

**Overview**

*New weekend programs to reach children group and family viewers*

A launch of new program schedules in 2004, including news, Thai drama and entertainment varieties, resulted in the Company's program rating during Prime Time (18.00-22.30 hr.) improved continuously. For 2005, the Company's policy is to approach children and family viewers. The Company introduced new selected programs during weekend in order to reach the mentioned viewer group. The new programs started in 1Q05 are as follows:

Program	Date	Time	Program Type	Produced By
Wai Zon Club	Sat	7.30-8.00	Provides children, youth and family members with selected edutainment varieties including various interactive activities	Kantana
Cartoon Club	Sat-Sun	8.00-9.30	3 cartoon programs with creative activities for cartoon fans	EFF Co., Ltd.
Asian Series	Sat-Sun	12.00-13.00 17.30-18.00	International Series	ITV
Krai Rak Krai Hua Jai Trong Kan	Sun	14.00-15.00	Variety	How Come Entertainment
Duan Puan Jor	Sat	16.30-17.30	Variety	Kantana
You Know Me (A Little Go)	Sat	20.40-21.40	Variety	Born Operation

There was a significant growth in 1Q05 compared to the end of year 2004, in terms of market share for advertisement spending, audience share and public popularity rating for the station.

- The Company's advertisement spending share increased from 16% in 2004 to 19% in this quarter. The audience share also increased from 12% to 14%.
- Television viewer rating increased particularly during Prime Time (18.00-22.30 hr.) from the average of 2.82 in 2004 to 3.58 in this quarter.

*Net profit Baht 162 million increased by 57.6% and 574.9% when compared to 4Q04 and 1Q04*

The company reported a net profit of Baht 162 million this quarter, increased from a net profit of Baht 103 million and Baht 24 million in 4Q04 and 1Q04 respectively. This is primarily due to the growth rate of the revenue which increased more than that of the total expenses. Earning per share in this quarter is equal to Baht 0.13.

**Analysis of Operation Results (Consolidated Financial Statements)**

Financial Highlight:

Unit : Baht Million

	1Q05	4Q04	% Change QoQ	1Q04	% Change YoY
Total Revenue	568	480	18.3%	450	26.1%
Cost of Services	216	219	-1.4%	234	-7.7%
SG&A Expenses	127	93	36.2%	123	3.3%
Concession Fee	58	58	-	58	-
Interest Expenses	5	7	-28.1%	12	-53.2%
Net Profit (Loss)	162	103	57.6%	24	574.9%
EPS (Baht)	0.13	0.09	0.04	0.02	0.11

**Total Revenues**

The Company's total revenues continued to increase, showing a 18.3% and 26.1% rise from 4Q04 and 1Q04 respectively. Total revenues were generated from two major sources, which are:

**- Advertising Income**

In this quarter, the advertising income amounted to Baht 466 million, a 22.2% increase from the previous quarter, and outperformed the advertising spending of industry which decelerated by 2%. When compared to the same period of last year, the Company's advertising income growth was 38.9% better than the industry growth rate of 3%.

**- Airtime Rental**

The Company's airtime rental in this quarter totaled Baht 101 million, a 2.6% increase from the previous quarter, but down 11.3% when compared to 1Q04. Such decrease resulted from limited rental programs during Prime Time (18.00-22.30 hr.).

**Cost of Services and Selling & Administrative Expenses**

In 1Q05, the Company's cost of services and selling & administrative expenses totaled Baht 343 million increased 9.8% from 4Q04 and decreased 3.9% from 1Q04 due to:

□ **Costs of Services**

In this quarter, the Company's cost of services was slightly decreased by 1.4% from the previous quarter and decreased 7.7% from 1Q04 mainly due to a reduction in programming costs brought by changes in production scheme from "Hired Production Basis" to "Time Sharing Basis".

□ **Selling & Administrative Expenses (SG&A)**

The Company's SG&A increased by Baht 34 million, or 36.2% from the previous quarter due to the 21 employees compensation under the judgment of the Supreme Court have been recorded, and the increase in bad debt provision which was in line with the expanded advertisement sales.

