

MCOT Public Company Limited

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Ref: MCOT/ 6117/2796

August 13, 2014

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 3-month and 6-month periods ended June 30, 2014

Dear Sir,

On August 13, 2014, the Board of Directors' Meeting No. 18/2014 resolved to approve the financial statements for 3-month and 6-month periods ended June 30, 2014, which were reviewed by the Office of the Auditor General of Thailand and the Audit Committee.

Please find below details of Management's Discussion and Analysis (MD&A) on the Company's operating results based on the Financial Statements for the 3-month and 6-month periods, ended June 30, 2014 and 2013, and operating results of the Company and its subsidiaries.

Unit: Million Baht (Reviewed)

| | April – June 2014 | April – June 2013 | % Changes |
|--|----------------------|----------------------|------------|
| Total Revenues | 1,172 | 1,529 | -23 |
| TV Revenue | 725 | 946 | -23 |
| Radio Revenue | 218 | 246 | -11 |
| JV | 171 | 263 | -35 |
| Additional income from the agreement of understanding | 12 | 12 | - |
| Other Revenues | 46 | 62 | -27 |
| Expenses | 967 | 967 | - |
| Net Profit | 156 | 446 | -65 |
| EPS (Baht) | 0.24 | 0.65 | -63 |
| Parent | 163 | 445 | -63 |
| Minority | -7 | 1.4 | -597 |

Unit: Million Baht (Reviewed)

| | January – June 2014 | January – June 2013 | % Changes |
|--|------------------------|------------------------|------------|
| Total Revenues | 2,253 | 2,917 | -23 |
| TV Revenue | 1,382 | 1,803 | -23 |
| Radio Revenue | 405 | 443 | -9 |
| JV | 346 | 480 | -28 |
| Additional income from the agreement of understanding | 23 | 23 | - |
| Other Revenues | 97 | 168 | -42 |
| Expenses | 1,811 | 1,885 | -4 |
| Net Profit | 345 | 821 | -58 |
| EPS (Baht) | 0.52 | 1.19 | -56 |
| Parent | 360 | 819 | -56 |
| Minority | -16 | 1.7 | -1,038 |

The Company's total revenue in Q2-2014 increased 8%, compared to Q1-2014. On the contrary, it decreased 23%, compared to the same period of last year, due to a 35% decrease in joint-venture business, a 23% decrease in television business and an 11% decrease in radio business, the details of which are described below.

Television TV advertising budget spent in the first half of 2014 decreased 7%, compared to last year, due to political situation. This resulted in deceleration of spending of government and private sectors and agencies, who decided to purchase air time with the No. 1 and 2 in the market. MCOT, as the No. 3, was inevitably affected by this decision. As a result, the Company's revenue generated from selling advertising air time and special projects in collaboration with the government agencies dropped 28% and 19% respectively, compared to the first half of last year.

In Q2-2014, the Company was unable to generate revenue from digital terrestrial TV channel services because of inadequate broadcast coverage which was available only in 4 large provinces and unspecified timeline for coupon subsidy distribution which restricted viewers from receiving the services. On April 25, 2014, the National Broadcasting and Telecommunication Commission (the NBTC) issued two licenses for MCOT to operate 2 digital terrestrial TV channels and specified that MCOT officially commence the service on May 25, 2014.

Until the end of this year, MCOT planned to carry out a simulcast of Modernine programming on MCOT Variety HD (channel 30), while closely monitor feedback from the audience. Regarding MCOT Family (channel 14), it was expected to begin its second phase of broadcast and effectively implement its marketing plan in Q4-2014.

New media business revenue in the first half of 2014 dropped 14%, compared to the same period of last year, due to termination of the Agreement between MCOT and satellite channel operators on C-Band Satellite and a 1-month discontinuation of broadcast of programmes on MCOT 1 and MCOT world. As of June 30, 2014, MCOT operated 11 channels on C-band Satellite (self-operated channels included MCOT 1 and MCOT World) and Ku-band transponder rental service.

Radio was the most effective business of the Company. Despite a 16% drop in an overall market, MCOT radio was able to generate 20% of additional revenue, compared to Q1- 2014. However, radio revenue dropped 11% , compared to the same period of last year. As a result from World Cup 2014 Tournament, FM 99 MHz, a sports radio station, experienced a growth, compared to last year. The highest revenue generating stations in Q 2-2014 were FM 95 MHz, FM 100.5 MHz and FM 96.5 MHz. Likewise, MCOT regional stations were able to generate higher revenue.

Total expenses The Company's total expenses rose 10%, compared to Q 1-2014, a slight change from the same period of last year. TV and radio operating expenses, which accounted for 66% of the total expenses, rose 8% compared to the same period of last year, due to recording of expense of approximate 48 million baht for the first payment for the license fee to operate two digital terrestrial channels to the NBTC. Also, joint-venture operating expenses rose 47%, compared to the same period of last year, due to recording of depreciation of assets ownership transferred from Thai Television Channel 3 to MCOT in compliance with the Agreement on Joint Operation Agreement between MCOT and BEC. After broadcast of 2 digital terrestrial channels, MCOT would control the expenses.

Net Profit The Company's net profit of Baht 155.6 million in Q2-2014, a 65 % decrease compared to the same period of the last year, includes a net profit of Baht 162.8 million of the shareholders of the parent company or 0.24 Baht per share.

The total assets of Baht 13,344 million, total liabilities of Baht 5,812 million and total shareholder's equity of Baht 7,532 million represented the Company's financial strength.

Sincerely yours,



(Mrs. Suphawan Thumvachiraporn)
Senior Vice President , Office of Accounting and Finance
MCOT Public Company Limited
Authorized to sign on behalf of the company

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