
Overview

The Company readjusted its 2006 program schedule, particularly its Prime Time (6.00-10.30p.m.) and weekend programs, with the aim to simultaneously expand its viewer base and increase its TV rating. These rescheduled programs began their airing in February 2006. The key attention of this rescheduling is a continued focus on the Station's various news programs. In addition, there have been broadcasting alterations of some entertainment programs aimed to suit popular demand and a larger viewer base. This rescheduling of broadcasting programs can be summarized as follows:

- Prime time programs
 - Add a reality show named "Big Brother II" / 30 minute Thai drama series at 8.40 p.m. on a daily basis (Thai drama series will start airing from May 2006 onwards). Previously, this time slot was occupied by variety shows. Variety shows were shifted to air at **10.10 p.m.**
 - "ITV Hot News" airtime is extended to provide daily presentation, instead of the previous 5 day coverage.
 - "Tod Rahas" and "Yon Roy" programs were moved to primetime at 10.10 p.m.
- Weekend programs
 - Thai drama series were added during two new time slots (noontime and 5 p.m.)
 - More entertainment shows were added between the noon and 6 p.m. airtimes.
 - Weekend morning news program was added between 7.00-8.00 a.m. airtime.
- Weekday programs
 - Add new entertainment programs during 1.00-1.30 p.m. airtime.
 - Add Chinese movies during 1.30-2.00 p.m. airtime.
 - Produce new morning variety shows for females during the 8.00 - 9.00 a.m. airtime, with a former Miss Thailand as the program host. The show is called "Ran Cham Yam Chao"

The rescheduling in 1Q06 resulted in a higher rating compared with the previous quarter. The primetime popularity ranking remained the 3rd in the industry

The rescheduling of the above program time table has resulted in a higher viewer rating for the Station during this quarter, as compared to the previous quarter. Primetime rating for **6.00 -10.30 p.m.**, in particular, surged from an average of 2.55 in the previous quarter to 2.72 in this quarter. The Station primetime popularity was ranked third in the industry.

Nevertheless the rescheduling of the program timetable this February also contributed to a delay in decision making by the Station's clients in their advertising expenditures as they awaited to see the outcome of the rating results for both new programs and existing programs with altered air time schedule. This impacted the Company's advertisement spending share causing a drop of 2% from 18% in the previous quarter to the 16% in the current quarter.

As for the company's performance in 1Q06, the Company posted a net profit of Baht 103 million, a slight decline of Baht 2 million from the previous quarter, or a Baht 58 million drop on a quarter to quarter basis. The decline resulted from the reason earlier given. This quarter, the Company also showed a net profit per share of Baht 0.09.

The Company's operating results (Consolidated statements)

Financial Highlight

Unit : Baht Million	1Q06	4Q05	%change QoQ	1Q05	%change YoY
Total revenues	497	565	(12.1%)	568	(12.5%)
Cost of services	229	270	(15.0%)	216	6.1%
Selling & Admin exp.	101	127	(20.8%)	127	(20.6%)
Concession fee	58	58	0.0%	58	0.0%
EBIT	109	110	(1.4%)	167	(34.8%)
Interest expenses	6	5	9.4%	5	5.5%
Net Profit	103	105	(1.9%)	162	(36.1%)

Operating Results

The Company's net profit for the first quarter of 2006 was Baht 103 million, reducing slightly from the previous quarter. Despite the current drop in its revenues for the quarter, the Company was able to control its costs and still managed to report profitability without comparatively significant changes from the previous quarter.

Total Revenues

The Company's total revenues for the first quarter of 2006 decreased by 12.1% and 12.5% from the previous quarter, and from the first quarter of 2005, respectively. As agency clients waited to learn more about the rating results of the above mentioned program rescheduling, they hence delayed the utilization of their advertisement expenditures and the effect from economic situation and political turmoil during the quarter. These actions became the main reason behind the drop in the total revenues for the quarter. Total revenues consisted of two following incomes:

□ **Advertising Income**

In the first quarter of 2006, the Company made Baht 385 million in advertising income, a decline of 13.0% from the previous quarter or a 17.5% drop from the first quarter of 2005.

