

**ITV PUBLIC COMPANY LIMITED**

**INTERIM CONSOLIDATED AND COMPANY  
FINANCIAL STATEMENTS (UNAUDITED)**

**30 September 2006**

## AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

To the Shareholders of ITV Public Company Limited

I have reviewed the accompanying consolidated and company balance sheets as at 30 September 2006, and the related consolidated and company statements of income for the three-month and nine-month periods ended 30 September 2006, and the related consolidated and company statements of changes in shareholders' equity, and cash flows for the nine-month period ended 30 September 2006 of ITV Public Company Limited and its subsidiaries and of ITV Public Company Limited, respectively. The Company's management is responsible for the correctness and completeness of information in these interim financial statements. My responsibility is to issue a report on these financial statements based on my review. The interim consolidated and company statements of income for the three-month and nine-month periods ended 30 September 2005, and the related consolidated and company statements of changes in shareholders' equity, and cash flows for the nine-month period ended 30 September 2005 of ITV Public Company Limited and its subsidiaries and of ITV Public Company Limited were reviewed by another auditor from the same firm as myself, whose report dated 10 November 2005 stated that nothing had come to his attention that caused him to believe that the interim financial statements were not presented fairly, in all material respects, in accordance with generally accepted accounting principles, and drew attention to the award of the arbitration panel relating to the Agreement for the Operation of a Television Station of the Company. The interim consolidated and company statements of income for the three-month and nine-month periods ended 30 September 2005 and the related consolidated and company statements of changes in shareholders' equity, and cash flows for the nine-month period ended 30 September 2005, presented for comparative purposes, are components of the aforementioned interim financial statements.

I conducted my review 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; accordingly, I do not express an audit opinion.

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

The consolidated and company financial statements for the year ended 31 December 2005 of ITV Public Company Limited and its subsidiaries and of ITV Public Company Limited, respectively, were audited by another auditor of the same firm as myself, and his report dated 23 February 2006 expressed an unqualified opinion on those statements and drew attention to the award of the arbitration panel relating to the Agreement for the Operation of a Television Station of the Company. The consolidated and company balance sheets as at 31 December 2005, presented herewith for comparative purposes, are part of the consolidated and company financial statements which were audited and upon which a report was issued as stated above, and I have not performed any other auditing procedures subsequent to the date of that report.

Without qualifying my report, I draw attention to Note 15 to the financial statements on the award of the arbitration panel relating to the Agreement for the Operation of a Television Station in relation to the concession fee and the appeal entered by the Office of the Permanent Secretary, the Prime Minister's Office in order to revoke the awards made by the arbitration panel, including the outcome of the Administrative Court of the First Instance which overturned the arbitration decision. The result of the Administrative Court of the First Instance's decision has a significant impact on the Company's operating result and financial position. The Company has submitted an appeal to the Supreme Administrative Court. The ultimate outcome of the matter cannot presently be determined, and no provision for any liability that may result has been made in the interim financial statements.

PRASAN CHUAPHANICH

Certified Public Accountant

(Thailand) No. 3051

PricewaterhouseCoopers ABAS Limited

Bangkok

9 November 2006

ITV Public Company Limited

Balance Sheets

As at 30 September 2006 and 31 December 2005

	Notes	Consolidated		Company	
		30 September 2006 Unaudited Baht'000	31 December 2005 Audited Baht'000	30 September 2006 Unaudited Baht'000	31 December 2005 Audited Baht'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents		1,233,740	825,934	1,203,643	822,940
Trade accounts receivable, net	5	333,143	353,984	329,203	353,919
Loan to a subsidiary	12 d)	-	-	21,000	21,000
Programming rights and production costs, net	6	62,566	68,499	62,566	68,499
Withholding tax receivable		36,933	52,276	36,105	51,458
Other current assets	12 e)	29,442	28,456	30,587	28,456
Total current assets		<u>1,695,824</u>	<u>1,329,149</u>	<u>1,683,104</u>	<u>1,346,272</u>
<b>Non-current assets</b>					
Investments in a subsidiary and a joint venture	7	-	-	34,602	5,788
Equipment, net	8	102,917	104,777	84,549	82,047
Concession assets, net	8	1,887,177	2,006,774	1,887,177	2,006,774
Other assets	12 f)	11,493	11,356	11,492	11,356
Total non-current assets		<u>2,001,587</u>	<u>2,122,907</u>	<u>2,017,820</u>	<u>2,105,965</u>
<b>Total assets</b>		<u><u>3,697,411</u></u>	<u><u>3,452,056</u></u>	<u><u>3,700,924</u></u>	<u><u>3,452,237</u></u>

Director \_\_\_\_\_ Director \_\_\_\_\_

Date \_\_\_\_\_ Date \_\_\_\_\_

The notes to the interim consolidated and company financial statements on pages 10 to 25 are an integral part of these interim financial statements.

ITV Public Company Limited

Balance Sheets (Continued)

As at 30 September 2006 and 31 December 2005

	Notes	Consolidated		Company	
		30 September 2006 Unaudited Baht'000	31 December 2005 Audited Baht'000	30 September 2006 Unaudited Baht'000	31 December 2005 Audited Baht'000
<b>LIABILITIES AND SHAREHOLDERS'</b>					
<b>EQUITY</b>					
<b>Current liabilities</b>					
Trade accounts payable	10	33,602	32,088	34,127	32,085
Current portion of long-term finance lease liabilities	9,12 g)	1,103	-	2,454	-
Current portion of long-term loan	9	84,722	80,486	84,722	80,486
Concession payable	15	392,500	450,000	392,500	450,000
Accrued expenses	12 h)	199,501	234,212	196,874	234,469
Other current liabilities		34,951	30,102	35,334	30,029
<b>Total current liabilities</b>		<b>746,379</b>	<b>826,888</b>	<b>746,011</b>	<b>827,069</b>
<b>Non-current liabilities</b>					
Long-term finance lease liabilities	9,12 g)	1,613	-	5,494	-
Long-term loan, net	9	247,994	289,845	247,994	289,845
<b>Total non-current liabilities</b>		<b>249,607</b>	<b>289,845</b>	<b>253,488</b>	<b>289,845</b>
<b>Total liabilities</b>		<b>995,986</b>	<b>1,116,733</b>	<b>999,499</b>	<b>1,116,914</b>
<b>Shareholders' equity</b>					
Share capital					
Authorised share capital - ordinary shares	11	7,800,000	7,800,000	7,800,000	7,800,000
Issued and paid-up share capital					
- ordinary shares	11	6,033,487	6,031,907	6,033,487	6,031,907
Deficiency on share capital	11	(174,297)	(174,417)	(174,297)	(174,417)
Deficit		(3,157,765)	(3,522,167)	(3,157,765)	(3,522,167)
<b>Total shareholders' equity</b>		<b>2,701,425</b>	<b>2,335,323</b>	<b>2,701,425</b>	<b>2,335,323</b>
<b>Total liabilities and shareholders' equity</b>		<b>3,697,411</b>	<b>3,452,056</b>	<b>3,700,924</b>	<b>3,452,237</b>

The notes to the interim consolidated and company financial statements on pages 10 to 25 are an integral part of these interim financial statements.

