

MCOT Public Company Limited



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Ref: MCOT/ 6153/671(3)

February 25, 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 the year ended December 31, 2013

Dear Sir,

On February 25, 2014, The Board of Directors' Meeting No. 4/2014 has resolved to approve the Company's 2013 financial statements ended December 31, 2013, which were audited by the Office of the Auditor General of Thailand and the Audit Committee of MCOT Plc.

Details of Management's Discussion and Analysis (MD&A) on operating results of the Company based on the financial statements for the year 2013, ended December 31, 2013 are as follows:

The Company's net profit of Baht 1,528 million in 2013, or a 13% decrease from last year, includes a net profit of Baht 1,527 million of the Parent Company's and a net profit of Baht 10 million of minority shareholders.

Operating Results and Its Subsidiaries

	Unit: Million Baht (Audited)		
	2013	2012	% Change
Total Revenue	5,984	5,939	1
TV Revenue	3,484	3,519	-1
New Media	338	341	-1
Radio Revenue	957	942	2
JV	889	880	1
Additional income from the agreement of understanding	47	47	-
Other Revenues	269	210	28
Expenses	4,061	3,620	12
Net Profit	1,528	1,769	-14
Minority	1	10	-91
Parent	1,527	1,759	-13
EPS (Baht)	2.22	2.56	-13

Total revenue The Company's total revenue grew only 1% compared to last year due to a 1% decrease in television business, a 2% growth of radio business, and a 28% rise in other revenues, the details of which are as follows:

Television revenue slightly grew by 1% compared to last year, while TV revenue in Q4-2013 dropped by 10% and decreased by 4% compared to the same period last year due to a 17% decline in advertising revenue partly resulted from Modernine TV's programming revamp in early 2013, which audiences and advertising agencies' respond was less than expected. In response to

such situation, the Company revamped Modernine TV's programming again in the second half of the year. Some new programmes especially those aired after the evening news programme such as "Killer Karaoke" and "Karabao the Series" were able to gain popularity. Besides, the Company increased the percentage of own programmes from 47% in 2012 to 55% in 2013 causing a slight drop in revenue from time-sharing programmes, while the revenue from news programmes increased by 16% most of which was from sports news programmes generated from the rights to broadcast the English Premiere League. In addition, TV revenue from public relations projects to promote corporate image of government and private agencies, for example; a project on knowledge dissemination on TV organized by the National Village and Community Fund Office and a project on the 30 baht-healthcare policy organized by Ministry of Public Health rose to 75% compared to last year.

Due to the effects of economic downturn and political unrest at the end of 2013, advertising spending in the television industry increased only 2% compared to last year resulting in the Company's slowdown in revenue growth in Q4-2013. Nevertheless, Modernine TV was able to maintain its third position in terms of market share.

Moreover, in 2013, MCOT also generated additional revenue from other businesses through the delivery of SMS on mobile phones and arrangement of marketing and special events, for example; 9 Entertain Surprising Trip and Miss Thailand Pageant.

The Company's new media business enabled revenue generation from rental and advertising on satellite channels broadcast via MCOT network, including 11 C-Band satellite channels, 3 Standard-Definition channels on True Visions (the two channels operated by MCOT are MCOT 1 and MCOT World), and 13 KU-Band satellite channels in association with GMM Grammy.

Radio The Company's radio revenue rose 2% compared to last year and 10% in Q4-2013. The rise was attributable to a 5% growth of its central radio stations. Of the central radio stations, FM 107 MHz (MET 107) was the highest revenue generator, while FM 100.5 MHz grew more than 20%. Similarly, 53 regional radio stations experienced a continuous growth of advertising revenue with a 4% increase in revenue compared to last year. Despite the slowdown in advertising growth, MCOT radio stations were able to make profit from organizing special events in collaboration with their sponsors. In addition, both central and regional stations were able to maintain stable growth, market share and audience base in spite of increasingly intense competition arising from new media operators. FM 95 MHz (Luk Thung Mana Nakorn), FM 97.5 MHz (SEED), FM 99 MHz (Active Radio) and FM 107 MHz (MET 107) were able to gain popularity among the audiences and remained the number one station in their segment.

Total expenses The Company's total expenses rose 12% from last year. The rise was derived from a 13% increase in TV, radio and new media operating costs from last year, or 64% of the total expenses. A 21% increase in TV operating costs was mainly from programme production and special event organization, for example; Roy Mue Srang Meaung programme (sponsored by the National Village and Urban Community Fund Office) aired on Modernine TV in July 2013, and Thailand Broadcasting Exhibition 2013 (THAIBEX 2013). On the contrary, radio and new media operating costs dropped from last year. Besides, the recording of a Baht 55.77 million contingent expense (one-time) for damages ordered by the Administrative Court to compensate Rai Som Company Limited in September 2013, in accordance with Thai Accounting Standard, partly resulted in an increase in the Company's administrative costs.

Net Profit The Company's net profit of Baht 1,528 million in 2013, a 14% decrease compared to last year, includes a net profit of Baht 1,527 million of the shareholders of the parent company or 2.22 Baht per share.

Assets, Liabilities and Shareholder's Equity

			Unit: Million Baht (Audited)
	2013	2012	% Change
Assets	11,168	11,248	-1
Liabilities	3,208	3,209	-
Shareholder's Equity	7,959	8,039	-1

In 2013, The total assets of Baht 11,168 million, total liabilities of Baht 3,208 million and total shareholder's equity of Baht 8,039 million represented the Company's financial strength.

Sincerely yours,



(Mr.Jessada Promjart)
Executive Vice President and Chief Financial Officer
MCOT Public Company Limited
Authorized to sign on behalf of the Company

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