

ITV PUBLIC COMPANY LIMITED

INTERIM FINANCIAL STATEMENTS (UNAUDITED)

**For the Three-month periods ended
30 September 2002 and 2001**

AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

To the Shareholders of ITV Public Company Limited

I have reviewed the accompanying balance sheet as at 30 September 2002, and the related statements of income for the three-month and nine-month periods ended 30 September 2002 and 2001, changes in shareholders' equity, accumulated deficit and cash flows for the nine-month periods ended 30 September 2002 and 2001 of ITV Public Company Limited. These financial statements are the responsibility of the Company's management. My responsibility is to issue a report on these financial statements based on my reviews.

I conducted my reviews in accordance with the standard on auditing applicable to review engagements. This standard requires that I plan and perform a 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, and accordingly, I do not express an audit opinion.

Based on my reviews, nothing has come to my attention that causes me to believe that the interim financial statements referred to above are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

I have audited the financial statements for the year ended 31 December 2001 of ITV Public Company Limited in accordance with generally accepted auditing standards and expressed an unqualified opinion on those statements in my report dated 25 January 2002. The balance sheet as at 31 December 2001, presented for comparative purposes, is part of the financial statements which I have audited and issued a report thereon as stated above, and I have not performed any other auditing procedures subsequent to the date of that report.

PRASIT YUENGSRIKUL

Certified Public Accountant

(Thailand) No. 4174

PricewaterhouseCoopers ABAS Limited

Bangkok

6 November 2002

ITV Public Company Limited**Balance Sheets****As at 30 September 2002 and 31 December 2001**

		30 September 2002 Unaudited Baht'000	31 December 2001 Audited Baht'000
	<u>Notes</u>		
ASSETS			
Current assets			
Cash and cash equivalents		242,878	36,592
Trade receivables, net	5	353,674	194,695
Programming rights and production costs, net	6	102,813	77,997
Other current assets		80,841	49,171
Total current assets		<u>780,206</u>	<u>358,455</u>
Non-current assets			
Equipment, net	7	19,094	21,947
Concession assets, net	7	2,438,219	2,547,902
Other assets		27,711	14,035
Total non-current assets		<u>2,485,024</u>	<u>2,583,884</u>
Total assets		<u><u>3,265,230</u></u>	<u><u>2,942,339</u></u>

Director _____ Director _____

The notes on pages 9 to 18 are an integral part of these interim financial statements.

ITV Public Company Limited
Balance Sheets (continued)
As at 30 September 2002 and 31 December 2001

	Notes	30 September 2002 Unaudited Baht'000	31 December 2001 Audited Baht'000
Liabilities and shareholders' equity			
Current liabilities			
Bank overdrafts and short-term loans from banks	9	8,044	775,034
Trade payables	8	37,423	42,317
Accounts payable - purchase of equipment due within one year		29,046	116,840
Concession payable		200,000	350,000
Accrued expenses		98,618	66,654
Other current liabilities		21,239	11,470
Total current liabilities		<u>394,370</u>	<u>1,362,315</u>
Non-current liabilities			
Accounts payable-purchase of equipment		4,000	18,043
Long-term loans, net	9	803,810	699,732
Total non-current liabilities		<u>807,810</u>	<u>717,775</u>
Total liabilities		<u>1,202,180</u>	<u>2,080,090</u>
Shareholders' equity			
Share capital			
Authorised share capital - common share	10	<u>6,000,000</u>	<u>6,000,000</u>
Issued and paid-up share capital - common share	10	5,750,000	4,250,000
Deficiency in share capital	10	(176,842)	(412,496)
Accumulated deficit		(3,510,108)	(2,975,255)
Total shareholders' equity		<u>2,063,050</u>	<u>862,249</u>
Total liabilities and shareholders' equity		<u>3,265,230</u>	<u>2,942,339</u>

The notes on pages 9 to 18 are an integral part of these interim financial statements.