**ITV Public Company Limited**  
**Statements of Income (Unaudited)**

**For the three-month periods ended 30 September 2006 and 2005**

	Notes	Consolidated		Company	
		2006 Baht'000	2005 Baht'000	2006 Baht'000	2005 Baht'000
<b>Revenues</b>	12 a)				
Service income		496,934	576,392	492,677	574,562
Share of net result from investment - equity method		-	-	-	1,546
Interest income		12,663	1,791	12,686	2,145
Other income		382	510	683	598
<b>Total revenues</b>		<u>509,979</u>	<u>578,693</u>	<u>506,046</u>	<u>578,851</u>
<b>Expenses</b>	12 b)				
Cost of services		263,385	226,301	256,425	223,434
Concession expenses		57,500	57,500	57,500	57,500
Selling and administrative expenses		94,042	121,944	96,940	124,969
Directors' remuneration		155	155	155	155
Share of net result from investment - equity method		-	-	75	-
<b>Total expenses</b>		<u>415,082</u>	<u>405,900</u>	<u>411,095</u>	<u>406,058</u>
<b>Profit before interest and tax</b>		94,897	172,793	94,951	172,793
Interest expenses		(6,143)	(4,331)	(6,197)	(4,331)
Income tax	13	-	-	-	-
<b>Net profit for the period</b>		<u>88,754</u>	<u>168,462</u>	<u>88,754</u>	<u>168,462</u>
<b>Basic earnings per share (Baht)</b>	4				
Net profit for the period		0.07	0.14	0.07	0.14
<b>Diluted earnings per share (Baht)</b>	4				
Net profit for the period		0.07	0.14	0.07	0.14

The notes to the interim consolidated and company financial statements on pages 10 to 25 are an integral part of these interim financial statements.

**ITV Public Company Limited**  
**Statements of Income (Unaudited)**

**For the nine-month periods ended 30 September 2006 and 2005**

	Notes	Consolidated		Company	
		2006 Baht'000	2005 Baht'000	2006 Baht'000	2005 Baht'000
<b>Revenues</b>	12 a)				
Service income		1,551,283	1,773,429	1,544,546	1,770,937
Share of net result from investment - equity method		-	-	-	649
Interest income		33,136	2,924	33,416	4,001
Other income		1,408	1,793	2,279	2,422
<b>Total revenues</b>		<u>1,585,827</u>	<u>1,778,146</u>	<u>1,580,241</u>	<u>1,778,009</u>
<b>Expenses</b>	12 b)				
Cost of services		726,833	670,952	713,696	662,830
Concession expenses		172,500	172,500	172,500	172,500
Selling and administrative expenses		302,908	346,170	309,219	354,155
Directors' remuneration		1,170	665	1,170	665
Share of net result from investment - equity method	7 a)	-	-	1,186	-
<b>Total expenses</b>		<u>1,203,411</u>	<u>1,190,287</u>	<u>1,197,771</u>	<u>1,190,150</u>
<b>Profit before interest and tax</b>		382,416	587,859	382,470	587,859
Interest expenses		(18,014)	(14,108)	(18,068)	(14,108)
Income tax	13	-	-	-	-
<b>Net profit for the period</b>		<u>364,402</u>	<u>573,751</u>	<u>364,402</u>	<u>573,751</u>
<b>Basic earnings per share (Baht)</b>	4				
Net profit for the period		0.30	0.48	0.30	0.48
<b>Diluted earnings per share (Baht)</b>	4				
Net profit for the period		0.30	0.47	0.30	0.47

The notes to the interim consolidated and company financial statements on pages 10 to 25 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 2006 and 2005

<b>Consolidated and Company</b>				
		<b>Premium/ (Deficiency) in</b>		
	<b>Share capital</b>	<b>share capital</b>	<b>Deficit</b>	<b>Total</b>
<b>Note</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
<b>Opening balance</b>				
<b>as at 1 January 2005</b>	6,023,714	(175,040)	(4,201,279)	1,647,395
Issue of ordinary shares	11 8,043	612	-	8,655
Net profit for the period	-	-	573,751	573,751
<b>Closing balance</b>				
<b>as at 30 September 2005</b>	<u>6,031,757</u>	<u>(174,428)</u>	<u>(3,627,528)</u>	<u>2,229,801</u>
<b>Opening balance</b>				
<b>as at 1 January 2006</b>	6,031,907	(174,417)	(3,522,167)	2,335,323
Issue of ordinary shares	11 1,580	120	-	1,700
Net profit for the period	-	-	364,402	364,402
<b>Closing balance</b>				
<b>as at 30 September 2006</b>	<u>6,033,487</u>	<u>(174,297)</u>	<u>(3,157,765)</u>	<u>2,701,425</u>

The notes to the interim consolidated and company financial statements on pages 10 to 25 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 2006 and 2005**

	Notes	Consolidated		Company	
		2006 Baht'000	2005 Baht'000	2006 Baht'000	2005 Baht'000
<b>Cash flows from operating activities</b>					
Net profit for the period		364,402	573,751	364,402	573,751
Adjustments for:					
Amortisation of concession assets	8	168,722	165,848	168,722	165,848
Gain on foreign exchange rate		-	(33)	-	(33)
Depreciation	8	18,098	16,643	10,058	8,845
Amortisation and allowance for impairment of programming rights and production costs	6	106,145	119,104	106,145	119,104
Reversal of allowance for doubtful accounts		(5,331)	(18,538)	(5,331)	(18,538)
Loss on disposal of programming rights		3,890	-	3,890	-
(Gain) loss on devaluation of barter assets		(1)	2	(1)	2
Amortisation of front end fee	9	509	1,091	509	1,091
Share of net results from investment in a subsidiary and a joint venture	7 a)	-	-	1,186	(649)
Changes in operating assets and liabilities					
Trade accounts receivable		26,172	16,130	30,047	17,011
Withholding tax receivable		15,343	(39,262)	15,353	(39,038)
Other current assets		(3)	1,499	(414)	(1,474)
Other assets		(137)	73	(136)	73
Trade accounts payable		(13,505)	5,943	(12,978)	5,971
Concession payable		(57,500)	(57,500)	(57,500)	(57,500)
Accrued expenses		(35,074)	(2,737)	(37,957)	(2,865)
Other current liabilities		4,849	5,707	5,305	5,593
<b>Net cash flows from operating activities</b>		<b>596,579</b>	<b>787,721</b>	<b>591,300</b>	<b>777,192</b>
<b>Cash flows from investing activities</b>					
Purchases of programming rights and production costs	6	(109,689)	(117,648)	(109,689)	(117,648)
Proceeds from disposal of programming rights and production costs	6	18,536	-	18,536	-
Investments in concession assets	8	(47,675)	(47,675)	(47,675)	(47,675)
Purchases of equipment	8	(13,182)	(3,828)	(4,838)	(2,944)
Investment in a joint venture	7 a)	-	-	(30,000)	-
Loan to a subsidiary	12 d)	-	-	(4,000)	-
Receipts of loan to a subsidiary	12 d)	-	-	4,000	9,000
<b>Net cash flows used in investing activities</b>		<b>(152,010)</b>	<b>(169,151)</b>	<b>(173,666)</b>	<b>(159,267)</b>

