreement") was revoked by the Office of the Permanent Secretary of the Office of the Prime Minister ("PMO") as the Company did not pay the unpaid concession fee totaling Baht 2,210 million and the interest on the total unpaid concession fee at 15% per annum including the penalty arising from the alteration of television programming of Baht 97,760 million and adjust television programs fee. Subsequently, the Company ceased its operations and delivered their assets under the concession agreement to PMO. The Company has filed statements of claim regarding the unpaid concession totaling Baht 2,210 million plus the interest and adjust television programs fee to the arbitration process. These events indicate a material uncertainty which may cast significant doubt on ITV's ability to continue as a going concern.

Because of the significance of the matters discussed in the preceding paragraph to the consolidated and separate financial statements for the three-month and nine-month periods ended 30 September 2008 of ITV Public Company Limited and its subsidiaries and of ITV Public Company Limited, I am unable to express a conclusion on the accompanying interim financial statements.

The consolidated and separate financial statements for the year ended 31 December 2007 of ITV Public Company Limited and its subsidiaries, and of ITV Public Company Limited, respectively, were audited by another auditor who was unable to express an opinion on the aforementioned financial statements because of the significance of the matters as described in note 2 (b) to the interim financial statements in his report dated 20 February 2008. The consolidated and separate balance sheets as at 31 December 2007, which are included in the accompanying financial statements for comparative purposes, are components of those financial statements.

(Winid Silamongkol)
Certified Public Accountant
Registration No. 3378

KPMG Phoomchai Audit Ltd.
Bangkok
10 November 2008

ITV Public Company Limited and its Subsidiaries

Balance sheets

As at 30 September 2008 and 31 December 2007

Assets	Note	Consolidated financial statements		Separate financial statements	
		30 September 2008 (Unaudited)	31 December 2007	30 September 2008 (Unaudited)	31 December 2007
<i>(in thousand Baht)</i>					
Current assets					
Cash and cash equivalents		1,092,353	1,235,977	1,087,891	1,211,910
Trade accounts receivable	4	326	833	-	569
Loan to a subsidiary	3	-	-	1,342	2,112
Programming rights and production costs	5	-	-	-	-
Withholding tax receivable		15,140	62,950	14,722	61,909
Other current assets		6,473	16,015	6,514	15,754
Total current assets		1,114,292	1,315,775	1,110,469	1,292,254
Non-current assets					
Investments in a subsidiary and a joint venture	6	-	-	3,650	24,302
Equipment	7	26	1,572	26	-
Concession assets	8	-	-	-	-
Other non-current assets		104	8,118	103	7,721
Total non-current assets		130	9,690	3,779	32,023
Total assets		1,114,422	1,325,465	1,114,248	1,324,277

The accompanying notes are an integral part of these financial statements

ITV Public Company Limited and its Subsidiaries

Balance sheets

As at 30 September 2008 and 31 December 2007

	Note	Consolidated		Separate	
		financial statements		financial statements	
Liabilities and equity		30 September 2008 (Unaudited)	31 December 2007	30 September 2008 (Unaudited)	31 December 2007
<i>(in thousand Baht)</i>					
Current liabilities					
Trade accounts payable	9	492	1,277	492	868
Current portion of finance lease liabilities	10	-	142	-	-
Current portion of long-term loan from bank	10	-	114,375	-	114,375
Provision for unpaid concession fee and interest	13	3,613,960	3,289,489	3,613,960	3,289,489
Accrued expenses		5,805	5,119	5,632	4,862
Other current liabilities		79	142	78	106
Total current liabilities		3,620,336	3,410,544	3,620,162	3,409,700
Non-current liabilities					
Finance lease liabilities	10	-	344	-	-
Long-term loan from bank	10	-	81,180	-	81,180
Total non-current liabilities		-	81,524	-	81,180
Total liabilities		3,620,336	3,492,068	3,620,162	3,490,880
Equity					
Share capital					
Authorised share capital	11	7,800,000	7,800,000	7,800,000	7,800,000
Issued and paid-up share capital		6,033,487	6,033,487	6,033,487	6,033,487
Deficiency on share capital	11	(174,297)	(174,297)	(174,297)	(174,297)
Deficit		(8,365,104)	(8,025,793)	(8,365,104)	(8,025,793)
Total equity		(2,505,914)	(2,166,603)	(2,505,914)	(2,166,603)
Total liabilities and equity		1,114,422	1,325,465	1,114,248	1,324,277

The accompanying notes are an integral part of these financial statements

ITV Public Company Limited and its Subsidiaries

Statements of income

For the three-month periods ended 30 September 2008 and 2007 (Unaudited)