ITV Public Company Limited
Statements of Income (unaudited)

For the three-month and nine-month periods ended 30 September 2002 and 2001

	<u>Note</u>	<u>For the three-month</u>		<u>For the nine-month</u>	
		<u>periods ended</u>		<u>periods ended</u>	
		<u>30 September</u>	<u>30 September</u>	<u>30 September</u>	<u>30 September</u>
		<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
		<u>Baht'000</u>	<u>Baht'000</u>	<u>Baht'000</u>	<u>Baht'000</u>
Revenues					
Service income		328,069	224,065	1,047,426	647,810
Other income		1,275	1,982	7,115	5,956
Total revenues		<u>329,344</u>	<u>226,047</u>	<u>1,054,541</u>	<u>653,766</u>
Expenses					
Cost of services		224,371	215,704	690,756	663,914
Concession fee		200,000	175,000	550,000	475,000
Selling and administrative expenses		109,630	67,898	285,560	225,422
Directors' remuneration		180	360	400	840
Total expenses		<u>534,181</u>	<u>458,962</u>	<u>1,526,716</u>	<u>1,365,176</u>
Loss before interest		(204,837)	(232,915)	(472,175)	(711,410)
Interest expenses		<u>16,825</u>	<u>25,926</u>	<u>62,678</u>	<u>52,748</u>
Net loss for the period		<u>(221,662)</u>	<u>(258,841)</u>	<u>(534,853)</u>	<u>(764,158)</u>
Basic and diluted loss per share					
Net loss for the period (Baht)	4	(0.19)	(0.61)	(0.50)	(1.80)

The notes on pages 9 to 18 are an integral part of these interim financial statements.

ITV Public Company Limited
Statements of Changes in Shareholders' Equity (unaudited)
For the nine-month periods ended 30 September 2002 and 2001

	<u>Note</u>	<u>Share capital</u> <u>Baht'000</u>	<u>Premium</u> <u>(Deficiency) in</u> <u>share capital</u> <u>Baht'000</u>	<u>Accumulated</u> <u>deficit</u> <u>Baht'000</u>	<u>Total</u> <u>Baht'000</u>
Beginning balance 2001		4,250,000	(412,496)	(1,996,070)	1,841,434
Net loss		-	-	(764,158)	(764,158)
Ending balance at 30 September 2001		<u>4,250,000</u>	<u>(412,496)</u>	<u>(2,760,228)</u>	<u>1,077,276</u>
Beginning balance 2002		4,250,000	(412,496)	(2,975,255)	862,249
Increased in common shares	10	1,500,000	235,654	-	1,735,654
Net loss		-	-	(534,853)	(534,853)
Ending balance at 30 September 2002		<u>5,750,000</u>	<u>(176,842)</u>	<u>(3,510,108)</u>	<u>2,063,050</u>

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ITV Public Company Limited
Statements of Accumulated Deficit (unaudited)
For the nine-month periods ended 30 September 2002 and 2001

	30 September 2002 Baht'000	30 September 2001 Baht'000
	<u> </u>	<u> </u>
Accumulated deficit		
Beginning balance	(2,975,255)	(1,996,070)
Net loss for the period	(534,853)	(764,158)
Ending balance	<u><u>(3,510,108)</u></u>	<u><u>(2,760,228)</u></u>

The notes on pages 9 to 18 are an integral part of these interim financial statements.

ITV Public Company Limited
Statements of Cash flows (unaudited)
For the nine-month periods ended 30 September 2002 and 2001