The notes to the interim consolidated and company financial statements on pages 10 to 25 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 2006 and 2005

	Notes	Consolidated		Company	
		2006 Baht'000	2005 Baht'000	2006 Baht'000	2005 Baht'000
<b>Cash flows from financing activities</b>					
Repayments of long-term loan from a bank	9	(38,125)	(233,888)	(38,125)	(233,888)
Repayments of finance lease liabilities	9	(339)	-	(507)	-
Proceeds from increase in share capital from exercising warrants	11	1,701	8,655	1,701	8,655
<b>Net cash flows used in financing activities</b>		<b>(36,763)</b>	<b>(225,233)</b>	<b>(36,931)</b>	<b>(225,233)</b>
<b>Net increase in cash and cash equivalents</b>		<b>407,806</b>	<b>393,337</b>	<b>380,703</b>	<b>392,692</b>
Cash and cash equivalents, opening balance		825,934	152,277	822,940	150,184
Cash and cash equivalents, closing balance		<u>1,233,740</u>	<u>545,614</u>	<u>1,203,643</u>	<u>542,876</u>
<b>Cash and cash equivalents as at 30 September comprise:</b>					
Cash on hand		679	525	673	525
Cash at banks		1,233,061	545,089	1,202,970	542,351
Total cash and cash equivalents		<u>1,233,740</u>	<u>545,614</u>	<u>1,203,643</u>	<u>542,876</u>
<b>Supplementary information for cash flows:</b>					
Interest paid		18,071	14,038	18,124	14,038
<b>Non-cash transactions</b>					
Purchases of programming rights and production costs by liabilities		17,066	3,125	17,066	3,125
Investments in concession assets by liabilities		1,450	-	1,450	-
Purchases of equipment by finance lease liabilities		2,717	-	7,949	-

The notes to the interim consolidated and company financial statements on pages 10 to 25 are an integral part of these interim financial statements.

**1 Basis of preparation**

These interim consolidated and company 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 under the Accounting Profession Act B.E. 2547, 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 and cash flows) are prepared in the full format as required by the Securities and Exchange Commission. The notes to the financial statements are prepared in a condensed format according to Thai Accounting Standard 41, 'Interim Financial Reporting' and additional notes are presented as required by the Securities and Exchange Commission under the Securities and Exchange Act., B.E. 2535.

ITV Public Company Limited ("the Company"), its subsidiary, and joint venture are called together "the Group".

An English versions of the consolidated and company interim financial statements have been prepared from the interim financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language interim financial statements shall prevail.

Costs that incur unevenly during the financial year are anticipated 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 2005 annual financial statements.

These interim consolidated and company financial statements have been approved for issue by the Board of Directors on 9 November 2006.

**2 Principle accounting policies**

**Accounting policy related to a joint venture**

The Group's interest in a jointly controlled entity ("joint venture") is accounted for by proportionate consolidation in the consolidated financial statements. The Group combines its share of the joint ventures' individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the Group's financial statements. The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other ventures. The Group does not recognise its share of profits or losses from the joint venture that result from the purchase of assets by the Group from the joint venture until it resells the assets to an independent party. However, if a loss on the transaction provides evidence of a reduction in the net realisable value of assets or an impairment loss, the loss is recognised immediately. A list of the Group's principal joint venture and additional information is set out in Note 7.

In the Company's separate financial statements, the Company accounts for its interest in joint ventures on an equity basis.

**Accounting policy related to leases - where a Group company is the lessee**

Leases of equipment which substantially transfer all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the statement of income over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset or the lease term.

**2 Principle accounting policies (Continued)**

**Accounting policy related to leases - where a Group company is the lessee (Continued)**

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of income on a straight-line basis over the period of the lease.

If a sale and leaseback transaction results in a finance lease, gain or loss on the sale and leaseback of assets should be recorded as deferred revenue or expense and amortised by using effective rate of interest. If the leaseback is an operating lease, any gain or loss should be recognised immediately.

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 2005 except for the following matters:

**Accounting policy related to income taxes**

Deferred income tax is provided in full, using the balance sheet liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements.

Tax rates at the balance sheet date are used in the determination of deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiary and joint venture, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The Group has early adopted Thai Accounting Standard No. 56 "Accounting for Income Taxes" since the first quarter of 2006. The Group has restated the comparative prior period's financial statements, as if the income tax accounting policy had always been in used. However, this change has no significant impact on the financial statements, and consequently no restatement of the comparative financial information has been made.

**3 Segment information**

Based on the risks and rewards associated with the Group's business, from its organisational structure it has been determined that the Group operates in one business and geographical reportable segment.

**4 Earnings per share**

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

**ITV Public Company Limited**  
**Unaudited condensed notes to the interim consolidated and company financial statements (Continued)**  
**For the nine-month periods ended 30 September 2006 and 2005**

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For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume the conversion of all potential dilutive ordinary shares, which is the weighted average number of ordinary shares which would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. The assumed proceeds from the exercise of ESOP would be considered to have been received from the issue of shares at fair value. These represent share options where the exercise price is less than the average market price of the Company's shares during the three-month and nine-month periods ended 30 September 2006.

**ITV Public Company Limited**  
**Unaudited condensed notes to the interim consolidated and company financial statements (Continued)**  
**For the nine-month periods ended 30 September 2006 and 2005**

**4 Earnings per share (Continued)**

The basic earnings per share and the diluted earnings per share are as follows:

	For the three-month periods ended 30 September (Consolidated and Company)					
	Net profit		Weighted number of shares		Earnings per share	
	Baht'000		Shares'000		Baht	
	2006	2005	2006	2005	2006	2005
Basic earnings per share	88,754	168,462	1,206,697	1,206,325	0.07	0.14
The effect of dilutive potential shares	-	-	-	5,538	-	-
Diluted earnings per share	88,754	168,462	1,206,697	1,211,863	0.07	0.14

  

	For the nine-month periods ended 30 September (Consolidated and Company)					
	Net profit		Weighted number of shares		Earnings per share	
	Baht'000		Shares'000		Baht	
	2006	2005	2006	2005	2006	2005
Basic earnings per share	364,402	573,751	1,206,582	1,205,436	0.30	0.48
The effect of dilutive potential shares	-	-	-	5,987	-	(0.01)
Diluted earnings per share	364,402	573,751	1,206,582	1,211,423	0.30	0.47

The calculation of the diluted earnings per share for the three-month and nine-month periods ended 30 September 2006 does not have the effect of 39.52 million units of warrants - ordinary shares. The calculation of diluted earnings per share for the three-month and nine-month periods ended 30 September 2005 included the effect of 10.42 million units of warrants - ordinary shares.