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		2008	2007	2008	2007
<i>(in thousand Baht)</i>					
Revenues					
Revenue from rendering of services		222	552	-	-
Interest income		9,256	10,077	9,275	10,108
Other income		14	7,146	7	4,649
Total revenues		9,492	17,775	9,282	14,757
Expenses					
Cost of rendering of services		91	1,913	-	-
Provision for interest on unpaid concession fee	13	108,947	108,687	108,947	108,687
Selling and administrative expenses		8,515	7,740	6,887	5,707
(Reversal of) impairment loss on assets		(731)	-	(922)	292
Directors' remuneration		1,200	1,050	1,200	1,050
Total expenses		118,022	119,390	116,112	115,736
Loss before interest expense		(108,530)	(101,615)	(106,830)	(100,979)
Interest expense		(1,401)	(3,614)	(1,338)	(3,601)
Loss for the period		(109,931)	(105,229)	(108,168)	(104,580)
Loss per share (Baht)					
	12				
Basic		(0.09)	(0.09)	(0.09)	(0.09)
Diluted		(0.09)	(0.09)	(0.09)	(0.09)

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

ITV Public Company Limited and its Subsidiaries

Statements of income

For the nine-month periods ended 30 September 2008 and 2007 (Unaudited)

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		2008	2007	2008	2007
<i>(in thousand Baht)</i>					
Revenues					
Revenue from rendering of services		661	293,181	-	290,533
Interest income		27,028	38,067	26,935	38,255
Other income		739	11,290	733	10,690
Total revenues		28,428	342,538	27,668	339,478
Expenses					
Cost of rendering of services		518	350,642	-	346,257
Provision for interest on unpaid concession fee	13	324,471	273,074	324,471	273,074
Selling and administrative expenses		32,448	340,332	27,963	338,770
Impairment loss on assets		578	1,970,152	4,905	1,987,115
Directors' remuneration		3,435	2,480	3,435	2,480
Total expenses		361,450	2,936,680	360,774	2,947,696
Loss before interest expense		(333,022)	(2,594,142)	(333,106)	(2,608,218)
Interest expense		(6,289)	(13,516)	(6,205)	(13,476)
Loss for the period		(339,311)	(2,607,658)	(339,311)	(2,621,694)
Loss per share (Baht)					
	12				
Basic		(0.28)	(2.16)	(0.28)	(2.17)
Diluted		(0.28)	(2.16)	(0.28)	(2.17)

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

ITV Public Company Limited and its Subsidiaries

Statements of changes in equity

For the nine-month periods ended 30 September 2008 and 2007 (Unaudited)

	Consolidated financial statements			
	Share capital	Deficiency on share capital	Deficit	Total equity
	<i>(in thousand Baht)</i>			
Balance at 1 January 2007	6,033,487	(174,297)	(5,304,859)	554,331
Loss for the period	-	-	(2,607,658)	(2,607,658)
Balance at 30 September 2007	6,033,487	(174,297)	(7,912,517)	(2,053,327)
Balance at 1 January 2008	6,033,487	(174,297)	(8,025,793)	(2,166,603)
Loss for the period	-	-	(339,311)	(339,311)
Balance at 30 September 2008	6,033,487	(174,297)	(8,365,104)	(2,505,914)

	Separate financial statements			
	Share capital	Deficiency on share capital	Deficit	Total equity
	<i>(in thousand Baht)</i>			
Balance at 1 January 2007	6,033,487	(174,297)	(5,290,174)	569,016
Loss for the period	-	-	(2,621,694)	(2,621,694)
Balance at 30 September 2007	6,033,487	(174,297)	(7,911,868)	(2,052,678)
Balance at 1 January 2008	6,033,487	(174,297)	(8,025,793)	(2,166,603)
Loss for the period	-	-	(339,311)	(339,311)
Balance at 30 September 2008	6,033,487	(174,297)	(8,365,104)	(2,505,914)