	Notes	30 September 2002 Baht'000	30 September 2001 Baht'000
Cash flows from operating activities			
Net loss		(534,853)	(764,158)
Adjustments for:			
Amortisation of concession assets	7	167,087	162,282
Loss/(gain) on foreign exchange rate		(882)	8,326
Depreciation	7	2,871	3,470
Allowance for devaluation of barter assets		(173)	3,495
Amortisation of front end fee	9	1,091	-
Amortisation of programming rights and production costs	6	254,818	194,071
Allowance for impairment of programming rights and production costs	6	4,715	-
Allowance for doubtful debt accounts		11,203	11,652
Loss on sale/adjust of equipment and concession assets		793	2,184
Changes in operating assets and liabilities			
Trade receivables		(170,182)	115,003
Other current assets		(31,498)	29,810
Other assets		(13,676)	(4,285)
Trade payables		(2,510)	(57,598)
Concession payable		(150,000)	(125,000)
Accrued expenses		29,257	(11,426)
Other current liabilities		9,859	(62,607)
Cash flows from operating activities		(422,080)	(494,781)
Cash flows from investing activities			
Proceeds from short-term investments		-	3,000
Purchases of programming rights and production costs	6	(281,642)	(201,767)
Purchases of concession assets	7	(58,147)	(54,246)
Purchases of equipment	7	(68)	(316)
Proceeds from sales of equipment and concession assets		-	8,037
Net cash used in investing activities		(339,857)	(245,292)

The notes on pages 9 to 18 are an integral part of these interim financial statements.

ITV Public Company Limited
Statements of Cash flows (unaudited) (continued)
For the nine-month periods ended 30 September 2002 and 2001

	Notes	30 September 2002 Baht'000	30 September 2001 Baht'000
Cash flows from financing activities			
Proceeds from bank overdrafts and short-term loan from banks	9	119,831	704,935
Repayment of bank overdrafts and short-term loan from banks	9	(887,262)	-
Repayment of long-term loan form banks		-	(3,083)
Proceeds from share capital issuance	10	1,800,000	-
Share issued costs	10	(64,346)	-
Net cash receipts from financing activities		968,223	701,852
Net increase (decrease) in cash and cash equivalents		206,286	(38,221)
Beginning balance		36,592	65,861
Ending balance		<u>242,878</u>	<u>27,640</u>
Cash and cash equivalents as at 30 September comprise			
Cash in hand		649	900
Cash at banks		62,229	26,740
Short-term investments		180,000	-
Total cash and cash equivalents		<u>242,878</u>	<u>27,640</u>
Supplementary information			
Interest paid		68,553	50,486
Tax paid		-	-
Non-cash transaction			
Convert accounts payable - purchase of equipment to loan	9	102,987	200,374
Increasing in programming rights and production costs by liabilities	6	2,707	5,606

The notes on pages 9 to 18 are an integral part of these interim financial statements.

1 General

The company was listed on the Stock Exchange of Thailand on 13 March 2002.

The concession expenses increased because of the annual percentage adjustment following the terms in the concession agreement.

2 Summary of accounting policies

These interim financial statements are prepared in accordance with Thai Generally Accepted Accounting Principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued by the Institute of Certified Accountants and Auditors of Thailand and approved under law by the Board of Supervision of Auditing Practice appointed by the Minister of Commerce under the Auditor Act B.E. 2505, and the financial reporting requirements of the Securities and Exchange Commission. The primary financial statements (i.e. balance sheets, statements of income, changes in shareholders' equity, accumulated deficit and cash flows) are prepared in the full format as required by the Securities and Exchange Commission.

The accounting policies used in the preparation of the interim financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2001.

Costs that are incurred unevenly during the financial year are recognized as an expense or deferred in the interim report only if it would be also appropriate to anticipate or defer such costs at the end of the financial year.

These interim financial statements should be read in conjunction with the 2001 annual financial statements.

3 Segment information

The Company is a television broadcast station under a UHF broadcast agreement. Revenues, profits and total assets as presented in the financial statements are related to one business segment.