As at 30 September 2006 and 2005, there were no other dilutive potential common shares in issue.

**5 Trade accounts receivable, net**

	Consolidated		Company	
	30 September 2006	31 December 2005	30 September 2006	31 December 2005
	Baht'000	Baht'000	Baht'000	Baht'000
<b>Trade accounts receivable</b>				
- Third parties	305,871	316,871	301,063	316,751
- Related parties (Note 12 c)	35,065	50,237	35,933	50,292
Total trade accounts receivable	340,936	367,108	336,996	367,043
Less Allowance for doubtful accounts	(7,793)	(13,124)	(7,793)	(13,124)
Trade accounts receivable, net	333,143	353,984	329,203	353,919

**ITV Public Company Limited**  
**Unaudited condensed notes to the interim consolidated and company financial statements (Continued)**  
**For the nine-month periods ended 30 September 2006 and 2005**

**5 Trade accounts receivable, net (Continued)**

Outstanding trade accounts receivable - third parties can be analysed as follows:

	Consolidated		Company	
	30 September 2006 Baht'000	31 December 2005 Baht'000	30 September 2006 Baht'000	31 December 2005 Baht'000
Up to 3 months	294,351	296,331	289,543	296,211
3 - 6 months	816	7,675	816	7,675
6 - 12 months	3,636	124	3,636	124
Over 12 months	7,068	12,741	7,068	12,741
Total	305,871	316,871	301,063	316,751
<u>Less</u> Allowance for doubtful accounts	(7,793)	(13,124)	(7,793)	(13,124)
Trade accounts receivable				
- third parties, net	298,078	303,747	293,270	303,627

**6 Programming rights and production costs, net**

	Consolidated and Company Baht'000
<b>For the nine-month period ended 30 September 2006</b>	
Opening net book value	68,499
Additions	122,638
<u>Less</u> Disposals	(22,426)
Amortisation	(99,283)
Allowance for impairment	(6,862)
Closing net book value	62,566
Cost, net	103,291
<u>Less</u> Allowance for impairment	(40,725)
Closing net book value	62,566

**7 Investments in a subsidiary and a joint venture**

**ITV Public Company Limited**  
**Unaudited condensed notes to the interim consolidated and company financial statements (Continued)**  
**For the nine-month periods ended 30 September 2006 and 2005**

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- a) Movements in investments in a subsidiary and a joint venture for the nine-month period ended 30 September 2006 are as follows:

	<b>Company</b>
	<b>Baht'000</b>
Opening net book value	5,788
Investment in a joint venture	30,000
Share of net results from investments - equity method	(1,186)
Closing net book value	<u>34,602</u>

**ITV Public Company Limited**  
**Unaudited condensed notes to the interim consolidated and company financial statements (Continued)**  
**For the nine-month periods ended 30 September 2006 and 2005**

7 **Investments in a subsidiary and a joint venture (Continued)**

- b) Carrying value of investments in a subsidiary and a joint venture

<b>Company - 30 September 2006 (Baht'000)</b>						
	<b>Paid-up capital</b>	<b>Investment portion (%)</b>	<b>Cost</b>	<b>Share of net results from investments</b>	<b>Equity</b>	<b>Dividend</b>
<b>Subsidiary</b>						
Artware Media Company Limited	20,000	99.99	20,000	(13,031)	6,969	-
<b>Joint venture</b>						
Media Connex Company Limited	50,000	60.00	30,000	(2,367)	27,633	-
			50,000	(15,398)	34,602	-

<b>Company - 31 December 2005 (Baht'000)</b>						
	<b>Paid-up capital</b>	<b>Investment portion (%)</b>	<b>Cost</b>	<b>Share of net results from investments</b>	<b>Equity</b>	<b>Dividend</b>
<b>Subsidiary</b>						
Artware Media Company Limited	20,000	99.99	20,000	(14,212)	5,788	-
			20,000	(14,212)	5,788	-

- c) The details of investments in a subsidiary and a joint venture can be summarised as follows:

<b>Name</b>	<b>Business</b>	<b>Country</b>	<b>Currency</b>
<b>Subsidiary</b>			
Artware Media Company Limited	Principal business is the lease of equipment for television programs and movies and arranging related marketing events.	Thailand	Baht
<b>Joint venture</b>			
Media Connex Company Limited	Produce contents and advertising media on mobile phones by accompanying computer technologies, televisions and mobile phones.	Thailand	Baht

In January 2006, the Company invested Baht 50 million in the share capital of Media Connex Company Limited, a joint venture, at 60% of authorised share capital. Media Connex Company Limited registered with the Ministry of Commerce on 5 January 2006.

**ITV Public Company Limited**  
**Unaudited condensed notes to the interim consolidated and company financial statements (Continued)**  
**For the nine-month periods ended 30 September 2006 and 2005**

**8 Capital expenditure**

	<b>Consolidated</b>		<b>Company</b>	
	<b>Equipment</b>	<b>Concession assets</b>	<b>Equipment</b>	<b>Concession assets</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
<b>For the nine-month period ended</b>				
<b>30 September 2006</b>				
Opening net book value	104,777	2,006,774	82,047	2,006,774
Additions	16,238	49,125	13,294	49,125
Disposals, net	-	-	(734)	-
Depreciation/ amortisation charge	(18,098)	(168,722)	(10,058)	(168,722)
Closing net book value	102,917	1,887,177	84,549	1,887,177
<b>As at 30 September 2006</b>				
Cost	187,615	3,685,178	131,221	3,685,178
<u>Less</u> Accumulated depreciation/ amortisation	(84,698)	(1,798,001)	(46,672)	(1,798,001)
Net book value	102,917	1,887,177	84,549	1,887,177

As at 30 September 2006, the additions in the consolidated and company financial statements include Baht 3.06 million and Baht 8.46 million of assets leased under finance leases (where the group is the lessee), respectively, (31 December 2005 : nil).

