

Overview

9M05
Net profit of
Baht 574 million
increased by 462.5%
when compared to
9M04

For the first nine-month period of this year, the Company reported a net profit of Baht 574 million, considerably increased from Baht 102 million in the same period last year, or a satisfactory growth of 462.5%. This is primarily due to the higher growth rate of the revenue and the decrease in total expenses resulting from the efficiency of management over costs and expenses control. Earnings per share at the end of September 2005 was Baht 0.48.

There was growth in 9M05 compared to the 9M04, in terms of market share for advertising spending, audience share and public popularity rating for the station as follow :

- The Company's advertising spending share increased from 15.2% to 18.6%.
- The audience share increased from 10.7% to 12.2%.
- Television rating increased particularly during Prime Time (18.00-22.30 hrs) from the average rating of 2.35 to 2.96.

Analysis of Operation Results (Consolidated Financial Statements)

Selected financial information :

Unit : Baht Million

	3Q05	% Change QoQ	% Change YoY	9M05	% Change YoY
Total Revenues	579	(8.4%)	28.7%	1,778	30.9%
Cost of Services	226	(1.0%)	(5.9%)	671	(8.1)
Gross Margin	352	(12.6%)	68.3%	1,107	76.0%
SG&A Expenses	122	25.1%	31.8%	347	6.5%
Concession Fee	58	0%	0%	173	0%
Interest Expenses	4	(1.2%)	(52.7%)	14	(51.2%)
Net Profit (Loss)	168	(30.9%)	236.9%	574	462.5%
EPS (Baht)	0.14	(0.06)	0.10	0.48	0.40

The advertising
revenue decreased by
10.6% from last
quarter due to
seasonal effect but
increased 32.3%
when compared to
3Q04

Total Revenues

This quarter's total revenue was Baht 579 million, decreased by 8.4% from the previous quarter due to the industry's low season in the third quarter. However; this represented a satisfactory growth of 28.7% compared to the same period of last year. The figures also outperformed the industry growth of 7.4%. Total revenues were generated from two major sources, which are :

- Advertising Income

The company received Baht 469 million in revenue from its advertising sales in the third quarter which fell by 10.6% from the second quarter due to low season. However, when compared to 3Q04, total revenue grew by 32.3%.

9M05 revenue increased by 30.9% when compared to 9M04 and outperformed the industry growth of 5.7%

- Airtime Rental

The Company's airtime rental revenue in this quarter totaled Baht 108 million, a 1.5% and 13.5% increase from 2Q05 and 3Q04 respectively.

9M05 total revenues was Baht 1,778 million, grew by Baht 419 million or 30.9% from 9M04, and better than the industry growth of 5.7%.

Cost of Services and Selling & Administrative Expenses

Costs of Services

In this quarter, the Company's cost of services was decreased by 1.0% from 2Q05 due to the slight decrease in program promotion cost. Comparing to 3Q04 the company's cost also went down by 5.9% from the decrease of program production cost resulted from the decrease in Thai Drama broadcasting hour.

Selling & Administrative Expenses (SG&A)

The Company's SG&A increased by 25.1% from the previous quarter due to the Baht 10 million increase in promotional expenses, and adjusting transaction of accrued commission for 9M05 amounting to Baht 10 million which increased corresponding to the revenue growth.

Comparing to 3Q04 the company's SG&A increased by 31.8%. This was caused by the increase in advertising sales commission paid to advertising agencies which was consistent with the company sales growth.

Cost of services and SG&A for 9M05 was Baht 1,190 million, decreased by 3.1% from the same period last year.

Interest Expenses

Interest expenses in 3Q05 reduced by 1.2% and 52.7% from 2Q05 and 3Q04 respectively, resulting from a loan repayment which brought down the Company's long-term loan from Baht 773 million in 3Q04 to Baht 407 million in this quarter.

Interest expenses totaled at Baht 14 million in 9M05, dropped by Baht 15 million or 51.2% from 9M04.

Net Profit

The Company posted Baht 168 million in net profit for this quarter, dropped by 30.9% from last quarter but increased by 236.9% from the same period last year.

The net profit of 9M05 was Baht 574 million which is higher than Baht 472 million of 9M04 or increased 462.5%. This is primarily due to the higher growth rate of the revenue and the decrease in total expenses resulting from the efficiency of management over costs and expenses control.

9M05 net profit increased by 462.5% from the same period last year

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Analysis of Financial Position (Consolidated Financial Statements)

1. Assets

As of September 30, 2005, the Company's total assets amounted to Baht 3,271 million, a rise of Baht 296 million, or 10.0% from YE04. Current assets and non-current assets accounted for 33.7% and 66.3% of total assets respectively. Total assets comprises :

	September 30, 2005		December 31, 2004	
	Amount (Btmn)	% of Total Asset	Amount (Btmn)	% of Total Asset
Cash and Cash Equivalents	546	16.7%	152	5.1%
Accounts Receivable	342	10.5%	340	11.4%
Other Current Assets	214	6.5%	183	6.1%
Net Assets under Concession	2,157	66.0%	2,288	76.9%
Other Non-current Assets	11	0.3%	11	0.4%

□ **Current Assets**

As of September 30, 2005, the Company's current assets were up by Baht 427 million mainly from an increase in both cash and accounts receivable.

□ **Non - Current Assets**

The Company's non-current assets declined by Baht 131 million, mainly due to a decline in net amount of concession assets after amortization.

2. Liabilities

Total liabilities were Baht 1,041 million, dropped by Baht 286 million, or 21.6% from YE04. 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 comprises :

Long-term loan Baht 407 million, decreased by 36.4% from YE04

	September 30, 2005		December 31, 2004	
	Amount (Btmn)	% of Total Liabilities	Amount (Btmn)	% of Total Liabilities
Current Portion of Long-Term Loan	76	7.3%	72	5.4%
Concession Payable	393	37.7%	450	33.9%
Other Current Liabilities	241	23.2%	238	17.9%
Long-term Loan - Net	331	31.8%	568	42.8%

3. Shareholders' Equity

As of September 30, 2005, the Company's total shareholders' equity was Baht 2,230 million, an increase of Baht 582 million from YE04. The increase resulted from the net profit of Baht 574 million and the capital injection from the exercise of warrant under the employee stock options plan. The debt to equity ratio improved from 0.81x at YE04 to 0.47x at the end of September 2005.

The Company's D/E ratio improved from 0.81x at YE04 to 0.47x at the end of September 2005

4. Liquidity

For 9M05, the Company's net cash flow increased by Baht 275 million from the same period last year as a consequence of :

- Baht 290 million increase in cash inflow resulted from operation resulted from a better operating performance.
- Baht 108 million decline in cash outflow from investment activities caused by a reduction in major investment in program production mainly from a replacement of in-house programs by revenue-and-airtime-sharing programs which producers absorbed all production cost.
- Baht 117 million increase in net cash outflow from financing activities resulted from the smaller amount of loan repayment in 9M05, which was Baht 134 million compared to Baht 234 million in 9M04.

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.