

AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

To the Shareholders of ITV Public Company Limited

I was engaged to review the accompanying consolidated and company balance sheet as at 31 March 2007, and the related consolidated and company statements of income, changes in shareholders' equity and cash flows for the three-month period ended 31 March 2007 and I have reviewed the accompanying consolidated and company interim financial statements for the three-month period ended 31 March 2006 of ITV Public Company Limited and its subsidiaries and of ITV Public Company Limited. 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 the financial statements for the three-month period ended 31 March 2006 based on my review.

I conducted my review on the accompanying consolidated and company interim financial statements for the three-month period ended 31 March 2006 of ITV Public Company Limited and its subsidiaries and of ITV Public Company Limited 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, and accordingly, I do not express an audit opinion.

As mentioned in note to financial statements No. 1.2, as at 31 March 2007, the Company's current liabilities exceed its current assets by an amount of Baht 1,707 million and there is a deficit in excess of the share capital of an amount of Baht 1,867 million and as mentioned in note to financial statements No. 16 the Company's concession agreement was revoked by the Office of the Permanent Secretary of the Office of the Prime Minister ("PMO") as the Company did not pay the unpaid concession fee totalling Baht 2,210 million and the interest on the total unpaid concession fee at 15% per annum including the penalty arising from the alteration of television programming of Baht 97,760 million. The Company's concession agreement was revoked on 7 March 2007 by the PMO therefore, the Company ceased its operation at that date. In addition, the PMO claimed the undelivered value of assets under concession amounting to Baht 656 million plus interest on 30 March 2007. The ultimate outcome of these matters cannot presently be determined therefore, the Company has not set a provision for the penalty arising from the alteration of television programming and the undelivered value of assets under concession which might be incurred in these financial statements. On 4 January 2007 and 9 May 2007, the Company filed the statements of claim regarding the unpaid concession totalling Baht 2,210 million plus the interest on the total unpaid concession fee including the penalty arising from the alteration of television programming of Baht 97,760 million and the undelivered value of assets under concession plus interest to the arbitration process. The Company is in the process of preparing development plans to resolve the cause of delisting and a plan to undertake new business and rehabilitation for the Stock Exchange of Thailand after the Company seeks and obtains approval from the Company's shareholders. These events indicate a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.

Because of the significance of the matters discussed in the preceding paragraph to the consolidated and company interim financial statements for the three-month period ended 31 March 2007 of ITV Public Company Limited and its subsidiaries and of ITV Public Company Limited, I am unable to express a conclusion on the accompanying interim financial statements. However, nothing has come to my attention that causes me to believe that the interim consolidated and company financial statements for the three-month period ended 31 March 2006 of ITV Public Company Limited and its

subsidiaries and of ITV Public Company Limited are not presented fairly, in all material respects, in accordance with generally accepted accounting principles based on my review.

I was engaged to audit the accompanying consolidated and company balance sheet as at 31 December 2006, and the related consolidated and company statements of income, changes in shareholders' equity and cash flows for the year then ended of ITV Public Company Limited and its subsidiaries and of ITV Public Company Limited, respectively and expressed a disclaimer of opinion dated 26 February 2007 because of (a) a material uncertainty regarding the Company' ability to pay the unpaid concession fee as claimed by the Office of the Permanent Secretary of the Office of the Prime Minister ("PMO") amounting to Baht 2,210 million which cast significant doubt on the Company's ability to continue as a going concern and may impact the impairment of the Company's concession assets and (b) the dispute regarding the interest on the unpaid concession fee and the penalty arising from the alteration of television programming of Baht 97,760 million. The ultimate outcome of this matter cannot presently be determined. No provision for liability has been provided in the financial statements for the penalty. Because of the significance of the uncertainties regarding the Company's funding and the sufficiency of cash flows and the going concern issue as described in (a) and the resolution of the dispute as described in (b) to the financial statements of ITV Public Company Limited and its subsidiaries and of ITV Public Company Limited for the year ended 31 December 2006, I am unable to express an opinion on the aforementioned financial statements.

As discussed in Note 2 to the financial statements, from 1 January 2007 the Company has changed its accounting policy for investments in subsidiaries in the company financial statements from equity method to cost method to comply with the Federation of Accounting Professions' announcement. The Company has applied retrospective adjustments. Therefore, the company balance sheet as at 31 December 2006, as part of the consolidated and company financial statements which I have audited and issued a report thereon as stated above, and the company interim financial statements for the quarter ended 31 March 2006, presented for comparative purposes, are restated.

Prasan Chuaphanich
Certified Public Accountant (Thailand) No. 3051
PricewaterhouseCoopers ABAS Limited

Bangkok
14 August 2007

ITV Public Company Limited

Balance Sheets

As at 31 March 2007 and 31 December 2006

	Notes	Consolidated		Company	
		31 March 2007 Unaudited Baht'000	31 December 2006 Audited Baht'000	31 March 2007 Unaudited Baht'000	31 December 2006 Audited Restated Baht'000
ASSETS					
Current assets					
Cash and cash equivalents		1,327,705	1,451,080	1,297,631	1,423,567
Trade accounts receivable, net	5	148,271	359,860	147,223	353,464
Loan to a subsidiary, net	13 d)	-	-	13,586	19,000
Programming rights and production costs, net	6	-	56,771	-	56,771
Withholding tax receivable		59,754	48,911	58,801	47,795
Other current assets		22,622	30,924	22,074	30,675
Total current assets		1,558,352	1,947,546	1,539,315	1,931,272
Non-current assets					
Investments in a subsidiary and a joint venture	7	-	-	26,433	50,000
Equipment, net	8	9,876	97,985	-	82,970
Concession assets, net	8	-	1,854,030	-	1,854,030
Other assets		11,148	11,216	11,146	11,215
Total non-current assets		21,024	1,963,231	37,579	1,998,215
Total assets		1,579,376	3,910,777	1,576,894	3,929,487

Director _____ Director _____

Date _____ Date _____

The notes to the interim consolidated and company financial statements on pages 9 to 28 are an integral part of these interim financial statements.