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

ITV Public Company Limited and its Subsidiaries

Statements of cash flows

For the nine-month periods ended 30 September 2008 and 2007 (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	2008	2007	2008	2007
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Loss for the period	(339,311)	(2,607,658)	(339,311)	#####
<i>Adjustments for</i>				
Depreciation and amortisation	2,070	78,618	1,791	76,596
Allowance for doubtful debt (reversal)	(575)	4,450	195	7,016
Interest income	(27,028)	(38,067)	(26,935)	(38,255)
Interest expense	6,289	13,516	6,205	13,476
Impairment loss on equipment and concession assets	578	1,910,746	-	1,901,170
Impairment loss on programming rights	-	50,997	-	50,997
Impairment loss on investment	-	-	4,135	23,972
Loss on disposal of equipment	258	1,623	-	1,623
Gain on devaluation of barter assets	-	(160)	-	(160)
	<u>(357,719)</u>	<u>(585,935)</u>	<u>(353,920)</u>	<u>(585,259)</u>
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	1,081	340,672	1,143	334,496
Withholding tax receivable	47,810	(14,042)	47,188	(14,125)
Other current assets	7,440	3,114	7,396	4,712
Other non-current assets	8,015	253	7,619	392
Trade accounts payable	(785)	(45,475)	(375)	(49,706)
Provision for unpaid concession fee and interest	324,471	453,896	324,471	453,896
Accrued expenses	768	(231,045)	850	(227,496)
Other current liabilities	(63)	(30,880)	(28)	(30,555)
Net cash provided by (used in) operating activities	<u>31,018</u>	<u>(109,442)</u>	<u>34,344</u>	<u>(113,645)</u>

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

ITV Public Company Limited and its Subsidiaries

Statements of cash flows

For the nine-month periods ended 30 September 2008 and 2007 (Unaudited)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2008	2007	2008	2007
	<i>(in thousand Baht)</i>			
<i>Cash flows from investing activities</i>				
Interest received	29,130	37,965	28,779	38,153
Purchases of programming rights and production costs	-	(34,958)	-	(34,958)
Investments in concession assets	-	(7,302)	-	(7,302)
Sale of equipment	1,458	10,342	-	478
Purchases of equipment	(1,029)	(9,755)	(28)	(9,109)
Return investment from joint venture	-	-	16,517	-
Proceed loan to subsidiary	-	-	-	14,000
Net cash flows provided by (used in) investing activities	29,559	(3,708)	45,268	1,262
<i>Cash flows from financing activities</i>				
Interest paid	(6,371)	(13,414)	(6,288)	(13,374)
Repayment of long-term loan from bank	(197,343)	(44,877)	(197,343)	(44,877)
Finance lease liabilities payments	(487)	(65)	-	-
Net cash flows used in financing activities	(204,201)	(58,356)	(203,631)	(58,251)
Net decrease in cash and cash equivalents	(143,624)	(171,506)	(124,019)	(170,634)
Cash and cash equivalents at beginning of period	1,235,977	1,451,080	1,211,910	1,423,567
Cash and cash equivalents at end of period	1,092,353	1,279,574	1,087,891	1,252,933

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

ITV Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2008 (Unaudited)

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ITV Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2008 (Unaudited)

These notes are an integral part of the financial statements.

These interim financial statements were authorised for issue by the board of directors on 10 November 2008.

1 General information

ITV Public Company Limited (the “Company”) is a public limited company and is incorporated and domiciled in Thailand. The address of its registered office is 1010 Shinawatra Tower 3, Viphavadi Rangsit Road, Chatuchak, Chatuchak, Bangkok 10900.

During the period, the Company is in the process of preparing development plans to resolve the cause of delisting and a plan to undertake new business and rehabilitation of the Stock Exchange of Thailand.

The parent company during the financial period were Shin Corporation Public Co., Ltd. It was incorporated in Thailand.

The Company used to operate a television broadcasting station under a UHF radio-television broadcasting agreement (“concession agreement”) provided by the Office of the Permanent Secretary of the Office of the Prime Minister (“PMO”). The Company’s Concession Agreement was revoked on 7 March 2007. Therefore, the Company ceased its operations.

The concession is a Build Transfer Operate concession according to which the Company has to transfer ownership of certain property and equipment that it procures to the PMO, upon completion of equipment installation.

The Company has explained about the progress of lawsuit and judgment of the Supreme Administrative Court relating to the Agreement for the Operation of Television Station in note 13 to the financial statements. On 7 March 2007, the letter of revocation of the Concession Agreement was sent by the PMO requesting the Company to repay the debt and return all operations assets under the concession agreement back to the PMO within the period specified by the PMO in accordance with the Cabinet resolution passed on 6 March 2007. Such termination caused the Company to cease carrying on the business of the UHF television broadcasting station.

Details of the Company’s subsidiary and jointly controlled entities as at 30 September 2008 and 31 December 2007 are as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest	
			30 September 2008	31 December 2007
Subsidiary				
Artware Media Company Limited	Principal business is the lease of equipment for television programs and movies and arranging related marketing events.	Thailand	99.99	99.99
Joint venture				
Media Connex Company Limited	Produce contents and advertising media on mobile phones by accompanying computer technologies, televisions and mobile phones. (At present, the company ceased its operation)	Thailand	60.00	60.00

ITV Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2008 (Unaudited)

2 Basis of preparation of financial statements

(a) Basis of preparation

The interim financial statements issued for Thai reporting purposes are prepared in the Thai language. The English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard No. 41 (revised 2007) *Interim Financial Reporting* including related interpretations and guidelines promulgated by the Federation of Accounting Professions, applicable rules and regulations of the Securities and Exchange Commission and with generally accepted accounting principles in Thailand.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2007. They focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements for the year ended 31 December 2007.