The Company's SG&A rose by Baht 4 million or 3.3% when compared to 1Q04.

*The growth of the Company's advertising revenue was higher than the growth rate of the industry*

*Total costs and SG&A were increasing at a slower rate than the growth of revenue.*

Formatted

**Interest Expenses**

Interest expenses in 1Q05 reduced by 28.1% and 53.2% from 4Q04 and 1Q04 respectively, resulted from an early payments of some existing loans. This brought down the Company's long-term loan from Baht 640 million in 4Q04 and Baht 806 million in 1Q04 to Baht 440 million in this quarter.

**Net Profit**

The Company posted Baht 162 million in net profit for this quarter, increased by 57.6% and 574.9% from 4Q04 and 1Q04 respectively. The profit was mainly derived from an increase in revenues while costs and SG&A were increasing at a slower rate.

**Analysis of Financial Position (Consolidated Financial Statements)**

**1. Assets**

At the end of March 31, 2005, the Company's total assets amounted to Baht 2,982 million, a slight reduction of Baht 7 million, or 0.2% from year-end 2004. Current assets and non-current assets accounted for 23.7% and 76.3% of total assets respectively. Total assets comprised:

	March 31, 2005		December 31, 2004	
	Amount (Btmn)	% of Total Asset	Amount (Btmn)	% of Total Asset
Cash and Cash Equivalents	134	4.5%	152	5.1%
Accounts Receivable	379	12.7%	340	11.4%
Other Current Assets	195	6.5%	183	6.1%
Net Assets under Concession	2,263	75.9%	2,288	76.9%
Other Non-current Assets	11	0.4%	11	0.4%

□ **Current Assets**

At the end of March 31, 2005, the Company's current assets were up by Baht 33 million mainly because of an increase in accounts receivable.

□ **Non - Current Assets**

The Company's non-current assets declined by Baht 26 million, mostly resulting from a decline in the net amount of concession assets after amortization.

**2. Liabilities**

Total liabilities stood at Baht 1,172 million, dropped by Baht 155 million, or 11.7% from the end of year 2004. The decline resulted from a reduction of long-term loan outstanding caused by an early payments made possible by excess liquidity from profitable operation. Liabilities comprised:

	March 31, 2005		December 31, 2004	
	Amount (Btmn)	% of Total Liabilities	Amount (Btmn)	% of Total Liabilities
Current Portion of Long-Term Loan	72	6.1%	72	5.4%
Concession Payable	508	43.3%	450	33.9%
Other Current Liabilities	224	19.1%	238	17.9%
Long-term Loan	368	31.4%	568	42.8%

*The Company strengthened its capital structure and financial position, which improved D/E Ratio from 0.81 in last year to 0.65 in this quarter.*

### 3. Shareholders' Equity

At the end of March 31, 2005, the Company's total shareholders' equity was Baht 1,810 million, an increase of Baht 163 million from the end of year 2004. The increase resulted from a net profit of Baht 162 million and a capital injection from the exercise of warrant under the employee stock options plan. The debt to equity ratio improved from 0.81 at the end of 2004 to 0.65 at the end of March 2005.

### 4. Liquidity

At the end of March 31, 2005, the Company's net cash flow declined by Baht 78 million from the end of 2004 due to:

- ❑ A Baht 99 million decline in net cash flow from financing due to Baht 100 million higher loan repayments enhanced by the improved operating cash position during the year as well as new capital injection from the exercise of warrant under the employee stock options plan.
- ❑ A Baht 14 million decline in cash outflow from investments caused by lower program production costs.
- ❑ Baht 14 million increase in cash inflow from operation due to a better operating performance.

*This document contains certain forward-looking statements. They refer to future events and to the future financial performance of the Companies. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may", "will", "expect", "intend", "estimate", "anticipate", "believe" or "continue". Although the Companies believe that the expectations reflected in such forward-looking statements are reasonable at this time, it can give no assurance that such expectations will prove to be correct. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.*