ITV Public Company Limited

Balance Sheets (Continued)

As at 31 March 2007 and 31 December 2006

	Notes	Consolidated		Company	
		31 March 2007 Unaudited Baht'000	31 December 2006 Audited Baht'000	31 March 2007 Unaudited Baht'000	31 December 2006 Audited Restated Baht'000
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Trade accounts payable	11	17,373	49,501	16,175	53,119
Current portion of long-term finance lease liabilities	10	133	1,104	-	2,454
Liability arising from bank guarantee of concession agreement	10	25,000	-	25,000	-
Current portion of long-term loan		93,194	93,194	93,194	93,194
Provision for unpaid concession fee and interest	10	2,988,910	2,726,348	2,988,910	2,726,348
Accrued expenses	16	82,458	253,103	81,946	248,960
Other current liabilities		41,491	34,495	41,301	34,152
Total current liabilities		3,248,559	3,157,745	3,246,526	3,158,227
Non-current liabilities					
Long-term finance lease liabilities	10	452	1,358	-	4,902
Long-term loan, net	10	197,524	197,343	197,524	197,342
Total non-current liabilities		197,976	198,701	197,524	202,244
Total liabilities		3,446,535	3,356,446	3,444,050	3,360,471
Shareholders' equity					
Share capital					
Authorised share capital - ordinary shares	12	7,800,000	7,800,000	7,800,000	7,800,000
Issued and paid-up share capital					
- ordinary shares	12	6,033,487	6,033,487	6,033,487	6,033,487
Deficiency on share capital	12	(174,297)	(174,297)	(174,297)	(174,297)
Deficit		(7,726,349)	(5,304,859)	(7,726,346)	(5,290,174)
Total shareholders' equity		(1,867,159)	554,331	(1,867,156)	569,016
Total liabilities and shareholders' equity		1,579,376	3,910,777	1,576,894	3,929,487

The notes to the interim consolidated and company financial statements on pages 9 to 28 are an integral part of these interim financial statements.

ITV Public Company Limited

Statements of Income (Unaudited)

For the three-month periods ended 31 March 2007 and 2006

	Notes	Consolidated		Company	
		2007	2006	2007	2006
		Baht'000	Baht'000	Baht'000	Restated Baht'000
Revenues	13 a)				
Service income		291,028	487,602	290,533	485,737
Interest income		15,300	8,394	15,383	8,610
Other income		1,038	693	452	963
Total revenues		307,366	496,689	306,368	495,310
Expenses	13 b)				
Cost of services		165,501	229,346	164,434	226,547
Concession expenses		-	57,500	-	57,500
Loss from provision for unpaid concession fee and interest	16	262,562	-	262,562	-
Selling and administrative expenses		322,799	100,034	323,403	101,818
Impairment loss on investments and assets	7, 9	1,972,651	-	1,986,822	-
Directors' remuneration		455	860	455	860
Total expenses		2,723,968	387,740	2,737,676	386,725
Profit (loss) before interest		(2,416,602)	108,949	(2,431,308)	108,585
Interest expense		(4,888)	(5,690)	(4,864)	(5,690)
Net profit (loss) for the period		(2,421,490)	103,259	(2,436,172)	102,895
Basic earnings (loss) per share (Baht)	4				
Net profit (loss) for the period		(2.01)	0.09	(2.02)	0.09
Diluted earnings (loss) per share (Baht)	4				
Net profit (loss) for the period		(2.01)	0.09	(2.02)	0.08

The notes to the interim consolidated and company financial statements on pages 9 to 28 are an integral part of these interim financial statements.

ITV Public Company Limited

Statements of Changes in Shareholders' Equity (Unaudited)

For the three-month periods ended 31 March 2007 and 2006

	Consolidated (Baht'000)			Total
	Share capital (Note 12)	Premium/ (Deficiency) on share capital (Note 12)	Deficit	
Opening balance as at 1 January 2006	6,031,907	(174,417)	(3,522,167)	2,335,323
Issue of ordinary shares	400	30	-	430
Net profit for the period	-	-	103,259	103,259
Closing balance as at 31 March 2006	6,032,307	(174,387)	(3,418,908)	2,439,012
Opening balance as at 1 January 2007	6,033,487	(174,297)	(5,304,859)	554,331
Net loss for the period	-	-	(2,421,490)	(2,421,490)
Closing balance as at 31 March 2007	6,033,487	(174,297)	(7,726,349)	(1,867,159)

	Company (Baht'000)			Total
	Share capital (Note 12)	Premium/ (Deficiency) on share capital (Note 12)	Deficit	
Opening balance as at 1 January 2006				
As previously reported	6,031,907	(174,417)	(3,522,167)	2,335,323
Prior period adjustment (Note 2)	-	-	14,211	14,211
As restated	6,031,907	(174,417)	(3,507,956)	2,349,534
Issue of ordinary shares	400	30	-	430
Net profit for the period	-	-	102,895	102,895
Closing balance as at 31 March 2006	6,032,307	(174,387)	(3,405,061)	2,452,859
Opening balance as at 1 January 2007				
As previously reported	6,033,487	(174,297)	(5,304,859)	554,331
Prior period adjustment (Note 2)	-	-	14,685	14,685
As restated	6,033,487	(174,297)	(5,290,174)	569,016
Net loss for the period	-	-	(2,436,172)	(2,436,172)
Closing balance as at 31 March 2007	6,033,487	(174,297)	(7,726,346)	(1,867,156)

The notes to the interim consolidated and company financial statements on pages 9 to 28 are an integral part of these interim financial statements.

ITV Public Company Limited

Statements of Cash Flows (Unaudited)

For the three-month periods ended 31 March 2007 and 2006

	Notes	Consolidated		Company	
		2007 Baht'000	2006 Baht'000	2007 Baht'000	2006 Baht'000
Cash flows from operating activities					
Net profit (loss) for the period		(2,421,489)	103,259	(2,436,174)	102,895
Adjustments for:					
Depreciation	8	3,253	5,789	2,724	3,189
Amortisation of programming rights and production costs	6	33,265	39,367	33,265	39,367
Allowance for doubtful accounts (reversal)		155	(2,117)	155	(2,117)
Allowance for doubtful account of loan to subsidiary	13 d)	-	-	414	-
Amortisation of concession assets	8	40,061	54,456	40,061	54,456
Impairment loss on equipment and concession assets	8	1,911,733	-	1,901,072	-
Impairment loss on programming rights	6	51,913	-	51,913	-
Impairment loss on investments	7	-	-	23,567	-
Loss on disposal of equipment		1,623	-	1,623	-
Gain on devaluation of barter assets		(160)	(1)	(160)	(1)
Amortisation of front end fee	10	181	164	181	164
Changes in operating assets and liabilities					
Trade accounts receivable		211,434	16,574	206,086	17,241
Withholding tax receivable		(10,843)	-	(11,006)	-
Other current assets		8,461	(11,143)	8,762	(10,990)
Other assets		68	22	69	22
Trade accounts payable		(32,128)	4,636	(36,944)	4,519
Liability arising from bank guarantee of concession agreement		25,000	-	25,000	-
Provision for unpaid concession fee and interest		262,562	57,500	262,562	57,500
Accrued expenses		(167,808)	(50,288)	(164,176)	(50,579)
Other current liabilities		6,996	4,820	7,150	4,650
Net cash flows from (used in) operating activities		(75,723)	223,038	(83,856)	220,316
Cash flows from investing activities					
Purchase of programming rights and production costs	6	(31,244)	(29,361)	(31,244)	(29,361)
Investment in concession assets	8	(7,302)	(5,497)	(7,302)	(5,497)
Proceed from disposal of equipment		478	-	478	-
Purchase of equipment		(9,584)	(3,942)	(9,012)	(3,927)
Investment in a joint venture		-	-	-	(30,000)
Receipt of loan to a subsidiary	13 d)	-	-	5,000	2,000
Net cash flows used in investing activities		(47,652)	(38,800)	(42,080)	(66,785)

The notes to the interim consolidated and company financial statements on pages 9 to 28 are an integral part of these interim financial statements.

