

Company Highlights

Baht 1,500 million registered capital increased for strategic partners

- In 1Q04, the Company increased a registered capital by another Baht 1,500 million, by issuing 300 million new common shares at Baht 5 par value, which will be allocated to strategic partners (Private Placement) as follow :

- To allocate 150 million shares, or 10% of the Company's paid-up capital to Mr. Tripop Limpapath
- To allocate 150 million shares, or 10% of the Company's paid-up capital to Kantana Group Public Co., Ltd.

The offering price of shares allocated is Baht 10 per share, total amount of Baht 3,000 million. However, a completion of this share participation is subject to an agreeable outcome of the Company's due diligence result.

Earning per share Baht 0.02 in 1Q04

- The Company started to have a positive earning per share of Baht 0.02 in this quarter.

Overview

The Company had net profit of Baht 24 million in 1Q04 which improved from net loss of Baht 90 million in 4Q03, and net loss of Baht 213 million in 1Q03.

Gross profit in this quarter was Baht 216 million, decreased by 8.7% from previous quarter, but increased by 122.5% from 1Q03.

Operating Results (Consolidated)

ITV's selected financial information

Unit : Baht million

	1Q04	4Q03	% Change QoQ	1Q03	% Change YoY
Total Revenue	450	488	-7.7%	373	20.7%
Cost of Services	234	251	-6.7%	276	-15.1%
SG&A Expenses	123	88	40.5%	97	27.3%
Concession Fee	58	225	-74.4%	200	-71.3%
Net profit (Loss)	24	(90)	376.7%	(213)	890.3%
EPS (Baht)	0.02	(0.07)	0.09	(0.19)	0.21

Revenues

Total revenue in 1Q04 decreased by 7.7% from 4Q03, but it grew from 1Q03 by 20.7%.

Total revenue comprising of :

- Advertising revenue of Baht 335 million dropped by 11.7% from 4Q03 due to the high advertising spending of the overall industry in the fourth quarter of each year (high season) and in the previous quarter the Company had many marketing events such as TOT Anti Drug, Bangkok Countdown and Phuket New Year Festival. However, advertising revenue grew 14.1% from 1Q03.
- Rental revenue of Baht 114 million increased 14.0% and 46.0% from 4Q03 and 1Q03, respectively, due to an increase in rental hour and rental fee.

Total revenue increased 20.7% from 1Q03 but decreased 7.7% from 4Q03 due to seasonal effect

Total Expenses

Total expenses decreased 26.4% from 4Q03 and decreased 27.6% from 1Q03 according to the efficiency of cost control policy

In 1Q04, the total expenses was Baht 415 million decreased by Baht 149 million or 26.4% from 4Q03 and decreased by Baht 158 million or 27.6% from 1Q03 as follow :

1. Cost of Services

In 1Q04, the Company's cost of service decreased 6.7% from the previous quarter. This is mainly due to cost of marketing events decreased.

A decrease of 15.1%, compared to 1Q03, after the company eliminated programs which were not generating profit and co-operated with potential program producers, with time sharing concept since 3Q03.

2. Selling and Administrative Expenses

Selling and administrative expenses in 1Q04 increased by 40.5% from 4Q03, mainly from :

- 2.1 Increased promotional expenses of Baht 4 million brought by the new program schedule introduced in April 2004
- 2.2 Legal consultation fee of Baht 11 million.
- 2.3 Accrued tax penalty expense of Baht 9 million.

In addition, in 4Q03 there was an adjusting transaction of bad debt provision by Baht 12 million, according to an efficiency of management controls over accounts receivable and debt collection.

Selling and administrative expenses rose 27.3% from 1Q03, as sales commission increased corresponding to the revenue growth.

3. Concession Expense

Concession fee Baht 57.5 million

The concession fee in this quarter was Baht 57.5 million, decreased by Baht 167.5 million from 4Q03, consequently from the arbitration panel's decision on January 30, 2004 to reduce the minimum guarantee, which stipulated in the concession agreement, to Baht 230 million per year.

Interest Expense

Interest expense in 1Q04 decreased by 19.3% from the previous quarter, due to a decreased in debt burden and the lending bank decreased long-term interest rate from the improvement of Company's ability to generate profit and higher competitiveness.

Net Profit

The company had net profit of Baht 24 million in 1Q04, which was the first profit operation since the Company was established in 1995.

Financial Position (Consolidated)

1. Assets Components

At the end of March 31, 2004, the Company had total assets of Baht 3,191 million, a slight increase from the end of 2003. The major asset components comprise:

Assets	March 31, 2004		December 31, 2003	
	Amount (Btmn)	% of Total Asset	Amount (Btmn)	% of Total Asset
Net Assets under Concession	2,410	75.5%	2,447	76.7%
Accounts Receivable	355	11.1%	384	12.0%

In addition, there was an entertainment programs investment of Baht 107 million, which was the same level as the end of 2003.

2. Liquidity

Current ratio

*Higher liquidity from
profitable operation*

At the end of March 2004, the Company had a current ratio of 0.76x, increased from 0.70x at the end of 2003, which represented an higher liquidity.

3. Sources of funds

3.1 Capital Structure

At the end of March 2004, the Company had debt to equity ratio of 1.21x, slightly decreased from 1.25x at the end of 2003, which represented a stronger capital structure. A decrease in equity ratio was due to a decrease in short-term loan and interest rate reduction, and total equity increased from the profitable operation in this quarter.

3.2 Shareholders' Equity

*Increase in
shareholders' equity*

At the end of March 2004, the Company's shareholders' equity was Baht 1,441 million, an increase of 1.7% from the end of 2003. This was the result of net profit of Baht 24 million in this quarter.

3.3 Liabilities

At the end March 2004, the Company had net short-term borrowings of Baht 200 million, and net long-term loan of Baht 806 million. A decrease of Baht 100 million, compared to the end of 2003.