The interim financial statements are presented in Thai Baht, rounded to the nearest thousand unless otherwise stated.

In 2008, the Group adopted the following new Thai Accounting Standards (TAS) which are relevant to its operations:

TAS 25 (revised 2007)	<i>Cash Flows Statements</i>
TAS 33 (revised 2007)	<i>Borrowing Costs</i>
TAS 35 (revised 2007)	<i>Presentation of Financial Statements</i>
TAS 39 (revised 2007)	<i>Accounting Policies, Changes in Accounting Estimates and Errors</i>
TAS 41 (revised 2007)	<i>Interim Financial Reporting</i>
TAS 43 (revised 2007)	<i>Business Combinations</i>
TAS 51	<i>Intangible Assets</i>

The adoption of these new and revised TAS does not have any material impact on the consolidated or separate financial statements.

Accounting policies and methods of computation applied in the interim financial statements for the three-month and nine-month periods ended 30 September 2008 are consistent with those applied in the financial statements for the year ended 31 December 2007.

ITV Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2008 (Unaudited)

(b) *Financial status*

As at 30 September 2008, the Company's current liabilities exceed its current assets by an amount of Baht 2,506 million and deficit in excess of its share capital by an amount of Baht 2,506 million (*31 December 2007 and 30 September 2007, ITV's current liabilities exceed its current assets by an amount of Baht 2,095 and 1,921 million and deficit in excess of its share capital by an amount of Baht 2,167 and 2,053 million, respectively*). In addition, as discussed in note 13 to the financial statements, in consequence of the ruling of the Supreme Administrative Court on 13 December 2006, the Company is liable for unpaid concession fee totalling Baht 2,210 million and the interest on the total unpaid concession fee at 15% per annum including the penalty arising from the alteration of television programming of Baht 97,760 million. The Company has not yet paid these unpaid concession fee including interest and penalty. The Company's concession agreement was revoked on 7 March 2007 by the PMO therefore, the Company ceased its operation at that date. In addition, the PMO claimed the undelivered value of assets under concession amounting to Baht 656 million plus interest on 30 March 2007. Also, the Stock Exchange of Thailand ("SET") has suspended trading of the Company's stock. The Company is in the process of preparing development plans to resolve the cause of delisting and a plan to undertake new business and rehabilitation of the Stock Exchange of Thailand, which is still within the two-year time frame provided by SET for resolving of delisting. In addition, the Company is still in the arbitral proceeding regarding the unpaid concession fee including interest, penalty arising from the alteration of television programming of Baht 97,760 million and value of undelivered assets including its interest. These events indicate a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.

3 **Related party transactions and balances**

The Company is controlled by Shin Corporation Public Co., Ltd. ("Shin"), incorporated in Thailand, which owns 52.92 % of the Company's shares as at 30 September 2008 (*31 December 2007: 52.92%*). The remaining 47.08% of the shares (*31 December 2007: 47.08%*) are widely held.

Transactions related to the Group within the Shin Group, such as subsidiaries, associates, management, and related parties, including transactions related to companies of Cedar and Aspen and the Temasek group are recognised as related party transactions to the Group.

During the period, the Group entered into a number of transactions with its parent company and related companies, the terms of which were negotiated on an arm's length basis in the ordinary course of business and according to normal trade conditions.

ITV Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2008 (Unaudited)

Significant transactions for the three-month and nine-month periods ended 30 September 2008 and 2007 with related parties were as follows:

<i>Three-month periods ended 30 September</i>	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in thousand Baht)</i>			
Subsidiary				
Interest income	-	-	57	197
Directors' remuneration	1,200	1,050	1,200	1,050
Nine-month periods ended 30 September				
Subsidiary				
Interest income	-	-	215	548
Advertising service income	-	-	-	432
Other income	-	-	-	67
Advertising expense	-	-	-	1,763
Equipment rental	-	-	-	430
Other expense	-	-	-	468
Related parties – Shin group				
Advertising service income	-	11,091	-	11,091
Other income	-	4,954	-	4,954
Commission expense	-	651	-	651
Transponder rental	-	7,282	-	7,282
Telephone expenses	-	424	-	424
Other expense	-	2,283	-	2,283
Directors' remuneration	3,435	2,480	3,435	2,480