□ **Airtime Rental**

The Company made Baht 103 million in airtime rental income for the quarter. The income dropped 12.2% from the previous quarter, but increased 2.1% when compared to the same period of last year. Main reason behind the drop was the Company's decision to reduce its rental timeslots for weekend.

Cost of Services and Sales and Administrative Expenses

The Company's cost of services and sales and administrative expenses for the first quarter of 2006 totaled Baht 330 million, a drop of 16.9% from the previous quarter, and a drop of 3.8% from the first quarter of 2005. This resulted from:

Revenues for 1Q06 declined due to the delay in the clients' advertisement expenditure utilization.

□ **Cost of Services**

The cost of services for the first quarter of 2006 decreased 15.0% from the previous quarter due to additional costs brought by the Station's involvements in marketing events. The Company also recorded an impairment provision in entertainment programs during this quarter. This cost for the quarter also increased by 6.1% compared to the first quarter of 2005 as the program rescheduling scheme undertaken in February 2006 prompted more in-house production programs and further increase in the program production cost.

□ **Selling and Administrative Expenses**

SG&A declined from the previous quarter due to a drop in market promotion expenses

The selling and administrative expenses for the quarter declined by 20.6% and 20.8% from the first quarter of 2005, and from the previous quarter, respectively. In the previous quarter the Company incurred additional expenses such as promotional marketing expenses of high season shows and higher of accrual bonus. A payment of Baht 25 million in employment compensation charges as per juristic verdict of the Supreme Court incurred in 1Q05.

Interest Expenses

In 1Q06, the Company's interest expenses increased 9.4% and 5.5% from the previous quarter, and from the first quarter of 2005, respectively. The increase was due to a significant rise in the general market rates.

The Company's Financial Position (Consolidated Financial Statements)

1. Assets

As of 31 March 2006, the Company had total assets of Baht 3,585 million, an increase of Baht 133 million or 3.9% from the previous year-end. The break-down of its assets was as follows:

Assets	as of 31 March 2006		as of 31 March 2005	
	Baht Million	% of Total Assets	Baht Million	% of Total Assets
Cash and Cash Equivalent	1,011	28.2	826	23.9
Trade Accounts Receivable - Net	337	9.4	354	10.3
Other Current Assets	151	4.2	149	4.3
Concession Assets -Net	2,075	57.9	2,112	61.2
Other Non-Current Assets	11	0.3	11	0.3
Total Assets	3,585	100.0	3,452	100.0

□ **Current Assets**

As of 31 March 2006 the Company's current assets increased Baht 170 million due mainly to the increase in cash and cash equivalent.

□ **Non-current Assets**

The Company's non-current assets declined Baht 37 million due mostly from a decline in the net concession assets after depreciation.

2. Liabilities

The Company's total liabilities amounted to Baht 1,146 million, an increase of Baht 29 million or 2.7%. The increase resulted from the booking of accrued concession fee due for payment in mid 2006. Total liabilities consisted of the following items:

Liabilities	as of 31 March 2006		as of 31 March 2005	
	Baht Million	% of Total Assets	Baht Million	% of Total Assets
Current portions of long-term loans	80	2.2	81	2.3
Accrued concession fee	508	14.2	450	13.0
Other current liabilities	268	7.5	296	8.6
Long-term liabilities	290	8.1	290	8.4
Total Liabilities	1,146		1,117	

3. Shareholders' Equity

As of 31 March 2006, the Company's shareholders' equity totaled Baht 2,439 million, an increase of Baht 104 million from year-end 2005. The debt to equity ratio for the period became 0.47 which did not change significantly from the debt to equity ratio for year-end 2005.

4. Liquidity

At the end of the first quarter of 2006, the Company had Baht 1,011 million in cash, an increase of Baht 185 million from the previous quarter. The increase resulted from:

- Baht 223 million in net cash generated from operations.
- **Baht 29 million invested in program copyright and program production costs.**
- Baht 9 million in net cash for investments in building and equipments.

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.