

# MCOT Public Company Limited



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Ref: MCOT/ 6155/3631

November 14, 2011

The Stock Exchange of Thailand

Attn: President

Re: The Management's Discussion and Analysis on the Company's Operating Results based on Q3-2011 Financial Statements

Dear Sir,

On November 14, 2011, the Board of Directors' Meeting No. 17/2011 has resolved to approve the balance sheet and statement of income ended September 30, 2011 which was reviewed by the Office of the Auditor General of Thailand (OAG). The details of the Management's Discussion and Analysis (MD&A) on the Company's operating results based on Q3 - 2011 Financial Statements are as follows:

## The Overview of the Company's and its Subsidiary's Operating Results

Unit: Million Baht

(Reviewed)

	<b>Q3-11 (Jul-Sep)</b>	<b>Q3-10 (Jul-Sep)</b>	<b>% Changes</b>
<b>Total Revenues</b>	<b>1,772</b>	<b>1,302</b>	<b>36</b>
TV Revenue	855	844	1
Radio Revenue	225	237	-5
JV & Other Revenues	288	221	30
Additional income from the agreement of understanding	405	-	
<b>Expenses</b>	<b>843</b>	<b>825</b>	<b>2</b>
<b>Net Profit</b>	<b>646</b>	<b>319</b>	<b>102</b>
Minority	8	7	14
<b>Parent</b>	<b>638</b>	<b>313</b>	<b>104</b>
EPS (Baht)	0.94	0.46	104

Unit: Million Baht

(Reviewed)

	<b>9M-11 (Jan-Sep)</b>	<b>9M-10 (Jan-Sep)</b>	<b>% Changes</b>
<b>Total Revenues</b>	<b>4,569</b>	<b>3,751</b>	<b>22</b>
TV Revenue	2,731	2,414	13
Radio Revenue	645	655	-2
JV & Other Revenues	788	682	15
Additional income from the agreement of understanding	405	-	
<b>Expenses</b>	<b>2,395</b>	<b>2,246</b>	<b>7</b>
<b>Net Profit</b>	<b>1,518</b>	<b>1,062</b>	<b>43</b>
Minority	17	16	6
<b>Parent</b>	<b>1,501</b>	<b>1,046</b>	<b>43</b>
EPS (Baht)	2.21	1.55	43

According to the Company's operating results for the third quarter of the year 2011, its total revenues increased 36% in Q3-2010, or 22% for the first nine months of the year. Such increase was partly influenced by recording transaction of Additional income from the agreement of understanding worth 405 million baht. Television and radio businesses grew at about the same pace as that of the Industry as detailed below.

**Television** The television revenue increased 1% during Q3-2011 and 13% during the first nine months of the year 2011 as Q3 is regarded as a low season for the Advertising Industry in the normal situation. While in 2010, the growth of the Advertising Industry in the second half of the year was higher than that of the first half of the year. However, Modernine TV was able to regain its audience share and market share in the third place. Despite the deceleration in advertising budget spending during the transition of the new government in order to adjust their marketing plans to be in line with the new government's administration policies, advertising revenue continuously rose. Such continuous growth was due to the well-received sales of special event marketing bundled programs such as "9 Ent Surprise Trip", "Kao Khon Khon Kao" (news talk show) as well as an increase of revenue from the government agencies spending their remaining budgets before the end of the fiscal year. Besides, satellite television and subscription television have emerged as new alternatives for advertisers. In addition, the revenue from organizing special marketing events and new media business including managing Bangkok City Channel and making a yearly contract for the distribution of satellite television channels via C-Band, MCOT 1 and ASEAN TV also increased compared to last year.

**Radio** The radio revenue decreased 1% in Q3-2011 and 2% during the first nine months of the year compared to the same period last year. The revenue of the overall radio industry declined 3% in Q3-2011 but rose 2% during the first nine months of the year compared to the same period of 2010. The rise was attributable to the Company's central radio stations' ability to retain their market share and customer base despite emergence of new media as competitors. However, the Company's FM 95. Luk Thung Mana Nakorn and FM 97.5 (Seed FM) were able to maintain its high popularity and number one ranking. Besides, FM 96.5, Thinking Radio, gained increasing popularity particularly during the General Election.

**Total expenses** Total expenses rose 2% in Q3-2011 compared to Q3-2010 or 7% in the first nine months of the year due to higher operating expenses of television and radio businesses which rose 22% resulted from increasing live program production including those related to the General Election and promotion activities. However, other expenses declined, especially administration expenses which decreased 27 % as a result of the absence of Early Retirement Scheme this year. Besides, additional expense was a 5% salary rise of employees whose salary is lower than 50,000 baht in compliance with the resolution of the Cabinet's Meeting.

**Net Profit** The Company's net profit of 646 million baht in Q3-2011 or a 102% increase compared to the same period last year includes the net profit of 638 million baht of the shareholders of the parent company or 0.94 baht per share. The Company's net profit of 1,518 million baht during the first nine months of the year 2010 or a 43% increase from the same period last year includes the net profit of 1,501 million baht of the shareholders of the parent company or 2.21 baht per share.

With the Company's total assets of 10,990.176 million baht, total liabilities of 2,602.662 million baht and total shareholder's equity of 8,387.513 million baht as of September 30, 2011, MCOT Plc.'s financial position remains strong.

Sincerely yours,



(Ms.Tassanawadee Thongprasert)  
Acting Vice President and Company Secretary  
Office of Corporate Secretary  
MCOT Public Company Limited  
Authorized to sign on behalf of the Company

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