ITV Public Company Limited**Unaudited condensed notes to the interim financial statements (continued)****For the three-month and nine-month periods ended 30 September 2002 and 2001**

4 Loss per share

Basic loss per share is calculated by dividing the net loss attributable to shareholders by the weighted average number of common shares in issue during the period

	For the three-month periods ended		For the nine-month periods ended	
	30 September 2002	30 September 2001	30 September 2002	30 September 2001
Net loss attributable to shareholders (Baht'000)	(221,662)	(258,841)	(534,853)	(764,158)
Weighted average number of ordinary shares issued during the period (thousand shares)	1,150,000	425,000	1,078,571	425,000
Basic and diluted loss per share (Baht)	(0.19)	(0.61)	(0.50)	(1.80)

The Company has recalculated loss per share for the periods ended 30 September 2001 by considering the weighted average number of ordinary shares in accordance with the amendment to par value and number of shares in 2002 (Note 10).

Diluted loss per share for the three-month and nine-month periods ended 30 September 2002 and 2001 do not include the effect of 50 million warrants - ordinary share on an as-if-converted method as the effect of its inclusion is anti-dilutive.

As at 30 September 2002 and 2001, there were no other dilutive potential common shares in the issue.

Warrants were offered free of charge to shareholders who held ordinary shares on 31 December 1999. One warrant entitles the holder to subscribe to one ordinary shares in 80 per cent of the price of the ordinary shares issued to third parties. The warrant, however, can purchase the ordinary share not less than par value (Baht 5 per share) within 5 years after the Company sold its shares to the public, and they are exercisable on the last working day of March and September, commencing 30 September 2002. As of 30 September 2002, no warrant has been exercised.

ITV Public Company Limited**Unaudited condensed notes to the interim financial statements (continued)****For the three-month and nine-month periods ended 30 September 2002 and 2001****5 Trade receivables, net**

	30 September	31 December
	2002	2001
	Baht'000	Baht'000
Trade receivables		
- Third parties	332,836	179,013
- Related parties (Note 11)	55,717	39,358
Total trade receivables	388,553	218,371
<u>Less</u> allowance for doubtful debt accounts	(34,879)	(23,676)
Trade receivables, net	<u>353,674</u>	<u>194,695</u>

The outstanding trade receivables from third parties can be analysed as follows:

	30 September	31 December
	2002	2001
	Baht'000	Baht'000
Current - 3 months	272,010	143,159
Overdue 3 - 6 months	36,639	17,067
Overdue over 6 - 12 months	6,069	1,821
Overdue over 12 months	18,118	16,966
Total	332,836	179,013
<u>Less</u> allowance for doubtful debt accounts of third parties	(34,879)	(23,676)
Trade receivables – third parties, net	<u>297,957</u>	<u>155,337</u>

ITV Public Company Limited

Unaudited condensed notes to the interim financial statements (continued)

For the three-month and nine-month periods ended 30 September 2002 and 2001

6 Programming rights and production costs, net

	30 September
	2002
	Baht'000
	<u> </u>
For the nine-month period ended 30 September 2002	
Beginning balance	77,997
Additions	284,349
Amortisation	(254,818)
Allowance for impairment	(4,715)
Ending balance	<u>102,813</u>

7 Capital expenditure

	Equipment	Concession
	Assets	
	Baht'000	Baht'000
	<u> </u>	<u> </u>
For the nine-month period ended 30 September 2002		
Opening net book amount	21,947	2,547,902
Additions	68	58,147
Reclassification, net	(50)	50
Adjustment	-	(793)
Depreciation/amortisation charge	(2,871)	(167,087)
Closing net book amount	<u>19,094</u>	<u>2,438,219</u>
As at 30 September 2002		
Cost	37,654	3,362,654
<u>Less</u> accumulated depreciation/amortisation	(18,560)	(924,435)
Net book amount	<u>19,094</u>	<u>2,438,219</u>

ITV Public Company Limited

Unaudited condensed notes to the interim financial statements (continued)

For the three-month and nine-month periods ended 30 September 2002 and 2001

8 Trade payables

	30 September 2002 Baht'000	31 December 2001 Baht'000
Trade payables		
- Third parties	33,530	39,429
- Related parties (Note 11)	3,893	2,888
Total trade payables	<u>37,423</u>	<u>42,317</u>