**9 Borrowings**

	<b>Consolidated</b>		<b>Company</b>	
	<b>30 September</b>	<b>31 December</b>	<b>30 September</b>	<b>31 December</b>
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
<b>Short-term borrowings</b>				
Current portion of long-term finance lease liabilities	1,103	-	2,454	-
Current portion of long-term loan from a bank	84,722	80,486	84,722	80,486
Total	85,825	80,486	87,176	80,486
<b>Long-term borrowings</b>				
Long-term finance lease liabilities	1,613	-	5,494	-
Long-term loan from a bank	250,692	293,053	250,692	293,053
<u>Less</u> Deferred front end fee	(2,698)	(3,208)	(2,698)	(3,208)

**ITV Public Company Limited**  
**Unaudited condensed notes to the interim consolidated and company financial statements (Continued)**  
**For the nine-month periods ended 30 September 2006 and 2005**

Total	249,607	289,845	253,488	289,845
<b>Total borrowings</b>	<b>335,432</b>	<b>370,331</b>	<b>340,664</b>	<b>370,331</b>

The movements in the borrowings can be analysed as follows:

	<b>Consolidated</b>	<b>Company</b>
	<b>Baht'000</b>	<b>Baht'000</b>
<b>For the nine-month period ended 30 September 2006</b>		
Opening balance, net	370,331	370,331
Increased in finance lease liabilities (Note 12 b)	3,056	8,456
Repayments of finance lease liabilities	(339)	(507)
Repayments of loan from a bank	(38,125)	(38,125)
Amortisation of deferred front end fee	509	509
Closing balance, net	<b>335,432</b>	<b>340,664</b>

**ITV Public Company Limited**  
**Unaudited condensed notes to the interim consolidated and company financial statements (Continued)**  
**For the nine-month periods ended 30 September 2006 and 2005**

**10 Trade accounts payable**

	Consolidated		Company	
	30 September 2006 Baht'000	31 December 2005 Baht'000	30 September 2006 Baht'000	31 December 2005 Baht'000
<b>Trade accounts payable</b>				
- Third parties	30,989	28,437	29,819	28,207
- Related parties (Note 12 c)	2,613	3,651	4,308	3,878
Total trade accounts payable	33,602	32,088	34,127	32,085

**11 Share capital, premium/ (deficiency) and warrants**

**Share capital and premium/ (deficiency)**

Movements in share capital are as follows:

	For the nine-month period ended 30 September 2006				
	Number of registered share capital Shares'000	Number of shares Shares'000	Issued and fully paid-up shares		Total Baht'000
Ordinary shares Baht'000			Premium/ (Deficiency) on share capital Baht'000		
Opening balance	1,560,000	1,206,381	6,031,907	(174,417)	5,857,490
Issue of shares	-	316	1,580	120	1,700
Closing balance	1,560,000	1,206,697	6,033,487	(174,297)	5,859,190

As at 30 September 2006, the total authorised number of ordinary shares was 1,560 million shares (31 December 2005: 1,560 million shares) with a par value of Baht 5 per share (31 December 2005: Baht 5 per share).

**ITV Public Company Limited**  
**Unaudited condensed notes to the interim consolidated and company financial statements (Continued)**  
**For the nine-month periods ended 30 September 2006 and 2005**

**11 Share capital, premium/ (deficiency) and warrants (Continued)**

**Warrants**

Movements in the number of outstanding warrants are as follows:

	For the nine-month period ended 30 September 2006 ('000 units)			
	Opening balance	Granted	Exercised	Closing balance
<b>ESOP - Grant I</b>				
- Directors	5,438	-	(316)	5,122
- Employees	4,949	-	-	4,949
Total	10,387	-	(316)	10,071
<b>ESOP - Grant II</b>				
- Directors	1,983	-	-	1,983
- Employees	7,191	-	-	7,191
Total	9,174	-	-	9,174
<b>ESOP - Grant III</b>				
- Directors	4,043	-	-	4,043
- Employees	5,611	-	-	5,611
Total	9,654	-	-	9,654
<b>ESOP - Grant IV</b>				
- Directors	-	5,441	-	5,441
- Employees	-	5,178	-	5,178
Total	-	10,619	-	10,619
<b>Total</b>	<b>29,215</b>	<b>10,619</b>	<b>(316)</b>	<b>39,518</b>

The Company issued and offered four grants of warrants to directors, employees, and advisors who are eligible for such allocation. The warrants are in registered form and non-transferable. The term of the warrant is not exceeding five years and there is no offering price. The exercise ratio is one unit of warrant to one ordinary share. The details of warrants are shown below:

	Issued date	Issued units		Exercise price Baht/unit	Exercise period	
		Million	Percentage *		Start	End
ESOP - Grant I	30 May 2003	16.769	1.46	5.38	30 May 2004	29 May 2008
ESOP - Grant II	31 May 2004	9.174	0.76	17.81	31 May 2005	30 May 2009
ESOP - Grant III	31 May 2005	9.650	0.80	13.79	31 May 2006	30 May 2010
ESOP - Grant IV	31 May 2006	10.619	0.88	8.70	31 May 2007	30 May 2011

\* Percentage of the Company's total issued and paid-up share capital (before dilution) at the issue date.

**ITV Public Company Limited**  
**Unaudited condensed notes to the interim consolidated and company financial statements (Continued)**  
**For the nine-month periods ended 30 September 2006 and 2005**

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**12 Related party transactions**

The Company is controlled by Shin Corporation Public Co., Ltd. (“Shin”), incorporated in Thailand, which owns 52.94% of the Company’s shares (31 December 2005: 52.94%). The remaining 47.06% of the shares (31 December 2005: 47.06%) are widely held.

On 23 January 2006, the Shinawatra family, the principal shareholders of Shin, sold all their shares, representing 49.60% of the paid-up capital of Shin, to Cedar Holdings Limited (“Cedar”) and Aspen Holdings Limited (“Aspen”) incorporated in Thailand, part of the Temasek Holdings (Pte) Ltd. (“Temasek”) group. Consequently, the Shinawatra family and its related parties ceased to be the related parties of the Company from the date of the sale. However, the Company disclosed related party transaction with the Shinawatra family up to 31 January 2006.

Transactions related to companies within the Shin Group, such as subsidiaries, associates, management, and related parties, including transactions related to companies of Cedar Holdings Limited (“Cedar”) and Aspen Holdings Limited (“Aspen”) and the Temasek Holdings (Pte) Ltd. (“Temasek”) group are recognised as related party transactions to the Company.

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.

Consulting and management service fees are charged by its parent company on a mutually agreed basis as a percentage of assets, but not less than the agreed amount. Treasury fees, which are included in consulting and management service fees, are charged based on a percentage of the transaction amount.

The parent company has terminated the consulting and management services agreement with Shin Group since the third quarter 2006.

