



ทะเบียนเลขที่ 0107538000673

บริษัท บีอีซี เวิลด์ จำกัด (มหาชน)

BEC WORLD PUBLIC COMPANY LIMITED

February 26, 2014

To: President,
Stock Exchange of Thailand.

Re: Submission of Financial Statements for the Year 2013

Enclosures: Financial Statements for the Year ended December 31, 2013.

We are sending you herewith the enclosed financial statements of the company and the consolidated statement of the group for the year ended December 31, 2013, which were audited by the Auditor and our Audit Committee has already reviewed them.

For the year 2013, the group, BEC World, was able to made Baht5,589.5 million as its net profit for the shareholders of BEC World; this is the record-high once again, which is Baht 812.2 million more than that of the prior year, i.e. 17.0% higher. The profit growth was achieved as we were able to increase all type of our "revenues"; and even our "costs and operating expenses" were also increased but BEC world is still able to keep the increases of "costs and operating expenses" lower than the increases of our revenues, pushing our "operating profit" and our "profit before tax" up higher than those of the prior year; and we also benefited from the reduction of corporate income tax rate as well; thus the net profit for the shareholders of BEC World is increased at the high amount and rate, as discussed further in the attached management discussion and analysis.

Please be informed accordingly.

Sincerely Yours,

(Chatchai Thiamtong)

Vice President – Finance



ทะเบียนเลขที่ 0107538000673

บริษัท บีอีซี เวิลด์ จำกัด (มหาชน)

BEC WORLD PUBLIC COMPANY LIMITED

BEC World Plc.

Consolidated Financial Statements for the year 2013

Management Discussion and Analysis:

Business Environment:

During the year 2013, TV-Adex, advertising spending thru television as reported by “Nielsen Media Research” [Nielsen], increased year-on-year, every quarter, on the declining ratio throughout the year. Growth of the TV-Adex during the first half of 2013 is still higher than that of the industry but it is reversed in the second half as TV-Adex is facing high base in the 3rd quarter from covering of the “London Olympic Games” in the prior year; and Nielsen reported a big drop of advertising spending in December 2013 which dragged the TV-Adex down to minus year-on-year growth in the last quarter of the year whereas the industry is still squared year-on-year. However, for the whole year, in 2013, TV-Adex is still higher year-on-year by 1.7% which is higher than the 1.0% growth rate of the industry. Nielsen reported that “Internet” has a highest growth rate in 2013, but that is based on a very small base; and with such a highest growth rate the market-share of “Internet” is only at 0.8%, whereas TV-Adex’s share is 60.2%. Nielsen also reported that there is a mix falling among those advertisers who sell general consumer products as some advertisers increased their spending but some advertisers decreased, there were those who increased their spending at high rate and also there were those who decreased at high rate as well; however, it is obvious that most of advertisers in automotive, telecom and beverage industry increase their spending at high growth rate.

Structure Changes:

During the year, 2013, there is a change in the structure of BEC World group as “BEC-Tero Entertainment Plc.”[“BEC-Tero”], a 60% subsidiary of BEC World, had set up a new subsidiary company in the 4th quarter of 2013, i.e. “BEC-Tero True Visions Co., Ltd.” which “BEC-Tero” holds 50% of its Baht50,000,000 registered capital with another joint venture partner, a non-related company, holds another 50%; to act as promoter of sport events.

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.



ทะเบียนเลขที่ 0107538000673

บริษัท บีอีซี เวิลด์ จำกัด (มหาชน)

BEC WORLD PUBLIC COMPANY LIMITED

For the year 2013, the group, BEC World, was able to made Baht5,589.5 million as its net profit for the shareholders of BEC World; this is the record-high once again, which is Baht 812.2 million more than that of the prior year, i.e. 17.0% higher. The profit growth was achieved as we were able to increase all type of our “revenues”; and even our “costs and operating expenses” were also increased but BEC world is still able to keep the increases of “costs and operating expenses” lower than the increases of our revenues, pushing our “operating profit” and our “profit before tax” up higher than those of the prior year; and we also benefited from the reduction of corporate income tax rate as well; thus the net profit for the shareholders of BEC World is increased at the high amount and rate as mentioned.

Revenues:

For the year 2013, BEC World group is able to generate higher “advertising income”, 9.8% higher year-on-year, an increase of Baht1,331.6 million; benefitted from higher purchasing power from the improved economic conditions together with the much better market sentiments which have stimulated a lot more new products launched and more intensified competitions among product-owners/advertisers. The increase is resultant of our business expansions, programming changes, increases of our popularity which in turn enable us to increase our advertising airtime rate of certain slots and to extend the slots which carried higher rates further. Revenue of our “concerts and events businesses” is also higher year-on-year but the margin is lower as we had negative margin from our events during the 3rd quarter of 2013 from organizing the first “In-door Music Festival” which the market and audience are not fully comprehended. Our “copyrights and other services income” as well as our “sales of goods” are also higher year-on-year as resultants of the improved macro-economic conditions and the strong market position of our products and services.

Costs and Operating Expenses:

“Costs of services”, especially those not related to “concerts and shows”, increased year-on-year because of our business expansions, programming changes and extension of the slots which carried higher costs; which will also enhance our opportunity to generate higher revenue and profit in the longer term; but the increase is somewhat offset by the drop of costs from covering EURO 2012 Football matches and London Olympic Games in 2012. Our “selling expenses” also increased in line with the increased revenues and a lot more activities which helped enhance the awareness of our programming among our trading partners and the general audience which help improve our revenue. Our “administration expenses” also increased, but not at such a high rate reflecting the effectiveness of our costs control efforts. Anyhow, BEC World is still able to keep the increase of “costs and operating expenses” at the lower rate than the increase of our revenues according to the nature of fixed operating costs of our business.



ทะเบียนเลขที่ 0107538000673

บริษัท บีอีซี เวิลด์ จำกัด (มหาชน)

BEC WORLD PUBLIC COMPANY LIMITED

Financial positions:

Our “total assets”, both “current assets” and “non-current assets”, at the end of the year 2013 increased when compared with balances at the end of the prior year. The increases of “current assets” are mainly resultants of better results of our businesses, which pushed our “cash and short-term investments”, “trade accounts receivable” up. Our “non-current assets” especially the “property, plant and equipment”, “deferred right to use property”, “deposit guarantee on application for spectrum licensing”, “deferred pictures rental, picture products, plays and copyright charges” and “prepaid play productions” are increased as the resultants of our continuing investments and our preparation plan to start operating “digital terrestrial television” which is starting this year. Our “total liabilities” are also higher than that at the end of the prior year increased in line with the improved business, but the increase of our “liabilities” is still lower than the increase of our “current assets”. Our shareholders’ equity also increased from the level at the end of the prior year from the higher “profit” from the improved businesses as mentioned. BEC World’s financial positions are strong as usual.