9 Borrowings

	30 September 2002 Baht'000	31 December 2001 Baht'000
Current	8,044	775,034
Non-current – net	803,810	699,732
Total borrowings – net	<u>811,854</u>	<u>1,474,766</u>

Non-current borrowings – net

	30 September 2002 Baht'000	31 December 2001 Baht'000
Non-current borrowings	812,904	709,917
<u>Less</u> Deferred front end fee	(9,094)	(10,185)
Non-current borrowings – net	<u>803,810</u>	<u>699,732</u>

The movements in the borrowings can be analyzed as follows:

	Baht'000
For the nine-month period ended 30 September 2002	
Opening balance – net	1,474,766
Additions	222,818
Repayments	(887,262)
Foreign currency translation adjustment	441
Amortisation of front end fee	1,091
Closing balance – net	<u>811,854</u>

ITV Public Company Limited**Unaudited condensed notes to the interim financial statements (continued)****For the three-month and nine-month periods ended 30 September 2002 and 2001****10 Share capital and deficiency on share capital**

	Number of share Thousand shares	Issued and paid up Thousand shares	Ordinary shares Baht'000	Deficiency on share capital Baht'000	Total Baht'000
For the nine-month period ended 30 September 2002					
Opening balance	600,000	425,000	4,250,000	(412,496)	3,837,504
Par split	600,000	425,000	-	-	-
Issue of shares	-	300,000	1,500,000	235,654	1,735,654
Closing balance	<u>1,200,000</u>	<u>1,150,000</u>	<u>5,750,000</u>	<u>(176,842)</u>	<u>5,573,158</u>

As at 30 September 2002, the total authorized number of ordinary shares was 1,200 million shares (31 December 2001: 600 million shares) with a par value of Baht 5 per share (31 December 2001: Baht 10 per share). The outstanding warrants issued as of 30 September 2002 were 50 million units at Baht nil per unit.

On 17 December 2001, the extraordinary shareholders' Meeting passed a resolution to change the par value of ordinary shares from Baht 10 per share to Baht 5 per share. Therefore, total authorized shares increased from 600 million ordinary shares to 1,200 million ordinary shares and issued and paid up shares increased from 425 million ordinary shares to 850 million ordinary shares; warrants increased from 25 million shares to 50 million shares. The Company registered the change of par value of share capital with the Ministry of Commerce on 7 January 2002.

The company issued 300 million shares through an initial public offering during the period 27 February 2002 to 1 March 2002 at Baht 6 per share with a par value of Baht 5 per share. Total share proceeds were Baht 1,800 million resulting in a share premium of Baht 300 million. Share issue costs of Baht 64 million were offset against the share premium. This resulted in a reduction in the deficiency on share capital of Baht 236 million. The Company registered the change of issued and paid-up share capital with the Ministry of Commerce on 7 March 2002.

11 Related party transactions

During November 2001, Shin Corporation Public Co., Ltd. (“Shin”) acquired an additional 163.55 million common shares of the Company from The Siam Commercial Bank Public Company Limited (“SCB”) and other shareholders. Shin’s interest in ITV therefore increased from 39% to 77.48% and Shin became the parent company in place of SCB whose interest in the Company decreased from 55% to 17.48% of the paid-up share capital. From November 2001, SCB had no representative on the Board of Directors of the Company; thus, SCB has not been considered to be a related company since that date.

In March 2002 Shin’s interest decreased from 77.48% to 55.53%.

Transactions related to companies within Shin Group are recognized as related party transactions by the Company. Transactions related to companies within the SCB Group were recognized as related party transactions by the Company until November 2001.

During the period, the Company 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.

