

# MCOT Public Company Limited

63/1 Rama IX Road, Huaykwang

Bangkok 10310 Thailand

Phone +66 (0) 2201 6000

Fax +66 (0) 2245 1435

E-mail Contact@mcot.net

[www.mcot.net](http://www.mcot.net)

Ref: MCOT/ 6153/2673  
August 13, 2013

The Stock Exchange of Thailand  
Attn: The President

Re: The Management's Discussion and Analysis on the Company's Operating Results based on the Financial Statements for Q2-2013 (Edit)

Dear Sir,

On August 13, 2013, the Board of Directors' Meeting No. 10/2013 has resolved to approve the balance sheets and statements of income for the period ended June 30, 2012, which was reviewed by the Office of the Auditor General of Thailand (OAG) and the Audit Committee. The details of Management's Discussion and Analysis (MD&A) on the Company's operating results based on the Financial Statements for Q2-2013 (April 1,- June 30, 2013) are as follows:

## Management's Discussion and Analysis on the Company's Operating Results Based on Financial Statements for the 3-month and 6-month Periods Ended July 30, 2013 and July 30, 2012 and Operating Results of the Company and Its Subsidiaries

	Unit: Million Baht (Reviewed)		
	April – June 2013	April – June 2012	% Changes
<b>Total Revenues</b>	<b>1,529</b>	<b>1,504</b>	<b>2</b>
TV Revenue	946	976	-3
Radio Revenue	246	234	5
JV	263	228	15
Additional income from the agreement of understanding	12	12	-
Other Revenues	62	54	15
<b>Expenses</b>	<b>967</b>	<b>895</b>	<b>8</b>
<b>Net Profit</b>	<b>446</b>	<b>446</b>	<b>-</b>
EPS (Baht)	0.65	0.65	-
<b>Parent</b>	<b>445</b>	<b>443</b>	<b>0.4</b>
Minority	1.4	2.8	-50

	Unit: Million Baht (Reviewed)		
	January – June 2013	January – June 2012	% Changes
<b>Total Revenues</b>	<b>2,917</b>	<b>2,816</b>	<b>4</b>
TV Revenue	1,803	1,795	0.4
Radio Revenue	443	431	3
JV	480	466	3
Additional income from the agreement of understanding	23	23	-
Other Revenues	168	101	66
<b>Expenses</b>	<b>1,885</b>	<b>1,750</b>	<b>8</b>
<b>Net Profit</b>	<b>821</b>	<b>802</b>	<b>2</b>
EPS (Baht)	1.19	1.16	3
<b>Parent</b>	<b>819</b>	<b>798</b>	<b>3</b>
Minority	1.7	4.0	-58

The Company's total revenue for Q2-2013, compared to the same period of 2012, increased 2%, comprising a 5% increase in radio, a 15% increase in joint venture operations, and a 15% increase in other revenues, while revenue from television decreased 3%, as detailed below.

**Television** Television advertising budget in the first half of 2013 rose only 3 % due to a decline in TV advertising spending of leading international product manufacturers. Nevertheless, television remained the major advertising spending medium. Most advertisers would be interested in spending advertising budget on the largest and the second largest broadcasters. Revenue of Modernine TV (ranked no. 3) for Q2-2013 increased 10%, compared to Q1-2013. In contrast, TV revenue decreased 3%, compared to the same period of 2012, due to lower advertising spending and increasingly intense competition during super prime time requiring broadcasters to produce their own content and talented artists to acquire higher ratings and advertising revenue. In addition, the fall was derived from new news programmes in the morning and late-night time, which resulted from the Company's policy to produce its own programmes replacing previous co-production programmes. These new programmes were, however, building their audiences and continuously acquiring better ratings. These will be attributed revenue in long term of MCOT. The customers from government sectors have been growing such as Office of the Permanent Bureau, Bangkok Culture sports and Tourism Department, Ministry of Public Health, Social Security Office, National Village and Urban Community Fund Office .

With regard to new media business, a slight increase was attributable to 17 additional satellite TV channels and KU-band satellite transponder rental.

**Radio** The Company's radio revenue increased 5%, compared to the same period of last year. However, radio advertising spending increased only 1% due to high competition in radio business, limitation in radio advertising budget spending and new competitors from other media types. However, MCOT remained the no.1 station in radio market. The high revenue generating stations in Q2-2013 included FM 95 MHz (Luk Thung Mana Nakorn), FM 96.5 MHz (Food for Brain Radio) and FM 100.5 MHz (News Station). Besides, FM 100.5 MHz (News Station), FM 107 MHz (MET 107) and other provincial stations were able to generate more revenue from advertising.

**Total expenses** Total expenses rose 5% and 8%, compared to Q1-2013 and the same period of last year respectively. The rise was mainly derived from a 50% increase in television operating costs caused by the Company's policy to produce more own programmes, compared to the same period of last year. Despite the policy on own programme production and many special events organized in provincial areas, the cost was efficiently controlled and did not exceed the target cost, 45% of the total expenses. Although MCOT organized many special events to promote programmes in provincial areas, the Company was able to effectively control the expenses.

**Net Profit** The Company's net profit of Baht 446 million in Q2-2013, a slight change compared to the same period of last year, includes a net profit of Baht 444.6 million of the shareholders of the parent company or Baht 065 per share.

MCOT had total assets of Baht 10,864 million, total liabilities of Baht 2,949 million and total shareholder's equity of Baht 7,914 million and available cash on hand of Baht 4,616 million. This represents the Company's financial strength.

Sincerely yours,



(Miss Tassanawadee Thongprasert)  
Senior Vice President , Corporate Secretary Office  
MCOT Public Company Limited  
Authorized to sign on behalf of the company

Corporate Secretary Department  
Tel. 0 2201 6491, 02 201 6388  
Fax 0 2245 1854