The following transactions were carried out with related parties:

**a) Sales of goods and services**

For the three-month periods ended	Consolidated		Company	
	30 September	30 September	30 September	30 September
	2006	2005	2006	2005
	Baht’000	Baht’000	Baht’000	Baht’000
<b>Advertising income</b>				
Subsidiary	-	-	1,500	1,800
Other related parties - Shin Group	33,813	37,314	33,813	37,314
	<u>33,813</u>	<u>37,314</u>	<u>35,313</u>	<u>39,114</u>
<b>Other income</b>				
Subsidiary - Interest income	-	-	367	353
Subsidiary - Other income	-	-	300	300
Other related parties - Shin Group	6,967	4,538	4,944	4,489
	<u>6,967</u>	<u>4,538</u>	<u>5,611</u>	<u>5,142</u>

**ITV Public Company Limited**  
**Unaudited condensed notes to the interim consolidated and company financial statements (Continued)**  
**For the nine-month periods ended 30 September 2006 and 2005**

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<b>Total sales of goods and services</b>	40,780	41,852	40,924	44,256
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Disposal of equipment</b>				
Subsidiary	-	-	900	-
	<hr/>	<hr/>	<hr/>	<hr/>

**ITV Public Company Limited**  
**Unaudited condensed notes to the interim consolidated and company financial statements (Continued)**  
**For the nine-month periods ended 30 September 2006 and 2005**

12 Related party transactions (Continued)

a) Sales of goods and services (Continued)

For the nine-month periods ended	Consolidated		Company	
	30 September	30 September	30 September	30 September
	2006	2005	2006	2005
	Baht'000	Baht'000	Baht'000	Baht'000
<b>Advertising income</b>				
Subsidiary	-	-	2,730	2,820
Other related parties - Shin Group	124,338	146,106	124,338	146,106
	124,338	146,106	127,068	148,926
<b>Other income</b>				
Parent company - Shin	841	-	841	-
Subsidiary - Interest income	-	-	1,071	1,079
Subsidiary - Other income	-	-	900	900
Other related parties - Shin Group	24,283	14,021	22,259	13,972
	25,124	14,021	25,071	15,951
<b>Total sales of goods and services</b>	149,462	160,127	152,139	164,877
<b>Disposal of equipment</b>				
Subsidiary	-	-	900	-

b) Purchases of goods and services

For the three-month periods ended	Consolidated		Company	
	30 September	30 September	30 September	30 September
	2006	2005	2006	2005
	Baht'000	Baht'000	Baht'000	Baht'000
<b>Parent company - Shin</b>				
Consulting and management fees	-	3,396	-	3,396
Other expenses	167	67	167	67
	167	3,463	167	3,463
<b>Subsidiary</b>				
Expenses				
Advertising expenses	-	-	2,376	2,376
Equipment rental	-	-	849	594
Commission expenses	-	-	150	795

**ITV Public Company Limited**  
**Unaudited condensed notes to the interim consolidated and company financial statements (Continued)**  
**For the nine-month periods ended 30 September 2006 and 2005**

Medical expenses	-	-	437	423
	-	-	3,812	4,188
Purchases of equipment under finance lease agreement	-	-	5,400	-
<b>Other related parties - Shin group</b>				
Expenses				
Building rental and service charges	-	16,864	-	16,584
Transponder rental	9,783	9,783	9,783	9,783
Commission expenses	1,881	1,819	1,881	1,819
Advertising expenses	4,067	1,308	4,067	1,308
Telephone expenses	427	2,152	427	2,152
Other expenses	1,597	3,163	1,596	3,129
	17,755	35,089	17,754	34,775
Purchases of equipment	-	2,896	-	2,896
<b>Total purchases of goods and services</b>	<b>17,922</b>	<b>41,448</b>	<b>27,133</b>	<b>45,322</b>

**ITV Public Company Limited**  
**Unaudited condensed notes to the interim consolidated and company financial statements (Continued)**  
**For the nine-month periods ended 30 September 2006 and 2005**

12 Related party transactions (Continued)

b) Purchases of goods and services (Continued)

For the nine-month periods ended	Consolidated		Company	
	30 September	30 September	30 September	30 September
	2006	2005	2006	2005
	Baht'000	Baht'000	Baht'000	Baht'000
<b>Parent company - Shin</b>				
Consulting and management fee	7,889	10,040	7,889	10,040
Other expenses	167	672	167	672
	8,056	10,712	8,056	10,712
<b>Subsidiary</b>				
Expenses				
Advertising expenses	-	-	7,128	7,128
Equipment rental	-	-	2,172	1,314
Commission expenses	-	-	273	897
Medical expenses	-	-	1,226	545
	-	-	10,799	9,884
Purchases of equipment under finance lease agreement	-	-	5,400	-
<b>Other related parties - Shin group</b>				
Expenses				
Building rental and service charges	5,957	50,431	5,861	49,576
Transponder rental	29,349	26,287	29,349	26,287
Commission expenses	6,803	7,867	6,803	7,867
Advertising expenses	5,376	1,387	5,376	1,387
Telephone expenses	1,931	6,786	1,931	6,786
Other expenses	6,362	7,986	6,351	7,885
	55,778	100,744	55,671	99,788
Purchases of equipment	-	3,144	-	3,144
<b>Total purchases of goods and services</b>	<b>63,834</b>	<b>114,600</b>	<b>79,926</b>	<b>123,528</b>

c) Outstanding balances arising from sales/purchases of goods and services

**ITV Public Company Limited**  
**Unaudited condensed notes to the interim consolidated and company financial statements (Continued)**  
**For the nine-month periods ended 30 September 2006 and 2005**

	Consolidated		Company	
	30 September 2006 Baht'000	31 December 2005 Baht'000	30 September 2006 Baht'000	31 December 2005 Baht'000
<b>Receivables from related parties</b>				
Parent company - Shin	-	2,461	-	2,461
Subsidiary	-	-	1,209	107
Other related parties - Shin group	35,065	47,776	34,724	47,724
<b>Total receivables from related parties</b>	<b>35,065</b>	<b>50,237</b>	<b>35,933</b>	<b>50,292</b>
<b>Payables from related parties</b>				
Parent company - Shin	170	571	170	571
Subsidiary	-	-	1,697	267
Other related parties - Shin group	2,443	3,080	2,441	3,040
<b>Total payables from related parties</b>	<b>2,613</b>	<b>3,651</b>	<b>4,308</b>	<b>3,878</b>

**ITV Public Company Limited**  
**Unaudited condensed notes to the interim consolidated and company financial statements (Continued)**  
**For the nine-month periods ended 30 September 2006 and 2005**

12 Related party transactions (Continued)

d) Loan to a subsidiary

A loan to a subsidiary bears interest at 7.75% per annum (31 December 2005: 6.5% per annum). The term of repayment is at call.