ITV Public Company Limited

Statements of Cash Flows (Unaudited) (Continued)

For the three-month periods ended 31 March 2007 and 2006

	Consolidated		Company	
	2007	2006	2007	2006
	Baht'000	Baht'000	Baht'000	Baht'000
Cash flows from financing activities				
Proceeds from increase in share capital				
from exercising warrants	-	430	-	430
Net cash flows used in financing activities	-	430	-	430
Net increase (decrease) in cash and cash equivalents	(123,375)	184,668	(125,936)	153,961
Cash and cash equivalents, opening balance	1,451,080	825,934	1,423,567	822,940
Cash and cash equivalents, closing balance	1,327,705	1,010,602	1,297,631	976,901
Cash and cash equivalents as at 31 March comprise:				
Cash on hand	215	582	208	582
Cash at banks	1,327,490	1,010,020	1,297,423	976,319
Total cash and cash equivalents	1,327,705	1,010,602	1,297,631	976,901
Supplementary information for cash flows:				
Interest paid	4,270	5,746	4,246	5,746
Non-cash transactions				
Purchase of programming rights and production costs by liabilities	4,050	5,232	4,050	5,232
Investment in concession assets by liabilities	-	13,948	-	13,948
Purchase of equipment under finance lease liabilities	(2,462)	-	(7,355)	-

The notes to the interim consolidated and company financial statements on pages 9 to 28 are an integral part of these interim financial statements.

1 Basis of preparation

1.1 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.

Costs that incurred 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.

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

Concession fee means fee paid to the Office of the Permanent Secretary of the Office of the Prime Minister ("the PMO") for the right granting permission to operate business of a UHF Television Broadcasting Station under the Joint Operating Agreement of the UHF Television Broadcasting Station (the concession agreement).

These interim financial statements should be read in conjunction with the 2006 annual financial statements.

These interim consolidated and company financial statements have been approved for issue by the Board of Directors on 14 August 2007.

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 2006, except for the accounting policy for investment in subsidiaries, accounting for investment in associates and accounting for interests in joint ventures amendment in 2006 which were effective in 2007 as mentioned in note 2.

1.2 Financial status

As at 31 March 2007, the Company's current liabilities exceed its current assets by an amount of Baht 1,707 million and there is a deficit in excess of the share capital of an amount of Baht 1,867 million. In addition, as a consequence of the ruling of the Supreme Administrative Court on 13 December 2006, the Company is liable to pay the unpaid concession fee totalling Baht 2,210 million. The PMO, the concessionaire, claimed that the payment includes the 15% interest per annum on the total unpaid concession fee and the penalty arising from the alteration of television programming of Baht 97,760 million, which was due for payment within 30 days of the Company receiving the notice on 1 February 2007. The Company disputed these and did not pay for these unpaid concession fee including interest and penalty. On 7 March 2007, the Company received the letter of revocation of the Concession Agreement and radio-television operation under UHF system from the PMO and ceased its operation on that date. Furthermore, in

the Stock Exchange of Thailand ("SET") raised a Suspension sign (SP) to stop trading of the Company's stock. The Company is in the process of preparing development plans to resolve the cause of delisting, and the plans to undertake of new business, and the rehabilitation for SET after the Company seeks and obtains approval from the Company's shareholders. SET provided a two - year timeframe for the Company to resolve the delisting issue. In addition, the Company is still conducting arbitral proceeding regarding the unpaid concession fee including interest and penalty arising from the alteration of television programming of Baht 97,760 million and value of undelivered assets include interest which shall await the arbitral award granted by the arbitration panel and the final legal outcome. This event indicates a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.

1 Basis of preparation (Continued)

1.3 Amendment to accounting standards effective in 2007 and 2008

On 2 May 2007, the Federation of Accounting Professions (FAP) announced the amendment to Thai Accounting Standards (TAS) as followings;

TAS 25 "Cash flow statement"

TAS 33 "Borrowing costs"

TAS 44 "Consolidated financial statements and separate financial statements"

TAS 45 "Investments in associates"

TAS 46 "Interests in joint ventures"

TAS 49 "Construction contracts"

The effective date for the revised TAS 44 "Consolidated financial statements and separate financial statements", TAS 45 "Investments in associates" and TAS 46 "Interests in joint ventures" is for the accounting periods beginning on or after 1 January 2007 as mentioned in Note 2.

TAS 25 "Cash flow statement", TAS 33 "Borrowing costs" and TAS 49 "Construction contracts" will be effective for the accounting periods beginning on or after 1 January 2008.

2 Changes in accounting policies

Accounting policies relating to investment in a subsidiary and a joint venture for the company financial statements

According to the notification of Federation of Accounting Professions No. 26/2549 dated on 11 October 2006 and No. 32/2549 dated on 3 November 2006 relating to amendment of TAS no. 44 "Consolidated Financial Statements and Accounting for Investment in Subsidiaries" and TAS no. 45 "Accounting for Investments in Associates" which require the change from equity method of accounting to cost method of accounting for investments in subsidiaries and associates presented in the separate financial statements. Under the cost method, income from investment will be recorded when dividends are declared. The notification is mandatory from 1 January 2007. The Company has applied such method for investments in subsidiaries and associates and has also applied the same method of accounting for investment in joint ventures presented in the company financial statements. The change in the accounting policy has an impact to the separate financial statements only and does not have an impact to the consolidated financial statements.