The following transactions were carried out with related parties:

i) Service income

	For three-month periods ended		For nine-month periods ended	
	30 September 2002	30 September 2001	30 September 2002	30 September 2001
	Baht’000	Baht’000	Baht’000	Baht’000
Service income				
Parent companies				
SCB	-	2,128	-	6,450
Shin	657	-	1,414	-
	<u>657</u>	<u>2,128</u>	<u>1,414</u>	<u>6,450</u>
Related parties				
Shin Group	<u>42,483</u>	<u>21,469</u>	<u>142,349</u>	<u>67,166</u>
	<u>42,483</u>	<u>21,469</u>	<u>142,349</u>	<u>67,166</u>
Total service income	<u>43,140</u>	<u>23,597</u>	<u>143,763</u>	<u>73,616</u>

ITV Public Company Limited

Unaudited condensed notes to the interim financial statements (continued)

For the three-month and nine-month periods ended 30 September 2002 and 2001

11 Related party transactions (continued)

ii) Purchases of goods and services

	For three-month		For nine-month	
	periods ended		periods ended	
	30 September	30 September	30 September	30 September
	2002	2001	2002	2001
	Baht'000	Baht'000	Baht'000	Baht'000
Parent companies				
Interest expenses – SCB	-	16,200	-	43,022
Management and consulting fee – Shin	3,793	-	13,922	-
Other expenses – Shin	-	-	366	-
	<u>3,793</u>	<u>16,200</u>	<u>14,288</u>	<u>43,022</u>
Related parties				
SCB Group				
Building rental and service charge	-	11,205	-	38,759
Other expenses	-	776	-	2,751
	<u>-</u>	<u>11,981</u>	<u>-</u>	<u>41,510</u>
Shin Group				
Expenses				
Transponder rental	9,783	9,783	29,349	26,088
Selling expenses	4,312	-	21,181	-
Management and consulting fee	-	3,708	-	10,425
Production expenses	-	675	-	16,406
Other expenses	1,147	2,490	4,337	8,862
Shareholders' equity				
Share issued cost	-	-	5,061	-
	<u>15,242</u>	<u>16,656</u>	<u>59,928</u>	<u>61,781</u>
Total purchases of goods and services	<u><u>19,035</u></u>	<u><u>44,837</u></u>	<u><u>74,216</u></u>	<u><u>146,313</u></u>

ITV Public Company Limited**Unaudited condensed notes to the interim financial statements (continued)****For the three-month and nine-month periods ended 30 September 2002 and 2001**

11 Related party transactions (continued)**iii) Outstanding balances arising from sales/purchases of goods/services**

	30 September	31 December
	2002	2001
	Baht'000	Baht'000
	<u> </u>	<u> </u>
Receivables from		
Parent company – Shin	1,513	10
Related company – Shin group	54,204	39,348
	<u>55,717</u>	<u>39,358</u>
Payables to		
Parent company – Shin	142	2,245
Related company – Shin group	3,751	643
	<u>3,893</u>	<u>2,888</u>
Accrued Expenses		
Parent company – Shin	-	2,333
Related company – Shin group	4,010	3,969
	<u>4,010</u>	<u>6,302</u>
Deposit & Deferred-Rent		
Parent company – Shin	-	-
Related company – Shin group	12,388	-
	<u>12,388</u>	<u>-</u>

ITV Public Company Limited

Unaudited condensed notes to the interim financial statements (continued)

For the three-month and nine-month periods ended 30 September 2002 and 2001

12 Contingencies

The bank guarantees given by the Company to third parties are as follows:

	30 September	31 December
	2002	2001
	Million Baht	Million Baht
	<u> </u>	<u> </u>
Bank guarantees		
for operating performance under the concession agreements	25	125
in respect of the normal course of business	37	77

The Company redeemed bank guarantees for operating performance under the concession agreements guaranteed by the minority shareholders amounting to Baht 100 million on 11 July 2002.

The Company is a defendant in various legal actions. In the opinion of the directors, after taking appropriate legal advice, the outcome of such actions is not expected to give rise to any significant loss and no provisions or accruals in respect of such legal actions have been raised in these financial statements.

13 Comparative figures

As a result of the reclassification of certain items in the financial statement for 2002, the comparative figures have been amended accordingly.