Balances as at 30 September 2008 and 31 December 2007 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	30 September 2008	31 December 2007	30 September 2008	31 December 2007
	<i>(in thousand Baht)</i>			
Loans to subsidiary				
Subsidiary	-	-	5,000	5,000
<i>Less</i> allowance for doubtful accounts	-	-	(3,658)	(2,888)
Total	<u>-</u>	<u>-</u>	<u>1,342</u>	<u>2,112</u>

ITV Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2008 (Unaudited)

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	30 September 2008	31 December 2007	30 September 2008	31 December 2007
	<i>(in thousand Baht)</i>			
Other parties				
Within credit terms	-	-	-	-
Overdue:				
Less than 3 months	326	147	-	-
3-6 months	-	117	-	-
6-12 months	-	3,927	-	3,927
Over 12 months	11,298	8,515	11,298	8,515
	11,624	12,706	11,298	12,442
Less allowance for doubtful accounts	(11,298)	(11,873)	(11,298)	(11,873)
Total	326	833	-	569

5 Programming rights and production costs

	Consolidated and separate financial statements	
	30 September 2008	31 December 2007
	<i>(in thousand Baht)</i>	
At 1 January	103,199	110,066
Additions	-	25,825
Less: Amortisation	-	(32,692)
Allowance for impairment	(103,199)	(103,199)
At 30 September	-	-
At 31 December	-	-

6 Investments in a subsidiary and a joint venture

	Consolidated financial statements		Separate financial statements	
	30 September 2008	31 December 2007	30 September 2008	31 December 2007
	<i>(in thousand Baht)</i>			
At 1 January	-	-	50,000	50,000
Acquisitions	-	-	-	-
Dividend income	-	-	-	-
Allowance for impairment	-	-	(23,850)	(25,698)
Capital reduction	-	-	(22,500)	-
Disposals	-	-	-	-
At 30 September	-	-	3,650	-
At 31 December	-	-	-	24,302

ITV Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the three-month and nine-month periods ended 30 September 2008 (Unaudited)

Investment in a subsidiary and a joint venture as at 30 September 2008 and 31 December 2007 and dividend income for the nine-month periods ended 30 September 2008 and 2007 were as follows:

Subsidiary	Ownership interest		Paid-up capital		Cost method		Impairment		At cost - net		Dividend income for the nine-month period	
	30 September 2008	31 December 2007	30 September 2008	31 December 2007	30 September 2008	31 December 2007	30 September 2008	31 December 2007	30 September 2008	31 December 2007	30 September 2008	30 September 2007
	(<i>%</i>)						<i>(in thousand Baht)</i>					
<i>Subsidiary</i>												
Artware Media Company Limited	99.99	99.99	20,000	20,000	20,000	20,000	(20,000)	(20,000)	-	-	-	-
<i>Jointly-controlled entities</i>												
Media Connex Company Limited	60.00	60.00	12,500	50,000	7,500	30,000	(3,850)	(5,698)	3,650	24,302	-	-
Total			32,500	70,000	27,500	50,000	(23,850)	(25,698)	3,650	24,302	-	-

ITV Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2008 (Unaudited)

Consideration of impairment loss on investments in a subsidiary and a joint venture

Investment in Artware Media Company Limited (“Subsidiary”)

On 7 March 2007, the Concession Agreement was terminated by the PMO. As the Company is a major customer of its subsidiary, the subsidiary ceased its operation accordingly. The Company made an allowance for impairment of investment in the subsidiary in full.

Investment in Media Connex Company Limited (“Joint venture”)

The joint venture has ceased its operations. Accordingly, the Company made allowance for impairment of investment in joint venture in full.

On 2 April 2008, The Board of Directors resolved a capital reduction in Media Connex Co., Ltd. (MC) The capital reduction will involve a Baht 37.5 million reduction in the company's paid-up capital from the original paid-up amount of Baht 50 million to Baht 12.50 million. This capital reduction represents a 75% decrease from its total registered and paid-up capital, and a reduction in the total shares outstanding of 5,000,000 shares, at a per share par value of Baht 10, to 1,250,000 shares of the same par value.

On 3 September 2008, The Board of Directors resolved in the liquidation of Media Connex Co.,Ltd.

7 Equipment

	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
Net book value at 1 January 2008	1,572	-
Acquisitions	1,029	28
Depreciation	(281)	(2)
Allowance for impairment	(578)	-
Disposals/Write off	(1,716)	-
Net book value - at 30 September 2008	26	26
At 30 September 2008		
Cost	44,576	207
Less: Depreciation	(34,217)	(3)
Allowance for impairment *	(10,333)	(178)
Net book value	26	26

* The Company recognised the allowance for impairment of equipment due to the matters as explained in note 8 to the financial statements.