2 Changes in accounting policies (Continued)

Accounting policies relating to investment in a subsidiary and a joint venture for the company financial statements (Continued)

The Group has adopted the cost method commencing from 1 January 2007 by applying retrospective adjustments. The effects of the changes to the Company's balance sheet as of 31 December 2006 and the Company's statement of income for the three-month period ended 31 March 2006 are as follows;

	Company Restated Baht'000
	<hr/>
Balance sheet as at 31 December 2006	
Increase in investments in a subsidiary and a joint venture	14,685
Shareholders' equity	
Decrease in opening balance of deficit	14,211
Decrease in closing balance of deficit	14,685
 Statement of income for the three-month period ended 31 March 2006	
Decrease in share of net loss from investments - equity method	364
Increase in net profit	364
 Increase in basic earnings per share (Baht)	0.003
Increase in diluted earnings per share (Baht)	0.003

3 Segment information

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

ITV Public Company Limited**Unaudited condensed notes to the interim consolidated and company financial statements (Continued)****For the three-month periods ended 31 March 2007 and 2006**

	2007	2006	2007	2006
	Baht'000	Baht'000	Baht'000	Baht'000
Trade accounts receivable				
- Third parties	146,649	306,230	145,668	301,261
- Related parties (Note 13 c)	9,344	61,197	9,277	59,770
Total trade accounts receivable	155,993	367,427	154,945	361,031
<u>Less</u> Allowance for doubtful accounts	(7,722)	(7,567)	(7,722)	(7,567)
Trade accounts receivable, net	148,271	359,860	147,223	353,464

5 Trade accounts receivable, net (Continued)

Outstanding trade accounts receivable can be analysed as follows:

	Consolidated		Company	
	31 March 2007 Baht'000	31 December 2006 Baht'000	31 March 2007 Baht'000	31 December 2006 Baht'000
Up to 3 months	147,715	359,826	146,781	353,427
3 - 6 months	1,600	472	1,486	475
6 - 12 months	71	583	71	583
Over 12 months	6,607	6,546	6,607	6,546
Total	155,993	367,427	154,945	361,031
<u>Less</u> Allowance for doubtful accounts	(7,722)	(7,567)	(7,722)	(7,567)
Trade accounts receivable, net	148,271	359,860	147,223	353,464

6 Programming rights and production costs, net

	Consolidated and Company Baht'000
For the three-month period ended 31 March 2007	
Opening net book value	56,771
Additions	28,407
<u>Less</u> Amortisation	(33,265)
Loss on impairment (Note 9)	(51,913)
Closing net book value	-
Cost, net	105,780
<u>Less</u> Allowance for impairment	(53,867)
Loss on impairment (Note 9)	(51,913)
Closing net book value	-

7 Investments in a subsidiary and a joint venture

- a) Movements in investments in a subsidiary and a joint venture for the three-month period ended 31 March 2007 are as follows:

	Company Baht'000
Opening net book value - previously reported	35,315
Prior period adjustment (Note 2)	14,685
Opening net book value - restated	50,000
Impairment loss on investments in a subsidiary and a joint venture	(23,567)
Closing net book value	<u>26,433</u>

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

	Company - 31 March 2007 (Baht'000)				
	Paid-up capital	Investment portion (%)	Cost	Share of net results from Investments	Equity
Subsidiary					
Artware Media					
Company Limited	20,000	99.99	20,000	(20,000)	-
Joint venture					
Media Connex					
Company Limited	50,000	60.00	30,000	(3,567)	26,433
			<u>50,000</u>	<u>(23,567)</u>	<u>26,433</u>

	Company - 31 December 2006 (Baht'000) (Restated)				
	Paid-up capital	Investment portion (%)	Cost	Share of net results from investments	Equity
Subsidiary					
Artware Media					
Company Limited	20,000	99.99	20,000	-	20,000
Joint venture					
Media Connex					
Company Limited	50,000	60.00	30,000	-	30,000
			<u>50,000</u>	<u>-</u>	<u>50,000</u>

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

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

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

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

Consideration of impairment loss on investments in a subsidiary and a joint venture**Investment in Artware Media Company Limited (“Subsidiary”)**

On 7 March 2007, the Concession Agreement was terminated by the PMO which caused that the Company to cease its business from that date onwards. Since the Company is a major customer of its subsidiary, this also caused the subsidiary to cease the operation of its main business accordingly. The Company therefore made an allowance for impairment of investment in the subsidiary which was recorded in full of Baht 20 million.

Investment in Media Connex Company Limited (“Joint venture”)

The joint venture’s business is in the first stage of operation and the current economy is slowing down. In addition, the joint venture’s operating results have not met the target. These issues were indicators of the impairment of investment in this joint venture. The Company recognised impairment loss on investment for the three-month period ended 31 March 2007 in the Company financial statements, determined from the net assets of the joint venture amounting to Baht 3.57 million.

8 Capital expenditure

	Consolidated		Company	
	Equipment Baht’000	Concession assets Baht’000	Equipment Baht’000	Concession assets Baht’000
For the three-month period ended				
31 March 2007				
Opening net book value	97,985	1,854,030	82,970	1,854,030
Additions	7,707	7,302	1,656	7,302
Depreciation/amortisation charge	(3,253)	(40,061)	(2,724)	(40,061)
Transfers	(79,721)	79,721	(79,721)	79,721
Disposals	(2,101)	-	(2,101)	-
Allowance for impairment (Note 9)	(10,741)	(1,900,992)	(80)	(1,900,992)
Closing net book value	9,876	-	-	-
As at 31 March 2007				
Cost	120,883	3,795,099	65,677	3,795,099
<u>Less</u> Accumulated depreciation/amortisation	(87,770)	(1,894,107)	(53,101)	(1,894,107)

ITV Public Company Limited**Unaudited condensed notes to the interim consolidated and company financial statements (Continued)****For the three-month periods ended 31 March 2007 and 2006**

Allowance for impairment	(23,237)	(1,900,992)	(12,576)	(1,900,992)
Net book value	9,876	-	-	-

9 Consideration of impairment on assets

On 7 March 2007, the Company received the letter to revoking the Concession Agreement and the UHF television operation. Thus, the concession agreement was terminated. This was an indicator to impair the property and equipment, property and equipment under concession agreement, programming rights and other current assets in the amount of Baht 11 million, Baht 1,901 million, Baht 52 million and Baht 9 million respectively, have been recognised in the consolidated financial statements and Baht 0.01 million, Baht 1,901 million, Baht 52 million and Baht 9 million respectively, in the Company financial statements, determined from the net realisable value of these assets.

10 Borrowings

	Consolidated		Company	
	31 March 2007 Baht'000	31 December 2006 Baht'000	31 March 2007 Baht'000	31 December 2006 Baht'000
Short-term borrowings				
Current portion of long-term finance lease liabilities	133	1,104	-	2,454
Liability arising from bank guarantee of concession agreement	25,000	-	25,000	-
Current portion of long-term loan from a bank	93,194	93,194	93,194	93,194
Total	118,327	94,298	118,194	95,648
Long-term borrowings				
Long-term finance lease liabilities	452	1,358	-	4,902
Long-term loan from a bank	199,859	199,859	199,859	199,858
<u>Less</u> Deferred front end fee	(2,335)	(2,516)	(2,335)	(2,516)
Total	197,976	198,701	197,524	202,244
Total borrowings	316,303	292,999	315,718	297,892

The movements in the borrowings can be analysed as follows:

	Consolidated Baht'000	Company Baht'000
For the three-month period ended 31 March 2007		
Opening balance, net	292,999	297,892
Increase in finance lease liabilities	585	-
Terminate the finance lease contracts	(2,462)	(7,355)
Liability arising from bank guarantee of concession agreement	25,000	25,000
Amortisation of deferred front end fee	181	181
Closing balance, net	316,303	315,718

Loan default

Termination of the Concession Agreement executed on 7 March 2007 caused the Company's status to be non-compliant with the terms and conditions of the Debt Restructuring Agreement and the bank was eligible to claim that the remaining loan amount became due for payment without providing the prior notice. However, the Company contacted the bank in writing to seek the approval of an alternative course of

action on the said issue. On 2 August 2007, the bank permitted the Company to pay the loan under the original terms defined in the Debt Restructuring Agreement. The Company has therefore not reclassified the outstanding amount of loan as a current liability.