e) Other current assets

	Consolidated		Company	
	30 September 2006 Baht'000	31 December 2005 Baht'000	30 September 2006 Baht'000	31 December 2005 Baht'000
<b>Prepaid expenses</b>				
Other related parties - Shin group	-	88	-	88
<b>Interest receivable</b>				
Subsidiary	-	-	367	-
<b>Total other current assets</b>	-	88	367	88

f) Other assets

	Consolidated		Company	
	30 September 2006 Baht'000	31 December 2005 Baht'000	30 September 2006 Baht'000	31 December 2005 Baht'000
<b>Deposits</b>				
Other related parties - Shin group	-	9,463	-	9,463
<b>Total other assets</b>	-	9,463	-	9,463

g) Finance lease liabilities

	Consolidated		Company	
	30 September 2006 Baht'000	31 December 2005 Baht'000	30 September 2006 Baht'000	31 December 2005 Baht'000
<b>Finance lease liabilities - Subsidiary</b>				
- Current	-	-	1,351	-
- Non - current	-	-	3,881	-
<b>Total finance lease liabilities</b>	-	-	5,232	-

h) Accrued expenses

**ITV Public Company Limited**  
**Unaudited condensed notes to the interim consolidated and company financial statements (Continued)**  
**For the nine-month periods ended 30 September 2006 and 2005**

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	Consolidated		Company	
	30 September	31 December	30 September	31 December
	2006	2005	2006	2005
	Baht'000	Baht'000	Baht'000	Baht'000
<b>Accrued expenses</b>				
Parent company - Shin	-	2,316	-	2,316
Subsidiary	-	-	183	282
Other related parties - Shin group	10,768	13,784	10,767	13,784
<b>Total accrued expenses</b>	<b>10,768</b>	<b>16,100</b>	<b>10,950</b>	<b>16,382</b>

**ITV Public Company Limited**  
**Unaudited condensed notes to the interim consolidated and company financial statements (Continued)**  
**For the nine-month periods ended 30 September 2006 and 2005**

**12 Related party transactions (Continued)**

**h) Warrants issued and offered to directors**

Shin, the parent company, granted warrants to directors of the Company according to the Employee Stock Option Plan (ESOP) at Baht nil per unit. Shin did not charge the Company for these ESOP programs. These warrants are in registered form and are non-transferable. The term of the warrants does not exceed five years and there is no offering price. The exercise prices of ESOP are the weighted average closing prices of Shin's shares traded on the Stock Exchange of Thailand during the period of 30 days prior to the Shareholders' Meeting. The exercise ratios and exercise prices are as below:

	Issued date	Issued units		Exercise price	Exercise period	
		Million	Percentage*	Baht/unit	Start	End
ESOP - Grant I	27 March 2002	24.65	0.84	16.645	27 March 2003	26 March 2007
ESOP - Grant II	30 May 2003	14.65	0.49	12.782	31 May 2004	30 May 2008
ESOP - Grant III	31 May 2004	10.56	0.36	34.046	31 May 2005	30 May 2009
ESOP - Grant IV	31 May 2005	10.05	0.34	39.568	31 May 2006	30 May 2010
ESOP - Grant V	31 July 2006	8.65	0.27	36.830	31 July 2007	30 July 2011

\* Percentage of the Company's total issued and paid-up share capital (before dilution) at the issued date.

Since the issuing date of ESOP until 30 September 2006, Shin approved the declaration of the dividend payment, for which the amount paid was greater than 50% of net profit after tax. Consequently, this affected the exercise ratios and exercise prices of warrants. Therefore, the Company changed the exercise ratios and exercise prices of warrants are as below:

	Exercise Ratio (Unit/share)		Exercise price (Baht/unit)	
	Old	New	Old	New
ESOP - Grant I	1:1	1:1.06942	17.800	16.645
ESOP - Grant II	1:1	1:1.06942	13.670	12.782
ESOP - Grant III	1:1	1:1.06942	36.410	34.046
ESOP - Grant IV	1:1	1:1.05540	41.760	39.568
ESOP - Grant V	1:1	1:1.02307	37.680	36.830

During the year 2003 to 2005, the Company's directors exercised 17,427,400 warrants under the Employee Stock Option Plan (ESOP). For the nine-month period ended 30 September 2006, the Company's directors exercised 21,033,100 warrants. As at 30 September 2006, the outstanding rights of warrants of directors of the Company under the Employee Stock Option Plan (ESOP) stand at 21,448,400 units.

**i) Special reward program**

**ITV Public Company Limited**  
**Unaudited condensed notes to the interim consolidated and company financial statements (Continued)**  
**For the nine-month periods ended 30 September 2006 and 2005**

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Certain companies in Shin Group has granted rights to receive a special reward (“Special Reward Program”) to eligible directors and employees of the Company. The rights are granted once a year for five consecutive years (commencing from 2002). The rights may be exercised after the first year of the grant date but not in excess of three years. The calculation of the Special Reward Program benefit is based on the improvement in the operational performance of Shin between the date the rights were granted and the date the rights are exercised. The total Special Reward Program to directors of the Company is 7,092 units.

From the year 2003 to 30 September 2006, the Company’s directors exercised their rights for 6,526 units. As at 30 September 2006, the outstanding rights of the Company’s directors are 566 units.

Starting from Grant IV, Special Reward Program has changed to the right to receive ESOP of Shin instead, as disclosed in Note 12 h).

**ITV Public Company Limited**  
**Unaudited condensed notes to the interim consolidated and company financial statements (Continued)**  
**For the nine-month periods ended 30 September 2006 and 2005**

**13 Income tax**

The income tax on the Group's profit before tax for the three-month and the nine-month periods ended 30 September 2006 and 2005 differs from the theoretical amount that would arise using the basic tax rate of the home country of the company as follows:

	<b>Consolidated and Company</b>	
	<b>2006</b>	<b>2005</b>
	<b>Baht'000</b>	<b>Restated Baht'000</b>
<b>For the three-month periods ended 30 September</b>		
Profit before income tax	88,754	168,462
Tax calculated at a tax rate of 30% (2005: 30%)	26,626	50,538
Utilisation of previously unrecognised tax losses	(31,796)	(53,264)
Expenses recognized in the different period between accounting and tax	5,136	2,080
Expenses not deductible for tax purposes	34	646
Tax charge	-	-
<b>For the nine-month periods ended 30 September</b>		
Profit before income tax	364,402	573,751
Tax calculated at a tax rate of 30% (2005: 30%)	109,321	172,125
Utilisation of previously unrecognised tax losses	(124,760)	(184,364)
Expenses recognized in the different period between accounting and tax	14,572	11,495
Expenses not deductible for tax purposes	867	744
Tax charge	-	-

**14 Bank guarantees**

The Company has commitments with local banks relating to letters of guarantee issued by the banks as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>30 September 2006</b>	<b>31 December 2005</b>	<b>30 September 2006</b>	<b>31 December 2005</b>
	<b>Baht Million</b>	<b>Baht Million</b>	<b>Baht Million</b>	<b>Baht Million</b>
Bank guarantees for operating performance under concession				

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agreement	25	25	25	25
Bank guarantees in respect of the				
normal course of business	65	56	65	56
Total	<u>90</u>	<u>81</u>	<u>90</u>	<u>81</u>

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15 **Commitments and contingencies**

**Contingencies from general lawsuits**

The Company is a defendant in various legal actions. In the opinion of management, after taking appropriate legal advice, the outcome of such actions will not give rise to any significant loss. The Company did not set provision for liabilities in these interim financial statements for the aforementioned legal cases.