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8 Concession assets

	Consolidated and separate financial statements <i>(in thousand Baht)</i>
At 1 January 2008	
Cost	3,846,013
Less: Depreciation	(1,945,021)
Allowance for impairment *	(1,900,992)
Net book value - at 1 January 2008	-
At 30 September 2008	-

* As of 7 March 2007 PMO has revoked the Concession Agreement and the UHF television operation has ceased. Further under the Thai Public Television Broadcasting Station Act effected since 15 January 2008, all business including rights, obligations, assets, budget, debt, frequency rights and encumbrance of the Company are to be transferred to the government subject to Section 57 Transitory Provisions of the Act.

9 Trade accounts payable

	Consolidated financial statements		Separate financial statements	
	30 September 2008	31 December 2007	30 September 2008	31 December 2007
Other parties	492	1,277	492	868
Total	492	1,277	492	868

(in thousand Baht)

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10 Borrowings

	Consolidated financial statements		Separate financial statements	
	30 September 2008	31 December 2007	30 September 2008	31 December 2007
	<i>(in thousand Baht)</i>			
Short-term borrowings				
Current portion of finance lease liabilities	-	142	-	-
Current portion of long-term loan from a bank	-	114,375	-	114,375
Long-term borrowings				
Finance lease liabilities	-	344	-	-
Long-term loan from a bank	-	82,969	-	82,969
Less deferred front end fee	-	(1,789)	-	(1,789)
	<u>-</u>	<u>81,180</u>	<u>-</u>	<u>81,180</u>
Total	<u>-</u>	<u>196,041</u>	<u>-</u>	<u>195,555</u>

Risk of the interest rate exposure on the borrowings of the group is as follows:

	Consolidated financial statements		Separate financial statements	
	30 September 2008	31 December 2007	30 September 2008	31 December 2007
	<i>(in thousand Baht)</i>			
Total borrowings:				
At fixed rates	-	487	-	-
At floating rates	-	197,343	-	197,343

The carrying amount of long-term loan is approximate its fair value.

Borrowings carry interest at rates as follows:

	Consolidated and separate financial statements	
	30 September 2008	31 December 2007
	<i>(% per annum)</i>	
Long-term loan	-	5.00

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Prepayment the entire existing loan

The Board of Directors approved to complete repayment of existing loan amounting to Baht 147 million paid in September 2008.

11 Share capital, deficiency and warrants

Share capital and deficiency

	Number of registered share capital <i>(in thousand shares)</i>	Issued and Paid-up	Ordinary shares	Deficiency on capital <i>(in thousand Baht)</i>	Total
At 1 January 2007	1,560,000	1,206,697	6,033,487	(174,297)	5,859,190
Issue of shares	-	-	-	-	-
As at 31 December 2007	1,560,000	1,206,697	6,033,487	(174,297)	5,859,190
Issue of shares	-	-	-	-	-
As at 30 September 2008	1,560,000	1,206,697	6,033,487	(174,297)	5,859,190

As at 30 September 2008, the total authorised number of ordinary shares was 1,560 million shares (2007: 1,560 million shares) with a par value of Baht 5 per share (2007: Baht 5 per share).

Warrants

As at 4 June 2007, the Company terminated all ESOP of Grant I, II, III, and IV because the Company's directors and employees resigned from the Company on 8 March 2007 according to the filing of issuing ESOP paragraph 3.3.4 which specified that the ESOP-holders must exercise their right within three months of the date of resignation. The last exercise period was in May 2007 and the ESOP-holders have not exercised their right at that time. Therefore, the ESOP programs were terminated effective end of May 2007.

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12 Loss per share

Basic loss per share

The calculations of basic loss per share for the three-month and nine-month periods ended 30 September 2008 and 2007 were based on the loss for the period attributable to equity holders of the Company and the number of ordinary shares outstanding during the period as follows:

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
<i>Three-month periods ended 30 September</i>	<i>(in thousand Baht / thousand shares)</i>			
Loss	(109,931)	(105,229)	(108,168)	(104,580)
Less dividends on preference shares	-	-	-	-
Loss attributable to equity holders of the Company (basic)	(109,931)	(105,229)	(108,168)	(104,580)
Number of ordinary shares outstanding	1,206,697	1,206,697	1,206,697	1,206,697
Loss per share (basic) (in Baht)	(0.09)	(0.09)	(0.09)	(0.09)
	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
<i>Nine-month periods ended 30 September</i>	<i>(in thousand Baht / thousand shares)</i>			
Loss	(339,311)	(2,607,658)	(339,311)	(2,621,694)
Less dividends on preference shares	-	-	-	-
Loss attributable to equity holders of the Company (basic)	(339,311)	(2,607,658)	(339,311)	(2,621,694)
Number of ordinary shares outstanding	1,206,697	1,206,697	1,206,697	1,206,697
Loss per share (basic) (in Baht)	(0.28)	(2.16)	(0.28)	(2.17)