11 Trade accounts payable

	Consolidated		Company	
	31 March 2007 Baht'000	31 December 2006 Baht'000	31 March 2007 Baht'000	31 December 2006 Baht'000
Trade accounts payable				
- Third parties	16,422	46,940	14,968	43,837
- Related parties (Note 13 c)	951	2,561	1,207	9,282
Total trade accounts payable	17,373	49,501	16,175	53,119

12 Share capital, premium/(deficiency) and warrants

Movements in share capital are as follows:

	For the three-month period ended 31 March 2007				Total Baht'000
	Number of registered share capital Shares'000	Issued and fully paid-up shares			
		Number of shares Shares'000	Ordinary shares Baht'000	Premium/ (Deficiency) on share capital Baht'000	
Opening balance	1,560,000	1,206,697	6,033,487	(174,297)	5,859,190
Issue of shares	-	-	-	-	-
Closing balance	1,560,000	1,206,697	6,033,487	(174,297)	5,859,190

As at 31 March 2007, the total authorised number of ordinary shares was 1,560 million shares (31 December 2006: 1,560 million shares) with a par value of Baht 5 per share (31 December 2006: Baht 5 per share).

Warrants

As on 4 June 2007, the Company terminated all ESOP of Grant I, II, III, and IV because the Company's directors and employees resigned from the Company on 8 March 2007 according to the filing of issuing ESOP paragraph 3.3.4 which specified that the ESOP-holders must exercise their right within three months of the date of resignation. The last exercise period was in May 2007 and the ESOP-holders had not exercised their right at that time. Therefore, the ESOP programs were terminated since at the end of May 2007.

13 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 2006: 52.94%). The remaining 47.06% of the shares (31 December 2006: 47.06%) are widely held.

On 23 January 2006, the Shinawatra family, the principal shareholders of Shin, sold all their shares, 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.

Aspen is a company incorporated in Thailand and an indirect subsidiary of Temasek. Cedar is a company incorporated in Thailand whose shareholders are comprised of Siam Commercial Bank Public Company Limited holding 5.8%, Kularb Kaew Company Limited (“Kularb Kaew”) holding 45.2% and Cypress Holdings Limited (“Cypress”), an indirect subsidiary of Temasek, holding 49.0% of the shares in Cedar. Kularb Kaew was held by four major shareholders, namely, Cypress holding 29.9%, Khun Surin Upatkoon holding 68.0%, Khun Pong Sarasin holding 1.3% and Khun Suphadej Poonpipat holding 0.8%.

Transactions with entities within the Cedar, Aspen, and Temasek group are recognised as related party transactions of 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	
	31 March	31 March	31 March	31 March
	2007	2006	2007	2006
	Baht’000	Baht’000	Baht’000	Baht’000
Advertising income				
Parent company “Shin”	-	300	-	300
Subsidiary	-	-	432	1,800
Other related parties - Shin Group	11,091	37,695	11,091	37,695
	11,091	37,995	11,523	39,795

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Unaudited condensed notes to the interim consolidated and company financial statements (Continued)

For the three-month periods ended 31 March 2007 and 2006

Other income				
Parent company "Shin"	-	841	-	841
Subsidiary - Interest income	-	-	351	372
Subsidiary - Other income	-	-	67	300
Other related parties - Shin Group	2,555	4,996	2,555	4,996
	<u>2,555</u>	<u>5,837</u>	<u>2,973</u>	<u>6,509</u>
Total sales of goods and services	<u>13,646</u>	<u>43,832</u>	<u>14,496</u>	<u>46,304</u>

13 Related party transactions (Continued)

b) Purchases of good and services

For the three-month periods ended	Consolidated		Company	
	31 March	31 March	31 March	31 March
	2007	2006	2007	2006
	Baht'000	Baht'000	Baht'000	Baht'000
Parent company - Shin				
Consulting and management fees	-	3,655	-	3,655
	-	3,655	-	3,655
Subsidiary				
Expenses				
Advertising expenses	-	-	1,763	2,376
Equipment rental	-	-	430	662
Commission expenses	-	-	-	123
Other expenses	-	-	468	422
	-	-	2,661	3,583
Other related parties - Shin group				
Expenses				
Building rental and service charges	-	5,957	-	5,861
Transponder rental	7,283	9,783	7,283	9,783
Commission expenses	651	2,043	651	2,043
Advertising expenses	-	973	-	973
Telephone expenses	412	963	412	963
Other expenses	957	1,635	957	1,625
	9,303	21,354	9,303	21,248
Total purchases of goods and services	9,303	25,009	11,964	28,486

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

Receivables from related parties	Consolidated		Company	
	31 March	31 December	31 March	31 December
	2007	2006	2007	2006
	Baht'000	Baht'000	Baht'000	Baht'000

ITV Public Company Limited**Unaudited condensed notes to the interim consolidated and company financial statements (Continued)****For the three-month periods ended 31 March 2007 and 2006**

Subsidiary	-	-	-	985
Other related parties - Shin group	9,344	61,197	9,277	58,785
Total receivables from related parties	9,344	61,197	9,277	59,770
Payables from related parties				
Subsidiary	-	-	256	6,745
Other related parties - Shin group	951	2,561	951	2,537
Total payables from related parties	951	2,561	1,207	9,282

d) Loan to a subsidiary

A loan to a subsidiary bears interest at 6.50% per annum (31 December 2006: 7.75% per annum). The term of repayment is at call.

The subsidiary has ceased its business since the first quarter of 2007. The Company set the allowance for doubtful debt for this loan to a subsidiary amount of Baht 414 thousand based on the recoverable amount.

