



ทะเบียนเลขที่ 0107538000673

บริษัท บีอีซี เวิลด์ จำกัด (มหาชน)

BEC WORLD PUBLIC COMPANY LIMITED

August 7, 2014

To: President,
Stock Exchange of Thailand.

Re: Submission of Financial Statements for the 2nd Quarter of this Year,

Enclosures: Financial Statements for the 2nd Quarter of this Year
and the relevant management discussion and analysis.

We are sending you herewith the enclosed financial statements of the company and the consolidated statement of the group for the 2nd quarter of this year ended June 30, 2014, which were reviewed by the Auditor and our Audit Committee has already reviewed them.

In the 2nd quarter of this year, 2014, BEC World group was able to make Baht1,178.5 million as its net profit for its shareholders for the quarter, i.e. Baht 29.9 million more than that of the prior quarter which is 2.6% higher as the group had higher “advertising income”, but having lower margin from “concert and shows” and having higher “costs and expenses” from business expansion into digital terrestrial TV. When compares this quarter with the same quarter of the prior year, net profit for our shareholders is Baht 243.1 million lower, i.e. 17.1% less; as we had only marginal higher “advertising income” not enough to cover the higher “costs and expenses” and we also having lower margin from “concert and shows” as resultant of difficult situations caused by domestic politic problems in the country at that time, pulled the profit of the group down a lot as discussed further in the attached management discussion and analysis.

Please be informed accordingly.

Sincerely Yours,

(Chatchai Thiamtong)

Vice President – Finance

C.C.: Ms. Ratana Maleenont – BEC World



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บริษัท บีอีซี เวิลด์ จำกัด (มหาชน)

BEC WORLD PUBLIC COMPANY LIMITED

BEC World Plc.

Consolidated Financial Statements for the 2nd Quarter of the year 2014

Management Discussion and Analysis:

Business Environment:

Nielsen Media Research (NMR) reported that the TV-Adex - advertising expenditure through television - during the second quarter of 2014 is higher than that of the previous quarter by 6.8%; partly is a resultant of the recovery of demands which creates growth momentum continuing for many months since February and partly because the second quarter is normally the high-season whereas the first quarter of the year is normally the low-season. However, when compares with the same quarter of the prior year, it's still 7.0% lower; which is an improvement from that experienced in the prior quarter. This reported TV-Adex growth is better than that attained by the whole advertising industry, once again for another quarter; even NMR has not included spending through digital terrestrial TV, satellite TV and cable TV in this TV-Adex yet. TV's share in total advertising expenditure is the recorded high ever at 65.6% for the 2nd quarter of this year and at 64.0% for the 1st half of this year; indicates clearly the efficiency, effectiveness as well as the popularity of TV within the industry.

Structure Changes:

During the second quarter of 2014, the structure of BEC World group was slightly changed as we liquidate BEC-TERO Sports & Entertainment Co., Ltd. and sold all our shares in BEC-TERO App Co., Ltd. to our joint-venture partner during this 2nd quarter.

Operating Results:

Due to the accounting policy for investments, the reported profit as shown in the separate statements is difference from that shown in the consolidated statements. This MD&A will discuss those numbers shown in the consolidated statements in order to avoid any confusion.

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BEC WORLD PUBLIC COMPANY LIMITED

Revenues:

Our “advertising income” in the second quarter of this year is at Baht3,813.9 million, higher quarter-on-quarter as we benefitted from growth momentum of the industry as the second quarter is normally a “high-season” whereas the first quarter of the year is normally the low-season. The increase quarter-on-quarter is 8.7% higher, i.e. Baht305.8 million more. It is also higher year-on-year by 1.4%, i.e. Baht51.9 million more despite the black-out during the quarter; obtained from the increases of selling price of certain slots, from extension of the length of certain slots which have higher selling price and from the additional channels on digital terrestrial TV which started at the end of April as well. The difficult situations caused by domestic politic problems in the country during this quarter had caused certain cancellations of our shows and pulled our revenue and margin of our “concerts and shows” down lower quarter-on-quarter and year-on-year which also the same for our “copyrights and services income”.

Costs and Operating Expenses:

Our “costs of services” and “operating expenses” increased quarter-on-quarter as well as year-on-year as we are subjected to annual adjustment rates and we continue introducing new programmes, extended the length of certain slots which have higher costs and started the additional channels on digital terrestrial TV system at the end of April this year. The increases are costs of additional contents, employees’ costs, carrying fees charged by network providers and amortization of the new licenses which were amortized on “straight-line basis” as usual. Anyhow, despite the costs inflation from introducing these new channels, BEC World group are doing our best to control our operating costs to ensure that they are not inflated much more than necessary while waiting for the revenue as it is usual for our business that we do need to create audience base before we are recognized by the advertisers.

Financial positions:

Our total assets increased when compared with balance at the end of the prior year as a resultant of our business expansion programme as we recognized license costs of our new channels on digital terrestrial TV system which started at the end of April which also caused the reduction of our “cash and short term investments” further to the payments of our prior year final dividend and corporate income tax. Our “accounts receivable” is also lower in line with the drop of our revenues. However, our “liabilities” increased as we recognized license costs of our new channels as mentioned. Our “shareholders’ equity” decreased because of the payment of the prior year final dividend as mentioned. However, BEC World’s financial positions are strong as usual.