**Contingencies from the lawsuit with the Administrative Court**

On 30 January 2004, The arbitration award ruled by the arbitration panel on the disputes between the Company and the Office of the Permanent Secretary of the Office of the Prime Minister (“the PMO”) in accordance with the Concession Agreement can be summarised as follows:

- The PMO shall pay compensation to the Company in the amount of Baht 20 million;
- The concession fee to be paid shall be reduced and adjusted by reducing the concession fee to 6.5% (from the original rate of 44%) of gross revenue or the minimum guarantee of Baht 230 million (from the original agreement of 8<sup>th</sup> year Baht 800 million; 9<sup>th</sup> Year Baht 900 million and 10<sup>th</sup> - 30<sup>th</sup> Year Baht 1,000 million each year) , whichever is higher, as from 3 July 2002;
- The PMO shall return part of the minimum guarantee of Baht 800 million paid by the Company subject to conditions during the arbitration proceedings on 3 July 2003 to the Company. The amount to be returned to the Company is Baht 570 million; and
- The Company may broadcast its television programs during prime time (7.00 p.m. - 9.30 p.m.) without having to restrict its programs to news, documentaries and social benefit items. The Company must, however, broadcast news, documentaries and social benefit programs for not less than 50% of its total airtime, subject to the rules and regulations issued by governmental agencies applicable in general to all television stations.

The PMO entered into the appeal process in April 2004 in order to revoke the award made by the arbitration panel. On 9 May 2006, the Administrative Court of the First Instance handed down its ruling regarding the revocation of the arbitration award. On 7 June 2006, the Company filed an appeal against the verdict of the Administrative Court of the First Instance with the Supreme Administrative Court, and the Supreme Administrative Court received the execution of the judgment.

Although the PMO and the Company are currently awaiting the final decision of the Supreme Administrative Court, the PMO issued letter dated 23 June 2006 claiming that the Company should:

- (1) Pay the unpaid concession fee totaling Baht 1,440 million for the 9th concession year (the Seventh Payment) in the amount of Baht 670 million and the 10th concession year (the Eighth Payment) in the amount of Baht 770 million plus 15% interest per annum on the unpaid concession fee due since 3 July 2004.
- (2) Immediately change its programming schedule in order to comply with the first paragraph of Clause 11 of the Concession Agreement and pay the penalty fee in accordance with Clause 11, second paragraph, of the Concession Agreement from 1 April 2004 at the rate of 10% of the annual concession fee calculated on a daily basis on the ground that the change in the programming schedule by the Company was in breach of the first paragraph of Clause 11 of the Concession Agreement. The penalty fee for breach of the television

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scheduling conditions under Clause 11 of the Concession Agreement determined by the PMO is in the amount of Baht 75,960 million  
(From 1 April 2004 to 9 May 2006).

The legal advisor is of the opinion that as Section 70 of the Act on Establishment of Administrative Courts and Administrative Court Procedure, B.E.2542 clearly states that “In the case of a judgment of an Administrative Court of First Instance, compliance with the decree shall be pending until the period of time for an appeal has elapsed, or in the case of an appeal, the execution of the judgment shall be suspended until the case becomes final”. In addition, the appeal has already been accepted and is being considered by the Supreme Administrative Court. Therefore, the Administrative Court of First Instance’s ruling shall not become effective as soon as it is handed down as claimed by the PMO. Instead, the enforcement of the Administrative Court of First Instance’s ruling shall be pending until the Supreme Administrative Court’s ruling is handed down. The Supreme Administrative Court’s ruling shall be final and binding on both the PMO and the Company.

**15 Commitments and contingencies (Continued)**

**Contingencies from the lawsuit with the Administrative Court (Continued)**

The legal advisor also viewed that if the arbitration award is not set aside by the Supreme Administrative Court, both the PMO and the Company are required to comply with the arbitration award in accordance with Section 70 of the Act on Establishment of Administrative Courts and Administrative Court Procedure, B.E.2542 together with Article 30 of the Arbitration Rules as well as Clause 15 of the Concession Agreement, which states that the arbitration award is final and binding on all parties. Consequently, the PMO cannot claim from the Company the difference in the unpaid concession fee or demand a change in its programming schedule, as the Company has fully complied with the arbitration award. The Company is also not required to pay the penalty fee for having changed its programming schedule as claimed by the PMO.

At present, the dispute is under consideration by the Supreme Administrative Court. Therefore, management cannot determine the ultimate outcome of the matter; therefore no provision for any liability that may result has been made in these interim financial statements. As the Supreme Administrative Court's ruling handed down causing any advantage and disadvantage to either the PMO or the Company, both parties have to follow such ruling.

In addition, the legal advisor viewed that the change of the television program of the Company was the result of the fact that the Company has faithfully followed the conditions of the arbitration award. Moreover, the said arbitration award shall still be binding on the parties under Clause 15 of the Concession Agreement and the award has not be revoked by the final judgment, the Company has no legal commitment to pay any penalty fee to the PMO. However, If the penalty fee are charged, the calculation of the penalty fee of the PMO was not in compliance with the objective of the Concession Agreement. The penalty fee should be calculated at Baht 274,000 per day as maximum amount not Baht 100 million per day as stated by the PMO. Therefore, the penalty fee from 1 April 2004 to 9 May 2006 should be Baht 208 million, not Baht 75,960 million as claimed by the PMO. If the PMO and the Company cannot agree on the penalty calculation basis, either the PMO or the Company have to submit the dispute to the arbitration panel for the ruling.

If the Company had recorded accrued concession according to the original concession agreement plus the penalty fee for breach of the television scheduling conditions calculated at Baht 274,000 per day as clarified earlier, its liabilities as at 30 September 2006 would have increased by Baht 2,713 million. Net income for the three-month and nine-month periods then ended would have decreased by Baht 2,713 million comprising of:

1. The unrecognised concession fee amounting to Baht 2,068 million.
2. The liability to pay interest at 15% per annum from 3 July 2004 to 30 September 2006 totaling Baht 397 million due to the delay in the payment of the concession fee.
3. The penalty fee for breach of the television scheduling conditions (if any) from 1 April 2004 to 30 September 2006 amounting to Baht 248 million.

As a result, the Company's basic earnings per share and diluted earnings per share for the three-month and nine-month periods would have decreased from the reported net profit of Baht 0.07 per share to a net loss of Baht 2.17 per share and from a net profit of Baht 0.30 per share to a net loss of Baht 1.95 per share, respectively.