13 Related party transactions (Continued)

e) Finance lease liabilities

	Consolidated		Company	
	31 March 2007 Baht'000	31 December 2006 Baht'000	31 March 2007 Baht'000	31 December 2006 Baht'000
Finance lease liabilities - Subsidiary				
- Current	-	-	-	1,350
- Non-current	-	-	-	3,543
Total	-	-	-	4,893

f) Other current assets

	Consolidated		Company	
	31 March 2007 Baht'000	31 December 2006 Baht'000	31 March 2007 Baht'000	31 December 2006 Baht'000
Prepaid expenses				
Other related parties - Shin group	1,292	-	1,292	-
Accrued interest income				
Subsidiary	-	-	117	-
Total other current assets	1,292	-	1,409	-

g) Accrued expenses

	Consolidated		Company	
	31 March 2007 Baht'000	31 December 2006 Baht'000	31 March 2007 Baht'000	31 December 2006 Baht'000
Accrued expenses				
Subsidiary	-	-	215	350
Other related parties - Shin group	1,224	18,685	743	16,163
Total accrued expenses	1,224	18,685	958	16,513

h) Warrants issued and offered to directors

Certain directors who were eligible to be allocated Warrants from Shin resigned during the first quarter of 2007, therefore, no directors are currently entitled to be granted such right.

14 Income tax

The income tax on the Group's profit before tax for the three-month periods ended 31 March 2007 and 2006 differs from the theoretical amount that would arise using the basic tax rate of the home country of the company as follows:

	Consolidated		Company	
	31 March 2007 Baht'000	31 March 2006 Baht'000	31 March 2007 Baht'000	31 March 2006 Baht'000
For the three-month periods ended 31 March				
Profit (loss) before income tax	(2,421,490)	103,258	(2,436,172)	102,895
Tax calculated at a tax rate of 30% (2006: 30%)	(726,447)	30,977	(730,852)	30,868
Utilisation of previously unrecognised tax losses	-	(30,984)	-	(30,875)
Tax losses in current period not recognised as deferred tax assets	721,837	-	726,238	-
Expenses not deductible for tax purposes	4,610	7	4,614	7
Tax charge	-	-	-	-

15 Bank guarantees

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

	Consolidated		Company	
	31 March 2007 Baht Million	31 December 2006 Baht Million	31 March 2007 Baht Million	31 December 2006 Baht Million
Bank guarantees for operating performance under concession agreement	-	25	-	25
Bank guarantees in respect of the normal course of business	7	58	7	58
Total	7	83	7	83

16 Commitments and contingencies

16.1 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.

16.2 The Contingent Liabilities which may have arisen from the dispute between the Company and the PMO relating to the Concession Agreement

a) Sequence of significant events of the dispute between the Company and the PMO

On 30 January 2004, the arbitration award granted by the arbitration panel on the dispute between the Company and the PMO in accordance with the Concession Agreement can be summarised as follows;

1. The PMO shall indemnify the Company in the amount of Baht 20 million;
2. The concession fee to be paid shall be reduced and adjusted by reducing the concession fee to 6.50% (from the original rate of 44%) of gross revenue or the minimum guarantee of Baht 230 million (reduced and adjusted from the original concession agreement of the 8th year of Baht 800 million, the 9th year of Baht 900 million, and the 10th - 30th year of Baht 1,000 million each year), whichever is higher, starting from 3 July 2002;
3. The PMO shall return parts of the minimum guarantee of Baht 800 million paid by the Company subject to conditions during the arbitration proceedings on 3 July 2003. The amount to be returned is Baht 570 million.
4. The Company is eligible to broadcast its television programmes during the prime time (7.00 p.m. - 9.30 p.m.) without being restricted to news, documentaries and social benefit items. The Company must, however, broadcast news, documentaries and social benefit programmes 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.

On 27 April 2004, the PMO filed the complaint with the Central Administrative Court for setting aside the arbitral award granted by the arbitration panel.

On 9 May 2006, the Central Administrative Court 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.

On 13 December 2006, the Supreme Administrative Court ruled to uphold the judgment of the Central Administrative Court regarding on revocation of the arbitral award dated 30 January 2004. As a consequence of that ruling, the Company has to follow the previous terms and conditions as specified in the Concession Agreement on the following:

1. The Company is required to change its television programmes to be in line with Clause 11 of the Concession Agreement which covers the combination of news, documentaries and social benefit programmes which shall not be less than 70% of total air-time, and all programmes broadcasted during the prime time (7.00 p.m. - 9.30 p.m.), have to be these kinds of programmes.
2. The Company is required to follow Clause 5 (The concession fee to be rate of 44% and the minimum guarantee of Baht 1,000 million) of the Concession Agreement in respect of payment of concession fee to PMO.

16 Commitments and contingencies (Continued)

16.2 The Contingent Liabilities which may have arisen from the dispute between the Company and the PMO relating to the Concession Agreement (Continued)

a) Sequence of significant events of the dispute between the Company and the PMO (Continued)

On 14 December 2006, the PMO issued a letter dated 14 December 2006 claiming that the Company should;

1. The Company is required to alter the television programming in order to comply with Clause 11 of the Concession Agreement.
2. The Company is required to pay the unpaid concession fee totaling Baht 2,210 million, for the 9th concession year (the Seventh Payment) in the amount of Baht 670 million, the 10th concession year (the Eighth Payment) in the amount of Baht 770 million and the 11th concession year (the Ninth Payment) in the amount of Baht 770 million plus 15% interest per annum on the unpaid concession fee, calculated on a daily basis from the date the payment become overdue.
3. The Company is required to pay the penalty fee in accordance with Clause 11, second paragraph, of the Concession Agreement from 1 April 2004 to 13 December 2006 at the rate of 10% of the annual concession fee, calculated on a daily basis from the date the payment become overdue. As the Company had not scheduled programmes following Clause 11, first paragraph, the penalty fee for breach determined by the PMO is in the amount of Baht 97,760 million (the Company changed its programming schedule following the Supreme Administrative Court's judgment on 14 December 2006).

The PMO demanded that all payments must be paid within 45 days of the receipt of such notice (received on 15 December 2006). In the event that the Company fails to repay such amount within the allocated period of time, the PMO will have to act in accordance with the terms of the Concession Agreement and any relevant law.

On 21 December 2006, the Company sent a letter to the PMO which can be summarised as follows;

1. The Company has altered the television programming in compliance with Clause 11 of the Concession Agreement since 14 December 2006.
 2. The Company was not at default for the payment of the concession fee since the concession fee amounting to Baht 230 million was paid to the PMO in accordance with the arbitral award. Since the arbitral award was bound to both parties under Clause 15 of the Concession Agreement, the Company had no liability on interest of the concession fee during the period that the arbitral award was granted until the Supreme Administrative Court's judgment was handed down.
 3. The Company disagreed with the PMO on the issue of the penalty fee amounting to Baht 97,760 million with the 45 days payment period as follows;
-

- 3.1 The Company has not breached the Concession Agreement because the Company has complied with Clause 15 of the Concession Agreement which states that “The arbitral award shall be bound to both parties”, the last paragraph in Clause 30 of the Arbitration rules of Judiciary Office and the second paragraph of Section 70 of Act on Establishment of Administrative Courts and Administrative Court Procedure, B.E. 2542. Consequently, the alteration of television programming from 1 April 2004 to 13 December 2006 (the date that the Supreme Administrative Court’s judgment was handed down) has duly complied with the Concession Agreement and law.

