

MCOT Public Company Limited



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Ref: MCOT/ 6155/

February 28, 2011

The Stock Exchange of Thailand
Attn: President

Re: The Management's Discussion and Analysis on the Company's Operating Results based on 2010 Financial Statements

On February 28, 2010, the Board of Directors' Meeting No.2/2011 has resolved to approve the Company's balance sheet and statement of income for the year ended December 31, 2010, the details of which are as follows:

The Company's Operating Results for the year ended December 31, 2010 compared to 2009.

The Overview of the Company's and its Subsidiaries' Operating Results

	Unit: Million Baht (Audited)		
	2010	2009	% Change
Total Revenues	5,639	4,865	16
TV Revenue	3,787	3,018	25
Radio Revenue	925	833	11
JV & Other Revenues	927	1,014	-9
Expenses	3,571	2,987	20
Net Profit	1,446	1,393	4
Minority	23	4	475
Parent	1,423	1,389	2
EPS (Baht)	2.07	2.02	2

The Company's total revenues in 2010 were up 16% compared to 2009 as a result of a continuous growth of the Company's TV and Radio businesses. The details of the Company's 2010 operating results are as follows:

TV Revenue: A 25% increase in TV revenue compared to that of the year 2009 was a result of marketing strategy improvement by seeking other sources of revenue such as more special activities in TV programs. At the same time, more revenue was also contributed by programming revamp that raised the proportion of edutainment programs with different format from those of other stations. The revamp was very well received by the audience; therefore, ModernineTV was able to retain its audience share in the third place. Moreover, the rise in advertising revenue since January 2010 and the reduction of discounts resulted in a 21% increase in the station's market share compared to last year. Such rise was higher than the growth of the advertising spending in TV media of the year 2010 which rose 15% due to more advertising spending of many products. The growth was also contributed by the improvement in pricing strategies and sales packages that continuously responded to customer and market needs. By organizing events and projects and expanding new customer base, the average utilization rate of both prime time and non-prime time went up. In addition, more activities of TV programs and the station itself, revenues from special activities and projects of both public and private sectors such as

Nine Entertain Awards, World Cup 2010, Thailand Fashion Expo, and Commerce Creativity Channel, Bangkok-Getting Ahead Project, international concerts, as well as new media business had all generated higher revenues for the station.

Radio Revenues: A 11% increase in radio revenue compared to 2009 was owing to the Company's central radio stations' ability to maintain their market share and retain their existing customer base coupled with improvement in their management and cluster-based sale pattern that enabled more flexibility. In the year 2009, the Company gained more revenue from advertising and special events and projects, which resulted in a rise in radio revenue, while, the overall radio industry declined 1% compared to the same period of 2009. However, two radio stations, FM 95 MHz, Look Thung Maha Nakorn and FM 97.5 MHz, Seed FM, managed to retain their popularity and continued to rank number one in their market segments:

On the expense side, total expenses went up 20% from 2009 as a result of higher expenses in sales and management following the higher revenue, partly resulted from the enhancement of sales efficiency by improving sales strategies to attract advertising agencies and an increase in sales promotion activities and special event promotion on TV and radio. Such rise in expenses was also caused by an increase in sales commission, the newly-initiated early retirement scheme which was a one-time payment, annual salary raise and retirement remuneration. Operating expenses of TV and radio businesses, or 60% of the Company's overall expenses, rose 18% due to expenses from special events and rental fees for broadcasting services.

The Company's net profit in 2010 was Baht 1,446 million, or Baht 2.07 per share, increasing 4% compared to 2009, comprising the net profit of the parent company's shareholders of Baht 1,423 million and that of its minorities of Baht 23 million.

With the total assets of Baht 10,389 million, total shareholder's equity of Baht 7,664 million and total liabilities of Baht 2,726 million, MCOT Plc.'s financial position remains strong.

Sincerely yours,

(Mr.Kriengsak Kangwanwong)
Acting Vice President
Office of Corporate Secretary
MCOT Public Company Limited
Authorized to sign on behalf of the Company

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