

Explanation and Analysis on the Company's Operating Results based on the Financial Statements for the three-month and six-month periods ended June 30, 2007.

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

Unit : Million Baht
(Reviewed)

	Jan-Mar 07	Apr-Jun 07	%Change
Total Revenues	841	927	10
TV Revenues	453	517	14
Radio Revenues	172	206	20
Joint operation and others	216	204	-5.5
Total Expenses	525	593	13
Net Profit	231	242	5
EPS	0.34	0.35	3

Unit : Million Baht
(Reviewed)

	Apr – Jun 07	Apr-Jun 06	%Change
Total Revenues	927	1,135	-18
TV Revenues	517	732	-29
Radio Revenues	206	208	-1
Joint operation and others	204	195	4.6
Total Expenses	593	608	-2
Net Profit	242	395	-39
EPS	0.35	0.57	-39

Unit : Million Baht
(Reviewed)

	Jan – Jun 07	Jan -Jun 06	%Change
Total Revenues	1,769	2,081	-15
TV Revenues	972	1,312	-26
Radio Revenues	376	385	-2
Joint operation and others	421	384	10
Total Expenses	1,118	1,132	-1
Net Profit	473	710	-33
EPS	0.69	1.03	-33

Note: The Company's operating results presented in its financial statements were different from those presented in the consolidated financial statements due to a change in accounting method in recording investments in subsidiaries and joint ventures in the Company's financial statements.

According to the Company's operating results for the second quarter of 2007 (April – June 2007), its total revenues decreased 18%, compared with those of the same period last year, but increased 10%, compared with those of the first quarter of 2007, the details of which are as follows:

Television Television revenues decreased 29 %, compared with those of the same period of 2006, due to the fact that the total advertising spending on television in the second quarter of 2007 fell 9% from last year, resulting in a decrease in Modernine TV's market share. In addition, there was no major change in its TV programming, except for the non-prime time programming, consequently, clients' response was not as good as that of last year. The Company has revamped its programming in July 2007, with a focus on news and late-night programmes at 11 pm. Besides, during the second quarter of 2006, the Company earned revenues from many government-and-private-sector sponsored projects, as well as from such seasonal programmes as the World Cup, the singing contest "The Star", and the General Election, while only a few projects were launched in early 2007. The Company started earning more revenues from a few government-sector sponsored projects since May 2007 and there was no seasonal programme during that period. Nevertheless, a 14% rise of television revenues in the second quarter as a result of an increase in advertising revenue and that of special projects, compared with those of the first quarter of 2007, is considered an improvement.

Radio Radio revenues decreased 1%, compared with those of the same period of 2006, resulted from a decline in revenues from government-and-private-sector sponsored projects. However, due to the Company's strength in marketing and sales, radio revenues increased 20%, compared with those of the first quarter of 2007, even though the total advertising spending on radio in the first half of 2007 fell 5%.

Expenses The expenses decreased 2%, compare with the same period last year, due to a decline in the costs of TV production, particularly those of special projects, as well as improved efficiency in controlling sales and administrative expenses.

Net profit The Company's net profit in the second quarter of 2007 was Baht 242 million, down 39% or Baht 0.34 per share. The net profit in the first six months of 2007 was Baht 473 million, down 33% or Baht 0.69 per share.

With total assets of Baht 8,115 million, total liabilities of Baht 1,396 million and total shareholder's equity of Baht 6,718 million, MCOT Plc.'s financial position remains strong.