16 Commitments and contingencies (Continued)

16.2 The Contingent Liabilities which may have arisen from the dispute between the Company and the PMO relating to the Concession Agreement (Continued)

a) Sequence of significant events of the dispute between the Company and the PMO (Continued)

3.2 As to the Concession Agreement regarding the penalty fee incurred on the alteration of television programming, the PMO has the right to terminate the Concession Agreement. However, in order to comply with the arbitration proceeding as stated in section 3.1, if it is apparent that the Company breaches the Concession Agreement, the PMO shall be entitled to terminate the Concession Agreement if the process of settlement of dispute becomes final.

3.3 The Supreme Administrative Court gazette no. 78/2549 dated 13 December 2006 stated that "Regarding the matter of the penalty, the parties have to resolve these themselves, and if the dispute cannot be resolved, the statement of claims is required to be filed in accordance with the procedure defined in the Concession Agreement".

3.4 The issue of interest and the penalty incurred from the alteration of television programming had not been finalised since it was not an issue raised for consideration by the Supreme Administrative Court. Therefore, if the parties had any controversy thereon and it cannot be resolved, the statement of claims shall then enter into arbitration proceeding in accordance with Clause 15 of the Concession Agreement stating that "If any dispute or controversy arises in connection with this Concession Agreement, both parties shall agree to submit the said dispute for arbitration, and the Arbitration Committee's award shall be final and binding".

The Company and its legal consultant viewed that the calculation of the penalty of the PMO was not in compliance with the objective of the Concession Agreement. The penalty should be calculated at Baht 274,000 per day as a maximum amount, not Baht 100 million per day as stated by the PMO. However, if the penalty fees are charged, the penalty for the period from 1 April 2004 to 13 December 2006 should be Baht 268 million, not Baht 97,760 million as claimed to be paid and led to cancellation of agreement by the PMO.

With regard to the interest on the unpaid concession fee claimed by the PMO, the Company and its legal consultant is of the opinion that during the period that the Company complied with the arbitral award, Shin neither had a liability to settle the debt nor was at default to pay the concession fee since the concession fee of Baht 230 million was paid in accordance with the arbitral award. The arbitral award become binding on both parties under Clause 15 at the time it comes into force, since the Company was not at default in the payment of the concession fee or make the delay payment. In addition, the PMO has not requested provisional remedial measures from the Court to order the Company not to comply with the arbitral award in such period of time. Consequently, the Company has no liability for the interest of the concession fee and the PMO has no right to claim for the unpaid concession fee during the period that the arbitral award was valid and the

judgment of the Central Administrative Court was not enforceable during the period that the appeal was submitted to the Supreme Administrative Court.

On 4 January 2007, referring to the penalty for alteration of television programming and interest of overdue concession fee, the Company filed the statement of claim, Black Case number 1/2550, to the Arbitration Institute. With regard to concession fee in the amount of Baht 2,210 million, the Company has the opinion that in order to comply with the Concession Agreement and to compromise with the PMO not to terminate the Concession Agreement affecting the Company's business. The Company proposed that the PMO to pay the amount of Baht 2,210 million with the condition that the PMO shall enter into the arbitration proceeding seeking the arbitral award on the penalty fee and interest of the concession fee. Nevertheless, the PMO did not accept the said proposal on 31 January, 2007.

16 Commitments and contingencies (Continued)

16.2 The Contingent Liabilities which may have arisen from the dispute between the Company and the PMO relating to the Concession Agreement (Continued)

a) Sequence of significant events of the dispute between the Company and the PMO (Continued)

On 2 February 2007, the Company submitted a letter to the Prime Minister appealing for justice proposing that the PMO accept the concession fee in the amount of Baht 2,210 million and enter into the arbitral proceedings on the issue of the penalty fee and interest.

On 13 February 2007, the PMO did not accept the said proposal. As a result, the Company's proposal shall not be enforceable from the date that the PMO rejected the Company's proposal in writing and the Company had no onward liability on its proposal onward in accordance with Section 357 of the Civil Code. Thereafter, the Central Administrative Court made an order striking out the case, Black Case number 640/2550 dated 22 July 2007 from the Case List. The Court ruled that the PMO's claimant stating that the Company accepted the unpaid debts of Baht 2,210 million cannot be viewed as the Company accepting liability because it was an options proposed by the Company which it had not become final, and thus considered as a dispute to be enter into arbitration proceedings.

On 20 February 2007, the Company issued a complaint to prescribe provisional remedial measures, and a complaint of compelling urgency was filed with the Central Administrative Court. The following matters are as follows;

1. The Company requested the Central Administrative Court to rule that the right to terminate the Concession Agreement of the PMO will be revoked during the period that the penalty fee was incurred from the change of television programming, and interest of the unpaid concession fee of approximately Baht 100,000 million will not be paid until the arbitral award is granted and the dispute becomes finalised.
2. The Company requested the Central Administrative Court to specify the grace period to make the payment of the unpaid concession fee amounting to Baht 2,210 million within 30 days of the date of the receipt of the Court order.

On 21 February 2007, the Central Administrative Court ordered the rejection of the complaint to prescribe provisional remedial measures and the complaint of compelling urgency. The Court ruled that in the case of the PMO's right of termination of Concession Agreement, the Company was entitled to claim for damages arisen from such termination if the Company viewed that such termination was incorrect. In respect of the fact that the PMO requested the Company to pay the penalty fee and interest of the concession fee as well as requested the Court demanding the Company to pay the concession fee amount of Baht 2,210 million to the PMO within 30 days from the date that the Court had granted the order, the Court opinioned that it was the case that such issues shall be mutually negotiated between the Company and the PMO. If the Company viewed that the Company should not be bound to pay or requested to provide debt settlement, the Company was eligible to process under the Concession Agreement and legal proceeding. Therefore, the Court did not

deem it necessary to prescribe provisional remedial measures to the Company during the time that such process was being made. The order of the Central Administrative Court shall be deemed final and cannot be further appealed.

On 7 March 2007, the letter of revocation of the Concession Agreement was sent by the PMO requesting the Company to repay the debt and return all operations assets under the concession agreement back to the PMO within the period specified by the PMO in accordance with the Cabinet resolution passed on 6 March 2007. Such termination caused the Company to cease carrying on the business of the UHF television broadcasting station.