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For the three-month and nine-month periods ended 30 September 2008 (Unaudited)

Diluted loss per share

The calculations of diluted loss per share for the three-month and nine-month periods ended 30 September 2008 and 2007 were based on the loss for the period attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding during the period after adjusting for the effects of all dilutive potential ordinary shares as follows:

<i>Three-month periods ended 30 September</i>	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in thousand Baht / thousand shares)</i>			
Loss attributable to equity holders of the Company (basic)	(109,931)	(105,229)	(108,168)	(104,580)
After-tax effect of interest on convertible notes	-	-	-	-
Loss attributable to equity holders of the Company (diluted)	<u>(109,931)</u>	<u>(105,229)</u>	<u>(108,168)</u>	<u>(104,580)</u>
Weighted average number of ordinary shares outstanding (basic)	1,206,697	1,206,697	1,206,697	1,206,697
Effect of conversion of convertible notes	-	-	-	-
Weighted average number of ordinary shares outstanding (diluted)	<u>1,206,697</u>	<u>1,206,697</u>	<u>1,206,697</u>	<u>1,206,697</u>
Loss per share (diluted) (in Baht)	<u>(0.09)</u>	<u>(0.09)</u>	<u>(0.09)</u>	<u>(0.09)</u>

<i>Nine-month periods ended 30 September</i>	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
	<i>(in thousand Baht / thousand shares)</i>			
Loss attributable to equity holders of the Company (basic)	(339,311)	(2,607,658)	(339,311)	(2,621,694)
After-tax effect of interest on convertible notes	-	-	-	-
Loss attributable to equity holders of the Company (diluted)	<u>(339,311)</u>	<u>(2,607,658)</u>	<u>(339,311)</u>	<u>(2,621,694)</u>
Weighted average number of ordinary shares outstanding (basic)	1,206,697	1,206,697	1,206,697	1,206,697
Effect of conversion of convertible notes	-	-	-	-
Weighted average number of ordinary shares outstanding (diluted)	<u>1,206,697</u>	<u>1,206,697</u>	<u>1,206,697</u>	<u>1,206,697</u>
Loss per share (diluted) (in Baht)	<u>(0.28)</u>	<u>(2.16)</u>	<u>(0.28)</u>	<u>(2.17)</u>

As at 30 September 2008 and 2007, there were no other dilutive potential common shares on issue.

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13 Commitments and contingencies

13.1 Commitments from the Concession Agreement before to be revoked the Concession (Effective date 7 March 2007)

On 7 March 2007, ITV received the letter of termination of the Concession Agreement from the PMO. This caused the following disputes that are currently under the process of consideration.

1. A case of the arbitration institution dispute No. 46/2550 in which the Company is the plaintiff regarding the PMO's unduly termination of the Concession Agreement which was wrongfully performed in breach of the Concession Agreement and against the law, including the arbitration institution dispute No. 1/2550 on 4 January 2007 which disputes payment of the program penalty fee, interest. Both disputes are currently under the consideration of the arbitration institution, under the arbitration proceedings.
2. A case in which the Company is the defendant whereby the PMO demanded that the Company make the payment of the program penalty fee, interest, approximately totaling Baht 100,000 million to Supreme Administrative Court in Black Case No. 640/2550. Later, on 19 December 2007, the Supreme Administrative Court upheld the Central Administrative Court's verdict for the dismissal of the aforesaid case in order to allow the parties to the Concession Agreement to use the arbitration proceeding for Cases No. 1/2550 and No. 46/2550.

This shall be subject to the judgment of the Court which may vary from the estimated amount provided in the financial statements, which affect may the amount of income, expenditure, assets and liabilities, and disclosure information regarding assets and unpredictable liabilities.

13.2 Contingencies in respect of other legal cases

The Company is a defendant in various legal actions from operate a television broadcasting station that court case from doing news and trading. In the opinion of the directors, after taking appropriate legal advice, the outcome of such actions will not give rise to any significant loss. The Company has not recorded any provisions for these legal cases.