16 Commitments and contingencies (Continued)

16.2 The Contingent Liabilities which may have arisen from the dispute between the Company and the PMO relating to the Concession Agreement (Continued)

a) Sequence of significant events of the dispute between the Company and the PMO (Continued)

On 28 March 2007, the Company sent a letter to the PMO disputing that the termination of the Concession Agreement exercised by the PMO demanding that the Company pay the debts of approximately Baht 100,000 million was not in compliance with the law and terms of agreement. The reason is that the Company has not breached the Concession Agreement and disagreed with the said revocation. The termination of the Concession Agreement harmed the Company's business operations which shall be the responsibility of the PMO, and the Company reserved its right on any further legal action against the PMO.

On 30 March 2007, the PMO requested the Central Administrative Court to order the Company to pay unpaid concession fee of Baht 2,210 million, the 12th concession fee of Baht 677 million (counted from the date the arbitration panel judged the arbitral award to 7 March 2007), interest of overdue concession fees of Baht 562 million (counted from the date the arbitration panel judged the arbitral award to the date of requesting of the order, 30 March 2007), adjusting of television program fee of Baht 97,760 million, and the undelivered value of assets under concession of Baht 656 million with 7.5% of the interest of the undelivered value of assets counted from the requested date until the Company repays in full. The undelivered value of assets fee is a new issue that the PMO has previously not raised. The aggregated amount is Baht 101,865 million.

b) The Contingent Liabilities and recording on the dispute between the Company and the PMO

The contingent liabilities after the Supreme Administrative Court's judgment on revocation of the arbitration award on 13 December 2006 and the dispute between the Company and the PMO are as follows;

1. In regard of the penalty arising from the alteration of television programming

The said liability has not been recorded in the Company's financial statements since the fact of the Black Case number 640/2550 filed by the PMO demanding that the Company pay the concession fee, interest, the penalty fee and value of undelivered assets was dismissed by the Central Administrative Court which shall await the arbitral award granted by the arbitration panel and the final legal proceeding.

2. In regard of the concession fee of the 9th, 10th and 11th year amounting to Baht 2,210 million and 15% interest of such amount

Since quarter 4/2006, the Provision for unpaid concession fee amounting to Baht 2,210 million plus 15% interest from the date that the arbitral award was revoked by the Supreme Administrative Court was recorded in the

consolidated financial statements. The reason is that the Company proposed to pay such amount to the PMO and brought the issue of the penalty fee and interest into the arbitral proceeding under the Concession Agreement. Thereafter, in the first quarter of 2007, the PMO did not accept the said payment, it shall be deemed that the Company's proposal was not mutually accepted. the Company thus had no liability on the concession fee amounting to Baht 2,210 million plus 15% interest. In addition, the Central Administrative Court made the order striking out the case No. 640/2550 in which the PMO demanded that the Company pay the concession fee, interest, the penalty fee and value of undelivered assets out of the Case List, so that the disputes shall be brought into the arbitration proceeding and legal process to be finalised.

16 Commitments and contingencies (Continued)

16.2 The Contingent Liabilities which may have arisen from the dispute between the Company and the PMO relating to the Concession Agreement (Continued)

b) The Contingent Liabilities and recording on the dispute between the Company and the PMO (Continued)

3. Value of undelivered assets

The undelivered asset in the amount of Baht 656 million plus 7.50% interest per annum of the undelivered asset from the date that the case was filed to the Court until the said amount is fully paid. The PMO has not requested the Company to pay such amount. Consequently, the Company has no liability to further deliver such asset. In addition, the Central Administrative Court made the order striking out the said case out from the Case List, therefore, the said items have not been recorded by the Company. Since the value of asset claimed by the PMO is only the business estimation comprising income, expense, profit, tax and investment asset, which terms regarding the asset only stated that the Company is required to procure the asset for the undertaking of UHF Television Broadcasting Station to cover the population at the rate of 96.72% of the population in the country without the condition of value of required asset and the Company has complied with such requirement, therefore, the Company has neither liability to procure asset nor indemnify to the PMO.

The Company is awaiting to hear the arbitral award ruling on the said contingent liabilities and the compensation of damages arisen from illegal termination of agreement. It shall be dependant on the judgment which cannot be predicted.

However, the Company has already recorded provision for unpaid concession fee amounting to Baht 2,210 million and interest from the date that the arbitral award was revoked by the Supreme Administrative Court amounting to Baht 98.09 million in these financial statements.

16.3 Concession commitment of the Company

On 7 March 2007, the Company received the letter of termination of the Concession Agreement from the PMO causing the Concession Agreement to be terminated. the Company is currently undertaking the litigation process against the PMO as follows;

1. A case in which the Company is the plaintiff regarding the PMO's termination of the Concession Agreement which was wrongfully performed, including the disputes of the payment of the penalty fee, the concession fee, interest, and value of undelivered asset.
2. A case in which the Company is the defendant whereby the PMO demanded that the Company make the payment of the penalty fee, the concession fee, interest, and value of undelivered asset, totaling Baht 100,000 million.

This shall be subject to the judgment of the Court which may vary from the estimated amount defined in the financial statement, affecting the amount of income, expenditure, assets and liabilities, and disclosure information regarding assets and unpredictable liabilities.

17 Subsequent events

The progress of dispute between the Company and the PMO

On 9 May 2007, the Company filed the statement of claim, Black Case number 46/2550, with the Arbitration Institute seeking an arbitral award granted by the arbitration panel to rule that the Concession Agreement terminated by the PMO was not in accordance with law and the terms of Agreement, The PMO's claim for the Company for payment of the concession fee (fraction), interest, penalty fee and value of undelivered assets was incorrect, and compensation shall be paid to the Company by the PMO.

On 22 June 2007, the Central Administrative Court passed an order striking out Black Case number 640/2550 in which the PMO demanded that the Company pay the concession fee, interest, penalty fee and value of undelivered assets from the Case List, so that the parties of the Concession Agreement shall enter into arbitration proceedings as specified in the Concession Agreement. On 24 July 2007, the PMO filed and appeal against the verdict of the Central Administrative Court (of the First Instance) with the Supreme Administrative Court regarding revocation of Black Case number 640/2007 by the Central Administrative Court. In addition, the PMO also issued a complaint to prescribe provisional remedial measures in order to stop arbitration proceedings and await for order of the Supreme Administrative Court.

On 24 July 2007, the PMO filed and appeal against the verdict of the Central Administrative Court (of the First Instance) with the Supreme Administrative Court regarding revocation of Black Case number 640/2007 by the Central Administrative Court. In addition, the PMO also issued a complaint to prescribe provisional remedial measures in order to stop arbitration proceedings and await for order of the Supreme Administrative Court.

ITV PUBLIC COMPANY LIMITED

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

31 MARCH 2007