13.3 The contingent liabilities which may have arisen from the dispute between the Company and the PMO relating to the Concession Agreement

a) Sequence of significant events of the dispute between the Company and the PMO

Up to the present, there are 2 pending cases filed by the Company against PMO, the details of such cases are as follows:

1. Black case No. 1/2550, the Company requests the arbitrators to decide whether the Company has obligation to pay penalty, interest, and remuneration to PMO.
2. Black case No. 46/2550, the Company requests the arbitrators to decide whether the PMO has illegally terminated the Concession Agreement in breach of the Concession Agreement and against the law and claim for compensation from the PMO.

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Both disputes are currently under the consideration of the arbitration institution and the sequence of significant events of the dispute between the Company and the PMO up to 31 December 2007 have been disclosed on the financial statements for the year ended 31 December 2007. The progress of the dispute between the Company and the PMO since 1 January 2008 to 30 September 2008 is as follows:

On 15 January 2008, the State Legislative Assemble Council Authority announced Thai Public Television Broadcasting Station Act (“TPBS”) effective date by law being 15 January 2008. The Bill was approved and becomes enforceable, and neither the award granted by the Arbitration Committee nor the judgment given by the Administrative Court on the dispute or case arisen between the Company and the PMO, for which one of the claims the Company made against the PMO to indemnify for damages and/or grant the Company of the concession right to re-operate the UHF Broadcasting Television Station for the remaining period as specified in the Concession Agreement, shall not be effective for final approval before its effective announcement. The reason is that all business including rights, obligations, assets, budget, debt, frequency rights and encumbrance of the Company shall be transferred to the government subject to Section 57, Transitory Provisions of the Act. Nevertheless, the other claims of the Company made to the PMO to indemnify for damages by paying such damages amount still be valid if the Arbitration Committee and the court rules in favourable of the Company lawsuit cases.

b) The contingent liabilities and recording on the dispute between the Company and the PMO

The contingent liabilities after the Supreme Administrative Court’s judgment on revocation of the arbitration award on 13 December 2006 and the dispute between the Company and the PMO were as follows:

1. In regard of the penalty arising from the alteration of television programming

The said liability has not been recorded in the company’s financial statements as the Black Case number 640/2550 filed by the PMO demanding that the Company pay the concession fee, interest, the penalty fee and value of undelivered assets was dismissed by the Supreme Administrative Court which shall await the arbitral award the Black Case number 1/2550 granted by the arbitration panel and the final legal proceeding.

2. In regard of the concession fee of the 9th, 10th and 11th year amounting to Baht 2,210 million and 15% interest of such amount

Since quarter ended 31 December 2006, the provision for unpaid concession fee amounting to Baht 2,210 million plus 15% interest from the date that the arbitral award was revoked by the Supreme Administrative Court as of 13 December 2006 was recorded in the consolidated financial statements. The reason is that the Company proposed condition to pay such amount to the PMO and brought the issue of the penalty fee and interest into the arbitral proceeding under the Concession Agreement. Thereafter, in the first quarter of 2007, the PMO did not accept the said payment, it shall be deemed that the Company’s proposal was not mutually accepted. The Company thus had no liability on the concession fee amounting to Baht 2,210 million plus 15% interest per annum. In addition, the Supreme Administrative Court made the order striking out the case No 640/2550 in which the PMO demanded that the Company pay the concession fee, interest, the penalty fee and value of undelivered assets out of the Case List, so that the disputes shall be brought into the arbitration proceeding and legal process by the Concession Agreement to be finalised.

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3. Value of undelivered assets

The undelivered asset in the amount of Baht 656 million plus 7.50% interest per annum of the undelivered asset from the date that the case was filed to the Court until the said amount is fully paid since 1995. The PMO has not requested the Company to pay such amount. Consequently, the Company has no liability to further deliver such asset. In addition, the Central Administrative Court made the order striking out the said case out from the Case List, therefore, the said items have not been recorded by the Company. Since the value of asset claimed by the PMO is only the business estimation comprising income, expense, profit, tax and investment asset, which terms regarding the asset only stated that the Company is required to procure the asset for the undertaking of UHF Television Broadcasting Station to cover the population at the rate of 96.72% of the population in the country without the condition of value of required asset and the Company has complied with such requirement, therefore, the Company has neither liability to procure asset nor indemnify to the PMO.

The Company is awaiting to hear the arbitral award ruling on the said contingent liabilities for Black Case No. 1/2550 and the compensation of damages arisen from illegal termination of agreement Black Case No. 46/2550. It shall be dependant on the judgment which cannot be predicted.

However, the Company has already recorded provision for unpaid concession fee amounting to Baht 2,891 million and interest from 14 December 2006 the date that the arbitral award was revoked by the Supreme Administrative Court amounting to Baht 723 million in these financial statements.

14 Reclassification of accounts

Certain accounts in the 2007 financial statements have been reclassified to conform to the presentation in the 2008 interim financial statements.